



**SARAWAK PLANTATION BERHAD**

Registration No. 199701035877 (451377-P)

(Incorporated in Malaysia)

# INTERIM REPORT FOR 3RD QUARTER ENDED 30 SEPTEMBER 2020



**SARAWAK PLANTATION BERHAD**

Registration No. 199701035877 (451377-P)

(Incorporated in Malaysia - 451377- P)

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**INTERIM REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2020**

(The figures have not been audited)

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**Condensed Consolidated Statement of Financial Position**  
(The figures have not been audited)

	<b>Notes</b>	<b>As At End Of Current Financial period 30/9/2020 (Unaudited) RM'000</b>	<b>As At End Of Preceding Financial Year 31/12/2019 Audited RM'000</b>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment		277,695	287,603
Bearer plants		325,153	312,761
Right-of-use assets		98,166	99,203
Investment properties		5,767	4,123
<b>Total non-current assets</b>		<u>706,781</u>	<u>703,690</u>
<b>Current assets</b>			
Biological assets		40,726	26,358
Inventories		16,687	12,615
Trade and other receivables		10,428	15,660
Prepayments and other assets		6,050	5,733
Current tax recoverable		-	34
Other investments	B6	4,679	1,254
Cash and cash equivalents		81,250	68,652
<b>Total current assets</b>		<u>159,820</u>	<u>130,306</u>
<b>TOTAL ASSETS</b>		<u>866,601</u>	<u>833,996</u>

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**Condensed Consolidated Statement of Financial Position (continued)**

(The figures have not been audited)

		As At End Of Current Financial Period 30/9/2020 (Unaudited) RM'000	As At End Of Preceding Financial Year 31/12/2019 (Audited) RM'000
	Notes		
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	A5	340,969	340,969
Reserves		241,843	211,064
<b>Equity attributable to Owners of the Company</b>		<b>582,812</b>	<b>552,033</b>
<b>Non-controlling interests</b>		<b>(10,043)</b>	<b>(10,639)</b>
<b>Total equity</b>		<b>572,769</b>	<b>541,394</b>
<b>Non-current liabilities</b>			
Deferred tax liabilities		123,539	117,848
Loans and borrowings	B7	47,743	72,232
Lease liabilities		2,319	2,042
<b>Total non-current liabilities</b>		<b>173,601</b>	<b>192,122</b>
<b>Current liabilities</b>			
Trade and other payables		56,645	51,252
Loans and borrowings	B7	51,879	47,144
Current tax payable		11,707	2,084
<b>Total current liabilities</b>		<b>120,231</b>	<b>100,480</b>
<b>Total liabilities</b>		<b>293,832</b>	<b>292,602</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>866,601</b>	<b>833,996</b>
<b>Net assets per share attributable to Owners of the Company (RM)</b>		<b>2.09</b>	<b>1.98</b>

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the financial year ended 31 December 2019 and the accompanying explanatory notes attached to this report)

**SARAWAK PLANTATION BERHAD**

Registration No. 199701035877 (451377-P)

(Incorporated in Malaysia)

**Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income**

(The figures have not been audited)

	Notes	Individual Quarter (Q3)		Cumulative Quarter (9 Months)	
		Current Year Quarter 30/9/2020 (Unaudited) RM'000	Preceding Year Corresponding Quarter 30/9/2019 (Unaudited) RM'000	Current Year - Period To Date 30/9/2020 (Unaudited) RM'000	Preceding Year - Period to Date 30/9/2019 (Unaudited) RM'000
Revenue		137,223	93,549	333,526	238,604
Cost of sales		(104,326)	(75,796)	(256,648)	(197,341)
<b>Gross profit</b>		<b>32,897</b>	<b>17,753</b>	<b>76,878</b>	<b>41,263</b>
Other income		802	260	1,181	1,353
Distribution expenses		(7,409)	(5,605)	(18,258)	(14,393)
Administrative expenses		(3,543)	(3,657)	(13,029)	(12,012)
<b>Results from operating activities</b>		<b>22,747</b>	<b>8,751</b>	<b>46,772</b>	<b>16,211</b>
Finance income		372	476	1,419	1,773
Finance costs		(213)	(961)	(1,377)	(3,167)
<b>Net finance income/(costs)</b>		<b>159</b>	<b>(485)</b>	<b>42</b>	<b>(1,394)</b>
<b>Operating profit before tax</b>		<b>22,906</b>	<b>8,266</b>	<b>46,814</b>	<b>14,817</b>
<b>Change in fair value of biological assets</b>		<b>4,254</b>	<b>(716)</b>	<b>14,367</b>	<b>2,875</b>
<b>Profit before tax</b>	A16	<b>27,160</b>	<b>7,550</b>	<b>61,181</b>	<b>17,692</b>
Taxation	B5	(7,212)	(2,442)	(15,854)	(5,615)
<b>Profit after tax</b>		<b>19,948</b>	<b>5,108</b>	<b>45,327</b>	<b>12,077</b>
<b>Other comprehensive income, net of tax</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Profit and total comprehensive income for the period</b>		<b>19,948</b>	<b>5,108</b>	<b>45,327</b>	<b>12,077</b>

**SARAWAK PLANTATION BERHAD**

Registration No. 199701035877 (451377-P)

(Incorporated in Malaysia)

**Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income (continued)**

(The figures have not been audited)

	Notes	Individual Quarter (Q3)		Cumulative Quarter (9 Months)	
		Current Year Quarter 30/9/2020 (Unaudited) RM'000	Preceding Year Corresponding Quarter 30/9/2019 (Unaudited) RM'000	Current Year - Period To Date 30/9/2020 (Unaudited) RM'000	Preceding Year - Period To Date 30/9/2019 (Unaudited) RM'000
<b>Profit attributable to:</b>					
Owners of the Company		19,521	5,163	44,731	12,243
Non-controlling interests		427	(55)	596	(166)
<b>Profit for the period</b>		<b>19,948</b>	<b>5,108</b>	<b>45,327</b>	<b>12,077</b>
<b>Profit and total comprehensive income attributable to:</b>					
Owners of the Company		19,521	5,163	44,731	12,243
Non-controlling interests		427	(55)	596	(166)
<b>Profit and total comprehensive income for the period</b>		<b>19,948</b>	<b>5,108</b>	<b>45,327</b>	<b>12,077</b>
<b>Basic earnings per ordinary share attributable to Owners of the Company (sen):</b>					
<b>Basic</b>	B12	7.00	1.85	16.02	4.39
<b>Diluted</b>	B12	N/A	N/A	N/A	N/A

(The Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the audited financial statements for the financial year ended 31 December 2019 and the accompanying explanatory notes attached to this report)

**SARAWAK PLANTATION BERHAD**

Registration No. 199701035877 (451377-P)

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**Condensed Consolidated Statement of Changes in Equity**

(The figures have not been audited)

	Attributable to Owners of the Company						Non-controlling interests RM'000	Total equity RM'000
	Notes	Non-distributable		Distributable		Total RM'000		
		Share capital RM'000	Equity reserve RM'000	Treasury shares RM'000	Retained earnings RM'000			
<b>At 1 January 2020</b>		340,969	493	(2,105)	212,676	552,033	(10,639)	541,394
<b>Profit and total comprehensive income for the period</b>		-	-	-	45,157	45,157	170	45,327
<b>Acquisition of Non-controlling interests during the period</b>		-	-	-	(426)	(426)	426	-
<b>Less: First interim, single tier exempt dividend in respect of the financial year ending 2020</b>		-	-	-	(13,952)	(13,952)	-	(13,952)
<b>At 30 September 2020</b>		340,969	493	(2,105)	243,455	582,812	(10,043)	572,769

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements for the financial year ended 31 December 2019 and the accompanying explanatory notes attached to this report)

**SARAWAK PLANTATION BERHAD**

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**Condensed Consolidated Statement of Changes in Equity (continued)**

(The figures have not been audited)

	Attributable to Owners of the Company						Non-controlling interests RM'000	Total equity RM'000
	Notes	Non-distributable			Distributable			
		Share capital RM'000	Equity reserve RM'000	Treasury shares RM'000	Retained earnings RM'000	Total RM'000		
<b>At 1 January 2019</b>		340,969	493	(1,223)	205,710	545,949	(10,415)	535,534
<b>Profit and total comprehensive income for the period</b>		-	-	-	12,243	12,243	(166)	12,077
<b>Treasury shares acquired for the period</b>		-	-	(882)	-	(882)	-	(882)
<b>Less: First interim, single tier exempt dividend in respect of the financial year ending 2019</b>		-	-	-	(13,952)	(13,952)	-	(13,952)
<b>At 30 September 2019</b>		340,969	493	(2,105)	204,001	543,358	(10,581)	532,777

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements for the financial year ended 31 December 2019 and the accompanying explanatory notes attached to this report)





**Condensed Consolidated Statement of Cash Flows**  
(The figures have not been audited)

	Cumulative Quarter (9 Months)	
	Current Year - Period To Date 30/9/2020 (Unaudited) RM'000	Preceding Year - Period To Date 30/9/2019 (Unaudited) RM'000
<b>Cash flows from operating activities</b>		
<b>Profit before tax</b>	<b>61,181</b>	<b>17,692</b>
<i>Adjustments for:</i>		
Change in fair value of biological assets	(14,367)	(2,875)
Depreciation of property, plant and equipment	11,146	11,063
Depreciation of bearer plants	11,075	9,513
Depreciation of investment properties	175	125
Depreciation of right -of- use assets	907	-
Gain on disposal of property, plant and equipment	(115)	-
Property, plant and equipment written off	210	-
Inventories written off	19	-
Finance income	(1,419)	(1,773)
Finance costs	1,377	3,167
<b>Operating profit before changes in working capital</b>	<b>70,189</b>	<b>36,912</b>
Change in inventories	(4,072)	(4,745)
Change in trade and other receivables, deposits and prepayments	4,730	2,182
Change in trade and other payables	3,590	(3,634)
<b>Cash generated from operations</b>	<b>74,437</b>	<b>30,715</b>
Tax paid	(342)	(2,963)
Tax refunded	-	5,706
Interest/Profit paid	(3,399)	(4,358)
Hire purchase facility interest/profit paid	(357)	(422)
Interest received	1,439	2,267
<b>Net cash from operating activities</b>	<b>71,778</b>	<b>30,945</b>

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**Condensed Consolidated Statement of Cash Flows**

(The figures have not been audited)

	Cumulative Quarter (9 Months)	
	Current Year - Period to Date 30/9/2020 (Unaudited) RM'000	Preceding Year - Period to Date 30/9/2019 (Unaudited) RM'000
<b>Cash flows from investing activities</b>		
Acquisition of property, plant and equipment	(3,422)	(5,285)
Net movement of deposits with original maturities exceeding three months	(3,425)	3,624
Bearer plants (net of depreciation)	(17,485)	(17,868)
Proceed from sale of property, plant & equipment	270	-
<b>Net cash used in investing activities</b>	<b>(24,062)</b>	<b>(19,529)</b>
<b>Cash flows from financing activities</b>		
Treasury shares acquired	-	(882)
Net proceeds from term loans and revolving credits	50,373	36,485
Dividend paid to shareholders of the Company	(13,952)	(13,952)
Repayment of term loans and revolving credits	(67,500)	(63,000)
Repayment of hire purchase facilities	(4,039)	(3,282)
<b>Net cash used in financing activities</b>	<b>(35,118)</b>	<b>(44,631)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	12,598	(33,215)
<b>Cash and cash equivalents as at 1 January</b>	68,652	101,912
<b>Cash and cash equivalents as at 30 September</b>	81,250	68,697
<b>Represented by:</b>		
Deposits with original maturities not exceeding three months	77,179	63,480
Cash and bank balances	4,071	5,217
<b>Cash and cash equivalents</b>	<b>81,250</b>	<b>68,697</b>

(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements for the financial year ended 31 December 2019 and the accompanying notes attached to this report)



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**Part A – Explanatory Notes Pursuant to Malaysian Financial Reporting Standards (“MFRS”) 134**

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**A1. Basis of preparation**

**1. Statement of compliance**

The condensed consolidated interim financial statements of the Group are unaudited and have been prepared in accordance with the requirements of Malaysian Financial Reporting Standard (“MFRS”) 134, *Interim Financial Reporting*, the International Accounting Standards (“IAS”) 34 *Interim Financial Reporting* and Chapter 9, Part K of the Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”).

The condensed consolidated financial statements should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 December 2019.

**2. Significant accounting policies**

**2.1 Adoption of new/revised Standards, Amendments and Interpretations**

The Group’s financial statements for annual period beginning on 1 January 2020 is prepared in accordance with the Malaysian Financial Reporting Standards (“MFRSs”) issued by the MASB.

The Group adopted the following accounting standards, amendments and interpretations where applicable for the annual period beginning 1 January 2020:

**Standards / Amendments / Interpretations**

- Amendments to MFRS 3, *Business Combinations*  
– *Definition of a Business*
- Amendments to MFRS 101, *Presentation of Financial Statements* and MFRS 108, *Accounting Policies, Changes in Accounting Estimates and Errors*  
– *Definition of Material*
- Amendments to MFRS 9, *Financial Instruments*, MFRS 139, *Financial Instruments: Recognition and Measurement* and MFRS 7, *Financial Instruments: Disclosures* – *Interest Rate Benchmark Reform*

The Group adopted the following accounting standards, amendments and interpretations where applicable for the annual period beginning 1 June 2020:

- *Covid – 19 – Related Rent Concessions* (Amendment to MFRS 16 *Leases*)

The amendment exempts lessees from having to consider individual lease contracts to determine whether rent concessions occurring as a direct consequence of the Covid-19 pandemic are lease modifications and allows lessees to account for such rent concessions as if they were not lease modifications. It applies to Covid-19-related rent concessions that reduce lease payments due on or before 30 June 2021.

The initial application of the accounting standards, interpretations or amendments that are effective from annual period beginning 1 January 2020 and 1 June 2020 do not have any material financial impacts to the current period and prior period financial statements of the Group and the Company.



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**Part A – Explanatory Notes Pursuant to Malaysian Financial Reporting Standards (“MFRS”) 134**

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**A1. Basis of preparation (continued)**

**2. Significant accounting policies (continued)**

**2.2 Standards issued but not yet effective**

<b>Standards / Amendments / Interpretations</b>	<b>Effective date</b>
<ul style="list-style-type: none"><li>Amendments to MFRS 9, <i>Financial Instruments</i>, MFRS 139, <i>Financial Instruments: Recognition and Measurement</i>, MFRS 7, <i>Financial Instruments: Disclosures</i>, MFRS 4, <i>Insurance Contracts</i> and MFRS 16, <i>Leases – Interest Rate Benchmark Reform – Phase 2</i></li></ul>	1 January 2021
<ul style="list-style-type: none"><li>Amendments to MFRS 1, <i>First-time Adoption of Malaysian Financial Reporting Standards (Annual Improvements to MFRS Standards 2018–2020)</i></li></ul>	1 January 2022
<ul style="list-style-type: none"><li>Amendments to MFRS 3, <i>Business Combinations – Reference to the Conceptual Framework</i></li></ul>	1 January 2022
<ul style="list-style-type: none"><li>Amendments to MFRS 9, <i>Financial Instruments (Annual Improvements to MFRS Standards 2018–2020)</i></li></ul>	1 January 2022
<ul style="list-style-type: none"><li>Amendments to Illustrative Examples accompanying MFRS 16, <i>Leases (Annual Improvements to MFRS Standards 2018–2020)</i></li></ul>	1 January 2022
<ul style="list-style-type: none"><li>Amendments to MFRS 116, <i>Property, Plant and Equipment – Proceeds before Intended Use</i></li></ul>	1 January 2022
<ul style="list-style-type: none"><li>Amendments to MFRS 137, <i>Provisions, Contingent Liabilities and Contingent Assets – Onerous Contracts – Cost of Fulfilling a Contract</i></li></ul>	1 January 2022
<ul style="list-style-type: none"><li>Amendments to MFRS 141, <i>Agriculture (Annual Improvements to MFRS Standards 2018–2020)</i></li></ul>	1 January 2022
<ul style="list-style-type: none"><li>MFRS 17, <i>Insurance Contracts</i></li></ul>	1 January 2023
<ul style="list-style-type: none"><li>Amendments to MFRS 101, <i>Presentation of Financial Statements – Classification of Liabilities as Current or Non-current</i></li></ul>	1 January 2023
<ul style="list-style-type: none"><li>Amendments to MFRS 10, <i>Consolidated Financial Statements and MFRS 128, Investments in Associates and Joint Ventures – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i></li></ul>	Yet to be determined

The Group will adopt the above except for MFRS 17, where applicable when they become effective in the respective financial periods.



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**Part A – Explanatory Notes Pursuant to Malaysian Financial Reporting Standards (“MFRS”) 134**

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**A2. Seasonality or Cyclicity of Interim Operations**

The Group's performance is affected by the cropping pattern of fresh fruit bunches (“FFB”) which normally reaches its peak in the second half of the year, that will be reflected accordingly in the crude palm oil (“CPO”) and palm kernel (“PK”) production of the Group. The performance is also affected by the prices of CPO and PK which are determined by global supply and demand situation for edible oils and fats.

**A3. Unusual Items Affecting Assets, Liabilities, Equity, Net income or Cash Flows**

There were no items affecting assets, liabilities, equity, net income, or cash flows, which were unusual in nature, size or incidence during the current interim financial period.

**A4. Material Changes in Estimates**

There were no changes in the estimates of amounts reported in prior financial years and preceding interim periods, which have a material effect in the current interim financial period.

**A5. Issuances, Cancellations, Repurchases, Resale and Repayments of Debt and Equity Securities**

There were no issuances, cancellations, repurchases, resale and repayments of debt and equity in the current interim financial period.

**A6. Dividends Paid**

**Cumulative Quarter (9 Months)**

<b>Current Year - Period to Date 30/9/2020 RM'000</b>	<b>Preceding Year - Period to Date 30/9/2019 RM'000</b>
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First interim, single tier exempt dividend in respect of the financial year ended 31 December 2019

- 5 sen per ordinary share	-	13,952
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First interim, single tier exempt dividend in respect of the financial year ending 31 December 2020

- 5 sen per ordinary share	13,952	-
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<b>Total</b>	<b>13,952</b>	<b>13,952</b>
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**Part A – Explanatory Notes Pursuant to MFRS 134**

**A7. Disaggregation of revenue**

**Individual Quarter (Q3)**

	Oil palm operation		Management / Agronomic services		Total	
	Current Year Quarter 30/9/2020 RM'000	Preceding Year Corresponding Quarter 30/9/2019 RM'000	Current Year Quarter 30/9/2020 RM'000	Preceding Year Corresponding Quarter 30/9/2019 RM'000	Current Year Quarter 30/9/2020 RM'000	Preceding Year Corresponding Quarter 30/9/2019 RM'000
<b>Major products and service lines</b>						
Sales of oil palm products	136,975	93,335	-	-	136,975	93,335
Management/Agronomic services income	-	-	106	70	106	70
	136,975	93,335	106	70	137,081	93,405
<b>Other revenue</b>	-	-	142	144	142	144
<b>Total revenue</b>	136,975	93,335	248	214	137,223	93,549
<b>Major products and service lines</b>						
<b>Geographical markets</b>						
Malaysia	136,975	93,335	106	70	137,081	93,405
<b>Timing and recognition</b>						
At a point in time	136,975	93,335	87	51	137,062	93,386
Over time	-	-	19	19	19	19
	136,975	93,335	106	70	137,081	93,405



**Part A – Explanatory Notes Pursuant to MFRS 134**

**A7. Disaggregation of revenue**

**Cumulative Quarter (9 Months)**

	Oil palm operation		Management / Agronomic services		Current Year - Period To Date 30/9/2020 RM'000	Total Preceding Year - Period To Date 30/9/2019 RM'000
	Current Year - Period To Date 30/9/2020	Preceding Year - Period To Date 30/9/2019	Current Year - Period To Date 30/9/2020	Preceding Year - Period To Date 30/9/2019		
	RM'000	RM'000	RM'000	RM'000		
<b>Major products and service lines</b>						
Sales of oil palm products	332,821	237,977	-	-	332,821	237,977
Management/Agronomic services income	-	-	272	234	272	234
	332,821	237,977	272	234	333,093	238,211
<b>Other revenue</b>	-	-	433	393	433	393
<b>Total revenue</b>	332,821	237,977	705	627	333,526	238,604

**Major products and service lines**

**Geographical markets**

Malaysia	332,821	237,977	272	234	333,093	238,211
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**Timing and recognition**

At a point in time	332,821	237,977	215	177	333,036	238,154
Over time	-	-	57	57	57	57
	332,821	237,977	272	234	333,093	238,211



**Part A – Explanatory Notes Pursuant to MFRS 134**

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**A8. Segment Information**

The Group's business segments mainly comprise the following three major business segments:-

- (i) Investment holding**  
Investment holding company
- (ii) Oil palm operations**
  - Estate operations (Cultivation of oil palm)
  - Mill operations (processing of fresh fruit bunches)
- (iii) Management services and rental**  
Provision of management service and rental of investment properties





**Part A – Explanatory Notes Pursuant to MFRS 134**

**A8. Segment Information (continued)**

**Individual Quarter (Q3)**

	Investment holding	Management services and rental	Oil palm operations		Consolidated	
			Estate operations	Mill operations	Total	
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>30/9/2020</b>						
<b>Revenue</b>						
Segment revenue	9,500	545	49,241	126,392	175,633	185,678
Inter-segment	(9,500)	(298)	-	-	(38,657)	(48,455)
External revenue	-	247	49,241	126,392	136,976	137,223
<b>Cost of sales</b>						
Segment cost of sales	-	(424)	(26,357)	(116,259)	(142,616)	(143,040)
Inter-segment	-	20	-	-	38,694	38,714
External cost of sales	-	(404)	(26,357)	(116,259)	(103,922)	(104,326)
<b>Gross (loss)/profit</b>	-	(157)	22,884	10,133	33,054	32,897
Distribution expenses	-	-	-	(7,409)	(7,409)	(7,409)
<b>Segment (loss)/profit</b>	-	(157)	22,884	2,724	25,645	25,488
Other income including finance income	543	26			1,151	1,720
Inter-segment	(290)	(2)			(254)	(546)
External other income	253	24			897	1,174
Other expenses including finance costs	(352)	(149)			(3,704)	(4,205)
Inter-segment	1	153			295	449
External other expenses	(351)	4			(3,409)	(3,756)
<b>Operating profit/(loss) before tax</b>	(98)	(129)			23,133	22,906
Change in fair value of biological assets	-	-			4,254	4,254
<b>Profit/(Loss) before tax</b>	(98)	(129)			27,387	27,160



**Part A – Explanatory Notes Pursuant to MFRS 134**

**A8. Segment Information (continued)**

**Individual Quarter (Q3)**

	Investment holding	Management services and rental	Oil palm operations		Consolidated	
			Estate operations	Mill operations	Total	
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>30/9/2019</b>						
<b>Revenue</b>						
Segment revenue	8,000	562	27,792	87,673	115,465	124,027
Inter-segment	(8,000)	(348)	-	-	(22,130)	(30,478)
External revenue	-	214	27,792	87,673	93,335	93,549
<b>Cost of sales</b>						
Segment cost of sales	-	(467)	(22,847)	(74,687)	(97,534)	(98,001)
Inter-segment	-	45	-	-	22,160	22,205
External cost of sales	-	(422)	(22,847)	(74,687)	(75,374)	(75,796)
<b>Gross (loss)/profit</b>	-	(208)	4,945	12,986	17,961	17,753
Distribution expenses	-	-	-	(5,605)	(5,605)	(5,605)
<b>Segment (loss)/profit</b>	-	(208)	4,945	7,381	12,356	12,148
Other income including finance income	828	37			714	1,579
Inter-segment	(532)	(4)			(307)	(843)
External other income	296	33			407	736
Other expenses including finance costs	(378)	(209)			(4,990)	(5,577)
Inter-segment	30	179			750	959
External other expenses	(348)	(30)			(4,240)	(4,618)
<b>Operating profit/(loss) before tax</b>	(52)	(205)			8,523	8,266
Change in fair value of biological assets	-	-			(716)	(716)
<b>Profit/(Loss) before tax</b>	(52)	(205)			7,807	7,550



**Part A – Explanatory Notes Pursuant to MFRS 134**

**A8. Segment Information (continued)**

**Cumulative Quarter (9 Months)**

	Investment holding	Management services and rental	Oil palm operations		Consolidated	
			Estate operations	Mill operations	Total	
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>30/9/2020</b>						
<b>Revenue</b>						
Segment revenue	14,000	1,535	113,947	309,598	423,545	439,080
Inter-segment	(14,000)	(830)	-	-	(90,724)	(105,554)
External revenue	-	705	113,947	309,598	332,821	333,526
<b>Cost of sales</b>						
Segment cost of sales	-	(1,144)	(70,833)	(275,501)	(346,334)	(347,478)
Inter-segment	-	60	-	-	90,770	90,830
External cost of sales	-	(1,084)	(70,833)	(275,501)	(255,564)	(256,648)
<b>Gross (loss)/profit</b>	-	(379)	43,114	34,097	77,257	76,878
Distribution expenses	-	-	-	(18,258)	(18,258)	(18,258)
<b>Segment (loss)/profit</b>	-	(379)	43,114	15,839	58,999	58,620
Other income including finance income	1,948	77			2,420	4,445
Inter-segment	(1,008)	(48)			(789)	(1,845)
External other income	940	29			1,631	2,600
Other expenses including finance costs	(1,110)	(595)			(14,212)	(15,917)
Inter-segment	21	479			1,011	1,511
External other expenses	(1,089)	(116)			(13,201)	(14,406)
<b>Operating profit/(loss) before tax</b>	(149)	(466)			47,429	46,814
Change in fair value of biological assets	-	-			14,367	14,367
<b>Profit/(Loss) before tax</b>	(149)	(466)			61,796	61,181



**Part A – Explanatory Notes Pursuant to MFRS 134**

**A8. Segment Information (continued)**

**Cumulative Quarter (9 Months)**

	Investment holding	Management services and rental	Oil palm operations		Consolidated	
			Estate operations	Mill operations	Total	
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>30/9/2019</b>						
<b>Revenue</b>						
Segment revenue	8,000	1,680	69,087	224,961	294,048	303,728
Inter-segment	(8,000)	(1,053)	-	-	(56,071)	(65,124)
External revenue	-	627	69,087	224,961	237,977	238,604
<b>Cost of sales</b>						
Segment cost of sales	-	(1,437)	(59,389)	(192,770)	(252,159)	(253,596)
Inter-segment	-	135	-	-	56,120	56,255
External cost of sales	-	(1,302)	(59,389)	(192,770)	(196,039)	(197,341)
<b>Gross (loss)/profit</b>	-	(675)	9,698	32,191	41,938	41,263
Distribution expenses	-	-	-	(14,393)	(14,393)	(14,393)
<b>Segment (loss)/profit</b>	-	(675)	9,698	17,798	27,545	26,870
Other income including finance income	2,739	142			2,794	5,675
Inter-segment	(1,738)	(13)			(798)	(2,549)
External other income	1,001	129			1,996	3,126
Other expenses including finance costs	(1,287)	(708)			(16,216)	(18,211)
Inter-segment	100	532			2,400	3,032
External other expenses	(1,187)	(176)			(13,816)	(15,179)
<b>Operating profit/(loss) before tax</b>	(186)	(722)			15,725	14,817
Change in fair value of biological assets	-	-			2,875	2,875
<b>Profit/(Loss) before tax</b>	(186)	(722)			18,600	17,692



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**Part A – Explanatory Notes Pursuant to MFRS 134**

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**A8. Segment Information (continued)**  
**Segment assets and liabilities**

	<b>As At End Of Current Financial Period</b>
	<b>30/9/2020</b>
	<b>RM'000</b>
<b>Segment assets:</b>	
Investment holding	405,821
Oil palm operations	773,714
Management services/Rental	28,435
Others	7
	<hr/> 1,207,977
Elimination	<hr/> (341,376)
<b>Total assets</b>	<hr/> <hr/> 866,601
<b>Segment liabilities:</b>	
Investment holding	9,548
Oil palm operations	338,487
Management services/Rental	14,561
Others	178
	<hr/> 362,774
Elimination	<hr/> (68,942)
<b>Total liabilities</b>	<hr/> <hr/> 293,832

**A9. Impairment of Assets**

There was neither impairment loss nor reversal of such impairment loss recognised during the current financial period.

**A10. Material Events Subsequent to the End of the Interim Period**

There were no material events subsequent to the end of the current interim financial period that have not been reflected in the financial statements for the current interim financial period.



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**Part A – Explanatory Notes Pursuant to MFRS 134**

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**A11. Changes in the Composition of the Group**

As at 30 September 2020, there were no changes in the composition of the Group arising from business combinations, acquisition or disposal of subsidiary companies and long-term investments, restructurings and discontinued operations except for:-

- (i) Acquisition of 5,000 ordinary shares at a cash consideration of RM5,000, representing 5% equity interest in Sarawak Plantation Services Sdn. Bhd. (“SPS”) from the non-controlling interest holder. The acquisition was completed during the current financial period and upon completion, SPS has effectively become a wholly owned subsidiary of the Company.

**A12. Changes in Contingent Liabilities and Contingent Assets**

As at 30 September 2020, there were no material contingent liabilities or contingent assets, which upon being enforced might have a material impact on the financial position or business of the Group, except as disclosed below:

	<b>At 30/9/2020</b>
	<b>RM'000</b>
As at that date, the Company has contingent liabilities as follows:	
Corporate guarantees for banking facilities granted to a subsidiary	230,000

**A13. Capital Expenditure Commitments**

As at 30 September 2020, there were no material capital commitments for capital expenditure, contracted for or known to be contracted for by the Group which might have a material impact on the financial position or business of the Group, except as disclosed below:

	<b>At 30/9/2020</b>
	<b>RM'000</b>
<b>Contracted but not provided for</b>	
Property, plant and equipment	580
Bearer plants	4,553
	<u>5,133</u>

**A14. Unfulfilled Contract Obligation**

As at 30 September 2020, unfulfilled contract obligation of the Group is as disclosed below:

	<b>At 30/9/2020</b>
	<b>RM'000</b>
Sale Contracts	<u>1,358</u>

**Part A – Explanatory Notes Pursuant to MFRS 134****A15. Significant Related Party Transactions**

The significant related party transactions during the financial period as set out below represent significant transactions with companies having common directorship or in which certain Directors or person connected to a Director have interests.

	<b>Cumulative Quarter (9 Months)</b>	<b>Preceding Year - Period To Date</b>
	<b>Current Year - Period To Date 30/9/2020 RM'000</b>	<b>30/9/2019 RM'000</b>
a. KUB Sepadu Sdn. Bhd.		
- Purchase of fresh fruit bunches	14,071	6,411
b. Danawa Resources Sdn. Bhd.		
- Rental and annual support for satellite broadband services	149	138
c. Intuitive Systems Sdn. Bhd.		
- Software support, customisation, maintenance fee	323	366
- Purchase of software	-	50
d. Stonehead Sdn. Bhd.		
- Purchase of material	-	194
e. Ironhead Sdn. Bhd.		
- Purchase of equipments	612	1,095
- Services of equipment	15	-
f. Manis Oil Sdn. Bhd.		
- Sale of fresh fruit bunches	(11,587)	(6,106)
g. Butrasemari Sdn. Bhd.		
- Purchase of fresh fruit bunches	563	5,132
- Purchase of seedlings	-	118
h. Ta Ann Plywood Sdn. Bhd.		
- Field maintenance work and rental of machineries	108	659
- Purchase of seedlings	96	106
- Sales of seeds	(60)	-
- Agronomics service fee income	(2)	(3)
- Sales of store items	-	(100)
i. Mega Bumimas Sdn. Bhd.		
- Purchase of fresh fruit bunches	661	838
j. PSS Oil Mill Sdn. Bhd.		
- Purchase of fresh fruit bunches	2,043	-



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**Part A – Explanatory Notes Pursuant to MFRS 134**

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**A15. Significant Related Party Transactions (continued)**

	<b>Cumulative Quarter (9 Months)</b>	<b>Preceding Year - Period To Date</b>
	<b>Current Year - Period To Date 30/9/2020 RM'000</b>	<b>30/9/2019 RM'000</b>
k. Ta Ann Pelita Assan Sdn. Bhd.		
- Purchase of seedlings	-	1
l. Ta Ann Pelita Silas Plantation Sdn Bhd		
- Purchase of fresh fruit bunches	561	1,081
- Purchase of store item	-	227
m. Ta Ann Pelita Igan Plantations Sdn. Bhd.		
- Transportation of fresh fruit bunches	1	1
n. Ta Ann Pelita Ngemah Sdn. Bhd.		
- Purchase of seedlings	-	61
- Sales of seeds	-	(90)
o. Lik Shen Sawmill Sdn. Bhd.		
- Purchase of material	108	97
p. Sebbubu Sdn. Bhd.		
- Field Maintenance Work	-	12
- Purchase of fresh fruit bunches	240	-
q. TBS Oil Mill Sdn. Bhd.		
- Sale of fresh fruit bunches	(6,761)	(936)
r. TABM Sdn Bhd		
- Sale of palm kernel shell	(462)	-
s. Ladang Selezu Sdn Bhd		
- Sale of seeds	(54)	-
t. Multi Maximum Sdn. Bhd.		
- Purchase of store items	-	3
u. Eagle Forest Sdn. Bhd.		
- Rental of office space	11	-
- Purchase of used cab & chassis	70	-
v. Acosafe Sdn Bhd		
- Purchase of insurance premium	586	532
w. Key Ta Trading Sdn. Bhd.		
- Purchase of spare parts, lubricants and fertilisers	1,393	970





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**Part A – Explanatory Notes Pursuant to MFRS 134**

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**A15. Significant Related Party Transactions (continued)**

	<b>Cumulative Quarter (9 Months)</b>	<b>Preceding Year - Period To Date</b>
	<b>Current Year - Period To Date 30/9/2020 RM'000</b>	<b>30/9/2019 RM'000</b>
x. Key Jaya Sdn. Bhd.		
- Purchase of diesel	1,933	714
y. Key Group Sdn. Bhd.		
- Purchase of equipments	176	-
	<u>176</u>	<u>-</u>

The Directors are of the opinion that all the transactions above have been entered into in the normal course of business and they are effected on terms not materially different from those obtainable in transactions with unrelated parties.

**Part A – Explanatory Notes Pursuant to MFRS 134****A16. Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income Disclosures**

	Individual Quarter (Q3)		Cumulative Quarter (9 Months)	
	Current Year Quarter 30/9/2020 RM'000	Preceding Year Corresponding Quarter 30/9/2019 RM'000	Current Year - Period To Date 30/9/2020 RM'000	Preceding Year - Period To Date 30/9/2019 RM'000
<b>Profit before tax is arrived at after charging:</b>				
Depreciation of property, plant and equipment	3,581	3,639	11,146	11,063
Depreciation of right -of- use assets	298	-	907	-
Depreciation of bearer plants	3,170	4,226	11,075	9,513
Depreciation of investment properties	92	42	175	125
Property, plant and equipment written off	-	-	210	-
Inventories written off	19	-	19	-
Change in fair value of biological assets	-	716	-	-
Finance costs	213	961	1,377	3,167
<b>Profit before tax is arrived at after crediting:</b>				
Change in fair value of biological assets	4,254	-	14,367	2,875
Gain on disposal of Property, plant and equipment	-	-	115	-
Property, plant and equipment written off	18	-	-	-
Other income	802	260	1,181	1,353
Finance income	372	476	1,419	1,773

Other items not applicable to the Group are foreign exchange gain or loss and gain or loss on derivatives.



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**Part B – Explanatory Notes Pursuant to Part A of Appendix 9B of the Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”)**

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**B1. Review of Performance**

**Quarter 3, 2020 vs Quarter 3, 2019**

The Group recorded revenue of RM137.2 million in the current interim quarter ended 30 September 2020 compared with RM93.5 million reported in the corresponding period of the preceding year. The increase in revenue was due to the effect of higher sales volume of CPO and PK and higher realised average selling price of CPO and PK during the current interim quarter.

The Group's operating profit before tax was RM22.9 million for the current interim quarter compared to operating profit before tax of RM8.3 million for the corresponding period of the preceding year. The increase in operating profit was because of the increase in revenue despite higher production cost and operating cost.

The Group recorded a profit before tax of RM27.2 million for the current interim quarter, as compared to a profit before tax of RM7.5 million in the corresponding period of the preceding year. This was in line with the increase in operating profit and gain arising from changes in fair value of biological assets of RM4.3 million for the current interim quarter.

The performance of the respective major business segments of the Group are as follows:

Oil palm operations

The oil palm operations comprise estate and mill operations. During the current interim quarter, estate operations recorded a revenue and segment profit of RM49.2 million and RM22.9 million respectively, whereas mill operations recorded a revenue and segment profit of RM126.4 million and RM2.7 million respectively.

For the current interim quarter, the oil palm operations segment contributed 99.8% of the Group revenue of RM137.2 million.

Revenue of the oil palm operations increased by RM43.6 million to RM136.9 million in the current interim quarter compared with RM93.3 million reported in the corresponding period of the preceding year. The increase was principally attributed to the effect of higher sales volumes of CPO and PK and higher realised average selling prices of CPO and PK during the current interim quarter.

Average selling prices of CPO and PK had increased approximately by 34.8% and 33.1% whereas sales volumes of CPO and PK had increased by approximately 6.5% and 14.3% respectively for the current interim quarter.

The operating profit before tax for the oil palm operations (after deducting administrative and finance cost) was RM23.1 million for the current quarter as compared to operating profit before tax of RM8.5 million for the corresponding period of the preceding year. The increase in operating profit before tax was because of the increase in revenue despite higher production cost and operating cost.

Other segments

Other segments' results for the current financial period are insignificant to the Group.



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**Part B – Explanatory Notes Pursuant to Part A of Appendix 9B of the Listing Requirements of Bursa Malaysia Securities Berhad**

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**B1. Review of Performance (continued)**

**Nine Months ended 30 September 2020 vs Nine Months ended 30 September 2019**

The Group recorded revenue of RM333.5 million in the current financial period ended 30 September 2020 compared with RM238.6 million reported in the corresponding period of the preceding year. The increase in revenue was due to the effect of higher sales volume of CPO and PK and higher realised average selling price of CPO and PK during the current financial period.

The Group's operating profit before tax was RM46.8 million for the current financial period compared to operating profit before tax of RM14.8 million for the corresponding period of the preceding year. The increase in operating profit was because of the increase in revenue despite higher production cost and operating cost.

The Group recorded a profit before tax of RM61.2 million for the current financial period, as compared to a profit before tax of RM17.7 million in the corresponding period of the preceding year in line with the increase in operating profit and gain arising from changes in fair value of biological assets of RM14.4 million for the current financial period.

The performance of the respective major business segments of the Group are as follows:

Oil palm operations

The oil palm operations comprise estate and mill operations. During the current financial period, estate operations recorded a revenue and segment profit of RM113.9 million and RM43.1 million respectively, whereas mill operations recorded a revenue and segment profit of RM309.6 million and RM15.8 million respectively.

For the current financial period, the oil palm operations segment contributed 99.8% of the Group revenue of RM333.5 million.

Revenue of the oil palm operations increased by RM94.8 million to RM332.8 million in the current financial period compared with RM238.0 million reported in the corresponding period of the preceding year. The increase was principally attributed to the effect of higher sales volumes of CPO and PK and higher realised average selling prices of CPO and PK during the current financial period.

Average selling prices of CPO and PK had increased approximately by 29.5% and 32.3% whereas sales volumes of CPO and PK had increased by approximately 5.6% and 10.3% respectively for the current financial period.

The operating profit before tax for the oil palm operations (after deducting administrative and finance cost) was RM47.4 million for the current financial period as compared to operating profit before tax of RM15.7 million for the corresponding period of the preceding year. The increase in operating profit before tax was because of the increase in revenue despite higher production cost and operating cost.

Other segments

Other segments' results for the current financial period are insignificant to the Group.



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**Part B – Explanatory Notes Pursuant to Part A of Appendix 9B of the Listing Requirements of Bursa Malaysia Securities Berhad**

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**B2. Material Changes in Profit Before Tax for the Current Quarter as compared with the Immediate Preceding Quarter**

For the quarter under review, the Group recorded an operating profit before tax of RM22.9 million for the current quarter compared with an operating profit before tax of RM13.8 million in the preceding quarter, mainly due to the effect of higher sale volume of CPO and PK and higher realised average selling prices of CPO and PK for the current quarter despite higher production cost and operating cost.

The sales volume of CPO and PK had increased approximately by 20.6% and 28.1% whereas the average realised selling prices of CPO and PK increased by 14.9% and 12.0% respectively during the current quarter.

The Group recorded a profit before tax of RM27.2 million for the current quarter as compared to profit before tax of RM25.6 million in the preceding quarter. The Group recorded a lower gain from changes in fair value of biological assets of RM4.3 million for the current quarter as compared to a gain of RM11.9 million recognised in preceding quarter.

**B3. Prospects for the Current Financial Year**

As of now with the COVID 19 pandemic still ongoing, the economic climate is uncertain. Nevertheless, The Group has managed to adapt to this challenging environment with minimal disruption to its business and is complying fully with the standard operating procedures issued by the Government in all of its operations.

Crude palm oil (CPO) price has seen many rapid changes in 2020. It fluctuated from an average of RM3,000 per metric tonne (mt) in January 2020, declined to as low as an average of RM2,000 per mt in May 2020, then again surged to RM3,300 per mt as of early November 2020.

The Group will continue to manage its financial and operational risks in a prudent and cautious manner considering that the current economic situation due to COVID 19 pandemic is unpredictable.

In addition, the Group recorded a 28% growth in its fresh fruit bunches (FFB) production, for 9 months to date compared to corresponding period of 2019. The Board of Directors is of the view that the Group will record a notable growth in FFB production for the year 2020 compared to 2019.

Barring any unforeseen circumstances and subject to the sustainability of the current CPO price, the Board of Directors anticipates a better financial performance for the current financial year.

**B4. Profit Forecast or Profit Guarantee**

Not applicable

**Part B – Explanatory Notes Pursuant to Part A of Appendix 9B of the Listing Requirements of Bursa Malaysia Securities Berhad****B5. Taxation**

	Individual Quarter (Q3)		Cumulative Quarter (9 Months)	
	Current Year Quarter 30/9/2020 RM'000	Preceding Year Corresponding Quarter 30/9/2019 RM'000	Current Year - Period To Date 30/9/2020 RM'000	Preceding Year - Period To Date 30/9/2019 RM'000
Current tax expense	4,713	1,245	10,163	2,718
Deferred tax expenses	2,499	1,197	5,691	2,897
	<u>7,212</u>	<u>2,442</u>	<u>15,854</u>	<u>5,615</u>

The Group's effective tax rate for the financial period ended 30 September 2020 is slightly higher than the statutory tax rate principally due to non deductible expenditure.

**B6. Other Investments**

There was no material purchase or disposal of quoted securities for the current financial period.

The investments as at 30 September 2020 are as follows:

	At 30/9/2020 RM'000
<u>Current</u>	
Deposits with original maturities exceeding three months	4,679
	<u>4,679</u>

**B7. Loans and Borrowings - Secured**

	At 30/9/2020 RM'000
<u>Non-current</u>	
Term Loan (Term Financing -i)	45,826
Hire purchase facility	1,859
Hire purchase facility (Islamic)	58
	<u>47,743</u>
<u>Current</u>	
Revolving credit -i	8,900
Term Loan (Term Financing -i)	38,000
Hire purchase facility	1,788
Hire purchase facility (Islamic)	3,191
	<u>51,879</u>
Total loans and borrowings	<u>99,622</u>



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**Part B – Explanatory Notes Pursuant to Part A of Appendix 9B of the Listing Requirements of Bursa Malaysia Securities Berhad**

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**B7. Loans and Borrowings (continued)**

**Revolving Credit**

This revolving credit facility of RM40 million is secured by way of the Company's corporate guarantee and legal charge over certain land and buildings of a subsidiary.

The effective interest rate of revolving credit was 4.61% per annum.

**Revolving Credit (Revolving Credits –i)**

The revolving credit facility of RM30 million is an Islamic facility under Bai' Inah contract, is secured by way of legal charge over certain land and buildings of a subsidiary and a corporate guarantee from the Company.

The Revolving Credit – *i* bears profit rate of 12% per annum, which is equivalent to effective profit rate of 0.60% per annum above the Bank's *i*-cost of funds.

**Term Loan (Term Financing –i)**

The term loan facility of RM150 million is an Islamic facility under Bai' Inah contract, is secured by way of legal charge over certain land and buildings of a subsidiary and a corporate guarantee from the Company. The loan is for a tenure of 8 years from the date of first drawdown in November 2014 and is repayable by 16 quarterly installments commencing 51th month after date of first drawdown of TF-*i*.

The Term Financing –*i*, bears profit rate of 12% per annum, which is equivalent to effective profit rate of 0.75% per annum above the Bank's *i*-cost of funds.

**Hire purchase facilities**

The hire purchase facilities are secured on property, plant and equipment under the hire purchase.

Hire purchase facility and Hire purchase facility (Islamic) carry interest/profit rates ranged between 4.85% - 5.22% per annum.

The above borrowings are denominated in Ringgit Malaysia.

**B8. Corporate Proposals**

**Status of Corporate Proposals Announced**

There was no corporate proposal being announced during the current interim financial period.

**B9. Gains/Losses from Fair Value Changes of Financial Liabilities**

There were no gains/losses arising from fair value changes of financial liabilities during the current interim financial period.



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**Part B – Explanatory Notes Pursuant to Part A of Appendix 9B of the Listing Requirements of Bursa Malaysia Securities Berhad**

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**B10. Changes in Material Litigation**

As at 14 November 2020 (*being the latest practicable date which is not earlier than 7 days from the date of the issue of this quarterly report*), there were no changes to the status of material litigation or arbitration in which the Company and/or any of its subsidiaries were involved either as plaintiff or defendant which has a material effect on the Group's financial position except as disclosed below:

- (a) A subsidiary of the Group, SPB Pelita Suai Sdn. Bhd. ("SP Suai") sued 6 individuals ("Defendants"), seeking injunctive and declaratory relief against the Defendants for various acts of trespass over 2 parcels of Native Communal Reserve Land which the Defendants had given consent for development into an oil palm estate. SP Suai also seeks to claim damages from the Defendants.

On 18 September 2013, the learned Judge decided as follows:

- (i) There is no concluded contract between the Defendants and SP Suai;
- (ii) It has not been shown by the parties that the Defendants were members of the Penan community for which the land was gazetted for their exclusive use;
- (iii) That the gazette to allow SP Suai to deal with native land has no retrospective effect;
- (iv) Generally, parties have not proven their case against each other.

SP Suai filed a Notice of Appeal against the whole of the learned Judge's decision on 14 October 2013. The Defendants also filed a Notice of Appeal against the whole of the learned Judge's decision on the same date. SP Suai had filed and served the Record of Appeal on 2 December 2013. The Court of Appeal heard the appeal on 10 December 2015, and ordered that the case be remitted back to the High Court (before a different Judge) for a retrial. They were of the view that there was a mistrial in respect of the High Court's finding. There was no order as to costs.

The retrial of the case proceeded on 26 July 2016.

At the conclusion of the proceedings, the Court directed as follows:

- (1) The parties are to file and exchange Written Submissions;
- (2) Thereafter, the parties are to file Written Reply; and
- (3) Counsels for the parties are to appear before the Court to go through their Submissions on 25 August 2016

The Court allowed the Counsel for the Defendants' application for an extension of 2 weeks from 27 October 2016 to file the Written Submission and the same has to be filed on or before 10 November 2016. Thereafter, the parties may file Reply (if any) by 17 November 2016. Hearing of the Submissions is fixed on 28 November 2016.

The Court delivered its Judgement on 23 February 2017 as follows:

- (i) Dismissed SP Suai's claim;
- (ii) Allowed part of the Defendants' claim, namely SP Suai is prohibited from entering the 2 parcels of NCR Land and SP Suai has to vacate and remove its machineries, equipments and structures existing on the Defendants' 2 parcels of NCR land.

SP Suai filed a Notice of Appeal against the whole of the learned Judge's decision on 9 March 2017 and an application for a stay of execution on 11 April 2017. The Court heard and allowed the application for a stay of execution on 9 June 2017. The Appeal came up for Case Management on 6 September 2017. The Court of Appeal fixed the hearing of the Appeal on 27 June 2018.

At the hearing of the Appeal on 27 June 2018, the Court of Appeal adjourned the same for Case Management to 10 July 2018. On 10 July 2018, the Court of Appeal directed the 1<sup>st</sup> Respondent's Advocates to file an application to substitute the deceased 1<sup>st</sup> Respondent within one month.





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**Part B – Explanatory Notes Pursuant to Part A of Appendix 9B of the Listing Requirements of Bursa Malaysia Securities Berhad**

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**B10. Changes in Material Litigation (continued)**

- (a) The Court of Appeal has fixed hearing date of the Appeal on 15 April 2020 regardless of whether or not the deceased's 1<sup>st</sup> Respondent's family has decided on their representative to substitute the deceased.

The hearing fixed on 15 April 2020 had to be vacated in view of the COVID-19 Movement Control Order. Instead the case was fixed for case management by way of e-Review on 15 April 2020. On 15 April 2020, the Deputy Registrar of the Court of Appeal fixed the hearing of the Appeal on 23 September 2020 regardless of whether or not the deceased's 1<sup>st</sup> Respondent's family has decided on their representative to substitute the deceased.

The Respondents' Advocates, Messrs Harrison Ngau & Co, had on 16 June 2020 filed a Notice of Motion to substitute the deceased 1<sup>st</sup> Respondent. At the hearing of the Notice of Motion on 15 July 2020, the Court granted an order in terms.

The Court of Appeal has fixed the Appeal for hearing on 24 November 2020.

- (b) On 13 July 2016, the Company and SPAD were served with legal proceedings. Amongst other things, the Plaintiffs sought a declaration to the effect that they have acquired native customary rights and/or are the customary owners over land situated at/around all of the Kampung Melugu Sri Aman.

The Company and SPAD had on 20 July 2016 entered appearance. On 10 August 2016, an application to strike out the Plaintiffs' Writ and Statement of Claim was filed and served the Plaintiffs. On 17 October 2016, the Court dismissed SPAD's application to strike out the Plaintiff's Statement of Claim. SPAD filed its appeal against the Court's said decision on 9 November 2016.

On 14 July 2017, the Court Appeal dismissed the Company and SPAD's appeal with costs in the cause.

On 18 July 2017, the parties informed the Court of the verdict of the appeal hearing. The Company and SPAD also informed the Court of their intention to amend the 'Defence of the 1<sup>st</sup> and 2<sup>nd</sup> Defendants'.

The Court fixed 18 August 2017 as the next mention date to monitor the progress of the application for amendment of the Defence of the 1<sup>st</sup> and 2<sup>nd</sup> Defendants.

On 28 August 2017, the Court had allowed the 1<sup>st</sup> and 2<sup>nd</sup> Defendants' application for amendment of the Defence. The Court on 20 September 2017 had given directions for the parties to file the bundle of documents and documents pertinent to the trial. The Court fixed the case for trial from 21 May 2018 to 25 May 2018.

The Court gave its decision on 16 July 2018 as follows:-

1. The Plaintiffs' action against the 1<sup>st</sup>, 2<sup>nd</sup>, 3<sup>rd</sup> and 4<sup>th</sup> Defendants is dismissed.
2. Costs of RM40,000.00 is awarded to the 1<sup>st</sup> & 2<sup>nd</sup> Defendants and RM40,000.00 to the 3<sup>rd</sup> and 4<sup>th</sup> Defendants, all subject to payment of Allocatur fees.

On 3 August 2018, the Plaintiffs filed their appeal against the whole of the Court's decision delivered on 16 July 2018.

At the last hearing date fixed on 21 February 2020, the Court of Appeal adjourned the matter to be heard on 15 September 2020.

Since February 2020, the case came up to for Case Management on 15 July 2020, 6 August 2020 and 6 October 2020. On 6 October 2020, the Court of Appeal vacated the hearing date and fixed the case for Further Case Management on 16 February 2021.



**Part B – Explanatory Notes Pursuant to Part A of Appendix 9B of the Listing Requirements of Bursa Malaysia Securities Berhad**

**B10. Changes in Material Litigation (continued)**

- (b) The Directors, in consultation with the Company's and SPAD's advocates, are of the opinion that the Company and SPAD have strong merits in the case.

**B11. Dividend Declared**

On 28 May 2020, the Board of Directors declared a first interim, single tier dividend of 5 sen per share, totalling approximately RM14 million, in respect of the financial year ending 31 December 2020, paid to shareholders on 6 August 2020.

The Board of Directors has declared a second interim, single tier dividend of 5 sen per share, totalling approximately RM14 million, in respect of the financial year ending 31 December 2020, payable to shareholders on 21 January 2021. The dividend entitlement shall be on 29 December 2020.

**B12. Earnings per Share**

	Individual Quarter (Q3)		Cumulative Quarter (9 Months)	
	Current Year Quarter 30/9/2020	Preceding Year Corresponding Quarter 30/9/2019	Current Year - Period To Date 30/9/2020	Preceding Year - Period To Date 30/9/2019
Profit attributable to Owners of the Company (RM'000)	19,521	5,163	44,731	12,243
Weighted average number of ordinary shares in issue (unit)	279,032	279,032	279,032	279,032
Basic earnings per share (sen)	7.00	1.85	16.02	4.39
Diluted earnings per share (sen)	N/A	N/A	N/A	N/A

***Basic earnings per share***

The calculation of basic earnings per share for the interim quarter and financial period is based on the profit attributable to owners of the Company and on the weighted average number of ordinary shares in issue less the weighted average number of treasury shares held by the Company.

***Diluted earnings per share***

The diluted earnings per share for the interim quarter and financial period were not computed as the Company does not have any potentially dilutive ordinary shares as at 30 September 2020.



**SARAWAK PLANTATION BERHAD**

Registration No. 199701035877 (451377-P)

(Incorporated in Malaysia - 451377- P)

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**Part B – Explanatory Notes Pursuant to Part A of Appendix 9B of the Listing Requirements of Bursa Malaysia Securities Berhad**

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**B13. Auditors' Report on Preceding Annual Financial Statements**

The auditors' report on the financial statements for the financial year ended 31 December 2019 was unqualified.

**B14. Authorised for Issue**

The condensed consolidated interim financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Board on 20 November 2020.

*By Order of the Board*

Company Secretary  
Kuching

20 November 2020