



Sarawak Timber Industry Development Corporation (STIDC)
Perbadanan Kemajuan Perusahaan Kayu Sarawak (PUSAKA)

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CORPORATE BACKGROUND

Sarawak Timber Industry Development Corporation (STIDC) was established in June 1973 under the Perbadanan Perusahaan Kemajuan Kayu Sarawak Ordinance 1973.

Its incorporation was initiated based on recommendation of the Food and Agriculture Organisation (FAO) of the United Nations following its comprehensive forest inventory in Sarawak from 1968 to 1972.

The function of STIDC is to stimulate by all possible means the planned expansion of the wood-based industries in Sarawak in order to strengthen the economy based on the availability of capital, technical expertise and effective management of forest resources.



CORPORATE VISION

Transforming towards a vibrant and sustainable Timber Industry

CORPORATE MISSION

To facilitate the transformation of a sustainable Timber Industry

CORPORATE FUNCTIONS

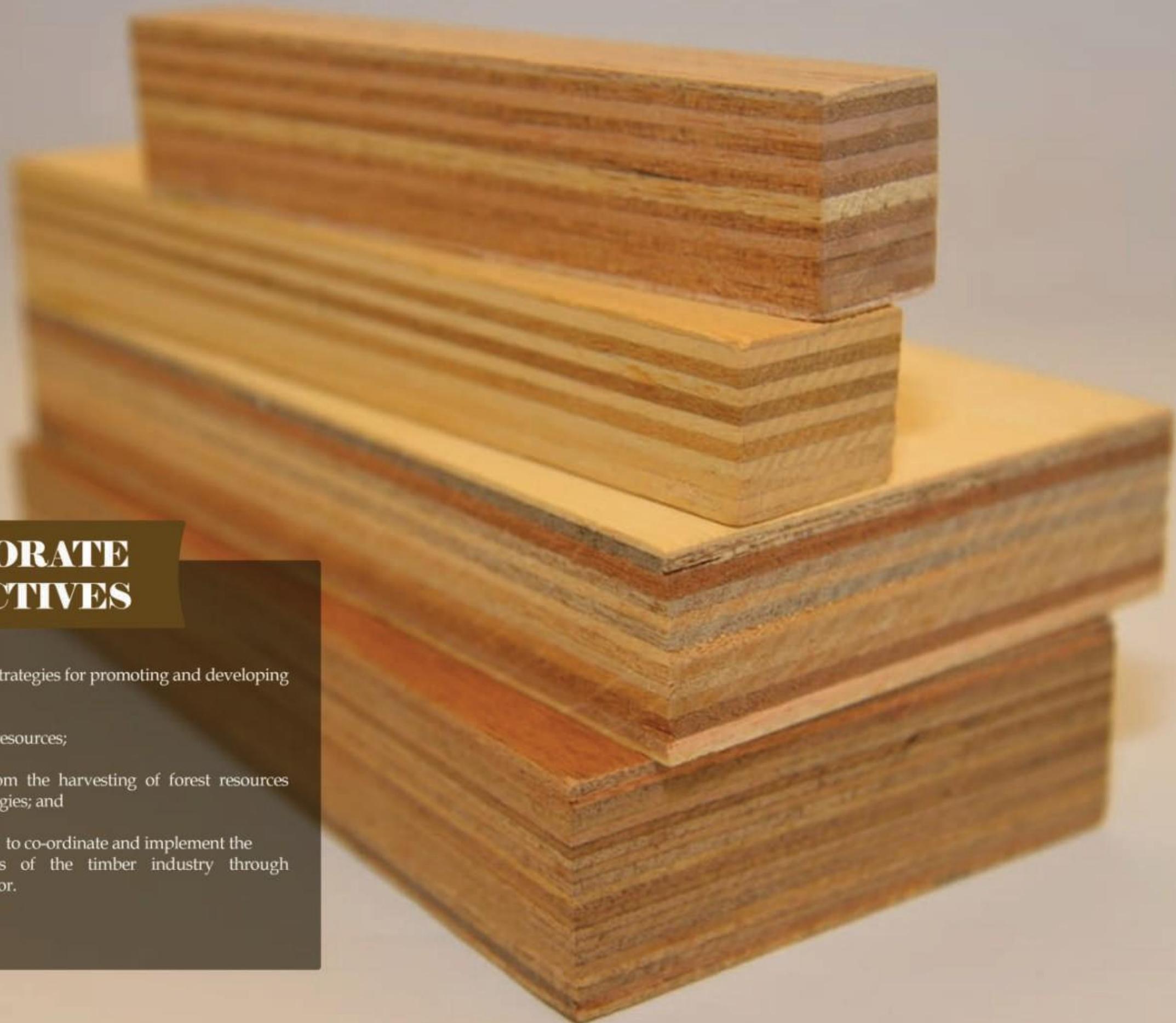
The core functions of STIDC are to:

- Control and co-ordinate the manufacturing standards and trade practices of timber industries;
- Recommend to the government on the methods, measures and policies to be adopted to spearhead the advancement of the timber industry and upon approval by the Governor-in-Council, to implement and facilitate the implementation of the same;
- Encourage effective utilisation of timber with emphasis on products diversification and quality control;
- Promote and facilitate the development of the timber industry and any person engaged in the production and marketing of timber products;
- Provide technical advisory services to facilitate the development of the existing timber industry and the establishment of new industries; and
- Provide training in various aspects of the timber industry operations.



CORPORATE OBJECTIVES

- 1 To formulate new policies and strategies for promoting and developing the timber industry;
- 2 To ensure effective use of forest resources;
- 3 To ensure mutual benefits from the harvesting of forest resources through new concepts and strategies; and
- 4 To enable the State Government to co-ordinate and implement the overall development strategies of the timber industry through partnership with the private sector.



STIDC CORPORATE SONG

Bersama kita tingkatkan kejayaan
Dengan semangat bekerjasama
Bersatu tenaga dan warisan budaya
Menjadi amalan kerja kita

Budaya kerja berteras kualiti
Kami anak watan yang berdikari
Penuh kasih sayang sesama kita
PUSAKA Berjaya nan gemilang

Bertanggungjawab amanah dan setia
Integriti, adil dan saksama
Jujur mesra kita amalkan
PUSAKA cemerlang warga terbilang

STIDC CLIENT'S CHARTER

1. To process issuance of timber industry license for exporter, importer and local traders within two (2) working days.
2. To process and issue the grading certificate within five (5) working days.
3. To process and issue import & export license for timber and timber products within one (1) working day.
4. To process a feedback on application for non-resident workers and expatriates within seven (7) working days.
5. To process renewal of Timber Industry Licence for Manufacturer within Twenty One (21) working days.
6. To process payment within twelve (12) working days..
7. To respond to enquiries and information request within three (3) working days.
8. To respond to customer complaints within three (3) working days.



STIDC LOGO

This logo was officially launched on May 1993 during the Corporation's 20th Anniversary.

This logo was designed to reflect the aspirations, functions and objectives of PUSAKA as well as its corporate vision. Its circular shape signifies PUSAKA as the leader and catalyst for the timber industry.

The green letter "P" depicts the abbreviated name of the Corporation in Bahasa Melayu PUSAKA that bears the meaning of the forest as a heritage and invaluable resource of the people of Sarawak.

The brown color symbolises wood as a raw material for the timber industry. The letter "S" is an abbreviation of the name of the Corporation - STIDC in English. The golden color depicts the leadership role played by PUSAKA in the development of the timber industry.

The combination of colours reflects the effort of PUSAKA in stimulating the growth of the timber industry towards a more dynamic and progressing era as far as the downstream processing sector is concerned.



CORPORATE STRUCTURE

ORGANISATIONAL CHART

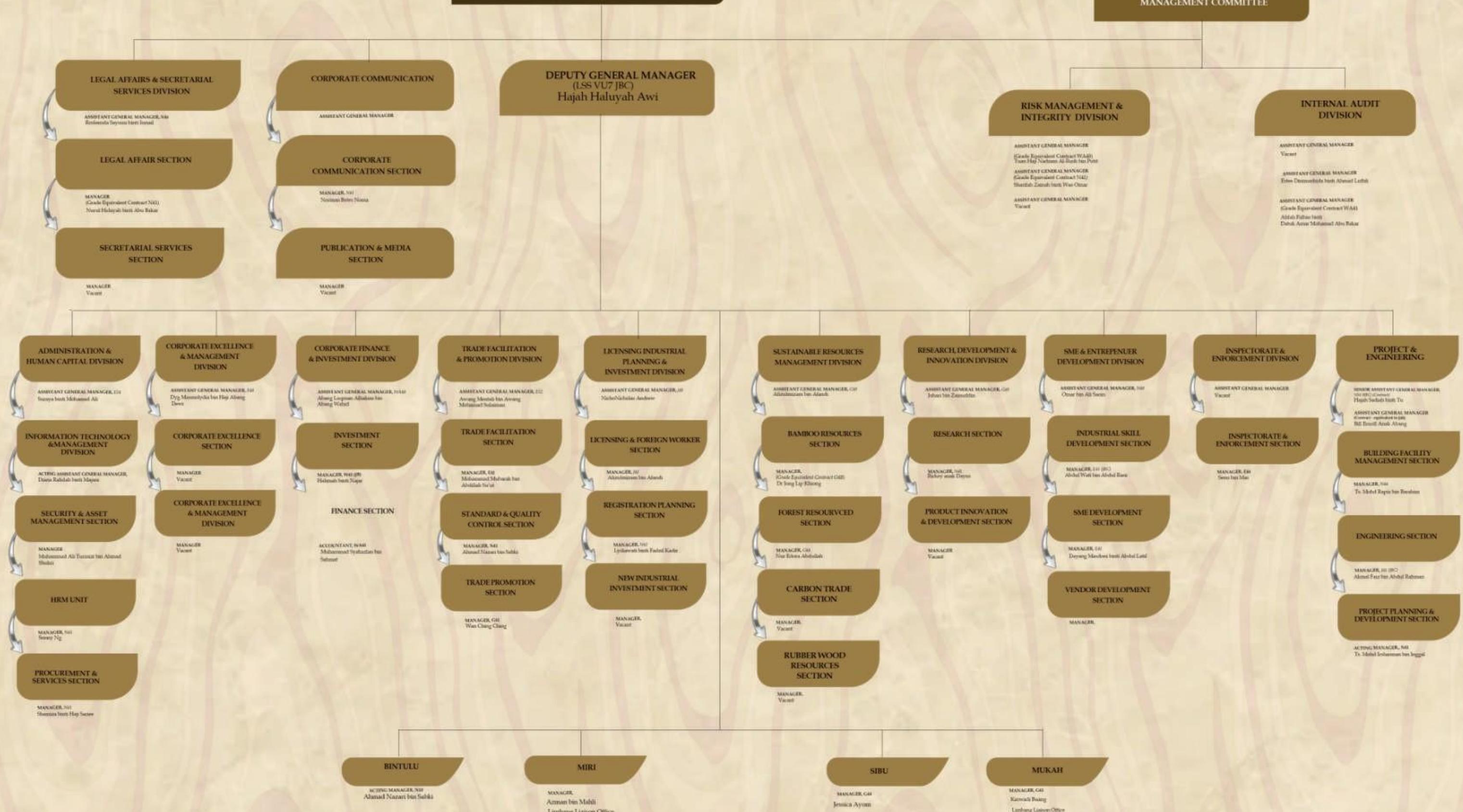
SARAWAK TIMBER INDUSTRY DEVELOPMENT CORPORATION (STIDC)

GENERAL MANAGER

VU6 (JBC) (Contract)

Tuan Haji Zainal Abidin bin Haji Abdullah

INTERNAL AUDIT AND RISK MANAGEMENT COMMITTEE



A stack of plywood panels is shown on a wooden surface. The panels are light-colored with visible grain and some darker spots. They are stacked in a slightly overlapping manner, with the top panel being the most prominent. The background is a warm, orange-brown color.

CORPORATE MANAGEMENT

CHAIRMAN'S STATEMENT



In 2024, Sarawak's wood-based sector continued to play an important role in the state's economy, generating RM2.836 billion in export revenue. Although this was a small decrease of 9.65 percent compared to RM3.139 billion in 2023, it reflects a period of adjustment and strength in a shifting global market.

Japan remained as Sarawak's most loyal country, importing wood products worth RM1.621 billion. While there was a slight 2.71 percent reduction from the previous year, this strong partnership shows Japan's lasting trust in the quality of Sarawak's wood products. Exports to India and the Middle East also saw declines of 19.25 percent and 10.65 percent respectively, but these changes offer valuable lessons as we seek to expand our reach.

Encouragingly, exports to China increased by 3.61 percent, reaching RM158.610 million, highlighting promising new opportunities for Sarawak's wood industry to grow in emerging markets.

Some of our main export items, including plywood, fibreboard, and logs, faced challenges. Plywood exports dropped by 9.41 percent to RM1.355 billion, fibreboard reduced by 2.45 percent to RM388.220 million, and logs experienced the largest decrease of 22.89 percent to RM384.914 million. Despite these setbacks, these figures have motivated us to explore more sustainable and innovative ways forward, ensuring a brighter and greener future for our industry.

In response, the Sarawak Timber Industry Development Corporation (STIDC) has remained dedicated to supporting and boosting the wood sector. By actively taking part in trade exhibitions, conducting market research, and engaging in trade visits, we are constantly discovering new markets and opportunities for Sarawak's wood-based products.

Datuk Amar Haji Awang Tengah Bin Ali Hasan

Deputy Premier of Sarawak
Second Minister for Natural Resources and Urban Development
Minister for International Trade, Industry & Investment

A shining success in 2024 was the remarkable growth of the wood pellet industry, a sustainable and environmentally friendly fuel. Exports jumped by an impressive 138.22 percent to RM105.944 million, up from RM44.474 million in 2023, with Japan and the Netherlands leading demand.

The state government, through STIDC, is also investing for the future by developing furniture parks in Demak Laut and Tanjung Manis. These exciting projects aim to attract major investments, create much-needed jobs, and strengthen Sarawak's furniture sector so it can compete successfully on the global stage.

We continue to focus strongly on innovation and sustainability. Collaborations with universities, research institutions, and industry partners help produce green products such as biofuels, activated carbon, and engineered wood, showing Sarawak's strong commitment to protecting the environment.

Since 2016, STIDC has led efforts to grow the bamboo industry. Bamboo's versatility as an eco-friendly material offers great opportunities as a sustainable alternative to plastic, while helping to absorb carbon and conserve nature.

Looking ahead, STIDC is excited to build on this solid foundation by nurturing Sarawak's wood-based industry with new ideas, expanding markets, and developing sustainable solutions that meet the growing global demand for responsible and high-quality products.



GENERAL MANAGER **PREFACE**

Greetings, Partners, Colleagues, and Stakeholders

In 2024, we made significant steps in enhancing our operational efficiencies and promoting sustainable practices within the timber sector. Our initiatives focused on improving supply chain management, increasing transparency, and fostering innovation through research and development. Notably, our collaboration with local communities has strengthened our commitment to environmental stewardship, ensuring that our practices align with global sustainability goals.

Despite our successes, we faced challenges that tested our resilience. Fluctuations in global demand and regulatory changes required us to adapt swiftly. We remain dedicated to addressing these challenges head-on by leveraging technology and enhancing our workforce capabilities.

As we move into 2025, our vision is clear: to position Sarawak as a leader in sustainable timber production. We will continue to engage with stakeholders across the industry to drive initiatives that support economic growth while preserving our natural resources for future generations.

I extend my heartfelt gratitude to all our partners, stakeholders, and employees for their unwavering support and dedication. Together, we will continue to forge a path toward a more sustainable and prosperous future for the timber industry in Sarawak.

With best wishes,

A handwritten signature in black ink, appearing to read "Zainal Abidin".

Haji Zainal Abidin Bin Haji Abdullah
General Manager

STIDC Initiatives Through Green Technology

STIDC aims to become an environmentally friendly entity through various initiatives, such as tree planting activities and the development of bamboo-based industries in Sarawak.

Recently, STIDC participated in a joint dialogue hosted by The European House - Ambrosetti and Associazione Italia - ASEAN, alongside the Malaysian Investment Development Board (MIDA) and the Italian Trade Agency (ITA). The discussion covered ASEAN's post-pandemic economic outlook, green technology for sustainability, e-Economy, smart technology, value chain 4.0, aerospace safety for durability, and investment opportunities and cooperation tools between Italy and ASEAN countries.

Additionally, a Memorandum of Understanding was signed between Green Pellet (Sarawak) Sdn Bhd and Kanematsu Corporation. Green Pellet (Sarawak) Sdn Bhd, a subsidiary of STIDC, produces eco-friendly wood pellets from wood residue and wood sourced from planted forests, catering to industrial fuel needs. This aligns with STIDC's green initiatives and the slogan 'Driving Sustainability'. Its primary markets are Korea and Japan.

STIDC is actively promoting the use of engineered wood for housing and building construction components in Sarawak, supporting the Sarawak Government's drive towards green development, environmental sustainability, and carbon storage.

Recognising its efforts, STIDC received the prestigious BrandLaureate Best Brand Award in the Nation Pride category for Sustainable Forest Management. This award reflects STIDC's dedication to promoting the circular economy and green technology.

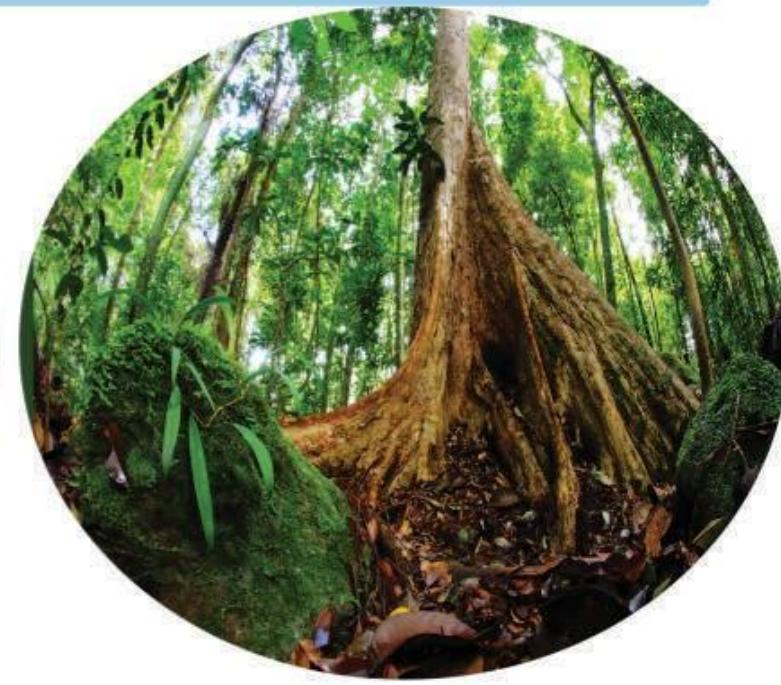
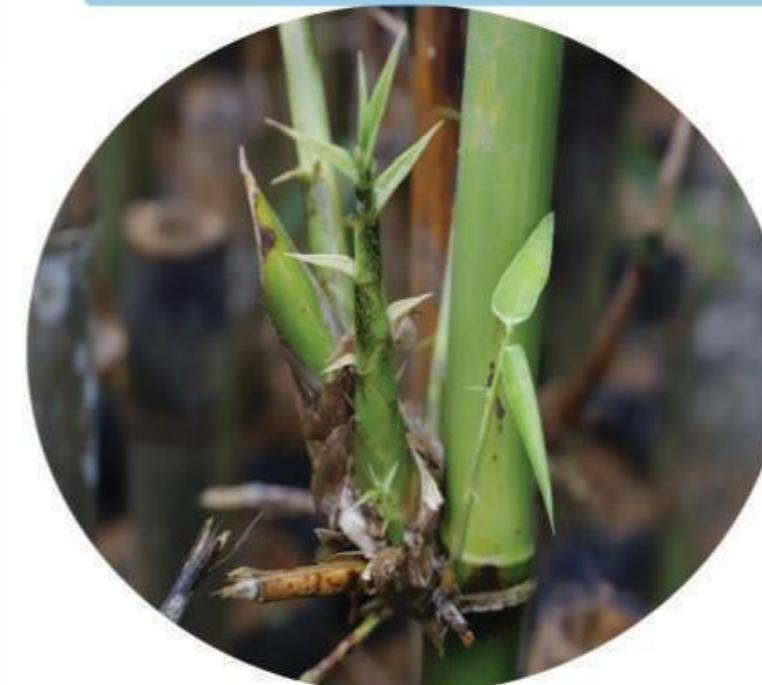
Moreover, through its subsidiaries and associated companies, STIDC utilises factory and forest waste to produce high-value-added products such as fibreboard, wood pellets, and wood chips. This commitment is encapsulated in STIDC's tagline, 'Nothing Goes to Waste'. Alongside these efforts, STIDC spearheads the use of matured rubber trees and bamboo as alternative sources of raw materials to supplement timber, reducing dependence on timber from natural forests.

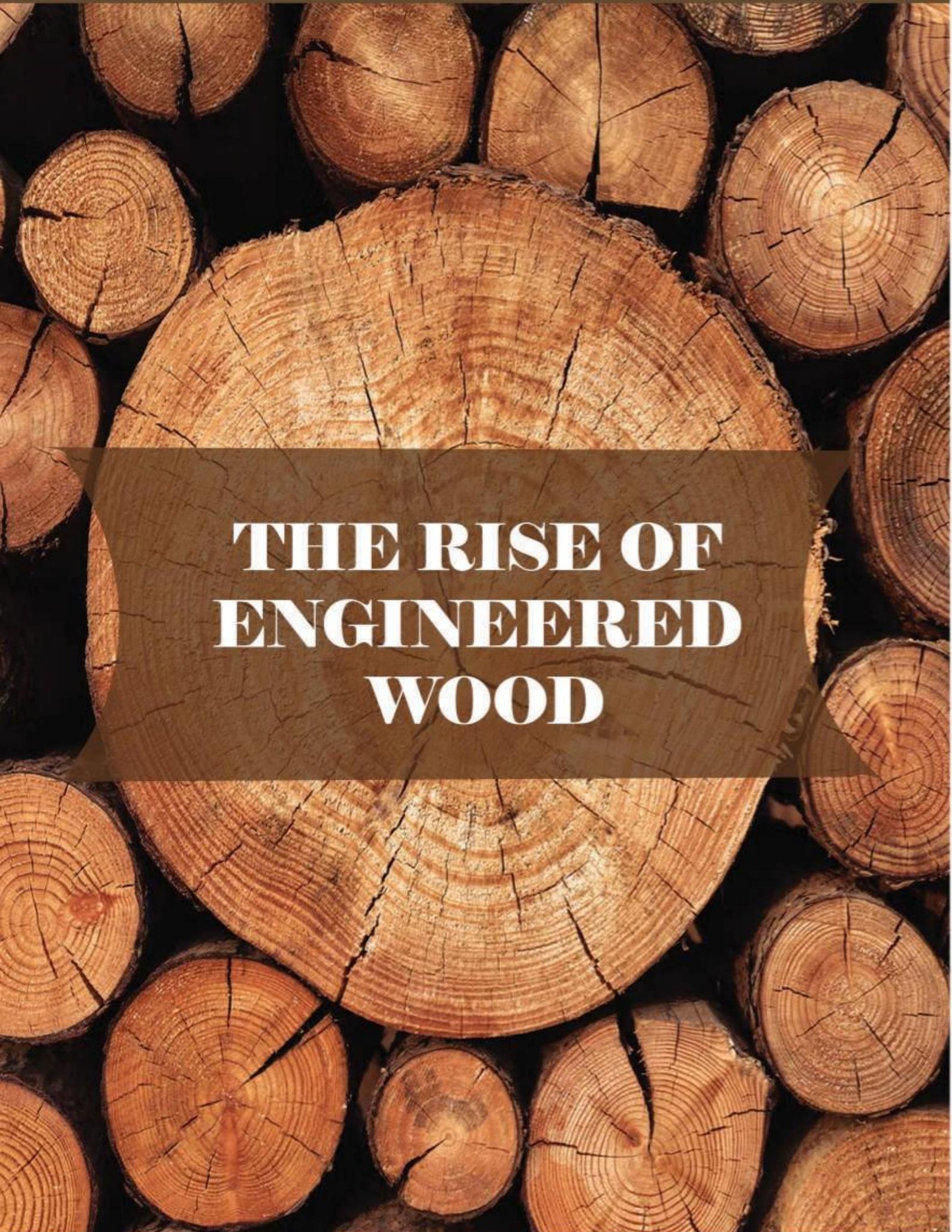


STIDC has also organised the Sarawak Bamboo Industry Development Awareness Programme Roadshow to highlight the potential of bamboo as an alternative wood source and to encourage community and private sector involvement in bamboo planting. Additionally, STIDC participated in the 12th World Bamboo Congress in Taiwan to enrich knowledge, network with successful bamboo industry players from 20 countries, and share experiences.

Recently, Datuk Amar Haji Awang Tengah Ali Hasan, Deputy Premier of Sarawak and Chairman of STIDC's Board of Management, led a delegation to Stockholm, Sweden, to promote Sarawak as an investment destination and explore collaboration opportunities in forest management, plantation, and timber processing technology.

STIDC demonstrates its commitment to environmental stewardship through innovative green technologies and strategic initiatives. By engaging in forest plantation, developing bamboo-based industries, and promoting sustainable practices such as eco-friendly timber products, STIDC continues to support the Global Sustainable Development Goals (SDGs) and Sarawak's aspiration from the Post-Covid Development Strategy 2030 (PCDS2030) to ensure Sarawak remains a green state.





THE RISE OF ENGINEERED WOOD

A NEW ERA IN TIMBER

Sarawak's forests have long been a source of rich timber, but the traditional methods of logging and wood processing posed significant environmental challenges. Recognising the need for sustainable practices, STIDC has championed the use of engineered wood. This initiative aligns with Sarawak's Post COVID-19 Development Strategy (PCDS 2030), which aims to foster sustainable growth and innovation across the region.

STIDC's commitment to engineered wood was highlighted at the Engineered Wood Blueprint Workshop on March 16, 2023 and the International Conference on Engineered Wood Sarawak 2023 on May 16-17, 2023, both held in Kuching.

The former is a vital platform for gathering insights and feedback from a diverse range of stakeholders, including industry experts, environmental advocates, local communities, and government representatives. The aim was to ensure that the engineered wood project aligns with the varied needs and aspirations of its stakeholders.

Meanwhile, the later further cemented STIDC commitment to this sustainable cause. The conference fostered global collaboration and innovation, featuring experts from Australia and Singapore who shared their extensive knowledge on engineered wood technology.

Sarawak is witnessing a transformative shift in its timber industry, driven by the Sarawak Timber Industry Development Corporation (STIDC). This move towards engineered wood is a significant step in sustainable development, combining traditional craftsmanship with modern technology to create a greener future for the region.

The essence of engineered wood lies in its innovative manufacturing process, which includes techniques like glam (glue-laminated timber). This process involves bonding smaller pieces of timber to create large, stable structural components.

Unlike traditional sawn timber, which requires whole logs, engineered wood optimises resource efficiency, significantly reducing waste and the environmental footprint of construction activities.

STIDC has established strategic partnerships with local institutions such as Universiti Teknologi MARA (UiTM), which sees the corporation positioning the university as a consultant for engineered wood projects. STIDC also works closely with industry players such as Woodsfield Glulam Manufacturing Sdn Bhd, which sees the incorporation of engineered wood elements into its office renovation. This initiative both demonstrates a commitment to sustainable construction practices and allows for practical testing and refinement of engineered wood products, commented STIDC's General Manager, Zainal Abidin Bin Abdullah.

The glulam technique results in engineered wood that is versatile, sustainable material that harnesses the strength and durability of timber while minimising environmental impact.



A GLOBAL PERSPECTIVE

The global movement towards sustainable construction has seen countries like Japan, Canada, and Scandinavian nation's leading the way with policies promoting the use of timber.

Japan's 'Promotion of Wood Use in Public Buildings' policy highlights the sustainability and earthquake-resistant qualities of wood. In Canada, British Columbia's

'Wood First Act' prioritises wood in public projects, while Scandinavia's stringent regulations on sustainable forestry and building codes promote wood for its energy efficiency and eco-friendliness.



ENVIRONMENTAL BENEFITS, FUTURE PROSPECTS

An ideal solution to the carbon emissions crisis linked to urbanisation is the use of engineered wood for new construction. Research published in a journal article titled 'Land Use Change and Carbon Emissions of Transformation to Timber Cities' suggests that accommodating urban migrants in mid-rise buildings made from engineered wood could reduce carbon emissions by 106 gigatonnes. This approach offers a promising step forward in sustainable urban development, thus addressing environmental challenges while promoting eco-friendly construction practices.

The increasing global demand for sustainable construction materials is driving the adoption of engineered wood. According to the 'Engineered Wood Market Outlook (2023 to 2033)' by Fact.MR, the United States is experiencing a rise in green building practices adopting engineered wood. In Germany, sales of engineered wood products are projected to grow at a compound annual growth rate (CAGR) of 7% over the next decade, supported by the country's strong manufacturing base and technological expertise. In Japan, limited natural timber resources are leading to an increased reliance on imported wood, with demand for engineered wood products estimated to expand at a CAGR of 5.5% through 2033.



VISION FOR A SUSTAINABLE FUTURE

STIDC envisions a future where engineered wood products, including laminated veneer lumber (LVL), cross-laminated timber (CLT), and glue-laminated lumber (glulam), play a vital role. This vision is rooted in the utilisation of wood from planted forests, aligning with Sarawak's goal of generating RM8 billion in annual export revenue from the timber industry by transitioning from primary processing to high-value-added processing.

The region cultivates various plantation species, including mixed hardwoods like Meranti and indigenous Dipterocarp varieties. These species are essential for producing versatile engineered wood products used extensively in construction. To ensure sustainability, Sarawak has issued 50 active licenses for Planted Forests, covering approximately 2.89 million hectares.

As of December 2022, over 500,000 hectares of plantations have been established, featuring species such as Acacia, Batai, Eucalyptus, and Kelampayan.

In essence, STIDC's foray into engineered wood signifies an industrial advancement as well as a commitment to sustainable development. Sarawak sets a powerful example of how traditional industries can evolve to meet contemporary environmental challenges. Through continued innovation and collaboration, STIDC is poised to drive Sarawak towards making significant strides in the global sustainable urban development.







INNOVATION



A Game-Changer for Timber Licensing :

Meet TRACE

On 1st October 2024, we at STIDC launched TRACE; the Timber Industry Regulatory and Compliance System our new online platform that's already making waves in Sarawak's timber sector.

It's not just a tool; it's a breath of fresh air for everyone involved in licence applications.

Gone are the days of endless paperwork and waiting around. With TRACE, you can apply for your Timber Industry Licence, track its progress, get it issued, and even pay fees all online, from your phone or computer. It's straightforward, secure, and incredibly quick, saving precious time for businesses big and small.

Why industry folk are loving it:

- Real-time updates so you're never left in the dark.
- Simple online payments that cut out the hassle.
- Easy access for smallholders, processors, and exporters alike.

We've heard nothing but praise: "TRACE has transformed how we do business and no more trips to the office or delays," one timber processor told us. In just months, it's handled hundreds of licences, proving its worth right from the start.

This launch captures STIDC's drive in 2024 to embrace technology that truly supports our industry.

Looking ahead, we're excited to add features like AI checks and blockchain tracking to keep pushing boundaries.

1296 Active Timber Industry Licence

1116 Expired Timber Industry Licence

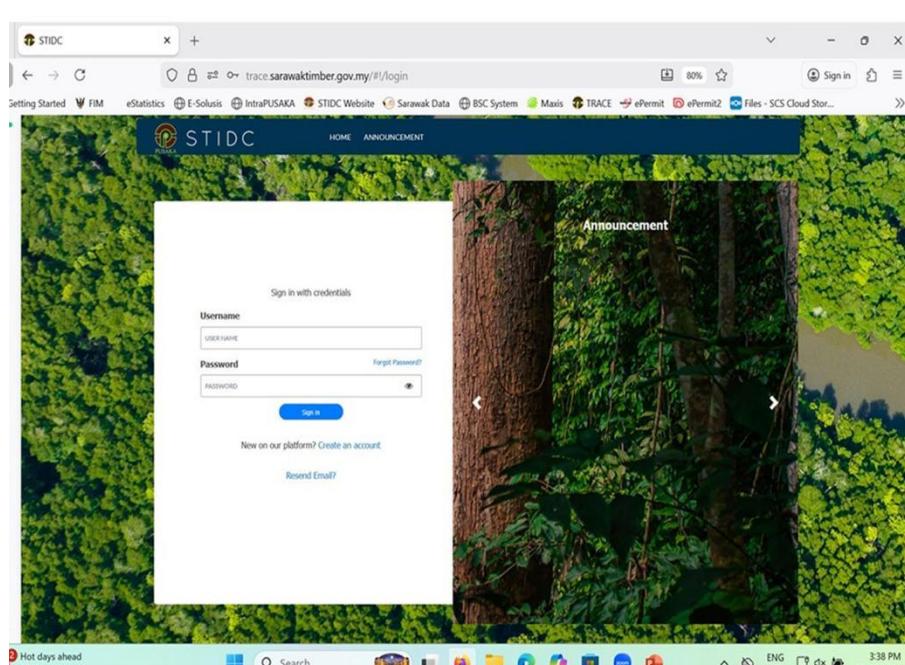
943 Total Records

	PENDING ASSIGNMENT	PENDING VERIFICATION	PENDING RECOMMENDATION	PENDING APPROVAL	PENDING PAYMENT	REJECTED APPROVAL
New Licence Application	0	1	0	0	0	278
Renewal	0	11	0	3	17	556
Request Change Of Particulars	0	0	0	1	1	39
Request Additional	0	0	0	0	0	29
Request Cancellation	0	0	0	0	-	7

GRADING

6 Total Records

	PENDING QUOTA APPROVAL	PENDING ASSIGNMENT	PENDING VERIFICATION	PENDING APPROVAL
Check Grading	0	0	1	4
Full Grading	0	0	1	0
Exemption From Grading	0	0	0	0
Certificate Amendment	0	0	0	0
Certificate Split	0	0	0	0



STIDC to have a Xylarium as a reference for local timber species

STIDC aspires to establish a Xylarium at its headquarters in Kuching, to serve as a database for local timber species.

The STIDC Timber Portal team recently made a bench-marking visits to Sabah Forestry Department and Forest Research Centre of Sabah to gain insights into how a Xylarium operates and to explore various aspects related to the timber species that will be showcased in STIDC Timber Portal.

Currently, STIDC has developed a Timber Portal which can be accessed through the link <https://timberportal.sarawaktimber.gov.my/>

Since its launch on 11 November 2013, this portal has featured 96 Sarawak timber species.

Through this visit, STIDC hoped to gain a better understanding of the challenges faced in the field, particularly in obtaining the necessary wood samples, as well as to ensure the accuracy of the data.

This visit also aimed to strengthen collaboration with key partners and agencies, such as the Sabah Forestry Department and the Forest Research Centre, Sabah.



The discussions during the visit provided a valuable opportunity for exchanging ideas that will contribute to the development of the Xylarium as a database for Sarawak timber species.

Furthermore, the information gathered will be stored as an important reference point for the development of the database and will also serve as a guide for future projects.

This data is useful for publishing educational materials, such as brochures and academic resources, and for organising courses on local wood species.



Visit to Forest Research Centre (Xylarium & Herbarium), Sandakan, Sabah



Visit to Rainforest Discovery Centre (RDC) Sandakan, Sabah

AWARD AND RECOGNITION



EXCELLENCE IN EKSA IMPLEMENTATION



TOWARDS ISO 37001.2016 CERTIFICATION



Enhancing Sustainability and Governance Excellence

The Second Engagement Session between STIDC and its Subsidiaries took place on 24th June 2024 at Wisma Sumber Alam, Kuching. The programme aimed to bolster operational sustainability and monitor financial positions across its subsidiaries.

STIDC's General Manager, Haji Zainal Abidin bin Haji Abdullah, highlighted that the programme focused on enhancing organizational governance quality by prioritizing integrity, transparency, and accountability in managing operations and finances. It addressed global economic uncertainties exacerbated by the COVID-19 pandemic, such as inflation and reduced demand for timber products.

Haji Zainal emphasized that the annual engagement was crucial for collectively identifying issues and strategic steps to ensure the sustainability of STIDC's subsidiaries and align with the company's strategic goals. The session emphasized the importance of the Strategic Plan in advancing sustainable transformation within the timber industry and enhancing economic viability through higher-value chains.

"Corporate governance, encompassing ethical behavior, accountability, transparency, and sustainability, played a critical role in achieving company goals and preventing conflicts. Effective governance mechanisms, including Corporate Planning, Key Performance Indicators (KPIs), and Standard Operating Procedures (SOPs), ensured robust decision-making and risk management, benefiting shareholders and stakeholders alike," he said.



Furthermore, he pointed out that the introduction of the "State Investment Guidelines and Policies" in 2024 mandated STIDC and its subsidiaries to adhere to investment regulations, enhancing transparency and stakeholder confidence. The State Dividend Policy required subsidiaries to distribute dividends of at least 10% of net operating profit, reinforcing cooperation with the Sarawak Government's economic objectives.

"STIDC actively participated in drafting the Roadmap Towards Financial Self-Reliance for 2025-2030, focusing on evaluating financial conditions, establishing transformation goals, and ensuring effective implementation. The strategic plan aimed to achieve sustainable financial independence, with subsidiary companies preparing strategic plans and cash flow budgets to support these objectives," he added.



CORPORATE SOCIAL RESPONSIBILITIES (CSR)



Bamboo Planting Initiative to Green Samalaju Industrial Park



The Sarawak Timber Industry Development Corporation (STIDC) and Pertama Ferroalloys Sdn Bhd (PFASB) launched a bamboo planting programme to improve the landscape of Samalaju Industrial Park in Bintulu.

This initiative followed a Memorandum of Understanding (MoU) signed in November last year with the Bintulu Development Authority (BDA) to combine sustainability with industrial growth.

Tuan Haji Zainal Abidin Bin Haji Abdullah, STIDC General Manager, stressed the project's role in greening the industrial area, providing sustainable raw materials, and contributing to global sustainability efforts.

He explained plans for research and development to improve bamboo growth and its potential to replace less sustainable materials.

"This project benefits both Pertama Ferroalloys and the community," he said. "By cultivating bamboo, we can reduce operating costs and promote environmental responsibility across Sarawak's industries."

The programme aimed to green the industrial park with suitable bamboo species and to create a sustainable bamboo supply chain for PFASB's production needs.

Meanwhile, Mr. Yuki Nakamura, Pertama Ferroalloys General Manager, mentioned the company's reliance on materials like wood charcoal and cork. He also acknowledged their efforts to reduce their environmental impact.

Despite producing 220,000 tonnes of ferroalloys annually, their use of hydroelectric power allowed them to remain one of the lowest carbon (CO₂) emitting ferroalloy producers globally.

The main focus of the event was the introduction of the bamboo plantation project, aimed at improving CO₂ absorption and reducing reliance on cork.

Nakamura expressed the need for the project and called for support to develop commercial-scale plantations.

"Bamboo offers a sustainable solution, and this project can become an economic booster for Sarawak," he said.

With strong support from STIDC and the government, this initiative has the potential to change industry practices in the region.

The programme represents not just a new planting initiative, but a shared commitment to creating a sustainable industrial ecosystem for Sarawak—one that benefits both the environment and its people.



STIDC General Manager, Tuan Haji Zainal Abidin Bin Haji Abdullah performs a symbolic bamboo seedling planting programme at Pertama Ferroalloys Sdn Bhd (PFASB), in Bintulu.



Empowering Communities Through Generous **Donations**

STIDC and its subsidiaries contributed financial assistance to 65 charitable, religious, educational, and non-governmental organisations (NGOs), amounting to RM337,000.00, to support their initiatives. The donation was presented by Datuk Amar Haji Awang Tengah Ali Hasan, Deputy Premier of Sarawak, Minister of Natural Resources and Urban Development II, Minister of International Trade, Industry and Investment Sarawak, and Chairman of STIDC Management Board. He expressed his deepest appreciation and gratitude to STIDC and its subsidiaries for their generous contributions.

The purpose of these contributions is to assist welfare organisations, charitable bodies, religious groups, educational institutions, and NGOs financially in carrying out their activities, as well as helping those in need. It is hoped that these donations would enable them to carry out their activities more actively and effectively, particularly when directed towards members and the general public requiring assistance and support.

STIDC is actively working to enhance the timber industry towards high-value-added industries to achieve the projected export value of RM8 billion by 2030. To realise these goals, the Sarawak government is emphasising forest plantation development.

It is hoped that more statutory bodies, government agencies, and corporate sectors would step forward and join STIDC's commendable efforts to contribute to organisations, charities, and NGOs in carrying out their activities. Such donations are highly encouraged as they foster relationships and cooperation between the local community, government officials, and corporate sectors.



This annual donation is part of STIDC's Corporate Social Responsibility (CSR) initiatives, which have been ongoing since 1982 and have accumulated almost RM10 million in total donations. The late Tun Pehin Sri Haji Abdul Taib Mahmud, when he was the Chief Minister of Sarawak, mooted the idea for these donations.

The timber industry in Sarawak ranks as the fourth-largest contributor to Sarawak's economy, following the petroleum, natural gas, and palm oil sectors. Not only does the forestry sector contribute to Sarawak's economic output, but it also provides job opportunities for approximately 100,000 people involved in the wood-based industry.

STIDC has also ventured into other sectors beyond wood-based industries to continue its CSR activities within the community through donations to organisations, charities, and NGOs.

Datuk Amar Haji Awang Tengah expressed confidence that STIDC can continue its noble efforts in helping alleviate the financial burdens of welfare organisations and charitable bodies. He also urged the recipients of donations to utilise them wisely and ensure they are directed towards developing the community for the common good.



STAM and STIDC's Ongoing Commitment to EDUCATION

STA Mutual Sdn Bhd (STAM) has consistently focused on providing inclusive and quality education, recognising its importance for the future growth and stability of Sarawak.

Since its establishment in 2012, STAM has partnered with the Sarawak Timber Industry Development Corporation (STIDC) to provide financial support in phases to both primary and secondary schools across Sarawak.

Through this ongoing collaboration, much-needed funding has been channelled to Sarawak's District Education Offices to improve the infrastructure of rural schools.

This initiative has helped create safer and more conducive learning environments for both students and teachers.

By 2023, STAM had allocated a total of RM1.7 million to primary and secondary schools throughout Sarawak.

This contribution is in line with Sarawak's education policy, which encourages collaboration between the government and the private sector to support the development of schools in need.

In a recent initiative, STIDC and STAM distributed funds to 159 schools, including 135 primary schools and 24 secondary schools.

Haji Zainal Abidin Bin Haji Abdullah, General Manager of STIDC, expressed his hope that the financial assistance would enable the schools to improve their facilities and support student activities.

"I would like to express my sincere gratitude to STA Mutual Fund Sdn Bhd and the Sarawak Education Department for their efforts in making this event a success. I hope STA Mutual Fund Sdn Bhd will continue to support dilapidated schools in Sarawak in the coming years, even during these challenging economic times," he said.

The ongoing partnership between government agencies and the private sector plays a crucial role in improving school facilities and advancing educational excellence in Sarawak, in line with Sarawak's vision of becoming a 'Maju Makmur' (Progressive and Prosperous) state.





KORBAN

RESEARCH AND DEVELOPMENT



Collaboration between STIDC-MPMA to Promote Sustainable Timber Practices

In a significant move towards enhancing sustainable forestry practices in Malaysia, STIDC and Malaysian Panel-Products Manufacturers' Association (MPMA) have formalised their partnership through a Memorandum of Understanding (MoU). This collaboration aims to foster innovation, knowledge sharing, and best practices within the timber industry, aligning with Malaysia's commitment to environmental sustainability and economic growth.

The partnership between STIDC and MPMA is centred on several key objectives:

- 1 Sustainable Forest Management (SFM): The initiative promotes best practices in forest management to ensure the sustainability of timber resources while supporting economic growth in the sector.
- 2 Industry Training and Knowledge Transfer: A focus on enhancing training for timber professionals is paramount, particularly in Peninsular Malaysia. This aligns with national goals aimed at automation and industrial transformation within the industry.
- 3 Research and Development: The partnership will explore innovative forestry techniques through collaborative studies, leveraging insights from research plots and hands-on experiences.

The MoU encompasses initiatives that advance automation and embrace the principles of Industrial Revolution 4.0. By prioritising sustainable forest practices, the partnership seeks to reduce dependency on manual labour while enhancing the competitiveness of the timber industry.

A highlight of this collaboration was a recent visit to Sarawak's largest planted forest project, License Planted Forest (LPF/0043) located in Bintulu. The MPMA delegation observed best practices in tree planting and harvesting, emphasising sustainability and innovation. Additionally, they explored STIDC's bamboo trial plots, showcasing bamboo's potential as a renewable resource.

Both organizations have expressed optimism regarding the long-term impact of this collaboration. MPMA Chairman Datuk Wira Sheikh Othman Rahman underscored the significance of this initiative in fostering a more resilient and globally competitive timber industry. He emphasized that LPF/0043 represents an optimal choice for tropical tree cultivation essential for manufacturing timber products such as plywood and furniture.

STIDC's General Manager, Haji Zainal Abidin Bin Haji Abdullah, highlighted that sustainable practices are crucial for achieving both economic prosperity and environmental conservation. He reiterated that this collaboration symbolizes a shared commitment to sustainable timber management, which is vital for Malaysia's vision of a greener future.

The collaboration between STIDC and MPMA marks a pivotal step toward promoting sustainable timber management in Malaysia. By focusing on innovation, training, and sustainable practices, this partnership not only aims to enhance the industry's competitiveness but also addresses pressing environmental concerns. As both organizations continue to work together, they are poised to solidify Malaysia's position as a global leader in sustainable forestry practices, contributing significantly to both local economies and global environmental goals.



Group photo of MPMA and STIDC members at the recent field trip at Sabal Bamboo Project, Simunjan and LPF/0043, Bintulu

MTC Explored Sarawak's Timber and Bamboo Industries

A recent visit by The Malaysian Timber Council (MTC) Board of Trustee and management team to STIDC highlighted the potential for greater collaboration between the two entities

During the visit, Haji Zainal Abidin Bin Haji Abdullah, General Manager of STIDC, gave a clear overview of the corporation's goals and activities. STIDC aims to transform and modernize the timber industry with the goal of increasing export earnings to RM8 billion by 2030. This goal is part of the Post Covid-19 Development Strategy (PCDS) 2030, which includes several key initiatives by STIDC.

A major part of STIDC's strategy is the development of the bamboo industry. Significant investments have been made to explore various uses for bamboo, including bicycles, biomass, pharmaceuticals, cosmetics, textiles, food, furniture, handicrafts, and biochar. Central to these efforts are the Sabal Bamboo Nursery, which produces 45,000 seedlings each year, and the Tanjung Manis Bamboo Nursery, which produces 450,000 seedlings annually. The Bamboo Community Project has involved 146 participants and covered more than 63 hectares, while commercial bamboo plantations have expanded to 3,597 hectares across Sarawak.

Haji Zainal also highlighted that STIDC's vision goes beyond bamboo. Recent projects include developing the engineered wood industry, exploring carbon trading, and supporting small and medium-sized businesses. STIDC conducted a workshop on the Furniture Making Industry Blueprint for Sarawak 2024 and organized benchmarking visits to the Muar Furniture Association in Johor and Institut Kemahiran MARA (IKM) in Alor Setar, Kedah. STIDC also supports young furniture designers through the SayD'signers Sarawak Programme.

STIDC has achieved significant milestone, showing its commitment to innovation and sustainability in Sarawak's wood-based and bamboo sectors. The corporation's growth and initiatives reflect its dedication to building a thriving and sustainable wood-based and bamboo industries.

Meanwhile, Puan Noraihan Abdul Rahman, Chief Executive Officer of MTC said a united approach is essential for advancing the timber sector. She explained that the visit to STIDC and Kayusar Plywood Factory aimed to strengthen their partnership and support the growth of the country's wood-based industry. She noted that STIDC has a clear plan to improve both the upstream and downstream sectors of Sarawak's wood-based industry.

"We hope to see greater cooperation between industry players in Peninsular Malaysia and Sarawak to advancing this industry," she said.

The visit by MTC to STIDC and Kayusar Plywood Factory highlighted the strong partnership and collaborative efforts to boost Malaysia's wood-based and bamboo industries. STIDC's ambitious plans, including modernizing the timber industry and expanding bamboo utilization, aim to significantly enhance Sarawak's export earnings and industry growth. With ongoing initiatives and investments, STIDC is driving innovation and sustainability.



Haji Zainal Abidin (centre) with Puan Noraihan (third from the left) and other MTC officials at Wisma Sumber Alam.



Visit by MTC to STIDC and Kayusar Plywood Factory



YOUNG ENTREPRENEURS PROGRAMME 2024: **NURTURING YOUNG ENTREPRENEURS IN FURNITURE MANUFACTURING**



Strategic Cooperation Strengthening Programme for Malaysian Timber Industry Board (MTIB) with STIDC

Representative from the Malaysian Timber Industry Board (MTIB) paid a visit to STIDC to share the latest information and discuss enforcement procedures regarding import and export activities in Sarawak's timber grade.

Key topics such as intelligence activities, handling of offences, preparation of application systems, preparation of investigation papers, and prevention of misconduct in trading activities were addressed during the discussion.

The visit centered on effective enforcement strategies and the necessary steps to comply with the EU Deforestation-Free Regulation (EUDR), set to be enforced effective 30th December 2024. Additionally, the delegation toured several timber companies in Kuching to acquire insights into industry practices.



Unifying Sarawak's Furniture Sector: SFIA and STIDC Drive Industry Progress

Sarawak Furniture Industry Association (SFIA) paid a courtesy visit to Haji Zainal Abidin Bin Haji Abdullah, the General Manager of Sarawak Timber Industry Development Corporation (STIDC).

Leo Chiang Kok Sze, President of SFIA, highlighted that the purpose of the visit was to keep STIDC updated on the current status of Sarawak's furniture industry, along the SFIA's on going programmes and future plans for the industry's advancement.

SFIA has a strong membership of more than 350 companies, including those involved in downstream industry sectors.

In response, Haji Zainal shared insights into the Post COVID-19 Development Strategy 2030 (PCDS2030), pinpointing the furniture industry as a key economic driver.

The aim is to propel Sarawak towards developed status, with a target of RM4 billion in export revenue by 2030. To achieve this, a range of initiatives, including SME and young entrepreneur development programmes, have been outlined to nurture competitive and globally renewed furniture entrepreneurs.

Proposing a collaborative approach, Haji Zainal suggested that SFIA and STIDC engage in brainstorming sessions to craft a comprehensive blueprint and establish a robust supply chain for Sarawak's furniture industry.

Moreover, he advised SFIA to compile a database detailing the products and services offered by its members, a move aimed at fortifying Sarawak's furniture industry against future challenges.



FRIM, STIDC To Collaborate on Harvested Wood Products Research

STIDC hosted the Forest Research Institute Malaysia's (FRIM) visit to Wisma Sumber Alam on 4th July 2024. The visit aimed to discuss collaboration on a joint research project.

During the meeting, FRIM delivered four presentations. Dr. Geetha Ramasamy presented the first session on Accounting for HWP using tier 1. Mr. Zairul Amin Rabidin followed with a presentation on Accounting for HWP using tier 2 – density of solid wood. Dr. Suffian Misran then discussed Accounting for HWP using tier 2 – density of wood-based panels. Additionally, Dr. Asniza Mustapha presented on Half-lives of HWP.

FRIM indicated that the project aimed to develop an approach for Certification of Release and Uptake for Harvested Wood Products (HWPs) to assist Malaysia in preparing the Biennial Update Report (BUR) 5.

BUR is a national greenhouse gas inventory report submitted biennially to the United Nations Framework Convention on Climate Change (UNFCCC). BUR 5 is scheduled for publication this year and will include, for the first time, reporting on HWPs.

The FRIM project thus assessed whether HWPs in Malaysia acted as carbon sinks or sources using an appropriate national approach. This evaluation determined whether HWPs stored more carbon or released it into the environment over the reported years.

To conduct these assessments, categories of wood products were defined, and data on HWPs, including production, import, and export figures from 1990 to the present, were collected.

STIDC contributed significantly by supplying data on Sarawak's harvested wood products from 1990 to 2021, aiding in these calculations.

During their visit, the delegation also toured the STIDC Furniture Industry Complex in Kota Samarahan.



STIDC Pioneers Sarawak's Bamboo Industry with **Bambusetum@UPMKB**

STIDC has played a leading role in advancing Sarawak's bamboo industry with the launch of Bambusetum@UPMKB, a comprehensive research and conservation project aimed at boosting the local bamboo sector.

The project, a collaboration with Universiti Putra Malaysia Bintulu Campus (UPMKB), spans 5 hectares and houses 22 species of bamboo, with a total of 840 specimens.

This initiative marks a significant milestone in the Sarawak Bamboo Industry Development Masterplan, which STIDC is leading to promote a sustainable and economically viable bamboo industry in the region.

As part of the project, STIDC has been central in establishing the Bambusetum as an essential research facility for bamboo in Sarawak. This facility is designed to support both scientific research and industry development.

The Bambusetum@UPMKB will serve as a centre for bamboo research, focusing on areas such as tissue culture techniques, growth optimisation, and disease prevention—critical factors for ensuring the long-term success of Sarawak's bamboo industry.

STIDC's commitment to the project is in line with its aspiration to strengthen Sarawak's timber and wood-based industries and diversify into new sectors like bamboo, which promises significant environmental and economic benefits.



Chin (second from left) and Hashim (right) signs the Bambusetum@UPMKB inauguration plaque.



Hashim (second from right) performs a symbolic bamboo seedling planting at the Bambusetum@UPMKB Inauguration Ceremony.

By partnering with UPMKB, STIDC is confident that the research facility will not only advance scientific understanding but also benefit local communities and businesses through education and innovation.

The Bambusetum@UPMKB is also an important component of Sarawak's Post-COVID-19 Development Strategy 2030 (PCDS 2030).

As part of this strategy, STIDC aims to develop 10,000 hectares of commercial bamboo plantations by 2030, positioning bamboo as a key resource in Sarawak's green economy.

In this context, the Bambusetum is seen as a crucial tool in achieving these ambitious goals, laying the groundwork for large-scale bamboo cultivation across Sarawak.

Through its involvement in the Bambusetum@UPMKB, STIDC is not only helping to shape the future of Sarawak's bamboo industry but also driving efforts towards environmental sustainability and economic growth.

With a focus on research, sustainability, and community engagement, STIDC is paving the way for Sarawak to become a global leader in the bamboo market.

INVOLVEMENT IN EXHIBITION



STIDC Participated in State-Level International Day of Forests 2024



STIDC was part of the big day celebrating the International Day of Forests 2024 at Sabal Forest Reserve, Simunjan.

The event was graced by the presence of Sarawak's Premier the Right Honourable Datuk Patinggi Tan Sri (Dr) Abang Haji Abdul Rahman Zohari Bin Tun Datuk Abang Haji Openg.

The day, themed 'Forests and Innovation, New Solutions for a Better World', was marked by a significant moment as the Premier planted the 35 millionth tree. Additionally, he presented the Certificate of Achievement to Sarawak Planted Forest Sdn Bhd, a subsidiary of STIDC as Sarawak's Top Contributor (Private Agencies Category) under the National 100 Million Tree Planting Campaign.

The certificate was received by Haji Zainal Abidin Bin Haji Abdullah, General Manager of STIDC.

Demonstrating their commitment to the 'Greening Malaysia Programme', the Sarawak government aims to plant 35 million trees by 2025, contributing to the broader goal of planting 100 million trees by the same year.

The event also featured exhibitions by participating agencies showcasing forest restoration, industrial innovation, digital forestry, and various projects from the Innovative & Creative Circles (ICC).

Moreover, STIDC and the Malaysian Community Care Foundation Resources Sdn Bhd took a significant step forward by exchanging Memorandum of Agreement (MoA) documents for the Proposed Collaboration for Sarawak Bamboo Project.

The Premier's visit to the STIDC's bamboo trial pilot project at Sabal exemplified the corporation's commitment to advancing sustainable forestry practices and innovative solutions in line with the theme of the International Day of Forests 2024.



STIDC Brings Sarawak's Timber Spirit to Lan Berambah Anak Sarawak 2024

But STIDC didn't stop at the booth. They organised a key industry update session that drew a crowd. Attendees, from community leaders to curious locals, connected over talks on timber trends and Sarawak's bright future. These moments sparked real conversations, helping bridge the gap between Sarawakians in KL and the opportunities back home.

For the team, it was more than promotion, it was about pride in Sarawak's socio-economic strengths and a commitment to sustainable growth.

Events like this remind us why STIDC matters: fostering links, sharing knowledge, and keeping Sarawak's timber story alive, no matter where Anak Sarawak calls home.

On 19 October 2024, the STIDC joined the lively Lan Berambah Anak Sarawak 2024 at the Malaysia International Trade and Exhibition Centre (MITEC) in Kuala Lumpur. It was a buzzing gathering that brought together over 6,500 Anak Sarawak; individuals from Sarawak living far from home, to celebrate their roots and explore new opportunities.

STIDC threw itself into the event with real enthusiasm, setting up a dedicated booth under the Ministry of Natural Resources. Visitors stopping by to chat about the latest in the timber world, picking up brochures, and discovering Sarawak's wood-based industries. The team shared stories of sustainable practices, showing how STIDC helps protect forests while growing businesses that rely on timber.



STIDC Hosted Negeri Sembilan Contingent at SUKMA XXI 2024



STIDC hosted the Negeri Sembilan contingent at the 21st. Malaysia Games (SUKMA XXI) 2024 in Sarawak. As part of its role, STIDC provided Liaison Officers throughout the games.

Haji Zainal Abidin Bin Haji Abdullah, General Manager of STIDC, described the Liaison Officers as minor ambassadors for Sarawak. They played a crucial role in promoting Sarawak's public services, maintaining the corporation's and state's good reputation, and enhancing communication and networking with other departments and agencies.

STIDC also organised the VIP Golf Tournament. Datuk Amar Haji Mohamad Abu Bakar bin Marzuki, the Sarawak State Secretary and a Board Member of STIDC, expressed gratitude to the Ministry of Youth and Sports Malaysia and the Sarawak Government for appointing STIDC as the host agency. He also thanked the Sarawak Golf Club, sponsors, and supporters for their contributions to the event's success.

Datuk Amar noted that the tournament, which brought together distinguished guests and golf players from across the country, not only provided a competitive platform but also aimed to promote golf among leaders and VIPs. He viewed the event as an opportunity to strengthen relationships and build future collaborations.

He encouraged all participants to showcase their golfing skills and congratulated the winners. For those who did not win, he urged them to keep striving for future success. Datuk Amar also invited participants from outside Sarawak to explore the natural beauty and attractions of Sarawak. Known for its ethnic diversity and cultural tolerance, Sarawak's rich heritage is a significant draw for visitors.

Sarawak aims to attract four million tourists in 2024 by highlighting its culture, natural adventures, and food festivals as key attractions. Sarawak seeks to position itself as a hub for eco-tourism.

In line with the Post COVID-19 Development Strategy 2030 (PCDS 2030), Sarawak is focusing on six key economic sectors: manufacturing, commercial agriculture, tourism, forestry, mining, and social services. By 2030, Sarawak aspires to be a leading destination for eco-tourism and business events in the ASEAN region. The strategy involves empowering communities to conserve heritage, culture, and biodiversity while promoting investment and development in tourism.

Sarawak plans to develop more tourism products and assets, supported by improved connectivity and capacity building for local tourism operators. Sarawak will diversify its tourism focus to include health tourism, sports tourism, agro-tourism, and education tourism. These initiatives are expected to increase the number of visitors by 7.5 per cent annually.

It is hoped that all participants and officers enjoyed a memorable time and experience in Sarawak and fostered a spirit of fellowship for the nation's well-being.

STIDC Celebrated Success with Negeri Sembilan Contingent

STIDC hosted the Negeri Sembilan contingent for the 21st. Para SUKMA games, a national multi-sport event for athletes with disabilities.

The event, held in Kuching, Sarawak, was marked by enthusiastic participation and smooth coordination, making it a great success.

STIDC's involvement reflects its strong commitment to promoting community engagement and sportsmanship.

Athletes and officials from Negeri Sembilan praised STIDC for its warm hospitality, excellent facilities, and efficient organisation, which contributed to a memorable experience for all participants.

For the record, this 21st. edition of Para SUKMA took place from 22nd. to 28th. September 2024, with the Negeri Sembilan contingent sending 119 athletes and officials to compete in 10 events.

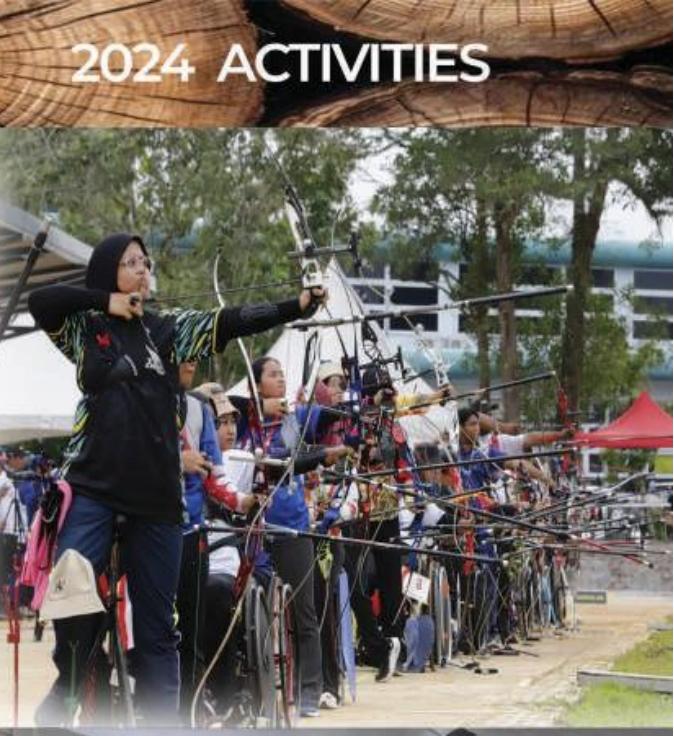
Their hard work paid off, as they returned home with an impressive total of 53 medals including 14 gold, 19 silver, and 20 bronze, solidifying their position as strong contenders in the games.







PARA SUKMA



TIMBER MUSEUM





2023 VS 2024 TRADE STATISTICS

TABLE 1. EXPORT SUMMARY OF TIMBER AND TIMBER PRODUCTS FROM SARAWAK 2024

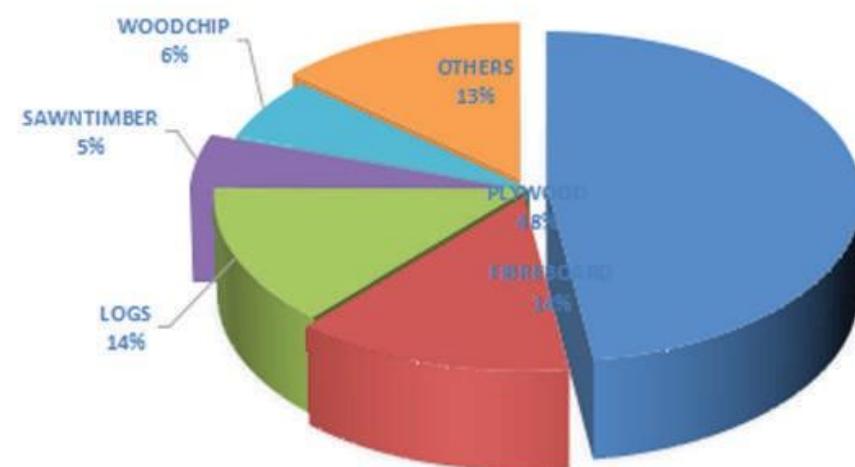
PRODUCTS	2024 ^a January - December			2023 ^a January - December			% Change 2024/2023	
	Volume (m ³)	FOB Value (RM'000)	Value %	Volume (m ³)	FOB Value (RM'000)	Value %	Volume	Value
PLYWOOD	627,366	1,355,924	47.83	613,529	1,496,735	47.67	2.26	(9.41)
FIBREBOARD	169,722	388,045	13.69	164,649	397,979	12.68	3.08	(2.50)
LOGS	477,172	384,928	13.58	558,998	499,193	15.90	(14.64)	(22.89)
SAWNTIMBER	93,934	144,361	5.09	130,326	248,421	7.91	(27.92)	(41.89)
LAMINATED BOARD/FLOORING	9,260	66,015	2.33	6,160	33,479	1.07	50.31	97.18
DOORSKIN	15,677	41,593	1.47	24,330	70,167	2.23	(35.57)	(40.72)
DOOR PANELS & FRAMES	15,325	29,292	1.03	14,999	27,298	0.87	2.18	7.30
VEENEER	11,815	20,490	0.72	16,361	27,908	0.89	(27.79)	(26.58)
MOULDING	6,801	17,093	0.60	2,286	6,676	0.21	197.47	156.04
PARTICLEBOARD	8,532	10,293	0.36	12,524	14,929	0.48	(31.88)	(31.06)
OTHER PRODUCTS*	13,738	23,271	0.82	16,692	34,061	1.08	(17.70)	(31.68)
OTHER PRODUCTS**[Units]	1,704,707	59,011	2.08	1,950,908	53,059	1.69	(12.62)	11.22
OTHER PRODUCTS***[Kgm]	18,599	402	0.01	160	281	0.01	11524.13	42.93
CHARCAOL (Tonne)	2,923	8,747	0.31	1,834	5,229	0.17	59.41	67.29
WOOD PELLETS [Tonne]	138,249	105,944	3.74	57,404	44,474	1.42	140.84	138.22
WOODCHIP [Tonne]	277,909	179,294	6.32	275,189	179,957	5.73	0.99	(0.37)
TOTAL (m³) (RM)	1,449,341	2,834,701	100	1,560,856	3,139,847	100	(7.14)	(9.72)

*OTHER TIMBER PRODUCTS: Ø Laminated Veneer Lumber (LVL)
Ø Barecore
Ø Blockboard
Ø Dowels
Ø Finger jointed
Ø Lamin Board
Ø Laminated beam/post

**OTHER TIMBER PRODUCTS:
Ø Railways sleepers
Ø Wooden Fences
Ø Wooden Handle
Ø Wooden Lattice
Ø Wooden Stakes

***OTHER TIMBER PRODUCTS:
Ø Scented Wood
Ø Shingles

Notes:
> Fibreboard include MDF and HDF
> Total of volume (m³) does not includes woodchips (tonne) and other product (units)
> a = actual data & total does not include application/permit to transport goods within the Federation [Customs Declaration Form No.3 (CDF3)]
> p = preliminary data & total does not include application/permit to transport goods within the Federation [Customs Declaration Form No.3 (CDF3)]

EXPORT VALUE (%) OF MAJOR TIMBER PRODUCTS 2024**TABLE 2. EXPORT OF PLYWOOD BY COUNTRY OF DESTINATIONS**

DESTINATIONS	2024 ^a January - December			2023 ^a January - December			% Change 2024/2023	
	Volume (m ³)	FOB Value (RM'000)	Value %	Volume (m ³)	FOB Value (RM'000)	Value %	Volume	Value
JAPAN	497,211	1,112,806	82.07	474,402	1,210,674	80.89	4.81	(8.08)
MIDDLE EAST	71,281	123,528	9.11	58,045	116,575	7.79	22.80	5.96
TAIWAN	31,629	55,776	4.11	38,987	73,529	4.91	(18.87)	(24.14)
PHILIPPINES	5,768	19,832	1.46	2,910	9,848	0.66	98.23	101.38
KOREA	10,369	18,658	1.38	23,113	44,589	2.98	(55.14)	(58.16)
OTHERS*	11,109	25,324	1.87	16,073	41,520	2.77	(30.88)	(39.01)
TOTAL	627,366	1,355,924	100	613,529	1,496,735	100	2.26	(9.41)

*OTHER DESTINATIONS:

♦ AUSTRALIA
♦ BRUNEI DARUSSALAM
♦ CANADA
♦ CHINA
♦ DJIBOUTI
♦ HONG KONG
♦ INDONESIA
♦ INDIA
♦ MALDIVES
♦ MEXICO
♦ NEW ZEALAND
♦ PAPUA NEW GUINEA
♦ SINGAPORE
♦ THAILAND
♦ TURKEY
♦ UNITED STATES
♦ VIETNAM

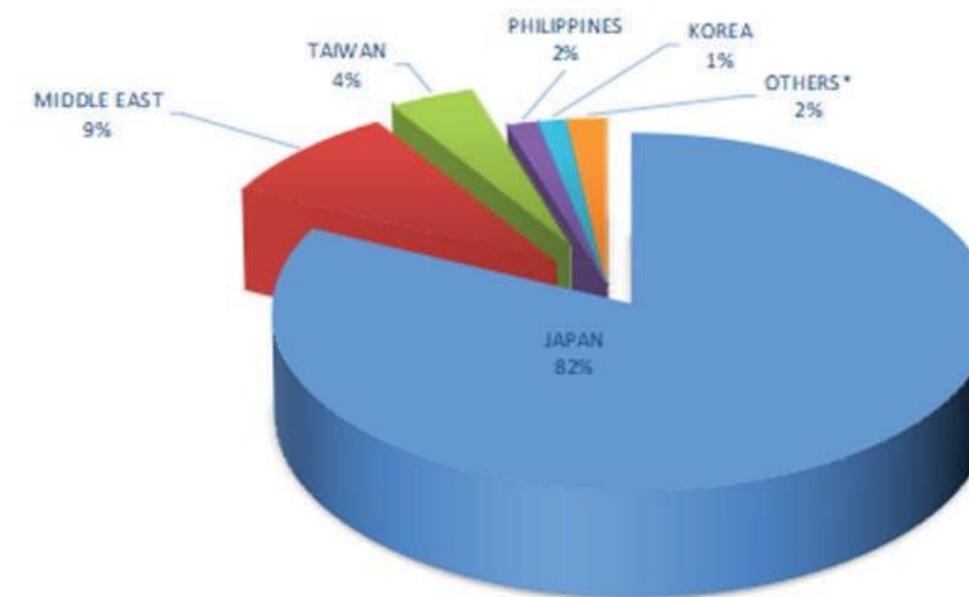
EXPORT VALUE (%) OF PLYWOOD TO MAJOR DESTINATIONS 2024

TABLE 3. EXPORT OF FIBREBOARD BY COUNTRY OF DESTINATIONS

DESTINATIONS	2024 ^a January - December			2023 ^a January - December			% Change 2024/2023	
	Volume (m ³)	FOB Value (RM'000)	Value %	Volume (m ³)	FOB Value (RM'000)	Value %	Volume	Value
JAPAN	123,176	290,402	74.84	128,691	313,701	78.82	(4.29)	(7.43)
PHILIPPINES	21,147	49,815	12.84	16,440	40,877	10.27	28.63	21.87
VIETNAM	6,265	16,134	4.16	5,703	14,429	3.63	9.85	11.82
INDONESIA	7,119	14,826	3.82	6,050	12,675	3.18	17.67	16.97
KOREA	4,464	7,607	1.96	2,513	4,779	1.20	77.62	59.20
OTHERS*	7,551	9,260	2.39	5,251	11,518	2.89	43.79	(19.61)
TOTAL	169,722	388,045	100	164,649	397,979	100	3.08	(2.50)

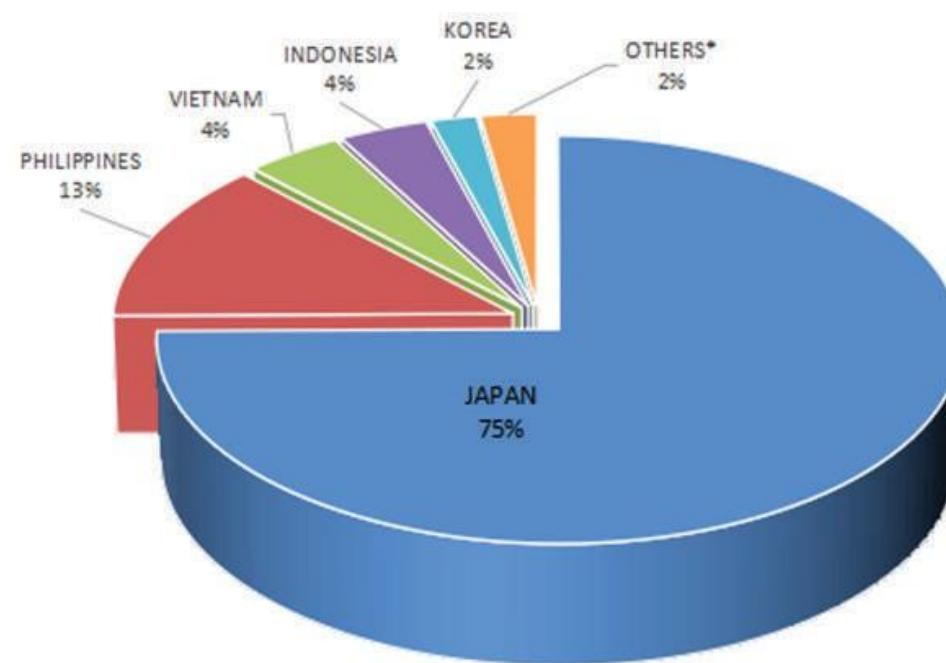
*OTHER DESTINATIONS:

- ◆ AUSTRALIA
- ◆ INDIA
- ◆ BRUNEI DARUSSALAM
- ◆ CHINA
- ◆ CANADA
- ◆ TAIWAN

TABLE 4. EXPORT OF LOGS BY COUNTRY OF DESTINATIONS

DESTINATIONS	2024 ^a January - December			2023 ^a January - December			% Change 2024/2023	
	Volume (m ³)	FOB Value (RM'000)	Value %	Volume (m ³)	FOB Value (RM'000)	Value %	Volume	Value
INDIA	458,367	367,594	95.50	520,135	456,698	91.49	(11.88)	(19.51)
TAIWAN	12,102	11,792	3.06	31,325	35,341	7.08	(61.37)	(66.63)
JAPAN	6,703	5,543	1.44	7,538	7,154	1.43	(11.08)	(22.53)
TOTAL	477,172	384,928	100	558,998	499,193	100	(14.64)	(22.89)

EXPORT VALUE(%) OF FIBREBOARD TO MAJOR DESTINATION 2024



EXPORT VALUE (%) OF LOG TO MAJOR DESTINATION 2024

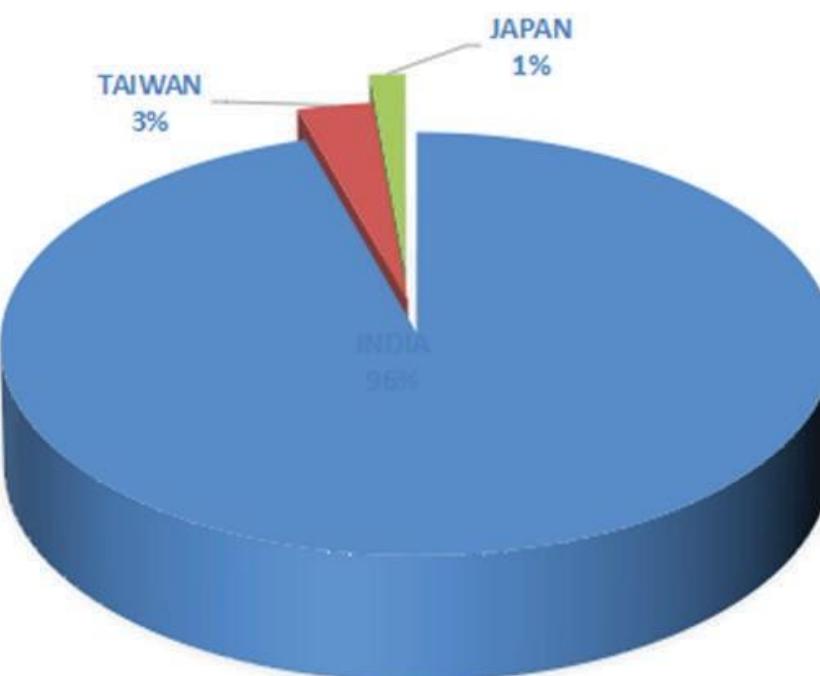
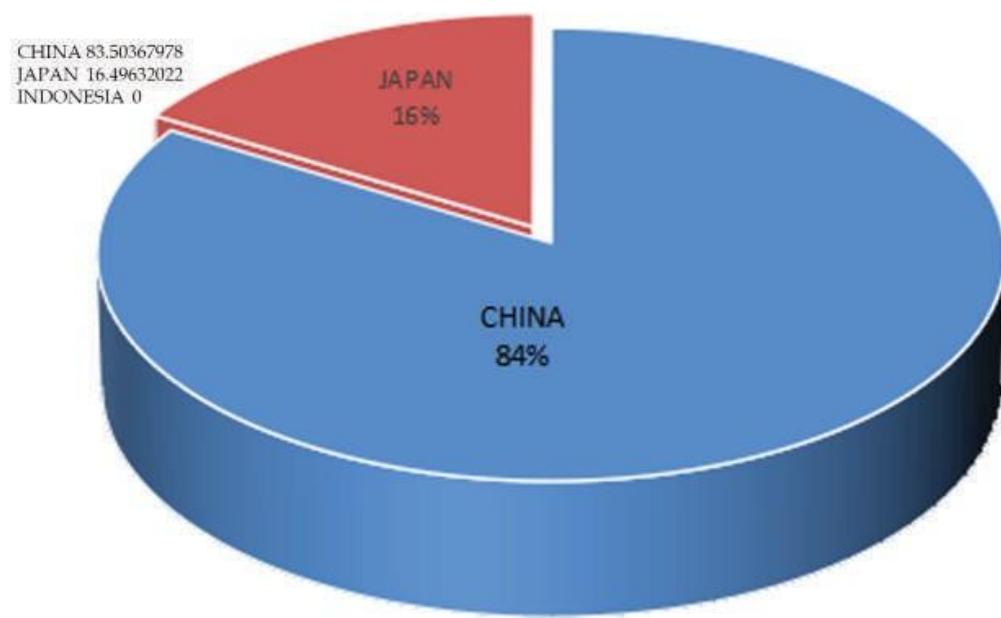


TABLE 5. EXPORT OF WOODCHIP BY COUNTRY OF DESTINATIONS

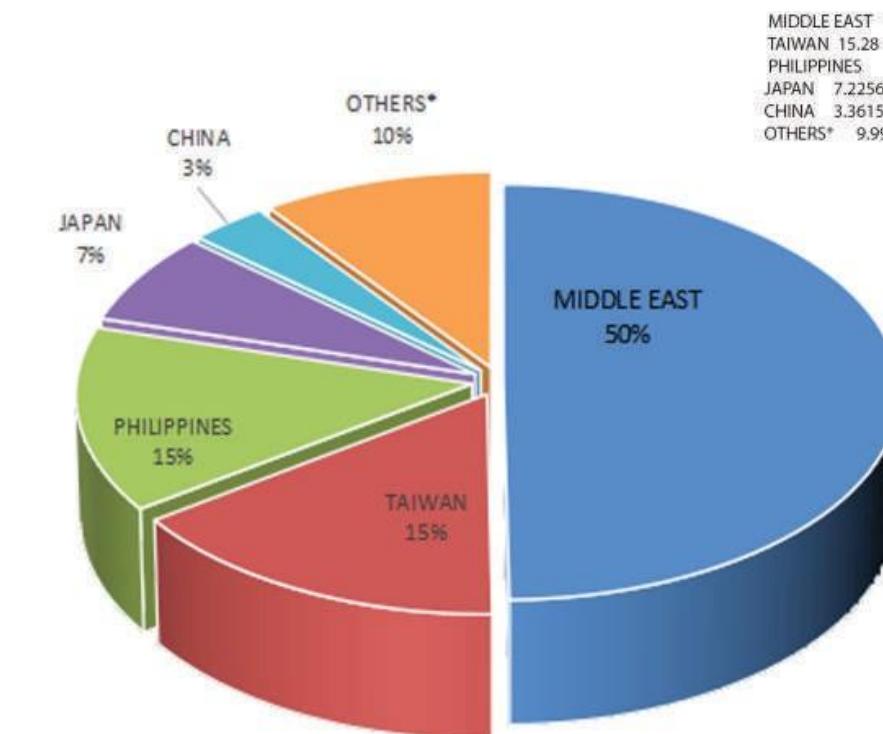
DESTINATIONS	2024 ^b January - December			2023 ^a January - December			% Change 2024/2023	
	Volume (Tonne)	FOB Value (RM'000)	Value %	Volume (Tonne)	FOB Value (RM'000)	Value %	Volume	Value
CHINA	197,969	149,717	83.50	177,831	139,461	77.50	11.32	7.35
JAPAN	79,939	29,577	16.50	83,300	29,559	16.43	(4.03)	0.06
INDONESIA	-	-	-	14,058	10,938	6.08	(100.00)	(100.00)
TOTAL	277,909	179,294	100	275,189	179,957	100	0.99	(0.37)

EXPORT VALUE(%) OF WOODCHIP TO MAJOR DESTINATION 2024**TABLE 6. EXPORT OF SAWN TIMBER BY COUNTRY OF DESTINATIONS**

DESTINATIONS	2024 ^a January - December			2023 ^a January - December			% Change 2024/2023	
	Volume (m ³)	FOB Value (RM'000)	Value %	Volume (m ³)	FOB Value (RM'000)	Value %	Volume	Value
MIDDLE EAST	43,791	71,853	49.77	48,631	103,964	41.85	(9.95)	(30.89)
TAIWAN	12,922	22,059	15.28	16,549	37,879	15.25	(21.91)	(41.77)
PHILIPPINES	22,446	20,733	14.36	37,766	56,696	22.82	(40.56)	(63.43)
JAPAN	3,767	10,431	7.23	4,559	14,577	5.87	(17.37)	(28.44)
CHINA	2,903	4,853	3.36	3,089	4,464	1.80	(6.01)	8.72
OTHERS*	8,104	14,432	10.00	19,732	30,842	12.42	(58.93)	(53.20)
TOTAL	93,934	144,361	100	130,326	248,421	100	(27.92)	(41.89)

*OTHER DESTINATIONS:

- ◆ AUSTRALIA
- ◆ BRUNEI DARUSSALAM
- ◆ HONG KONG
- ◆ INDIA
- ◆ KOREA
- ◆ MALDIVES
- ◆ MAURITIUS
- ◆ PAKISTAN
- ◆ SEYCHELLES
- ◆ SINGAPORE
- ◆ SOUTH AFRICA
- ◆ SRI LANKA
- ◆ THAILAND
- ◆ UNITED STATES
- ◆ VIETNAM

EXPORT VALUE(%) OF SAWN TIMBER TO MAJOR DESTINATION 2024

MIDDLE EAST 49.77
 TAIWAN 15.28
 PHILIPPINES 14.36
 JAPAN 7.23
 CHINA 3.36
 OTHERS* 10.00



2024 FINANCIAL STATEMENT

FINANCIAL STATEMENTS

2024

Sarawak Timber Industry Development Corporation
31 December 2024

(Incorporated under the Sarawak State Ordinance No.3 of 1973)

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PERBADANAN KEMAJUAN PERUSAHAAN KAYU SARAWAK
(Incorporated under the Sarawak State Ordinance No.3 of 1973)

BOARD MEMBERS, OFFICERS AND PROFESSIONAL ADVISORS

Chairman	: YB Datuk Amar Haji Awang Tengah Ali Hasan
Board Members	: YB Datuk Amar Haji Mohamad Abu Bakar Bin Marzuki
	: YB Datuk Haji Len Talif Salleh
	: YBhg Dato Sri Dr. Haji Wan Lizozman Bin Wan Omar
	: YBhg. Tan Sri Datuk Amar (Dr) Hj Abdul Aziz Bin Dato Hj Husain
	: YBhg. Dato Sri Haji Mohd Naroden Bin Haji Majais
	: YBhg. Datu Sr. Zaidi Bin Haji Mahdi (Until 2 nd May 2025)
	: YBhg. Datu Haji Abdullah Bin Julaihi

General Manager	: YBhg. Tuan Haji Zainal Abidin bin Haji Abdullah
Address	: Wisma Sumber Alam, Jalan Stadium, Petra Jaya, 93050 Kuching, Sarawak, Malaysia
Auditor	: Auditor General of Malaysia
Bankers	: Malayan Banking Berhad : CIMB Bank Berhad : RHB Bank Berhad : Bank Islam (M) Berhad

SARAWAK TIMBER INDUSTRY DEVELOPMENT CORPORATION
(Incorporated under the Sarawak State Ordinance No.3 of 1973)

Penyata Pengerusi dan Seorang Ahli Lembaga Pengurusan

Kami, Yang Berhormat Datuk Amar Haji Tengah Ali Hasan dan Yang Berbahagia Dato Sri Dr. Haji Wan Lizozman Bin Wan Omar, yang merupakan Pengerusi dan salah seorang Ahli Lembaga Pengurusan Perbadanan Kemajuan Perusahaan Kayu Sarawak, dengan ini menyatakan bahawa, pada pendapat Lembaga Pengarah, Penyata Kewangan yang mengandungi Penyata Kedudukan Kewangan, Penyata Pendapatan Komprehensif, Penyata Perubahan Ekuiti dan Penyata Aliran Tunai yang berikut ini berserta dengan nota-nota kepada Penyata Kewangan di dalamnya, adalah disediakan untuk menunjukkan pandangan yang benar dan saksama berkenaan kedudukan Perbadanan Kemajuan Perusahaan Kayu Sarawak pada 31 Disember 2024 dan hasil kendaliannya serta perubahan kedudukan kewangannya bagi tahun berakhir pada tarikh tersebut.

Bagi pihak Lembaga,

Yang Berhormat Datuk Amar Haji
Awang Tengah Ali Hasan
Pengerusi

Kuching, Sarawak, Malaysia
Tarikh :

04 APR 2025

Bagi pihak Lembaga,

Yang Berbahagia Dato Sri Dr. Haji Wan
Lizozman Bin Wan Omar
Ahli Lembaga

Kuching, Sarawak, Malaysia
Tarikh :

04 APR 2025

SARAWAK TIMBER INDUSTRY DEVELOPMENT CORPORATION
(Incorporated under the Sarawak State Ordinance No.3 of 1973)

Perakuan Oleh Pegawai Utama Yang Bertanggungjawab Ke Atas Pengurusan Kewangan Perbadanan Kemajuan Perusahaan Kayu Sarawak

Saya, Haji Zainal Abidin Bin Haji Abdullah pegawai utama yang bertanggungjawab ke atas pengurusan kewangan dan rekod-rekod perakaunan Perbadanan Kemajuan Perusahaan Kayu Sarawak dan Kumpulan, dengan ikhlasnya mengakui bahawa Penyata Kedudukan Kewangan, Penyata Pendapatan Komprehensif, Penyata Perubahan Ekuiti dan Penyata Aliran Tunai yang berikut ini berserta dengan nota-nota kepada Penyata Kewangan di dalamnya mengikuti sebaik-baik pengetahuan dan kepercayaan saya, adalah betul dan saya membuat ikrar ini dengan sebenarnya mempercayai bahawa ia adalah benar, dan atas kehendak-kehendak Akta Akuan Berkanun, 1960.

Sebenarnya dan sesungguhnya diakui oleh
Haji Zainal Abidin Bin Haji Abdullah
Di Kuching, Sarawak pada 17 APR 2025

Haji Zainal Abidin Bin Haji Abdullah
Di hadapan saya,



986, 2nd Floor,
BDC Commercial C
93250 Kuching, Sar



SIJIL KETUA AUDIT NEGARA
MENGENAI PENYATA KEWANGAN
PERBADANAN KEMAJUAN PERUSAHAAN KAYU SARAWAK
BAGI TAHUN BERAKHIR 31 DISEMBER 2024

Sijil Mengenai Pengauditan Penyata Kewangan

Pendapat Berteguran

Saya telah memberikan kuasa kepada firma audit swasta di bawah subseksyen 7(3) Akta Audit 1957 [Akta 62] untuk mengaudit Penyata Kewangan Perbadanan Kemajuan Perusahaan Kayu Sarawak. Penyata kewangan tersebut merangkumi Penyata Kedudukan Kewangan pada 31 Disember 2024 Perbadanan Kemajuan Perusahaan Kayu Sarawak dan Kumpulan dan Penyata Pendapatan Komprehensif, Penyata Perubahan Dalam Ekuiti serta Penyata Aliran Tunai bagi tahun berakhir pada tarikh tersebut dan nota kepada penyata kewangan termasuklah ringkasan polisi perakaunan yang signifikan seperti yang dinyatakan pada muka surat 8 hingga 61.

Pada pendapat saya, penyata kewangan ini memberikan gambaran yang benar dan saksama terhadap kedudukan kewangan Perbadanan Kemajuan Perusahaan Kayu Sarawak dan Kumpulan pada 31 Disember 2024 dan prestasi kewangan serta aliran tunai bagi tahun kewangan berakhir pada tarikh tersebut selaras dengan Piawaian Pelaporan Entiti Persendirian Malaysia (MPERS) dan keperluan The Statutory Bodies (Financial and Accounting Procedure) Ordinance, 1995 serta The Sarawak Timber Industry Development Corporation Ordinance, 1973 kecuali perkara yang dinyatakan di perenggan Asas Kepada Pendapat Berteguran.

Asas Kepada Pendapat Berteguran

a. Akaun Hasil

Perekodan penerimaan dan perbelanjaan dalam empat Akaun Hasil Perbadanan Kemajuan Perusahaan Kayu Sarawak tidak dibuat dengan tepat menyebabkan akaun tersebut berbaki negatif berjumlah RM7.72 juta. Perkara ini tidak mematuhi Piawaian

Pelaporan Entiti Persendirian Malaysia (MPERS) 2 – Concepts and Pervasive Principles. Ketidaktepatan perekodan menyebabkan akaun hasil dan akaun perbelanjaan yang berkaitan terkurang nyata sejumlah RM7.72 juta.

b. Pelaburan

Perbadanan Kemajuan Perusahaan Kayu Sarawak merekodkan pegangan pelaburan saham dalam tiga syarikat tersenarai pada nilai buku berjumlah RM32.08 juta berbanding nilai pasaran saham tersebut yang berjumlah RM34.73 juta. Perekodan bukan pada nilai saksama ini tidak mematuhi Piawaian Pelaporan Entiti Persendirian Malaysia (MPERS) 11 – Basic Financial Instruments serta menyebabkan nilai Pelaburan dan Keuntungan terkurang nyata sejumlah RM2.65 juta.

c. Geran Program Say Designer Sarawak

Perbadanan Kemajuan Perusahaan Kayu Sarawak telah mempermodalkan geran bagi Program Say Designer Sarawak berjumlah RM5.98 juta sebagai Belanja Pembangunan Hartanah, walaupun program ini berkaitan pembangunan kemahiran serta tidak melibatkan sebarang pembinaan atau pemilikan aset. Manakala masih terdapat baki geran bagi program ini yang berjumlah RM1.0 juta belum diiktiraf sebagai pendapatan. Perkara ini tidak mematuhi Piawaian Pelaporan Entiti Persendirian Malaysia (MPERS) 17 – Property, Plant and Equipment dan MPERS 24 – Government Grants yang menyebabkan aset Pembangunan Hartanah dan liabiliti Pendapatan Geran Tertunda terlebih nyata masing-masing berjumlah RM5.98 juta dan RM1.0 juta, manakala Hasil terkurang nyata sejumlah RM6.98 juta.

d. Cukai

Perbadanan Kemajuan Perusahaan Kayu Sarawak merekodkan perbelanjaan Cukai berjumlah RM2.70 juta bagi tahun 2024. Bagaimanapun, tiada sebarang peruntukan dibuat bagi mengiktiraf liabiliti cukai semasa bagi cukai yang perlu dibayar atas keuntungan boleh cukai bagi tempoh lalu yang berjumlah RM18.67 juta berdasarkan tuntutan Lembaga Hasil Dalam Negeri Malaysia. Perkara ini tidak mematuhi Piawaian Pelaporan Entiti Persendirian Malaysia (MPERS) 29 – Income Tax dan menyebabkan perbelanjaan cukai dan liabiliti Cukai Semasa masing-masing terkurang nyata sejumlah RM15.97 juta.

e. Inventori

Perbadanan Kemajuan Perusahaan Kayu Sarawak masih merekodkan satu lot tanah bernilai RM1.53 juta yang telah dijual sebagai Inventori. Manakala terdapat tujuh lot tanah berjumlah RM5.71 juta yang telah dibatalkan jualan, tidak diklasifikasikan semula sebagai inventori, sebaliknya masih direkodkan sebagai penghutang perdagangan. Perkara ini tidak mematuhi Piawaian Pelaporan Entiti Persendirian Malaysia (MPERS) 2 – Concepts and Pervasive Principles. Ketidaktepatan klasifikasi dan perekodan menyebabkan Penghutang Perdagangan dan Hasil telah terlebih nyata masing-masing berjumlah RM5.71 juta dan RM4.18 juta, manakala Inventori terkurang nyata sejumlah RM4.18 juta.

f. Keuntungan Tertahan Kumpulan

Nilai bawaan Keuntungan Tertahan Kumpulan daripada Tahun 2023 yang direkodkan sebagai baki awal dalam Penyata Kewangan Tahun 2024 adalah berjumlah RM1,308.27 juta. Bagaimanapun, pengiraan baki awal yang disatukan daripada Penyata Kewangan individu Perbadanan Perusahaan Kayu Sarawak dan 20 anak syarikat bagi tahun 2024 adalah berjumlah RM982.76 juta. Perbezaan tersebut wujud antaranya disebabkan pelarasan tahun terdahulu tidak dibuat serta penyata kewangan anak syarikat tahun 2024 belum beraudit semasa penyediaan penyataan Penyata Kumpulan oleh Perbadanan Kemajuan Perusahaan Kayu Sarawak. Perkara ini tidak mematuhi Piawaian Pelaporan Entiti Persendirian Malaysia (MPERS) 9 – Consolidated and Separate Financial Statements.

Pengauditan telah dilaksanakan berdasarkan Akta Audit 1957 dan International Standards of Supreme Audit Institutions. Tanggungjawab saya dihuraikan selanjutnya di perenggan Tanggungjawab Juruaudit Terhadap Pengauditan Penyata Kewangan dalam sijil ini. Saya percaya bahawa bukti audit yang diperoleh adalah mencukupi dan bersesuaian untuk dijadikan asas kepada pendapat berteguran saya.

Kebebasan dan Tanggungjawab Etika Lain

Saya adalah bebas daripada Perbadanan Kemajuan Perusahaan Kayu Sarawak dan Kumpulan serta telah memenuhi tanggungjawab etika lain berdasarkan International Standards of Supreme Audit Institutions.

Maklumat Lain Selain Daripada Penyata Kewangan dan Sijil Juruaudit Mengenainya

Lembaga Pengarah, Perbadanan Kemajuan Perusahaan Kayu Sarawak bertanggungjawab terhadap maklumat lain dalam Laporan Tahunan. Pendapat saya terhadap Penyata Kewangan Perbadanan Kemajuan Perusahaan Kayu Sarawak dan Kumpulan tidak meliputi

maklumat lain selain daripada penyata kewangan dan Sijil Juruaudit mengenainya dan saya tidak menyatakan sebarang bentuk kesimpulan jaminan mengenainya.

Perkara Utama Audit

Kecuali perkara yang dijelaskan dalam perenggan Asas Kepada Pendapat Berteguran, saya memutuskan bahawa tidak ada Perkara Utama Audit lain untuk disampaikan di dalam sijil ini.

Tanggungjawab Lembaga Pengarah Terhadap Penyata Kewangan

Lembaga Pengarah bertanggungjawab terhadap penyediaan Penyata Kewangan Perbadanan Kemajuan Perusahaan Kayu Sarawak dan Kumpulan yang memberi gambaran benar dan saksama selaras dengan Piawaian Pelaporan Entiti Persendirian Malaysia (MPERS) dan keperluan The Statutory Bodies (Financial and Accounting Procedure) Ordinance, 1995 serta The Sarawak Timber Industry Development Corporation Ordinance, 1973. Lembaga Pengarah juga bertanggungjawab terhadap penetapan kawalan dalaman yang perlu bagi membolehkan penyediaan Penyata Kewangan Perbadanan Kemajuan Perusahaan Kayu Sarawak dan Kumpulan yang bebas daripada salah nyata yang ketara, sama ada disebabkan fraud atau kesilapan.

Semasa penyediaan Penyata Kewangan Perbadanan Kemajuan Perusahaan Kayu Sarawak dan Kumpulan, Lembaga Pengarah bertanggungjawab untuk menilai keupayaan Perbadanan Kemajuan Perusahaan Kayu Sarawak dan Kumpulan untuk beroperasi sebagai satu usaha berterusan, mendedahkannya jika berkaitan serta menggunakan sebagai asas perakaunan.

Tanggungjawab Juruaudit Terhadap Pengauditan Penyata Kewangan

Objektif saya adalah untuk memperoleh keyakinan yang munasabah sama ada Penyata Kewangan Perbadanan Kemajuan Perusahaan Kayu Sarawak dan Kumpulan secara keseluruhannya adalah bebas daripada salah nyata yang ketara, sama ada disebabkan fraud atau kesilapan, dan mengeluarkan Sijil Juruaudit yang merangkumi pendapat saya. Jaminan yang munasabah adalah satu tahap jaminan yang tinggi, tetapi bukan satu jaminan bahawa audit yang dijalankan mengikut International Standards of Supreme Audit Institutions akan sentiasa mengesan salah nyata yang ketara apabila ia wujud. Salah nyata boleh wujud daripada fraud atau kesilapan dan dianggap ketara sama ada secara individu atau agregat sekiranya boleh dijangkakan dengan munasabah untuk mempengaruhi keputusan ekonomi yang dibuat oleh pengguna berdasarkan penyata kewangan ini.

Sebagai sebahagian daripada pengauditan mengikut International Standards of Supreme Audit Institutions, saya menggunakan pertimbangan profesional dan mengekalkan keraguan profesional sepanjang pengauditan. Saya juga:

- a. mengenal pasti dan menilai risiko salah nyata ketara dalam Penyata Kewangan Perbadanan Kemajuan Perusahaan Kayu Sarawak dan Kumpulan, sama ada disebabkan fraud atau kesilapan, merangka dan melaksanakan prosedur audit yang responsif terhadap risiko berkenaan serta mendapatkan bukti audit yang mencukupi dan bersesuaian untuk memberikan asas kepada pendapat saya. Risiko untuk tidak mengesan salah nyata ketara akibat daripada fraud adalah lebih tinggi daripada kesilapan kerana fraud mungkin melibatkan pakatan, pemalsuan, ketinggalan yang disengajakan, representasi yang salah, atau mengatasi kawalan dalaman;
- b. memahami kawalan dalaman yang relevan untuk merangka prosedur audit yang bersesuaian tetapi bukan untuk menyatakan pendapat mengenai keberkesanan kawalan dalaman Perbadanan Kemajuan Perusahaan Kayu Sarawak dan Kumpulan;
- c. menilai kesesuaian dasar perakaunan yang diguna pakai, kemunasabahan anggaran perakaunan dan pendedahan yang berkaitan oleh Lembaga Pengarah;
- d. membuat kesimpulan terhadap kesesuaian penggunaan asas perakaunan untuk usaha berterusan oleh Lembaga Pengarah dan berdasarkan bukti audit yang diperoleh, sama ada wujudnya ketidakpastian ketara yang berkaitan dengan peristiwa atau keadaan yang mungkin menimbulkan keraguan yang signifikan terhadap keupayaan Perbadanan Kemajuan Perusahaan Kayu Sarawak atau Kumpulan sebagai satu usaha berterusan. Jika saya membuat kesimpulan bahawa ketidakpastian ketara wujud, saya perlu melaporkan dalam Sijil Juruaudit terhadap pendedahan yang berkaitan dalam Penyata Kewangan Perbadanan Kemajuan Perusahaan Kayu Sarawak dan Kumpulan atau, jika pendedahan tersebut tidak mencukupi, pendapat saya akan diubah. Kesimpulan saya dibuat berdasarkan bukti audit yang diperoleh sehingga tarikh Sijil Juruaudit. Bagaimanapun, peristiwa atau keadaan pada masa hadapan berkemungkinan menyebabkan Perbadanan Kemajuan Perusahaan Kayu Sarawak atau Kumpulan tidak lagi berupaya meneruskan operasi secara usaha berterusan;
- e. menilai persembahan secara keseluruhan, struktur dan kandungan Penyata Kewangan Perbadanan Kemajuan Perusahaan Kayu Sarawak dan Kumpulan, termasuk pendedahannya, dan sama ada penyata kewangan tersebut telah melaporkan asas-asas urus niaga dan peristiwa-peristiwa yang memberikan gambaran saksama; dan

- f. mendapatkan bukti audit yang mencukupi dan bersesuaian berkaitan maklumat kewangan entiti dan aktiviti perniagaan dalam Kumpulan untuk memberikan pendapat terhadap Penyata Kewangan Kumpulan. Saya bertanggungjawab untuk hala tuju, pengawasan dan pelaksanaan pengauditan kumpulan. Saya hanya bertanggungjawab terhadap pendapat saya.

Lembaga Pengarah telah dimaklumkan, antaranya mengenai skop dan tempoh pengauditan yang dirancang serta penemuan audit yang signifikan termasuk kelemahan kawalan dalaman yang dikenal pasti semasa pengauditan.

Laporan Mengenai Keperluan Perundangan dan Peraturan Lain

Berdasarkan keperluan The Statutory Bodies (Financial and Accounting Procedure) Ordinance, 1995 dan The Sarawak Timber Industry Development Corporation Ordinance, 1973, saya juga melaporkan:

- a. syarikat subsidiari yang tidak diaudit oleh saya, telah dinyatakan di Nota 7 dalam penyata kewangan; dan
- b. pada pendapat saya, saya tidak memperolehi maklumat dan penjelasan berkaitan serta rekod perakaunan dan rekod lain tidak disimpan dengan sempurna seperti yang dinyatakan di perenggan Asas Kepada Pendapat Berteguran.

Hal-hal Lain

Perbadanan Kemajuan Perusahaan Kayu Sarawak hendaklah menggunakan penyata kewangan anak syarikat beraudit dalam penyediaan kewangan anak syarikat beraudit dalam penyediaan Penyata Kewangan Disatukan (Penyata Kewangan Kumpulan) bagi memastikan ketepatan dan kesahihan rekod perakaunan. Perkara ini adalah selaras dengan kehendak Piawaian Pelaporan Entiti Persendirian Malaysia (MPERS) 9 – Consolidated and Separate Financial Statements.

Sijil ini dibuat untuk Lembaga Pengarah, Perbadanan Kemajuan Perusahaan Kayu Sarawak berdasarkan keperluan The Statutory Bodies (Financial and Accounting Procedure) Ordinance, 1995 serta The Sarawak Timber Industry Development Corporation Ordinance, 1973 dan bukan untuk tujuan lain. Saya tidak bertanggungjawab terhadap pihak lain bagi kandungan sijil ini.

(DATO' SERI WAN SURAYA WAN MOHD RADZI)
KETUA AUDIT NEGARA
MALAYSIA

PUTRAJAYA
10 NOVEMBER 2025



PERBADANAN KEMAJUAN PERUSAHAAN KAYU SARAWAK
(Incorporated under the Sarawak State Ordinance No.3 of 1973)

STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2024

ASSETS	NOTE	2024	The Group	2024	The Corporation
		RM	2023	RM	2023
Non-Current Assets					
Property, plant and equipment	4	570,395,350	594,207,699	197,094,265	194,764,981
Intangible asset	5	25,669	28,550	-	-
Land held for property development	6	55,286,060	55,652,166	55,286,060	55,286,060
Investment properties	7	42,227,000	-	-	-
Investment in subsidiaries	8	-	-	229,773,089	231,336,508
Investment in associates	9	196,560,051	201,126,380	88,636,182	88,636,182
Other investments	10	214,257,102	195,927,880	61,090,770	65,778,664
Property development expenditure	11	72,755,271	75,215,027	72,755,271	75,215,027
Biological assets	12	1,925,096	232,473,951	-	-
Deferred tax assets	25	7,218,521	7,218,521	7,218,521	7,218,521
Amount owing by subsidiaries	16	-	-	68,054,461	73,339,593
Amount owing by associates	17	20,558,458	-	-	-
Other receivables	15	1,084,139	1,170,643	625,427	662,456
Goodwill on consolidation	13	176,700	176,700	-	-
Total Non-Current Assets		1,182,469,417	1,363,197,517	780,534,046	792,237,992
Current Assets					
Inventories	14	159,676,887	162,896,524	118,302,318	118,302,318
Trade and other receivables	15	522,874,725	708,213,313	25,786,307	40,017,933
Land held for property development	6	899,230	-	-	-
Property development expenditure	11	169,174	-	-	-
Amount owing by subsidiaries	16	-	-	43,565,621	33,320,831
Amount owing by associates	17	22,995,557	11,028,679	9,567,162	9,567,162
Amount owing by related companies	18	68,336	4,511,072	-	-
Other investments	10	28,208,532	42,088,981	28,208,532	27,429,446
Cash and cash equivalents	19	154,038,075	128,833,822	14,665,895	21,433,422
Tax refundable		23,056,526	16,331,715	-	-
Total Current Assets		911,987,042	1,073,904,106	240,095,835	250,071,112
TOTAL ASSETS		2,094,456,459	2,437,101,623	1,020,629,881	1,042,309,104

The annexed notes form an integral part of these financial statements

PERBADANAN KEMAJUAN PERUSAHAAN KAYU SARAWAK
(Incorporated under the Sarawak State Ordinance No.3 of 1973)

STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2024

EQUITY & LIABILITIES	NOTE	The Group		The Corporation	
		2024 RM	2023 RM	2024 RM	2023 RM
Equity					
Retained profits	20	1,048,032,282	1,308,270,503	756,465,130	745,531,743
Equity attributable to owners of the Corporation		1,048,032,282	1,308,270,503	756,465,130	745,531,743
Non-controlling interests		83,174,025	74,076,697	-	-
Total Equity		1,131,206,307	1,382,347,200	756,465,130	745,531,743
Non-Current Liabilities					
Deferred grant income	21	58,050,509	49,636,671	58,050,509	49,636,671
Loans and borrowings	22	398,207,527	495,141,191	59,389,240	59,389,240
Hire purchase payables	23	27,608,756	423,437	-	-
Retirement benefit obligations	24	7,542,941	6,735,668	2,700,791	2,109,342
Deferred tax liabilities	25	26,686,244	35,317,690	-	-
Total Non-Current Liabilities		518,095,977	587,254,657	120,140,540	111,135,253
Current Liabilities					
Trade and other payables	26	105,891,816	145,280,049	23,712,484	28,665,000
Amount owing to subsidiaries	16	-	-	5,342,772	106,256
Amount owing to associates	17	3,665,052	3,704,403	118,053	157,404
Amount owing to related companies	18	71,357,991	28,377,163	-	-
Retirement benefit obligations	24	639,661	614,541	399,661	164,541
Provision for taxation		(1,786,124)	581,965	(2,016,262)	197,184
Loans and borrowings	22	262,736,329	288,215,329	116,467,503	156,272,008
Hire purchase payables	23	2,649,450	726,316	-	79,715
Total Current Liabilities		445,154,175	467,499,766	144,024,211	185,642,108
Total Liabilities		963,250,152	1,054,754,423	264,164,751	296,777,361
TOTAL EQUITY & LIABILITIES		2,094,456,459	2,437,101,623	1,020,629,881	1,042,309,104

PERBADANAN KEMAJUAN PERUSAHAAN KAYU SARAWAK
(Incorporated under the Sarawak State Ordinance No.3 of 1973)

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

NOTE	2024 RM	The Group		The Corporation	
		2023 RM	2024 RM	2023 RM	2023 RM
Revenue					
Cost of Sales	27	741,568,708	754,701,844	88,518,171	73,259,812
Gross (Loss)/Profit		(900,747,319)	(621,277,102)	-	(6,911,157)
Other Income		(159,178,611)	133,424,742	88,518,171	66,348,655
Administrative Expenses		117,095,582	32,076,300	10,248,067	11,929,153
Finance Costs	28	(159,814,470)	(195,118,692)	(79,698,178)	(72,674,221)
(Loss)/Profit from Operations		(39,071,685)	(23,076,953)	(6,929,072)	(6,428,560)
Shares of Net Gain of Equity		(240,969,184)	(52,694,603)	12,138,988	(824,973)
Accounted Associates		(1,812,673)	29,555,974	-	-
(Loss)/Profit Before Taxation		(242,781,857)	(23,138,629)	12,138,988	(824,973)
Taxation	29	(7,595,624)	(11,140,820)	(1,205,601)	(5,957,011)
(Loss)/Profit After Taxation for the Financial Year		(250,377,481)	(34,279,449)	10,933,387	(6,781,984)
(Loss)/Profit After Taxation Attributable To:					
Owners of the corporation		(259,480,809)	(17,703,439)	10,933,387	(6,781,984)
Non-controlling Interests		9,103,328	(16,576,010)	-	-
		(250,377,481)	(34,279,449)	10,933,387	(6,781,984)

The annexed notes form an integral part of these financial statements

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PERBADANAN KEMAJUAN PERUSAHAAN KAYU SARAWAK
(Incorporated under the Sarawak State Ordinance No.3 of 1973)

STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

	Retained profits RM	Non- controlling interests RM	Total equity RM
The Group			
Balance as at 1 January 2023	1,325,973,942	94,744,907	1,420,718,849
Dividends by subsidiaries to non-controlling interests	-	(4,092,200)	(4,092,200)
Loss after taxation for the financial year	(17,703,439)	(16,576,010)	(34,279,449)
Balance as at 31 December 2023	1,308,270,503	74,076,697	1,382,347,200
Dividends by subsidiaries to non-controlling interests	(757,412)	(6,000)	(763,412)
Loss after taxation for the financial year	(259,480,809)	9,103,328	(250,377,481)
Balance as at 31 December 2024	1,048,032,282	83,174,025	1,131,206,307
 The Corporation			
Balance as at 1 January 2023	752,313,727	752,313,727	
Loss after taxation for the financial year	(6,781,984)	(6,781,984)	
Balance as at 31 December 2023	745,531,743	745,531,743	
Profit after taxation for the financial year	10,933,387	10,933,387	
Balance as at 31 December 2024	756,465,130	756,465,130	

PERBADANAN KEMAJUAN PERUSAHAAN KAYU SARAWAK
(Incorporated under the Sarawak State Ordinance No.3 of 1973)

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

	2024 RM	The Group 2023 RM	2024 RM	The Corporation 2023 RM
CASH FLOWS FROM/(USED IN) OPERATING ACTIVITIES				
(Loss)/Profit before taxation	(242,781,857.00)	(23,138,629.00)	12,138,988	(824,973.00)
Adjustments for:-				
Allowance for impairment loss on:				
- amount owing by subsidiaries	-	-	-	12,346.00
- amount owing by associates	88,578.00	-	-	-
- investment in associates companies	653,657.00	346,858.00	-	346,858.00
- investment in subsidiaries companies	-	-	-	54,216.00
- inventories	78,747.00	-	-	-
- property, plant and equipment	3,128,789.00	-	-	-
- receivables	1,187.00	515,426.00	-	-
- biological assets	619,708.00	-	-	-
- financial instrument	4,640,000.00	-	-	-
Amortisation of goodwill	4,587,825.00	176,700.00	-	-
Amortisation of intangible assets	2,881.00	2,522.00	-	-
Bad debts written off	-	40,770.00	-	-
Depreciation of property, plant and equipment	33,629,282.00	38,836,684.00	5,805,061.00	5,902,505.00
Depletion of biological assets	307,685,852.00	31,630,874.00	-	-
Property, plant and equipment written off	303,643.00	5,185.00	-	2,625.00
(Gain)/Loss on disposal of:				
- property, plant and equipment	(47,946,877.00)	168,370.00	-	(78,800.00)
- other investments	(173,764.00)	(375,561.00)	-	322,465.00
- land held for development	(2,077,987.00)	-	-	-
Carrying forward:	62,439,664.00	48,209,199.00	17,944,049.00	5,737,242.00

The annexed notes form an integral part of these financial statements

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PERBADANAN KEMAJUAN PERUSAHAAN KAYU SARAWAK
(Incorporated under the Sarawak State Ordinance No.3 of 1973)

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONT'D)

	2024 RM	The Group 2023 RM		The Corporation 2024 RM	2023 RM
Adjustments for:- (Cont'd)					
Brought forward:	62,439,664.00	48,209,199.00		17,944,049.00	5,737,242.00
(Gain)/Loss on fair value changes in:					
- other investments	(1,541,217.00)	(4,314,112.00)		(133,153.00)	(1,972,198.00)
- biological assets	(226,243.00)	37,674,484.00		-	-
- investment properties	(39,428,558.00)	-		-	-
Grant amortised	-	(4,856,495.00)		-	(4,856,495.00)
Gross dividend:					
- other investments	(6,233,247.00)	(2,246,134.00)		(906,630.00)	(991,143.00)
- associates	-	-		(2,100,000.00)	(1,350,000.00)
- subsidiaries	-	-		(1,694,718.00)	(1,943,750.00)
Interest expense	41,346,239.00	23,076,953.00		6,929,073.00	6,428,560.00
Interest income	(7,703,019.00)	(566,924.00)		(3,790,850.00)	(3,679,921.00)
Inventories written off	128,480.00	273,993.00		-	-
Unrealised loss/(gain) on foreign exchange	328,614.00	(619,287.00)		-	-
Realised loss on foreign exchange	-	1,477,224.00		-	-
Retirement benefit obligations	1,720,551.00	525,742.00		1,204,727.00	42,304.00
Reversal of depletion of biological assets in prior year	-	(242,488.00)		-	-
Investment expenses	301,882.00	-		-	-
Reversal of impairment on trade receivables	(4,950.00)	(14,941.00)		-	-
Reversal of principal on loan	(295,270.00)	-		-	-
Reversal of interest loan	(36,358.00)	-		-	-
Reversal of bad debts written off	(600.00)	-		-	-
Reversal of fair value loss on available for-sale financial assets	(130,995.00)	-		-	-
Reversal of depreciation of property, plant and equipment	(355,103.00)	-		-	-
Share of net gain of equity accounted associates	1,812,673.00	(29,555,974.00)		-	-
Waiver of payables	-	-		-	-
Operating profit/(loss) before working capital changes - c/f	52,122,543.00	68,821,240.00		17,452,498.00	(2,585,401.00)

The annexed notes form an integral part of these financial statements

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PERBADANAN KEMAJUAN PERUSAHAAN KAYU SARAWAK
(Incorporated under the Sarawak State Ordinance No.3 of 1973)

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONT'D)

	2024 RM	The Group 2023 RM		The Corporation 2024 RM	2023 RM
Operating profit/(loss) before working capital changes - b/f					
Changes in working capital:-					
Inventories	4,441,285.00			(4,574,400.00)	-
Trade and other receivables	173,436,013.00			(209,194,713.00)	14,231,626.00
Increase in project development cost	(169,174.00)			-	-
Amount due from contract customers	(38,125.00)			-	-
Amount due to a shareholder	5,048,737.00			-	-
Amount owing by subsidiaries	-			(4,959,658.00)	(15,917,946.00)
Amount owing by associates	669,822.00			(67,800.00)	-
Amount owing by related companies	-			8,803,681.00	-
Trade and other payables	(35,832,959.00)			(4,449,467.00)	-
Amount owing to subsidiaries	-			5,236,517.00	(3,582,302.00)
Amount owing to associates	(39,351.00)			(39,351.00)	-
Amount owing to related companies	505,457.00			-	-
CASH FROM/(USED IN) OPERATIONS	200,144,248.00	(89,645,654.00)		23,637,007.00	(5,888,507.00)
Interest paid	(33,784,905.00)			(17,115,245.00)	(6,929,073.00)
Interest received	3,925,814.00			566,924.00	3,790,850.00
Income tax paid, net of refund	(23,215,593.00)			(11,704,803.00)	(3,419,048.00)
Tax refunded	2,475.00			9,074,182.00	-
Retirement benefits paid	(888,158.00)			(378,158.00)	(431,650.00)
NET CASH FROM/(USED IN) OPERATING ACTIVITIES	146,183,881.00	(110,147,359.00)		16,701,578.00	(3,758,663.00)

The annexed notes form an integral part of these financial statements

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PERBADANAN KEMAJUAN PERUSAHAAN KAYU SARAWAK
(Incorporated under the Sarawak State Ordinance No.3 of 1973)

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONT'D)

	The Group		The Corporation	
	2024 RM	2023 RM	2024 RM	2023 RM
CASH FLOWS (USED IN)/FROM INVESTING ACTIVITIES				
Acquisition of other investment	(34,511,322.00)	(79,339,801.00)	-	-
Addition of intangibles assets	-	(12,738.00)	-	-
Proceeds from disposal of other investments	-	-	6,239,205.00	4,909,861.00
Proceeds from disposal of property, plant and equipment	-	1,109,364.00	-	78,800.00
(Increase)/decrease in property development expenditure	2,459,756.00	(26,258,799.00)	2,459,756.00	(26,258,799.00)
Decrease in biological assets	260,301.00	(33,258,162.00)	-	-
Decrease in other investments, net	-	44,016,144.00	-	-
Withdrawal/(Additions to) fixed deposits with maturity period more than three months	8,615,062.00	(3,556,943.00)	-	108,448.00
Purchase of property, plant and equipment	(23,081,359.00)	(36,899,804.00)	(8,134,345.00)	(10,257,856.00)
Addition to biological assets	(77,790,763.00)	-	-	-
(Increase)/Decrease in pledged fixed deposits with licensed banks	(5,224,551.00)	-	-	-
Redemption of other investment	(3,786,808.00)	110,384,119.00	-	-
Redemption of redeemable preference shares in subsidiary	-	-	1,563,419.00	2,347,397.00
Reinvestment of dividend received	(28,024.00)	(2,430,280.00)	-	(27,303.00)
Proceeds from disposal of land held for development	2,444,093.00	-	-	-
Carrying forward:	(130,643,615.00)	(26,246,900.00)	2,128,035.00	(29,099,452.00)

The annexed notes form an integral part of these financial statements

PERBADANAN KEMAJUAN PERUSAHAAN KAYU SARAWAK
(Incorporated under the Sarawak State Ordinance No.3 of 1973)

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONT'D)

	The Group		The Corporation	
	2024 RM	2023 RM	2024 RM	2023 RM
CASH FLOWS (USED IN)/FROM INVESTING ACTIVITIES				
Brought forward:	(130,643,615.00)	(26,246,900.00)	2,128,035.00	(29,099,452.00)
Proceed from disposal of available-for-sale financial assets	13,694,890.00	-	-	-
Proceeds from disposal of investment	10,939,205.00	-	-	-
Proceeds from disposal of property, plant and equipment	54,525,503.00	-	-	-
Dividend received:				
- other investments	4,885,989.00	732,605.00	906,630.00	991,143.00
- associates	2,100,000.00	1,350,000.00	2,100,000.00	1,350,000.00
- subsidiaries	-	-	1,694,718.00	1,943,750.00
Interest received	1,565,966.00	(16,889.00)	-	3,126,924.00
NET CASH (USED IN)/FROM INVESTING ACTIVITIES	(42,932,062.00)	(24,181,184.00)	6,829,383.00	(21,687,635.00)
CASH FLOWS (USED IN)/FROM FINANCING ACTIVITIES				
Addition of banker's acceptances	436,381.00	(14,488,289.00)	-	-
Repayment of bankers' acceptance	(3,937,442.00)	-	-	-
Government grant received	8,806,646.00	1,580,126.00	8,806,646.00	1,580,126.00
Additions to pledged fixed deposits with licensed banks	779,086.00	1,024,549.00	779,086.00	552,997.00
Repayment of hire purchase obligations	(1,818,394.00)	(1,071,998.00)	(79,715.00)	(84,435.00)
Dividends paid	(607,412.00)	-	-	-
Dividends paid to non-controlling interest	(156,000.00)	(4,092,200.00)	-	-
Net (repayment)/drawdown of term loans	(93,373,475.00)	149,835,390.00	(39,804,505.00)	(6,576,945.00)
Revolving credits obtained, net	(2,250,000.00)	(750,000.00)	-	-
NET CASH (USED IN)/FROM FINANCING ACTIVITIES	(92,120,610.00)	132,037,578.00	(30,298,488.00)	(4,528,257.00)

The annexed notes form an integral part of these financial statements

PERBADANAN KEMAJUAN PERUSAHAAN KAYU SARAWAK
(Incorporated under the Sarawak State Ordinance No.3 of 1973)

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONT'D)

	The Group		The Corporation	
	2024 RM	2023 RM	2024 RM	2023 RM
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	11,131,209.00	(2,290,965.00)	(6,767,527.00)	(29,974,555.00)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR	123,161,964.00	125,452,929.00	21,433,422.00	51,407,977.00
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR (Note 19)	134,293,173.00	123,161,964.00	14,665,895.00	21,433,422.00

PERBADANAN KEMAJUAN PERUSAHAAN KAYU SARAWAK
(Incorporated under the Sarawak State Ordinance No.3 of 1973)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

1. CORPORATE INFORMATION

The Corporation is a Sarawak State Government owned statutory body incorporated in 1973 with the following objectives:

- To formulate new policies and strategies to promote and develop in the timber industry;
- To develop efficient and economical utilisation of the forest resources;
- To create new concepts and strategies in the timber industry so as to ensure that benefits from the harvesting of state's forest resources will be shared holistically; and
- To enable the State Government to coordinate and implement the overall timber industry development strategies through private sector involvement to encourage new industry.

The principal income comprises premium collected from timber operations, registration fees on timber and timber related activities, inspection and grading fees and interest from fixed deposits with financial institutions.

There have been no significant changes in the nature of these activities during the financial year.

The principal place of business of the Corporation is located at Wisma Sumber Alam, Jalan Stadium, Petra Jaya, 93050 Kuching, Sarawak.

The functional currency of the Corporation is Ringgit Malaysia ("RM") as the sales and purchase are mainly denominated in RM, receipts from operations are usually retained in RM and funds from financing activities are mainly generated in RM.

For the purpose of the consolidated financial statements, the financial statements of each entity with the Group are expressed in Ringgit Malaysia ("RM"), which is the functional currency of the Corporation and the presentation currency for the consolidated financial statements.

The principal activities of the subsidiaries are shown in the Note 1.1.

The financial statements were authorised for issues by the Board of Members on 10 March 2025.

1.1 Composition of the Group

The Group comprises the parent, the Corporation, twenty active and significant direct subsidiaries (including a consolidated structured entity) and eighteen indirect subsidiaries as at the end of the current financial year.

	Principal place of business	Parent's effective ownership 2024 %	Parent's effective ownership 2023 %	Principal activities
Direct subsidiaries:				
PUSAKA Capital Sdn. Bhd. *	Malaysia	100	100	Investment holding
Harwood Timber Sdn. Bhd. *	Malaysia	100	100	Timber trading
STIDC Belian Holdings Sdn. Bhd. *	Malaysia	100	100	Letting of property and provide management services

The annexed notes form an integral part of these financial statements

PERBADANAN KEMAJUAN PERUSAHAAN KAYU SARAWAK
(Incorporated under the Sarawak State Ordinance No.3 of 1973)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024**

1. CORPORATE INFORMATION (CONT'D)

1.1 Composition of the Group (Cont'd)

	Principal place of business	Parent's effective ownership		Principal activities
		2024 %	2023 %	
Direct subsidiaries (Cont'd):				
Hillog Sdn. Bhd. *#	Malaysia	100	100	Woodworking and related timber-processing services
Tanjung Manis Furniture Sdn. Bhd. *#	Malaysia	100	100	Furniture manufacturer
Tanjung Manis Sawmill Sdn. Bhd.*	Malaysia	100	100	Investment holding
Saratim Insurance Agency Services Sdn. Bhd. *	Malaysia	100	100	Insurance agency
Tanjong Manis Resources Sdn. Bhd. *	Malaysia	60	60	Production of woodchips
Hornbill Skyways Sdn. Bhd. *	Malaysia	67	67	Aviation services
Sarawak Planted Forest Sdn. Bhd. *	Malaysia	100	100	Develop and establish forest plantations in licensed area
Selah Timber Sdn. Bhd. *#	Malaysia	75	75	Dormant
Amra Timbers Sdn. Bhd. *	Malaysia	100	100	Dormant
Kestrel Sdn. Bhd. *	Malaysia	100	100	Dormant
Tinamou Sdn. Bhd. *	Malaysia	100	100	Dormant
Balamra Sdn. Bhd. *	Malaysia	100	100	Dormant
Teratim Sdn. Bhd. *	Malaysia	100	100	Dormant
Tanjung Manis Timber Training Centre Sdn. Bhd. *	Malaysia	100	100	Provision of training courses
Tanjong Manis Enterprise Sdn. Bhd. *	Malaysia	100	100	Dormant
Tanjong Manis Construction Sdn. Bhd. *	Malaysia	100	100	Dormant
Saradec Management Sdn. Bhd. *	Malaysia	100	100	Training provider
Indirect subsidiaries:				
<u>Subsidiaries of PUSAKA Capital Sdn. Bhd.</u>				
PUSAKA Timber Industries Sdn. Bhd. *#	Malaysia	100	100	Investment holding, operation and management of timber industry related business
PUSAKA Palm Oil Industry Sdn. Bhd. *#	Malaysia	100	100	Investment holding, operation and management of palm oil industry related business

PERBADANAN KEMAJUAN PERUSAHAAN KAYU SARAWAK
(Incorporated under the Sarawak State Ordinance No.3 of 1973)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024**

1. CORPORATE INFORMATION (CONT'D)

1.1 Composition of the Group (Cont'd)

	Principal place of business	Parent's effective ownership		Principal activities
		2024 %	2023 %	
Indirect subsidiaries (Cont'd):				
<u>Subsidiaries of PUSAKA Capital Sdn. Bhd.</u>				
PUSAKA Realty & Construction Sdn. Bhd. *	Malaysia	100	100	Property development, construction work, management and operation of investment properties
PUSAKA Logistics & Services Sdn. Bhd. *#	Malaysia	100	100	Investment holding, management of port and shipping operations and other logistics related business
PUSAKA Food Industry Sdn. Bhd. *#	Malaysia	100	100	Agriculture and aquaculture related business
PUSAKA Integrated Resources Sdn. Bhd.*	Malaysia	100	100	Managing and operating LPG terminal
<u>Subsidiaries of PUSAKA Realty & Construction Sdn. Bhd.</u>				
Tanjung Manis Development Sdn. Bhd. *	Malaysia	100	100	Provision of general repair and maintenance and supervision works
<u>Subsidiaries of PUSAKA Logistics & Services Sdn. Bhd.</u>				
Tanjung Manis Integrated Port Sdn. Bhd. *	Malaysia	100	100	General port management
Tanjong Manis Shipping Sdn. Bhd. *#	Malaysia	100	100	Provision of transportation and wharfing services, trading in construction materials, renting of barge and speedboat and supplying port handling equipment
PUSAKA Pratama Sdn. Bhd. *	Malaysia	51	51	Wholesale of liquefied petroleum gas, petrol, diesel, lubricants, and other solid, liquid and gaseous fuels and its related products

PERBADANAN KEMAJUAN PERUSAHAAN KAYU SARAWAK
(Incorporated under the Sarawak State Ordinance No.3 of 1973)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024**

1. CORPORATE INFORMATION (CONT'D)

1.1 Composition of the Group (Cont'd)

	Principal place of business	Parent's effective ownership		Principal activities
		2024 %	2023 %	
Indirect subsidiaries (Cont'd):				
Subsidiary of PUSAKA Palm Oil Industry Sdn. Bhd. Tanjung Manis Bulkers Sdn. Bhd. *#	Malaysia	70	70	Owning and managing crude palm oil bulking installation and dry bulk facilities
Subsidiaries of Harwood Timber Sdn. Bhd.				
Bigwood Sdn. Bhd. *	Malaysia	100	100	Extraction and sale of timber logs
Giovanni Wood Industries Sdn. Bhd. *	Malaysia	81.47	81.47	Assembling, importation and sales of furniture and provision of upholstery services
Harwood Timber Products Sdn. Bhd. *	Malaysia	100	100	Timber trading, plantation timber related products, rubber plantation and property development
Enrich Essence Sdn. Bhd. *	Malaysia	100	100	Trading of plywood and veneer
Subsidiary of Bigwood Sdn. Bhd. BMASJ Timber Sdn. Bhd. *	Malaysia	70	70	Felling, extraction, planning and harvesting of timber logs
Subsidiaries of Hornbill Skyways Sdn. Bhd.				
HS Aviation Services Sdn. Bhd. *	Malaysia	100	100	Providing non-scheduled transport of passenger and transport of freight by air
Sarawak Aero Holdings Sdn. Bhd. *	Malaysia	60	60	Providing air transport (general & oil and gas), air cargo, aviation asset management and maintenance, repair services

PERBADANAN KEMAJUAN PERUSAHAAN KAYU SARAWAK
(Incorporated under the Sarawak State Ordinance No.3 of 1973)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024**

1. CORPORATE INFORMATION (CONT'D)

1.1 Composition of the Group (Cont'd)

	Principal place of business	Parent's effective ownership		Principal activities
		2024 %	2023 %	
Indirect subsidiaries (Cont'd):				
Associate of PUSAKA Timber Industries Sdn. Bhd. and STIDC Belian Holdings Sdn. Bhd. Green Pellet (Sarawak) Sdn. Bhd. *#	Malaysia	60	60	Compressed wood processing

* Not audited by Auditor-General, Malaysia.

The financial statements of the subsidiaries include a note on "Material Uncertainty Related to Going Concern" regarding the ability of the subsidiaries to continue as a going concern in view of its capital deficiency position as at the end of the current reporting period. The financial statements were prepared on a going concern basis as one of the major corporate shareholders and one of the major individual shareholders of the Group have undertaken to provide continued financial support to the subsidiaries.

^^ The subsidiary has been struck off during the current financial year.

2. BASIS OF PREPARATION

The financial statements of the Group are prepared under the historical cost convention and modified to include other bases of valuation as disclosed in other sections under significant accounting policies, and in compliance with Malaysian Private Entities Reporting Standard ("MPERS").

PERBADANAN KEMAJUAN PERUSAHAAN KAYU SARAWAK
(Incorporated under the Sarawak State Ordinance No.3 of 1973)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024**

3. SIGNIFICANT ACCOUNTING POLICIES

3.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Key Sources of Estimation Uncertainty

Management believes that there are no key assumptions made concerning the future, and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year other than as disclosed below:-

(a) Depreciation of Property, Plant and Equipment

The estimates for the residual values, useful lives and related depreciation charges for the property, plant and equipment are based on commercial factors which could change significantly as a result of technical innovations and competitors' actions in response to the market conditions. The Group and the Corporation anticipates that the residual values of its property, plant and equipment will be insignificant. As a result, residual values are not being taken into consideration for the computation of the depreciable amount. Changes in the expected level of usage and technological development could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised.

(b) Impairment of Goodwill

The assessment of whether goodwill is impaired requires an estimation of the value in use of the cash-generating unit to which the goodwill is allocated. Estimating a value in use amount requires management to make an estimate of the expected future cash flows from the cash-generating unit and also to choose a suitable discount rate in order to calculate the present value of those cash flows.

(c) Impairment of Trade Receivables

An impairment loss is recognised when there is objective evidence that a financial asset is impaired. Management specifically reviews its trade receivables and analyses their ageing profiles, historical bad debts, customer concentrations, customer creditworthiness, current economic trends and changes in the customer payment profile when making a judgement to evaluate the adequacy of the allowance for impairment losses. Where there is objective evidence of impairment, the amount and timing of future cash flows are estimated based on historical loss experience for assets with similar credit risk characteristics. If the expectation is different from the estimation, such difference will impact the carrying value of receivables.

(d) Income Taxes

There are certain transactions and computations for which the ultimate tax determination may be different from the initial estimate. The Group and the Corporation recognises tax liabilities based on its understanding of the prevailing tax laws and estimates of whether such taxes will be due in the ordinary course of business. Where the final outcome of these matters is different from the amounts that were initially recognised, such difference will impact the income tax expense and deferred tax balances in the period in which such determination is made.

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3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)

Critical Judgements Made in Applying Accounting Policies

Management believes that there are no instances of application of critical judgement in applying the Group's and the Corporation's accounting policies which will have a significant effect on the amounts recognised in the financial statements.

3.2 BASIS OF CONSOLIDATION

The consolidated financial statements include the financial statements of the Corporation and its subsidiaries made up to the end of the reporting period.

Subsidiaries are entities controlled by the Group. Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

Subsidiaries are consolidated from the date on which control is transferred to the Group up to the effective date on which control ceases, as appropriate.

Intragroup transactions, balances, income and expenses are eliminated on consolidation. Where necessary, adjustments are made to the financial statements of subsidiaries to ensure consistency of accounting policies with those of the Group.

(a) Business Combinations

Acquisitions of businesses are accounted for using the purchase method. Under the purchase method, the cost of a business combination is measured at the aggregate of the fair values at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued plus any costs directly attributable to the business combination.

If an associate becomes a subsidiary, the Group remeasures its previously held equity interests to fair value and any corresponding gain or loss is recognised in profit or loss. The remeasured carrying amount forms part of the cost of business combination.

Non-controlling interests in the acquiree are measured at the non-controlling interest's proportionate share of the acquiree's recognised identifiable net assets at the date of acquisition.

(b) Non-controlling Interests

Non-controlling interests are presented within equity in the consolidated statement of financial position, separately from the equity attributable to owners of the Corporation. Profit or loss and each component of other comprehensive income are attributed to the owners of the Corporation and to the non-controlling interests. Total comprehensive income is attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

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3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.2 BASIS OF CONSOLIDATION (CONT'D)

(c) Changes in Ownership Interests in Subsidiaries Without Change of Control

All changes in the parent's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of the consideration paid or received is recognised directly in the equity of the Group. No gain or loss is recognised on the change.

(d) Loss of Control

Upon the loss of control of a subsidiary, the Group recognises any gain or loss in profit or loss which is calculated as the difference between the proceeds from the disposal of the subsidiary and its carrying amount at the date of disposal.

If the Group retains any interest in the former subsidiary, that investment is accounted for as a financial asset from the date the entity ceases to be a subsidiary, provided that it does not become an associate. The carrying amount on that date is regarded as the cost of the initial measurement of the financial asset.

3.3 GOODWILL

Goodwill is measured at cost less accumulated amortisation and accumulated impairment losses, if any. Amortisation is recognised in profit or loss on a straight-line method over a period of 10 years.

Under the purchase method, any excess of the cost of business combination over the Group's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities recognised, is recorded as goodwill.

Where the latter amount exceeds the former, after reassessment, the excess represents a bargain purchase gain (negative goodwill) and is recognised in profit or loss immediately.

Goodwill arises on the acquisition of equity-accounted associates is recorded as part of the carrying amount at the date of acquisition. The Group adjusts its share of the post-acquisition profits or losses of associates to account for the amortisation of the goodwill.

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3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.4 FINANCIAL INSTRUMENTS

(a) Initial Recognition and Measurement

Financial assets and financial liabilities are recognised in the statements of financial position when the Group and the Corporation has become a party to the contractual provisions of the instruments.

A financial instrument is recognised initially at the transaction price, including transaction costs. For a financial asset or a financial liability that is subsequently measured at fair value through profit or loss, transaction costs are recognised in profit or loss when incurred.

An arrangement constitutes a financing transaction if payment is deferred beyond normal business terms. Under a financing transaction, a financial asset or a financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument as determined at initial recognition.

(b) Subsequent Measurement

Debt instruments that are classified as current assets or current liabilities are measured at the undiscounted amount of cash or other consideration expected to be paid or received unless the arrangement constitutes, in effect, a financing arrangement. Other debt instruments are measured at amortised cost using the effective interest method.

Investments in non-puttable ordinary shares and investments in non-convertible and non-puttable preference shares are measured at cost less impairment unless the shares are publicly traded or their fair value can otherwise be measured reliably without undue cost or effort, in which case the investments are measured at fair value with changes in fair value recognised in profit or loss.

Other than the above, all financial assets and financial liabilities are measured at fair value with changes in fair value recognised in profit or loss.

(c) Derecognition

A financial asset or part of it is derecognised when, and only when, the contractual rights to the cash flows from the financial asset expire or are settled, or control of the asset is not retained or substantially all of the risks and rewards of ownership of the financial asset are transferred to another party. On derecognition of a financial asset, the difference between the carrying amount of the financial asset derecognised and the consideration received (including any newly created rights and obligations) is recognised in profit or loss.

A financial liability or a part of it is derecognised when, and only when, the obligation specified in the contract is discharged, cancelled or expires. A substantial modification of the terms of an existing financial liability is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. On derecognition of a financial liability, the difference between the carrying amount of the financial liability extinguished or transferred to another party and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

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3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.4 FINANCIAL INSTRUMENTS (CONT'D)

(d) Redeemable Preference Shares

Redeemable preference shares are classified as financial liabilities if they are redeemable on a specific date or at the option of the preference share holders, or if dividend payments are not discretionary. Dividends of the redeemable preference shares are recognised as interest expenses in profit or loss as accrued.

3.5 INVESTMENTS IN SUBSIDIARIES

Investments in subsidiaries are measured in the statement of financial position of the Corporation at cost less any impairment losses. The cost of the investments includes transaction costs.

3.6 INVESTMENTS IN ASSOCIATES

An associate is an entity over which the Group has significant influence and that is neither a subsidiary nor an interest in a joint venture.

The investment in an associate is accounted for in the consolidated financial statements using the equity method based on the financial statements of the associate. The Group's share of the post-acquisition profits and other comprehensive income of the associate is included in the consolidated statement of comprehensive income, after adjustment if any, to align the accounting policies with those of the Group, from the date that significant influence commences up to the effective date on which significant influence ceases. Dividends received and receivable from associates are recognised as a reduction in the carrying amount of the investment.

When the Group's share of losses exceeds its interest in an associate, the carrying amount of that interest is reduced to zero, and the recognition of further losses is discontinued except to the extent that the Group has an obligation or has made payments on behalf of the associate.

Unrealised gains and losses on transactions between the Group and the associate are eliminated to the extent of the Group's interest in the associate.

When the Group loses significant influence over an associate as a result of a full or partial disposal, any retained interest in the former associate at the date is measured at fair value and this amount is regarded as the initial carrying amount of a financial asset. The difference between the fair value of any retained interest plus proceeds from the interest disposed of and the carrying amount of the investment at that date is recognised in profit or loss. In addition, any gains or losses previously recognised in other comprehensive income are also reclassified to profit or loss if that gain or loss would be required to be reclassified to profit or loss on the disposal of the related assets or liabilities.

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3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.7 PROPERTY, PLANT AND EQUIPMENT

All items of property, plant and equipment are initially measured at cost. Cost includes expenditure that are directly attributable to the acquisition of the asset and other costs directly attributable to bringing the asset to working condition for its intended use.

Subsequent to initial recognition, property and equipment are stated at cost less accumulated depreciation and any impairment losses.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when the cost is incurred and it is probable that the future economic benefits associated with the asset will flow to the Group and the Corporation and the cost of the asset can be measured reliably. The carrying amount of parts that are replaced is derecognised.

Depreciation on property, plant and equipment is charged to profit or loss on a straight-line method to write off the depreciable amount of the assets over their estimated useful lives. The principal annual rates used for this purpose are:

Buildings	2% - 5%
Leasehold land	Over the remaining leasehold period
Office furniture, fittings and equipment	10% - 50%
Plant and machineries	5% - 20%
Electrical works	10%
Aircraft spare engines and aircraft components	10%
Transportation equipment and motor vehicles	20%
Website design and development	10%

Capital work-in-progress included in property, plant and equipment are not depreciated as these assets are not yet available for use.

The depreciation method, useful lives and residual values will be reviewed if there is a significant change since the last annual reporting date in the pattern by which the Group and the Corporation expects to consume an asset's future economic benefits. Any changes are accounted for as a change in accounting estimate.

Any gain or loss arising from the disposal of property, plant and equipment is recognised in profit or loss.

3.8 INTANGIBLE ASSETS

Intangible assets with finite useful lives are amortised over the estimated useful lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method are reviewed at least at each financial year end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in profit or loss.

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3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.8 INTANGIBLE ASSETS (CONT'D)

Intangible assets with indefinite useful lives or not yet available for use are tested for impairment annually, or more frequently if the events and circumstances indicate that the carrying value may be impaired either individually or at the cash-generating unit level. Such intangible assets are not amortised. The useful life of an intangible asset with an indefinite useful life is reviewed annually to determine whether the useful life assessment continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in profit or loss when the asset is derecognised.

(i) Planted forest licence

Expenditure on planted forest license is amortised using the straight-line method over the licence period of 60 years.

(ii) Forest timber licence

Expenditure on forest timber licence is amortised using the straight-line method over the extended licence period of 5 years.

3.9 LAND HELD FOR DEVELOPMENT

Land held for property development consists of land where no development activities have been carried out or where development activities are not expected to be completed within the normal operating cycle. Such land is classified within non-current assets and is stated at cost less any accumulated impairment losses.

Land held for property development is reclassified as property development costs at the point when development activities have commenced and where it can be demonstrated that the development activities can be completed within the normal operating cycle.

3.10 PROPERTY DEVELOPMENT EXPENDITURE

Property development expenditure comprises all costs that are directly attributable to the property. The costs will be matched against government grants when the related party is completed.

3.11 PLANTATION DEVELOPMENT EXPENDITURE

New planting expenditure incurred on land clearing, planting, upkeep of immature rubber trees, direct administrative expenses and financing costs up to maturity are capitalised under plantation development expenditure and is amortised on a straight-line basis over 10 years, the expected useful life of rubber trees. Rubber trees are considered mature 60 months after the month of planting. Upon maturity, all subsequent maintenance expenditure is charged to the statement of comprehensive income.

Replanting expenditure is also capitalised as plantation development expenditure and amortised on the same basis.

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3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.12 BIOLOGICAL ASSETS

(a) Biological assets – At fair value

Biological assets comprise forest crops in Malaysia. Biological assets are stated at fair value with any resultant gain or loss recognised in profit or loss. Fair value of biological assets is determined by management team using the net present value approach under which projected future net cash flows, based on assessment of current timber log prices and the age and growth of timber stands, are discounted to provide the current fair value of the assets.

(b) Biological assets – At cost

Biological assets comprise trees cultivated for wood chips and are measured at cost less impairment. Fair value of biological assets cannot be measured reliably without undue cost or effort as it would involve estimation of future prices and yields, amongst others, over 10 years and the lack of such active market. Cost consists of development costs incurred from planting of seedlings up to maturity, which is 10 years for such trees. Capitalisation of costs ceases upon commercial harvesting which is usually 10 years after planting. Any remaining carrying amount of biological assets are derecognised when no future economic benefits are expected from their use or disposal and costs of new planting are capitalised. If there is an indication that there has been significant change in amortisation rate, useful life or residual value of the biological asset, the amortisation of the biological asset is revised prospectively to reflect the new expectations.

3.13 IMPAIRMENT

(a) Impairment of Financial Assets

All financial assets (except for financial assets measured at fair value through profit or loss) are assessed for impairment at each reporting date when there is an objective evidence of impairment.

For a financial asset measured at amortised cost, the impairment loss is the difference between the financial asset's carrying amount and the present value of estimated cash flows discounted at the financial asset's original effective rate.

For a financial asset measured at cost less impairment, the impairment loss is the difference between the financial asset's carrying amount and the best estimate of the amount that would be received for the financial asset if it were to be sold at the reporting date.

All impairment losses are recognised in profit or loss immediately.

If, in a subsequent period, the amount of an impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment loss was recognised, the previous recognised impairment loss is reversed to the extent that the carrying amount of the financial asset does not exceed its amortised cost at the reversal date. The amount of impairment reversal is recognised in profit or loss.

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3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.13 IMPAIRMENT (CONT'D)

(b) Impairment of Non-Financial Assets

The carrying values of non-financial assets, other than those to which Section 27 - *Impairment of Assets* does not apply, are reviewed at the end of each reporting period for impairment when there is an indication that the assets might be impaired.

Impairment is measured by comparing the carrying values of the assets with their recoverable amounts. When the carrying amount of an asset exceeds its recoverable amount, the asset is written down to its recoverable amount and an impairment loss shall be recognised. The recoverable amount of an asset is the higher of the asset's fair value less costs to sell and its value in use, which is measured by reference to discounted future cash flows using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where it is not possible to estimate the recoverable amount of an individual asset, the Group determines the recoverable amount of the cash-generating unit to which the asset belongs. Goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units of the Group that is expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

An impairment loss is recognised in profit or loss. Any impairment loss recognised in respect of a cash-generating unit is allocated first to reduce the carrying amount of any goodwill allocated to the cash-generating unit and then to reduce the carrying amounts of the other assets in the cash-generating unit on a pro rata basis.

In respect to non-financial assets other than goodwill, when there is a change in the estimates used to determine the recoverable amount, a subsequent increase in the recoverable amount of an asset is treated as a reversal of the previous impairment loss and is recognised to the extent of the carrying amount of the asset that would have been determined (net of amortisation and depreciation) had no impairment loss been recognised. The reversal is recognised in profit or loss immediately.

3.14 LEASED ASSETS

(a) Finance Lease

A lease is recognised as a finance lease if it transfers substantially to the Group and the Corporation all the risks and rewards incidental to ownership. Upon initial recognition, the leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset. The corresponding liability is included in the statement of financial position as hire purchase payables.

Minimum lease payments made under finance leases are apportioned between the finance costs and the reduction of the outstanding liability. The finance costs, which represent the difference between the total leasing commitments and the fair value of the assets acquired, are recognised in the profit or loss and allocated over the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability for each accounting period.

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3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.14 LEASED ASSETS (CONT'D)

(b) Operating Lease

All leases that do not transfer substantially to the Group and the Corporation all the risks and rewards incidental to ownership are classified as operating leases and, the leased assets are not recognised on the statement of financial position of the Group and of the Corporation.

Payments made under operating leases are recognised as an expense in the profit or loss on a straight-line method over the term of the lease.

3.15 INVENTORIES

Inventories are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost is determined on the weighted average cost method and comprises the purchase price and incidentals incurred in bringing the inventories to their present location and condition.

At each reporting date, the Group and the Corporation assesses whether any inventories are impaired by comparing the carrying amount of each item of inventory with its selling price less costs to complete and sell. If an item of inventory is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised in profit or loss immediately.

3.16 CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise cash in hand, bank balances, demand deposits, and short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value with original maturity periods of three months or less. For the purpose of the statement of cash flows, cash and cash equivalents are presented net of bank overdrafts.

3.17 PROVISIONS

Provisions are recognised when the Group and the Corporation has a present obligation (legal or constructive) as a result of past events, when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and when a reliable estimate of the amount can be made. Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. Where the effect of the time value of money is material, the provision is the present value of the estimated expenditure required to settle the obligation. The discount rate shall be a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as interest expense in profit or loss.

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3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.18 EMPLOYEE BENEFITS

(a) Short-term Benefits

Wages, salaries, paid annual leave and bonuses are measured on an undiscounted basis and are recognised in profit or loss in the period in which the associated services are rendered by employees of the Group and the Corporation.

(b) Defined Contribution Plans

The Group's and the Corporation's contributions to defined contribution plans are recognised in profit or loss in the period to which they relate. Once the contributions have been paid, the Group and the Corporation has no further liability in respect of the defined contribution plans.

3.19 INCOME TAXES

(a) Current Tax

Current tax assets and liabilities are the expected amount of income tax recoverable or payable to the taxation authorities.

Current taxes are measured using tax rates and tax laws that have been enacted or substantively enacted at the end of the reporting period and are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss (either in other comprehensive income or directly in equity).

(b) Deferred Tax

Deferred tax is recognised using the liability method for all temporary differences other than those that arise from goodwill or from the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on the tax rates that have been enacted or substantively enacted at the end of the reporting period.

Deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised. The carrying amounts of deferred tax assets recognised are reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that the related tax benefits will be realised.

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3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.19 INCOME TAXES (CONT'D)

Current and deferred tax items are recognised in correlation to the underlying transactions either in profit or loss, other comprehensive income or directly in equity. Deferred tax arising from a business combination is adjusted against goodwill or negative goodwill.

Current tax assets and liabilities or deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred taxes relate to the same taxable entity (or on different tax entities but they intend to settle current tax assets and liabilities on a net basis) and the same taxation authority.

3.20 BORROWING COSTS

Borrowing costs are recognised as an expense in profit or loss in the period in which they are incurred by using the effective interest method.

3.21 REVENUE AND OTHER INCOME

Revenue is measured at the fair value of the consideration received or receivable, net of returns, goods and services tax, cash and trade discounts.

(a) Sale of Goods

Revenue from sale of goods is recognised when significant risks and rewards of ownership of the goods have been transferred to the buyer and where the Group and the Corporation does not have continuing managerial involvement and effective control over the goods sold.

(b) Interest Income

Interest income is recognised on an accrual basis using the effective interest method.

(c) Dividend Income

Dividend income from investment is recognised when the right to receive dividend payment is established.

(d) Property Development

Revenue from property development is accounted for by the percentage of completion method on properties sold. Where foreseeable losses are anticipated, full provision for these losses is made in the financial statements.

(e) Timber Premium

Income from timber premium is recognised on an accrual basis.

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3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.21 REVENUE AND OTHER INCOME (CONT'D)

(f) Aviation Services

Revenue from aviation services is recognised when services are rendered.

(g) Government Grant

Government grants are recognised as income at their fair value when the proceeds are receivable and all attached conditions are met.

Grant received when the Group has yet to comply with all attached conditions are recognised as a deferred income and recognised as income when all performance conditions are met.

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**NOTES TO THE FINANCIAL STATEMENTS
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4. PROPERTY, PLANT AND EQUIPMENT

The Group 2024	Carrying Amount	At 1.1.2024	Additions	Reclassification	Disposal	Depreciation Charges	Write Off	At 31.12.2024
		RM	RM	RM	RM	RM	RM	RM
Long term leasehold land	45,250,955					(1,165,145)		41,642,471
Short term leasehold land	5,822,323	21,015	(2,443,339)			(628,533)	(300,375)	4,015,200
Buildings	256,012,873	77,222	243,178	(32)	(13,158,009)			243,175,232
Office furniture, fittings and equipment	17,196,478	2,973,569	(253,954)	(1,154,179)		(4,044,555)	(503)	14,716,856
Electrical works	9,650					(1,930)		7,720
Plant and machineries	45,400,032	623,065	30,615	(5,366,695)		(4,962,856)		35,724,161
Aircraft spare engines and aircraft components	193,268,631	11,203,562		(1)	(11,247,415)			193,224,777
Transportation equipment and motor vehicles	3,545,856	1,414,017	1	(60,484)	(1,545,348)			3,354,042
Website design and development	34,240					(4,280)		
Work-in-progress	27,666,661	7,110,909	(272,639)					29,960
	594,207,699	23,423,359	(3,595,368)	(6,581,391)	(36,758,071)	(300,878)	34,504,931	570,395,350

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4. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

The Group	2023	Carrying Amount	At 1.1.2023	Additions	Reclassification	Disposal	Depreciation Charges	Write Off	At 31.12.2023	
Long term leasehold land	46,659,313	-	-	-	-	(242,106)	(1,166,252)	-	45,250,955	
Short term leasehold land	5,908,299	-	-	-	-	-	(85,976)	-	5,822,323	
Buildings	266,914,384	139,918	940,597	-	-	-	(11,982,026)	-	256,012,873	
Office furniture, fittings and equipment	13,356,844	7,330,269	18,560	(11)	(3,505,030)	(4,154)	17,196,478	-	-	
Electrical works	11,580	-	(926,605)	-	(1,035,616)	(1,930)	-	9,650	-	
Plant and machineries	52,164,272	899,995	-	-	-	(5,700,984)	(1,031)	-	45,400,032	
Aircraft spare engines and aircraft components	190,643,592	17,119,122	-	-	-	-	-	-	-	
Transportation equipment and motor vehicles	4,452,178	992,993	-	-	(1)	14,494,083	-	193,268,631	-	
Website design and development	67,235	(31,906)	-	-	-	(1,899,314)	-	3,545,856	-	
Work-in-progress	17,760,522	9,906,139	-	-	-	(1,089)	-	34,240	-	
	597,938,219	36,356,531				32,552	(1,277,734)		(38,836,684)	
							(5,185)		(594,207,699)	

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

4. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

	At Cost RM	Accumulated Depreciation RM	Accumulated Impairment Loss RM	Carrying Amount RM
The Group				
2024				
Carrying Amount				
Long term leasehold land	54,939,857	(12,998,487)	(298,899)	41,642,471
Short term leasehold land	8,325,308	(4,310,108)	-	4,015,200
Buildings	412,975,607	(166,205,478)	(3,594,897)	243,175,232
Office furniture, fittings and equipment	60,060,218	(45,343,363)	-	14,716,855
Electrical works	19,300	(11,580)	-	7,720
Plant and machineries	109,031,862	(73,307,701)	-	35,724,161
Aircraft spare engines and aircraft components	409,175,277	(215,950,500)	-	193,224,777
Transportation equipment and motor vehicles	23,918,126	(20,564,083)	-	3,354,043
Website design and development	42,800	(12,840)	-	29,960
Work-in-progress	34,504,931	-	-	34,504,931
	1,112,993,286	(538,704,140)	(3,893,796)	570,395,350
The Group				
2023				
Carrying Amount				
Long term leasehold land	57,738,299	(12,188,445)	(298,899)	45,250,955
Short term leasehold land	11,007,969	(5,185,646)	-	5,822,323
Buildings	412,682,922	(156,203,941)	(466,108)	256,012,873
Office furniture, fittings and equipment	58,841,044	(41,644,567)	-	17,196,477
Electrical works	19,300	(9,650)	-	9,650
Plant and machineries	116,516,927	(71,116,895)	-	45,400,032
Aircraft spare engines and aircraft components	489,564,072	(296,295,441)	-	193,268,631
Transportation equipment and motor vehicles	23,472,194	(19,926,337)	-	3,545,857
Website design and development	42,800	(8,560)	-	34,240
Work-in-progress	27,666,661	-	-	27,666,661
	1,197,552,188	(602,579,482)	(765,007)	594,207,699

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

4. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

	At 1.1.2024 RM	Additions RM	Disposal RM	Depreciation Charges RM	Write Off RM	At 31.12.2024 RM
The Corporation 2024						
<i>Carrying Amount</i>						
Long term leasehold land	35,210,899	-	-	(940,126)	-	34,270,773
Buildings	130,129,725	-	-	(4,237,032)	-	125,892,693
Office furniture, fittings and equipment	1,068,309	550,567	-	(291,974)	-	1,326,902
Plant and machineries	232,621	-	-	(47,891)	-	184,730
Transportation equipment and motor vehicles	456,766	865,917	-	(288,038)	-	1,034,645
Work-in-progress	27,666,661	6,717,861	-	-	-	34,384,522
	194,764,981	8,134,345		(5,805,061)		197,094,265
The Corporation 2023						
<i>Carrying Amount</i>						
Long term leasehold land	36,151,025	-	-	(940,126)	-	35,210,899
Buildings	134,369,434	-	-	(4,239,709)	-	130,129,725
Office furniture, fittings and equipment	1,247,329	126,643	-	(303,037)	(2,625)	1,068,310
Plant and machineries	275,149	4,950	-	(47,478)	-	232,621
Transportation equipment and motor vehicles	608,796	220,124	-	(372,155)	-	456,765
Work-in-progress	17,760,522	9,906,139	-	-	-	27,666,661
	190,412,255	10,257,856		(5,902,505)	(2,625)	194,764,981

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4. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

	At Cost RM	Accumulated Depreciation RM	Accumulated Impairment Loss RM	Carrying Amount RM
The Corporation 2024				
<i>Carrying Amount</i>				
Long term leasehold land	44,382,317	(9,812,645)	(298,899)	34,270,773
Buildings	208,027,622	(81,668,821)	(466,108)	125,892,693
Office furniture, fittings and equipment	9,351,116	(8,024,214)	-	1,326,902
Plant and machineries	1,693,247	(1,508,517)	-	184,730
Transportation equipment and motor vehicles	7,725,775	(6,691,130)	-	1,034,645
Work-in-progress	34,384,522	-	-	34,384,522
	305,564,599	(107,705,327)	(765,007)	197,094,265
The Corporation 2023				
<i>Carrying Amount</i>				
Long term leasehold land	44,382,317	(8,872,519)	(298,899)	35,210,899
Buildings	208,027,622	(77,431,789)	(466,108)	130,129,725
Office furniture, fittings and equipment	8,861,701	(7,793,392)	-	1,068,309
Plant and machineries	1,693,247	(1,460,626)	-	232,621
Transportation equipment and motor vehicles	6,859,858	(6,403,092)	-	456,766
Work-in-progress	27,666,661	-	-	27,666,661
	297,491,406	(101,961,418)	(765,007)	194,764,981

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4. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

(a) The carrying amounts of property, plant and equipment acquired under hire purchase terms are as follows:-

	The Group		The Corporation	
	2024	2023	2024	2023
	RM	RM	RM	RM
Motor vehicles	620,838	1,220,882	-	69,569

(b) The carrying amounts of property, plant and equipment have been charged to licensed banks as securities for banking facilities (Note 21 and 22) granted to the Group are as follows:-

	The Group	
	2024	2023
	RM	RM
Buildings	14,867,125	15,193,875
Aircrafts	158,744,290	165,578,177
Plant and machineries	15,396,056	15,988,212
	<u>189,007,471</u>	<u>196,760,264</u>

(c) Buildings with a total carrying amount of RM19,969,187 (2023: RM19,969,187) are built on a leased land from Malaysia Airports Sdn. Bhd.

5. INTANGIBLE ASSET

	At			At
	1.1.2024	Addition	Amortisation	
	RM	RM	RM	RM
The Group				
Carrying Amount				
Licenses	28,550	-	2,681	25,669

	At			At
	1.1.2023	Addition	Amortisation	
	RM	RM	RM	RM
Carrying Amount				
Licenses	18,334	12,738	(2,552)	28,550

	At	Accumulated	Carrying	
	Cost	Amortisation	Amount	
	RM	RM	RM	
The Group				
31.12.2024				
Licenses	52,738	(27,069)	25,669	
31.12.2023				
Licenses	52,738	(24,188)	28,550	

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

6. LAND HELD FOR PROPERTY DEVELOPMENT

	The Group		The Corporation	
	2024	2023	2024	2023
	RM	RM	RM	RM
At beginning of the year:				
Land cost	55,652,166	55,652,166	55,286,060	55,286,060
Add:				
Transfer from property, plant and equipment	899,230	-	-	-
Less:				
Disposal	(366,106)	-	-	-
At end of the year	56,185,290	55,652,166	55,286,060	55,286,060
Non-current assets:				
Land held for development:				
Land cost	55,286,060	55,652,166	55,286,060	55,286,060
Current assets:				
Land held for development:				
Transfer from property, plant and equipment	899,230	-	-	-
	56,185,290	55,652,166	55,286,060	55,286,060

	The Group		The Corporation	
	2024	2023	2024	2023
	RM	RM	RM	RM
Cost:				
At 1 January and 31 December	56,185,290	55,652,166	55,286,060	55,286,060

This comprises one parcel of leasehold land with lease term expiring in the year 2058 (2023: 2058) for which only a provisional title has been issued by the relevant authority.

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7. INVESTMENT PROPERTIES

	The Group		The Corporation	
	2024 RM	2023 RM	2024 RM	2023 RM
At fair value:				
At 1 January	-	-	-	-
Transfer from property, plant and equipment	2,798,442	-	-	-
Fair value gain revaluation	39,428,558	-	-	-
At 31 December	<u>42,227,000</u>	-	-	-
At cost:				
At 31 December	<u>2,798,442</u>	-	-	-

The fair value of the investment properties was assessed by Rahim & Co. and HASB Consultants (Sarawak) Sdn. Bhd., an independent external property valuer with recognised professional qualifications and relevant experience in the location and type of property being valued.

8. INVESTMENT IN SUBSIDIARIES

	The Corporation	
	2024 RM	2023 RM
Unquoted shares, at cost	230,502,305	232,065,724
Less: Accumulated impairment loss	(729,216)	(729,216)
	<u>229,773,089</u>	<u>231,336,508</u>

9. INVESTMENT IN ASSOCIATES

	The Group		The Corporation	
	2024 RM	2023 RM	2024 RM	2023 RM
Unquoted shares, at cost	207,942,541	98,679,943	90,733,038	90,733,038
Share of post acquisition profits, net of dividend received	(9,285,634)	104,543,293	-	-
	<u>198,656,907</u>	<u>203,223,236</u>	<u>90,733,038</u>	<u>90,733,038</u>
Less:				
Accumulated impairment losses	(2,096,856)	(2,096,856)	(2,096,856)	(2,096,856)
	<u>196,560,051</u>	<u>201,126,380</u>	<u>88,636,182</u>	<u>88,636,182</u>

Investments in unquoted shares are stated at cost less accumulated impairment losses as their fair values cannot be reliably measured without undue cost or effort.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

10. OTHER INVESTMENTS

	The Group		The Corporation	
	2024 RM	2023 RM	2024 RM	2023 RM
Non-current assets:				
Quoted unit trust, at fair value:				
Carrying amount	<u>164,223,901</u>	<u>145,741,048</u>	<u>11,057,569</u>	<u>15,743,855</u>
Unquoted shares, at cost:				
Less: Accumulated impairment losses				
Carrying amount	<u>(91,000)</u>	<u>(91,000)</u>	<u>(91,000)</u>	<u>(91,000)</u>
Quoted shares, at fair value:				
Carrying amount	<u>32,085,279</u>	<u>32,237,302</u>	<u>32,085,279</u>	<u>32,085,279</u>
Investments managed by ASSAR:				
Asset Management Sdn. Bhd., at fair value				
Cost	<u>212,491</u>	<u>488,395</u>	<u>212,491</u>	<u>488,395</u>
Less: Accumulated fair value loss				
(211,069)	<u>(485,365)</u>	<u>(211,069)</u>	<u>(485,365)</u>	
	<u>1,422</u>	<u>3,030</u>	<u>1,422</u>	<u>3,030</u>
	<u>214,257,102</u>	<u>195,927,880</u>	<u>61,090,770</u>	<u>65,778,664</u>
Current assets:				
Fixed deposits with tenure more than 3 months				
	<u>28,208,532</u>	<u>10,606,175</u>	<u>28,208,532</u>	<u>27,429,446</u>
Fixed deposits pledged to licensed banks				
	<u>-</u>	<u>31,482,806</u>	<u>-</u>	<u>-</u>
	<u>28,208,532</u>	<u>42,088,981</u>	<u>28,208,532</u>	<u>27,429,446</u>
Total Other Investments	<u>242,465,634</u>	<u>238,016,861</u>	<u>89,299,302</u>	<u>93,208,110</u>
a. The fair value for quoted shares is determined by reference to their quoted closing bid price at the end of the reporting period.				
b. Investments in unquoted shares are stated at cost less accumulated impairment losses as their fair values cannot be reliably measured without undue cost or effort.				
c. The fixed deposit with licensed bank of the Group and the Corporation at the end of the financial year bore effective interest rates ranging from 1.85% to 4.00% (2023: 1.85% to 4.00%) per annum. The fixed deposits have maturity periods ranging from 30 to 365 (2023: 30 to 365) days.				
d. The fixed deposits with a total amount of RM31,482,806 (2023: RM31,482,806) have been pledged to a licensed bank as security for banking facility granted to the Group.				

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11. PROPERTY DEVELOPMENT EXPENDITURE

	The Group/The Corporation	2024	2023
	RM	RM	RM
Development costs brought forward	75,384,201	48,956,228	
Development costs incurred during the year	2,269,426	31,038,527	
Less: Amount contra against government grants	<u>(4,898,356)</u>	<u>(4,779,728)</u>	
	<u>72,755,271</u>	<u>75,215,027</u>	

12. BIOLOGICAL ASSETS

	The Group	2024	2023
	RM	RM	RM
(a) Tree planting expenditure, at cost:			
At 1 January			
Additions			
Less: Depletion during the financial year			
Less: Impairment			
Less: Reclass to PPE			
At 31 December			
	2,116,825	1,911,182	
	6,669	1,668	
	<u>(72,256)</u>	<u>236,527</u>	
	<u>(619,708)</u>	<u>-</u>	
	<u>1,431,530</u>	<u>2,113,825</u>	
(b) Acacia tree and pineapples plantation, at fair value:			
Opening fair value/carrying amount			
Costs incurred during the year			
Less: Depletion for the financial year			
Less: Agriculture produces harvested			
Changes in fair value			
At 31 December			
	230,357,126	267,085,096	
	78,203,673	33,256,494	
	<u>(307,613,596)</u>	<u>(31,624,913)</u>	
	<u>(679,880)</u>	<u>(685,067)</u>	
	<u>226,243</u>	<u>(37,674,484)</u>	
	<u>493,566</u>	<u>230,357,126</u>	
Total biological assets	1,925,096	232,473,951	

During the financial year, the Sarawak Planted Forest Sdn. Bhd.'s License of Planted Forest ("LPF") is being cancelled by the Sarawak Government due to underperformance. The loss of the license has resulted in the full derecognition of biological assets as the Company no longer has the legal right to plant, harvest or sold the trees in accordance with the regulatory requirements under Forest Ordinance, 2015.

(a) Cost model

The tree planting expenditure consists of rubber trees which are measured using the cost model. The fair value cannot be measured reliably without undue cost or effort because an external professional valuation would involve significant costs that substantially exceed the benefits to users as there are no comparable market prices and significant uncertain variables would be needed to perform an internal valuation.

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12. BIOLOGICAL ASSETS

Fair value information

Fair value of biological assets are categorised as follows:

	Level 3 RM	2024 Total RM	2023 Total RM
Biological assets	1,925,096	1,925,096	230,357,126

Level 1 fair value

Level 1 fair value is derived from quoted price (unadjusted) in active markets for identical biological assets that the entity can access at the measurement date.

Level 2 fair value

Level 2 fair value is estimated using inputs other than quoted prices included within Level 1 that are observable for the biological assets, either directly or indirectly.

Level 3 fair value

Level 3 fair value is estimated using unobservable inputs for the biological assets.

Biological assets comprise of Acacia tree plantation and the trees are harvested for sales after they have been cultivated for more than 7 years. The age of Acacia trees as at the end of the reporting date is ranging from 1 to 15 years. As at 31 December 2024, total gross estimated planted area amounted to 114,812 (2023: 114,812) hectares, with gross harvested area of approximately 18,000 hectares (2023: 18,000) of standing timbers. The Company has derecognised the biological assets following the cancellation of the Company's LPF by the Sarawak Government.

The biological assets of Acacia tree plantation were valued by management team. The management team has applied the net present value approach under which projected future net cash flows, based on their assessment of current timber log price of RM254/GMT, were discounted at the rate of 8% (2023: 8%) per annum for each of the years applied to pre-tax cash flows to provide the current market value of the biological assets. The discount rate used was based on the weighted average cost of capital which recognises the weighted average cost of debt funded capital and equity capital.

Furthermore, biological assets consist of pineapples prior to harvest, whereby the fair value of pineapples for which there are active markets is determined by using the market comparison approach and is with reference to the market-determined prices of items with similar size and species. The estimated price per kg adopted, which is the significant input is RM4.00 (2023: RM4.00).

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13. GOODWILL ON CONSOLIDATION

	2024 RM	The Group 2023 RM
<i>Carrying Amount</i>		
At 1 January	353,400	353,400
Amortisation	(176,700)	(176,700)
At 31 December	<u>176,700</u>	<u>176,700</u>

14. INVENTORIES

	2024 RM	The Group 2023 RM	2024 RM	The Corporation 2023 RM
At Cost:				
Aircraft spares	19,021,932	13,952,058	-	-
Consumables	1,547,596	1,952,889	-	-
Fuel	123,950	721,910	-	-
Finished goods	8,006,883	14,168,185	-	-
Industrial land lots	56,655,489	56,655,489	44,655,489	44,655,489
Manufactured inventories	-	823,665	-	-
Raw materials	813,525	962,327	-	-
Ship building lots	73,646,829	73,646,829	73,646,829	73,646,829
Trading goods	11,502	13,172	-	-
	<u>159,827,706</u>	<u>162,896,524</u>	<u>118,302,318</u>	<u>118,302,318</u>
Less: Accumulated impairment loss	<u>(150,819)</u>	<u>-</u>	<u>-</u>	<u>-</u>
At 31 December	<u>159,676,887</u>	<u>162,896,524</u>	<u>118,302,318</u>	<u>118,302,318</u>
Inventories recognised as cost of sales	<u>29,036,925</u>	<u>47,351,393</u>	<u>-</u>	<u>3,458,660</u>

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15. TRADE AND OTHER RECEIVABLES

	2024 RM	The Group 2023 RM	2024 RM	The Corporation 2023 RM
Current assets:				
Trade receivables	75,195,476	85,872,710	22,602,810	24,912,318
Less: Accumulated impairment losses	(13,154,910)	(13,198,827)	(12,519,185)	(12,558,153)
Net carrying amount	<u>62,040,566</u>	<u>72,673,883</u>	<u>10,083,625</u>	<u>12,354,165</u>
Other receivables	309,636,051	424,729,195	25,309,578	25,555,326
Accrued income	7,825,107	21,496,786	7,825,107	21,496,786
Deposits	151,566,228	192,219,347	573,199	610,264
Prepayments	10,006,461	17,292,603	-	6,594
	<u>479,033,847</u>	<u>655,737,931</u>	<u>33,707,884</u>	<u>47,668,970</u>
Less: Accumulated impairment losses	(18,199,688)	(20,198,501)	(18,005,202)	(20,005,202)
	<u>460,834,159</u>	<u>635,539,430</u>	<u>15,702,682</u>	<u>27,663,768</u>
	<u>522,874,725</u>	<u>708,213,313</u>	<u>25,786,307</u>	<u>40,017,933</u>
Non-current assets:				
Other receivables	1,084,139	1,170,643	625,427	662,456
	<u>1,084,139</u>	<u>1,170,643</u>	<u>625,427</u>	<u>662,456</u>
Allowance for impairment losses:-				
At 1 January	31,397,328	32,896,843	30,563,355	32,563,355
Addition during the year	1,187	515,426	-	-
Less: Recovered during the year	(38,968)	-	(38,968)	-
Less: Reversal during the year	(4,949)	(14,941)	-	-
	<u>31,354,598</u>	<u>33,397,328</u>	<u>30,524,387</u>	<u>32,563,355</u>

The other receivables of the Group and the Corporation include an amount of RM1,084,139 and RM625,427 (2023: RM1,335,687 and RM827,500) respectively which represents the staff loans, bearing interest rate ranging from 4.00% to 7.75% (2023: 4.00% to 7.75%) per annum and repayable over 1 to 25 (2023: 1 to 25) years.

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16. AMOUNT OWING BY/(TO) SUBSIDIARIES

	The Corporation	
	2024 RM	2023 RM
Amount owing by subsidiaries:		
Current	43,565,621	33,320,831
Non-current	68,054,461	73,339,593
	111,620,082	106,660,424
Amount owing to subsidiaries:		
Current	5,342,772	106,256

The amount owing by subsidiaries are unsecured, interest-free and repayable on demand except as follows:-

- (a) RM20,977,755 (2023: RM20,975,994) which bore interest rate at 4% (2023: 4%) per annum and repayable within 5 years;
- (b) RM44,246,464 (2023: RM44,246,464) which bore interest rate at 4% (2023: 4%) per annum and repayable within 15 years commencing from the expiration date of the grace period of 4 years; and
- (c) RM1,441,077 (2023 RM1,595,000) which bore interest rate at 4% (2023: 4%) per annum and repayable on demand;
- (d) RM10,691,865 (2023: RM10,578,141) which bore interest rate at 4% (2023: 4%) per annum and repayable within 5 years.

The amount owing to subsidiaries are unsecured, interest-free and repayable on demand.

17. AMOUNT OWING BY/(TO) ASSOCIATES

	The Group		The Corporation	
	2024 RM	2023 RM	2024 RM	2023 RM
Amount owing by associates:				
Current	22,995,557	11,028,679	9,567,162	9,567,162
Non-current	20,558,458	-	-	-
	43,554,015	11,028,679	9,567,162	9,567,162
Amount owing to associates:				
Current	3,665,052	3,704,403	118,053	157,404

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17. AMOUNT OWING BY/(TO) ASSOCIATES (CONT'D)

The amount owing by associates are unsecured, interest-free and repayable on demand except as follows:-

- (a) amount owing by associates of the Group and the Corporation of RM1,050,189 and RM Nil (2023: RM1,050,189 and RM Nil) respectively bearing interest rate at 5% (2023: 5%) per annum; and
- (b) an amount owing by an associate of RM51,517 (2023: RM51,517) bearing interest rate at 2% (2023: 2%) per annum and repayable within 5 years.

The amount owing to associates are unsecured, interest-free and repayable on demand.

18. AMOUNT OWING BY/(TO) RELATED COMPANIES

The amount owing by/(to) related companies are unsecured, interest-free and repayable on demand.

19. CASH AND CASH EQUIVALENTS

For the purpose of the statements of cash flows, cash and cash equivalents comprise the following:-

	The Group		The Corporation	
	2024 RM	2023 RM	2024 RM	2023 RM
Cash and bank balances	114,548,685	103,377,366	11,011,802	19,475,516
Fixed deposits with tenure of 3 month or less	39,489,390	25,456,456	3,654,093	1,957,906
Cash and cash equivalents in the statements of financial position	154,038,075	128,833,822	14,665,895	21,433,422
Less:				
Fixed deposits pledged to licensed banks	(8,777,911)	-	-	-
Fixed deposits with tenure more than 3 months	(7,148,710)	-	-	-
Bank overdraft	(3,818,281)	(5,671,858)	-	-
Cash and cash equivalents in the statements of cash flows	134,293,173	123,161,964	14,665,895	21,433,422

The fixed deposits with licensed banks of the Group at the end of the reporting period bore effective interest rates ranging from 1.85% to 4.00% (2023: 1.85% to 4.00%) per annum. The fixed deposits have maturity periods ranging from 30 to 90 (2023: 30 to 90) days.

20. RETAINED PROFITS

The Group's policy is to treat all gains and losses that pass through the statements of comprehensive income as revenue reserves. Other than retained earnings, all other revenue reserves are regarded as non-distributable in the form of cash dividends to shareholders.

The retained earnings of the Group and of the Corporation are available for distribution by way of cash dividends or dividends in specific. Under the single-tier system of taxation, dividends payable to shareholders are deemed net of income taxes. There are no potential income tax consequences that would result from the payment of dividends of shareholders.

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21. DEFERRED GRANT INCOME

	The Group/The Corporation	
	2024 RM	2023 RM
Balance at 1 January:		
Total government grant received	429,410,347	427,830,221
Total utilised for projects	(379,773,676)	(374,917,181)
Net carrying amount	49,636,671	52,913,040
Incurred during the year:		
Government grant received	8,806,646	3,078,361
Amortisation during the year	(392,808)	(4,856,495)
Government grant refunded	-	(1,498,235)
	8,413,838	(3,276,369)
Balance at 31 December	58,050,509	49,636,671
Analysed as follows:		
Total government grant received	438,216,993	429,410,347
Cumulative amount recognised	(380,166,484)	(379,773,676)
	58,050,509	49,636,671

22. LOANS AND BORROWINGS

	The Group		The Corporation	
	2024 RM	2023 RM	2024 RM	2023 RM
Current liabilities:				
Bank overdrafts	3,818,281	5,671,858	-	-
Bankers' acceptances	8,940,943	12,442,004	-	-
Revolving credits	20,000,000	39,250,000	-	-
Term loans	69,756,702	55,079,459	-	-
Loan from GP Pusaka	116,467,503	111,991,278	116,467,503	111,991,278
Loan from Sarawak State Government	13,252,900	49,280,730	-	44,280,730
Redeemable preference shares	30,500,000	14,500,000	-	-
	262,736,329	288,215,329	116,467,503	156,272,008
Non-current liabilities:				
Term loans	204,931,287	285,847,617	-	-
Loans from STIDC	2,500,000	-	-	-
Loan from Sarawak State Government	69,072,350	75,895,039	59,389,240	59,389,240
Redeemable preference shares	121,703,890	133,398,535	-	-
	398,207,527	495,141,191	59,389,240	59,389,240
Total loans and borrowings	660,943,856	783,356,520	175,856,743	215,661,248

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22. LOANS AND BORROWINGS (CONT'D)

The bank borrowings of the Group are secured by:-

Bank overdrafts

- (a) Fixed and floating charge over all present and future property, plant and equipment of a subsidiary company;
- (b) All present and future stocks, share, bonds and securities of a subsidiary company;
- (c) All present and future debts revenues and claims of a subsidiary company;
- (d) All present and future intellectual properties of a subsidiary company;
- (e) All present and future goodwill and connections of the business carried out by or on behalf of the subsidiary company;
- (f) Assignment over all rents and other monies payable and all the subsidiary company's rights, remedies and benefits under the contract agreement;
- (g) Pledge on two subsidiaries' fixed deposits;
- (h) Upfront cash deposit from Sarawak Timber Industry Development Corporation of RM3,000,000 to be deposited into investment account pledged on-lien to the bank with all profits are to be capitalised and formed part of the security;
- (i) Assignment of rental proceeds via irrevocable Letter of Instruction from a subsidiary company to the tenant, Sarawak Timber Industry Development Corporation to remit rental proceeds into the subsidiary company's Non-Checking Current Account maintained with the Bank; and
- (j) First party first legal charge over 9 pieces of land known as Lots 114-122, all of Block 5, Seduan Land District, Sibu, Sarawak with a single storey detached warehouse and a 3-storey building built thereon.

Bankers' acceptances

- (a) Fixed and floating charge over all present and future property, plant and equipment of a subsidiary company;
- (b) A corporate guarantee from one of the subsidiary companies;
- (c) Proportionate corporate guarantee from Blackhem Holdings Sdn. Bhd; and
- (d) Legal charge and assignment over two (2) designated current accounts maintained with the Bank in respect of all sales proceeds arising from the subsidiary company's business operation.

Revolving credits

- (a) Fixed and floating charge over all present and future property, plant and equipment of a subsidiary company;
- (b) All present and future stocks, share, bonds and securities of a subsidiary company;
- (c) All present and future debts revenues and claims of a subsidiary company;
- (d) All present and future intellectual properties of a subsidiary company;
- (e) All present and future goodwill and connections of the business carried out by or on behalf of the subsidiary company;
- (f) Assignment over all rents and other monies payable and all the subsidiary company's rights, remedies and benefits under the contract agreement;
- (g) Pledge on two subsidiaries' fixed deposits;
- (h) A Letter of awareness executed by Sarawak Timber Industry Development Corporation; and
- (i) Negative pledge executed in favour of the Bank;

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22. LOANS AND BORROWINGS (CONT'D)

Term loans

- (a) Fixed and floating charge over all present and future property, plant and equipment of a subsidiary company;
- (b) All present and future stocks, share, bonds and securities of a subsidiary company;
- (c) All present and future debts revenues and claims of a subsidiary company;
- (d) All present and future intellectual properties of a subsidiary company;
- (e) All present and future goodwill and connections of the business carried out by or on behalf of the subsidiary company;
- (f) Assignment over all rents and other monies payable and all the subsidiary company's rights, remedies and benefits under the contract agreement;
- (g) Pledge on two subsidiaries' fixed deposits;
- (h) A corporate guarantee from one of the subsidiary companies;
- (i) Specific debenture over 2 units Mobile Harbour Cranes;
- (j) Deed of assignment of the relevant takaful plan/insurance policies of a subsidiary company;
- (k) An amount equivalent to not less than 3 monthly principal and profit amount in the Finance Payment Reserve Account (FPRA) during the tenure of the facility;
- (l) Charge over the Finance Payment Reserve Account;
- (m) Upfront cash deposit from Sarawak Timber Industry Development Corporation of RM3,000,000 to be deposited into investment account pledged on-lien to the bank with all profits are to be capitalised and formed part of the security;
- (n) Assignment of rental proceeds via irrevocable Letter of Instruction from a subsidiary company to the tenant, Sarawak Timber Industry Development Corporation to remit rental proceeds into the subsidiary company's Non-Checking Current Account maintained with the Bank; and
- (o) First party first legal charge over 9 pieces of land known as Lots 114-122, all of Block 5, Seduan Land District, Sibu, Sarawak with a single storey detached warehouse and a 3-storey building built thereon.

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22. LOANS AND BORROWINGS (CONT'D)

At the end of the reporting period, the effective interest rates of loans and borrowings bore by the Group and the Corporation are disclosed as follows:-

		Interest rates per annum	2024	2023
21.1	Bank overdrafts	7.89% - 8.22%	7.89% - 8.22%	
21.2	Bankers' acceptances	3.30% - 3.77%	3.30% - 3.77%	
21.3	Revolving credits	5.69% - 6.09%	5.69% - 6.09%	
21.4	Term loans	4.86% - 5.43%	4.86% - 5.43%	
21.5	Loan from GP Pusaka	4.00% - 7.40%	4.00% - 7.40%	
21.6	Loan from Sarawak State Government	4.00% - 6.50%	4.00% - 6.50%	

The Group and the Corporation obtained interest free loan from the Sarawak State Government except as follows:

- (a) RM22,199,970 (2023: RM22,199,970) which bore interest rate at 4.00% (2023: 4.00%) per annum and repayable within 10 years commencing from the expiration date of the grace period of 2 years;
- (b) RM41,470,001 (2023: RM41,470,001) which bore interest rate at 6.50% (2023: 6.50%) per annum and repayable within 5 years commencing from the expiration date of the grace period of 3 years;
- (c) RM40,000,000 (2023: RM40,000,000) which bore interest rate at 4.00% (2023: 4.00%) per annum and repayable within 15 years commencing from the expiration date of the grace period of 4 years.

The loans are for the purpose of plantation development and establishment, including road construction, purchase of equipment and vehicles, payment of staff salaries and other related costs.

21.7 Redeemable preference shares

Redeemable preference shares – Class A ("RPS")

- (a) Each RPS holder is entitled to be paid out of the distributable profits which shall be at the discretion of the Directors;
- (b) No dividends or any other distributions shall be declared or made to the RPS holder before the full redemption of all the RCPS and full settlement or repayment of loan to the related company;
- (c) RPS holders are not entitled to any voting rights;
- (d) RPS holders shall always rank after the RCPS holders in terms of priority for any dividend made or paid by the Group; and
- (e) The Group irrevocably and unconditionally agrees and undertakes to the RPS holder to redeem the shares at the redemption dates without any set-off, deduction or counter claim.

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22. LOANS AND BORROWINGS (CONT'D)

21.7 Redeemable preference shares (Cont'd)

Redemption

During the financial year, the Group has approved the redemption of the Class A Redeemable Preference Shares ("RPS") registered in the name of a holding entity. On 31 December 2024, 1,563,419 out of 70,918,603 Class A - PRS shares held by holding entity - Sarawak Timber Industry Development Corporation ("STIDC"), with total consideration of RM1,563,419 is satisfied in cash.

In the previous financial year, the Group had approved the redemption of the Class A RPS registered in the name of holding entity. On 29 December 2023, 2,347,397 out of 73,266,000 Class A - PRS shares held by a holding entity with total consideration of RM5,284,000 is satisfied in cash.

All the redemption are made out of the Capital of the Group in accordance with Section 72 (6) of Companies Act, 2016.

23. HIRE PURCHASE PAYABLES

	The Group		The Corporation	
	2024 RM	2023 RM	2024 RM	2023 RM
Minimum hire purchase:				
- not later than one year	4,418,548	767,380	-	81,145
- later than one year and not later than five years	15,272,759	443,065	-	-
- more than five years	18,414,608	-	-	-
	38,105,915	1,210,445	-	81,145
Less: Future finance charges	(7,847,709)	(60,692)	-	(1,430)
Total hire purchase payables	30,258,206	1,149,753	-	79,715
Analysed by:				
Current liabilities	2,649,450	726,316	-	79,715
Non-current liabilities	27,608,756	423,437	-	-
	30,258,206	1,149,753	-	79,715

The hire purchase payables of the Group and the Corporation at the end of the financial year bore effective interest rates ranging from 2.15% to 3.50% (2023: 2.15% to 3.50%) per annum.

24. RETIREMENT BENEFIT OBLIGATIONS

The Group and the Corporation operate an unfunded, post-retirement benefit plan for their eligible employees. Movements in the liability of retirement benefit obligations is the financial year were as follows:

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24. RETIREMENT BENEFIT OBLIGATIONS (CONT'D)

	2024 RM	The Group	2024 RM	The Corporation
At 1 January	7,350,209	8,147,230	2,273,883	2,633,229
Add: Recognised during the year	1,720,551	525,742	1,204,727	42,304
	9,070,760	8,672,972	3,478,610	2,675,533
Less: Pay out during the year	(888,158)	(1,322,763)	(378,158)	(431,650)
At 31 December	8,182,602	7,350,209	3,100,452	2,243,883
Present value of unfunded defined benefit obligations:				
Current liabilities	639,661	614,541	399,661	164,541
Non-current liabilities	7,542,941	6,735,668	2,700,791	2,109,342
	8,182,602	7,350,209	3,100,452	2,273,883

25. DEFERRED TAX (ASSETS)/LIABILITIES

	2024 RM	The Group	2024 RM	The Corporation
At 1 January	25,987,110	24,928,322	(7,218,521)	(7,218,521)
Recognised in profit or loss:				
- current year	(6,703,680)	3,170,847	-	-
- under provision in previous financial year	184,293	-	-	-
At 31 December	19,467,723	28,099,169	(7,218,521)	(7,218,521)
Presented after appropriate offsetting as follows:				
Deferred tax assets	(7,218,521)	(7,218,521)	(7,218,521)	(7,218,521)
Deferred tax liabilities	26,686,244	35,317,690	-	-
	19,467,723	28,099,169	(7,218,521)	(7,218,521)
Deferred tax assets:				
Tax losses and unabsorbed capital allowances:				
At 1 January	(7,218,521)	(7,218,521)	(7,218,521)	(7,218,521)
Recognised in profit or loss	-	-	-	-
At 31 December	(7,218,521)	(7,218,521)	(7,218,521)	(7,218,521)
Deferred tax liabilities:				
Accelerated capital allowances:				
At 1 January	33,205,631	32,146,843	-	-
Recognised in profit or loss	(6,519,387)	3,170,847	-	-
At 31 December	26,686,244	35,317,690	-	-

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25. DEFERRED TAX (ASSETS)/LIABILITIES

Deferred tax assets have not been recognised of the following items:

	The Group		The Corporation	
	2024 RM	2023 RM	2024 RM	2023 RM
Unabsorbed capital allowances	10,557,496	12,948,591	1,534,482	1,534,482
Unutilised tax losses	238,962,486	71,058,066	12,271,043	12,271,043
Other temporary differences	28,999,989	2,129,058	(2,436,896)	(2,436,896)
	278,519,971	86,135,715	11,368,629	11,368,629

26. TRADE AND OTHER PAYABLES

	The Group		The Corporation	
	2024 RM	2023 RM	2024 RM	2023 RM
Trade payables	61,507,270	82,387,106	4,304,996	4,037,857
Other payables	27,768,505	37,557,398	7,291,426	5,825,039
Deposits received	3,410,114	1,603,721	-	-
Accruals	13,205,927	23,731,824	12,116,062	18,802,104
	105,891,816	145,280,049	23,712,484	28,665,000

The normal trade credit term granted to the Group ranged from 30 to 90 days (2023: 30 to 90 days).

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27. REVENUE

	The Group	The Corporation	The Group	The Corporation
	2024 RM	2023 RM	2024 RM	2023 RM
Aviation services	364,899,144	249,413,340	-	-
Contract income	128,685,687	167,935,499	-	-
Commission income	1,093,731	1,054,761	-	-
Crude palm oil bulking services	-	720,200	-	-
Facility management services	1,826,190	-	-	-
General repair and maintenance services	10,724,059	11,064,820	-	-
Grant amortised	-	4,856,495	-	4,856,495
Gross dividend:				
- associates	-	-	2,100,000	1,350,000
- other investments	906,630	991,143	906,630	991,143
- subsidiaries	-	-	1,694,718	1,943,750
Gain on fair value of other investments	1,418,159	1,972,198	1,418,159	1,972,198
Interest income	432,983	292,062	-	-
Operating grant received	64,173,600	41,054,927	64,173,600	41,054,927
Other services	12,259,604	13,396,322	235,536	225,631
Project revenue	(138,242)	2,432,104	(138,242)	2,432,104
Registration fees	744,699	589,021	744,699	589,021
Rental income	11,011,009	11,474,284	10,271,097	10,219,466
Renovation works	153,275	197,074	-	-
Sales of construction, furniture and hardware materials	219,211	127,938	-	-
Sales of woodchips, timber logs, swan timber, sawdust, palm kernel shells, peat swamp logs and pulpwoods	54,111,953	50,343,156	-	-
Tariff	885,319	679,999	-	-
Timber premium	7,263,083	6,041,458	7,263,083	6,041,458
Timber logging concession income	250,035	4,595,043	-	-
Trading of goods	74,066,227	177,443,037	-	-
Vendor programme income	(151,109)	1,583,619	(151,109)	1,583,619
Wharfage, stevedorage, barging and other port users' services	6,733,461	6,443,344	-	-
	741,568,708	754,701,844	88,518,171	73,259,812

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28. FINANCE COSTS

	2024 RM	The Group 2023 RM	2024 RM	The Corporation 2023 RM
Bankers' acceptance interest	359,947	665,378	-	-
Bank overdraft interests	51,800	460,776	-	-
Revolving credit interests	2,136,113	2,150,774	-	-
Loan interests	35,810,123	19,623,534	6,927,642	6,420,008
Hire purchase interests	110,397	94,118	1,430	8,552
Others	603,305	82,373	-	-
	39,071,685	23,076,953	6,929,072	6,428,560

29. (LOSS)/PROFIT BEFORE TAXATION

	2024 RM	The Group 2023 RM	2024 RM	The Corporation 2023 RM
Allowance for impairment losses on:				
- investment in associates	-	346,858	-	346,858
- investment in subsidiaries	-	-	-	54,216
- receivables	6,314,837	515,426	-	-
- amount owing by subsidiaries	-	-	-	12,346
- biological assets	619,708	-	-	-
Amortisation of goodwill	4,587,825	176,700	-	-
Amortisation of intangible assets	2,881	2,522	-	-
Auditors' remuneration:				
- current year	370,230	319,448	32,930	-
- underprovision in the previous financial year	35,799	1,400	34,799	32,648
- overprovision in the previous financial year	(500)	-	-	-
Bad debts written off	-	40,770	-	-

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29. (LOSS)/PROFIT BEFORE TAXATION (CONT'D)

	2024 RM	The Group 2023 RM	2024 RM	The Corporation 2023 RM
Board members' fees	251,700	248,700	251,700	248,700
Depreciation of property, plant and equipment	33,627,454	38,836,684	5,805,061	5,902,505
Reversal on depreciation of property, plant and equipment	(355,103)	-	-	-
Depletion of biological assets	307,687,680	31,630,874	-	-
Directors' remuneration:				
- fees	2,108,931	1,806,001	-	-
- salaries	368,500	794,900	-	-
- non-fees emoluments	149,492	1,219,721	-	-
Other key management personnel	119,618	188,884	-	-
Hire of equipment, plant and machineries	1,365,923	1,348,112	1,365,923	1,294,172
Net loss on impairment of financial assets	4,640,000	-	-	-
Rental expenses	3,335,856	5,525,181	-	-
Reversal of principal on loan	(295,270)	-	-	-
Reversal of interest loan	(36,358)	-	-	-
Reversal of bad debts	(600)	-	-	-
Reversal of fair value loss on other investments	(130,995)	-	-	-
Reversal of impairment loss on trade receivables	(4,950)	-	-	-
Property, plant and equipment written off	303,643	5,185	-	2,625
Inventory written off	21,759	-	-	-
Impairment loss on fixed assets	3,128,789	-	-	-
Impairment loss on inventory	78,747	-	-	-
Loss/(Gain) on foreign exchange:				
- realised	(620,226)	1,477,224	-	-
- unrealised	77,599	(619,287)	-	-
Management fees	6,000	-	-	-
Rental of aircraft	100,662,547	35,639,493	-	-
Retirement benefit obligations	1,720,551	525,742	1,204,727	42,304
Staff costs:				
- wages, salaries, allowances, bonus, overtime and pension	76,867,104	79,249,743	24,678,702	28,526,095
- E.I.S contributions	29,940	23,929	-	-
- E.P.F contributions	9,331,700	9,900,128	811,840	818,392
- SOCSO contributions	511,922	471,069	19,999	23,711
- Other staff related expenses	258,305	4,302,509	-	4,115,048
Grant amortised	(392,808)	(4,856,495)	(392,808)	(4,856,495)

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29. (LOSS)/PROFIT BEFORE TAXATION (CONT'D)

	2024 RM	The Group 2023 RM		The Corporation 2024 RM	2023 RM
(Gain)/Loss on fair value changes in:					
- other investments	(2,804,366)	(4,314,112)		(1,418,158)	(1,972,198)
- biological assets	(226,243)			37,674,484	
- investment properties	(39,428,558)			-	-
(Gain)/Loss on disposal of:					
- other investments	(173,764)			(375,561)	
- property, plant and equipment	(42,890,089)			168,370	
- land held for development	(2,077,987)			-	-
Gross dividend					
- associates	(2,100,000)			(2,100,000)	(1,350,000)
- other investments	(1,968,914)			(2,239,572)	(906,630)
- subsidiaries	(1,694,718)			-	(991,143)
Interest income	(6,717,272)			(7,045,881)	(3,790,850)
Rental income	(11,698,682)			(10,271,097)	(10,219,466)
Grant from STIDC	(665,238)				
30. TAXATION					
	2024 RM	The Group 2023 RM		The Corporation 2024 RM	2023 RM
Current tax:					
- Current financial year	15,756,446	4,744,063		2,702,728	2,618,331
- Under provision in the previous financial year	4,099	2,143,546		-	2,256,316
- Over provision in the previous financial year	(1,645,534)			(1,497,127)	-
	14,115,011	6,887,609		1,205,601	4,874,647
RPGT tax expense:					
	-	1,082,364		-	1,082,364
Deferred taxation:					
- Current financial year	(8,236,680)	1,883,909		-	-
- Under provision in the previous financial year	1,717,293	1,286,938		-	-
- Over provision in the previous financial year	(6,519,387)	3,170,847		-	-
Total taxation	7,595,624	11,140,820		1,205,601	5,957,011

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30. TAXATION (CONT'D)

A reconciliation of income tax expense applicable to (loss)/profit before taxation at the statutory tax rate to the income tax expense at the effective tax rate of the Group and the Corporation is as follows:-

	2024 RM	The Group 2023 RM		The Corporation 2024 RM	2023 RM
(Loss)/Profit before taxation				(242,781,857)	(23,138,629)
Tax at the statutory income tax rate of 24% (2023: 24%)				(58,267,646)	(5,553,271)
Tax effect in respect of:					
Non-deductible expenses				27,075,709	15,555,377
Non-taxable income				(9,866,297)	(3,991,225)
Utilisation of capital allowances brought forward				(1,490)	(193)
Utilisation of business losses				-	9,712
Utilisation of deferred tax asset previously not recognised				(853,554)	(548,781)
Deferred tax assets not recognised				48,969,847	8,320,481
Share of results in associates				6,644	(7,164,128)
Others				468,701	-
RPGT tax expense				-	1,082,364
Over provision in the previous financial year:					
- income tax				(1,657,989)	-
- deferred tax				-	(1,497,127)
Under provision in the previous financial year:					
- income tax				188,392	2,143,546
- deferred tax				1,533,307	1,286,938
				7,595,624	11,140,820
					1,205,601
					5,957,011

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PERBADANAN KEMAJUAN PERUSAHAAN KAYU SARAWAK
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

31. PURCHASE OF PROPERTY, PLANT AND EQUIPMENT

	The Group		The Corporation	
	2024 RM	2023 RM	2024 RM	2023 RM
Cost of property, plant and equipment purchased	8,134,346	36,899,804	8,134,346	10,257,856
Amount financed through hire purchases	-	-	-	-
	8,134,346	36,899,804	8,134,346	10,257,856

32. COMMITMENTS

(a) Capital commitments

	The Group		The Corporation	
	2024 RM	2023 RM	2024 RM	2023 RM
Approved and contracted for:				
Renovation at Wisma Sumber Alam	6,942,517	11,981,980	6,942,517	10,536,476
Approved and but contracted for:				
Property, plant and equipment	-	44,478,445	-	-
	6,942,517	56,460,425	6,942,517	10,536,476

(b) Non-cancellable lease commitments

As at end of the financial year, the future aggregate minimum lease payments payable as a lessee under non-cancellable operating leases contracted were as follows:

	The Group	
	2024 RM	2023 RM
Not later than one year	33,538,857	12,254,657
Later than one year and not later than five years	97,499,982	22,814,800
	131,038,839	35,069,457

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33. CONTINGENT LIABILITIES

After STIDC's appeal was dismissed by the Court of Appeal, the matter was remitted to High Court for assessment of damages. Upon request from TM Feedmill's lawyers, parties went through mediation to settle the matter.

By Consent of both parties, the Court ordered as follows:

- (a) STIDC shall transfer Lot 29 Block 11 Buan Land District (the land near Loba Semareng) to TMF since TMF has paid the purchase price in full;
- (b) STIDC is bound by the SPA masterplan and therefore in the event that STIDC's view is sought for on any application for variation of land title, STIDC will only say that the SPA masterplan for the area is designated for fish meal processing industry and final decision on the variation of title condition will ultimately be up to the SPA and not STIDC;
- (c) The land shall be transferred to TMF subject to terms and conditions as set out by L&S in the title, but TMF may apply for variation at its own costs and expenses. Once transferred, STIDC is fully discharged from all its obligations under the Sale & Purchase Agreement 20.6.2017;
- (d) Inability of TMF to set up fish processing factory is no party's fault and shall not be deemed as abandoning the project warranting termination of the S&P;
- (e) TMF shall remove any half-built feed meal plant constructed on the land at its own costs and expenses; and
- (f) The assessment of damages shall be discontinued.

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PERBADANAN KEMAJUAN PERUSAHAAN KAYU SARAWAK
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

34. RELATED PARTY DISCLOSURES

Other than those disclosed elsewhere in the financial statements, the Group and the Corporation also carried out the following significant transactions with the related parties during the financial year:-

	The Group		The Corporation	
	2024 RM	2023 RM	2024 RM	2023 RM
Transaction with subsidiaries:				
Management service	-	-	4,992,876	6,364,888
Rental expenses	-	-	324,000	297,000
Interest income received/receivables	-	-	(822,617)	
Rental income	-	-	(10,080)	
Transactions with associates:				
Rental expenses and operating services	2,188,631	3,357,377	-	-
Interest income received/receivables	(25,000)	(25,000)	-	-
Security charges received/receivables	(52,800)	(52,800)	-	-
Rental income	(190,512)	(190,512)	-	-
Sales of goods	-	(1,367,360)	-	-
Transactions with related companies:				
Interest expense paid/payable	504,181	325,000	-	-
Sales received/receivable	(1,295,840)	-	-	-
Rental expenses	85,250	96,000	-	-
Interest income received/receivables	160,000	-	-	-

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

35. FINANCIAL INSTRUMENTS

CATEGORIES OF FINANCIAL INSTRUMENTS

	The Group	The Corporation	The Group	The Corporation
	2024 RM	2023 RM	2024 RM	2023 RM
Financial Assets:				
Fair value through profit or loss:				
Other investments	196,310,602	177,981,380	43,144,270	47,832,164
Amortised cost:				
Trade and other receivables	253,849,499	499,872,006	26,411,734	40,063,531
Amount owing by subsidiaries	-	-	43,565,621	106,660,424
Amount owing by associates	22,995,557	11,028,679	9,567,162	9,567,162
Amount owing by related companies	68,336	4,511,072	-	-
Other investments	46,155,032	60,035,481	46,155,032	45,375,946
Cash and cash equivalents	154,038,075	128,833,822	14,665,895	21,433,422
	477,106,499	704,281,060	140,365,444	223,100,485
Financial Liabilities:				
Amortised cost:				
Trade and other payables	102,628,547	143,676,328	23,712,484	28,665,000
Amount owing to subsidiaries	-	-	5,342,772	106,256
Amount owing to associates	3,665,052	3,704,403	118,053	157,404
Amount owing to related companies	71,357,991	28,377,163	-	-
Hire purchase payables	30,258,206	1,149,753	-	79,715
Loans and borrowings	660,943,856	783,356,520	175,856,743	215,661,248
	868,853,652	960,264,167	205,030,052	244,669,623

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PERBADANAN KEMAJUAN PERUSAHAAN KAYU SARAWAK
(Incorporated under the Sarawak State Ordinance No.3 of 1973)

**DETAILED INCOME STATEMENT - CORPORATION
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024**

	2024 RM	2023 RM
REVENUE		
Dividend income:		
- associates	2,100,000	1,350,000
- other investments	906,630	991,143
- subsidiaries	1,694,718	1,943,750
Fair value gain on other investments	1,418,158	1,972,198
Grant amortised	-	4,856,495
Registration fees	744,699	589,021
Rental income	10,271,097	10,219,466
Project revenue	(138,242)	2,432,104
Sawmill licence	98,050	63,276
Operating grant received	64,173,600	41,054,927
Timber inspection and grading fees	137,486	162,355
Timber premium	7,263,084	6,041,468
Vendor programme income	(151,109)	1,583,619
	<u>88,518,171</u>	<u>73,259,812</u>
LESS: COST OF SALES		
Development expenditure costs	-	3,452,497
Inventories cost	-	3,458,660
Timber related cost	-	-
	<u>-</u>	<u>6,911,157</u>
GROSS PROFIT	<u>88,518,171</u>	<u>66,348,655</u>
ADD: OTHER OPERATING INCOME		
Gain on disposal of property, plant and equipment	-	78,800
Interest income from bank	1,138,003	1,427,978
Other income	297,134	8,170,432
Profit on disposal of share	6,237,597	-
Staff loan interest income	(47,871)	31,862
Term loan interest income	2,623,204	2,220,081
	<u>10,248,067</u>	<u>11,929,153</u>
LESS: ADMINISTRATIVE EXPENSES (APPENDIX I)	<u>79,698,178</u>	<u>72,674,221</u>
LESS: FINANCE COSTS		
Hire purchase interests	1,430	8,552
Loan interests	6,927,642	6,420,008
	<u>6,929,072</u>	<u>6,428,560</u>
PROFIT/(LOSS) BEFORE TAX	<u>12,138,988</u>	<u>(824,973)</u>

APPENDIX I

PERBADANAN KEMAJUAN PERUSAHAAN KAYU SARAWAK
(Incorporated under the Sarawak State Ordinance No.3 of 1973)

**DETAILED ADMINISTRATIVE EXPENSES - CORPORATION
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024**

	2024 RM	2023 RM
ADMINISTRATIVE EXPENSES		
Advertisement	17,850	123,448
Allowance for impairment loss on:		
- amount owing by subsidiaries	-	12,346
- investment in associates companies	-	346,858
- investment in subsidiaries companies	-	54,216
Audit fee	67,729	32,648
Board members' fees	251,700	248,700
Books, newspapers and periodicals	29,578	44,241
Corporate social responsibilities	401,006	1,197,895
Depreciation of property, plant and equipment	5,805,061	5,902,505
Dividend to state government	-	180,000
Electricity and water	943,707	862,265
Entertainment	164,072	188,346
Extraordinary expenditure	7,347,454	1,295,584
Expenses grant	3,432,135	-
General office expenses	305,477	302,324
Gifts and contributions	78,700	99,000
Hire of equipment	1,365,922	1,294,172
Insurance	493,519	499,411
Interest subsidy	361,297	363,623
International issue	-	555
Integrity programme	-	1,420
Loss on disposal of other investment	6,104,444	322,465
Legal and professional fee	1,082,357	279,218
Maintenance of gallery	337,090	646,075
Maintenance of industrial estate	4,998,996	8,924,019
Miscellaneous expenses	47,169	27,076
Museum expenses	8,460	4,072
Office rental	324,000	297,000
OSHA	-	-
Printing and stationeries	72,266	109,487
Project development expenses	42,173	-
Property, plant and equipment written off	-	2,625
Rates and assessment	2,599,074	3,145,567
BALANCE CARRIED FORWARD	<u>36,681,236</u>	<u>26,807,161</u>

APPENDIX I

PERBADANAN KEMAJUAN PERUSAHAAN KAYU SARAWAK
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APPENDIX I

DETAILED ADMINISTRATIVE EXPENSES - CORPORATION
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

	2024 RM	2023 RM
BALANCE BROUGHT FORWARD	36,681,236	26,807,161
Repair and maintenance		
- motor vehicles	383,009	482,627
- office building	2,289,121	2,259,586
Research and development expenditure	719,466	870,927
Sarawak timber expo	-	780,928
Soft furniture and fittings	-	3,811
Staff costs:		
- salaries and allowances	22,041,663	25,905,282
- overtime	504,134	513,135
- E.P.F. contribution	811,840	818,392
- E.I.S. and SOCSO contribution	19,999	23,711
- Pencen	2,132,905	2,107,678
- Retirement benefits	1,204,727	42,304
- Incentive	3,648,000	-
Staff house rental	113,068	132,208
Staff medical	3,345,311	3,369,349
Staff uniform	100,956	112,304
Staff welfare	683,134	460,447
Staff zakat	-	40,740
STIDC anniversary	-	2,285,517
Telephone, fax and postage	446,671	500,729
Training for industry	134,907	347,184
Training and seminar	959,464	1,171,750
Transport and travelling expenses	3,478,567	3,638,451
TOTAL ADMINISTRATION EXPENSES	79,698,178	72,674,221