



PUSAKA

ANNUAL REPORT

20  
23

LAPORAN TAHUNAN





# TABLE OF CONTENTS

3	Background of STIDC
4	Corporate Vision, Mission, Functions
6	Objectives
8	Client's Charter & Corporate Song
9	Logo
12	Organisational Chart
16	Board of Management
17	Management Team
19	Chairman's Statement
21	GM's Preface
22	Enhancing Industry Value
24	Exploring the Possibilities of Bamboo
26	STIDC Introduces Sarawak's Maiden Bamboo Bicycle
28	Creating a dynamic economic hub
30	Engineered Wood Project
32	Sarawak Design Week 2023
38	50th Anniversary Golden Jubilee Celebration STIDC
44	2023 Activities
51	2023 vs 2022 Trade Statistics
64	2023 Financial Statements

## EDITORIAL TEAM

### Chief Editor

Haji Zainal Abidin Bin Haji Abdullah  
*General Manager*

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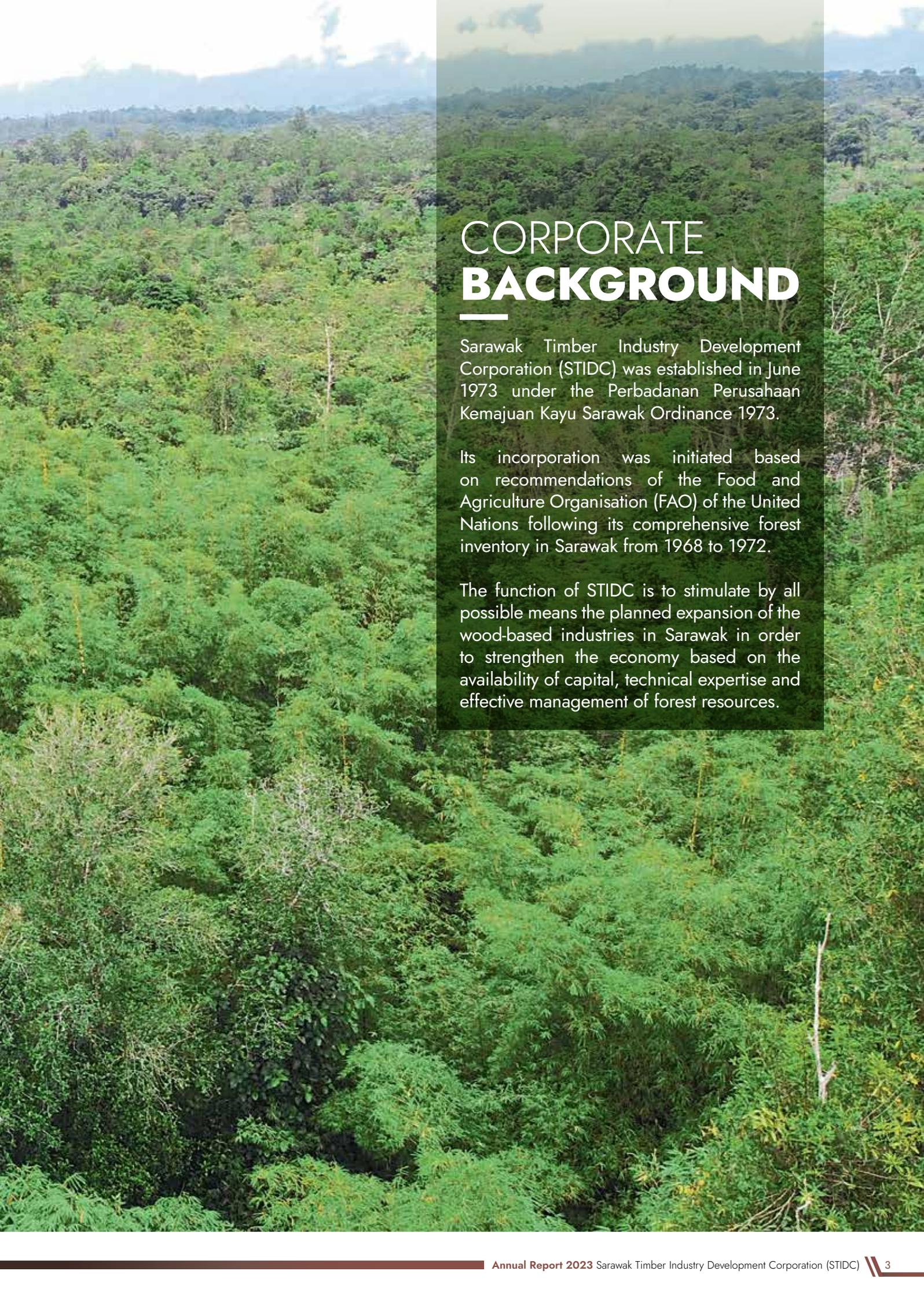
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# CORPORATE BACKGROUND

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 recommendations 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**

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Transforming towards a vibrant and sustainable Timber Industry

## CORPORATE **MISSION**

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To facilitate the transformation of a sustainable Timber Industry

## CORPORATE **FUNCTIONS**

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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 coordinate and implement the overall development strategies of the timber industry through partnership with the private sector.



# STIDC CORPORATE SONG

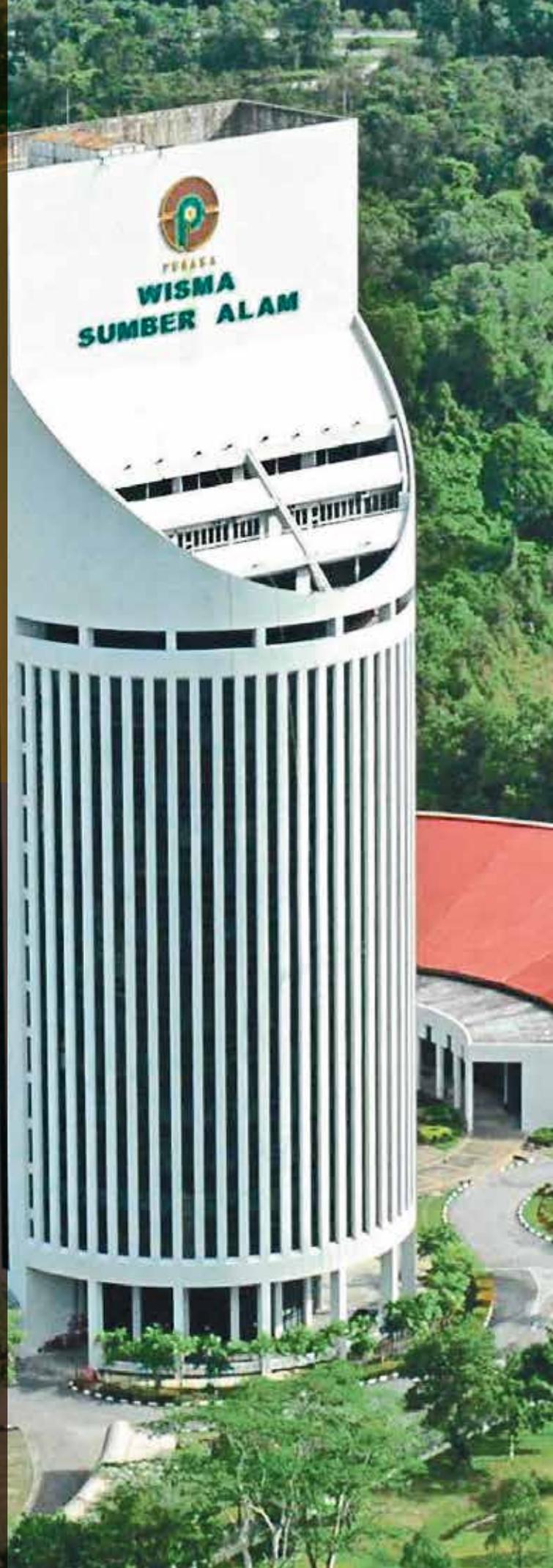
Bersama kita tingkatkan kejayaan  
Dengan semangat bekerjasama  
Bersatu tenaga dan warisan budaya  
Menjadi amalan kerja kita

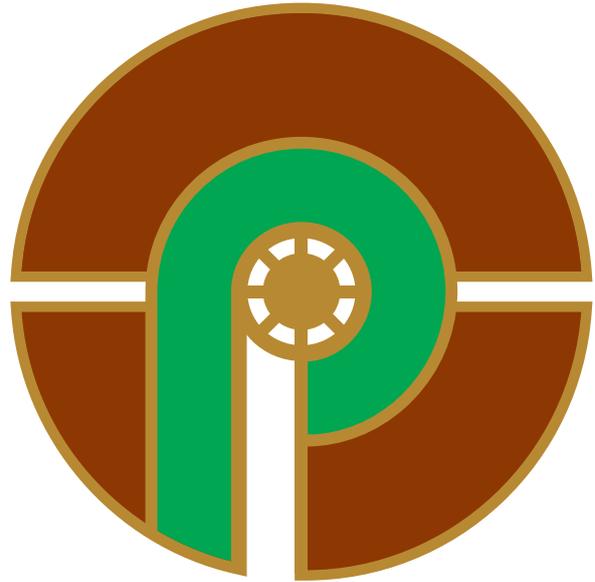
Budaya kerja berteras kualiti  
Kami anak watan yang berdikari  
Penuh kasih sayang sesama kita  
PUSAKA Berjaya nan gemilang

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 licence 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 licenses for timber and timber products within one (1) working day.
4. To process 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.





# PUSAKA

## STIDC LOGO

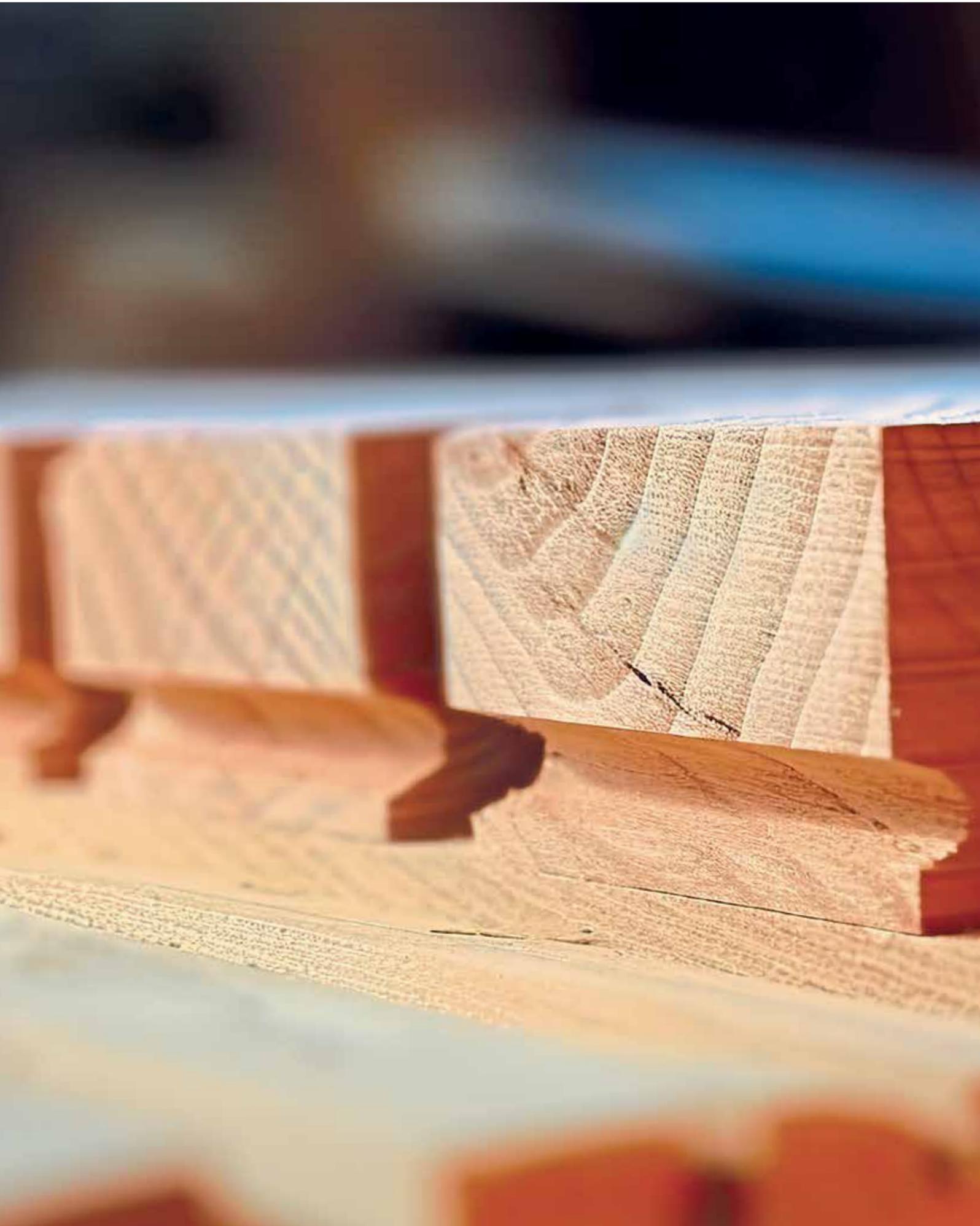
This logo was officially launched on 7 May 1993 during the Corporation's 20th Anniversary.

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 colour 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 colour depicts the leadership role played by PUSAKA in the development of the timber industry.

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

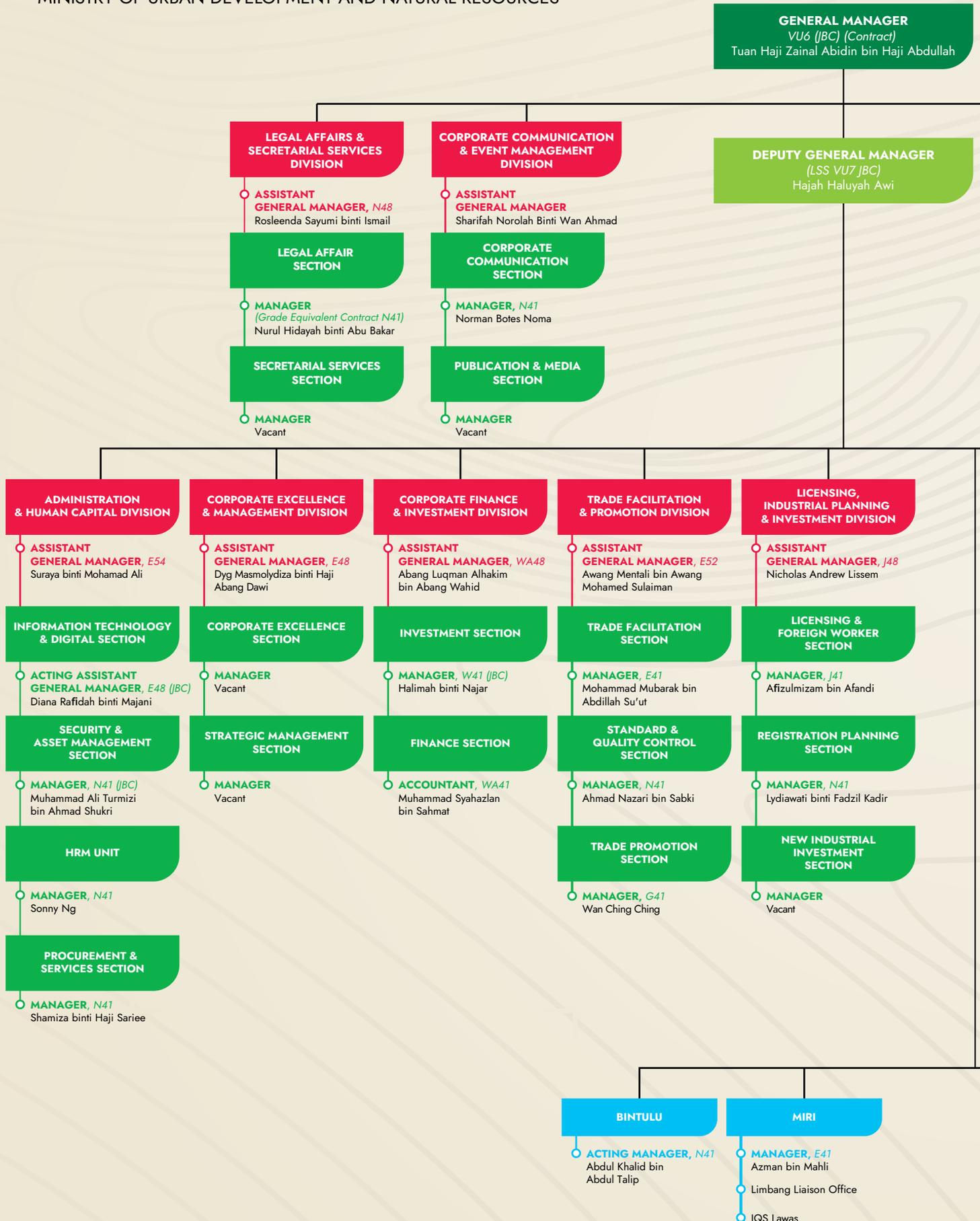




# CORPORATE **STRUCTURE**

# ORGANISATIONAL CHART

MINISTRY OF URBAN DEVELOPMENT AND NATURAL RESOURCES



**INTERNAL AUDIT AND RISK MANAGEMENT COMMITTEE**

**RISK MANAGEMENT & INTEGRITY DIVISION**

- ASSISTANT GENERAL MANAGER  
(Grade Equivalent Contract WA48)  
Tuan Haji Nadzam Al-Rush bin Datu Haji Putit
- INTEGRITY SECTION MANAGER  
(Grade Equivalent Contract N41)  
Sharifah Zainah binti Wan Omar
- RISK MANAGEMENT SECTION MANAGER  
Vacant

**INTERNAL AUDIT DIVISION**

- ASSISTANT GENERAL MANAGER  
Vacant
- INTERNAL AUDIT & COMPLIANCE SECTION  
Estee Dinimashida binti Ahmad Luthfi
- ASSISTANT MANAGER  
(Grade Equivalent Contract WA41)  
Afifah Falhin binti Datuk Amar Mohamad Abu Bakar

**SUSTAINABLE RESOURCES MANAGEMENT DIVISION**

- ASSISTANT GENERAL MANAGER, G48  
Haji Hamzah bin Haji Morshidi

**BAMBOO RESOURCES SECTION**

- MANAGER  
(Grade Equivalent Contract G48)  
Dr Jong Lip Khiong

**FOREST RESOURCES SECTION**

- MANAGER, G44  
Nur Edora Abdullah

**CARBON TRADE SECTION**

- MANAGER  
Vacant

**RUBBER WOOD RESOURCES SECTION**

- MANAGER  
Vacant

**RESEARCH, DEVELOPMENT & INNOVATION DIVISION**

- ASSISTANT GENERAL MANAGER, G48  
Johari bin Zainudin

**RESEARCH SECTION**

- MANAGER, N41  
Rickey anak Dayus

**PRODUCT INNOVATION & DEVELOPMENT SECTION**

- MANAGER  
Vacant

**SME & ENTREPRENEUR DEVELOPMENT DIVISION**

- ASSISTANT GENERAL MANAGER, N48  
Omar bin Ali Sepian

**INDUSTRIAL SKILL DEVELOPMENT SECTION**

- MANAGER, E41 (JBC)  
Abdul Wafi bin Abdul Rani

**SME DEVELOPMENT SECTION**

- MANAGER, E41  
Dayang Masdoni binti Abdul Latif

**VENDOR DEVELOPMENT SECTION**

- MANAGER  
Vacant

**INSPECTORATE & ENFORCEMENT DIVISION**

- ASSISTANT GENERAL MANAGER  
Vacant

**INSPECTORATE & ENFORCEMENT SECTION**

- MANAGER, E44  
Senu bin Mas

**PROJECT & ENGINEERING**

- SENIOR ASSISTANT GENERAL MANAGER N54 (JBC) (Contract)  
Hajah Sadiyah binti Tu
- ASSISTANT GENERAL MANAGER (Contract - equivalent to J48)  
Bill Ensol Anak Abang

**BUILDING FACILITY MANAGEMENT SECTION**

- MANAGER, N44  
Ts. Mohd Razip bin Barahim

**ENGINEERING SECTION**

- MANAGER, J41 (JBC)  
Akmal Faiz bin Abdul Rahman

**PROJECT PLANNING & DEVELOPMENT SECTION**

- ACTING MANAGER, N41  
Ts Mohd Irhasman bin Inggal

**SIBU**

- MANAGER, G44  
Jessica Ayom

**MUKAH**

- MANAGER, G41  
Kaswadi Buang
- Limbang Liaison Office





# CORPORATE MANAGEMENT

# BOARD OF MANAGEMENT



## CHAIRMAN

### **YANG BERTHORMAT DATUK AMAR HAJI AWANG TENGAH ALI HASAN**

Deputy Premier of Sarawak  
Second Minister for Natural Resources and Urban Development  
Minister for International Trade, Industry and Investment Sarawak  
Chairman of Sarawak Timber Industry Development Corporation (STIDC)



**YB Datuk Amar Haji Mohamad  
Abu Bakar Bin Marzuki**

Sarawak State Secretary



**YB Datuk Len Talif Salleh**

Deputy Minister of Urban Planning,  
Land Administration & Environment



**YBhg Datu Dr. Haji Wan  
Lizozman Bin Wan Omar**

State Financial Secretary



**YBhg Tan Sri Datuk Amar (Dr.)  
Haji Abdul Aziz Bin Dato Haji  
Husain**

Chairman Sarawak Economic  
Development Corporation (SEDC)



**YB Datuk Haji Mohd Naroden  
Bin Haji Majais**

Advisor to Ministry of International  
Trade, Industry & Investment Sarawak



**YBhg Datu Sr. Haji Zaidi Bin  
Haji Mahdi**

Permanent Secretary Ministry  
of Natural Resources & Urban  
Development



**YBhg Datu Haji Abdullah Bin  
Julaihi**

Director of Land & Survey Department  
Sarawak

# MANAGEMENT TEAM



**Cik Hajah Haluyah Binti Awi**

Deputy General Manager



**GENERAL MANAGER**

**HAJI ZAINAL ABIDIN BIN HAJI ABDULLAH**



**Puan Hajah Sadiah Binti Tu**

Senior Assistant General Manager (Project & Engineering)



**Puan Suraya Binti Mohamad Ali**

Assistant General Manager (Integrity & Risk Management)



**Encik Bill Ensol Anak Abang**

Assistant General Manager (Project & Engineering)



**Tuan Haji Hamzah Haji Morshidi**

Assistant General Manager (Resource Planning)



**Encik Johari Zainuddin**

Assistant General Manager (Central Region)



**Encik Nicholas Andrew Lisse**

Assistant General Manager (Industrial Planning & Licensing)



**Encik Awang Mentali Bin Awang Mohamed Sulaiman**

Assistant General Manager (Trade Control)



**Encik Abang Luqman Alhakim bin Abang Wahid**

Assistant General Manager (Finance & Investment)



**Puan Sharifah Norolah Binti Wan Ahmad**

Assistant General Manager (Corporate Affairs)



**Puan Rosleenda Sayumi Ismail**

Assistant General Manager (Legal Affairs & Secretarial Services)



# CHAIRMAN'S STATEMENT

In 2023, we celebrated the 50th anniversary of Sarawak Timber Industry Development Corporation (STIDC), marking a significant milestone in our journey towards driving sustainability in Sarawak's timber industry. I extend my heartfelt congratulations and appreciation to STIDC for flawlessly organizing a series of events throughout the year, culminating in the Golden Jubilee Dinner.

I am particularly proud of STIDC's adeptness in addressing various challenges to modernize the timber industry, positioning it as a cornerstone of Sarawak's socio-economic progress.

I also want to express gratitude to past leaders whose vision and dedication transformed the timber sector into a high-value industry. Their efforts paved the way for achieving RM8 billion in export earnings by 2030, as outlined in the Post COVID-19 Strategy Development (PCDS) 2030.

Sarawak's vast lands, with around 62 percent covered by well-managed tropical rainforests, have been crucial in sustaining our timber industry. The establishment of STIDC in 1973, following a comprehensive Forest Inventory Study, has been pivotal in planning and developing Sarawak's timber industry.

I must acknowledge His Excellency Tun Pehin Sri Haji Abdul Taib Mahmud for his visionary leadership during his tenure as Chairman, spearheading STIDC's noble cause.

Since its inception, STIDC has transformed from merely exporting swamp forest logs to becoming

a major producer and exporter of tropical timber products in the region.

This success is a testament to effective government policies, visionary leadership, dedicated staff, and the unwavering support of industry players.

To sustain our growth, we have implemented Sustainable Forest Management (SFM) and certified forests, aiming to complete all long-term timber licenses by 2025.

Furthermore, to maximize the value of our resources, we are transitioning towards producing high-value-added products like engineered wood and furniture, leveraging advanced technology and research.

Since 2018, STIDC has been actively developing the bamboo-based industry, aligning with the global demand for bamboo-based products.

Our commitment to sustainability is evident in the various accolades received by STIDC for its quality initiatives.

I extend my gratitude to industry players for their support and urge them to continue backing our efforts to transform the timber industry into a high-value-added sector, in line with our State PCDS 2030 agenda.

Congratulations once again to STIDC on this milestone. Together, let us continue driving sustainability, ensuring a prosperous future for Sarawak.



**THE HONOURABLE DATUK AMAR HAJI AWANG TENGAH ALI HASAN**

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



# GENERAL MANAGER PREFACE

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Dear Colleagues, Partners, and Friends,

As we celebrate the momentous occasion of the 50th. anniversary of the Sarawak Timber Industry Development Corporation (STIDC), it fills me with immense pride and gratitude to reflect on our journey of growth, innovation, and sustainable development over the past five decades.

Since our inception in 1973, STIDC has been at the forefront of driving the timber industry forward in Sarawak, playing a pivotal role in shaping the region's economic landscape and contributing to its social and environmental well-being. What began as a vision to harness the rich timber resources of Sarawak has evolved into a dynamic organization dedicated to fostering responsible forest management, promoting value-added processing, and championing global best practices in the timber sector.

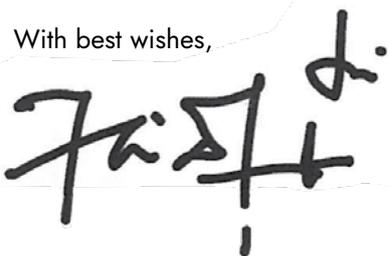
Over the years, STIDC has navigated through various challenges and opportunities, adapting to changing market dynamics, technological advancements, and environmental considerations. Through it all, our commitment to excellence, integrity, and sustainability has remained unwavering, guiding us in our pursuit of excellence and resilience.

As we commemorate this significant milestone, let us take a moment to recognize and express our heartfelt appreciation to all those who have been instrumental in our success – our dedicated employees, visionary leaders, supportive government agencies, valued partners, and the communities we serve. It is through your collective efforts, passion, and collaboration that STIDC has been able to achieve such remarkable progress and make a positive impact on the lives of many.

Looking ahead, as we embark on the next phase of our journey, let us reaffirm our commitment to innovation, inclusivity, and environmental stewardship. Together, let us continue to strive for excellence, embrace new opportunities, and uphold the legacy of STIDC as a beacon of sustainable development in Sarawak and beyond.

On this auspicious occasion, I extend my warmest congratulations to everyone associated with STIDC and express my sincere gratitude for your unwavering support and dedication. Here's to the next 50 years of success, prosperity, and sustainable growth.

With best wishes,



**HAJI ZAINAL ABIDIN BIN HAJI ABDULLAH**  
General Manager

# ENHANCING INDUSTRY VALUE: FROM THE 2000s TO PRESENT



Engineered wood products are promoted to ensure that the timber industry remains the mainstay of the state's economy with export earnings of RM8 billion by 2030.

The timber industry in Sarawak has undergone significant changes over the years, with the focus shifting towards value addition and sustainability. In the 2000s, there was an increasing emphasis on creating a high-value industry, where there is no waste from timber processing.

Currently, Japan uses approximately 3 million tonnes of biomass per year, and usage is expected to rise to 10 million tonnes in the near future. This coincides with a significant increase in Sarawak wood pellet exports, from RM427,000 in 2021 to RM23.1 million in 2022, representing an increase of RM22.7 million.

Sarawak is expected to significantly increase its pellet production once it secures multiple long-term supply contracts for pellets with major companies engaged in green energy generation in Japan and Korea.

Other high value-added products include MDF particleboard, laminated timber, value-added plywood, wood chip, charcoal briquette, furniture, and bamboo products. This shift has enabled the industry to generate greater revenue and profit margins while reducing waste and increasing efficiency.

To ensure the active and significant participation of Bumiputera in wood-based industries and to create a thriving Bumiputera commercial and industrial community, STIDC, together with State Government's Entrepreneur Development Unit, State Financial Secretary's Office, and Public Works Department (JKR) initiated a Vendor Development Programme whereby the participating vendors would supply furniture to JKR, schools, and other government agencies.

Another important factor that has shaped the timber industry in recent years is the growing concern over global issues such as climate change, circular economy, green products, and green environment.



These concerns have led to the adoption of sustainable practices and technologies that reduce the industry's carbon footprint and promote sustainability. This augurs well with STIDC's new tagline 'Driving Sustainability'.

STIDC is also committed to reducing carbon emissions. One of the key shifts for STIDC has been the move towards downstream processing, where the focus is on creating and promoting high value-added products such as biomass wood pellet. The demand for biomass products in the Asia Pacific market is expected to increase significantly, particularly from Japan and Korea.

The timber industry has evolved beyond relying solely on timber from natural forests to utilising resources from planted forests and bamboo from industrial and community plantings. The planting of fast-growing species such as acacia and bamboo has not only

helped to ensure ample supply of raw materials, but also helped to alleviate pressure on natural forests.

Certification, chain of custody, and legality are other important issues that have driven the industry's transformation. Certification schemes such as the Forest Stewardship Council (FSC) and Programme for the Endorsement of Forest Certification (PEFC) have helped to promote sustainable forest management practices, while chain of custody systems have enabled the tracking of timber products from the forest to the final consumer.

The timber industry has also undergone a significant transformation in terms of retooling and adopting high technology Industry Revolution 4.0. The use of advanced technologies such as the Internet of Things (IoT) has enabled the industry to improve its efficiency and productivity, while reducing waste and improving safety.



## BAMBOO PRODUCTS





## EXPLORING THE POSSIBILITIES OF **BAMBOO**

In 2016, STIDC was tasked by the State Government to spearhead the development of the bamboo industry in Sarawak. To advance this industry, the Bamboo Industry Development Masterplan was created in 2019, which focusses on several key areas such as market development, technology adoption, research and development, and policy and institutional strengthening.

The Masterplan aims to create multiple bamboo-based industries in Sarawak by 2030, such as textiles, pharmaceuticals, handicrafts, and food. To achieve this, a minimum of 20,000 hectares of bamboo will be planted for industrial purposes, generating RM200 million in export earnings and creating 5,000 jobs with an annual household income of RM36 million by 2030.

STIDC'S Sabal Bamboo Pilot Project is a significant initiative that aims to develop a technically and commercially viable model for future bamboo plantations. The project development area includes a bamboo nursery, a trial plot, and a Bambusetum, which aims to showcase the potential of bamboo as a raw material for various industries.

The trial plot covers an area of 25 hectares and currently produces 45,000 bamboo seedlings each year for commercial purposes.

STIDC is also developing a Bambusetum, a botanical garden with a focus on research and education, and promoting bamboo eco-tourism to provide visitors with an immersive and educational experience on bamboo cultivation and management while supporting the development of the bamboo industry in Sarawak.



# STIDC INTRODUCES SARAWAK'S MAIDEN BAMBOO BICYCLE

A history was created when the first ever bamboo bicycle of Sarawak was made. The bamboo bicycle is made of Bambusa nana (buluh Thai Silk) due to its availability, durability and practicality.

Bamboo bicycle making is in realisation of the Sarawak Bamboo Industry Development Masterplan to add value to bamboo products and to complement the identified bamboo-based industries namely bamboo charcoal, engineered bamboo board, food and handicraft.

Bamboo bicycle making shows that bamboo has huge potential and economic value that are yet to be fully tapped by entrepreneurs and communities.

STIDC in collaboration with a bamboo bicycle maker from China is producing made-in Sarawak bamboo bicycle.

The first batch three-month bamboo bicycle making pilot project focussed on training STIDC personnel to produce four prototype bicycles. Their knowledge and skill would be passed on to entrepreneurs and communities.

Based on market research, bamboo bicycle could fetch between RM10,000 to RM20,000 per unit.

The lightweight of a bamboo bicycle is between 9.1-13kg depending on its quality compared with aluminium road bike and high-end carbon road bike which is between 8-9kg and 6.8kg respectively. Based on research, with good care and proper treatment the lifespan of a bamboo bicycle is between 10 to 20 years.

Bamboo bicycle is good because bamboo is renewable and sustainable. It is also environmental-friendly as it reduces energy consumption. Each unit could reduce up to five kilograms of carbon dioxide.

To ensure long-term protection, the bamboo goes through various processes such as heat treatment, boiling, pressure treatment or chemical preservation. The bikes are sprayed with polyurethane coating to protect the frame against the weather elements. There are two main coating colours including Stained Matt Clear Coating and Glossy Clear Coating.

STIDC aspires to produce and market affordable bamboo bicycles of different categories. Plans are also in the pipeline to collaborate with cycling clubs in order to promote bamboo bicycles.

It is hoped that the local entrepreneurs and communities would explore this new business opportunity in order to generate employments and revenue.



Bamboo bicycles



Datu Haji Hashim Bin Haji Bojet trying the Bamboo bicycle



Bamboo bicycle making workshop participants



Bamboo bicycle making in progress



Central Oil Distribution Terminal & Palm Oil Industrial Cluster



# CREATING A DYNAMIC ECONOMIC HUB

Another major step in going beyond timber for STIDC is the development of Tanjung Manis in 1990 following the establishment of the Rajang River Basin Masterplan.

Renamed as the Tanjung Manis Economic Growth Area (T-MEGA) in 2018, it was first developed as an industrial park designed to attract foreign investors and boost economic growth in the region.

The vision for T-MEGA was initially conceived by Tun Pehin Sri Haji Abdul Taib Mahmud, Chief Minister at the time, who recognised the untapped potential of the area. T-MEGA now serves as a hub for various industries, including shipbuilding, fishery, oil & gas, agriculture, and aquaculture. T-MEGA also plays a vital role in providing infrastructure to develop more economic sectors and is equipped with an airport, a

network of roads, jetty, and a host of amenities and services.

A noteworthy addition is the Tanjung Manis Administrative Building, a 16-storey structure valued at RM83 million that will function as a comprehensive hub for the public and investors alike. The building houses government departments and agencies, banking facilities, express mail services, public cafeterias and galleries, and meeting rooms. The 12th floor of the building will also serve as a Data Centre to enable the Internet of Things (IOT) to be used by industries in T-MEGA and provide internet infrastructure for the digital economy.

The second phase of the building will include a banquet hall, an auditorium, and a surau to cater to large gatherings and worshippers. This comprehensive ecosystem for

Government and private agency offices will reduce the need for locals to travel to Sibul, Mukah, or Sarikei for business and official purposes. With this state-of-the-art infrastructure, T-MEGA is well-positioned to embrace the Industrial Revolution 4.0 (IR4.0) in the future.

STIDC is also actively beefing up its existing heavy industries in Tanjung Manis, which include shipbuilding, supply base, and decommissioning of oil and gas infrastructure. As part of this effort, a new marine engineering park is planned to be built in Paloh, which will cater to the shipbuilding industry in Tanjung Manis. The Tanjung Manis Marine Engineering Park will be constructed under the 12th Malaysia Plan and will offer better opportunities for Paloh to become a major player in shipbuilding, ship repairs, and oil and gas industries.

The location of Paloh is ideal for bigger vessels, and the park's development as a free trade zone was initially proposed by the Sarawak Association of Maritime Industries. The project is expected to attract investments worth RM1.5 billion once completed. The successful implementation of this project will be crucial in meeting STIDC's goal of diversifying Tanjung Manis' industries beyond timber.

Two new Furniture Parks are currently under construction in Sarawak: one in Tanjung Manis and the other in Demak Laut, Kuching. These parks will provide a great opportunity for furniture manufacturers in Sarawak to sell their products, and STIDC will assist in marketing and promoting them.

Datu Hashim believes that the parks will initially generate RM4 billion, which will help STIDC reach its goal of achieving RM8 billion in export revenue by 2030. The establishment of these furniture parks aligns with the Sarawak Government's PCDS 2030 policy and is expected to turn Sarawak into a new furniture hub in the region.

STIDC is pursuing a balanced approach to development in Tanjung Manis, which takes into consideration the importance of conserving mangrove areas. Mangroves play a crucial role in maintaining the wellbeing of the local marine ecosystem, which is a significant source of income for the local fishing industry. The presence of mangroves provides habitats for fish and other marine organisms, as well as helps to protect shorelines from erosion and reduce the impact of storms.

By conserving these areas, STIDC is ensuring that the local fishing industry can continue to thrive and provide economic opportunities for the community.

This, in turn, contributes to the social wellbeing of the local fishermen by providing them with sustainable livelihoods and ensuring that they can earn good money from their work. By maintaining a healthy marine ecosystem, the fishing industry can continue to provide for the local community for generations to come.

Tanjung Manis has great potentials for conservation and adventure. One

of the most exciting prospects is the chance to develop ecotourism.

Even now Tanjung Manis is already attracting visitors, especially on the weekend. With its lush greenery, crystal-clear waters, and beautiful beaches like those in Belawai, it has the potential to become a major drawcard for ecotourists. The area also boasts a rich cultural heritage and a host of activities that allow visitors to get hands-on with local traditions such as fishing, farming, and handicraft making.

Ecotourism isn't just about fun and adventure - it's also an opportunity to promote conservation and support local communities. By attracting responsible travellers and creating sustainable livelihoods, T-MEGA can ensure that its natural beauty and cultural heritage are preserved for generations to come.

With existing and upcoming links such as the Pan Borneo Highway and Coastal highways, as well as the Tanjung Manis airport, tourists can easily access this idyllic corner of the world.



Sarawak Government Administrative Centre, Tanjung Manis





# ENGINEERED WOOD PROJECT

## Advancing Sarawak's Timber Industry: The Inaugural International Conference on Engineered Wood

Sarawak, known for its rich timber resources, is poised to embark on a transformative journey towards sustainable development and economic growth.

At the forefront of this endeavour stands the Sarawak Timber Industry Development Corporation (STIDC), a beacon of innovation and progress in the region. With a steadfast commitment to advancing the timber industry, STIDC is spearheading ground-breaking initiatives to unlock the full potential of engineered wood products—a sector yet to be fully explored in Sarawak.

In a bold move to catalyse this evolution, STIDC proudly announced the inaugural International Conference on Engineered Wood Sarawak 2023, slated to be held at the esteemed Borneo Convention Centre Kuching (BCKK). This landmark event is not merely a gathering of industry experts, policymakers, and stakeholders; it is a rallying cry for innovation, collaboration, and sustainable development.

The objectives of the conference are as ambitious as they are essential. Firstly, it seeks to shed light on the myriad benefits

and untapped potential of engineered wood products, positioning them as a cornerstone of Sarawak's timber industry. Through comprehensive discussions, presentations, and workshops, participants will delve into the policies, legislation, standards, and achievements shaping the global landscape of engineered timber.

Furthermore, the conference serves as a platform for knowledge exchange and cross-border collaboration. By inviting experts from both within and outside the country to share their experiences, insights, and best practices, STIDC aims to cultivate a dynamic ecosystem of innovation and learning. This sharing session will not only enrich the collective understanding of engineered wood development but also foster meaningful partnerships and collaborations that transcend geographical boundaries.

At its core, the conference underscores STIDC's unwavering commitment to sustainability and economic prosperity. By harnessing the potential of engineered wood products, Sarawak aims to diversify its timber industry, reduce environmental impact, and drive economic growth. Through targeted initiatives and strategic partnerships, STIDC seeks to position Sarawak as a global leader in sustainable timber production and engineered wood innovation.

As we stand on the cusp of a new era for Sarawak's timber industry, the inaugural International Conference on Engineered Wood represents a pivotal moment in our collective journey towards a more sustainable, resilient future. By embracing innovation, collaboration, and sustainability, STIDC and its partners are poised to unlock new opportunities, drive economic growth, and chart a course towards a brighter tomorrow for Sarawak and beyond.





SARAWAK DESIGN  
WEEK 2023 BY  
**SARAWAK DESIGN  
CENTRE (SARADDEC)**



## A SHOWCASE OF CREATIVITY, INNOVATION

SARADEC hosted its first-ever Sarawak Design Week (SDW) from 13 to 16 February 2023, a premier design-led expo where creativity, innovation, and community collided in a spectacular display of artistry and inspiration.

The inaugural SDW was officially launched by the Premier of Sarawak, Datuk Patinggi Tan Sri (Dr) Abang Haji Abdul Rahman Zohari bin Tun Datuk Abang Haji Openg, who gave his full support to this ground-breaking celebration of design.

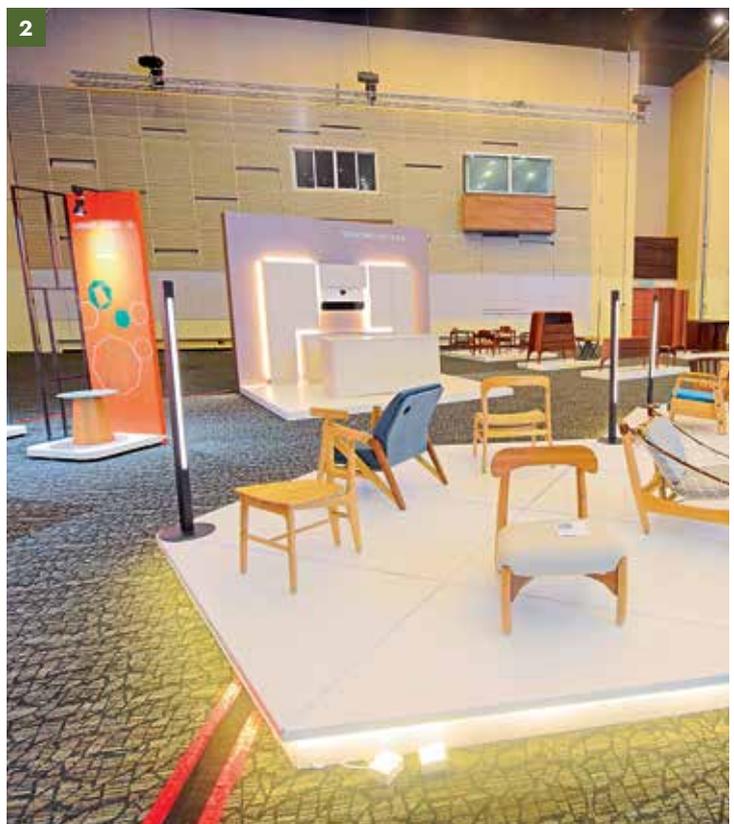
Hosted by SARADEC in partnership with Institut Teknologi Bandung (ITB), SDW is a dynamic platform for designers to connect, collaborate, inspire, showcase their unique perspectives, and engage in a lively exchange of ideas.

From cutting-edge product design to colourful crafts, this year's Sarawak Design Week (#SDW2023) offered a diverse array of exhibitions, workshops, and talks that explored the multifaceted nature of design and its impact on our daily lives.

"The concept of the expo revolved around design, and the main goal was to display the creative prototypes designed by our young designers who were trained by Saradec for two years in the SayD'SignersSarawak programme, in collaboration with Universiti Malaysia Sarawak (UNIMAS) and ITB," Chief Executive Officer (CEO) of Saradec, Dayang Nena Abang Bruce shared.



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1-4. An array of furniture products displayed at the Sarawak Design Week.



# SHOWCASING DESIGNS OF TOMORROW

The highlight of the expo was the SayD'Signers Pavilion, which featured prototypes of bespoke furniture designed by the SayD'Signers during their Year 2 training at ITB in Bandung, Indonesia.

"The SayD'Signers Pavilion was a visual delight, where the boundless creativity, masterful craftsmanship, and vivid imagination of the SayD'Signers were on full display.

Entering the pavilion was like stepping into a whimsical wonderland of innovative furniture designs that tantalised the eyes and ignited the imagination. Each piece was a stunning masterpiece, meticulously crafted with creativity and skills, beckoning visitors to come closer and revel in their intricate details.

One of the most popular works on display was the Palabo Chair by SayD'Signer Iwan Hamdan, who drew inspiration from the natural beauty of coral reefs.

The chair is made up of circular wooden pieces of varying sizes and colours, carefully joined together to create a stunning futuristic design.

The Palabo Chair was also the centrepiece of the expo, where its commanded attention from all

angles, perched atop the main structure in the foyer of Borneo Convention Centre Kuching (BCCK).

The structure itself was a tangible representation of what the future holds for Sarawak's furniture industry. It embodied the spirit of innovation and forward-thinking, aptly representing the expo's tagline "Design for Tomorrow".

"The structure had a significant message, with the lower chairs being simple in design and lacking any decorative elements, while the chair placed on top was not merely a chair, but rather an innovative and visionary work of creative design.

"This was the intended message we aimed to communicate to those who visited the exhibits," he said.

Like the Palabo Chair, all of the young designers' prototypes showcased at the SayD'Signers pavilion defied convention and captured the very essence of tomorrow's design.

The pieces showcased at #SDW2023 were just some of more than 100 prototypes developed by the young designers from the SayD'Signers Sarawak programme. These prototypes, consisting of chairs, consoles, tables, bedroom sets etc. featured designs that were distinctive, artistic, and futuristic, and were

perfect examples of life and nature inspired forms intermingled with functionality and intuitiveness.

From the contemporary to the exquisite, each piece showcased the use of high-quality Sarawak solid wood that enhanced and brought to life the creative and artful works by the young designers.

Not only does Sarawak solid wood exude stunning natural aesthetics, but it is also highly versatile, durable, and easy to maintain. The creative customised design in turn brings out the best qualities of the wood.

The furniture prototypes on display were more than just functional pieces - they were captivating storytellers, each one weaving a unique narrative inspired by the designers' personal experiences and worldview.

From these tales, elements were plucked and delicately woven into the very fabric of the furniture, leaving subtle traces that hint at their origins.

Infused with the essence of Sarawak, the designs were not mere objects but a reflection of the Region's culture and philosophy, masterfully brought to life in each piece to create designs that are truly exceptional and world class.



# TUN DATUK ABA PREMIER OF



# ANG HAJI OPENING SARAWAK



50<sup>th</sup>  
**ANNIVERSARY**  
**STIDC**

# 50<sup>th</sup> ANNIVERSARY GOLDEN JUBILEE CELEBRATION STIDC

After a year of activities held in conjunction with its 50th Anniversary celebration that commenced in March 2022, the Sarawak Timber Industry Development Corporation (STIDC) finally commemorated its Golden Jubilee with a grand gala dinner at the Borneo Convention Centre Kuching (BCKK) on August 14. This event marked the culmination of 50 years of hard work and dedication demonstrated by all the individuals who have served under STIDC since its inception, significantly contributing to its success and growth over the decades.

The event took on the theme 'Driving Sustainability,' which is also STIDC's tagline, in an evening that blended elegance with a powerful message of environmental stewardship and responsible practices.

The celebration was graced by the presence of the Premier of Sarawak, Datuk Patinggi Tan Sri (Dr) Abang Haji Abdul Rahman Zohari bin Tun Datuk Abang Haji Openg, accompanied by his wife, Puan Sri Datuk Amar Hajah Juma'ani Tun Tuanku Haji Bujang. Among the distinguished guests were also Deputy Prime Minister, Dato Sri Haji Fadillah bin Haii Yusof; Deputy Premier and Chairman of STIDC's Board

of Management, Datuk Amar Haji Awang Tengah bin Ali Hasan; Deputy Premier and Minister of Public Health, Housing and Local Government, Dato Sri Professor Dr. Sim Kui Hian; State Legislative Assembly Speaker, Tan Sri Datuk Amar Haji Mohamad Asfia Awang Nassar; and Sarawak State Secretary, Datuk Amar Haji Mohamad Abu Bakar bin Marzuki.

Speaking at the event, Abang Zohari said that the timber industry, "is the mainstay of the economy of Sarawak. It is crucial to continue developing this industry in a sustainable manner."

The Premier of Sarawak also emphasised several key points to ensure this. Firstly, by 2025, all long-term timber licensees must achieve full certification. Secondly, by optimising cultivated forests to achieve high yields of quality logs, driving consistent timber supply and domestic industry expansion. He added that harnessing fast-growing bamboo as "The Green Gold" would foster downstream processing and a valuable bamboo-based sector, while leveraging rubber wood from plantations aligned with STIDC's initiatives to develop the furniture industry for the export market.



The Right Honourable Datuk Patinggi Tan Sri (Dr) Abang Haji Abdul Rahman Zohari Bin Tun Datuk Abang Haji Openg (fourth from the left) launching the STIDC 50th Anniversary Coffee Table Book.



Management and staff of STIDC posing with Premier Sarawak, The Right Honourable Datuk Patinggi Tan Sri (Dr) Abang Haji Abdul Rahman Zohari Bin Tun Datuk Abang Haji Openg during the 50th Anniversary dinner in Kuching.





The Green Gold would foster downstream processing and a valuable bamboo-based sector, while leveraging rubber wood from plantations aligned with STIDC's among the Capitalising on abundant biomass resources positions Sarawak as a regional hub for biomass products, while strengthening research and development, and forging collaborations among institutions as well as industry players would yield high-value, quality products, he added.

On STIDC's Golden Jubilee, the Premier of Sarawak said, "As we commemorate the 50th anniversary of the timber transformation, let us not only celebrate the achievements of the past but also envision a future where we continue to grow and thrive responsibly. Congratulations on your achievements and contribution to the socio-economy of Sarawak".

The evening witnessed a rather quirky launching gimmick. It included Abang Zohari's utterance of the words, "Niat ingsun matakaji Semar ngising"- a famous line from the P. Ramlee movie 'Ali Baba Bujang Lapok', written on a scroll to officially declare the commencement of the evening's celebratory proceedings. The Premier of Sarawak also launched two coffee table books titled "Golden Journey of Excellence" and "Beyond Gold" respectively.

The highlight of the evening was the presentation of Golden Jubilee Appreciation to past General Managers and Deputy General Managers of STIDC, including:

- Datuk Haji Abdullah bin Haji Abdul Rahim (GM: Feb 15, 1981 - Oct 31, 1996)
- Datuk Haji Len Talif Salleh (GM: May 1, 2001 - Dec 31, 2009)
- Datu Haji Sarudu bin Haji Hoklai (GM: Jan 2, 2010 - Apr 5, 2018)

- Datu Haji Hashim bin Haji Bojet (GM: Apr 6, 2018 - Jul 31, 2023)
- Datu Aloysius J. Dris (Deputy GM: 1984 - 1994)
- Tuan Haji Rabani bin Haji Taib (Deputy GM: Oct 1, 2003 - June 1, 2008)
- Puan Dayang Nena binti Abang Bruce (Deputy GM: Jul 2, 2018 - Dec 31, 2020)

Tan Sri Datuk Seri Panglima Haji Sulong Matjerie (GM: 1979-1980), and Tuan Haji Abang Naruddin Abang Zainorin (1995-1999) were also presented with the Golden Jubilee Appreciation but both were unable to attend the event at the time. The latter passed on two weeks after.

The appreciation plaques were also presented posthumously to the late Ismail Abdullah, who served from 1973-1975, the late L.S.V Murthy (1975-1979), and the late Haji Abang Kashim bin Abang Morshidi (1996-2001).

Another highlight was the presentation of the STIDC Golden Jubilee Award 2023 to seven deserving recipients. Berjaya Dockyard Sdn Bhd won the T-Mega Excellent Performance Company category while Tanjung Manis Resources Sdn Bhd bagged the Excellent Performance Subsidiary award. Saadiah Indah was named Excellent Bumiputera Furniture Entrepreneur, while Solid Hartabina Sdn Bhd received the High-Performance Timber Contractor in the Natural Forest category.

Sarawak Planted Forest Sdn Bhd was awarded for achieving Most Productive Licence Planted Forest (LPF) while Shin Yang Group of Companies (Wood Based Division) won Excellent Wood Panel Production. Finally, Samling Group



STIDC 50th Anniversary dinner in Sibul



STIDC 50th Anniversary dinner in Miri



of Companies was awarded for being the Most Diversified and Value-Adding Timber Manufacturer.

These recognitions not only celebrated the achievements of these recipients but also served as inspiration for others to step up their sustainability efforts.

The 50th anniversary dinner also marked the debut of STIDC's new corporate song titled "Driving Sustainability," which depicts the corporation's commitment to fostering a vibrant timber industry through sustainable practices.

The song was conceptualised by STIDC's Advisor, Datu Haji Hashim Haji Bojet, during his tenure as General Manager and was composed by Mohd Nizam together with Dr. Kamil Salem, with the lyrics co-written by Lester Geres as well as Ahmad Deedat bin Ibrahim. It was performed live that evening by a choir made up of STIDC staff members.

Meanwhile, in delivering his speech at the dinner, Awang Tengah emphasised that over the span of 50 years, STIDC has effectively demonstrated its capability and efficiency in leading the timber industry's growth in the region. The Deputy Premier of Sarawak expressed his desire to see the timber industry continue playing a pivotal role in Sarawak's socio-economic development, urging industry stakeholders to support the transformation of the timber sector into a high-value added industry.

"On this special occasion, once again, I extend my congratulations to STIDC for reaching this milestone and wish you many more years of success," he concluded.

"The tagline 'Driving Sustainability' embodies STIDC's commitment to ensuring the continued prosperity of our timber industry, contributing to Sarawak's development as a fully developed state by 2030."

On STIDC's Golden Jubilee, he congratulated and commended "all members of the organising committee of this event, led by Datu Haji Hashim Haji Bojet, for successfully arranging various activities throughout the 50th Anniversary Celebration of STIDC."

Awang Tengah also congratulated Tuan Haji Zainal Abidin bin Haji Abdullah on his appointed as the new General Manager of STIDC, effective from Aug 1.

Preceding the grand affair in Kuching, STIDC organised separate 50th Anniversary Celebration dinners in Miri and Sibul. The celebratory event in Miri, at Pullman Waterfront Miri, for the Northern Region, was graced by Awang Tengah. In the Central Region, the anniversary dinner took place at RH Hotel Sibul and was officiated by Deputy Minister for Urban Planning Land Administration and Environment, Datuk Haji Len Talif Salleh.

As the curtains are drawn on the grand Golden Jubilee celebration, STIDC stands at a crossroads of legacy and potential. Without a doubt, STIDC will persistently propel the timber industry into an era marked by heightened innovation, accountability, and triumph, ensuring prosperity for the next 50 years and beyond.





2023  
**ACTIVITIES**

## SARAWAK TIMBER INDUSTRY DEVELOPMENT CORPORATION (STIDC) RECEIVES PRESTIGIOUS AWARD

In a momentous achievement, the Sarawak Timber Industry Development Corporation (STIDC) has been honored with the Corporate Excellence in the Timber Industry for Economic Zone Development award at The International Business Review Borneo Awards 2023.

Established in 1973 under the auspices of the Sarawak State government, STIDC has been at the forefront of managing and overseeing the timber industry, playing a pivotal role in the economic growth of the region. The organization's commitment to sustainable practices and excellence in the timber sector has garnered them this well-deserved recognition.

The esteemed event, held on November 3, 2023, was graced by The Right Honourable Datuk Patinggi Tan Sri (Dr) Abang Haji Abdul Rahman Zohari Tun Abang Haji Openg, the Premier of Sarawak, as the Guest of Honour.

Tuan Haji Zainal Abidin Abdullah, General Manager of STIDC, a seasoned veteran with over three

decades of expertise in forestry and the timber sector, presently presiding over the Malaysian Timber Council.

STIDC's contributions extend far beyond the timber industry. The corporation has played a vital role in transforming the Tanjung Manis Economic Growth Area (T-MEGA) within the Sarawak Corridor of Renewable Energy (SCORE). This transformation has led to significant advancements in infrastructure, including roads, bridges, water, electricity, and telecommunications supply, thereby catalyzing investments, and improving livelihoods in the region.

STIDC's multifaceted role encompasses regulating manufacturing standards, fostering product diversification, providing technical advisory services, and offering training in the timber industry. The organization's dedication to sustainability is further underscored by its role as the Grading Authority for Sarawak.

Furthermore, STIDC supports international trade by facilitating

import and export licenses and champions human capital development through initiatives like the Vendor Development Program. The organization also plays a crucial role in processing manpower and expatriate work applications for the timber industry, in addition to spearheading timber trade promotion activities.

The recognition received at The International Business Review Borneo Awards 2023 is a testament to STIDC's unwavering commitment to excellence, sustainability, and economic development in Sarawak. The organization's transformative impact on the timber industry and economic zone development aligns seamlessly with the vision of a vibrant and sustainable future for the region.

Heartfelt congratulations are extended to the Directors, Management, Staff, and Stakeholders of Sarawak Timber Industry Development Corporation on this remarkable achievement.



STIDC receiving the Corporate Excellence in the Timber Industry for Economic Zone Development award at The International Business Review Borneo Awards 2023.



Team SHARKS securing the Gold Award for their exceptional project 'Inefficiency in Processing Non-Compliance Cases for the Timber Industry in Sarawak' at the 48th International Convention on Quality Control Circles (ICQCC) 2023 in Beijing China.

## TEAM SHARKS TRIUMPHS AT ICQCC 2023, SHOWCASING INNOVATION IN TIMBER INDUSTRY SOLUTIONS

In Beijing, China, the dynamic setting for the 48th International Convention on Quality Control Circles (ICQCC) in 2023, teams worldwide convened to present inventive solutions to practical challenges.

Amid intense competition, team SHARKS from Sarawak emerged victorious, securing the Gold Award for their exceptional project, "Inefficiency in Processing Non-Compliance Cases for the Timber Industry in Sarawak."

Prior to this success, team SHARKS had already clinched the Sarawak Digital Innovation Award in SCSICA

2022, propelling them to represent Sarawak in ICQCC 2023.

Competing against four other teams, including Land & Survey, Department of Agriculture, and Forest Department Sarawak, SHARKS' project, featuring the innovative online system "E-Clips," impressed judges with its capacity to enhance service delivery, optimize productivity, and reduce costs.

Under the leadership of Madam Rosleenda Sayumi and facilitation by Mr. Nicholas Andrew Lisse, team SHARKS, composed of members from various STIDC divisions, showcased their dedication to solving real-world issues through creativity and efficiency.

Their victory at ICQCC 2023 further highlights their commitment to "Empowering the Future Through Innovation," a motto that resonates with their continuous pursuit of groundbreaking solutions.

As we extend congratulations to team SHARKS for their remarkable achievement, their representation of Sarawak and contribution to technological advancement and innovation evoke pride. Kudos to team SHARKS for inspiring and empowering the future through their unwavering commitment to innovation.



Haji Zainal Abidin, General Manager of STIDC (front seventh from the right), posing with participant at the Industry Update 2023.



Industry updates on STIDC Ordinance and Regulations in Progress.



Industry updates on STIDC Ordinance and Regulations in Progress.

## STIDC ROADSHOW 2023: PROACTIVE UPDATES ON ORDINANCE AND REGULATIONS FOR A THRIVING TIMBER INDUSTRY

From November 7th to 10th, 2023, Sarawak Timber Industry Development Corporation (STIDC) organized an extensive roadshow, providing crucial updates on the STIDC Ordinance and Regulations for 2023.

The event, held across various locations, aimed to inform industry players and stakeholders about significant amendments impacting the timber industry in Sarawak.

Besides, the roadshow serves as a vital platform to disseminate essential information, ensuring industry-wide awareness and understanding of the recent changes in STIDC regulations.

Key participants included representatives from government bodies, STIDC offices, and industry associations.

The agenda covered briefings on STIDC Ordinance amendments, Sarawak Timber Industry (Licensing) Regulations, and Standard Operating Procedures (SOP) for Timber Industry License issuance.

General Manager Tuan Haji Zainal Abidin Abdullah, Mdm. Rosleenda Sayumi Binti Ismail, and Mr. Afizulmizam Affandi delivered opening remarks and insights, emphasizing the importance of industry-wide awareness for seamless compliance with evolving regulations.



Participants for Sarawak Bamboo Industry Development Policy Lab.

## SARAWAK BAMBOO INDUSTRY **DEVELOPMENT LAB**

STIDC has successfully conducted the 'Sarawak Bamboo Industry Development Lab', which took place for two days from 11 to 12 October 2023 at a prominent hotel in Kuching, Sarawak.

The workshop was attended by 40 participants, including representatives from various organizations such as the Sarawak Forest Department, MUDeNR, GP PUSAKA, Sarawak Department of Agriculture, Perbadanan Kraftangan, Harwood Timber Sdn Bhd, Universiti Putra Malaysia Bintulu Campus (UPMKB), Universiti Teknologi Mara (UITM), and several associations and companies related to the bamboo industry.

The workshop began with a welcome speech by PUSAKA's Deputy General Manager, Cik Hajah Haluyah Awi. This was followed by a briefing on the laboratory trip by PUSAKA's

Advisor, YBhg. Datu Haji Hashim Bin Haji Bojet, and Assistant General Manager of PUSAKA Sustainable Resource Management, Tuan Haji Hamzah bin Haji Morshidi.

The workshop also included a discussion and briefing on policy proposals for the development of the Sarawak bamboo industry.

The main objective of the workshop was to propose a new policy on "Sarawak Bamboo Industry Development Policy" for the state.

This policy aims to maintain a sustainable supply of high-value commercial bamboo resources, increase production and commercialization of bamboo-based products for domestic and international markets, encourage investment in the bamboo industry, create employment opportunities, preserve the environment through

bamboo plantations, generate revenue for the government through exports and sales of bamboo products, and develop Bamboo Centers of Excellence and capabilities through collaborations with local and international institutions and agencies.

The program concluded with a closing speech by PUSAKA's Assistant General Manager of Sustainable Resource Management, Tuan Haji Hamzah bin Haji Morshidi on the evening of 12 October 2023.

## WORKSHOP 2.0 DEVELOPMENT OF BLUEPRINT ON ENGINEERED WOOD PRODUCTS IN SARAWAK



Participants of Workshop 2.0 on the Development of the Blueprints on Engineered Wood Products in Sarawak.

Sarawak's commitment to advancing the engineered wood industry took a significant step forward with the successful continuation of the Workshop 2.0 held on October 31, 2023, at The Waterfront Hotel, Kuching.

The event builds upon the momentum generated from the earlier gathering on March 16, 2023, reaffirming the dedication to knowledge exchange and collaboration in this field.

The workshop began with a welcoming remark by the Deputy

General Manager of STIDC, Cik Hajah Haluyah Awi. The presentation was then continued with presentation session by Professor Dr Zakiah Ahmad, UiTM Consultant.

The workshop served as a crucial platform for stakeholders to share insights and express interest in investing in the engineered wood business.

It also provided a forum to disseminate the latest information on potential markets and global industry standards and requirements.

The transformation of the timber industry towards a high-value-added sector was underscored as essential for the region's economic progress.

The workshop concluded with a presentation of the findings and conclusions presented by Encik Awang Mentali Awang Mohamed Sulaiman, Assistant General Manager of STIDC's Trade Promotion and Facilitation Division.



# 2023 VS 2022 **TRADE STATISTICS**

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

PRODUCTS	2023 <sup>p</sup> January - December			2022 <sup>a</sup> January - December			% Change 2023/2022	
	Volume (m <sup>3</sup> )	FOB Value (RM'000)	Value %	Volume (m <sup>3</sup> )	FOB Value (RM'000)	Value %	Volume	Value
PLYWOOD	613,548	1,496,779	47.66	725,275	2,119,300	53.69	(15.40)	(29.37)
LOGS	558,998	499,193	15.89	501,143	493,241	12.50	11.54	1.21
SAWNTIMBER	130,326	248,421	7.91	141,449	290,821	7.37	(7.86)	(14.58)
FIBREBOARD	165,057	398,851	12.70	191,873	472,668	11.98	(13.98)	(15.62)
VENEER	16,361	27,908	0.89	7,991	14,731	0.37	104.75	89.44
DOORSKIN	24,277	70,021	2.23	27,755	77,520	1.96	(12.53)	(9.67)
LAMINATED BOARD/FLOORING	6,160	33,479	1.07	7,475	37,868	0.96	(17.59)	(11.59)
PARTICLEBOARD	12,524	14,929	0.48	19,256	21,244	0.54	(34.96)	(29.72)
DOOR PANELS & FRAMES	14,999	27,298	0.87	12,396	19,548	0.50	21.00	39.65
MOULDING	2,286	6,676	0.21	2,570	7,140	0.18	(11.03)	(6.50)
OTHER PRODUCTS*	16,692	34,061	1.08	17,843	33,437	0.85	(6.45)	1.87
OTHER PRODUCTS** [Units]	1,950,908	53,059	1.69	2,646,094	57,337	1.45	(26.27)	(7.46)
OTHER PRODUCTS*** [Kgm]	160	281	0.01	-	-	-	100.00	100.00
BRIQUETTE & CHARCAOL (Tonne)	2,157	5,451	0.17	2,960	7,572	0.19	(27.13)	(28.02)
WOOD PELLETS [Tonne]	57,404	44,474	1.42	34,955	23,129	0.59	64.22	92.29
WOODCHIP [Tonne]	275,189	179,957	5.73	476,529	271,409	6.88	(42.25)	(33.70)
<b>TOTAL (m<sup>3</sup>) (RM)</b>	<b>1,561,230</b>	<b>3,140,839</b>	<b>100</b>	<b>1,655,025</b>	<b>3,946,966</b>	<b>100</b>	<b>(5.67)</b>	<b>(20.42)</b>

**\*OTHER TIMBER PRODUCTS:**

- Blockboard
- Densified Wood
- Dowels
- Finger jointed
- Lamin Board
- Laminated beam/post
- Laminated Veneer Lumber (LVL)
- Railways sleepers
- Wooden Fence
- Wooden Handle
- Wooden Lattice
- Wooden stakes

**\*\*OTHER TIMBER PRODUCTS:**

- Furniture & Furniture parts
- Wooden Pallets

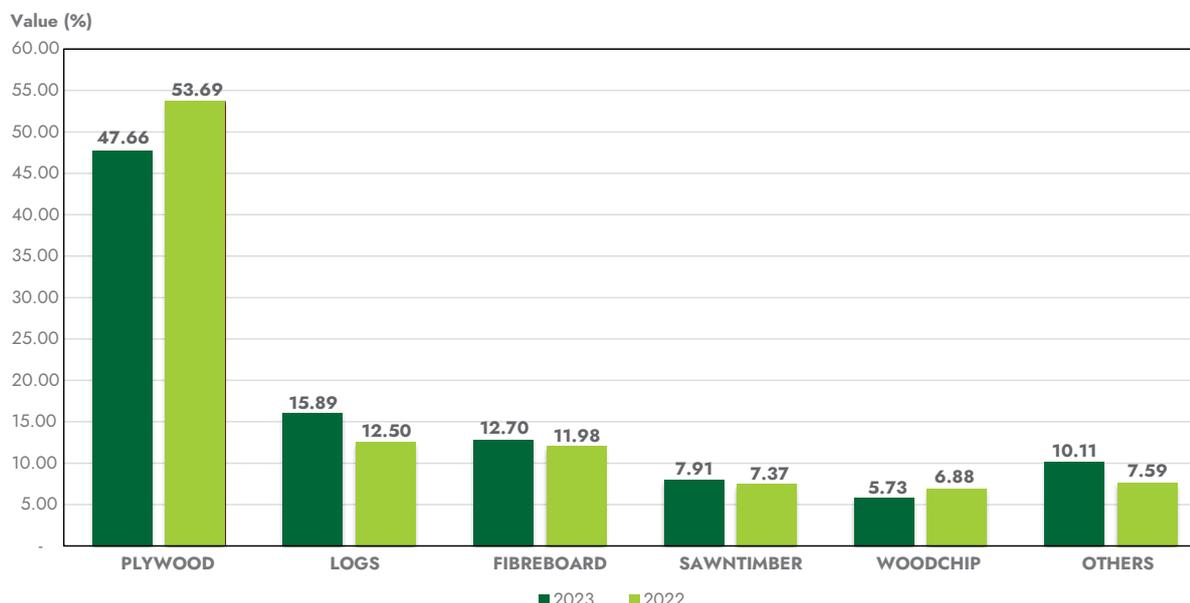
**\*\*\*OTHER TIMBER PRODUCTS:**

- Scented Wood

**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 & TIMBER PRODUCTS FROM SARAWAK (RM'000) 2023/2022**



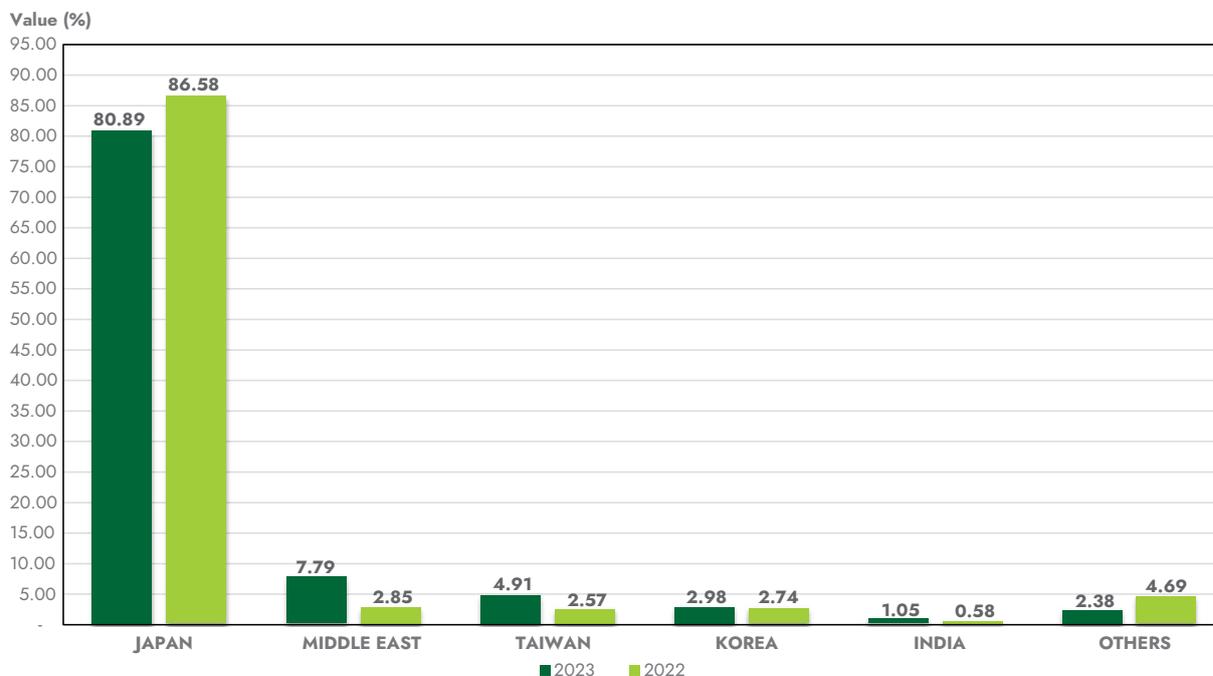
## TABLE 2. EXPORT OF PLYWOOD BY COUNTRY OF DESTINATIONS

DESTINATIONS	2023 <sup>a</sup> January - December			2022 <sup>a</sup> January - December			% Change 2023/2022	
	Volume (m <sup>3</sup> )	FOB Value (RM'000)	Value %	Volume (m <sup>3</sup> )	FOB Value (RM'000)	Value %	Volume	Value
JAPAN	474,402	1,210,674	80.89	611,593	1,834,792	86.58	(22.43)	(34.02)
MIDDLE EAST	58,045	116,575	7.79	30,866	60,309	2.85	88.05	93.30
TAIWAN	38,987	73,529	4.91	25,144	54,392	2.57	55.06	35.18
KOREA	23,113	44,589	2.98	24,336	58,000	2.74	(5.03)	(23.12)
INDIA	5,089	15,756	1.05	3,432	12,315	0.58	48.28	27.95
PHILIPPINES	2,910	9,848	0.66	3,593	13,102	0.62	(19.03)	(24.83)
MEXICO	2,230	5,688	0.38	2,696	7,381	0.35	(17.29)	(22.93)
AUSTRALIA	1,420	4,781	0.32	2,763	8,684	0.41	(48.63)	(44.94)
BRUNEI DARUSSALAM	2,972	3,788	0.25	2,253	3,172	0.15	31.91	19.41
TURKEY	1,233	2,841	0.19	-	-	-	100.00	100.00
OTHERS*	3,147	8,709	0.58	18,596	67,154	3.17	(83.08)	(87.03)
<b>TOTAL</b>	<b>613,548</b>	<b>1,496,779</b>	<b>100</b>	<b>725,275</b>	<b>2,119,300</b>	<b>100</b>	<b>(15.40)</b>	<b>(29.37)</b>

**\*OTHER DESTINATIONS:**

- CHINA
- VIETNAM
- CANADA
- THAILAND
- HONG KONG
- UNITED STATES
- MALDIVES
- SINGAPORE
- PAPUA NEW GUINEA
- NEW ZEALAND
- DJIBOUTI

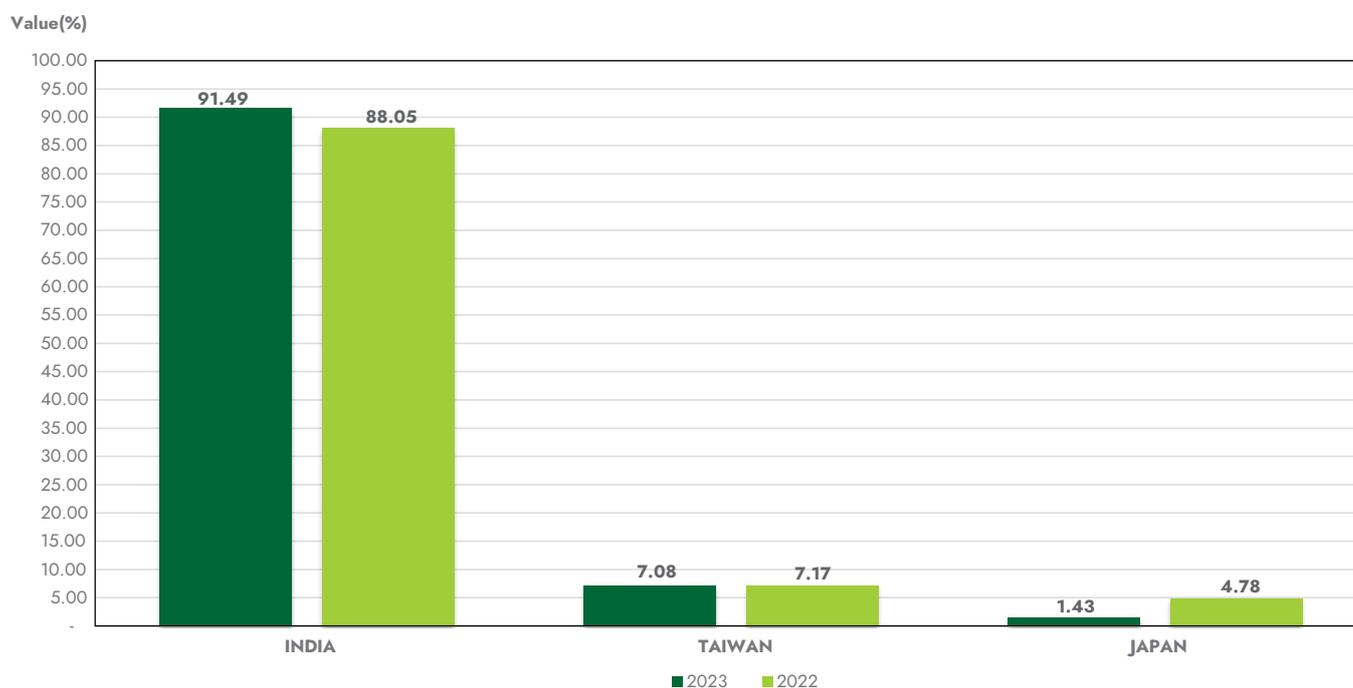
### EXPORT VALUE (%) OF PLYWOOD TO MAJOR DESTINATIONS: 2023/ 2022



**TABLE 3. EXPORT OF LOGS BY COUNTRY OF DESTINATIONS**

PRODUCTS	2023 <sup>p</sup> January - December			2022 <sup>a</sup> January - December			% Change 2023/2022	
	Volume (m <sup>3</sup> )	FOB Value (RM'000)	Value %	Volume (m <sup>3</sup> )	FOB Value (RM'000)	Value %	Volume	Value
INDIA	520,135	456,698	91.49	448,782	434,311	88.05	15.90	5.15
TAIWAN	31,325	35,341	7.08	31,734	35,346	7.17	(1.29)	(0.01)
JAPAN	7,538	7,154	1.43	20,627	23,584	4.78	(63.45)	(69.66)
TOTAL (m <sup>3</sup> ) (RM)	558,998	499,193	100	501,143	493,241	100	11.54	1.21

**EXPORT VALUE (%) OF LOGS TO MAJOR DESTINATIONS: 2023/2022**



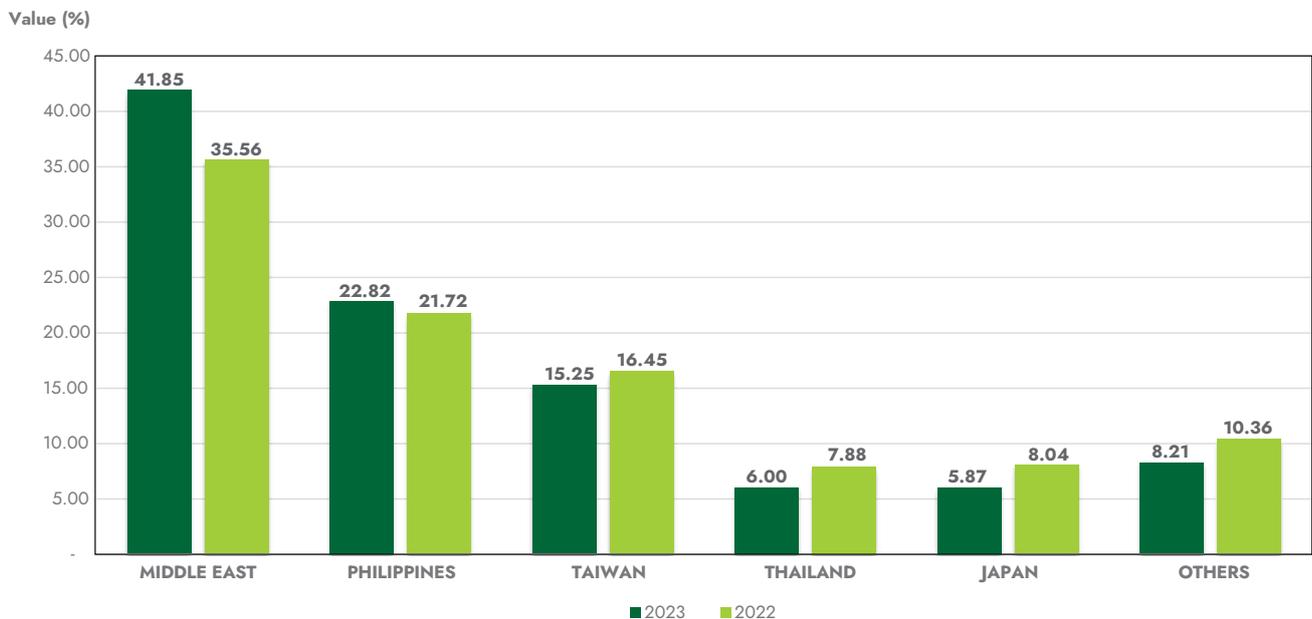
## TABLE 4. EXPORT OF SAWNTIMBER BY COUNTRY OF DESTINATIONS

DESTINATIONS	2023 <sup>a</sup> January - December			2022 <sup>a</sup> January - December			% Change 2023/2022	
	Volume (m <sup>3</sup> )	FOB Value (RM'000)	Value %	Volume (m <sup>3</sup> )	FOB Value (RM'000)	Value %	Volume	Value
MIDDLE EAST	48,631	103,964	41.85	43,188	103,407	35.56	12.60	0.54
PHILIPPINES	37,766	56,696	22.82	37,133	63,157	21.72	1.71	(10.23)
TAIWAN	16,549	37,879	15.25	20,809	47,827	16.45	(20.47)	(20.80)
THAILAND	12,696	14,909	6.00	15,995	22,915	7.88	(20.63)	(34.94)
JAPAN	4,559	14,577	5.87	7,787	23,396	8.04	(41.46)	(37.70)
KOREA	5,312	10,760	4.33	5,440	10,626	3.65	(2.35)	1.26
CHINA	3,089	4,464	1.80	9,001	13,752	4.73	(65.68)	(67.54)
MAURITIUS	387	1,168	0.47	203	1,008	0.35	90.56	15.97
SRI LANKA	182	954	0.38	391	766	0.26	(53.43)	24.53
INDIA	225	763	0.31	188	492	0.17	19.59	55.05
OTHERS*	930	2,288	0.92	1,314	3,474	1.19	(29.24)	(34.15)
TOTAL	130,326	248,421	100	141,449	290,821	100	(7.86)	(14.58)

**\*OTHER DESTINATIONS:**

- SEYCHELLES
- SOUTH AFRICA
- MALDIVES
- AUSTRALIA
- PAKISTAN
- UNITED STATES
- HONG KONG
- BRUNEI DARUSSALAM
- SINGAPORE

### EXPORT VALUE (%) OF SAWNTIMBER TO MAJOR DESTINATIONS: 2023/2022



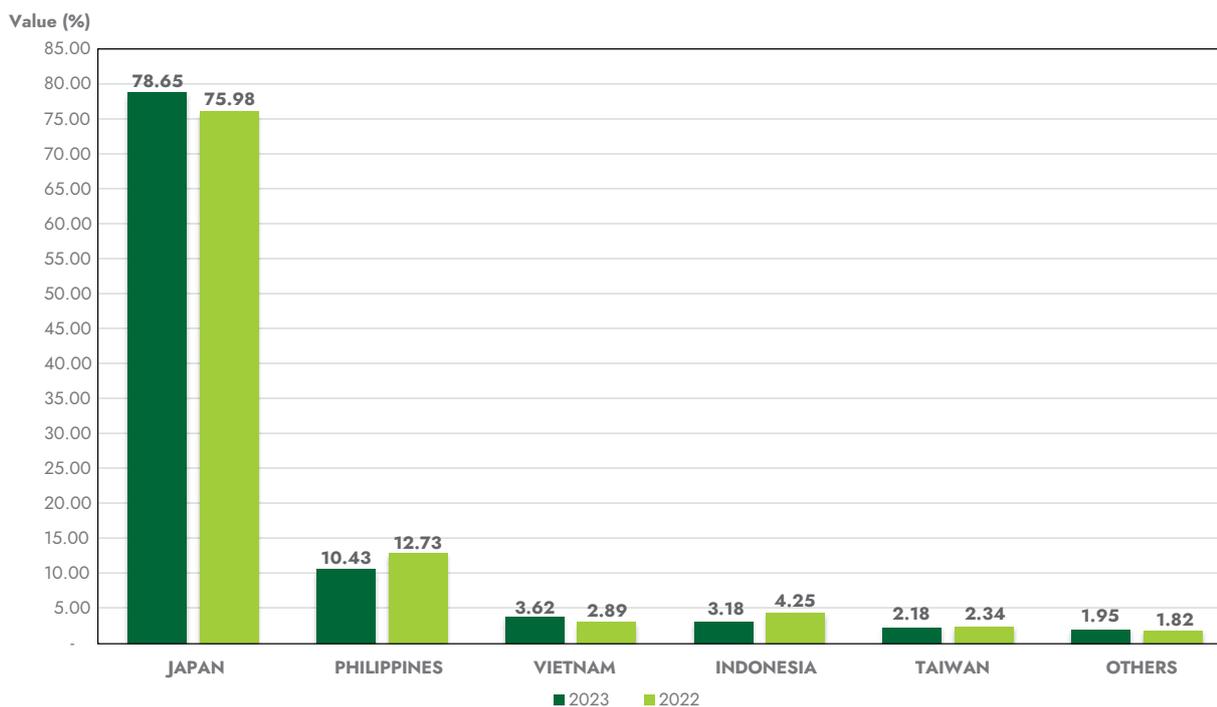
**TABLE 5. EXPORT OF FIBREBOARD BY COUNTRY OF DESTINATIONS**

DESTINATIONS	2023 <sup>p</sup> January - December			2022 <sup>a</sup> January - December			% Change 2023/2022	
	Volume (m <sup>3</sup> )	FOB Value (RM'000)	Value %	Volume (m <sup>3</sup> )	FOB Value (RM'000)	Value %	Volume	Value
JAPAN	128,691	313,701	78.65	141,886	359,120	75.98	(9.30)	(12.65)
PHILIPPINES	16,795	41,603	10.43	25,557	60,167	12.73	(34.28)	(30.85)
VIETNAM	5,703	14,429	3.62	5,670	13,649	2.89	0.59	5.72
INDONESIA	6,050	12,675	3.18	10,139	20,095	4.25	(40.33)	(36.93)
TAIWAN	3,821	8,681	2.18	4,513	11,042	2.34	(15.35)	(21.38)
KOREA	2,513	4,779	1.20	1,962	3,610	0.76	28.07	32.36
OTHERS*	1,483	2,983	0.75	2,146	4,985	1.05	(30.89)	(40.15)
<b>TOTAL</b>	<b>165,057</b>	<b>398,851</b>	<b>100</b>	<b>191,873</b>	<b>472,668</b>	<b>100</b>	<b>(13.98)</b>	<b>(15.62)</b>

**\*OTHER DESTINATIONS:**

- CHINA
- INDIA
- AUSTRALIA
- BRUNEI DARUSSALAM
- CANADA
- UNITED STATES

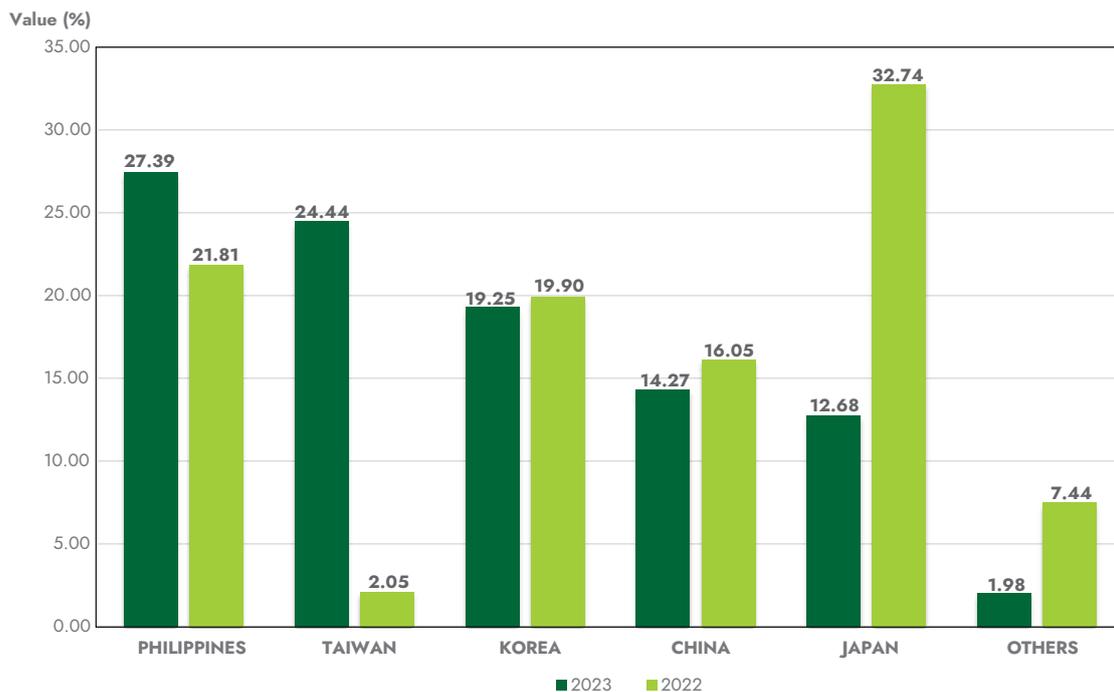
**EXPORT VALUE (%) OF FIBREBOARD TO MAJOR DESTINATIONS: 2023/2022**



## TABLE 6. EXPORT OF VENEER BY COUNTRY OF DESTINATIONS

DESTINATIONS	2023 <sup>a</sup> January - December			2022 <sup>a</sup> January - December			% Change 2023/2022	
	Volume (m <sup>3</sup> )	FOB Value (RM'000)	Value %	Volume (m <sup>3</sup> )	FOB Value (RM'000)	Value %	Volume	Value
PHILIPPINES	5,167	7,644	27.39	3,223	3,213	21.81	60.31	137.92
TAIWAN	4,704	6,820	24.44	186	303	2.05	2425.71	2154.21
KOREA	2,578	5,371	19.25	1,282	2,932	19.90	101.08	83.21
CHINA	2,589	3,983	14.27	1,416	2,365	16.05	82.85	68.42
JAPAN	1,214	3,538	12.68	1,635	4,823	32.74	(25.76)	(26.64)
AUSTRALIA	110	552	1.98	132	693	4.70	(17.09)	(20.35)
BRUNEI DARUSSALAM	-	-	-	28	69	0.47	(100.00)	(100.00)
VIETNAM	-	-	-	88	335	2.27	(100.00)	(100.00)
TOTAL	16,361	27,908	100	7,991	14,731	100	104.75	89.44

### EXPORT VALUE (%) OF VENEER TO MAJOR DESTINATIONS: 2023/2022



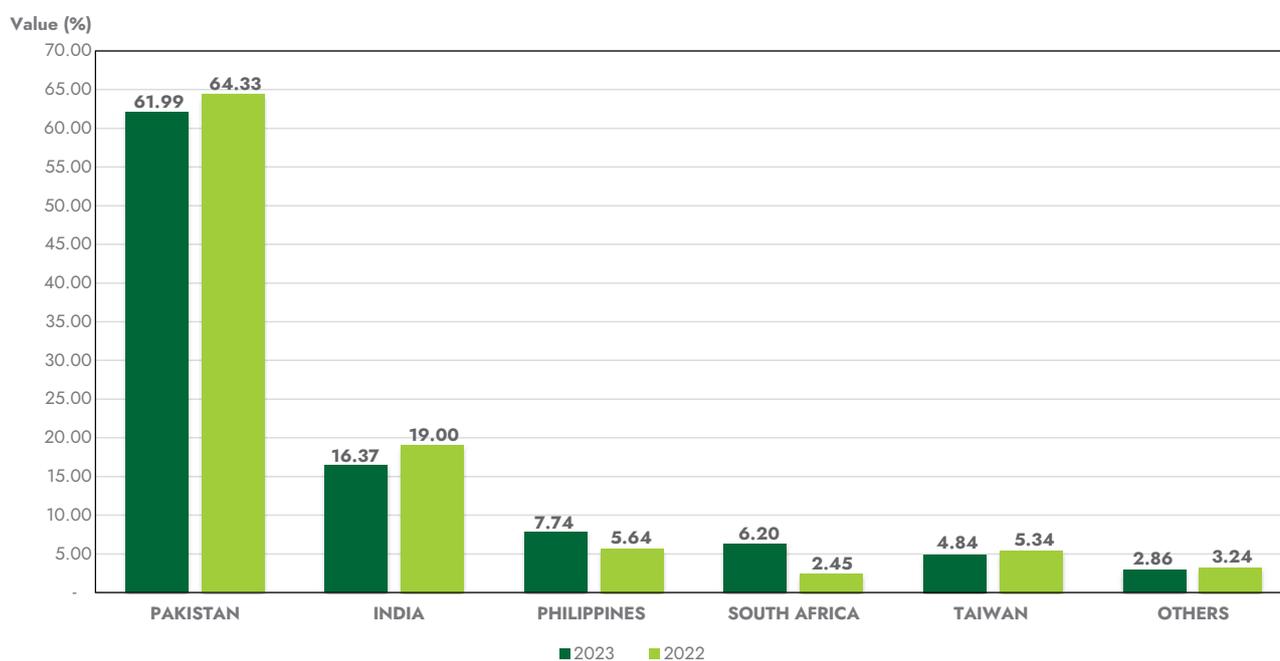
**TABLE 7. EXPORT OF DOORSKIN BY COUNTRY OF DESTINATIONS**

DESTINATIONS	2023 <sup>p</sup> January - December			2022 <sup>a</sup> January - December			% Change 2023/2022	
	Volume (m <sup>3</sup> )	FOB Value (RM'000)	Value %	Volume (m <sup>3</sup> )	FOB Value (RM'000)	Value %	Volume	Value
PAKISTAN	15,396	43,409	61.99	18,314	49,866	64.33	(15.93)	(12.95)
INDIA	3,959	11,461	16.37	5,244	14,725	19.00	(24.51)	(22.17)
PHILIPPINES	1,693	5,419	7.74	1,414	4,374	5.64	19.74	23.89
SOUTH AFRICA	1,538	4,344	6.20	561	1,899	2.45	174.32	128.71
TAIWAN	1,081	3,387	4.84	1,452	4,141	5.34	(25.54)	(18.22)
INDONESIA	366	1,124	1.61	285	861	1.11	28.51	30.60
THAILAND	122	486	0.69	284	1,056	1.36	(56.89)	(53.98)
NEPAL	83	258	0.37	49	154	0.20	70.09	67.67
OTHERS*	39	132	0.19	153	443	0.57	(74.45)	(70.11)
<b>TOTAL</b>	<b>24,277</b>	<b>70,021</b>	<b>100</b>	<b>27,755</b>	<b>77,520</b>	<b>100</b>	<b>(12.53)</b>	<b>(9.67)</b>

**\*OTHER DESTINATIONS:**

- VIETNAM
- SRI LANKA
- GUATEMALA

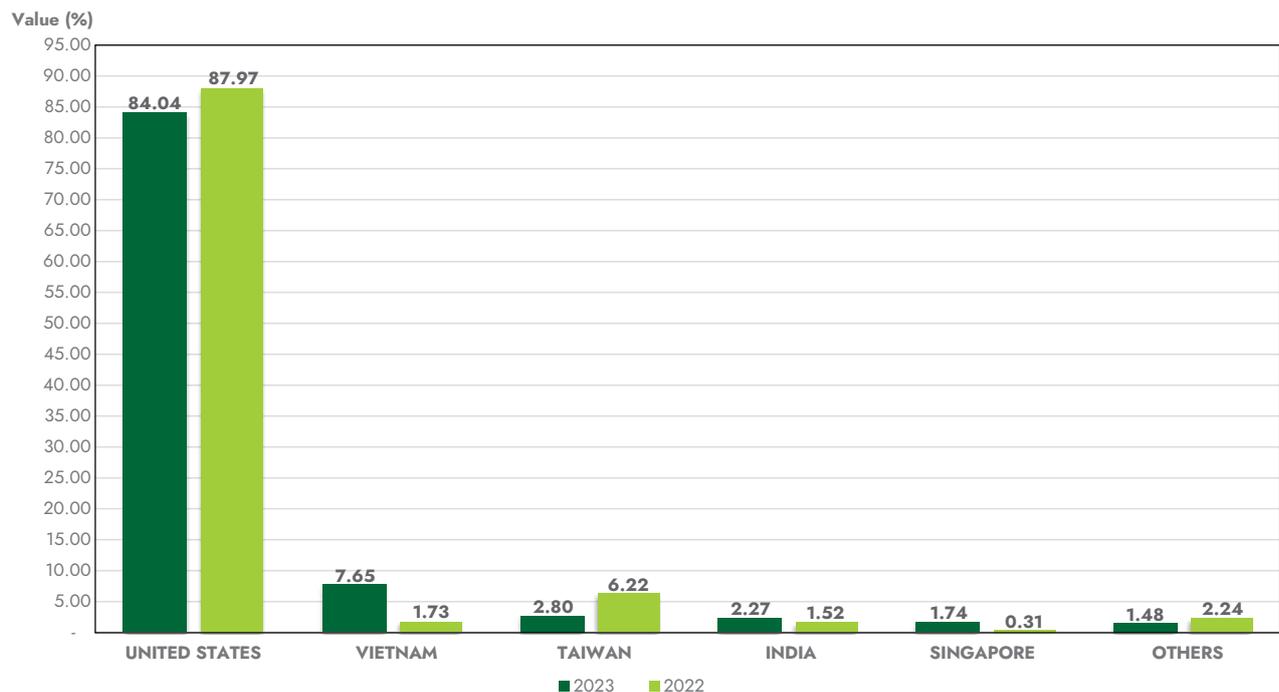
**EXPORT VALUE (%) OF DOORSKIN TO MAJOR DESTINATIONS: 2023/2022**



## TABLE 8. EXPORT OF LAMINATED BOARD/FLOORING BY COUNTRY OF DESTINATIONS

DESTINATIONS	2023 <sup>a</sup> January - December			2022 <sup>a</sup> January - December			% Change 2023/2022	
	Volume (m <sup>3</sup> )	FOB Value (RM'000)	Value %	Volume (m <sup>3</sup> )	FOB Value (RM'000)	Value %	Volume	Value
UNITED STATES	4,878	28,137	84.04	6,130	33,312	87.97	(20.43)	(15.54)
VIETNAM	436	2,563	7.65	143	656	1.73	204.88	290.72
TAIWAN	330	938	2.80	818	2,356	6.22	(59.61)	(60.19)
INDIA	130	761	2.27	98	577	1.52	33.00	31.89
SINGAPORE	218	584	1.74	86	118	0.31	153.91	395.96
KOREA	168	497	1.48	79	197	0.52	111.67	152.06
UNITED KINGDOM	-	-	-	31	201	0.53	(100.00)	(100.00)
INDONESIA	-	-	-	90	452	1.19	(100.00)	(100.00)
TOTAL	6,160	33,479	100	7,475	37,868	100	(17.59)	(11.59)

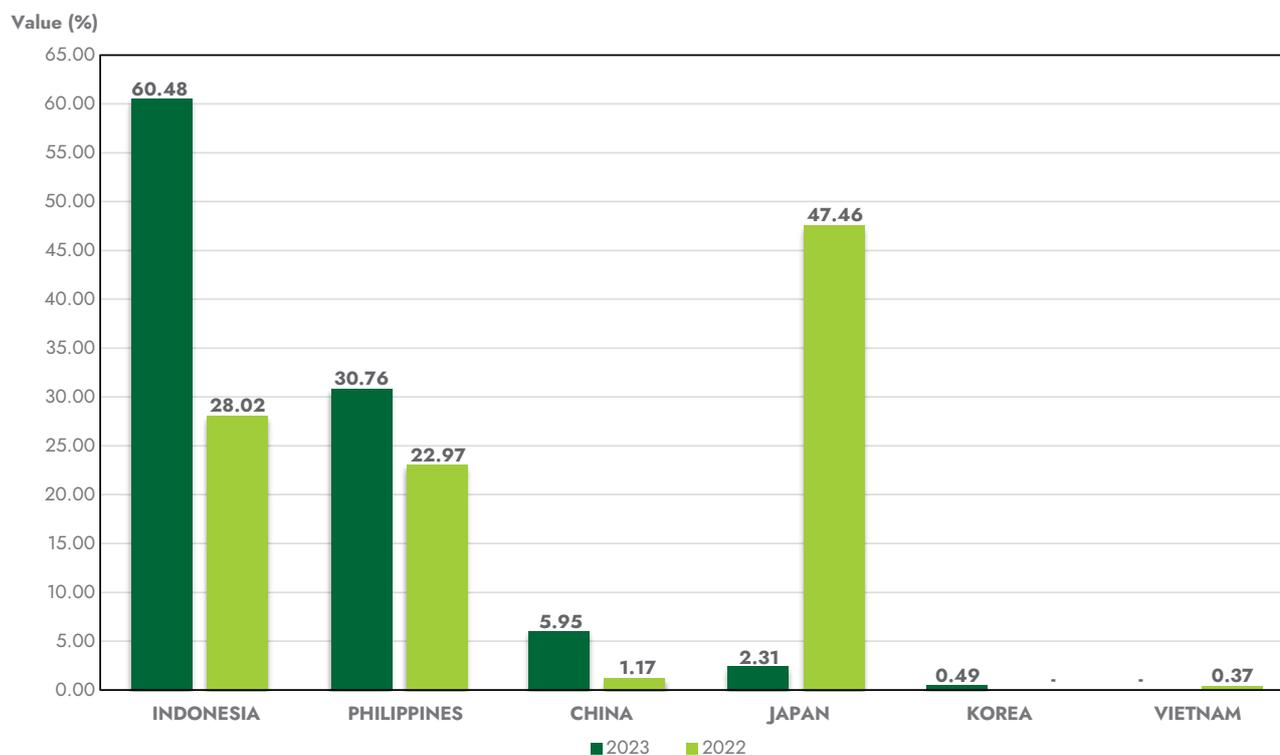
### EXPORT VALUE (%) OF LAMINATED BOARD/ FLOORING TO MAJOR DESTINATIONS: 2023/2022



## TABLE 9. EXPORT OF PARTICLE BOARD BY COUNTRY OF DESTINATIONS

DESTINATIONS	2023 <sup>p</sup> January - December			2022 <sup>a</sup> January - December			% Change 2023/2022	
	Volume (m <sup>3</sup> )	FOB Value (RM'000)	Value %	Volume (m <sup>3</sup> )	FOB Value (RM'000)	Value %	Volume	Value
INDONESIA	7,736	9,029	60.48	5,631	5,953	28.02	37.39	51.68
PHILIPPINES	3,785	4,593	30.76	4,333	4,880	22.97	(12.66)	(5.88)
CHINA	658	888	5.95	189	249	1.17	248.51	256.84
JAPAN	281	345	2.31	8,996	10,083	47.46	(96.88)	(96.58)
KOREA	64	74	0.49	-	-	-	100.00	100.00
VIETNAM	-	-	-	107	79	0.37	(100.00)	(100.00)
TOTAL	12,524	14,929	100	19,256	21,244	100	(34.96)	(29.72)

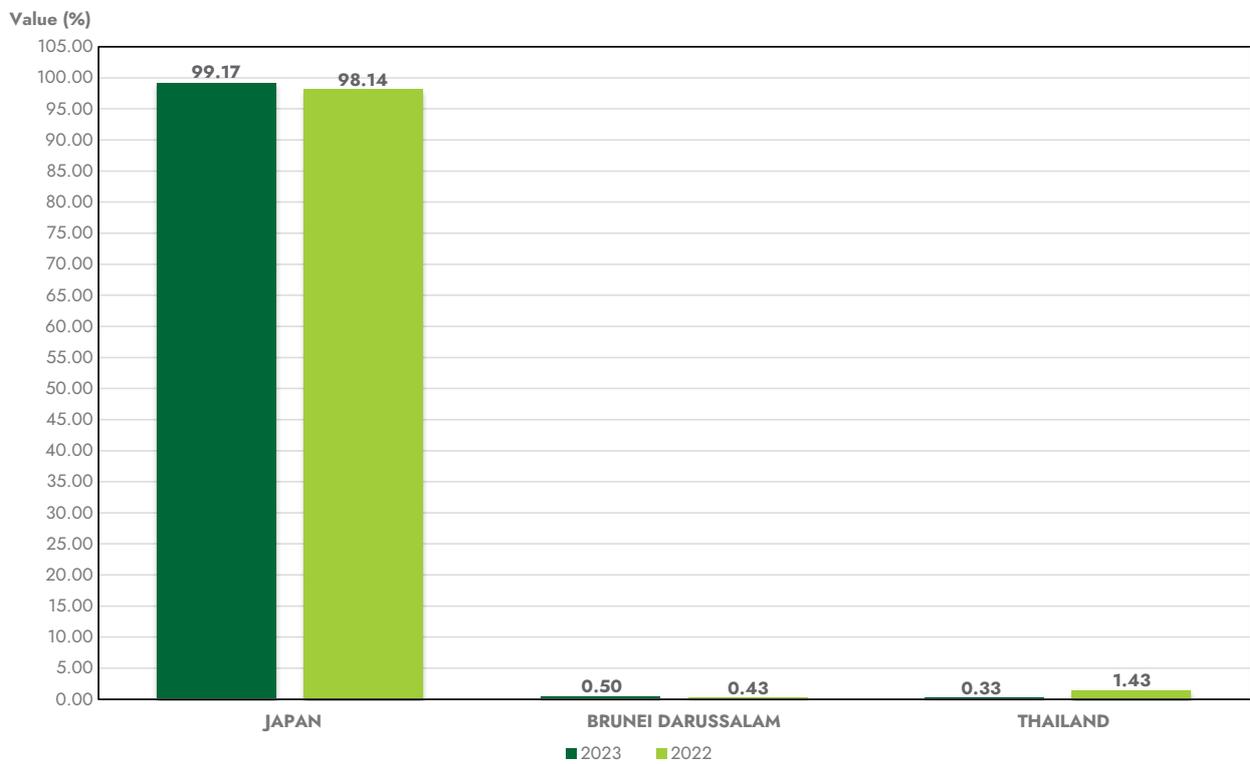
### EXPORT VALUE (%) OF PARTICLE BOARD TO MAJOR DESTINATIONS: 2023/2022



**TABLE 10. EXPORT OF DOOR PANEL & FRAME BY COUNTRY OF DESTINATIONS**

DESTINATIONS	2023 <sup>a</sup> January - December			2022 <sup>a</sup> January - December			% Change 2023/2022	
	Volume (m <sup>3</sup> )	FOB Value (RM'000)	Value %	Volume (m <sup>3</sup> )	FOB Value (RM'000)	Value %	Volume	Value
JAPAN	14,837	27,071	99.17	12,276	19,184	98.14	20.86	41.12
BRUNEI DARUSSALAM	124	138	0.50	76	85	0.43	63.07	62.35
THAILAND	37	89	0.33	44	279	1.43	(15.82)	(68.11)
TOTAL	14,998	27,298	100	12,396	19,548	100	20.99	39.65

**EXPORT VALUE (%) OF DOOR PANEL & FRAME TO MAJOR DESTINATIONS: 2023/2022**



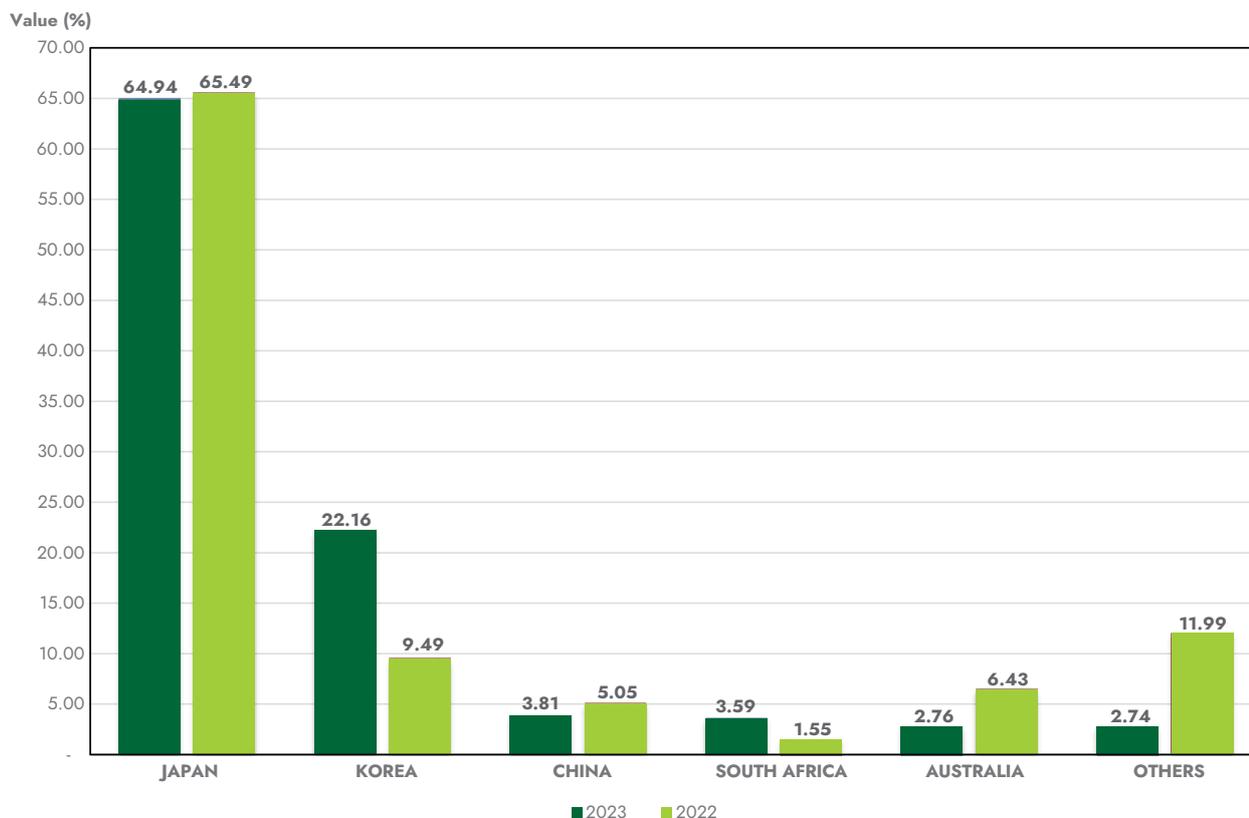
## TABLE 11. EXPORT OF MOULDING BY COUNTRY OF DESTINATIONS

DESTINATIONS	2023 <sup>p</sup> January - December			2022 <sup>a</sup> January - December			% Change 2023/2022	
	Volume (m <sup>3</sup> )	FOB Value (RM'000)	Value %	Volume (m <sup>3</sup> )	FOB Value (RM'000)	Value %	Volume	Value
JAPAN	1,481	4,332	64.89	1,630	4,368	61.18	(9.14)	(0.83)
KOREA	505	1,376	20.61	376	1,061	14.86	34.24	29.68
SOUTH AFRICA	91	320	4.79	19	78	1.09	368.93	310.37
AUSTRALIA	58	291	4.35	112	565	7.92	(48.30)	(48.60)
CHINA	96	182	2.73	221	423	5.92	(56.77)	(56.85)
SEYCHELLES	48	131	1.97	53	217	3.03	(10.08)	(39.41)
OTHERS*	8	44	0.66	158	428	6.00	(94.97)	(89.69)
<b>TOTAL</b>	<b>2,286</b>	<b>6,676</b>	<b>100</b>	<b>2,570</b>	<b>7,140</b>	<b>100</b>	<b>(11.03)</b>	<b>(6.50)</b>

**\*OTHER DESTINATIONS:**

- UNITED STATES
- MALDIVES
- EU
- TAIWAN

### EXPORT VALUE (%) OF MOULDING TO MAJOR DESTINATIONS: 2023/2022



## SUMMARY OF ALL PRODUCT

SUMMARY ALL PROD. (1) JAN-DEC			PLYWOOD (2) JAN-DEC			LOGS (3) JAN-DEC		
	2023	2022		2023	2022		2023	2022
PLYWOOD	47.66	53.69	MIDDLE EAST	80.89	86.58	INDIA	91.49	88.05
LOGS	15.89	12.50	TAIWAN	7.79	2.85	TAIWAN	7.08	7.17
FIBREBOARD	12.70	11.98	KOREA	4.91	2.57	JAPAN	1.43	4.78
SAWNTIMBER	7.91	7.37	INDIA	2.98	2.74		<b>100.00</b>	<b>100.00</b>
WOODCHIP	5.73	6.88	OTHERS	1.05	0.58			
OTHERS	10.11	7.59	OTHERS	2.38	4.69			
	<b>100.00</b>	<b>100.00</b>		<b>100.00</b>	<b>100.00</b>			

SAWNTIMBER (4) JAN-DEC			FIBREBOARD (5) JAN-DEC			VENEER (6) JAN-DEC		
	2023	2022		2023	2022		2023	2022
MIDDLE EAST	41.85	35.56	JAPAN	78.65	75.98	PHILIPPINES	27.39	21.81
PHILIPPINES	22.82	21.72	PHILIPPINES	10.43	12.73	TAIWAN	24.44	2.05
TAIWAN	15.25	16.45	VIETNAM	3.62	2.89	KOREA	19.25	19.90
THAILAND	6.00	7.88	INDONESIA	3.18	4.25	CHINA	14.27	16.05
JAPAN	5.87	8.04	TAIWAN	2.18	2.34	JAPAN	12.68	32.74
OTHERS	8.21	10.36	OTHERS	1.95	1.82	OTHERS	1.98	7.44
	<b>100.00</b>	<b>100.00</b>		<b>100.00</b>	<b>100.00</b>		<b>100.00</b>	<b>100.00</b>

DOORSKIN (7) JAN-DEC			LAM.BOARD/ FLOORING (8) JAN-DEC			PARTICLEBOARD (9) JAN-DEC		
	2023	2022		2023	2022		2023	2022
PAKISTAN	61.99	64.33	UNITED STATES	84.04	87.97	INDONESIA	60.48	28.02
INDIA	16.37	19.00	VIETNAM	7.65	1.73	PHILIPPINES	30.76	22.97
PHILIPPINES	7.74	5.64	TAIWAN	2.80	6.22	CHINA	5.95	1.17
SOUTH AFRICA	6.20	2.45	INDIA	2.27	1.52	JAPAN	2.31	47.46
TAIWAN	4.84	5.34	SINGAPORE	1.74	0.31	KOREA	0.49	-
OTHERS	2.86	3.24	OTHERS	1.48	2.24	VIETNAM	-	0.37
	<b>100.00</b>	<b>100.00</b>		<b>100.00</b>	<b>100.00</b>		<b>100.00</b>	<b>100.00</b>

DOOR PANEL & FRAMES (10) JAN-DEC			MOULDING (11) JAN-DEC		
	2023	2022		2023	2022
JAPAN	99.17	98.14	JAPAN	64.94	65.49
BRUNEI DARUSSALAM	0.50	0.43	KOREA	22.16	9.49
THAILAND	0.33	1.43	CHINA	3.81	5.05
	<b>100.00</b>	<b>100.00</b>	SOUTH AFRICA	3.59	1.55
			AUSTRALIA	2.76	6.43
			OTHERS	2.74	11.99
				<b>100.00</b>	<b>100.00</b>





WARNOU MATE  
DIMASSOL  
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2023  
**FINANCIAL  
STATEMENT**

# FINANCIAL STATEMENTS 2023

Sarawak Timber Industry Development Corporation  
31 December 2023

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



67	Board Members, Officers and Professional Advisors
68	Statement by Chairman and a Board Member
69	Statutory Declaration
70	Independent Auditors' Report
74	Statements of Financial Position
76	Statements of Comprehensive Income
77	Statements of Changes in Equity
78	Statements of Cash Flows
81	Notes to the Financial Statements

**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 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
	: YBhg. Datu Haji Abdullah Bin Julaihi
General Manager	: YBhg. Datu Haji Hashim Bin Haji Bojet (Until 31 <sup>st</sup> July 2023)
	: YBhg. Tuan Haji Zainal Abidin bin Abdullah (Appointed on 1 <sup>st</sup> August 2023)
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 Awang 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 2023 dan hasil kendaliannya serta perubahan kedudukan kewangannya bagi tahun berakhir pada tarikh tersebut.

Bagi pihak Lembaga,

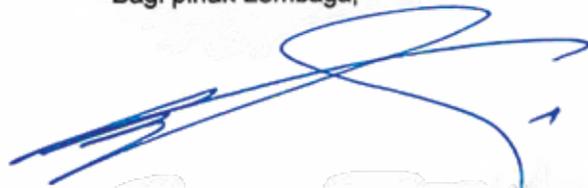


**Yang Berhormat Datuk Amar Haji  
Awang Tengah Ali Hasan**  
Pengerusi

Kuching, Sarawak, Malaysia  
Tarikh :

**25 SEP 2024**

Bagi pihak Lembaga,



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

Kuching, Sarawak, Malaysia  
Tarikh :

**25 SEP 2024**

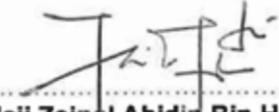
**SARAWAK TIMBER INDUSTRY DEVELOPMENT CORPORATION**  
(Incorporated under the Sarawak State Ordinance No.3 of 1973)

**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 mengikut 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

}}

  
.....  
**Haji Zainal Abidin Bin Haji Abdullah**  
Di hadapan saya,



.....  
**Pesuruhjaya Sumpah**

986, 2nd Floor,  
BDC Commercial Centre,  
93250 Kuching, Sarawak.



**SIJIL KETUA AUDIT NEGARA  
MENGENAI PENYATA KEWANGAN  
PERBADANAN KEMAJUAN PERUSAHAAN KAYU SARAWAK  
BAGI TAHUN BERAKHIR 31 DISEMBER 2023**

**Sijil Mengenai Pengauditan Penyata Kewangan**

**Pendapat**

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 2023 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 mengenai kedudukan kewangan Perbadanan Kemajuan Perusahaan Kayu Sarawak dan Kumpulan pada 31 Disember 2023 dan prestasi kewangan serta aliran tunai bagi tahun 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.

**Asas Kepada Pendapat**

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 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.

**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 menggunakannya 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 diperolehi, 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 diperolehi 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 Perbadanan Kemajuan Perusahaan Kayu Sarawak 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 syarikat subsidiari yang tidak diaudit oleh saya, telah dinyatakan di Nota 7 dalam penyata kewangan.

#### **Hal-hal Lain**

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



**(DATUK WAN SURAYA BINTI WAN MOHD RADZI)**  
KETUA AUDIT NEGARA  
MALAYSIA



PUTRAJAYA  
8 NOVEMBER 2024

**PERBADANAN KEMAJUAN PERUSAHAAN KAYU SARAWAK**

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

**STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2023**

	NOTE	The Group		The Corporation	
		2023 RM	2022 RM	2023 RM	2022 RM
<b>ASSETS</b>					
<b>Non-Current Assets</b>					
Property, plant and equipment	4	594,207,699	597,938,219	194,764,981	190,412,255
Intangible asset	5	28,550	18,334	-	-
Land held for property development	6	55,652,166	55,652,166	-	-
Investment in subsidiaries	7	-	-	55,286,060	55,286,060
Investment in associates	8	201,126,380	173,267,264	231,336,508	233,738,121
Other investments	9	195,927,880	262,352,860	88,636,182	88,983,040
Property development expenditure	10	75,215,027	48,956,228	65,778,664	69,011,489
Biological assets	11	232,473,951	268,996,278	75,215,027	48,956,228
Deferred tax assets	24	7,218,521	7,218,521	-	-
Amount owing by subsidiaries	15	-	-	7,218,521	7,218,521
Amount owing by associates	16	-	-	73,339,593	66,133,099
Other receivables	14	1,170,643	1,200,324	-	-
Goodwill on consolidation	12	176,700	353,400	662,456	633,914
<b>Total Non-Current Assets</b>		<b>1,363,197,517</b>	<b>1,415,953,594</b>	<b>792,237,992</b>	<b>760,372,727</b>
<b>Current Assets</b>					
Inventories	13	162,896,524	157,911,050	118,302,318	120,235,160
Trade and other receivables	14	708,213,313	500,388,111	40,017,933	40,519,782
Amount owing by subsidiaries	15	-	-	33,320,831	24,621,725
Amount owing by associates	16	11,028,679	10,960,879	9,567,162	18,370,843
Amount owing by related companies	17	4,511,072	61,605	-	-
Other investments	9	42,088,981	39,541,698	27,429,446	27,537,894
Cash and cash equivalents	18	128,833,822	129,999,813	21,433,422	51,407,977
Tax refundable		16,331,715	21,279,401	-	9,317,425
<b>Total Current Assets</b>		<b>1,073,904,106</b>	<b>860,142,557</b>	<b>250,071,112</b>	<b>292,010,806</b>
<b>TOTAL ASSETS</b>		<b>2,437,101,623</b>	<b>2,276,096,151</b>	<b>1,042,309,104</b>	<b>1,052,383,533</b>

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 2023 (CONT'D)**

	NOTE	The Group		The Corporation	
		2023 RM	2022 RM	2023 RM	2022 RM
<b>EQUITY AND LIABILITIES</b>					
<b>Equity</b>					
Retained profits	19	1,308,270,503	1,325,973,942	745,531,743	752,313,727
Equity attributable to owners of the Corporation		1,308,270,503	1,325,973,942	745,531,743	752,313,727
Non-controlling interests		74,076,697	94,744,907	-	-
<b>Total Equity</b>		<b>1,382,347,200</b>	<b>1,420,718,849</b>	<b>745,531,743</b>	<b>752,313,727</b>
<b>Non-Current Liabilities</b>					
Deferred grant income	20	49,636,671	52,913,040	49,636,671	52,913,040
Loans and borrowings	21	495,141,191	377,852,677	59,389,240	62,199,970
Hire purchase payables	22	423,437	1,147,505	-	76,161
Retirement benefit obligations	23	6,735,668	7,557,812	2,109,342	2,493,811
Deferred tax liabilities	24	35,317,690	32,146,843	-	-
		<b>587,254,657</b>	<b>471,617,877</b>	<b>111,135,253</b>	<b>117,682,982</b>
<b>Current Liabilities</b>					
Trade and other payables	25	145,280,049	94,944,207	28,665,000	18,245,232
Amount owing to subsidiaries	15	-	-	106,256	3,688,558
Amount owing to associates	16	3,704,403	3,704,403	157,404	157,404
Amount owing to related companies	17	28,377,163	19,436,793	-	-
Retirement benefit obligations	23	614,541	589,418	164,541	169,418
Provision for taxation		581,965	190,299	197,184	-
Loans and borrowings	21	288,215,329	263,820,059	156,272,008	160,038,223
Hire purchase payables	22	726,316	1,074,246	79,715	87,989
<b>Total Current Liabilities</b>		<b>467,499,766</b>	<b>383,759,425</b>	<b>185,642,108</b>	<b>182,386,824</b>
<b>Total Liabilities</b>		<b>1,054,754,423</b>	<b>855,377,302</b>	<b>296,777,361</b>	<b>300,069,806</b>
<b>Total Equity And Liabilities</b>		<b>2,437,101,623</b>	<b>2,276,096,151</b>	<b>1,042,309,104</b>	<b>1,052,383,533</b>

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 PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023****STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023**

	NOTE	The Group		The Corporation	
		2023 RM	2022 RM	2023 RM	2022 RM
REVENUE	26	754,701,844	757,547,079	73,259,812	89,786,681
COST OF SALES		(621,277,102)	(631,752,545)	(6,911,157)	(30,704,313)
GROSS PROFIT		133,424,742	125,794,534	66,348,655	59,082,368
OTHER INCOME		32,076,300	36,750,707	11,929,153	13,869,666
ADMINISTRATIVE EXPENSES		(195,118,692)	(143,968,475)	(72,674,221)	(62,040,654)
FINANCE COSTS	27	(23,076,953)	(20,525,193)	(6,428,560)	(6,447,649)
(LOSS)/PROFIT FROM OPERATIONS		(52,694,603)	(1,948,427)	(824,973)	4,463,731
SHARES OF NET GAIN OF EQUITY ACCOUNTED ASSOCIATES		29,555,974	10,503,432	-	-
(LOSS)/PROFIT BEFORE TAXATION	28	(23,138,629)	8,555,005	(824,973)	4,463,731
TAXATION	29	(11,140,820)	(2,703,279)	(5,957,011)	(1,000,000)
(LOSS)/PROFIT AFTER TAXATION FOR THE FINANCIAL YEAR		(34,279,449)	5,851,726	(6,781,984)	3,463,731
<b>(LOSS)/PROFIT AFTER TAXATION ATTRIBUTABLE TO:-</b>					
Owners of the Corporation		(17,703,439)	(1,106,146)	(6,781,984)	3,463,731
Non-controlling interests		(16,576,010)	6,957,872	-	-
		(34,279,449)	5,851,726	(6,781,984)	3,463,731

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 CHANGES IN EQUITY  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023**

**STATEMENTS OF CHANGES IN EQUITY  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023**

	Retained profits RM	Non-controlling interests RM	Total equity RM
<b>The Group</b>			
Balance as at 1 January 2022	1,327,080,088	92,108,035	1,419,188,123
Dividends by subsidiaries to non-controlling interests	-	(4,321,000)	(4,321,000)
(Loss)/Profit after taxation for the financial year	(1,106,146)	6,957,872	5,851,726
Balance as at 31 December 2022	<u>1,325,973,942</u>	<u>94,744,907</u>	<u>1,420,718,849</u>
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)
<b>Balance as at 31 December 2023</b>	<b><u><u>1,308,270,503</u></u></b>	<b><u><u>74,076,697</u></u></b>	<b><u><u>1,382,347,200</u></u></b>
		Retained profits RM	Total equity RM
<b>The Corporation</b>			
Balance as at 1 January 2022		748,849,996	748,849,996
Profit after taxation for the financial year		3,463,731	3,463,731
Balance as at 31 December 2022		<u>752,313,727</u>	<u>752,313,727</u>
Loss after taxation for the financial year		(6,781,984)	(6,781,984)
<b>Balance as at 31 December 2023</b>		<b><u><u>745,531,743</u></u></b>	<b><u><u>745,531,743</u></u></b>

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 2023**

	NOTE	The Group		The Corporation	
		2023 RM	2022 RM	2023 RM	2022 RM
<b>CASH FLOWS (FOR)/FROM OPERATING ACTIVITIES</b>					
(Loss)/Profit before taxation		(23,138,629)	8,555,005	(824,973)	4,463,731
Adjustments for:-					
Allowance for impairment loss on:					
- amount owing by subsidiaries		-	1,321	12,346	799,610
- investment in associates companies		346,858	-	346,858	-
- investment in subsidiaries companies		-	-	54,216	-
- inventories		-	27,377	-	-
- property, plant and equipment		-	4,194,783	-	-
- receivables		515,426	-	-	-
Amortisation of goodwill		176,700	176,700	-	-
Amortisation of intangible assets		2,522	4,333	-	-
Bad debts written off		40,770	105,901	-	-
Depreciation of property, plant and equipment		38,836,684	33,642,075	5,902,505	6,258,252
Depletion of biological assets		31,630,874	51,825,620	-	-
Property, plant and equipment written off		5,185	8,243	2,625	5,547
Loss on strike off if subsidiary		-	9,717	-	-
(Gain)/Loss on disposal of:					
- property, plant and equipment		168,370	(25,261,767)	(78,800)	(101,652)
- other investments		(375,561)	(40,813)	322,465	-
(Gain)/Loss on fair value changes in:					
- other investments		(4,314,112)	(3,350,909)	(1,972,198)	(1,181,668)
- biological assets		37,674,484	48,282,104	-	-
Grant amortised		(4,856,495)	(29,595,498)	(4,856,495)	(29,595,498)
Gross dividend:					
- other investments		(2,246,134)	(4,661,175)	(991,143)	(5,371,115)
- associates		-	-	(1,350,000)	(3,486,750)
- subsidiaries		-	-	(1,943,750)	(286,000)
Interest expense		23,076,953	20,525,193	6,428,560	6,447,649
Interest income		(566,924)	(5,613,311)	(3,679,921)	(4,725,239)
Inventories written off		273,993	-	-	-
Unrealised (gain)/loss on foreign exchange		(619,287)	246,038	-	-
Realised loss on foreign exchange		1,477,224	946,631	-	-
Retirement benefit obligations		525,742	699,031	42,304	36,892
Reversal of depletion of biological assets in prior year		(242,488)	-	-	-
Carrying forward		98,392,155	100,726,599	(2,585,401)	(26,736,241)

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 2023**

	NOTE	The Group		The Corporation	
		2023 RM	2022 RM	2023 RM	2022 RM
Adjustments for:- (Cont'd)					
Brought forward		98,392,155	100,726,599	(2,585,401)	(26,736,241)
Reversal of impairment on trade receivables		(14,941)	-	-	-
Share of net gain of equity accounted associates		(29,555,974)	(10,503,432)	-	-
Waiver of payables		-	(433,096)	-	-
Operating profit/(loss) before working capital changes		68,821,240	89,790,071	(2,585,401)	(26,736,241)
Changes in working capital:-					
Inventories		(4,574,400)	215,365	1,932,842	-
Trade and other receivables		(209,194,713)	(165,223,243)	473,307	11,978,163
Amount owing by subsidiaries		-	-	(15,917,946)	(11,585,090)
Amount owing by associates		(67,800)	47,752,133	8,803,681	4,559,583
Amount owing by related companies		(4,449,467)	(23,599)	-	-
Trade and other payables		50,879,116	28,358,787	4,987,312	(5,600,308)
Amount owing to subsidiaries		-	-	(3,582,302)	19,730
Amount owing to associates		-	(115)	-	(115)
Amount owing to related companies		8,940,370	6,123,855	-	-
<b>CASH (FOR)/FROM OPERATIONS</b>		<b>(89,645,654)</b>	<b>6,993,254</b>	<b>(5,888,507)</b>	<b>(27,364,278)</b>
Interest paid		(17,115,245)	(20,525,193)	(996,104)	(1,108,921)
Interest received		566,924	-	-	-
Tax paid		(11,704,803)	(15,215,718)	(3,228,883)	(2,477,497)
Tax refunded		9,074,182	3,024,079	6,786,481	2,702,728
Retirement benefits paid		(1,322,763)	(849,144)	(431,650)	(519,244)
<b>NET CASH FOR OPERATING ACTIVITIES</b>		<b>(110,147,359)</b>	<b>(26,572,722)</b>	<b>(3,758,663)</b>	<b>(28,767,212)</b>
<b>CASH FLOWS (FOR)/FROM INVESTING ACTIVITIES</b>					
Acquisition of a subsidiary		-	-	-	(1,000)
Acquisition of other investment		(79,339,801)	-	-	-
Addition of intangible assets		(12,738)	-	-	-
Proceeds from disposal of other investments		-	27,719,276	4,909,861	-
Proceeds from disposal of property, plant and equipment		1,109,364	701,779	78,800	179,652
Increase in property development expenditure		(26,258,799)	11,515,146	(26,258,799)	11,515,146
Decrease in biological assets		(33,258,162)	(17,065,302)	-	-
Decrease in other investments, net		44,016,144	41,080,387	-	-
Withdrawal of/(Additions to) fixed deposits with maturity period more than three months		(3,556,943)	41,329,320	108,448	33,660,875
Carrying forward		(97,300,935)	105,280,606	(21,161,690)	45,354,673

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 2023 (CONT'D)**

	NOTE	The Group		The Corporation	
		2023 RM	2022 RM	2023 RM	2022 RM
<b>CASH FLOWS (FOR)/FROM INVESTING ACTIVITIES (CONT'D)</b>					
Brought forward		(97,300,935)	105,280,606	(21,161,690)	45,354,673
Purchase of property, plant and equipment	30	(36,899,804)	(202,672,610)	(10,257,856)	(9,655,392)
Redemption of other investment		110,384,119	-	-	-
Redemption of redeemable preference shares in subsidiary		-	-	2,347,397	5,284,000
Reinvestment of dividend received		(2,430,280)	(5,468,095)	(27,303)	(200,488)
Dividend received:					
- other investments		732,605	4,661,175	991,143	5,371,115
- associates		1,350,000	-	1,350,000	3,486,750
- subsidiaries		-	-	1,943,750	286,000
Interest received		(16,889)	5,613,311	3,126,924	4,725,239
<b>NET CASH (FOR)/FROM INVESTING ACTIVITIES</b>		<b>(24,181,184)</b>	<b>(92,585,613)</b>	<b>(21,687,635)</b>	<b>54,651,897</b>
<b>CASH FLOWS FROM/(FOR) FINANCING ACTIVITIES</b>					
Addition of banker's acceptances		(14,488,289)	17,818,803	-	-
Government grant received		1,580,126	7,874,394	1,580,126	7,874,394
Additions to pledged fixed deposits with licensed banks		1,024,549	(27,423,863)	552,997	(26,876,449)
Repayment of hire purchase obligations		(1,071,998)	(625,258)	(84,435)	(84,119)
Dividends paid to non-controlling interest		(4,092,200)	(4,321,000)	-	-
Net drawdown/(repayment) of term loans		149,835,390	125,736,236	(6,576,945)	(7,983,414)
Revolving credits obtained, net		(750,000)	-	-	-
<b>NET CASH FROM/(FOR) FINANCING ACTIVITIES</b>		<b>132,037,578</b>	<b>119,059,312</b>	<b>(4,528,257)</b>	<b>(27,069,588)</b>
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>		<b>(2,290,965)</b>	<b>(99,023)</b>	<b>(29,974,555)</b>	<b>(1,184,903)</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR</b>		<b>125,452,929</b>	<b>125,551,952</b>	<b>51,407,977</b>	<b>52,592,880</b>
<b>CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR</b>	18	<b>123,161,964</b>	<b>125,452,929</b>	<b>21,433,422</b>	<b>51,407,977</b>

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 2023****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 5 April 2024.

**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		Principal activities
		2023 %	2022 %	
<b>Direct subsidiaries:</b>				
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 2023**
**1. CORPORATE INFORMATION (CONT'D)**
**1.1 Composition of the Group (Cont'd)**

	Principal place of business	Parent's effective ownership		Principal activities
		2023 %	2022 %	
<b>Direct subsidiaries (Cont'd):</b>				
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
<b>Indirect subsidiaries:</b>				
<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

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 2023****1. CORPORATE INFORMATION (CONT'D)****1.1 Composition of the Group (Cont'd)**

	Principal place of business	Parent's effective ownership		Principal activities
		2023 %	2022 %	
<b>Indirect subsidiaries (Cont'd):</b>				
<u>Subsidiaries of PUSAKA Capital Sdn. Bhd. (Cont'd)</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 &amp; 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 &amp; 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

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 2023****1. CORPORATE INFORMATION (CONT'D)****1.1 Composition of the Group (Cont'd)**

	Principal place of business	Parent's effective ownership		Principal activities
		2023 %	2022 %	
<b>Indirect subsidiaries (Cont'd):</b>				
<u>Subsidiary of PUSAKA Palm Oil Industry Sdn. Bhd.</u>				
Tanjung Manis Bulkiers Sdn. Bhd. *#	Malaysia	70	70	Owning and managing crude palm oil bulking installation and dry bulk facilities
<u>Subsidiaries of Harwood Timber Sdn. Bhd.</u>				
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
<u>Subsidiary of Bigwood Sdn. Bhd.</u>				
BMAJ Timber Sdn. Bhd. *	Malaysia	70	70	Felling, extraction, planning and harvesting of timber logs
<u>Subsidiaries of Hornbill Skyways Sdn. Bhd.</u>				
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 2023****1. CORPORATE INFORMATION (CONT'D)****1.1 Composition of the Group (Cont'd)**

	Principal place of business	Parent's effective ownership		Principal activities
		2023 %	2022 %	
<b>Indirect subsidiaries (Cont'd):</b>				
<u>Associate of PUSAKA Timber Industries Sdn. Bhd. and STIDC Belian Holdings Sdn. Bhd.</u>				
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.

**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").

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**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 2023****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.

**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 2023**

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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.

**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 2023**

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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.

**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 2023****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.

**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 2023****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.

**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 2023****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.

**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 2023****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 like 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 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.

**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 2023****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 measure 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.

**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 2023****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.

**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 2023**

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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.

**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 2023****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.

**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 2023****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.

**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 2023**

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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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**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 2023**

**4. PROPERTY, PLANT AND EQUIPMENT**

	At		Additions	Reclassification	Disposal	Depreciation Charges	Write Off	At	
	1.1.2023	RM						RM	RM
<b>The Group</b>									
<b>2023</b>									
<i>Carrying Amount</i>									
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	-	-	-	-	(1,930)	-	-	9,650
Plant and machineries	52,164,272	899,996	(926,605)	-	(1,035,616)	(5,700,984)	(1,031)	-	45,400,032
Aircraft spare engines and aircraft components	190,643,592	17,119,122	-	-	-	(14,494,083)	-	-	193,268,631
Transportation equipment and motor vehicles	4,452,178	992,993	-	-	(1)	(1,899,314)	-	-	3,545,856
Website design and development	67,235	(31,906)	-	-	-	(1,089)	-	-	34,240
Work-in-progress	17,760,522	9,906,139	-	-	-	-	-	-	27,666,661
	597,938,219	36,356,531	32,552	(1,277,734)	(38,836,684)	(5,185)			594,207,699

**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 2023**

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

	At Acquisition of		Additions	Reclassification	Disposal	Depreciation Charges	Write Off	At
	1.1.2022	a subsidiary						
<u>The Group</u>	RM	RM	RM	RM	RM	RM	RM	RM
<i>Carrying Amount</i>								
Long term leasehold land	47,828,944	-	-	-	-	(1,169,631)	-	46,659,313
Short term leasehold land	3,450,509	2,543,763	-	-	-	(85,973)	-	5,908,299
Buildings	268,488,794	4,971,010	5,545,378	-	-	(12,090,798)	-	266,914,384
Office furniture, fittings and equipment	11,762,854	19,240	4,757,793	1,956	(1)	(3,176,764)	(8,234)	13,356,844
Electrical works	13,510	-	-	-	-	(1,930)	-	11,580
Plant and machineries	37,565,871	12,919,366	7,013,575	(1,956)	(10,173)	(5,322,402)	(9)	52,164,272
Aircraft spare engines and aircraft components	25,943,872	-	174,217,082	-	-	(9,517,362)	-	190,643,592
Transportation equipment and motor vehicles	5,315,800	14	1,484,122	-	(78,014)	(2,269,744)	-	4,452,178
Website design and development	-	-	74,706	-	-	(7,471)	-	67,235
Work-in-progress	8,180,568	-	9,579,954	-	-	-	-	17,760,522
	408,550,722	20,453,393	202,672,610	-	(88,188)	(33,642,075)	(8,243)	597,938,219

**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 2023****4. PROPERTY, PLANT AND EQUIPMENT (CONT'D)**

	At Cost RM	Accumulated Depreciation RM	Accumulated Impairment Loss RM	Carrying Amount RM
<b><u>The Group</u></b>				
<b>2023</b>				
<i>Carrying Amount</i>				
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
	<b>1,197,552,188</b>	<b>(602,579,482)</b>	<b>(765,007)</b>	<b>594,207,699</b>

**The Group****2022***Carrying Amount*

Long term leasehold land	58,007,378	(11,049,166)	(298,899)	46,659,313
Short term leasehold land	11,007,969	(5,099,670)	-	5,908,299
Buildings	411,518,457	(144,137,965)	(466,108)	266,914,384
Office furniture, fittings and equipment	51,969,240	(38,612,396)	-	13,356,844
Electrical works	19,300	(7,720)	-	11,580
Plant and machineries	120,159,122	(67,994,850)	-	52,164,272
Aircraft spare engines and aircraft components	472,444,950	(281,801,358)	-	190,643,592
Transportation equipment and motor vehicles	23,819,100	(19,366,922)	-	4,452,178
Website design and development	74,706	(7,471)	-	67,235
Work-in-progress	17,760,522	-	-	17,760,522
	<b>1,166,780,744</b>	<b>(568,077,518)</b>	<b>(765,007)</b>	<b>597,938,219</b>

**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 2023****4. PROPERTY, PLANT AND EQUIPMENT (CONT'D)**

<u>The Corporation</u> 2023	At 1.1.2023 RM	Additions RM	Disposal RM	Depreciation Charges RM	Write Off RM	At 31.12.2023 RM
<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

<u>The Corporation</u> 2022	At 1.1.2022 RM	Additions RM	Disposal RM	Depreciation Charges RM	Write Off RM	At 31.12.2022 RM
<i>Carrying Amount</i>						
Long term leasehold land	37,091,152	-	-	(940,127)	-	36,151,025
Buildings	138,609,143	-	-	(4,239,709)	-	134,369,434
Office furniture, fittings and equipment	1,496,913	75,438	-	(319,475)	(5,547)	1,247,329
Plant and machineries	322,545	-	-	(47,396)	-	275,149
Transportation equipment and motor vehicles	1,398,341	-	(78,000)	(711,545)	-	608,796
Work-in-progress	8,180,568	9,579,954	-	-	-	17,760,522
	187,098,662	9,655,392	(78,000)	(6,258,252)	(5,547)	190,412,255

**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 2023****4. PROPERTY, PLANT AND EQUIPMENT (CONT'D)**

	At Cost RM	Accumulated Depreciation RM	Accumulated Impairment Loss RM	Carrying Amount RM
<b><u>The Corporation</u></b>				
<b>2023</b>				
<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
Transporation 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

	At Cost RM	Accumulated Depreciation RM	Accumulated Impairment Loss RM	Carrying Amount RM
<b><u>The Corporation</u></b>				
<b>2022</b>				
<i>Carrying Amount</i>				
Long term leasehold land	44,382,317	(7,932,393)	(298,899)	36,151,025
Buildings	208,027,622	(73,192,080)	(466,108)	134,369,434
Office furniture, fittings and equipment	9,073,923	(7,826,594)	-	1,247,329
Plant and machineries	1,688,298	(1,413,149)	-	275,149
Transporation equipment and motor vehicles	7,686,733	(7,077,937)	-	608,796
Work-in-progress	17,760,522	-	-	17,760,522
	288,619,415	(97,442,153)	(765,007)	190,412,255

**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 2023****4. PROPERTY, PLANT AND EQUIPMENT (CONT'D)**

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

	<b>The Group</b>		<b>The Corporation</b>	
	2023	2022	2023	2022
	RM	RM	RM	RM
Motor vehicles	1,220,882	2,251,471	69,569	162,330

- (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:-

	<b>The Group</b>	
	2023	2022
	RM	RM
Buildings	15,193,875	31,712,129
Aircraft	165,578,177	182,678,719
Furniture, fittings and equipment	-	1,336,885
Transportation equipment and motor vehicles	-	2
Plant and machineries	15,988,212	32,124,967
	<u>196,760,264</u>	<u>247,852,702</u>

- (c) Buildings with a total carrying amount of RM19,969,187 (2022: RM21,821,065) are built on a leased land from Malaysia Airports Sdn. Bhd..

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**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 2023****5. INTANGIBLE ASSET**

	At 1.1.2023 RM	Addition RM	Amortisation RM	At 31.12.2023 RM
<b><u>The Group</u></b>				
<i>Carrying Amount</i>				
Licenses	18,334	12,738	(2,522)	28,550

	At 1.1.2022 RM	Addition RM	Amortisation RM	At 31.12.2022 RM
<i>Carrying Amount</i>				
Licenses	22,667	-	(4,333)	18,334

	At Cost RM	Accumulated Amortisation RM	Carrying Amount RM
<b><u>The Group</u></b>			
31.12.2023			
Licenses	52,738	(24,188)	28,550
31.12.2022			
Licenses	40,000	(21,666)	18,334

**6. LAND HELD FOR PROPERTY DEVELOPMENT**

	<b>The Group</b>		<b>The Corporation</b>	
	2023 RM	2022 RM	2023 RM	2022 RM
Cost				
At 1 January and 31 December	55,652,166	55,652,166	55,286,060	55,286,060

This comprises one parcel of leasehold land with lease term expiring in the year 2058 (2022: 2058) for which only a provisional title has been issued by the relevant authority.

**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 2023****7. INVESTMENT IN SUBSIDIARIES**

	<b>The Corporation</b>	
	2023	2022
	RM	RM
Unquoted shares, at cost	232,065,724	234,413,121
Less: Accumulated impairment loss	(729,216)	(675,000)
	<u>231,336,508</u>	<u>233,738,121</u>

**8. INVESTMENT IN ASSOCIATES**

	<b>The Group</b>		<b>The Corporation</b>	
	2023	2022	2023	2022
	RM	RM	RM	RM
Unquoted shares, at cost	98,679,943	98,679,943	90,733,038	90,733,038
Share of post acquisition profits, net of dividend received	104,543,293	76,337,319	-	-
	<u>203,223,236</u>	<u>175,017,262</u>	<u>90,733,038</u>	<u>90,733,038</u>
Less: Accumulated impairment losses	(2,096,856)	(1,749,998)	(2,096,856)	(1,749,998)
	<u>201,126,380</u>	<u>173,267,264</u>	<u>88,636,182</u>	<u>88,983,040</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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**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 2023****9. OTHER INVESTMENTS**

	<b>The Group</b>		<b>The Corporation</b>	
	2023 RM	2022 RM	2023 RM	2022 RM
<b>Non-current</b>				
Quoted unit trust, at fair value				
Carrying amount	145,741,048	208,468,300	15,743,855	15,628,442
Unquoted shares, at cost				
Cost	18,037,500	18,037,500	18,037,500	18,037,500
Less: Accumulated impairment losses	(91,000)	(91,000)	(91,000)	(91,000)
	17,946,500	17,946,500	17,946,500	17,946,500
Quoted shares, at fair value				
Carrying amount	32,237,302	31,279,096	32,085,279	30,777,583
Investments managed by ASSAR Asset Management Sdn. Bhd., at fair value				
Cost	488,395	8,898,961	488,395	8,898,961
Less: Accumulated fair value loss	(485,365)	(4,239,997)	(485,365)	(4,239,997)
	3,030	4,658,964	3,030	4,658,964
	195,927,880	262,352,860	65,778,664	69,011,489
<b>Current</b>				
Fixed deposits with tenure more than 3 months	10,606,175	7,587,339	-	661,445
Fixed deposits pledged to licensed banks	31,482,806	31,954,359	27,429,446	26,876,449
	42,088,981	39,541,698	27,429,446	27,537,894
Total investments	238,016,861	301,894,558	93,208,110	96,549,383

- (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% (2022: 1.85% to 3.45%) per annum. The fixed deposits have maturity periods ranging from 30 to 365 (2022: 181 to 365) days.
- (d) The fixed deposits with a total amount of RM31,482,806 (2022: RM31,954,359) have been pledged to a licensed bank as security for banking facility granted to the Group.

**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 2023****10. PROPERTY DEVELOPMENT EXPENDITURE**

	<b>The Group/Corporation</b>	
	2023	2022
	RM	RM
Development costs brought forward	48,956,228	60,471,374
Development costs incurred during the year	31,038,527	18,080,352
Less: Amount contra against government grants	(4,779,728)	(29,595,498)
	75,215,027	48,956,228

**11. BIOLOGICAL ASSETS**

	<b>The Group</b>	
	2023	2022
	RM	RM
<b>(a) Tree planting expenditure, at cost</b>		
At 1 January	1,911,182	1,801,653
Additions	1,668	109,529
Less: Depletion during the financial year	236,527	-
Less: Reclass to PPE	(32,552)	-
At 31 December	2,116,825	1,911,182
<b>(b) Acacia tree and pineapples plantation, at fair value</b>		
Opening fair value/carrying amount	267,085,096	350,237,047
Costs incurred during the year	33,256,494	17,271,302
Depletion for the financial year	(31,624,913)	(51,825,620)
Agriculture produces harvested	(685,067)	(302,769)
Transfer of agricultural produces harvested to inventories	-	(12,760)
Changes in fair value	(37,674,484)	(48,282,104)
	230,357,126	267,085,096
Total biological assets	232,473,951	268,996,278

**(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.

**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 2023****11. BIOLOGICAL ASSETS (CONT'D)****(b) Fair value information**

Fair value of biological assets are categorised as follows:

	2023		2022	
	Level 3	Total	Level 3	Total
	RM	RM	RM	RM
Biological assets	230,357,126	230,357,126	267,085,096	267,085,096

*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 2023, total gross estimated planted area amounted to 114,812 (2022: 132,812) hectares.

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 prices, were discounted at the rate of 8% (2022: 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 (2022: RM4.00).

**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 2023**
**12. GOODWILL ON CONSOLIDATION**

	<b>The Group</b>	
	2023 RM	2022 RM
<i>Carrying Amount</i>		
At 1 January	353,400	530,100
Amortisation	(176,700)	(176,700)
At 31 December	<u>176,700</u>	<u>353,400</u>

**13. INVENTORIES**

	<b>The Group</b>		<b>The Corporation</b>	
	2023 RM	2022 RM	2023 RM	2022 RM
At cost:-				
Aircraft spares	13,952,058	9,196,192	-	-
Consumables	1,952,889	2,430,992	-	-
Fuel	721,910	721,910	-	-
Finished goods	14,168,185	9,641,200	-	-
Industrial land lots	56,655,489	56,655,489	44,655,489	44,655,489
Manufactured inventories	823,665	561,391	-	-
Raw Materials	962,327	3,052,763	-	-
Ship building lots	73,646,829	75,579,671	73,646,829	75,579,671
Trading goods	13,172	71,442	-	-
	<u>162,896,524</u>	<u>157,911,050</u>	<u>118,302,318</u>	<u>120,235,160</u>
Recognised in profit or loss:-				
Inventories recognised as cost of sales	<u>47,351,393</u>	<u>44,198,113</u>	<u>3,458,660</u>	<u>-</u>



**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 2023****15. AMOUNT OWING BY/(TO) SUBSIDIARIES**

	<b>The Corporation</b>	
	2023 RM	2022 RM
<b>Amount owing by subsidiaries</b>		
Current	33,320,831	24,621,725
Non-current	73,339,593	66,133,099
	106,660,424	90,754,824
<b>Amount owing to subsidiaries</b>		
Current	106,256	3,688,558

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

- (a) RM20,975,994 (2022: RM20,766,860) which bore interest rate at 4% (2022: 4%) per annum and repayable within 5 years;
- (b) RM44,246,464 (2022: RM40,000,000) which bore interest rate at 4% (2022: 4%) per annum and repayable within 15 years commencing from the expiration date of the grace period of 4 years; and
- (c) RM1,595,000 (2022: RM1,417,253) which bore interest rate at 4% (2022: 4%) per annum and repayable on demand.
- (d) RM10,578,141 (2022: RM5,248,568) which bore interest rate at 4% (2022: 4%) per annum and repayable within 5 years.

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

**16. AMOUNT OWING BY/(TO) ASSOCIATES**

	<b>The Group</b>		<b>The Corporation</b>	
	2023 RM	2022 RM	2023 RM	2022 RM
<b>Amount owing by associates</b>				
Current	11,028,679	10,960,879	9,567,162	18,370,843
<b>Amount owing to associates</b>				
Current	3,704,403	3,704,403	157,404	157,404
	3,704,403	3,704,403	157,404	157,404

**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 2023****16. AMOUNT OWING BY/(TO) ASSOCIATES (CONT'D)**

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

- (b) amount owing by associates of the Group and the Corporation of RM1,050,189 and RM Nil (2022: RM48,518,454 and RM13,365,265) respectively bearing interest rate at 5% (2022: ranging from 4% - 5%) per annum; and

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

**17. AMOUNT OWING BY/(TO) RELATED COMPANIES**

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

**18. CASH AND CASH EQUIVALENTS**

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

	The Group		The Corporation	
	2023	2022	2023	2022
	RM	RM	RM	RM
Cash and bank balances	103,377,366	70,381,769	19,475,516	12,809,606
Fixed deposits with tenure of 3 months or less	25,456,456	59,618,044	1,957,906	38,598,371
Cash and cash equivalents in the statements of financial position	128,833,822	129,999,813	21,433,422	51,407,977
Bank overdrafts (Note 21)	(5,671,858)	(4,546,884)	-	-
Cash and cash equivalents in the statements of cash flows	123,161,964	125,452,929	21,433,422	51,407,977

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% (2022: 1.85% to 3.45%) per annum. The fixed deposits have maturity periods ranging from 30 to 90 (2022: 30 to 90) days.

**19. 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.

**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 2023**
**20. DEFERRED GRANT INCOME**

	<b>The Group/Corporation</b>	
	2023 RM	2022 RM
Balance at 1 January		
- Total government grant received	427,830,221	419,955,827
- Utilised for project	(374,917,181)	(345,321,683)
Net carrying amount at 1 January	52,913,040	74,634,144
- Government grant received during the year	3,078,361	7,874,394
- Amortisation for the year	(4,856,495)	(29,595,498)
- Government grant refunded during the year	(1,498,235)	-
At 31 December	<u>49,636,671</u>	<u>52,913,040</u>
Balance at 31 December		
- Total government grant received	429,410,347	427,830,221
- Cumulative amount recognised in profit or loss	(379,773,676)	(374,917,181)
	<u>49,636,671</u>	<u>52,913,040</u>

**21. LOANS AND BORROWINGS**

	Note	<b>The Group</b>		<b>The Corporation</b>	
		2023 RM	2022 RM	2023 RM	2022 RM
<b><u>Current liabilities</u></b>					
Bank overdrafts	21.1	5,671,858	4,546,884	-	-
Bankers' acceptances	21.2	12,442,004	26,930,293	-	-
Revolving credits	21.3	39,250,000	40,000,000	-	-
Term loans	21.4	55,079,459	21,304,659	-	-
Loan from GP Pusaka	21.5	111,991,278	108,914,771	111,991,278	108,914,771
Loan from Sarawak					
State Government	21.6	49,280,730	54,123,452	44,280,730	51,123,452
Redeemable preference shares	21.7	14,500,000	8,000,000	-	-
		<u>288,215,329</u>	<u>263,820,059</u>	<u>156,272,008</u>	<u>160,038,223</u>
<b><u>Non-current liabilities</u></b>					
Term loans	21.4	285,847,617	158,710,081	-	-
Loan from Sarawak					
State Government	21.6	75,895,039	82,275,558	59,389,240	62,199,970
Redeemable preference shares	21.7	133,398,535	136,867,038	-	-
Sub total		<u>495,141,191</u>	<u>377,852,677</u>	<u>59,389,240</u>	<u>62,199,970</u>
Total loans and borrowings		<u>783,356,520</u>	<u>641,672,736</u>	<u>215,661,248</u>	<u>222,238,193</u>

**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 2023****21. 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, Sibul, 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;

**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 2023**

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**21. 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, Sibul, Sarawak with a single storey detached warehouse and a 3-storey building built thereon.

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**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 2023****21. 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	
		2023	2022
21.1	Bank overdrafts	7.89% - 8.22%	7.64% - 7.95%
21.2	Bankers' acceptances	3.30% - 3.77%	3.11% - 3.59%
21.3	Revolving credits	5.69% - 6.09%	4.33% - 5.79%
21.4	Term loans	4.86% - 5.43%	4.85% - 4.97%
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%
21.6	The Group and the Corporation obtained interest free loan from the Sarawak State Government except as follows:		
	(a) RM22,199,970 (2022: RM24,902,594) which bore interest rate at 4.00% (2022: 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 (2022: RM48,420,828) which bore interest rate at 6.50% (2022: 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 (2022: RM40,000,000) which bore interest rate at 4.00% (2022: 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”)*

- Each RPS holder is entitled to be paid out of the distributable profits which shall be at the discretion of the Directors;
- 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;
- RPS holders are not entitled to any voting rights;
- RPS holders shall always rank after the RCPS holders in terms of priority for any dividend made or paid by the Group; and
- 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.

**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 2023**

**21. 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 related company. On 31 December 2023, 2,347,397 out of 73,266,000 Class A - PRS shares held by a related Company - Sarawak Capital Assets Sdn. Bhd. with total consideration of RM5,284,000 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 a related company. On 30 December 2022, 5,284,000 out of 78,550,000 RPS shares held by a related Company - Sarawak Capital Assets Sdn. Bhd. with total consideration of RM7,170,000 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.

**22. HIRE PURCHASE PAYABLES**

	The Group		The Corporation	
	2023 RM	2022 RM	2023 RM	2022 RM
Minimum hire purchase payments:				
- not later than one year	767,380	1,165,222	81,145	92,988
- later than one year and not later than five years	443,065	1,208,320	-	77,422
	<u>1,210,445</u>	<u>2,373,542</u>	<u>81,145</u>	<u>170,410</u>
Less: Future finance charges	(60,692)	(151,791)	(1,430)	(6,260)
	<u>1,149,753</u>	<u>2,221,751</u>	<u>79,715</u>	<u>164,150</u>
Analysed by:-				
Current liabilities	726,316	1,074,246	79,715	87,989
Non-current liabilities	423,437	1,147,505	-	76,161
	<u>1,149,753</u>	<u>2,221,751</u>	<u>79,715</u>	<u>164,150</u>

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% (2022: 2.15% to 3.50%) per annum.

**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 2023****23. 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 in the financial year were as follows:

	The Group		The Corporation	
	2023 RM	2022 RM	2023 RM	2022 RM
At 1 January	8,147,230	8,297,343	2,663,229	3,145,581
Recognised in profit or loss	525,742	699,031	42,304	36,892
Payout during the year	(1,322,763)	(849,144)	(431,650)	(519,244)
At 31 December	<u>7,350,209</u>	<u>8,147,230</u>	<u>2,273,883</u>	<u>2,663,229</u>
<b>Present value of unfunded defined benefit obligations</b>				
Current	614,541	589,418	164,541	169,418
Non-current	6,735,668	7,557,812	2,109,342	2,493,811
	<u>7,350,209</u>	<u>8,147,230</u>	<u>2,273,883</u>	<u>2,663,229</u>

**24. DEFERRED TAXATION**

	The Group		The Corporation	
	2023 RM	2022 RM	2023 RM	2022 RM
As at 1 January	(24,928,322)	(26,545,579)	7,218,521	8,218,521
Recognised in profit or loss	(3,170,847)	1,617,257	-	(1,000,000)
At 31 December	<u>(28,099,169)</u>	<u>(24,928,322)</u>	<u>7,218,521</u>	<u>7,218,521</u>
Presented after appropriate offsetting as follows:-				
Deferred tax assets	7,218,521	7,218,521	7,218,521	7,218,521
Deferred tax liabilities	(35,317,690)	(32,146,843)	-	-
	<u>(28,099,169)</u>	<u>(24,928,322)</u>	<u>7,218,521</u>	<u>7,218,521</u>

**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 2023**
**24. DEFERRED TAXATION (CONT'D)**

	The Group		The Corporation	
	2023	2022	2023	2022
	RM	RM	RM	RM
<b>Deferred tax assets:</b>				
Tax losses and unabsorbed capital allowances				
At 1 January	7,218,521	8,218,521	7,218,521	8,218,521
Recognised in profit or loss	-	(1,000,000)	-	(1,000,000)
At 31 December	<u>7,218,521</u>	<u>7,218,521</u>	<u>7,218,521</u>	<u>7,218,521</u>
<b>Deferred tax liabilities:</b>				
Accelerated capital allowances				
At 1 January	(32,146,843)	(34,764,100)	-	-
Recognised in profit or loss	(3,170,847)	2,617,257	-	-
At 31 December	<u>(35,317,690)</u>	<u>(32,146,843)</u>	<u>-</u>	<u>-</u>

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

	The Group		The Corporation	
	2023	2022	2023	2022
	RM	RM	RM	RM
Unabsorbed capital allowances	12,948,591	9,790,938	1,534,482	2,416,397
Unutilised tax losses	71,058,066	50,479,146	12,271,043	9,460,512
Other temporary differences	2,129,058	(83,321)	(2,436,896)	(2,221,610)
At 31 December	<u>86,135,715</u>	<u>60,186,763</u>	<u>11,368,629</u>	<u>9,655,299</u>

**25. TRADE AND OTHER PAYABLES**

	The Group		The Corporation	
	2023	2022	2023	2022
	RM	RM	RM	RM
Trade payables	82,387,106	49,793,830	4,037,857	6,062,452
Other payables	37,557,398	33,746,499	5,825,039	8,260,253
Deposits received	1,603,721	500,485	-	-
Accruals	23,731,824	10,903,393	18,802,104	3,922,527
	<u>145,280,049</u>	<u>94,944,207</u>	<u>28,665,000</u>	<u>18,245,232</u>

The normal trade credit term granted to the Group ranged from 30 to 90 days (2022: 30 to 90 days).

**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 2023****26. REVENUE**

	<b>The Group</b>		<b>The Corporation</b>	
	2023 RM	2022 RM	2023 RM	2022 RM
Aviation services	249,413,340	137,499,920	-	-
Contract income	167,935,499	144,615	-	-
Commission income	1,054,761	1,216,299	-	-
Crude palm oil bulking services	720,200	2,511,600	-	-
Course fees	-	22,342	-	-
General repair and maintenance services	11,064,820	5,780,789	-	-
Grant amortised	4,856,495	29,595,498	4,856,495	29,595,498
Gross dividend:				
- associates	-	-	1,350,000	3,486,750
- other investments	991,143	4,661,175	991,143	5,371,115
- subsidiaries	-	-	1,943,750	286,000
Gain on fair value of other investments	1,972,198	3,350,909	1,972,198	3,350,909
Interest income	292,062	259,367	-	-
Operating grant received	41,054,927	31,513,685	41,054,927	31,513,685
Other services	13,396,322	11,687,380	225,631	194,613
Project revenue	2,432,104	606,126	2,432,104	606,126
Registration fees	589,021	517,552	589,021	517,552
Rental income	11,474,284	12,799,386	10,219,466	10,151,841
Renovation works	197,074	111,801	-	-
Sales of construction, furniture and hardware materials	127,938	393,122	-	-
Sales of woodchips, timber logs, swan timber, sawdust, palm kernel shells, peat swap logs and pulpwoods	50,343,156	258,146,846	-	-
Tarrif	679,999	-	-	-
Timber premium	6,041,458	4,362,243	6,041,458	4,362,243
Timber logging concession income	4,595,043	4,258,949	-	-
Trading of goods	177,443,037	237,128,642	-	-
Vendor programme income	1,583,619	350,349	1,583,619	350,349
Wharfage, stevedorage, barging and other port users' services	6,443,344	10,628,484	-	-
	<u>754,701,844</u>	<u>757,547,079</u>	<u>73,259,812</u>	<u>89,786,681</u>

**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 2023****27. FINANCE COSTS**

	The Group		The Corporation	
	2023 RM	2022 RM	2023 RM	2022 RM
Bankers' acceptance interests	665,378	579,785	-	-
Bank overdraft interests	460,776	130,278	-	-
Revolving credit interests	2,150,774	1,659,206	-	-
Loan interests	19,623,534	18,006,614	6,420,008	6,438,779
Hire purchase interests	94,118	141,109	8,552	8,870
Others	82,373	8,201	-	-
	<b>23,076,953</b>	<b>20,525,193</b>	<b>6,428,560</b>	<b>6,447,649</b>

**28. (LOSS)/PROFIT BEFORE TAXATION**

	The Group		The Corporation	
	2023 RM	2022 RM	2023 RM	2022 RM
Allowance for impairment losses on:				
- investment in associates	346,858	-	346,858	-
- investment in subsidiaries	-	-	54,216	-
- receivables	515,426	1,321	-	-
- amount owing by subsidiaries	-	-	12,346	799,610
- inventories	-	27,377	-	-
- property, plant and equipment	-	4,194,783	-	-
Amortisation of goodwill	176,700	176,700	-	-
Amortisation of intangible assets	2,522	4,333	-	-
Auditors' remuneration:				
- current year	319,448	289,240	32,648	29,840
- underprovision in the previous financial year	1,400	2,100	-	-
Bad debts written off	40,770	105,901	-	-
Board members' fees	248,700	247,900	248,700	247,900
Depreciation of property, plant and equipment	38,836,684	33,642,075	5,902,505	6,258,252
Depletion of biological assets	31,630,874	51,825,620	-	-
Directors' remuneration				
- fees	1,806,001	2,201,176	-	-
- salaries	794,900	654,200	-	-
- non-fees emoluments	1,219,721	1,398,960	-	-
Other key management personnel	188,884	2,041,770	-	-

**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 2023****28. (LOSS)/PROFIT BEFORE TAXATION (CONT'D)**

	The Group		The Corporation	
	2023 RM	2022 RM	2023 RM	2022 RM
Hire of equipment, plant and machineries	1,348,112	1,259,405	1,294,172	1,259,405
Rental expenses	5,525,181	5,745,526	-	297,000
Property, plant and equipment written off	5,185	8,243	2,625	5,547
Loss/(Gain) on foreign exchange:				
- realised	1,477,224	946,631	-	-
- unrealised	(619,287)	246,038	-	-
Rental of aircraft	35,639,493	35,687,652	-	-
Retirement benefit obligations	525,742	699,031	42,304	36,892
Staff costs:				
- wages, salaries, allowances, bonus, overtime and pension	79,249,743	70,943,597	28,526,095	25,949,881
- E.I.S	23,929	21,180	-	-
- E.P.F	9,900,128	8,467,505	818,392	700,540
- SOCSO	471,069	392,595	23,711	23,288
- Other staff related expenses	4,302,509	3,740,626	4,115,048	3,607,589
Grant amortised	(4,856,495)	(29,595,498)	(4,856,495)	(29,595,498)
(Gain)/Loss on fair value changes in:				
- other investments	(4,314,112)	(3,350,909)	(1,972,198)	(1,181,668)
- biological assets	37,674,484	48,282,104	-	-
(Gain)/Loss on disposal of:				
- other investments	(375,561)	(40,813)	322,465	-
- property, plant and equipment	168,370	(25,261,767)	(78,800)	(101,652)
Gross dividend:				
- associates	-	-	(1,350,000)	(3,486,750)
- other investments	(2,239,572)	(4,661,175)	(991,143)	(5,371,115)
- subsidiaries	-	-	(1,943,750)	(286,000)
Interest income	(7,045,881)	(5,613,311)	(3,679,921)	(4,725,239)
Rental income	(11,474,284)	(12,799,386)	(10,219,466)	(10,151,841)
Waiver of payables	-	(433,096)	-	-

**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 2023**
**29. TAXATION**

	The Group		The Corporation	
	2023 RM	2022 RM	2023 RM	2022 RM
Current tax:				
- Current financial year	4,744,063	3,288,912	2,618,331	-
- Under provision in the previous financial year	2,143,546	1,031,624	2,256,316	-
	<u>6,887,609</u>	<u>4,320,536</u>	<u>4,874,647</u>	<u>-</u>
RPGT tax expense	1,082,364	-	1,082,364	-
Deferred tax:				
- Current financial year	1,883,909	(2,784,883)	-	1,000,000
- Underprovision in the previous financial year	1,286,938	1,167,626	-	-
	<u>3,170,847</u>	<u>(1,617,257)</u>	<u>-</u>	<u>1,000,000</u>
	<u>11,140,820</u>	<u>2,703,279</u>	<u>5,957,011</u>	<u>1,000,000</u>

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:-

	The Group		The Corporation	
	2023 RM	2022 RM	2023 RM	2022 RM
(Loss)/Profit before taxation	<u>(23,138,629)</u>	<u>8,555,005</u>	<u>(824,973)</u>	<u>4,463,731</u>
Tax at the statutory income tax rate of 24% (2022: 24%)	(5,553,271)	2,053,201	(197,994)	1,071,295
Tax effect in respect of:-				
Non-deductible expenses	15,555,377	5,533,916	3,204,637	9,045,493
Non-taxable income	(3,991,225)	(12,491,770)	(1,711,174)	(9,948,083)
Utilisation of capital allowances brought forward	(193)	(19,619)	-	-
Utilisation of business losses	9,712	771,856	-	831,295
Utilisation of deferred tax asset previously not recognised	(548,781)	-	-	-
Deferred tax assets not recognised	8,320,481	5,081,230	1,322,862	-
Share of results in associates	(7,164,128)	(424,785)	-	-
RPGT tax expense	1,082,364	-	1,082,364	-
Under provision in the previous financial year:				
- income tax	2,143,546	1,031,624	2,256,316	-
- deferred tax	1,286,938	1,167,626	-	-
	<u>11,140,820</u>	<u>2,703,279</u>	<u>5,957,011</u>	<u>1,000,000</u>

**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 2023****30. PURCHASE OF PROPERTY, PLANT AND EQUIPMENT**

	<b>The Group</b>		<b>The Corporation</b>	
	2023	2022	2023	2022
	RM	RM	RM	RM
Cost of property, plant and equipment purchased	36,899,804	203,098,084	10,257,856	9,655,392
Amount financed through hire purchases	-	(425,474)	-	-
	<u>36,899,804</u>	<u>202,672,610</u>	<u>10,257,856</u>	<u>9,655,392</u>

**31. COMMITMENTS**

## (a) Capital commitments

	<b>The Group</b>		<b>The Corporation</b>	
	2023	2022	2023	2022
	RM	RM	RM	RM
Approved and contracted for:				
Renovation at Wisma Sumber Alam	11,981,980	10,000,000	10,536,476	10,000,000
Approved and but contracted for:				
Property, plant and equipment	44,478,445	18,597,744	-	-
	<u>56,460,425</u>	<u>28,597,744</u>	<u>10,536,476</u>	<u>10,000,000</u>

## (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:

	<b>The Group</b>	
	2023	2022
	RM	RM
Not later than one year	12,254,657	1,570,669
Later than one year and not later than five years	22,814,800	1,022,299
	<u>35,069,457</u>	<u>2,592,968</u>

**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 2023****32. 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:-

	<b>The Group</b>		<b>The Corporation</b>	
	2023	2022	2023	2022
	RM	RM	RM	RM
Transaction with subsidiaries:				
Management service	-	-	6,364,888	5,592,922
Rental expenses	-	-	297,000	275,000
Interest income received/receivable	-	-	(822,617)	(1,753,301)
Rental income	-	-	(10,080)	(66,950)
<hr/>				
Transactions with associates:				
Rental expenses and operating services	3,357,377	3,278,164	-	-
Interest income received/receivable	(25,000)	(26,633)	-	-
Security charges received/ receivable	(52,800)	(52,800)	-	-
Rental income	(190,512)	(190,512)	-	-
Sales of goods	(1,367,360)	(926,140)	-	-
<hr/>				
Transactions with related companies:				
Interest expense	325,000	446,730	-	-
Rental expense	96,000	-	-	-
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**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 2023****33. FINANCIAL INSTRUMENTS**

## 33.1 CATEGORIES OF FINANCIAL INSTRUMENTS

	<b>The Group</b>		<b>The Corporation</b>	
	2023 RM	2022 RM	2023 RM	2022 RM
<b><u>Financial Assets</u></b>				
<b><u>Fair value through profit or loss</u></b>				
Other investments	177,981,380	244,406,360	47,832,164	51,064,989
<b><u>Amortised cost</u></b>				
Trade and other receivables	499,872,006	460,079,255	40,063,531	40,534,380
Amount owing by subsidiaries	-	-	106,660,424	90,754,824
Amount owing by associates	11,028,679	10,960,879	9,567,162	18,370,843
Amount owing by related companies	4,511,072	61,605	-	-
Other investments	60,035,481	57,488,198	45,375,946	45,484,394
Cash and cash equivalents	128,833,822	129,999,813	21,433,422	51,407,977
	<b>704,281,060</b>	<b>658,589,750</b>	<b>223,100,485</b>	<b>246,552,418</b>
<b><u>Financial Liabilities</u></b>				
<b><u>Amortised cost</u></b>				
Trade and other payables	143,676,328	94,443,722	28,665,000	18,245,232
Amount owing to subsidiaries	-	-	106,256	3,688,558
Amount owing to associates	3,704,403	3,704,403	157,404	157,404
Amount owing to related companies	28,377,163	19,436,793	-	-
Hire purchase payables	1,149,753	2,221,751	79,715	164,150
Loans and borrowings	783,356,520	641,672,736	215,661,248	222,238,193
	<b>960,264,167</b>	<b>761,479,405</b>	<b>244,669,623</b>	<b>244,493,537</b>

**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 2023**

	2023 RM	2022 RM
<b>REVENUE</b>		
Dividend income:		
- associates	1,350,000	3,486,750
- other investments	991,143	5,371,115
- subsidiaries	1,943,750	286,000
Fair value gain on other investments	1,972,198	3,350,909
Grant amortised	4,856,495	29,595,498
Registration fees	589,021	517,552
Rental income	10,219,466	10,151,841
Project revenue	2,432,104	606,126
Sawmill licence	63,276	12,542
Operating grant received	41,054,927	31,513,685
Timber inspection and grading fees	162,355	182,071
Timber premium	6,041,458	4,362,243
Vendor programme income	1,583,619	350,349
	73,259,812	89,786,681
<b>LESS: COST OF SALES</b>		
Development expenditure costs	3,452,497	29,300,529
Inventories cost	3,458,660	-
Timber related cost	-	1,403,784
	6,911,157	30,704,313
<b>GROSS PROFIT</b>	66,348,655	59,082,368
<b>ADD: OTHER OPERATING INCOME</b>		
Gain on disposal of property, plant and equipment	78,800	101,652
Interest income from bank	1,427,978	1,241,412
Other income	8,170,432	9,042,775
Staff loan interest income	31,862	33,245
Term loan interest income	2,220,081	3,450,582
	11,929,153	13,869,666
<b>LESS: ADMINISTRATIVE EXPENSES (APPENDIX I)</b>	72,674,221	62,040,654
<b>LESS: FINANCE COSTS</b>		
Hire purchase interests	8,552	8,870
Loan interests	6,420,008	6,438,779
	6,428,560	6,447,649
<b>(LOSS)/PROFIT BEFORE TAX</b>	(824,973)	4,463,731

## PERBADANAN KEMAJUAN PERUSAHAAN KAYU SARAWAK

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

## APPENDIX I

**DETAILED ADMINISTRATIVE EXPENSES - CORPORATION  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023**

	2023	2022
	RM	RM
<b>ADMINISTRATIVE EXPENSES</b>		
Advertisement	123,448	98,567
Allowance for impairment loss on:		
- amount owing by subsidiaries	12,346	799,610
- investment in associates companies	346,858	-
- investment in subsidiaries companies	54,216	-
Audit fee	32,648	29,840
Bad debts written off	-	-
Board members' fees	248,700	247,900
Books, newspapers and periodicals	44,241	49,976
Corporate social responsibilities	1,197,895	1,199,183
Depreciation of property, plant and equipment	5,902,505	6,258,252
Dividend to state government	180,000	-
Electricity and water	862,265	680,740
Entertainment	188,346	152,169
Extraordinary expenditure	1,295,584	53,220
Fair value loss on other investments	-	2,169,241
General office expenses	302,324	301,580
Gifts and contributions	99,000	88,000
Hire of equipment	1,294,172	1,259,405
Insurance	499,411	467,285
Interest subsidy	363,623	346,958
International issue	555	-
Integrity programme	1,420	-
Loss on disposal of other investment	322,465	-
Legal and professional fee	279,218	384,289
Maintenance of gallery	646,075	563,031
Maintenance of industrial estate	8,924,019	8,084,559
Miscellaneous expenses	27,076	248,813
Museum expenses	4,072	5,930
Office rental	297,000	297,000
OSHA	-	7,066
Printing and stationeries	109,487	127,360
Property, plant and equipment written off	2,625	5,547
Rates and assessment	3,145,567	784,376
<b>BALANCE CARRIED FORWARD</b>	<b>26,807,161</b>	<b>24,709,897</b>

**PERBADANAN KEMAJUAN PERUSAHAAN KAYU SARAWAK**

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

**APPENDIX I****DETAILED ADMINISTRATIVE EXPENSES - CORPORATION  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONT'D)**

	2023	2022
	RM	RM
BALANCE BROUGHT FORWARD	26,807,161	24,709,897
Repair and maintenance:		
- motor vehicles	482,627	460,800
- office building	2,259,586	2,080,156
Research and development expenditure	870,927	-
Sarawak timber expo	780,928	-
Soft furniture and fittings	3,811	-
Staff costs:		
- salaries and allowances	25,905,282	23,377,133
- overtime	513,135	464,436
- E.P.F. contribution	818,392	700,540
- E.I.S. and SOCSO contribution	23,711	23,288
- pence	2,107,678	2,108,312
- retirement benefits	42,304	36,892
Staff house rental	132,208	145,667
Staff medical	3,369,349	2,928,694
Staff uniform	112,304	152,198
Staff welfare	460,447	381,030
Staff zakat	40,740	-
STIDC anniversary	2,285,517	-
Telephone, fax and postage	500,729	544,880
Training for industry	347,184	166,179
Training and seminar	1,171,750	793,993
Transport and travelling expenses	3,638,451	2,966,559
	72,674,221	62,040,654





**PUSAKA**

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

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