

**SARAWAK PLANTATION BERHAD
RECURRENT RELATED PARTY TRANSACTIONS (RRPT) OF A REVENUE OR TRADING
NATURE**

INTRODUCTION

The Board of Sarawak Plantation Berhad ("SPB") wishes to announce that its wholly owned subsidiary, Sarawak Plantation Agriculture Development Sdn. Bhd. (SPAD) has in the ordinary course of its business, entered into recurrent related party transactions ("RRPT") as per the details shown in Appendix 1. For the period from 20 December 2017 to 30 October 2018, the aggregate amount of such RRPT stands at RM8,474,297-90, exceeding the 1% percentage ratio.

RATIONALE

These RRPT are necessary for the efficient day to day running of the operations of SPB. They are made in the ordinary course of business and at arm's length on generally acceptable commercial terms not more favourable to the related parties. Further they are also not prejudicial to the interests of the minority shareholders of SPB.

FINANCIAL IMPACT OF THIS RRPT

These RRPT do not have any material effect on the net assets of the Group, share capital and substantial shareholders' shareholding of SPB.

RISKS IN RELATION TO THIS RRPT

Barring any unforeseen circumstances, the Board of SPB does not foresee any major risks in relation to these RRPT.

DIRECTORS AND MAJOR SHAREHOLDERS' INTEREST

The interested directors, major shareholders of SPB and persons connected with them as per Appendix 2 have abstained and will continue to abstain from deliberation on these RRPT.

Save as disclosed in Appendix 2, none of the other Directors and / or major shareholders of SPB and persons connected with them have any interests, direct or indirect, in these RRPT.

WHETHER THIS RRPT IS SUBJECT TO THE APPROVAL OF SHAREHOLDERS AND THE RELEVANT GOVERNMENT AUTHORITIES

These RRPT are not subject to the approval of the shareholders nor that of any government authorities.

STATEMENT BY THE AUDIT COMMITTEE

The Audit Committee, having considered the rationale of these RRPT, is of the view that these RRPT are:

- (a) fair, reasonable and based on generally acceptable commercial terms not more favourable to the Related Parties;
- (b) the terms, business practices and policies are in line with the industry's standards;
- (c) not prejudicial / detrimental to the interests of the minority shareholders; and
- (d) in the best interest of the Group.

DIRECTORS' RECOMMENDATION

The Board of SPB, with the exception of Datuk Amar Abdul Hamed bin Sepawi and Dato Wong Kuo Hea, has considered all aspects of these RRPT and is of the opinion that these RRPT are established on normal commercial terms, are in the best interest of the Group and are not prejudicial / detrimental to the interests of the minority shareholders of SPB.

This announcement is dated 8 November 2018.

APPENDIX 1

Related Party	Nature of Transaction	Value of Transaction (RM)
Agrogreen Ventures Sdn. Bhd.	Agrogreen Ventures Sdn. Bhd. rented vehicles to SPAD	27,000-00
Butrasemari Sdn. Bhd.	Butrasemari Sdn. Bhd. sold Fresh Fruit Bunches (FFB) to SPAD	4,771,187-91
Ironhead Sdn. Bhd.	Ironhead Sdn. Bhd. sold equipments to SPAD	944,500-00
Stonehead Sdn. Bhd.	Stonehead Sdn. Bhd. sold gravel to SPAD	421,862-50
Lik Shen Sawmill Sdn. Bhd.	Lik Shen Sawmill Sdn. Bhd. sold Mixed Light Hardwood Sawn Timber to SPAD	227,156-98
Ta Ann Plywood Sdn. Bhd.	<p>Ta Ann Plywood Sdn. Bhd. provided the following to SPAD in relation to estate field activities :</p> <ul style="list-style-type: none"> - Services - Materials - Vehicles 	<p>418,039-41</p> <p>409,508-15</p> <p>200,000-00</p>
Ta Ann Pelita Igan Plantation Sdn. Bhd.	<p>Ta Ann Pelita Igan Plantation Sdn. Bhd. provided the following to SPAD in relation to estate field activities :</p> <ul style="list-style-type: none"> - Services - Labour - Material <p>Ta Ann Pelita Igan Plantation Sdn. Bhd. purchased materials from SPAD</p>	<p>434,623-75</p> <p>325,679-52</p> <p>153,530-23</p> <p>141,209-45</p>
TOTAL for the period 20 December 2017 to 30 October 2018		8,474,297-90

APPENDIX 2

Related Party	Interested Related Party	Nature of Relationship
Butrasemari Sdn. Bhd.	<ul style="list-style-type: none"> - Datuk Amar Abdul Hamed bin Sepawi - Dato Wong Kuo Hea 	<ul style="list-style-type: none"> - Director and Shareholder of SPB - Director and Shareholder of Palmhead Holdings Sdn. Bhd., a company who owns 100% of Butrasemari Sdn. Bhd. - Director and Shareholder of SPB - Director and Shareholder of Palmhead Holdings Sdn. Bhd., a company who owns 100% of Butrasemari Sdn. Bhd.
Agrogreen Ventures Sdn. Bhd.	<ul style="list-style-type: none"> - Ta Ann Holdings Berhad 	<ul style="list-style-type: none"> - Substantial Shareholder of SPB - Ta Ann Holdings Berhad is a shareholder of Pekan Semangat Sdn. Bhd., a company who owns 100% of Agrogreen Ventures Sdn. Bhd.
Ironhead Sdn. Bhd.	<ul style="list-style-type: none"> - Ta Ann Holdings Berhad 	<ul style="list-style-type: none"> - Substantial Shareholder of SPB - Ta Ann Holdings Berhad is a shareholder of Ta Ann Plantation Sdn. Bhd., a company who owns 100% of Ironhead Sdn. Bhd.
Stonehead Sdn. Bhd.	<ul style="list-style-type: none"> - Datuk Amar Abdul Hamed bin Sepawi - Dato Wong Kuo Hea 	<ul style="list-style-type: none"> - Director and Shareholder of SPB - Director and Shareholder of Stonehead Sdn. Bhd. - Director and Shareholder of SPB - Director and Shareholder of Stonehead Sdn. Bhd.
Lik Shen Sawmill Sdn. Bhd.	<ul style="list-style-type: none"> - Ta Ann Holdings Berhad 	<ul style="list-style-type: none"> - Substantial Shareholder of SPB - Ta Ann Holdings Berhad owns 100% of Lik shen Sawmill Sdn. Bhd.

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Related Party	Interested Related Party	Nature of Relationship
<p>Ta Ann Plywood Sdn. Bhd.</p>	<ul style="list-style-type: none"> - Ta Ann Holdings Berhad 	<ul style="list-style-type: none"> - Substantial Shareholder of SPB - Ta Ann Holdings Berhad owns 100% of Ta Ann Plywood Sdn. Bhd.
<p>Ta Ann Pelita Igan Plantation Sdn. Bhd.</p>	<ul style="list-style-type: none"> - Ta Ann Holdings Berhad 	<ul style="list-style-type: none"> - Substantial Shareholder of SPB - Ta Ann Holdings Berhad is a shareholder of Ta Ann Plantation Sdn. Bhd., a company who owns 100% of Ta Ann Pelita Igan Plantation Sdn. Bhd.