

**UNIVERSITI TEKNOLOGI MARA**

**FINANCIAL STATEMENT ANALYSIS  
OF SARAWAK PLANTATION BERHAD**

**AYATULLAH BIN SAPAWI  
RAFIDAH BINTI NAWAWI**

Dissertation submitted in partial fulfillment of the requirements  
for the degree of  
**Executive Master of Business Administration**

**Arshad Ayub Graduate Business School**

**July 2014**

## AUTHOR'S DECLARATION

We declare that the work in this dissertation was carried out in accordance with the regulations of Universiti Teknologi MARA. It is original and is the results of our own work, unless otherwise indicated or acknowledged as referenced work. This topic has not been submitted to any other academic institution or non-academic institution for any degree or qualification.

In the event that our dissertation be found to violate the conditions mentioned above, We voluntarily waive the right of conferment of our degree and agree be subjected to the disciplinary rules and regulations of Universiti Teknologi MARA.


Name of Candidates : Ayatullah Bin Sapawi  
Rafidah Nt Nawawi

Candidates I.D. No. : 2012887966  
2012861234

Programme : Master of Business Administration

Faculty : Arshad Ayub Graduate Business School

Thesis Tittle : Financial Statement Analysis :  
A Study Of Sarawak Plantation Berhad

Signature of Candidates :   
.....  
.....

Date : July 2014

## TABLE OF CONTENTS

LETTER OF TRANSMITTAL	i
DECLARATION	ii
ACKNOWLEDGEMENT	iii
TABLE OF CONTENTS	iv-ix
LIST OF TABLES	x
LIST OF FIGURES	xi
ABSTRACTS	xii
<b>CHAPTER 1: INTRODUCTION</b>	
1.1. Introduction	1
1.1.1 Company's Future Plan	1-3
1.1.2 Company's Vision	3
1.1.3 Company's Mission	3-4
1.1.4 Company's Organization Chart	4-5
1.1.5 Corporate Value	6-7
1.1.6 Core Business Activities	7-10
1.2. Problem Statement	10
1.3. Research Objective	11
1.4. Research Question	11
1.5. Significance Of The Study	12
1.5.1 To Sarawak Plantation Berhad	12
1.5.2 To The Researcher	12
1.5.3 To The Palm Oil Industries	12
1.5.4 To The Investor	13
1.5.5 To The Economy	13
1.6. Scope Of Study	14
1.7. Research Limitation	15
1.7.1 Industrial Average	15
1.7.2 Incomplete Information	15
1.7.3 Restriction On The Contact With Suppliers And Customers	16
1.8. Definitions Of The Terms	17
1.8.1 Financial Statements	17
1.8.2 Financial Ratios Analysis	17
1.8.3 SWOT Analysis	17

## **ABSTRACT**

The aim of this paper is to analyze the audited financial statements of Sarawak Plantation Berhad using financial ratios analysis to identify potential problems areas of the company. Horizontal analysis or trend analysis and cash flow analysis would also be done to support the findings of the financial ratio analysis.

Based on the problem identified, structured interviews were conducted to further clarify on the problems areas identified from the financial ratio analysis, horizontal analysis and cash flow analysis.

Recommendations would also be made to the management of Sarawak Plantation Berhad based on the results and findings of the financial ratios analysis, horizontal analysis, cash flows analysis and the structured interviews.

It is hopes that the findings and the recommendations made would help Sarawak Plantation Berhad, to improve its financial performance and also encourage more in-depth research to be done based on the findings of this study.

Keywords: Financial statements, financial ratio analysis, horizontal analysis, cash flow analysis

## CHAPTER 1

### INTRODUCTION OF SARAWAK PLANTATION BERHAD

#### 1.1 Background Of Sarawak Plantation Berhad

Sarawak Plantation Berhad was incorporated on 28<sup>th</sup> October 1997 as Sarawak Plantation Sdn Bhd. On 1<sup>st</sup> February 2000 the company was converted to a public listed company and subsequently known as Sarawak Plantation Berhad since then. Sarawak Plantation Berhad was specially incorporated as the vehicle company for the privatization on Sarawak Land Development Board's (SLDB) assets.

The privatization of Sarawak Land Development Board assets, comprising oil palm plantations, milling facilities and related assets, was effected through the transfer of Sarawak Land Development Board's assets to the Sarawak Plantation Berhad Group (comprising Sarawak Plantation Berhad and its subsidiaries). With this privatization, all principal assets of Sarawak Land Development Board are now owned and managed by Sarawak Plantation Berhad and certain of its subsidiaries.

##### 1.1.1 Company's Future Plan

Sarawak Plantation future plans are to ensure growth and to position the company as a main player in the oil palm business participating in both up-stream and down-stream activities in Sarawak.