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Sawit Kinabalu targets top spot

ZAIDI ISHAM ISMAIL

KOTA KINABALU: Sawit Kinabalu Sdn Bhd, one of Sabah's top three plantations firms, aims to be number one in the next five years as it puts in place new management initiatives and good agricultural and sustainable practices, such as using good clones, to improve yields.

Sawit Kinabalu group managing director Datuk Othman Walat said the Sabah state-owned firm is on track to become the state's top palm oil producer based on its robust fresh fruit bunches (FFB) production, above average oil extraction rate (OER) and strong crude palm oil prices.

"Since corporatisation in 1996, Sawit Kinabalu has been among the top three and by keeping our pace, spirit and enthusiasm, we should be number one in five years.

By ramping up FFB yield per hectare and managing cost per tonne, we are at par or even above the rest, Othman told Business Times, here, on Tuesday.

Top plantation firms in Sabah include Felda Global Ventures Holdings Bhd, Sime Darby Bhd, Lembaga Tabung Haji and IOI Corp Bhd.

Othman said the target is achievable as the

firm's FFB yield in 2012 hit 20.4 million tonnes per hectare per year, an improvement of 1.4 million tonnes, or eight per cent, from 18.96 tonnes recorded in 2011.

It also exceeded Malaysia's average growth of 19.2 tonnes per hectare. In comparison, Sabah's average FFB yield declined nine per cent to 20.4 million tonnes in 2012, from 22.3 million tonnes per hectare in 2011.

The average OER for the group in 2012 was 20.6 per cent, better than Malaysia's average of 20.35 per cent.

Othman said Sawit Kinabalu also plans to list on Bursa Malaysia but declined to give the timeline. "It all depends on stakeholders such as

the Sabah state government as well as how much we plan to pay the settlers.

"I do not discount the possibility of Sawit Kinabalu being listed in the future but its just not now," he added. The group recorded revenue of RM1.26 billion and a pre-tax profit of RM121.4 million in 2012.

As at end-2012, Sawit Kinabalu's plantations spread across 67,893ha, of which 31,190ha are planted.

Sawit Kinabalu group managing director **Datuk Othman Walat** expects the company to be Sabah's number one palm oil producer in five years.

