

**RIMBUNAN SAWIT BERHAD**

[Registration No: 200501014346(691393-U)]

North Wing, Menara Rimbunan Hijau, 101, Pusat Suria Permata, Jalan Upper Lanang, 96000 Sibul, Sarawak, Malaysia

Telephone No.: 084-218555 Facsimile No.: 084-219555 Email: rsb@rsb.com.my

Interim Financial StatementsFor the 2nd Quarter Ended 30 June 2021

	Page
Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income	1
Condensed Consolidated Statement of Financial Position	3
Condensed Consolidated Statement of Changes in Equity	5
Condensed Consolidated Statement of Cash Flows	7
Explanatory Notes	
<i>Part A – Explanatory Notes Pursuant to MFRS 134</i>	10
<i>Part B – Explanatory Notes Pursuant to Appendix 9B of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad</i>	16

**RIMBUNAN SAWIT BERHAD**

[Registration No: 200501014346(691393-U)]

North Wing, Menara Rimbunan Hijau, 101, Pusat Suria Permata, Jalan Upper Lanang, 96000 Sibul, Sarawak, Malaysia

Telephone No.: 084-218555

Facsimile No.: 084-219555

Email: rsb@rsb.com.my

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive IncomeFor the 2nd Quarter Ended 30 June 2021*(the figures have not been audited)*

	Individual Quarter 3-month Period Ended		Cumulative Quarter 6-month Period Ended	
	30.06.2021 RM'000	30.06.2020 RM'000	30.06.2021 RM'000	30.06.2020 RM'000
REVENUE	133,569	82,415	234,166	162,774
COST OF SALES	(118,051)	(76,083)	(215,372)	(146,276)
GROSS PROFIT	15,518	6,332	18,794	16,498
OTHER INCOME	1,885	2,199	2,980	2,782
DISTRIBUTION COSTS	(6,171)	(4,429)	(10,835)	(8,189)
OTHER OPERATING EXPENSES	(12)	(123)	(721)	(1,424)
ADMINISTRATIVE EXPENSES	(4,170)	(4,083)	(8,886)	(8,773)
FINANCE COSTS	(3,731)	(4,165)	(6,843)	(9,778)
PROFIT/(LOSS) BEFORE TAXATION	3,319	(4,269)	(5,511)	(8,884)
INCOME TAX EXPENSES	(2,482)	(876)	(3,742)	(1,588)
PROFIT/(LOSS) AFTER TAXATION	837	(5,145)	(9,253)	(10,472)
OTHER COMPREHENSIVE INCOME	-	-	-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	837	(5,145)	(9,253)	(10,472)

**RIMBUNAN SAWIT BERHAD**

[Registration No: 200501014346(691393-U)]

North Wing, Menara Rimbunan Hijau, 101, Pusat Suria Permata, Jalan Upper Lanang, 96000 Sibul, Sarawak, Malaysia

Telephone No.: 084-218555 Facsimile No.: 084-219555 Email: rsb@rsb.com.my

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income (Cont'd)For the 2nd Quarter Ended 30 June 2021*(the figures have not been audited)*

	Individual Quarter 3-month Period Ended		Cumulative Quarter 6-month Period Ended	
	30.06.2021 RM'000	30.06.2020 RM'000	30.06.2021 RM'000	30.06.2020 RM'000
PROFIT/(LOSS) AFTER TAXATION ATTRIBUTABLE TO:-				
- Owners of the Company	(37)	(3,197)	(10,603)	(5,701)
- Non-controlling interests	874	(1,948)	1,350	(4,771)
	<u>837</u>	<u>(5,145)</u>	<u>(9,253)</u>	<u>(10,472)</u>
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:-				
- Owners of the Company	(37)	(3,197)	(10,603)	(5,701)
- Non-controlling interests	874	(1,948)	1,350	(4,771)
	<u>837</u>	<u>(5,145)</u>	<u>(9,253)</u>	<u>(10,472)</u>
LOSS PER SHARE (SEN):-				
- Basic	(0.00)	(0.16)	(0.52)	(0.28)
- Diluted	N/A	N/A	N/A	N/A

The Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the audited financial statements for the financial year ended 31 December 2020 and the accompanying explanatory notes attached to the interim financial statements.

**RIMBUNAN SAWIT BERHAD**

[Registration No: 200501014346(691393-U)]

North Wing, Menara Rimbunan Hijau, 101, Pusat Suria Permata, Jalan Upper Lanang, 96000 Sibul, Sarawak, Malaysia

Telephone No.: 084-218555 Facsimile No.: 084-219555 Email: rsb@rsb.com.my

Condensed Consolidated Statement of Financial Position

As at 30 June 2021

(the figures have not been audited)

	As at 30.06.2021	As at 31.12.2020
	RM'000	RM'000
ASSETS		
NON-CURRENT ASSETS		
Property, plant and equipment	834,615	855,047
Biological assets	756	1,013
Intangible assets	67	197
Other investment	1,643	1,643
Goodwill	7,462	7,462
Deposits with licensed banks	120	120
	<hr/>	<hr/>
	844,663	865,482
CURRENT ASSETS		
Inventories	18,048	18,477
Biological assets	5,015	3,078
Trade receivables	8,433	10,195
Other receivables, deposits and prepayments	10,782	10,090
Current tax assets	5,071	3,908
Deposits with licensed banks	89	89
Cash and bank balances	2,156	1,037
	<hr/>	<hr/>
	49,594	46,874
TOTAL ASSETS	<hr/> 894,257	<hr/> 912,356

**RIMBUNAN SAWIT BERHAD**

[Registration No: 200501014346(691393-U)]

North Wing, Menara Rimbunan Hijau, 101, Pusat Suria Permata, Jalan Upper Lanang, 96000 Sibul, Sarawak, Malaysia

Telephone No.: 084-218555

Facsimile No.: 084-219555

Email: rsb@rsb.com.my

Condensed Consolidated Statement of Financial Position (Cont'd)

As at 30 June 2021

(the figures have not been audited)

	As at 30.06.2021	As at 31.12.2020
	RM'000	RM'000
EQUITY AND LIABILITIES		
EQUITY		
Share capital	614,600	614,600
Accumulated losses	(235,608)	(225,005)
Equity attributable to owners of the Company	378,992	389,595
Non-controlling interests	(21,795)	(23,145)
TOTAL EQUITY	357,197	366,450
NON-CURRENT LIABILITIES		
Borrowings	200,020	205,601
Deferred tax liabilities	44,207	45,407
	244,227	251,008
CURRENT LIABILITIES		
Trade payables	52,348	55,219
Other payables, deposits and accruals	32,343	31,122
Borrowings:-		
- bank overdrafts	-	1,848
- other borrowings	203,198	202,314
Current tax liabilities	4,944	4,395
	292,833	294,898
TOTAL LIABILITIES	537,060	545,906
TOTAL EQUITY AND LIABILITIES	894,257	912,356
NET ASSETS PER SHARE (RM)	0.19	0.19

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the financial year ended 31 December 2020 and the accompanying explanatory notes attached to the interim financial statements.

**RIMBUNAN SAWIT BERHAD**

[Registration No: 200501014346(691393-U)]

North Wing, Menara Rimbunan Hijau, 101, Pusat Suria Permata, Jalan Upper Lanang, 96000 Sibul, Sarawak, Malaysia

Telephone No.: 084-218555 Facsimile No.: 084-219555 Email: rsb@rsb.com.my

Condensed Consolidated Statement of Changes in Equity

For the Six Months Ended 30 June 2021

(the figures have not been audited)

	< ----- Non-distributable ----- > Share Capital					
	Ordinary Shares RM'000	Merger Reserve RM'000	Accumulated Losses RM'000	Attributable to Owners of the Company RM'000	Non- controlling Interests RM'000	Total Equity RM'000
Balance at 1.1.2021	614,600	(53,065)	(171,940)	389,595	(23,145)	366,450
Loss after taxation/Total comprehensive income for the period	-	-	(10,603)	(10,603)	1,350	(9,253)
Balance at 30.6.2021	614,600	(53,065)	(182,543)	378,992	(21,795)	357,197

**RIMBUNAN SAWIT BERHAD**

[Registration No: 200501014346(691393-U)]

North Wing, Menara Rimbunan Hijau, 101, Pusat Suria Permata, Jalan Upper Lanang, 96000 Sibul, Sarawak, Malaysia

Telephone No.: 084-218555 Facsimile No.: 084-219555 Email: rsb@rsb.com.my

Condensed Consolidated Statement of Changes in Equity (Cont'd)

For the Six Months Ended 30 June 2020

(the figures have not been audited)

	< ----- Non-distributable ----- >						
	Share Capital				Attributable to	Non-	Total
	Ordinary	Preference	Merger	Accumulated	Owners of	controlling	Equity
	Shares	Shares	Reserve	Losses	the Company	Interests	
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Balance at 1.1.2020	724,691	82,438	(53,065)	(320,347)	433,717	(11,215)	422,502
Loss after taxation/Total comprehensive income for the period	-	-	-	(5,701)	(5,701)	(4,771)	(10,472)
Balance at 30.6.2020	724,691	82,438	(53,065)	(326,048)	428,016	(15,986)	412,030

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements for the financial year ended 31 December 2020 and the accompanying explanatory notes attached to the interim financial statements.

**RIMBUNAN SAWIT BERHAD**

[Registration No: 200501014346(691393-U)]

North Wing, Menara Rimbunan Hijau, 101, Pusat Suria Permata, Jalan Upper Lanang, 96000 Sibul, Sarawak, Malaysia

Telephone No.: 084-218555 Facsimile No.: 084-219555 Email: rsb@rsb.com.my

Condensed Consolidated Statement of Cash Flows

For the Six Months Ended 30 June 2021

(the figures have not been audited)

	6 Months Ended	
	30.06.2021 RM'000	30.06.2020 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before taxation	(5,511)	(8,884)
Adjustments for:-		
Allowance for stock obsolescence no longer required	(5)	(3)
Amortisation of intangible assets	147	145
Bad debts written off	24	42
Biological assets written off	253	-
Change in fair value of biological assets	(1,938)	741
Change in fair value of other investment	-	(4,982)
Depreciation of property, plant and equipment	27,000	33,525
(Loss)/Gain on disposal of property, plant and equipment	(8)	(4,906)
Gain on derecognition of lease contract	(15)	-
Impairment loss on receivables no longer required	(5)	-
Interest expense	6,843	9,778
Interest income	(4)	(1)
Property, plant and equipment written off	445	140
Operating profit before working capital changes	27,226	25,595
Change in inventories	434	2,752
Change in trade and other receivables	1,052	(2,869)
Change in trade and other payables	(1,651)	(4,810)
CASH FROM OPERATIONS	27,061	20,668
Income tax paid	(7,496)	(3,438)
Income tax refunded	1,940	-
Interest paid	(7,409)	(10,675)
Interest received	4	1
NET CASH FROM OPERATING ACTIVITIES	14,100	6,556
BALANCE CARRIED FORWARD	14,100	6,556

**RIMBUNAN SAWIT BERHAD**

[Registration No: 200501014346(691393-U)]

North Wing, Menara Rimbunan Hijau, 101, Pusat Suria Permata, Jalan Upper Lanang, 96000 Sibul, Sarawak, Malaysia

Telephone No.: 084-218555 Facsimile No.: 084-219555 Email: rsb@rsb.com.my

Condensed Consolidated Statement of Cash Flows (Cont'd)

For the Six Months Ended 30 June 2021

(the figures have not been audited)

	6 Months Ended	
	30.06.2021 RM'000	30.06.2020 RM'000
BALANCE BROUGHT FORWARD	14,100	6,556
CASH FLOWS FOR INVESTING ACTIVITIES		
Costs incurred on biological assets	-	(118)
Proceeds from disposal of property, plant and equipment	600	25,693
Purchase of property, plant and equipment	(7,020)	(3,775)
Purchase of intangible assets	(17)	-
NET CASH (FOR)/FROM INVESTING ACTIVITIES	(6,437)	21,800
CASH FLOWS FOR FINANCING ACTIVITIES		
Change in bankers' acceptance	(834)	(2,734)
Change in revolving credit	4,800	2,600
Drawdown of term loans	2,682	-
Repayment of lease liabilities	(739)	(2,025)
Repayment of term loans	(10,605)	(18,950)
NET CASH FOR FINANCING ACTIVITIES	(4,696)	(21,109)
NET CHANGE IN CASH AND CASH EQUIVALENTS	2,967	7,247
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	(722)	(16,763)
CASH AND CASH EQUIVALENTS AT END OF PERIOD	2,245	(9,516)

**RIMBUNAN SAWIT BERHAD**

[Registration No: 200501014346(691393-U)]

North Wing, Menara Rimbunan Hijau, 101, Pusat Suria Permata, Jalan Upper Lanang, 96000 Sibul, Sarawak, Malaysia

Telephone No.: 084-218555 Facsimile No.: 084-219555 Email: rsb@rsb.com.my

Condensed Consolidated Statement of Cash Flows (Cont'd)

For the Six Months Ended 30 June 2021

(the figures have not been audited)

Cash and cash equivalents included in the Condensed Consolidated Statement of Cash Flows comprise:-

	6 Months Ended	
	30.06.2021 RM'000	30.06.2020 RM'000
Cash and bank balances	2,156	1,934
Deposits with licensed banks	209	205
Bank overdrafts	-	(11,535)
	<hr/>	<hr/>
	2,365	(9,396)
Less: Deposits pledged to licensed banks	(120)	(120)
	<hr/>	<hr/>
	2,245	(9,516)
	<hr/>	<hr/>

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements for the financial year ended 31 December 2020 and the accompanying explanatory notes attached to the interim financial statements.

**RIMBUNAN SAWIT BERHAD**

[Registration No: 200501014346(691393-U)]

North Wing, Menara Rimbunan Hijau, 101, Pusat Suria Permata, Jalan Upper Lanang, 96000 Sibul, Sarawak, Malaysia

Telephone No.: 084-218555 Facsimile No.: 084-219555 Email: rsb@rsb.com.my

Part A – Explanatory Notes Pursuant to MFRS 134

A1 Basis of Preparation

The unaudited interim financial statements have been prepared in accordance with MFRS 134 Interim Financial Reporting and Chapter 9 Appendix 9B of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

The interim financial statements should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 December 2020. These explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial year ended 31 December 2020.

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 Financial Reporting Standards (“MFRSs”), International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

During the current financial year, the Group has adopted the following new accounting standard(s) and/or interpretation(s) (including the consequential amendments, if any):-

MFRSs and/or IC Interpretations (Including The Consequential Amendments)

Amendments to MFRS 3: Definition of a Business

Amendments to MFRS 4: Extension of the Temporary Exemption from Applying MFRS 9

Amendments to MFRS 9, MFRS 139 and MFRS 7: Interest Rate Benchmark Reform

Amendments to MFRS 16: COVID-19-Related Rent Concessions

Amendments to MFRS 101 and MFRS 108: Definition of Material

Amendments to References to the Conceptual Framework in MFRS Standards

The adoption of the above accounting standard(s) and/or interpretation(s) (including the consequential amendments, if any) did not have any material impact on the Group’s financial statements.

The Group has not applied in advance the following accounting standard(s) and/or interpretation(s) (including the consequential amendments, if any) that have been issued by the Malaysian Accounting Standards Board (MASB) but are not yet effective for the current financial year:-

MFRSs and/or IC Interpretations (Including The Consequential Amendments)**Effective Date**

MFRS 17 Insurance Contracts

1 January 2023

Amendments to MFRS 3: Reference to the Conceptual Framework

1 January 2022

Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets
between an Investor and its Associate or Joint Venture

Deferred

Amendment to MFRS 16: COVID-19-Related Rent Concessions Beyond 30
June 2021

1 April 2021

**RIMBUNAN SAWIT BERHAD**

[Registration No: 200501014346(691393-U)]

North Wing, Menara Rimbunan Hijau, 101, Pusat Suria Permata, Jalan Upper Lanang, 96000 Sibul, Sarawak, Malaysia

Telephone No.: 084-218555 Facsimile No.: 084-219555 Email: rsb@rsb.com.my

Part A – Explanatory Notes Pursuant to MFRS 134

A1 Basis of Preparation (Cont'd)

The Group has not applied in advance the following accounting standard(s) and/or interpretation(s) (including the consequential amendments, if any) that have been issued by the Malaysian Accounting Standards Board (MASB) but are not yet effective for the current financial year:- (Cont'd)

MFRSs and/or IC Interpretations (Including The Consequential Amendments)	Effective Date
Amendments to MFRS 17 Insurance Contracts	1 January 2023
Amendments to MFRS 101: Classification of Liabilities as Current or Non-current	1 January 2023
Amendments to MFRS 101: Disclosure of Accounting Policies	1 January 2023
Amendments to MFRS 116: Property, Plant and Equipment – Proceeds before Intended Use	1 January 2022
Amendments to MFRS 137: Onerous Contracts – Cost of Fulfilling a Contract	1 January 2022
Annual Improvements to MFRS Standards 2018 – 2020	1 January 2022

The adoption of the above accounting standard(s) and/or interpretation(s) (including the consequential amendments, if any) is expected to have no material impact on the financial statements of the Group upon their initial application.

A2 Comments about Seasonality or Cyclicity of Operations

The prices for the Group's products are not within the control of the Group but are determined by the global supply and demand situation for edible oils.

Crop production is affected by weather conditions, age of palms and availability of labour force.

The prices obtainable for the Group's products as well as the volume of production will determine the profits for the Group.

A3 Unusual Items Due to their Nature, Size or Incidence

There were no unusual items affecting assets, liabilities, equity, net income or cash flows for the period under review.



RIMBUNAN SAWIT BERHAD

[Registration No: 200501014346(691393-U)]

North Wing, Menara Rimbunan Hijau, 101, Pusat Suria Permata, Jalan Upper Lanang, 96000 Sibul, Sarawak, Malaysia

Telephone No.: 084-218555 Facsimile No.: 084-219555 Email: rsb@rsb.com.my

Part A – Explanatory Notes Pursuant to MFRS 134 (Cont'd)

A4 Changes in Estimates

There were no changes in estimates that have had a material effect on the results of the Group for the period under review.

A5 Debt and Equity Securities

There were no issuances, cancellations, repurchases, resale and repayments of debt and equity securities for the period under review.

A6 Dividends Paid

There were no dividends paid during the current quarter.

A7 Segment Information

Information about operating segment is not reported separately as the Group's profit or loss, assets and liabilities are mainly confined to a single operating segment, namely the oil palm plantation and operation of palm oil mill.

A8 Property, Plant and Equipment

(a) Acquisitions and Disposals

During the 6-month period ended 30 June 2021, the Group acquired assets at a cost of RM7.02 million.

Assets with a carrying amount of RM591,600 were disposed of by the Group during the 6-month period ended 30 June 2021, resulting in a net gain on disposal of RM8,639 which is included in the statement of profit or loss and other comprehensive income.

(b) Valuations

The Group did not have any revalued assets.

A9 Material Events Subsequent to the End of the Interim Period

There were no material events subsequent to the end of the period under review that have not been reflected in the financial statements.



RIMBUNAN SAWIT BERHAD

[Registration No: 200501014346(691393-U)]

North Wing, Menara Rimbunan Hijau, 101, Pusat Suria Permata, Jalan Upper Lanang, 96000 Sibul, Sarawak, Malaysia

Telephone No.: 084-218555 Facsimile No.: 084-219555 Email: rsb@rsb.com.my

Part A – Explanatory Notes Pursuant to MFRS 134 (Cont'd)

A10 Changes in the Composition of the Group

There were no significant changes in the composition of the Group for the quarter under review.

A11 Changes in Contingent Liabilities or Contingent Assets

On 23 December 2020, Timrest Sdn. Bhd. (“TSB”), a wholly-owned subsidiary of the Company, received notices of assessment for the years of assessment (“YAs”) 2012, 2014 and 2015, and notices of additional assessment for the YAs 2010, 2011, 2013, 2016 and 2017 (“Assessments”) in an amount totalling RM56.4 million.

The Assessments arose as a result of the Director General of Inland Revenue’s (“DGIR”) contention that the disposal of cultivation rights under Licence for Planted Forest at the Simunjan estate in 2018 rendered TSB engaging in an adventure or concern in the nature of trade; the disposal of which was therefore subject to income tax under the Income Tax Act 1967 (“ITA”) instead of real property gains tax under the Real Property Gains Tax Act 1976 (“RPGTA”). The claim of agriculture allowance under Schedule 3 of the ITA on the expenditure incurred on planting activities arising from the Simunjan estate was consequently disallowed for YAs 2010 to 2017.

TSB challenged the Assessments and on 15 January 2021, filed a judicial review application against the Ministry of Finance (“Respondent”). The Kuala Lumpur High Court had initially fixed the hearing for TSB’s application for leave to commence judicial review on 2 February 2021. However, the DGIR has made an application to intervene in the judicial review proceeding commenced by TSB. The High Court provided directions to the parties in respect to the DGIR’s application to intervene and fixed the hearing for the DGIR’s application on 12 April 2021, with the decision to be fixed on 3 June 2021 after the hearing. Further, the High Court has granted an interim stay upon the enforcement of the Assessments until the hearing on 3 June 2021, whereby the disputed taxes do not have to be paid.

On 3 June 2021, in view of the 2 cases which was previously heard by YA Hakim Datuk Noorin Binti Badaruddin (Puncak Niaga Construction Sdn Bhd v Menteri Kewangan Malaysia) and YA Hakim Dato Sri Mariana Binti Yahya (Desaru Property Development Sdn Bhd v Menteri Kewangan Malaysia), whereby two conflicting decisions were given and appeals were lodged to the Court of Appeal, the Court takes the position that the decision of the Court of Appeal will be binding upon the present application.

In this regard, the Judge reserves his decision pending the outcome of the 2 appeals before the Court of Appeal. The Judge fixed a case management date on 6 September 2021 for parties to update the Court on the outcome of the appeals at the Court of Appeal. Further, the Judge granted an interim stay until the disposal of the Leave hearing, whereby the disputed taxes do not have to be paid until the leave hearing is heard and decided.

Management believes, based on legal advice, that TSB has an arguable case to contend that the Respondent has exceeded its jurisdiction and acted illegally and unreasonably in failing to exercise its power under Section 135 of the ITA to provide directions to the DGIR and/or Section 127(3A) of the ITA to set aside or exempt the notices of additional assessment. Further, the DGIR’s conduct in subjecting the gains arising from TSB’s disposal of cultivation rights at the



RIMBUNAN SAWIT BERHAD

[Registration No: 200501014346(691393-U)]

North Wing, Menara Rimbunan Hijau, 101, Pusat Suria Permata, Jalan Upper Lanang, 96000 Sibul, Sarawak, Malaysia

Telephone No.: 084-218555 Facsimile No.: 084-219555 Email: rsb@rsb.com.my

Part A – Explanatory Notes Pursuant to MFRS 134 (Cont’d)

A11 Changes in Contingent Liabilities or Contingent Assets (Cont’d)

Simunjan estate to Section 4(a) of the ITA is without legal and factual basis. Therefore, no provision is required to be made in the financial statements.

A12 Capital Commitments

The amount of capital commitments not provided for in the financial statements as at 30 June 2021 was as follows:-

	RM'000
Property, plant and equipment:-	
- Contracted but not provided for	936
	<hr/>

[The rest of this page is intentionally left blank]

**RIMBUNAN SAWIT BERHAD**

[Registration No: 200501014346(691393-U)]

North Wing, Menara Rimbunan Hijau, 101, Pusat Suria Permata, Jalan Upper Lanang, 96000 Sibul, Sarawak, Malaysia

Telephone No.: 084-218555 Facsimile No.: 084-219555 Email: rsb@rsb.com.my

Part A – Explanatory Notes Pursuant to MFRS 134 (Cont'd)**A13 Significant Related Party Transactions**

The Group carried out the following significant transactions with the related parties during the period under review:-

	Individual Quarter 3 Months Ended		Cumulative Quarter 6 Months Ended	
	30.06.2021 RM'000	30.06.2020 RM'000	30.06.2021 RM'000	30.06.2020 RM'000
Consultancy fees paid	5	8	26	11
Interest paid	204	74	458	136
Purchase of fertilisers and chemicals	6	1	70	2
Purchase of FFB	4,004	1,109	6,172	2,705
Purchase of Seedlings	97	-	97	-
Purchase of property, plant and equipment	2,642	6	2,870	6
Purchase of stores and consumables	680	344	1,265	592
Rental paid	19	375	389	743
Repairs and maintenance	23	20	46	29
Transportation and accommodation charges	1	3	6	4
Utilities, insurance, and sundry expenses	18	26	72	46
Rental received	7	2	22	4
Sale of crude palm oil	27,090	17,297	42,916	33,159
Sale of Palm Kernel	1,907	-	1,907	-
Sale of empty bunch ash	-	-	-	1
Sale of FFB	6,011	6,393	14,284	13,525
Sale of property, plant and equipment	-	-	4	-
Sale of stores and consumables	38	17	63	38
Transportation and handling income	314	369	522	650
Utilities, insurance, and sundry income	43	9	88	25


RIMBUNAN SAWIT BERHAD

[Registration No: 200501014346(691393-U)]

North Wing, Menara Rimbunan Hijau, 101, Pusat Suria Permata, Jalan Upper Lanang, 96000 Sibul, Sarawak, Malaysia

Telephone No.: 084-218555 Facsimile No.: 084-219555 Email: rsb@rsb.com.my

Part B – Explanatory Notes Pursuant to Appendix 9B of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad
B1 Review of Performance
Financial review for current quarter and financial year to date

	Individual Quarter 3 Months Ended		Changes (%)	Cumulative Quarter 6 Months Ended		Changes (%)
	30.06.2021	30.06.2020		30.06.2021	30.06.2020	
	RM'000	RM'000		RM'000	RM'000	
Revenue	133,569	82,415	62.1%	234,166	162,774	43.9%
Gross profit	15,518	6,332	145.1%	18,794	16,498	13.9%
Profit/(Loss) before interest and taxation	7,050	(104)	6,878.8%	1,332	894	49.0%
Profit/(Loss) before taxation	3,319	(4,269)	177.7%	(5,511)	(8,884)	38.0%
Profit/(Loss) after taxation	837	(5,145)	116.3%	(9,253)	(10,472)	11.6%
Profit/(Loss) attributable to owners of the Company	(37)	(3,197)	98.8%	(10,603)	(5,701)	-86.0%

Statistic	Individual Quarter 3 Months Ended		Changes (%)	Cumulative Quarter 6 Months Ended		Changes (%)
	30.06.2021	30.06.2020		30.06.2021	30.06.2020	
Production volume (MT)						
FFB	48,521	62,498	-22.4%	92,482	118,747	-22.1%
CPO	25,691	28,782	-10.7%	48,133	50,033	-3.8%
PK	5,550	6,167	-10.0%	10,365	10,714	-3.3%
Sales volume (MT)						
CPO	26,521	28,324	-6.4%	48,216	50,787	-5.1%
PK	5,428	5,814	-6.6%	10,445	10,776	-3.1%
Average selling price (RM per MT)						
FFB	805	388	107.6%	775	436	77.6%
CPO	4,037	2,359	71.1%	3,828	2,505	52.8%
PK	2,456	1,228	100.0%	2,381	1,398	70.3%



RIMBUNAN SAWIT BERHAD

[Registration No: 200501014346(691393-U)]

North Wing, Menara Rimbunan Hijau, 101, Pusat Suria Permata, Jalan Upper Lanang, 96000 Sibul, Sarawak, Malaysia

Telephone No.: 084-218555 Facsimile No.: 084-219555 Email: rsb@rsb.com.my

Part B – Explanatory Notes Pursuant to Appendix 9B of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (Cont'd)

B1 Review of Performance (Cont'd)

3 Months Ended 30.06.2021 vs 30.06.2020

The Group achieved higher revenue of RM133.6 million, an increase of 62.1% from RM82.4 million on 30 June 2021. This was principally due to ongoing favourable growth in average selling price on FFB, CPO and PK throughout the quarter by 107.6%, 71.1% and 100.0% respectively where the average selling price for FFB, CPO and PK was at RM805, RM4,037 and RM2,456 for 3 months ended 30 June 2021 respectively.

The Group recorded gross profit of RM15.5 million in the current quarter as compared to corresponding period with gross profit of RM6.3 million mainly due to higher CPO, FFB & PK price.

The Group reported profit after taxation expanded by RM5.9 million to RM0.8 million as compared to corresponding period in 2020 of RM5.1 million loss after taxation mainly due to higher CPO, FFB & PK price.

[The rest of this page is intentionally left blank]

Part B – Explanatory Notes Pursuant to Appendix 9B of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (Cont’d)

B2 Material Change in the Profit Before Taxation for the Current Quarter as Compared with the Immediate Preceding Quarter

	Current Quarter Ended	Immediate Preceding Quarter Ended	Changes (%)
	30.06.2021	31.03.2021	
	RM'000	RM'000	
Revenue	133,569	100,597	32.8%
Gross profit	15,518	3,276	373.7%
Profit/(Loss) before interest and taxation	7,050	(5,718)	223.3%
Profit/(Loss) before taxation	3,319	(8,830)	137.6%
Profit/(Loss) after taxation	837	(10,090)	108.3%
Profit/(Loss) attributable to owners of the Company	(37)	(10,566)	99.6%

Statistic	Current Quarter Ended	Immediate Preceding Quarter Ended	Changes (%)
	30.06.2021	31.03.2021	
Production volume (MT)			
FFB	48,521	43,961	10.4%
CPO	25,691	22,443	14.5%
PK	5,550	4,815	15.3%
Sales volume (MT)			
CPO	26,521	21,695	22.2%
PK	5,428	5,017	8.2%
Average selling price (RM per MT)			
FFB	805	740	8.8%
CPO	4,037	3,574	13.0%
PK	2,456	2,299	6.8%

3 Months Ended 30.06.2021 vs 31.03.2021

Revenue increased by 32.8% to RM133.6 million mainly due to higher production volume of FFB and sales volume of CPO and PK recorded with increased rate of 10.4%, 14.5% and 15.3% to 48,521MT, 25,691MT and 5,550MT, also with the higher average selling price achieved on FFB, CPO and PK by 8.8%, 13.0% and 6.8% to RM805, RM4,037 and RM2,456 respectively as compared to immediate preceding quarter.

Concurrently, the Group recorded pre-tax profit of RM3.3 million and profit after taxation of RM0.8 million, both improved in comparison to immediate preceding quarter due to higher production volume and selling price. Besides, gain in fair value changes in biological asset of RM1.2 million and reducing of admin and other operating expenses by RM1.2 million also contribute to the higher profit.

**RIMBUNAN SAWIT BERHAD**

[Registration No: 200501014346(691393-U)]

North Wing, Menara Rimbunan Hijau, 101, Pusat Suria Permata, Jalan Upper Lanang, 96000 Sibul, Sarawak, Malaysia

Telephone No.: 084-218555 Facsimile No.: 084-219555 Email: rsb@rsb.com.my

Part B – Explanatory Notes Pursuant to Appendix 9B of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (Cont'd)

B3 Commentary on Prospects

The oil palm industry expects an increase in output of palm oil and key substitute soybean oil with the end of the La Nina phenomenon. However, output in Malaysia, which produces roughly a quarter of global palm oil, remains below normal due to a shortage of foreign workers as a result of Covid-19-related restrictions. The Group expect the labour crunch to ease in the next few months as vaccinations progress, but a slower improvement could crimp CPO output and continue supporting prices. With the expectation of firm palm oil prices and the forthcoming peak crop season, the Group remains cautiously optimistic on the outlook of plantation segment.

B4 Financial Estimate, Forecast, Projection or Internal Targets

The Group has not issued any financial estimate, forecast, projection or internal targets for the period under review.

B5 Income Tax Expense

	Individual Quarter 3 Months Ended		Cumulative Quarter 6 Months Ended	
	30.06.2021 RM'000	30.06.2020 RM'000	30.06.2021 RM'000	30.06.2020 RM'000
Tax expense for the year:				
Current tax	2,922	1,427	4,942	2,680
Deferred tax	(440)	(551)	(1,200)	(1,092)
	<hr/>	<hr/>	<hr/>	<hr/>
	2,482	876	3,742	1,588
	<hr/>	<hr/>	<hr/>	<hr/>

The effective tax rate for the Group were higher than the statutory tax rate of 24%. This is mainly due to expenses not deductible for tax purposes and tax losses of certain subsidiaries where deferred tax assets have not been recognised.



RIMBUNAN SAWIT BERHAD

[Registration No: 200501014346(691393-U)]

North Wing, Menara Rimbunan Hijau, 101, Pusat Suria Permata, Jalan Upper Lanang, 96000 Sibul, Sarawak, Malaysia

Telephone No.: 084-218555 Facsimile No.: 084-219555 Email: rsb@rsb.com.my

Part B – Explanatory Notes Pursuant to Appendix 9B of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (Cont'd)

B6 Corporate Proposals Pending Completion and Status of Utilisation of Proceeds Raised from Corporate Proposals

On 22 February 2017, Rimbunan Sawit Berhad (“RSB”) and its subsidiary had entered into agreements (collectively referred to as “Agreements”) as set out as following:		
Proposal	Status	Status
(i) Simunjan Agreement	Conditional Sale and Purchase Agreement between RSB (“Vendor”) and Tiasa Mesra Sdn Bhd (“Buyer”) for the proposed disposal of the License Rights via an absolute assignment, development costs, biological assets, commercial rights and all the fixtures and fittings for a cash consideration of RM 150.0 million	Completed on 25 October 2018
(ii) Lundu Mill Agreement	Conditional Sale and Purchase Agreement between RSB Lundu Palm Oil Mill Sdn Bhd (“Company or Buyer”) and R H Lundu Palm Oil Mill Sdn Bhd (“R H Lundu or Vendor”) for the proposed acquisition of a parcel of Lundu Land with approximately 67.5 ha and together with the Lundu Oil Mill comprising workers’ quarters; and Plantation assets for a total cash consideration of RM 33.7 million	Refer Approvals/ Status Completed on 03 August 2021
(iii) Sastat Agreement	Conditional Share Sale Agreement for the proposed acquisition of entire SHSB Shares, for a total cash consideration of RM 17.0 million	Completed on 27 November 2018
Advisers	Maybank Investment Bank Berhad & Mercury Securities Sdn Bhd	
Approvals / Status (Lundu Mill Agreement)		
(i)	The completion of the subdivision of the Parent Lot 248 culminating in the issuance of a separate document of title to the Lundu Land with a term of lease of 60 years from the date of registration of the provisional lease of the Parent Lot 248 by the Lands and Surveys Kuching Division. The Director of Lands and Surveys Kuching Division’s consent for the transfer of the Lundu Land to RSB Lundu. The Superintendent of Land and Survey’ consent in writing for the transfer of the Lundu Land to RSB Lundu in accordance with Section 31 of the Sarawak Land Code; and completion of Simunjan Agreement.	
(ii)	On 20 February 2019, RSB Lundu has settled the Partial Balance Sum to RH Lundu to complete the acquisition of the Lundu Oil Mill (including the workers’ quarters) and the Plantation Assets (“Partial Completion Date”). As such, the Lundu Land is the remaining asset to be completed under the Lundu Acquisition SPA, which is to be fulfilled by RH Lundu within 18 months from the Partial Completion Date or such other extended period as RH Lundu and RSB Lundu may mutually agree upon.	
(iii)	On 18 th August 2020, RSB Lundu acquisition SPA have mutually agreed to extend a period of another eighteen (18) months from 18 August 2020 until 18 February 2022 to fulfill the Conditions Subsequent.	
(iv)	On 5 February 2021, R H Lundu had received the title to the Lundu Land (“Subdivided Title”) with a term lease of 60 years from 30 January 2004, being the date of registration of the provisional lease of the Parent Lot 248, the issuance of which is by the Lands and Surveys Kuching Division (“Subdivision”). The land size set out in the Subdivided Title is 68.6 hectares, representing an increase of 1.1 hectare or approximately 1.6% as compared to the size of the Parent Lot 248 stated in the Lundu Acquisition SPA. Such increase in size is meant to include the access road to the plantation estate. The Subdivision of Parent Lot 248 is completed. Currently, palm oil mill is pending the written consent from the Director of Lands and Surveys and the Superintendent of Lands and Surveys respectively for the transfer of the Lundu Land. Notwithstanding the above, the Lundu Acquisition SPA is subject to two Conditions Subsequent which remain to be fulfilled by RH Lundu within 18 months from 19 August 2020 until 18 February 2022 or such other extended period as R H Lundu and RSB Lundu may mutually agree upon.	



RIMBUNAN SAWIT BERHAD

[Registration No: 200501014346(691393-U)]

North Wing, Menara Rimbunan Hijau, 101, Pusat Suria Permata, Jalan Upper Lanang, 96000 Sibul, Sarawak, Malaysia

Telephone No.: 084-218555 Facsimile No.: 084-219555 Email: rsb@rsb.com.my

Part B – Explanatory Notes Pursuant to Appendix 9B of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (Cont'd)

B6 Corporate Proposals Pending Completion and Status of Utilisation of Proceeds Raised from Corporate Proposals (Cont'd)

Approvals / Status (Lundu Mill Agreement) (Cont'd)						
(v)	On 6 May 2021, the application for consent to transfer Lot 306 by RH Lundu to RSB Lundu has been approved by the Director of Lands and Surveys Department, Kuching division. Fulfilment of the remaining Conditions Subsequent (c) and (d) set out in clause 4.1 of the Supplemental Agreement dated 21 December 2018 (originally contained in clause 3.1(c) and (d) of the principal Sale and Purchase Agreement dated 22 February 2017) on 17 May 2021 and that parties are to proceed to the final completion of the sale and purchase transaction of the within two (2) months from 17 May 2021.					
(vi)	On 21 July 2021, the notice of assessment has finally been issued by IRB (Stamp Duty Unit). The stamp duty has been paid and arrange to submit the stamped Memorandum of Transfer for registration at the Land and Survey Department, Kuching. Once the Memorandum of Transfer has been registered, final completion of the Lundu Acquisition will be announced on Bursa.					
(vii)	On 2 August 2021, the transfer of ownership of Lot 306 Block 4 Stungkor Land District by RH Lundu POM to RSB Lundu POM has been successfully completed pursuant to the acceptance of the Memorandum of Transfer for registration, and the issuance of the Form L by the Registrar of Land and Survey Department, Kuching. The instrument number allocated for registration of the Memorandum of Transfer is L.12592/2021.					
(viii)	On 3 August 2021, the Director's Consent and the Superintendent's Consent where both are the remaining two Conditions Subsequent set out in the Supplemental SPA for the Lundu Acquisition, Lot 306 Block 4 Stungkor Land District has been transferred to RSB Lundu and RSB Lundu has paid the Final Balance Sum to R H Lundu to complete the Lundu Acquisition and accordingly, the SPA in relation to the Lundu Acquisition has been completed. An announcement was made on 3 August 2021.					
Status of Utilisation of Proceeds Raised from Corporate Proposals						
No.	Purpose	Proposed Utilisation (RM'mil)	Actual Utilisation (RM'mil)	Intended Time-frame	Deviation	
					RM'mil	%
1	Lundu Acquisition (quarters, oil mill and plantation assets)	31.2	31.2	August 2020	-	-
2	Lundu Acquisition (Land Lot 248)	2.5	2.5	February 2022	-	-
3	Sastat Holdings Sdn Bhd Acquisition	17.0	17.0	November 2018	-	-
4	Repayment of Simunjan Credit Facilities	58.0	58.0	October 2018	-	-
5	Repayment of advance	23.0	23.0	December 2020	-	-
6	Working capital and defray expenses relating to Corporate Proposals	18.3	18.3	December 2019	-	-
	Total	150.0	150.0		-	-

Save as disclosed above, there were no corporate proposals announced but not completed as at 17 August 2021, being the latest practicable date.



RIMBUNAN SAWIT BERHAD

[Registration No: 200501014346(691393-U)]

North Wing, Menara Rimbunan Hijau, 101, Pusat Suria Permata, Jalan Upper Lanang, 96000 Sibu, Sarawak, Malaysia

Telephone No.: 084-218555

Facsimile No.: 084-219555

Email: rsb@rsb.com.my

Part B – Explanatory Notes Pursuant to Appendix 9B of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (Cont'd)

B7 Group Borrowings

	As at 30.06.2021 (RM'000)			As at 31.12.2020 (RM'000)		
	Short-term	Long-term	Total	Short-term	Long-term	Total
Secured:-						
Bank overdrafts	-	-	-	430	-	430
Bankers' acceptance	15,649	-	15,649	16,458	-	16,458
Lease liabilities	874	6,418	7,292	5,622	2,410	8,032
Revolving credit	137,361	-	137,361	128,607	-	128,607
Term loans	17,449	170,942	188,391	25,543	175,405	200,948
Loans	90	20,840	20,930	120	20,880	21,000
	171,423	198,200	369,623	176,780	198,695	375,475
Unsecured:-						
Bank overdrafts	-	-	-	1,418	-	1,418
Bankers' acceptance	9,425	-	9,425	9,450	-	9,450
Loans	4,850	1,820	6,670	5,150	1,820	6,970
Revolving credit	17,500	-	17,500	16,450	-	16,450
	31,775	1,820	33,595	32,468	1,820	34,288
Total Borrowings	203,198	200,020	403,218	209,248	200,515	409,763

- a) The bank overdraft is bearing interest ranging from 5.9% to 7% per annum.
- b) The bankers' acceptance and revolving credit bore interest ranging from 3% to 5.50% per annum.
- c) The term loans bore interest ranging from 2.40% to 4.30% per annum.

**RIMBUNAN SAWIT BERHAD**

[Registration No: 200501014346(691393-U)]

North Wing, Menara Rimbunan Hijau, 101, Pusat Suria Permata, Jalan Upper Lanang, 96000 Sibul, Sarawak, Malaysia

Telephone No.: 084-218555 Facsimile No.: 084-219555 Email: rsb@rsb.com.my

Part B – Explanatory Notes Pursuant to Appendix 9B of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (Cont'd)

B8 Material Litigation

The Group has no outstanding material litigation which might materially and adversely affect the position or business of the Group as at 17 August 2021 being the latest practicable date.

B9 Dividends

No interim dividend has been declared for the period ending 30 June 2021.

B10 Loss Per Share

	Individual Quarter 3 Months Ended		Cumulative Quarter 6 Months Ended	
	30.06.2021	30.06.2020	30.06.2021	30.06.2020
Loss attributable to the Company (RM'000)	(37)	(3,197)	(10,603)	(5,701)
Weighted average number of ordinary shares ('000):- Issued ordinary shares at 1 January	2,041,722	1,418,487	2,041,722	1,418,487
Effect of conversion of ICPS	-	623,235	-	623,235
Weighted average number of ordinary shares at 30 June	2,041,722	2,041,722	2,041,722	2,041,722
Basic loss per share (sen)	(0.00)	(0.16)	(0.52)	(0.28)

The diluted earnings per share was not applicable as there were no dilutive potential ordinary shares outstanding at the end of the reporting period.

B11 Audit Report of the Preceding Annual Financial Statements

The auditors' report on the financial statements for the financial year ended 31 December 2020 was not subject to any qualification.


RIMBUNAN SAWIT BERHAD

[Registration No: 200501014346(691393-U)]

North Wing, Menara Rimbunan Hijau, 101, Pusat Suria Permata, Jalan Upper Lanang, 96000 Sibul, Sarawak, Malaysia

Telephone No.: 084-218555 Facsimile No.: 084-219555 Email: rsb@rsb.com.my

Part B – Explanatory Notes Pursuant to Appendix 9B of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (Cont'd)
B12 Profit / (Loss) Before Taxation

Profit / (Loss) before taxation is arrived at after charging/(crediting):-

	Individual Quarter 3 Months Ended		Cumulative Quarter 6 Months Ended	
	30.06.2021 RM'000	30.06.2020 RM'000	30.06.2021 RM'000	30.06.2020 RM'000
Allowance for stock obsolescence no longer required	(3)	(1)	(5)	(3)
Amortisation of intangible assets	74	72	147	145
Bad debts written off	1	6	24	42
Biological assets written off	-	-	253	-
Changes in fair value of other investment	-	-	-	(4,982)
Changes in fair value of biological assets	(1,188)	(498)	(1,938)	741
Depreciation of property, plant and equipment	13,485	16,641	27,000	33,525
Directors' remuneration	176	70	274	140
Finance costs	3,731	4,165	6,843	9,778
Gain on derecognition of lease liabilities	-	-	(15)	-
Loss / (Gain) on disposal of property, plant and equipment	-	(4,985)	(8)	(4,906)
Interest income	(3)	-	(4)	(1)
Property, plant and equipment written off	12	48	445	140
Rental income	(24)	(9)	(52)	(18)
Rental on equipment	8	104	13	105
Rental on premises	21	368	395	746
Staff costs:-				
- short-term employee benefits	6,597	6,376	14,186	13,883
- defined contribution plan	710	723	1,546	1,509



RIMBUNAN SAWIT BERHAD

[Registration No: 200501014346(691393-U)]

North Wing, Menara Rimbunan Hijau, 101, Pusat Suria Permata, Jalan Upper Lanang, 96000 Sibul, Sarawak, Malaysia

Telephone No.: 084-218555 Facsimile No.: 084-219555 Email: rsb@rsb.com.my

Part B – Explanatory Notes Pursuant to Appendix 9B of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (Cont'd)

B13 Derivatives

(a) Nature of outstanding derivatives

There were no outstanding derivatives as at the end of the reporting period.

(b) Risks and Policies of Derivatives

The Group did not enter into any derivatives during the 6-month period ended 30 June 2021.

(c) Gains/losses Arising from Fair Value Changes of Financial Liabilities

The Group did not have any financial liabilities measured at fair value through profit or loss as at 30 June 2021 and 31 December 2020.

B14 Authorisation for Issue

The interim financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors dated 24 August 2021.