

**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

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**Interim Financial Statements**For the 4<sup>th</sup> Quarter Ended 31 December 2021

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**Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income**For the 4<sup>th</sup> Quarter Ended 31 December 2021*(the figures have not been audited)*

	Individual Quarter 3-month Period Ended		Cumulative Quarter 12-month Period Ended	
	31.12.2021 RM'000	31.12.2020 RM'000	31.12.2021 RM'000	31.12.2020 RM'000
REVENUE	182,931	111,538	558,303	385,471
COST OF SALES	(169,907)	(113,711)	(505,273)	(360,984)
GROSS PROFIT/(LOSS)	13,024	(2,173)	53,030	24,487
OTHER INCOME	191	3,983	4,393	9,126
DISTRIBUTION COSTS	(8,087)	(5,070)	(25,374)	(18,955)
OTHER OPERATING EXPENSES	(676)	(22,507)	(1,398)	(23,990)
ADMINISTRATIVE EXPENSES	(4,194)	(5,642)	(16,793)	(19,109)
FINANCE COSTS	(3,357)	(5,454)	(13,136)	(18,515)
NET IMPAIRMENT LOSSES ON FINANCIAL ASSETS	-	(53)	-	(53)
(LOSS)/PROFIT BEFORE TAXATION	(3,099)	(36,916)	722	(47,009)
INCOME TAX EXPENSES	(893)	(4,181)	(7,306)	(9,043)
LOSS AFTER TAXATION	(3,992)	(41,097)	(6,584)	(56,052)
OTHER COMPREHENSIVE INCOME	-	-	-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	(3,992)	(41,097)	(6,584)	(56,052)

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**Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income (Cont'd)**For the 4<sup>th</sup> Quarter Ended 31 December 2021*(the figures have not been audited)*

	Individual Quarter 3-month Period Ended		Cumulative Quarter 12-month Period Ended	
	31.12.2021 RM'000	31.12.2020 RM'000	31.12.2021 RM'000	31.12.2020 RM'000
LOSS AFTER TAXATION ATTRIBUTABLE TO:-				
- Owners of the Company	(3,181)	(36,395)	(7,105)	(44,121)
- Non-controlling interests	(811)	(4,702)	521	(11,931)
	<u>(3,992)</u>	<u>(41,097)</u>	<u>(6,584)</u>	<u>(56,052)</u>
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:-				
- Owners of the Company	(3,181)	(36,395)	(7,105)	(44,121)
- Non-controlling interests	(811)	(4,702)	521	(11,931)
	<u>(3,992)</u>	<u>(41,097)</u>	<u>(6,584)</u>	<u>(56,052)</u>
LOSS PER SHARE (SEN):-				
- Basic	(0.16)	(1.78)	(0.35)	(2.16)
- 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.

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**Condensed Consolidated Statement of Financial Position**

As at 31 December 2021

*(the figures have not been audited)*

	As at 31.12.2021	As at 31.12.2020
	RM'000	RM'000
<b>ASSETS</b>		
<b>NON-CURRENT ASSETS</b>		
Property, plant and equipment	802,682	855,047
Biological assets	937	1,013
Intangible assets	36	197
Other investment	1,643	1,643
Goodwill	7,462	7,462
Deposits with licensed banks	120	120
	<hr/>	<hr/>
	812,880	865,482
<b>CURRENT ASSETS</b>		
Inventories	20,998	18,477
Biological assets	5,110	3,078
Trade receivables	14,397	10,195
Other receivables, deposits and prepayments	9,554	10,090
Current tax assets	10,654	3,908
Deposits with licensed banks	16,489	89
Cash and bank balances	1,320	1,037
	<hr/>	<hr/>
	78,522	46,874
<b>TOTAL ASSETS</b>	<hr/> <b>891,402</b>	<hr/> <b>912,356</b>

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**Condensed Consolidated Statement of Financial Position (Cont'd)**

As at 31 December 2021

*(the figures have not been audited)*

	As at 31.12.2021	As at 31.12.2020
	RM'000	RM'000
<b>EQUITY AND LIABILITIES</b>		
<b>EQUITY</b>		
Share capital	614,600	614,600
Accumulated losses	(232,110)	(225,004)
Equity attributable to owners of the Company	382,490	389,596
Non-controlling interests	(22,805)	(23,146)
<b>TOTAL EQUITY</b>	<b>359,685</b>	<b>366,450</b>
<b>NON-CURRENT LIABILITIES</b>		
Borrowings	194,232	205,601
Deferred tax liabilities	41,431	45,407
	<b>235,663</b>	<b>251,008</b>
<b>CURRENT LIABILITIES</b>		
Trade payables	53,083	55,219
Other payables, deposits and accruals	38,228	31,123
Borrowings:-		
- bank overdrafts	2,785	1,848
- other borrowings	190,673	202,314
Current tax liabilities	11,285	4,394
	<b>296,054</b>	<b>294,898</b>
<b>TOTAL LIABILITIES</b>	<b>531,717</b>	<b>545,906</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>891,402</b>	<b>912,356</b>
<b>NET ASSETS PER SHARE (RM)</b>	<b>0.18</b>	<b>0.18</b>

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.

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**Condensed Consolidated Statement of Changes in Equity**

For the Twelve Months Ended 31 December 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)/ Profit after taxation/Total comprehensive income for the period	-	-	(7,105)	(7,105)	521	(6,584)
Contributions by and distributions to the owner of the Company:- -dividends by a subsidiary to non-controlling interests	-	-	-	-	(181)	(181)
Balance at 31.12.2021	614,600	(53,065)	(179,045)	382,490	(22,805)	359,685

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

For the Twelve Months Ended 31 December 2021

*(the figures have not been audited)*

	< ----- Non-distributable ----- >						
	Share Capital						
	Ordinary Shares	Irredeemable Convertible Preference Shares ("ICPS")	Merger Reserve	Accumulated Losses	Attributable to Owners of the Company	Non- controlling Interests	Total Equity
	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
Conversion of ICPS	82,438	(82,438)	-	-	-	-	-
Reduction of the issued share capital pursuant to Sec 117 of Companies Act 2016	(192,529)	-	-	192,529	-	-	-
Loss after taxation/Total comprehensive income for the period	-	-	-	(44,121)	(44,121)	(11,931)	(56,052)
Balance at 31.12.2020	614,600	-	(53,065)	(171,939)	389,596	(23,146)	366,450

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.

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**Condensed Consolidated Statement of Cash Flows**

For the Twelve Months Ended 31 December 2021

*(the figures have not been audited)*

	12 Months Ended	
	31.12.2021	31.12.2020
	RM'000	RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit/ (Loss) before taxation	722	(47,009)
Adjustments for:-		
Allowance for stock obsolescence no longer required	(118)	(6)
Amortisation of intangible assets	178	291
Bad debts written off	26	258
Biological assets written off	253	9,652
Change in fair value of biological assets	(2,032)	606
Change in fair value of other investment	-	(1,625)
Depreciation of property, plant and equipment	67,448	67,966
Gain on disposal of assets classified as held for sale	-	(1,692)
(Gain)/loss on disposal of property, plant and equipment	(241)	1,286
Gain on derecognition of lease contract	(12)	-
Impairment loss on goodwill	-	5,084
Impairment loss on receivables	461	148
Impairment loss on receivables no longer required	(101)	(95)
Interest expense	13,136	18,515
Interest income	(34)	(36)
Inventories written off	224	45
Payables written off	-	(44)
Property, plant and equipment written off	469	3,836
Operating profit before working capital changes	80,379	57,180
Change in inventories	(2,628)	(3,400)
Change in trade and other receivables	(4,052)	(1,815)
Change in trade and other payables	4,969	(52,767)
<b>CASH FROM / (FOR) OPERATIONS</b>	78,668	(802)
Income tax paid	(13,050)	(13,275)
Income tax refunded	1,941	1,005
Interest paid	(14,703)	(19,186)
Interest received	34	36
<b>NET CASH FROM OPERATING ACTIVITIES</b>	52,890	(32,222)
<b>BALANCE CARRIED FORWARD</b>	52,890	(32,222)



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**Condensed Consolidated Statement of Cash Flows (Cont'd)**

For the Twelve Months Ended 31 December 2021

*(the figures have not been audited)*

	12 Months Ended	
	31.12.2021	31.12.2020
	RM'000	RM'000
BALANCE BROUGHT FORWARD	52,890	(32,222)
CASH FLOWS FOR INVESTING ACTIVITIES		
Costs incurred on biological assets	(181)	(127)
Proceeds from disposal of property, plant and equipment	1,839	142,342
Purchase of property, plant and equipment	(15,596)	(7,398)
Purchase of intangible assets	(17)	(5)
NET CASH (FOR)/FROM INVESTING ACTIVITIES	(13,955)	134,812
CASH FLOWS FOR FINANCING ACTIVITIES		
Dividend paid by Subsidiary to non-controlling interests	(181)	-
Change in bankers' acceptance	(2,211)	(2,265)
Change in revolving credit	521	(43,134)
Drawdown of term loans	6,070	21,221
Proceeds from promissory note	-	(250)
Repayment of lease liabilities	(1,274)	(6,534)
Repayment of term loans	(26,114)	(55,587)
NET CASH FOR FINANCING ACTIVITIES	(23,189)	(86,549)
NET CHANGE IN CASH AND CASH EQUIVALENTS	15,746	16,041
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	(722)	(16,763)
CASH AND CASH EQUIVALENTS AT END OF PERIOD	15,024	(722)



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**Condensed Consolidated Statement of Cash Flows (Cont'd)**

For the Twelve Months Ended 31 December 2021

*(the figures have not been audited)*

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

	12 Months Ended	
	31.12.2021 RM'000	31.12.2020 RM'000
Cash and bank balances	1,320	1,037
Deposits with licensed banks	16,609	209
Bank overdrafts	(2,785)	(1,848)
	<hr/>	<hr/>
	15,144	(602)
Less: Deposits pledged to licensed banks	(120)	(120)
	<hr/>	<hr/>
	15,024	(722)
	<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.

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**Part A – Explanatory Notes Pursuant to MFRS 134**

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**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

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**Part A – Explanatory Notes Pursuant to MFRS 134**

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**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)

<b>MFRSs and/or IC Interpretations (Including The Consequential Amendments)</b>	<b>Effective Date</b>
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.



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

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**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 12-month period ended 31 December 2021, the Group acquired assets at a cost of RM15.6 million.

Assets with a carrying amount of RM1,597,731 were disposed off by the Group during the 12-month period ended 31 December 2021, resulting in a net gain on disposal of RM241,410 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.

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

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**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.

On 6 September 2021, it was fixed for case management of Enclosure 11 (intervener application) and case management for Enclosure 1 (leave) to update the court on the outcome of the appeals at the Court of Appeal against the conflicting decisions of YA Hakim Datuk Noorin Binti Badaruddin (Puncak Niaga Construction Sdn Bhd v Menteri Kewangan Malaysia)



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

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

and YA Hakim Dato Sri Mariana Binti Yahya (Desaru Property Development Sdn Bhd v Menteri Kewangan Malaysia).

The Applicant informed the Court that the hearing dates for the appeals at the Court of Appeal are still pending and not fixed yet. The Court fixed a case management on 18.11.2021 at 9am via Zoom (unless instructed otherwise by the Court) to update the court on the status of the appeals at the Court of Appeal. The interim stay granted until the disposal of leave hearing as instructed by Court previously remains valid and effective.

On 18 November 2021, the Applicant informed the Court that both appeals are fixed to be heard together on 14.12.2021. The Court then fixed a case management on 21.12.2021 at 9am via Zoom pending the outcome of the COA appeals. Interim stay granted until the disposal of leave hearing as instructed by Court previously remains valid and effective.

On 21 December 2021, the Applicant informed the Court that the Proposed Intervenor’s appeal in Puncak (supra) was allowed whilst the Applicant’s appeal in Desaru (supra) was disallowed. The Applicant subsequently informed the Court that the clients in the appeals endeavour to file an appeal to the Federal Court against the decisions of the Court of Appeal in 30 days. The Court then fixed Simunjan case management on 17.3.2022 at 9 am via Zoom for parties to update the Court regarding the appeals at the Federal Court. Interim stay granted until the disposal of leave hearing as instructed by Court previously remains valid and effective.

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 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 31 December 2021 was as follows:-

	RM’000
Property, plant and equipment:-	
- Contracted but not provided for	775
	_____

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**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 12 Months Ended	
	31.12.2021 RM'000	31.12.2020 RM'000	31.12.2021 RM'000	31.12.2020 RM'000
Consultancy fees paid	41	22	84	48
Contract charges	-	1,238	-	1,238
Interest paid	172	67	831	256
Purchase of fertilisers and chemicals	8	185	80	199
Purchase of FFB	9,204	1,972	22,100	6,711
Purchase of Seedlings	136	-	361	-
Purchase of property, plant and equipment	10	48	998	58
Purchase of stores and consumables	777	676	2,697	1,839
Rental paid	19	243	426	1,358
Repairs and maintenance	68	19	154	101
Transportation and accommodation charges	2	2	10	9
Utilities, insurance, and sundry expenses	54	67	169	154
Rental received	7	46	36	52
Sale of crude palm oil	38,003	9,500	107,733	64,549
Sale of Palm Kernel	4,256	-	8,391	-
Sale of empty bunch ash	16	36	16	37
Sale of FFB	798	7,090	19,602	26,496
Sale of property, plant and equipment	5	71	9	158
Sale of stores and consumables	24	12	96	59
Transportation and handling income	365	159	1,186	1,199
Utilities, insurance, and sundry income	9	16	68	88





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**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 12 Months Ended		Changes (%)
	31.12.2021	31.12.2020		31.12.2021	31.12.2020	
	RM'000	RM'000		RM'000	RM'000	
Revenue	182,931	111,538	64.0%	558,303	385,471	44.8%
Gross profit/(loss)	13,024	(2,173)	699.4%	53,030	24,487	116.6%
Profit/(loss) before interest and taxation	258	(31,462)	100.8%	13,858	(28,493)	148.6%
(Loss)/profit before taxation	(3,099)	(36,916)	91.6%	722	(47,009)	101.5%
Loss after taxation	(3,992)	(41,097)	90.3%	(6,584)	(56,052)	88.3%
Loss attributable to owners of the Company	(3,181)	(36,395)	91.3%	(7,105)	(44,121)	83.9%
EBITDA	27,431	(14,897)	284.1%	81,484	39,763	104.9%

Statistic	Individual Quarter 3 Months Ended		Changes (%)	Cumulative Quarter 12 Months Ended		Changes (%)
	31.12.2021	31.12.2020		31.12.2021	31.12.2020	
<b>Production volume (MT)</b>						
FFB	52,258	59,145	-11.6%	192,732	246,501	-21.8%
CPO	28,393	29,289	-3.1%	103,126	112,376	-8.2%
PK	6,165	6,269	-1.7%	22,109	24,078	-8.2%
<b>Sales volume (MT)</b>						
CPO	28,880	28,299	2.1%	103,527	112,403	-7.9%
PK	6,382	6,254	2.1%	22,359	24,172	-7.5%
<b>Average selling price (RM per MT)</b>						
FFB	1,013	612	65.5%	854	491	74.0%
CPO	5,025	2,928	71.6%	4,278	2,652	61.3%
PK	3,456	1,772	95.0%	2,679	1,480	81.0%



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**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 31.12.2021 vs 31.12.2020**

The Group achieved higher revenue of RM182.9 million, an increase of 64.0% from RM111.5 million on 31 December 2021. This was principally due to ongoing favourable growth in average selling price on FFB, CPO and PK throughout the quarter by 65.5%, 71.6% and 95.0% respectively where the average selling price for FFB, CPO and PK was at RM1,013, RM5,025 and RM3,456 for 3 months ended 31 December 2021 respectively.

The Group recorded gross profit of RM13.0 million and EBITDA of RM27.4 million in the current quarter as compared to corresponding period with gross loss of RM2.17 million and LBITDA of RM14.9 million mainly due to higher CPO, FFB and PK price.

**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 (%)
	31.12.2021	30.09.2021	
	RM'000	RM'000	
Revenue	182,931	141,206	29.5%
Gross profit	13,024	21,212	-38.6%
Profit before interest and taxation	258	12,268	-97.9%
(Loss)/Profit before taxation	(3,099)	9,332	-133.2%
(Loss)/Profit after taxation	(3,992)	6,661	-159.9%
(Loss)/Profit attributable to owners of the Company	(3,181)	6,679	-147.6%
EBITDA	27,431	25,574	7.3%

Statistic	Current Quarter Ended	Immediate Preceding Quarter Ended	Changes (%)
	31.12.2021	30.09.2021	
<b>Production volume (MT)</b>			
FFB	52,258	47,992	8.9%
CPO	28,393	26,596	6.8%
PK	6,165	5,578	10.5%
<b>Sales volume (MT)</b>			
CPO	28,880	26,431	9.3%
PK	6,382	5,532	15.4%
<b>Average selling price (RM per MT)</b>			
FFB	1,013	835	21.3%
CPO	5,025	4,283	17.3%
PK	3,456	2,347	47.2%



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

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**B2 Material Change in the Profit Before Taxation for the Current Quarter as Compared with the Immediate Preceding Quarter (Cont'd)**

**3 Months Ended 31.12.2021 vs 30.09.2021**

Revenue increased by 29.5% to RM182.9 million mainly due to higher average selling price achieved on FFB, CPO and PK by 21.3%, 17.3% and 47.2% to RM1,013, RM5,025 and RM3,456 respectively as compared to immediate preceding quarter.

Besides that, the production volume for FFB, CPO and PK have increased by 8.9%, 6.8% and 10.5% to 52,258MT, 28,393MT and 6,165MT respectively as compared to immediate preceding quarter.

Concurrently, the Group recorded loss before tax of RM3.1 million, it decreased in comparison to immediate preceding quarter due to group revaluation reserve amortization of RM13.4 million. However, this amount was mitigated with gain on fair value changes on biological assets of RM2.0 million.

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

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**B3 Commentary on Prospects**

Crude palm oil (“CPO”) price is expected to remain strong until early 2022 supported by the global edible oil supply tightness as well as good demand as the global economy continues to improve. For our plantation segment, the CPO production is expected to be lower than initially anticipated due to the impact from adverse weather arising from the La Nina phenomenon and unresolved labour shortage situation. Nevertheless, with the expectation of firm palm oil prices and demand of the market, we remain 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 12 Months Ended	
	31.12.2021 RM'000	31.12.2020 RM'000	31.12.2021 RM'000	31.12.2020 RM'000
Tax expense for the year:				
Current tax	3,425	2,284	11,282	9,036
Real property gain tax	-	4,104	-	4,104
Deferred tax	(2,532)	(2,207)	(3,976)	(4,097)
	<u>893</u>	<u>4,181</u>	<u>7,306</u>	<u>9,043</u>

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.



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**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:		
<b>Proposal</b>	<b>Status</b>	<b>Status</b>
(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
<b>Advisers</b>	Maybank Investment Bank Berhad & Mercury Securities Sdn Bhd	
<b>Approvals / Status (Lundu Mill Agreement)</b>		
(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 <sup>th</sup> 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.	



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**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)**

<b>Approvals / Status (Lundu Mill Agreement) (Cont’d)</b>						
(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.					
<b>Status of Utilisation of Proceeds Raised from Corporate Proposals</b>						
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	-	-
	<b>Total</b>	<b>150.0</b>	<b>150.0</b>		-	-

Save as disclosed above, there were no corporate proposals announced but not completed as at 7 February 2022, being the latest practicable date.

**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 31.12.2021 (RM'000)			As at 31.12.2020 (RM'000)		
	Short-term	Long-term	Total	Short-term	Long-term	Total
<b>Secured:-</b>						
Bank overdrafts	2,785	-	<b>2,785</b>	430	-	<b>430</b>
Bankers' acceptance	15,117	-	<b>15,117</b>	16,458	-	<b>16,458</b>
Lease liabilities	934	5,823	<b>6,757</b>	5,622	2,410	<b>8,032</b>
Revolving credit	132,578	-	<b>132,578</b>	128,607	-	<b>128,607</b>
Term loans	15,774	165,859	<b>181,633</b>	25,543	175,405	<b>200,948</b>
Loans	140	20,730	<b>20,870</b>	120	20,880	<b>21,000</b>
	167,328	192,412	<b>359,740</b>	176,780	198,695	<b>375,475</b>
<b>Unsecured:-</b>						
Bank overdrafts	-	-	-	1,418	-	<b>1,418</b>
Bankers' acceptance	8,580	-	<b>8,580</b>	9,450	-	<b>9,450</b>
Loans	4,550	1,820	<b>6,370</b>	5,150	1,820	<b>6,970</b>
Revolving credit	13,000	-	<b>13,000</b>	16,450	-	<b>16,450</b>
	26,130	1,820	<b>27,950</b>	32,468	1,820	<b>34,288</b>
<b>Total Borrowings</b>	<b>193,458</b>	<b>194,232</b>	<b>387,690</b>	<b>209,248</b>	<b>200,515</b>	<b>409,763</b>

- 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 5.3% per annum.  
c) The term loans bore interest ranging from 2.40% to 4.30% per annum.

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

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**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 7 February 2022 being the latest practicable date.

**B9 Dividends**

No interim dividend has been declared for the period ending 31 December 2021.

**B10 Loss Per Share**

	Individual Quarter 3 Months Ended		Cumulative Quarter 12 Months Ended	
	31.12.2021	31.12.2020	31.12.2021	31.12.2020
Loss attributable to the Company (RM'000)	(3,181)	(36,395)	(7,105)	(44,121)
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	-	-	-	-
Conversion of ICPS during the year	-	623,235	-	623,235
Weighted average number of ordinary shares at 30 September	2,041,722	2,041,722	2,041,722	2,041,722
Basic loss per share (sen)	(0.16)	(1.78)	(0.35)	(2.16)

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.





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

**B12 (Loss) / Profit Before Taxation**

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

	Individual Quarter 3 Months Ended		Cumulative Quarter 12 Months Ended	
	31.12.2021 RM'000	31.12.2020 RM'000	31.12.2021 RM'000	31.12.2020 RM'000
Allowance for stock obsolescence no longer required	(110)	-	(118)	(6)
Amortisation of intangible assets	4	73	178	291
Audit fee:-				
-Current financial year	370	380	370	380
-(over)/under provision in the previous year	(3)	(1)	(3)	(1)
Bad debts written off	3	216	26	258
Biological assets written off	-	9,652	253	9,652
Inventories written off	224	45	224	45
Changes in fair value of other investment	-	(1,625)	-	(1,625)
Changes in fair value of biological assets	756	1,748	(2,032)	606
Depreciation of property, plant and equipment	27,169	16,492	67,448	67,966
Directors' remuneration	927	786	1,299	1,228
Finance costs	3,357	5,454	13,136	18,515
Gain on derecognition of lease liabilities	3	-	(12)	-
Gain on disposal of assets classified as held for sale	-	(1,692)	-	(1,692)
Loss / (Gain) on disposal of property, plant and equipment	(233)	4,203	(241)	1,286
Impairment losses on:-				
-goodwill	-	5,084		5,084
-receivables	460	-	460	-
Interest income	(25)	(28)	(34)	(36)
Property, plant and equipment written off	21	3,637	469	3,836
Rental income	(56)	(25)	(138)	(53)
Rental on equipment	25	(82)	48	24
Rental on premises	21	(995)	437	124
Staff costs:-				
- short-term employee benefits	5,802	6,562	26,603	27,391
- defined contribution plan	664	755	2,911	2,987



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

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**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 12-month period ended 31 December 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 31 December 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 21 February 2022.