

**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 2023

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Condensed Consolidated Statement of Profit or Loss and Other Comprehensive IncomeFor the 2nd Quarter Ended 30 June 2023*(the figures have not been audited)*

	Individual Quarter 3-month Period Ended		Cumulative Quarter 6-month Period Ended	
	30.06.2023 RM'000	30.06.2022 RM'000	30.06.2023 RM'000	30.06.2022 RM'000
REVENUE	121,961	212,052	226,802	372,342
COST OF SALES	(107,423)	(181,922)	(217,567)	(325,846)
GROSS PROFIT	14,538	30,130	9,235	46,496
OTHER INCOME	2,099	1,002	2,880	6,183
DISTRIBUTION COSTS	(5,552)	(9,286)	(10,325)	(16,016)
OTHER OPERATING EXPENSES	(628)	(21)	(1,005)	(837)
ADMINISTRATIVE EXPENSES	(4,838)	(4,260)	(11,193)	(9,297)
FINANCE COSTS	(3,587)	(3,044)	(6,954)	(5,975)
PROFIT/(LOSS) BEFORE TAXATION	2,032	14,521	(17,362)	20,554
INCOME TAX EXPENSES	(2,443)	(4,491)	(3,485)	(6,795)
(LOSS)/PROFIT AFTER TAXATION	(411)	10,030	(20,847)	13,759
OTHER COMPREHENSIVE INCOME	-	-	-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	(411)	10,030	(20,847)	13,759

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Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income (Cont'd)For the 2nd Quarter Ended 30 June 2023*(the figures have not been audited)*

	Individual Quarter 3-month Period Ended		Cumulative Quarter 6-month Period Ended	
	30.06.2023 RM'000	30.06.2022 RM'000	30.06.2023 RM'000	30.06.2022 RM'000
(LOSS)/PROFIT AFTER TAXATION ATTRIBUTABLE TO:-				
- Owners of the Company	(55)	9,647	(17,437)	13,521
- Non-controlling interests	(356)	383	(3,410)	238
	<u>(411)</u>	<u>10,030</u>	<u>(20,847)</u>	<u>13,759</u>
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:-				
- Owners of the Company	(55)	9,647	(17,437)	13,521
- Non-controlling interests	(356)	383	(3,410)	238
	<u>(411)</u>	<u>10,030</u>	<u>(20,847)</u>	<u>13,759</u>
(LOSS)/PROFIT PER SHARE (SEN):-				
- Basic	(0.00)	0.47	(0.85)	0.66
- 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 2022 and the accompanying explanatory notes attached to the interim financial statements.

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Condensed Consolidated Statement of Financial Position

As at 30 June 2023

(the figures have not been audited)

	As at 30.06.2023	As at 31.12.2022
	RM'000	RM'000
ASSETS		
NON-CURRENT ASSETS		
Property, plant and equipment	769,579	769,503
Biological assets	602	565
Intangible assets	15	22
Other investment	5,000	5,000
Goodwill	5,262	5,264
Deposits with licensed banks	120	120
	<hr/>	<hr/>
	780,578	780,474
CURRENT ASSETS		
Inventories	21,891	31,681
Biological assets	3,719	3,401
Trade receivables	6,880	11,422
Other receivables, deposits and prepayments	10,940	11,715
Current tax assets	5,082	2,062
Deposits with licensed banks	-	5,300
Cash and bank balances	1,832	5,170
	<hr/>	<hr/>
	50,344	70,751
TOTAL ASSETS	<hr/> 830,922	<hr/> 851,225

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Condensed Consolidated Statement of Financial Position (Cont'd)

As at 30 June 2023

(the figures have not been audited)

	As at 30.06.2023	As at 31.12.2022
	RM'000	RM'000
EQUITY AND LIABILITIES		
EQUITY		
Share capital	613,750	614,600
Accumulated losses	(249,203)	(231,867)
Equity attributable to owners of the Company	364,547	382,733
Non-controlling interests	(34,514)	(29,259)
TOTAL EQUITY	330,033	353,474
NON-CURRENT LIABILITIES		
Borrowings	160,864	161,060
Deferred tax liabilities	42,343	42,705
	203,207	203,764
CURRENT LIABILITIES		
Trade payables	66,894	70,542
Other payables, deposits and accruals	34,670	32,596
Borrowings:-		
- bank overdrafts	2,205	2,694
- other borrowings	189,250	185,667
Current tax liabilities	4,663	2,487
	297,682	293,986
TOTAL LIABILITIES	500,889	497,751
TOTAL EQUITY AND LIABILITIES	830,922	851,225
NET ASSETS PER SHARE (RM)	0.16	0.17

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the financial year ended 31 December 2022 and the accompanying explanatory notes attached to the interim financial statements.

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Condensed Consolidated Statement of Changes in Equity

For the Six Months Ended 30 June 2023

(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 1.1.2023	614,600	(53,065)	(178,802)	382,733	(29,259)	353,474
Winding up of subsidiaries	(850)	-	101	(749)	-	(749)
Loss after taxation/Total comprehensive income for the period	-	-	(17,437)	(17,437)	(3,410)	(20,847)
Dividend paid	-	-	-	-	(1,845)	(1,845)
Balance at 30.6.2023	613,750	(53,065)	(196,138)	364,547	(34,514)	330,033

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

For the Six Months Ended 30 June 2023

(the figures have not been audited)

	< ----- Non-distributable ----- > Share Capital					
	Ordinary Shares	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
Balance at 1.1.2022	614,600	(53,065)	(178,472)	383,063	(23,771)	359,292
Profit/(loss) after taxation/Total comprehensive income for the period	-	-	13,521	13,521	238	13,759
Balance at 30.6.2022	614,600	(53,065)	(164,951)	396,584	(23,533)	373,051

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 2022 and the accompanying explanatory notes attached to the interim financial statements.

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Condensed Consolidated Statement of Cash Flows

For the Six Months Ended 30 June 2023

(the figures have not been audited)

	6 Months Ended	
	30.06.2023	30.06.2022
	RM'000	RM'000
CASH FLOWS (FOR)/FROM OPERATING ACTIVITIES		
(Loss)/profit before taxation	(17,362)	20,554
Adjustments for:-		
Allowance for stock obsolescence no longer required	(2)	(5)
Amortisation of intangible assets	7	8
Bad debts written off	90	64
Biological assets written off	-	756
Change in fair value of biological assets	(318)	(412)
Change in fair value of other investment	-	(3,357)
Depreciation of property, plant and equipment	25,834	33,087
Gain on derecognition of lease contract	(4)	-
Impairment losses no longer required:-		
-trade and other receivables	(35)	(452)
Loss on winding up of subsidiaries	(354)	-
Interest expense	6,954	5,975
Interest income	(3)	(66)
Goodwill written off	2	-
Inventories written off	2	-
Property, plant and equipment written off	488	17
Operating profit before working capital changes	15,299	56,169
Change in inventories	9,789	(6,716)
Change in trade and other receivables	5,187	1,605
Change in trade and other payables	(1,904)	17,185
CASH FROM OPERATIONS	28,371	68,243
Income tax paid	(5,627)	(4,608)
Income tax refunded	446	-
Interest paid	(4,313)	(6,548)
Interest received	3	66
NET CASH FROM OPERATING ACTIVITIES	18,880	57,153
BALANCE CARRIED FORWARD	18,880	57,153

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Condensed Consolidated Statement of Cash Flows (Cont'd)

For the Six Months Ended 30 June 2023

(the figures have not been audited)

	6 Months Ended	
	30.06.2023	30.06.2022
	RM'000	RM'000
BALANCE BROUGHT FORWARD	18,880	57,153
CASH FLOWS (FOR)/FROM INVESTING ACTIVITIES		
Costs incurred on biological assets	-	(87)
Cost incurred on gaharu	(34)	-
Dividend paid	(1,845)	-
Winding up of subsidiary, net of cash and cash equivalents winding up	500	-
Proceeds from disposal of property, plant and equipment	256	1
Purchase of property, plant and equipment	(25,584)	(7,856)
NET CASH FOR INVESTING ACTIVITIES	(26,707)	(7,942)
CASH FLOWS (FOR)/FROM FINANCING ACTIVITIES		
Change in bankers' acceptance	1,496	(5,227)
Change in revolving credit	1,281	(12,537)
Payment of interest on long-term borrowings	(3,557)	-
Drawdown of hire purchases	969	-
Payment of hire purchases	(44)	-
Drawdown of term loans	16,797	2,961
Repayment of promissory note	-	(445)
Repayment of lease liabilities	(647)	(638)
Payment of interest on lease liabilities	(108)	-
Payment of interest on hire purchases	(10)	-
Repayment of unsecured loans	(300)	-
Repayment of term loans	(16,199)	(13,429)
NET CASH FOR FINANCING ACTIVITIES	(322)	(29,315)
NET CHANGE IN CASH AND CASH EQUIVALENTS	(8,149)	(19,896)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	7,776	15,026
CASH AND CASH EQUIVALENTS AT END OF PERIOD	(373)	34,922

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Condensed Consolidated Statement of Cash Flows (Cont'd)

For the Six Months Ended 30 June 2023

(the figures have not been audited)

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

	6 Months Ended	
	30.06.2023 RM'000	30.06.2022 RM'000
Cash and bank balances	1,832	4,578
Deposits with licensed banks	120	33,111
Bank overdrafts	(2,205)	(2,647)
	<hr/>	<hr/>
	(253)	35,042
Less: Deposits pledged to licensed banks	(120)	(120)
	<hr/>	<hr/>
	(373)	34,922
	<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 2022 and the accompanying explanatory notes attached to the interim financial statements.



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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 2022. 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 2022.

The financial statements of the Company 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 Company 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: Reference to the Conceptual Framework

Amendments to MFRS 116: Property, Plant and Equipment – Proceeds before Intended Use

Amendments to MFRS 137: Onerous Contracts – Cost of Fulfilling a Contract

MFRS 17 Insurance Contracts

Amendments to MFRS 17 Insurance Contracts

Amendment to MFRS 17: Initial Application of MFRS 17 and MFRS 9 – Comparative Information

Amendments to MFRS 101: Disclosure of Accounting Policies

Amendments to MFRS 108: Definition of Accounting Estimates

Amendments to MFRS 112: Deferred Tax related to Assets and Liabilities arising from a Single Transaction

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 company’s financial statements.

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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:-

MFRSs and/or IC Interpretations (Including The Consequential Amendments)	Effective Date
Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred
Amendments to MFRS 16: Lease Liability in a Sale and Leaseback	1 January 2024
Amendments to MFRS 101: Classification of Liabilities as Current or Non-current	1 January 2024
Amendments to MFRS 101: Non-current Liabilities with covenants	1 January 2024

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)

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 Valuations of Property, Plant and Equipment

There has been no valuation undertaken for the Group's property, plant and equipment since the last annual financial statements.

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.

A10 Changes in the Composition of the Group

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

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

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

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

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

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 December 2021. The Court then fixed a case management on 21 December 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 was allowed whilst the Applicant's appeal in Desaru 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 March 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.

On 17 March 2022, the Applicant informed the Court that Puncak and Desaru had been fixed for leave hearing at Federal Court on 24 May 2022. The Court then fixed case management on 01 June 2022 at 9 am via Zoom to update the Court on the outcome of Puncak and Desaru. Interim stay granted until the disposal of leave hearing as instructed by Court previously remains valid and effective.

On 01 June 2022, it was fixed for case management to update the court on the status of the appeal at the Federal Court on intervener cases. The Applicant informed the Court that the leave application at the Federal Court was dismissed on 24 May 2022. However, the dismissal was based on the preliminary objection by the IRB on the appeal ability of the COA's decision based on Section 3 of the CJA. The Federal Court did not decide based on the question of law on intervener applications. The Applicant's Counsel requested for the case before this court to proceed to hearing of the intervener application as the matter should be heard on the merits. In this regard, the Court instructed parties to file any submission or additional submission, if necessary. The Court fixed the hearing for the intervener application on 5 September 2022. The Applicant request for the Interim stay previously granted to be extended until 5 September 2022. Notwithstanding the Attorney General Chambers (AGC) and IRB's objections, the Court allowed interim stay until 5 September 2022.

On 05 September 2022, due to a conflict of hearings, the Court vacated the hearing and directed the intervener hearing in front of YA Dato' Ahmad Kamal bin Md. Shahid (MTKL BKK1, Aras 4, Sayap Kanan) is fixed for 7 December 2022 at 11.00am to 1.00pm, the Written Submissions be filed and served on/before 9 November 2022; and The Written Submissions in Reply be filed and served on 23 November 2022. Interim stay granted until the disposal of leave hearing as instructed by Court previously remains valid and effective.



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

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

On 07 December 2022, it was fixed for hearing of Enclosure 11 (Proposed Intervenor’s application to intervene) and case management for Enclosure 1 (Judicial Review Application). The Applicant submitted that the court has a discretion whether or not to allow the application to intervene and the application to intervene should be made at the substantive stage. The Proposed Intervenor submitted that no ground of decision does not mean principle of stare decisis does not apply. Based on the stare decisis principle, the High Court are bound by the Court of Appeal decision in Puncak Niaga Construction Sdn Bhd and Desaru Property Development Sdn Bhd. The court directed parties to attend decision fixed on 16 February 2023 at 9am, the Proposed Intervenor to file written submission on/before 7 January 2023, and the Applicant to file written submission in reply on/before 21 January 2023. The interim stay previously granted by Court until the disposal of the leave hearing remains valid.

On 16 February 2023, it was fixed for decision in relation to the IRB’s Application to Intervene. The Court allowed the IRB’s Application to intervene with an order of cost in the cause. The Court directed parties to attend case management via e-review on 28 March 2023 before the Deputy Registrar to fix leave hearing date. Interim stay was granted in the year 2021 until disposal of leave.

On 28 March 2023, it was fixed for case management in Enclosure 1 to fix leave hearing date. The Court directed parties to attend leave hearing physically fixed on 21 September 2023, from 10am to 11.30am; to file written submission simultaneously on/before 24 August 2023; to file written submission in reply simultaneously on/before 7 September 2023; and parties must bring the hardcopy of the written submission(s) on the leave hearing date. Interim stay was granted on 3 June 2021 until disposal of judicial review application.

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.

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

A12 Capital Commitments

The amount of capital commitments not provided for in the financial statements as at 30 June 2023 was as follows:-

	RM'000
Property, plant and equipment:-	
- Contracted but not provided for	2,443

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	
	30.06.2023 RM'000	30.06.2022 RM'000	30.06.2023 RM'000	30.06.2022 RM'000
Consultancy fees paid	4	-	7	1
Interest paid	18	192	37	383
Purchase of fertilizers and chemicals	-	8	2	8
Purchase of FFB	5,488	12,204	9,508	19,162
Purchase of property, plant and equipment	1	115	6	136
Purchase of stores and consumables	497	553	988	1,031
Rental paid	19	8	36	34
Repairs and maintenance	47	20	100	34
Transportation and accommodation charges	4	6	19	12
Utilities, insurance, and sundry expenses	10	2	12	4
Event package fee expense	-	-	23	-
Contract Fee	33	-	33	-
Rental received	10	53	20	61
Sale of crude palm oil	19,174	37,821	39,714	66,946
Sale of Palm Kernel	2,899	3,423	5,240	6,536
Sale of FFB	5,547	17,032	14,187	30,172
Sale of Empty Bunch Ash	-	14	-	14
Sale of stores and consumables	9	51	164	73
Sale of fertilizers and chemicals	-	139	-	139
Sale of Seedlings	107	-	107	-
Transportation and handling income	268	277	538	518
Utilities, insurance, and sundry income	1	2	3	6
Computer & Software maintenance income	-	-	16	-

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 (%)
	30.06.2023	30.06.2022		30.06.2023	30.06.2022	
	RM'000	RM'000		RM'000	RM'000	
Revenue	121,961	212,052	-42.5%	226,802	372,342	-39.1%
Gross Profit	14,538	30,130	-51.7%	9,235	46,496	-80.1%
Profit/(Loss) before interest and taxation	5,619	17,565	-68.0%	(10,408)	26,529	-139.2%
Profit/(Loss) before taxation	2,032	14,521	-86.0%	(17,362)	20,554	-184.5%
(Loss)/Profit after taxation	(411)	10,030	-104.1%	(20,847)	13,759	-251.5%
(Loss)/Profit attributable to owners of the Company	(55)	9,647	-100.6%	(17,437)	13,521	-229.0%
EBITDA	18,548	34,254	-45.9%	15,433	59,624	-74.1%

Statistic	Individual Quarter 3 Months Ended		Changes (%)	Cumulative Quarter 6 Months Ended		Changes (%)
	30.06.2023	30.06.2022		30.06.2023	30.06.2022	
Production volume (MT)						
FFB	58,064	50,282	15.5%	103,846	90,222	15.1%
CPO	26,604	27,192	-2.2%	47,372	47,915	-1.1%
PK	6,096	5,868	3.9%	10,879	10,338	5.2%
Sales volume (MT)						
CPO	27,053	26,498	2.1%	48,026	47,751	0.6%
PK	5,492	5,549	-1.0%	10,714	9,981	7.3%
Average selling price (RM per MT)						
FFB	652	1,255	-48.1%	670	1,243	-46.1%
CPO	3,757	6,524	-42.4%	3,806	6,211	-38.7%
PK	1,848	3,368	-45.1%	1,872	3,790	-50.6%

3 Months Ended 30.06.2023 vs 30.06.2022

The Group recorded lower revenue of RM122.0 million, gross profit of RM14.5 million and loss after taxation of RM0.4 million in the current quarter as compared to corresponding period with revenue of RM212.1 million, gross profit of RM30.1 million and profit after taxation of RM10.0 million. The decrease was mainly due to decrease in average selling price of FFB, CPO and PK by 48.1%, 42.4% and 45.1% to RM652, RM3,757 and RM1,848 respectively.



RIMBUNAN SAWIT BERHAD

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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 (Cont'd)

6 Months Ended 30.06.2023 vs 30.06.2022

The Group reported a total revenue of RM226.8 million, gross profit of RM9.2 million and loss after taxation of RM20.8 million which contributed 39.1%, 80.1% and 251.5% lower than corresponding period in 2022. The shrinking of revenue, gross profit and loss after taxation were mainly due to decrease in average selling price of FFB, CPO and PK by 46.1%, 38.7% and 50.6% to RM670, RM3,806 and RM1,872 respectively.

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Part B – Explanatory Notes Pursuant to Appendix 9B of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad

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 (%)
	30.06.2023	31.03.2023	
	RM'000	RM'000	
Revenue	121,961	104,841	16.3%
Gross profit/(loss)	14,538	(5,303)	-374.1%
Profit/(loss) before interest and taxation	5,619	(16,027)	-135.1%
Profit/(loss) before taxation	2,032	(19,394)	-110.5%
Loss after taxation	(411)	(20,436)	-98.0%
Loss attributable to owners of the Company	(55)	(17,382)	-99.7%
EBITDA	18,548	(3,115)	-695.4%

Statistic	Current Quarter Ended	Immediate Preceding Quarter Ended	Changes (%)
	30.06.2023	31.03.2023	
Production volume (MT)			
FFB	58,064	45,782	26.8%
CPO	26,604	20,769	28.1%
PK	6,096	4,783	27.5%
Sales volume (MT)			
CPO	27,053	20,974	29.0%
PK	5,492	5,222	5.2%
Average selling price (RM per MT)			
FFB	652	693	-5.9%
CPO	3,757	3,869	-2.9%
PK	1,848	1,897	-2.6%

3 Months Ended 30.06.2023 vs 31.03.2023

The Group has recorded revenue of RM122.0 million and gross profit of RM14.5 million as compared to immediate preceding quarter. It was mainly due to production volume for FFB, CPO and PK have increased by 26.8%, 28.1% and 27.5% to 58,064 MT, 26,604 MT and 6,096 MT respectively as compared to 31 March 2023.

Other than that, the average selling price for FFB, CPO and PK have decreased by 5.9%, 2.9% and 2.6% to RM652, RM3,757 and RM1,848 respectively as compared to 31 March 2023.



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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)

B3 Commentary on Prospects

CPO price has a strong possibility to rise due to market uncertainties including those surrounding Black Sea sunflower oil supply and Malaysia's palm oil production that has remained below expectations. With the higher demand for palm oil due to insufficient domestic production and competitive price of palm oil, the Group will expect upwards trend to continue in second half of financial year 2023. The Group remains cautiously optimistic on the outlook of plantation segment for the financial year 2023.

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.

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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)

B5 Income Tax Expense

	Individual Quarter 3 Months Ended		Cumulative Quarter 6 Months Ended	
	30.06.2023 RM'000	30.06.2022 RM'000	30.06.2023 RM'000	30.06.2022 RM'000
Tax expense for the year:				
Current tax	2,967	5,901	3,846	9,551
Deferred tax	(524)	(1,410)	(361)	(2,756)
	<hr/>	<hr/>	<hr/>	<hr/>
	2,443	4,491	3,485	6,795
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B6 Corporate Proposals

There were no corporate proposals announced but not completed as at 15 August 2023, being the latest practicable date.

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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)

B7 Group Borrowings

	As at 30.06.2023 (RM'000)			As at 31.12.2022 (RM'000)		
	Short-term	Long-term	Total	Short-term	Long-term	Total
Secured:-						
Bank overdrafts	1,310	-	1,310	2,694	-	2,694
Bankers' acceptance	19,015	-	19,015	11,518	-	11,518
Lease liabilities	1,229	3,869	5,098	1,316	4,396	5,712
Revolving credit	102,116	-	102,116	98,717	-	98,717
Term loans	31,244	134,036	165,280	30,769	133,225	163,994
Loans	660	19,900	20,560	300	20,380	20,680
	155,574	157,805	313,379	145,314	158,001	303,315
Unsecured:-						
Bank overdrafts	895	-	895	-	-	-
Bankers' acceptance	7,636	-	7,636	9,839	-	9,839
Hire purchase	258	667	925	-	-	-
Loans	1,600	2,392	3,992	1,800	3,059	4,859
Revolving credit	25,492	-	25,492	31,408	-	31,408
	35,881	3,059	38,940	43,047	3,059	46,106
Total Borrowings	191,455	160,864	352,319	188,361	161,060	349,421

- a) The bankers' acceptance and revolving credit bore interest ranging from 3.9% to 6.5% per annum.
b) The term loans bore interest ranging from 2.9% to 5% per annum.
c) The bank overdraft is bearing interest ranging from 7.1% to 8.2% 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)

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 15 August 2023 being the latest practicable date.

B9 Dividends

No interim dividend has been declared for the period ending 30 June 2023.

B10 (Loss)/Profit Per Share

	Individual Quarter 3 Months Ended		Cumulative Quarter 6 Months Ended	
	30.06.2023	30.06.2022	30.06.2023	30.06.2022
(Loss)/profit attributable to the Company (RM'000)	(55)	9,647	(17,437)	13,521
Weighted average number of ordinary shares ('000):- Issued ordinary shares at 1 January	2,041,722	2,041,722	2,041,722	2,041,722
Weighted average number of ordinary shares at 30 June	2,041,722	2,041,722	2,041,722	2,041,722
Basic (loss)/profit per share (sen)	(0.00)	0.47	(0.85)	0.66

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 2022 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 6 Months Ended	
	30.06.2023 RM'000	30.06.2022 RM'000	30.06.2023 RM'000	30.06.2022 RM'000
Allowance for stock obsolescence no longer required	(2)	(4)	(2)	(5)
Amortisation of intangible assets	3	4	7	8
Audit fee:-				
- current financial year	94	-	191	-
Bad debts written off	88	4	90	64
Biological assets written off	-	-	-	756
Changes in fair value of other investment	-	-	-	(3,357)
Changes in fair value of biological assets	(536)	346	(318)	(412)
Depreciation of property, plant and equipment	12,926	16,534	25,834	33,087
Directors' remuneration	151	110	308	220
Finance costs	3,589	3,044	6,954	5,975
Gain on derecognition of lease liabilities	(3)	-	(4)	-
Impairment losses no longer required:-				
- trade and other receivables	(29)	-	(35)	-
Loss on winding up of subsidiaries	(354)	-	(354)	-
Interest income	(1)	(41)	(3)	(66)
Goodwill written off	2	-	2	-
Inventories written off	-	-	2	-
Property, plant and equipment written off	304	17	488	17
Rental income	(29)	(64)	(41)	(84)
Rental on equipment	1,161	1	1,167	17
Rental on premises	3	371	6	767
Staff costs:-				
- short-term employee benefits	6,565	7,070	16,491	15,632
- defined contribution plan	805	736	2,022	1,696



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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)

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 2023.

(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 2023 and 31 December 2022.

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 29 August 2023.