

**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 4th Quarter Ended 31 December 2023

	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>	19

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Condensed Consolidated Statement of Profit or Loss and Other Comprehensive IncomeFor the 4th Quarter Ended 31 December 2023*(the figures have not been audited)*

	Individual Quarter 3-month Period Ended		Cumulative Quarter 12-month Period Ended	
	31.12.2023 RM'000	31.12.2022 RM'000	31.12.2023 RM'000	31.12.2022 RM'000
REVENUE	139,619	154,145	507,762	675,917
COST OF SALES	(150,107)	(143,537)	(488,646)	(614,901)
GROSS(LOSS)/ PROFIT	(10,488)	10,608	19,116	61,016
OTHER INCOME	60,069	11,853	65,528	18,784
DISTRIBUTION COSTS	(6,026)	(7,312)	(22,278)	(30,197)
OTHER OPERATING EXPENSES	(7,670)	(9,463)	(9,520)	(11,836)
ADMINISTRATIVE EXPENSES	(5,243)	(6,379)	(20,940)	(19,418)
FINANCE COSTS	(3,791)	(3,606)	(14,356)	(12,856)
NET IMPAIRMENT GAINS ON FINANCIAL ASSETS	-	498	-	498
PROFIT/(LOSS) BEFORE TAXATION	26,851	(3,801)	17,550	5,991
INCOME TAX EXPENSES	1,719	(2,689)	(5,164)	(11,809)
PROFIT/(LOSS) AFTER TAXATION	28,570	(6,490)	12,386	(5,818)
OTHER COMPREHENSIVE INCOME	-	-	-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	28,570	(6,490)	12,386	(5,818)

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Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income (Cont'd)For the 4th Quarter Ended 31 December 2023*(the figures have not been audited)*

	Individual Quarter 3-month Period Ended		Cumulative Quarter 12-month Period Ended	
	31.12.2023 RM'000	31.12.2022 RM'000	31.12.2023 RM'000	31.12.2022 RM'000
PROFIT/(LOSS) AFTER TAXATION ATTRIBUTABLE TO:-				
- Owners of the Company	36,950	(3,190)	24,478	(330)
- Non-controlling interests	(8,380)	(3,300)	(12,092)	(5,488)
	<u>28,570</u>	<u>(6,490)</u>	<u>12,386</u>	<u>(5,818)</u>
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:-				
- Owners of the Company	36,950	(3,190)	24,478	(330)
- Non-controlling interests	(8,380)	(3,300)	(12,092)	(5,488)
	<u>28,570</u>	<u>(6,490)</u>	<u>12,386</u>	<u>(5,818)</u>
PROFIT/(LOSS) PER SHARE (SEN):-				
- Basic	1.81	(0.16)	1.20	(0.02)
- 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 31 December 2023

(the figures have not been audited)

	As at 31.12.2023	As at 31.12.2022
	RM'000	RM'000
ASSETS		
NON-CURRENT ASSETS		
Property, plant and equipment	671,737	769,503
Biological assets	-	565
Intangible assets	9	22
Other investment	5,000	5,000
Goodwill	5,130	5,264
Deposits with licensed banks	120	120
	<hr/>	<hr/>
	681,996	780,474
CURRENT ASSETS		
Inventories	18,641	31,681
Biological assets	3,524	3,401
Trade receivables	12,659	11,422
Other receivables, deposits and prepayments	8,022	11,715
Current tax assets	1,582	2,062
Deposits with licensed banks	-	5,300
Cash and bank balances	2,658	5,170
	<hr/>	<hr/>
	47,086	70,751
Assets classified as held for sale	123,553	-
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TOTAL ASSETS	852,635	851,225

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Condensed Consolidated Statement of Financial Position (Cont'd)

As at 31 December 2023

(the figures have not been audited)

	As at 31.12.2023	As at 31.12.2022
	RM'000	RM'000
EQUITY AND LIABILITIES		
EQUITY		
Share capital	391,510	614,600
Retained profit/(Accumulated losses)	15,488	(231,867)
	<hr/>	<hr/>
Equity attributable to owners of the Company	406,998	382,733
Non-controlling interests	(44,891)	(29,259)
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TOTAL EQUITY	362,107	353,474
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NON-CURRENT LIABILITIES		
Borrowings	152,181	161,060
Deferred tax liabilities	36,509	42,705
	<hr/>	<hr/>
	188,690	203,765
	<hr/>	<hr/>
CURRENT LIABILITIES		
Trade payables	66,546	70,542
Other payables, deposits and accruals	46,582	32,596
Borrowings:-		
- bank overdrafts	-	2,694
- other borrowings	187,924	185,667
Current tax liabilities	786	2,487
	<hr/>	<hr/>
	301,838	293,986
	<hr/>	<hr/>
TOTAL LIABILITIES	490,528	497,751
	<hr/>	<hr/>
TOTAL EQUITY AND LIABILITIES	852,635	851,225
	<hr/>	<hr/>
NET ASSETS PER SHARE (RM)	0.18	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 Twelve Months Ended 31 December 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	-	-	(213)	(213)	(270)	(483)
Contributions by and distributions to owners of the Company:-						
- reduction of share capital	(223,090)	-	223,090	-	-	-
Profit/(Loss) after taxation/Total comprehensive income for the period	-	-	24,478	24,478	(12,092)	12,386
Contributions by and distributions to owners of the Company:-						
- dividends						
- by subsidiaries to non- controlling interests	-	-	-	-	(3,270)	(3,270)
Balance at 31.12.2023	391,510	(53,065)	68,553	406,998	(44,891)	362,107

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

For the Twelve Months Ended 31 December 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
Loss after taxation/Total comprehensive income for the period	-	-	(330)	(330)	(5,488)	(5,818)
Balance at 31.12.2022	614,600	(53,065)	(178,802)	382,733	(29,259)	353,474

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 Twelve Months Ended 31 December 2023

(the figures have not been audited)

	12 Months Ended	
	31.12.2023 RM'000	31.12.2022 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	17,550	5,991
Adjustments for:-		
Allowance for stock obsolescence no longer required	(239)	(11)
Amortisation of intangible assets	13	15
Bad debts written off	789	94
Biological assets written off	620	756
Change in fair value of biological assets	(123)	1,709
Change in fair value of other investment	-	(3,357)
Depreciation of property, plant and equipment	68,776	65,911
Gain on derecognition of lease contract	(9)	(1)
Gain on disposal of property, plant and equipment	(659)	(31)
Impairment losses on:-		
-receivables	-	53
Impairment losses no longer required:-		
-trade and other receivables	(48)	(551)
-property, plant and equipment	(64,276)	(4,526)
Loss on winding up of subsidiaries	(841)	-
Interest expense	14,356	12,856
Interest income	(19)	(143)
Investment in subsidiaries written off	2,960	-
Goodwill written off	134	-
Inventories written down	-	6
Inventories written off	458	108
Property, plant and equipment written off	11,359	2,474
Payables written off	(2,551)	(4)
Operating profit before working capital changes	48,250	81,349
Change in inventories	12,821	(11,003)
Change in trade and other receivables	1,714	1,176
Change in trade and other payables	11,946	11,809
CASH FROM OPERATIONS	74,731	83,331
Income tax paid	(14,058)	(15,712)
Income tax refunded	984	2,390
Interest paid	(7,660)	(6,446)
Interest received	19	143
NET CASH FROM OPERATING ACTIVITIES	54,016	63,706
BALANCE CARRIED FORWARD	54,016	63,706



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Condensed Consolidated Statement of Cash Flows (Cont'd)

For the Twelve Months Ended 31 December 2023

(the figures have not been audited)

	12 Months Ended	
	31.12.2023 RM'000	31.12.2022 RM'000
BALANCE BROUGHT FORWARD	54,016	63,706
CASH FLOWS (FOR)/FROM INVESTING ACTIVITIES		
Costs incurred on biological assets	-	(163)
Cost incurred on gaharu	(49)	-
Dividend paid	(3,270)	-
Winding up of subsidiary, net of cash and cash equivalents winding up	(11)	-
Proceeds from disposal of property, plant and equipment	2,175	500
Purchase of property, plant and equipment	(41,703)	(25,192)
NET CASH FOR INVESTING ACTIVITIES	(42,858)	(24,855)
CASH FLOWS (FOR)/FROM FINANCING ACTIVITIES		
Change in bankers' acceptance	3,697	(2,340)
Change in revolving credit	(4,876)	(15,452)
Payment of interest on long-term borrowings	(8,574)	(7,679)
Drawdown of hire purchases	4,415	-
Payment of hire purchases	(515)	-
Drawdown of term loans	24,719	9,003
Repayment of promissory note	-	-
Repayment of lease liabilities	(1,355)	(1,289)
Payment of interest on lease liabilities	(225)	-
Payment of interest on hire purchases	(107)	-
Repayment of unsecured loans	(600)	(1,511)
Repayment of term loans	(32,855)	(26,833)
NET CASH FOR FINANCING ACTIVITIES	(16,276)	(46,101)
NET CHANGE IN CASH AND CASH EQUIVALENTS	(5,118)	(7,250)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	7,776	15,026
CASH AND CASH EQUIVALENTS AT END OF PERIOD	2,658	7,776

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Condensed Consolidated Statement of Cash Flows (Cont'd)

For the Twelve Months Ended 31 December 2023

(the figures have not been audited)

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

	12 Months Ended	
	31.12.2023 RM'000	31.12.2022 RM'000
Cash and bank balances	2,658	5,170
Deposits with licensed banks	120	5,420
Bank overdrafts	-	(2,694)
	<hr/>	<hr/>
	2,778	7,896
Less: Deposits pledged to licensed banks	(120)	(120)
	<hr/>	<hr/>
	2,658	7,776
	<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).

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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.

On 21 September 2023, it was fixed for hearing in Enclosure 1. The Applicant's counsel informed the Court that the Applicant wishes to rely on the written submissions and the oral submission presented to the Court during the leave hearing for Symphony Hills and Puncak Niaga Management on 18 September 2023 in order to save court's time. The Attorney General Chambers (AGC) informed the Court that they wish also to rely on their written submissions and emphasised that the AGC's objection to the Applicant's leave application remains the same. The Intervener took the same position. The Court took note of the above and instructed parties to attend leave decision in Enclosure 1 on 24 October 2023 via zoom. Interim stay was granted on 3 June 2021 until disposal of judicial review application.

On 24 October 2023, it was initially fixed for Decision in Enclosure 1. However, in view of 5 other cases which involve similar issues with the present matter, the Court took the view that it is appropriate to adjourn the Decision fixed on this day to the date of decision fixed for the 5 other cases, i.e. 27 November 2023. The Court will be pronouncing decisions for all 6 cases on 27 November 2023 simultaneously. The Court instructed parties to attend decision physically on 27 November 2023 at 9 am. Interim stay was granted on 3 June 2021 until disposal of judicial review application.

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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 27 November 2023, it was fixed for the leave decision in Enclosure 1. Upon reading all parties’ written submissions and hearing parties’ oral submissions, the Court found that the Applicant’s leave application does not have merit and dismissed the Applicant’s leave application with costs where the Applicant is required to pay RM2,500.00 to the AGC and DGIR respectively without subjecting to allocator fee. The Applicant’s counsel then requested an interim stay to be granted pending the appeal to the Court of Appeal. The Federal Counsel objected to the interim stay application as no formal application had been filed. The Senior Revenue counsel objected to the interim stay application as no formal application had been filed and there are no special circumstances warranting the granting of interim stay. In this regard, the Court instructed parties to file a formal stay application before the High Court. Further, the Court granted an interim stay pending the filing of notice of appeal to the Court of Appeal and the notice of application for stay within 30 days. In the event the stay application is not filed within 30 days from today, the stay will lapse. RDS Advocates and Solicitors would suggest for the Company to file an appeal in light of the cases where leave has been granted by the High Court (eg: CMMT Investment Limited Sdn Bhd v MOF and Bandar Baru Majidee Development v MOF) and to file a formal stay application before the High Court in order to preserve the status quo.

On 28 November 2023, the Notice of Appeal has been filed and served to the relevant parties on 29 November 2023. The Court of Appeal has fixed the first case management on 26 February 2024.

On 19 December 2023, it was fixed for Case Management for Enclosure 69 (The Applicant’s Application for Stay of Proceedings). Both Attorney General Chambers (AGC) and the Intervenor informed the Court that they object to the Applicant’s Application for Stay of Proceedings. In this regard, the Court has given the following instructions that AGC/Intervenor to file its AIR (Afidavit Jawapan) on/before 5 January 2024; the Applicant to file its AIR (Afidavit Balasan) on/before 19 January 2024; and parties to attend Case Management via e-review to update on the status of the affidavits on 23 January 2024.

On 23 January 2024, it was fixed for Case Management for Enclosure 69 (The Applicant’s Application for Stay of Proceedings). The Applicant’s counsel informed the Court that the parties have exhausted their affidavits. In this regard, the Court has given the following instructions that parties to attend physical hearing for Enclosure 69 before YA Dato’ Ahmad Kamal bin Md. Shahid on 11 June 2024, 10am to 11am; parties to file and serve written submission simultaneously on/before 17 May 2024; and parties to file and serve written submission in reply simultaneously on/before 31 May 2024.

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 31 December 2023 was as follows:-

	RM'000
Property, plant and equipment:-	
- Contracted but not provided for	8,753

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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	
	31.12.2023 RM'000	31.12.2022 RM'000	31.12.2023 RM'000	31.12.2022 RM'000
Consultancy fees paid	2	-	10	-
Interest paid	16	187	71	762
Purchase of fertilizers and chemicals	-	2	78	27
Purchase of FFB	7,153	7,980	23,615	35,405
Purchase of property, plant and equipment	1,820	-	2,515	26
Purchase of stores and consumables	400	246	2,033	2,003
Rental paid	80	1,493	150	1,561
Repairs and maintenance	156	33	282	90
Transportation and accommodation charges	19	-	47	20
Utilities, insurance, and sundry expenses	25	2	49	8
Event package fee expense	4	4	27	4
Fertiliser testing charges expenses	-	6	-	6
Contract Fee	674	-	1,086	-
Rental received	31	17	57	89
Sale of crude palm oil	5,447	34,808	67,333	128,570
Sale of Palm Kernel	993	3,379	9,866	13,057
Sale of FFB	14,410	9,925	36,775	53,263
Sale of Empty Bunch Ash	-	-	-	14
Sale of stores and consumables	26	1,073	238	1,343
Sale of fertilizers and chemicals	-	-	-	-
Sale of Seedlings	149	-	455	-
Transportation and handling income	81	464	928	1,314
Utilities, insurance, and sundry income	1	2	6	12
Computer & Software maintenance income	-	-	25	-
Sale of property, plant and equipment	-	300	14	300
Labour service fee income	1	-	4	-



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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 (%)
	31.12.2023	31.12.2022		31.12.2023	31.12.2022	
	RM'000	RM'000		RM'000	RM'000	
Revenue	139,619	154,145	-9.4%	507,762	675,917	-24.9%
Gross (Loss)/Profit	(10,488)	10,608	-198.9%	19,116	61,016	-68.7%
Profit/(Loss) before interest and taxation	30,642	(195)	-15813.8%	31,906	18,847	69.3%
Profit/(Loss) before taxation	26,851	(3,801)	-806.4%	17,550	5,991	192.9%
Profit/(Loss) after taxation	28,570	(6,490)	-540.2%	12,386	(5,818)	-312.9%
Profit/(Loss) attributable to owners of the Company	36,950	(3,190)	-1258.3%	24,478	(330)	-7517.6%
EBITDA	60,627	16,070	277.3%	100,695	84,773	18.8%

Statistic	Individual Quarter 3 Months Ended		Changes (%)	Cumulative Quarter 12 Months Ended		Changes (%)
	31.12.2023	31.12.2022		31.12.2023	31.12.2022	
Production volume (MT)						
FFB	72,450	62,101	16.7%	250,750	211,681	18.5%
CPO	28,682	32,778	-12.5%	106,152	111,756	-5.0%
PK	6,558	7,456	-12.0%	24,100	24,512	-1.7%
Sales volume (MT)						
CPO	30,408	32,891	-7.6%	107,531	110,607	-2.8%
PK	6,537	7,067	-7.5%	24,024	23,812	0.9%
Average selling price (RM per MT)						
FFB	646	1,013	-36.3%	661	927	-28.7%
CPO	3,595	5,025	-28.5%	3,725	4,885	-23.8%
PK	1,847	3,456	-46.6%	1,862	2,815	-33.9%

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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 31.12.2023 vs 31.12.2022**

As of December 31, 2023, the Group reported a revenue of RM139.6 million, marking a decrease from RM154.1 million on December 31, 2022. This decline is attributed to a significant reduction in the average selling prices of Fresh Fruit Bunches (FFB), Crude Palm Oil (CPO), and Palm Kernel (PK) by 36.3%, 28.5%, and 46.6%, respectively. Additionally, the decrease in CPO and PK sale volumes, down by 7.6% and 7.5% to 30,408MT and 6,537MT, contributed to the overall revenue decline. Notably, there was a 16.7% increase in FFB production volume, totaling 72,450MT compared to 62,101MT in the corresponding period of 2022.

Despite facing a gross loss of RM10.5 million, the Group demonstrated improved financial performance, achieving a profit before tax of RM26.9 million, profit after tax of RM28.6 million, and EBITDA of RM60.6 million. This positive trend can be primarily attributed to aggressive cost control measures, innovative sustainable approaches in operations, and the strategic disposal of Jayamax and Selangor estates, leading to the reversal of impairment losses for the year ending 2023.

12 Months Ended 31.12.2023 vs 31.12.2022

As of December 31, 2023, the Group reported a revenue of RM507.8 million, marking a decline from RM675.9 million on December 31, 2022. This downturn is primarily attributed to a decrease in the average selling prices of Fresh Fruit Bunches (FFB), Crude Palm Oil (CPO), and Palm Kernel (PK) by 28.7%, 23.8%, and 33.9%, respectively, reaching RM661, RM3,725, and RM1,862. Despite a noteworthy 18.5% increase in FFB production volume, totaling 250,750MT compared to 211,681MT in the corresponding period of 2022, the decline in selling prices contributed to the overall revenue decline.

The Group reported a gross profit of RM19.1 million, profit before tax of RM17.6 million, profit after tax of RM12.4 million, and EBITDA of RM100.7 million. This mainly due to the Group has undertaken aggressive cost control measures, innovative sustainable approaches in operations, and the strategic disposal of Jayamax and Selangor estates resulted in reduced distribution cost by RM7.9 million, and a cut in administrative expenses by RM2.3 million. Additionally, a boost in other income by RM46.7 million further contributed to the higher profit after tax.



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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)

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 (%)
	31.12.2023	30.09.2023	
	RM'000	RM'000	
Revenue	139,619	141,341	-1.2%
Gross (loss)/profit	(10,488)	20,369	-151.5%
Profit before interest and taxation	30,642	11,673	162.5%
Profit before taxation	26,851	8,062	233.1%
Profit after taxation	28,570	4,664	512.6%
Profit attributable to owners of the Company	36,950	4,966	644.0%
EBITDA	60,627	24,636	146.1%

Statistic	Current Quarter Ended	Immediate Preceding Quarter Ended	Changes (%)
	31.12.2023	30.09.2023	
Production volume (MT)			
FFB	72,450	74,454	-2.7%
CPO	28,682	30,098	-4.7%
PK	6,558	6,662	-1.6%
Sales volume (MT)			
CPO	30,408	29,097	4.5%
PK	6,537	6,773	-3.5%
Average selling price (RM per MT)			
FFB	646	663	-2.6%
CPO	3,595	3,726	-3.5%
PK	1,847	1,860	-0.7%

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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)

B2 Material Change in the Profit Before Taxation for the Current Quarter as Compared with the Immediate Preceding Quarter (Cont'd)**3 Months Ended 31.12.2023 vs 30.09.2023**

As of December 31, 2023, the company's revenue stands at RM139.6 million, exhibiting a slight decrease from RM141.3 million on September 30, 2023. This decline is primarily attributed to a decrease in the average selling prices of Fresh Fruit Bunches (FFB), Crude Palm Oil (CPO), and Palm Kernel (PK) by 2.6%, 3.5%, and 0.7%, respectively, reaching RM646, RM3,595, and RM1,847. Furthermore, the reduction in FFB, CPO, and PK sale volumes by 2.7%, 4.7%, and 1.6% to 72,450MT, 28,682MT, and 6,558MT, respectively, also contributed to the overall decrease in revenue. Despite encountering a gross loss of RM10.5 million, the company demonstrated an uplift in financial performance, achieving a profit before tax of RM26.9 million, profit after tax of RM28.6 million, and EBITDA of RM60.6 million. This positive trend is primarily attributed to aggressive cost control measures, innovative sustainable approaches in operations, and the disposal of Jayamax and Selangor estates, leading to the reversal of impairment losses for the year ending 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

The Malaysian oil palm industry is optimistic about 2024, anticipating a stronger performance due to factors such as increased crude palm oil (CPO) production, higher palm oil prices, and rising global demand. Efforts to address labor issues, allocate funds for replanting programs, and enhance sustainability have been implemented by the government. Automation tax incentives, the adoption of DNA testing technology, and expanding market scopes aim to boost productivity. Despite potential challenges from international regulations and policies, the industry expects improved export performance, especially to major importing countries like China and India. The average CPO price is projected to rise in 2024, supported by growing demand and initiatives like B35 in Indonesia promoting biodiesel. In view of the above, the Group remains cautiously optimistic on the outlook for the financial year 2024.

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	
	31.12.2023 RM'000	31.12.2022 RM'000	31.12.2023 RM'000	31.12.2022 RM'000
Tax expense for the year:				
Current tax	3,862	621	11,359	13,116
Deferred tax	(5,581)	2,068	(6,195)	(1,307)
	<u>(1,719)</u>	<u>2,689</u>	<u>5,164</u>	<u>11,809</u>

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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**

Proposal	<p>On 21 December 2023, Rimbunan Sawit Berhad (“RSB”)’s wholly-owned subsidiary, R.H. Plantation Sdn. Bhd. (“RHPSB”) had entered into a Sale and Purchase Agreement (“S&P”) with Mahawangsa Sungai Bok Plantation Sdn. Bhd. (formerly known as Hua Seng Plantation Sdn. Bhd.) (“MSBPSB” or the “Purchaser”) to dispose of a parcel of agricultural land described as Lot 56 Sawai Land District, Miri, Sarawak measuring approximately 4,857.00 hectares together with the oil palm plantation and buildings erected thereon (“Selangor Estate”) to MSBPSB for a disposal consideration of RM90.00 million to be satisfied entirely in cash (“Proposed Disposal 1”); and</p> <p>Rimbunan Sawit Berhad (“RSB”)’s wholly-owned subsidiary, Jayamax Plantation Sdn. Bhd. (“JPSB”) had entered into a Sale and Purchase Agreement (“S&P”) with Mahawangsa Sungai Bok Plantation Sdn. Bhd. (formerly known as Hua Seng Plantation Sdn. Bhd.) (“MSBPSB” or the “Purchaser”) to dispose of 4 parcels of agricultural land described as Lots 4 and 6, both of Block 9 Dulit Land District, Miri, Sarawak and Lots 101 and 102, both of Sawai Land District, Miri, Sarawak, collectively measuring approximately 5,077.66 hectares, each with the oil palm plantation and buildings erected thereon (collectively, the “Jayamax Estate”) to MSBPSB for a disposal consideration of RM75.00 million to be satisfied entirely in cash (“Proposed Disposal 2”)</p>
Status	<p>(i) The Proposed Disposal 1 shall be conditional upon the fulfilment of the following conditions:</p> <p>(a) RHPSB obtaining the consent in writing of the Director of Land and Survey Department of Sarawak for the transfer of the Selangor Estate to and in favour of MSBPSB in compliance with the restriction-in-interest expressed in the land title of the Selangor Estate (“CSPA 1 Consent for Transfer I”);</p> <p>(b) RHPSB obtaining the consent in writing of the Superintendent of Land and Survey Department of Sarawak, Miri Division for the transfer of the Selangor Estate to and in favour of MSBPSB in accordance with the provisions of the Sarawak Land Code (“CSPA 1 Consent for Transfer II”);</p> <p>(c) MSBPSB obtaining the consent in writing of the Director of Land and Survey Department of Sarawak for the charge of the Selangor Estate to and in favour of MSBPSB’s financier in compliance with the restriction-in-interest expressed in the land title of the Selangor Estate (“CSPA 1 Consent for Charge”);</p> <p>(d) the approval of the shareholders of RSB in a general meeting for the disposal of the Selangor Estate at the Disposal Consideration 1 and upon the terms set out in the CSPA 1; and</p> <p>(e) all other approvals, consents or authorisations from the relevant authorities or parties and matters contemplated by the CSPA 1 being obtained,</p> <p>hereinafter collectively referred to as “CSPA 1 Conditions Precedent”.</p>

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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)**

Status	<p>(ii) The CSPA 1 Conditions Precedent shall be fulfilled within 6 months from the date of the CSPA 1 with a grace period of 1 month ("Compliance Period").</p> <p>(iii) The CSPA 1 shall cease to be conditional on the date when all the CSPA 1 Conditions Precedent shall have been fulfilled (the "CSPA 1 Unconditional Date") on the basis that the consents are granted upon terms and conditions which are acceptable to RHPSB and MSBPSB.</p> <p>(i) The Proposed Disposal 2 shall be conditional upon the fulfilment of the following conditions:</p> <p>(a) the issuance of the provisional lease (under the Land Code of Sarawak) for both Lot 101 and Lot 102 by the Land and Survey Department of Sarawak, Miri Division to JPSB as the registered proprietor;</p> <p>(b) JPSB obtaining the consent in writing of the Director of Land and Survey Department of Sarawak for the transfer of the Jayamax Estate to and in favour of MSBPSB in compliance with the restriction-in-interest expressed in the land title of the Jayamax Estate ("CSPA 2 Consent for Transfer I");</p> <p>(c) JPSB obtaining the consent in writing of the Superintendent of the Land and Survey Department of Sarawak, Miri Division for the transfer of the Jayamax Estate to and in favour of MSBPSB in accordance with the provisions of the Sarawak Land Code ("CSPA 2 Consent for Transfer II");</p> <p>(d) MSBPSB obtaining the consent in writing of the Director of Land and Survey Department of Sarawak for the charge of the Jayamax Estate to and in favour of MSBPSB's financier in compliance with the restriction-in-interest expressed in the land title of the Jayamax Estate ("Consent for Charge");</p> <p>(e) the approval of the shareholders of RSB in a general meeting for the disposal of the Jayamax Estate at the Disposal Consideration 2 and upon the terms set out in the CSPA 2; and</p> <p>(f) all other approvals, consents or authorisations from the relevant authorities or parties and matters contemplated by the CSPA 2 being obtained,</p> <p>hereinafter collectively referred to as "CSPA 2 Conditions Precedent".</p> <p>(ii) The CSPA 2 Conditions Precedent shall be fulfilled within 6 months from the date of the CSPA 2 with a grace period of 1 month ("CSPA 2 Compliance Period").</p> <p>(iii) The CSPA 2 shall cease to be conditional on the date when all the CSPA 2 Conditions Precedent shall have been fulfilled (the "CSPA 2 Unconditional Date") on the basis that the consents are granted upon terms and conditions which are acceptable to JPSB and MSBPSB.</p> <p>On 22 December 2023, 10% of disposal consideration 1 & 2 has been paid to RHPSB by MSBPSB upon execution of the CSPA 1 & CSPA 2, of which 3% shall be retained by RHPSB's solicitors as the retention sum for payment to the Director General of Inland Revenue as required under the Real Property Gains Tax Act, 1976 ("RPGT Act").</p>
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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)**

Status	The sale proceeds and the breakdown of utilization are tabulated as below:				
	No.	Purposes	Proposed Utilization (RM'000)	Actual Utilization (RM'000)	Intended Time-Frame
	1.	Partial repayment of interest-bearing borrowings	86,106	-	4 th Quarter 2024
	2.	New planting and replanting of oil palm	19,100	-	4 th Quarter 2024
	3.	Working capital requirements	59,119	16,500	4 th Quarter 2024
	4.	Defray estimated expenses in relation to the Proposed Disposals	675	-	4 th Quarter 2024
	Total	165,000	16,500		

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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 31.12.2023 (RM'000)			As at 31.12.2022 (RM'000)		
	Short-term	Long-term	Total	Short-term	Long-term	Total
Secured:-						
Bank overdrafts	-	-	-	2,694	-	2,694
Bankers' acceptance	18,134	-	18,134	11,518	-	11,518
Lease liabilities	1,431	3,674	5,105	1,316	4,396	5,712
Revolving credit	104,578	-	104,578	98,717	-	98,717
Term loans	32,323	124,984	157,307	30,769	133,225	163,994
Loans	1,030	19,350	20,380	300	20,380	20,680
	157,496	148,008	305,504	145,314	158,001	303,315
Unsecured:-						
Bankers' acceptance	6,920	-	6,920	9,839	-	9,839
Hire purchase	1,277	2,623	3,900	-	-	-
Loans	1,560	1,550	3,110	1,800	3,059	4,859
Revolving credit	20,671	-	20,671	31,408	-	31,408
	30,428	4,173	34,601	43,047	3,059	46,106
Total Borrowings	187,924	152,181	340,105	188,361	161,060	349,421

- a) The bankers' acceptance and revolving credit bore interest ranging from 4.0% to 6.7% per annum.
b) The term loans bore interest ranging from 2.9% to 5.5% per annum.
c) The bank overdraft is bearing interest ranging from 7.1% to 8.2% per annum.

**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 (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 13 February 2024 being the latest practicable date.

B9 Dividends

No interim dividend has been declared for the period ending 31 December 2023.

B10 Profit/(Loss) Per Share

	Individual Quarter 3 Months Ended		Cumulative Quarter 12 Months Ended	
	31.12.2023	31.12.2022	31.12.2023	31.12.2022
Profit/(loss) attributable to the Company (RM'000)	36,950	(3,190)	24,478	(330)
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 31 December	2,041,722	2,041,722	2,041,722	2,041,722
Basic profit/(loss) per share (sen)	1.81	(0.16)	1.20	(0.02)

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 Profit/(Loss) Before Taxation

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

	Individual Quarter 3 Months Ended		Cumulative Quarter 12 Months Ended	
	31.12.2023 RM'000	31.12.2022 RM'000	31.12.2023 RM'000	31.12.2022 RM'000
Allowance for stock obsolescence no longer required	(236)	(1)	(239)	(10)
Amortisation of intangible assets	2	4	13	15
Audit fee:- - current financial year	102	392	387	392
Bad debts written off	129	30	789	94
Biological assets written off	620	-	620	756
Changes in fair value of other investment	-	-	-	(3,357)
Changes in fair value of biological assets	889	231	(123)	1,709
Depreciation of property, plant and equipment	29,983	16,261	68,776	65,911
Directors' remuneration	892	1,265	1,343	1,595
Finance costs	3,791	3,606	14,356	12,856
Loss/(Gain) on derecognition of lease liabilities	3	(1)	(9)	(1)
Gain on disposal of property, plant and equipment	(430)	(31)	(659)	(31)
Impairment losses on:-				
- receivables	48	-	-	-
Impairment losses no longer required:-				
- trade and other receivables	(48)	-	(48)	-
- property, plant and equipment	(64,276)	(4,526)	(64,276)	(4,526)
Loss on winding up of subsidiaries	-	-	(841)	-
Interest income	(15)	(22)	(19)	(143)
Investment in Subsidiaries written off	-	-	2,960	-
Goodwill written off	-	-	134	-
Inventories written down	-	6	-	6
Inventories written off	420	39	458	108
Payables written off	8	(4)	(2,551)	(4)
Property, plant and equipment written off	10,381	2,343	11,359	2,474
Rental income	(29)	(35)	(89)	(145)
Rental on equipment	1	3	34	32
Rental on premises	-	4	4	27

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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 Profit/(Loss) Before Taxation (Cont'd)

	Individual Quarter 3 Months Ended		Cumulative Quarter 12 Months Ended	
	31.12.2023 RM'000	31.12.2022 RM'000	31.12.2023 RM'000	31.12.2022 RM'000
Staff costs:-				
- short-term employee benefits	5,705	7,630	32,792	30,685
- defined contribution plan	808	586	3,642	3,036
	<u>808</u>	<u>586</u>	<u>3,642</u>	<u>3,036</u>

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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 12-month period ended 31 December 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 31 December 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 26 February 2024.