



**RIMBUNAN SAWIT BERHAD**

[Registration No: 200501014346(691393-U)]



# *Annual Report* **2024**



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## VISION & MISSION

### OUR VISION

To be progressive plantation  
and agri-business group.



### OUR MISSION

- To enhance stakeholders' values.
- To provide high quality products and services to our customers.
- To provide job opportunities and lifelong learning opportunities at the workplace and local community.



### CORPORATE VALUES

- Q** - QUALITY (BOTH OUR  
PRODUCTS AND SERVICES)
- I** - INTEGRITY
- T** - TEAMWORK
- F** - FAMILY VALUES
- R** - RESULT-ORIENTED



## LOCATIONS OF OPERATIONS

### Southern Region Plantations

#### Selangau Zone:

1. PJP Pelita Selangau Plantation Sdn. Bhd.
2. Nescaya Palma Sdn. Bhd.
3. Novelpac-Puncakdana Plantation Sdn. Bhd.

#### Lundu Zone:

4. PJP Pelita Lundu Plantation Sdn. Bhd.
5. PJP Pelita Biawak Plantation Sdn. Bhd.

### Northern Region Plantations

#### Miri Zone 1:

6. R.H. Plantation Sdn. Bhd. - Bakong Estate
7. Timrest Sdn. Bhd.

#### Miri Zone 2:

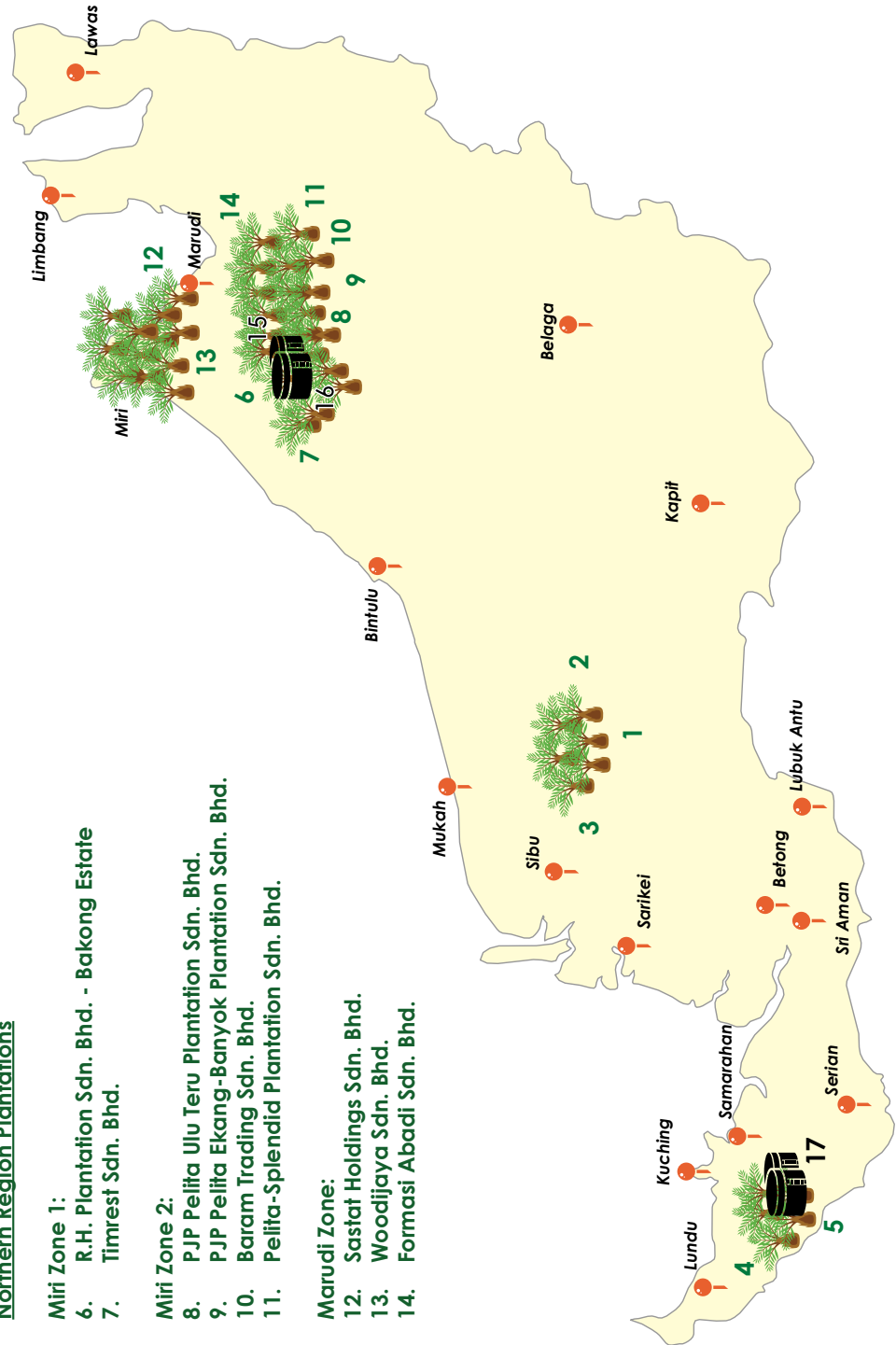
8. PJP Pelita Ulu Teru Plantation Sdn. Bhd.
9. PJP Pelita Ekang-Banyok Plantation Sdn. Bhd.
10. Baram Trading Sdn. Bhd.
11. Pelita-Splendid Plantation Sdn. Bhd.

#### Marudi Zone:

12. Sasstat Holdings Sdn. Bhd.
13. Woodijaya Sdn. Bhd.
14. Formasi Abadi Sdn. Bhd.

### Palm Oil Mills

15. R.H. Plantation Sdn. Bhd. (Bakong POM)
16. RSB Palm Oil Mill Sdn. Bhd.
17. RSB Lundu Palm Oil Mill Sdn. Bhd.



## CORPORATE STRUCTURE



**RIMBUNAN  
SAWIT  
BERHAD**

**P A L M O I L S E C T O R**

**P L A N T A T I O N M I L L O T H E R S**

|      |  |      |                       |
|------|--|------|-----------------------|
| 100% | Nescaya Palma Sdn Bhd                      | 100% | Formasi Abadi Sdn Bhd |
| 100% | Novelpac-Puncakdana Plantation Sdn Bhd     |      |                       |
| 100% | Timrest Sdn Bhd                            |      |                       |
| 100% | Woodijaya Sdn Bhd                          |      |                       |
| 100% | Sastat Holdings Sdn Bhd                    |      |                       |
| 85%  | Baram Trading Sdn Bhd                      |      |                       |
| 85%  | PJP Pelita Biawak Plantation Sdn Bhd       |      |                       |
| 70%  | Pelita-Splendid Plantation Sdn Bhd         |      |                       |
| 60%  | PJP Pelita Ekang-Banyok Plantation Sdn Bhd |      |                       |
| 60%  | PJP Pelita Lundu Plantation Sdn Bhd        |      |                       |
| 60%  | PJP Pelita Selangau Plantation Sdn Bhd     |      |                       |
| 60%  | PJP Pelita Ulu Teru Plantation Sdn Bhd     |      |                       |
| 100% | R. H. Plantation Sdn Bhd                   |      |                       |
| 100% | RSB Palm Oil Mill Sdn Bhd                  |      |                       |
| 100% | RSB Lundu Palm Oil Mill Sdn Bhd            |      |                       |
| 100% | Rajang Builders Sdn Bhd                    |      |                       |
| 100% | Rakantama Sdn Bhd                          |      |                       |
| 100% | Rimbunan Sawit Management Services Sdn Bhd |      |                       |
| 100% | Lumiera Enterprise Sdn Bhd                 |      |                       |
| 100% | Jayamax Plantation Sdn Bhd                 |      |                       |



## CORPORATE INFORMATION

### BOARD OF DIRECTORS

**BONG WEI LEONG**

*(Chairman/Non-Independent Non-Executive Director)*

**TIONG CHIONG ONG**

*(Vice Chairman/Non-Independent Non-Executive Director)*

**TIONG CHIONG IE**

*(Managing Director)*

**WONG ING SENG**

*(Non-Independent Non-Executive Director)*

**TIONG CHIONG EE**

*(Non-Independent Non-Executive Director)*

**LU YIENG PING**

*(Independent Director)*

**DATU LIAW SOON ENG**

*(Independent Director)*

### COMPANY SECRETARIES

Toh Ka Soon (MAICSA 7031153)

Voon Jan Moi (MAICSA 7021367)

### REGISTERED OFFICE

North Wing, Menara Rimbunan Hijau  
101, Pusat Suria Permata, Jalan Upper Lanang  
96000 Sibul, Sarawak  
Tel: 084-218555  
Fax: 084-219555  
E-mail: [rsb@rsb.com.my](mailto:rsb@rsb.com.my)  
Website: [www.rsb.com.my](http://www.rsb.com.my)

### SHARE REGISTRAR

Boardroom Share Registrars Sdn Bhd  
11th Floor, Menara Symphony,  
No. 5, Jalan Prof. Khoo Kay Kim,  
Seksyen 13,  
46200 Petaling Jaya,  
Selangor Darul Ehsan  
Tel: 03-78904700  
Fax: 03-78904670

### AUDITORS

Crowe Malaysia PLT (AF: 1018)  
Chartered Accountants  
1st Floor No.1  
Lorong Pahlawan 7A2  
Jalan Pahlawan  
96000 Sibul, Sarawak

### STOCK EXCHANGE LISTING

Listed on Main Market of Bursa  
Malaysia Securities Berhad  
Stock name : RSAWIT  
Stock code : 5113

### PRINCIPAL BANKERS

Malayan Banking Berhad  
Hong Leong Bank Berhad  
Public Bank Berhad  
Ambank (M) Berhad  
Alliance Bank Malaysia Berhad  
Affin Bank Berhad



# MANAGEMENT DISCUSSION AND ANALYSIS

## Dear Shareholders,

On behalf of the Board of Directors of Rimbunan Sawit Berhad, it is my privilege to put forward to you the Annual Report of our Company and Group for the financial year ended 31 December 2024.

As of December 31, 2024, the Group reported a revenue of RM544.5 million, marking a slight growth from RM507.8 million on December 31, 2023. This rise is primarily attributed to an increase in the average selling prices of Fresh Fruit Bunches (FFB), Crude Palm Oil (CPO), and Palm Kernel (PK) by 15.4%, 10.9%, and 34.1%, respectively, reaching RM763, RM4,131, and RM2,496 per metric tonne. The 15.1% increase in FFB production volume, totaling 288,657 MT compared to 250,750 MT in the corresponding period of 2023 and the rise in selling prices contributed to the overall revenue growth.

The Group reported a gross profit of RM46.0 million, profit before tax of RM31.6 million, profit after tax of RM24.4 million, and EBITDA of RM107.3 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.

## Overview of Business and Operations, Objectives and Strategies

Rimbunan Sawit Berhad was listed on the Main Board of Bursa Malaysia on 28 June 2006 with three main subsidiaries mainly R.H. Plantation Sdn. Bhd. ("RHP"), Timrest Sdn. Bhd., and Rimbunan Sawit Holdings Berhad (which was later renamed to Rimbunan Sawit Management Services Sdn. Bhd.). We started off a palm oil mill in RHP and a land bank of 13,663 hectares before gradually expanded the planted areas and mill operation via various acquisitions between 2008 and 2012.

We remain as a cultivator of oil palm and operator of palm oil mill producing CPO, Palm Kernel ("PK"), and Fresh Fruit Bunches ("FFB"). As a progressive player in this plantation industry, we are committed to espouse our stakeholder's value as we continue to yield products and services of high quality underpinned by the conducive work environment and continuous engagement with the local community.

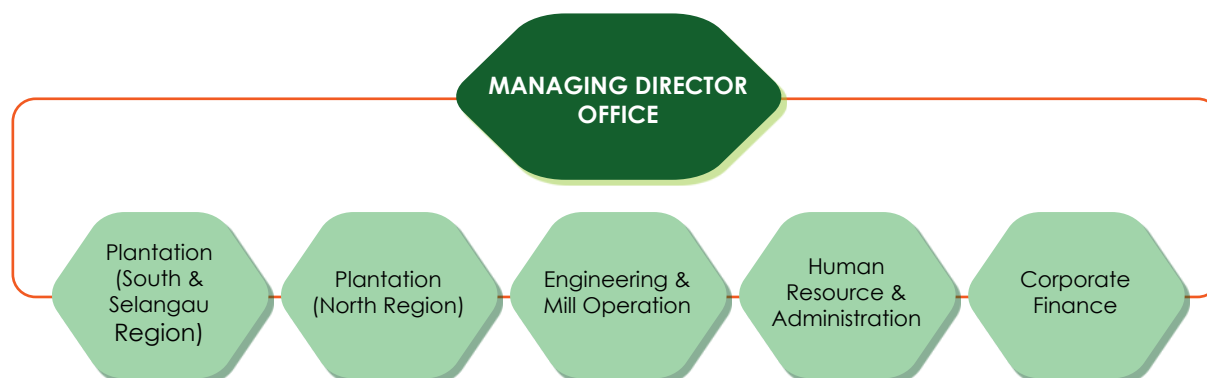
## Our Corporate and Organisation Structure

Our corporate functions at head office level remain intact with continuous improvement and streamlining led by managing director office with the mutual support and backing of the five core functions mainly Plantation Operation – South & Selangau Region, Plantation Operation – North Region, Engineering and Mill Operation, Human Resource and Administration, and Corporate Finance.

The supporting functions including Information Technology, Agricultural Practices, Internal Audit, Purchasing, Transportation, Geographic Information System, Land and Public Relations will continue to be streamlined to ensure cohesiveness with core functions and in adherence with Board of Directors' guidelines.

# Management Discussion and Analysis (cont'd)

## RIMBUNAN SAWIT'S ORGANISATION STRUCTURE



### The Progress of the Ongoing Corporate Proposals

On 21 December 2023, our Group wholly-owned subsidiaries, R.H. Plantation Sdn Bhd and Jayamax Plantation Sdn Bhd had entered into a Sale and Purchase Agreement ("SPA") with Mahawangsa Sungai Bok Plantation Sdn Bhd. For R.H. Plantation Sdn Bhd, the Company proposed to dispose of a parcel of agricultural land described as Lot 56 Sawai Land District, Miri, Sarawak measuring an area of approximately 4,857 hectares together with the oil palm plantation and buildings erected thereon ("Selangor Estate") to Mahawangsa Sungai Bok Plantation Sdn Bhd for a total cash consideration of Ringgit Malaysia Ninety million (RM90,000,000) only. On the other hand, Jayamax Plantation Sdn Bhd proposed 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 an area of approximately 5,078 hectares, each with the oil palm plantation and buildings erected thereon (collectively, the "Jayamax Estate") to Mahawangsa Sungai Bok Plantation Sdn Bhd for a total cash consideration of Ringgit Malaysia Seventy Five million (RM75,000,000) only.

On 22 December 2023, 10% of total disposal consideration of RM165,000,000 has been paid to R.H. Plantation Sdn Bhd and Jayamax Plantation Sdn Bhd by Mahawangsa Sungai Bok Plantation Sdn Bhd upon execution. Both aforementioned subsidiaries entered into Supplementary Agreements with the purchaser on 21 February 2024, to change the manner in which the balance of the disposal consideration will be settled. On 28 February 2024, Mahawangsa Sungai Bok Plantation Sdn Bhd has make payment of RM2,500,000 each for R.H. Plantation Sdn Bhd and Jayamax Plantation Sdn Bhd.

On 28 June 2024, the redemption sums of RM12,371,539 to redeem Selangor Estate and Jayamax Estate had all been settled. On 1 July 2024, Mahawangsa Sungai Bok Plantation Sdn Bhd has make payment of RM11,545,821 to R.H. Plantation Sdn Bhd and RM5,000,000 to Jayamax Plantation Sdn Bhd. Besides, R.H. Plantation Sdn Bhd also received redemption sums of RM61,458,243 on 1 July 2024.

The disposal consideration for Selangor Estate and Jayamax Estate have been settled by Mahawangsa Sungai Bok Plantation Sdn Bhd on 5 July 2024 pursuant to the payment of the final amount of RM5,495,936 and RM47,628,461 on 5 July 2024 in the late afternoon to Messrs. Huang & Co. Advocates as stakeholder, of which such sum was then released to R.H. Plantation Sdn Bhd and Jayamax Plantation Sdn Bhd on even date, 9 July 2024.

The Selangor Estate and Jayamax Estate have been delivered to Mahawangsa Sungai Bok Plantation Sdn Bhd and relocated their employees from both Selangor and Jayamax estate to other estates within Rimbunan Sawit Berhad Group, and Mahawangsa Sungai Bok Plantation Sdn Bhd has taken possession and management of both estates on even date, 9 July 2024.

The Disposals have been completed on 9 July 2024 following the receipt of the payment of the total balance disposal consideration by the R.H. Plantation Sdn Bhd and Jayamax Plantation Sdn Bhd from Mahawangsa Sungai Bok Plantation Sdn Bhd in accordance with the terms and conditions of the Conditional Sale and Purchase Agreements. An announcement was made on 9 July 2024.



## Management Discussion and Analysis (cont'd)

### Palm Oil Mills

Our portfolio of estates remains at fourteen spanning across Kuching, Sibü and Miri regions in Sarawak. Our total land bank stood at 59,414 hectares. Our total planted area stood at 35,389 hectares, comprising 60% of our land bank. The planted area by Age Cluster and are reflected in the following tables:

| Age Cluster                 | 2024 (HA)     | Planted Hectares by Region  | 2024 (HA)     |
|-----------------------------|---------------|-----------------------------|---------------|
| Immature (1-3 years)        | 3,284         | Kuching region              | 6,779         |
| Young mature (4 - 7 years)  | 2,058         | Sibü region                 | 9,396         |
| Prime mature (8 - 19 years) | 16,945        | Miri region                 | 19,214        |
| Old mature (> 20 years)     | 13,102        |                             |               |
| <b>Total planted area *</b> | <b>35,389</b> | <b>Total planted area *</b> | <b>35,389</b> |

\*Excluded Jayamax estate and Selangor estate which were disposed in July 2024.

Our Group placed top emphasis on best agricultural practices within its estates. All our estates have obtained the Malaysian Sustainable Palm Oil ("MSPO") certification during the financial year under review.

### Palm Oil Mills

The Group has three palm oil mills with two of the mills situated in Miri region, namely RHP Mill and RSB Mill. RSB Mill was constructed in early 2013 and commenced production in the middle of 2017. Subsequently, the Mill began its CPO sales in July 2017.

Lundu Mill, on the other hand, is located in Kuching region. The Mill was previously constructed and managed by RH Lundu Palm Oil Mill Sdn. Bhd. before it was bought over by RSB Lundu Palm Oil Mill Sdn. Bhd. except for the land via the supplemental agreement dated 21 December 2018. Lundu Mill began operation in March 2006.

The brief profiles of the three mills are indicated in the following table:

|                                       | RHP Mill   | RSB Mill   | Lundu Mill  |
|---------------------------------------|--|--|---|
| <b>Operation &amp; Capacity</b>       | <ul style="list-style-type: none"> <li>Commenced operation in 1998</li> <li>80 metric ton per hour</li> </ul>      | <ul style="list-style-type: none"> <li>Commenced operation in May 2017</li> <li>60 metric ton per hour</li> </ul>  | <ul style="list-style-type: none"> <li>Commenced operation in March 2006</li> <li>60 metric ton per hour</li> </ul>   |
| <b>Certification &amp; Compliance</b> | <ul style="list-style-type: none"> <li>Obtain MSPO certification on 18 February 2019</li> <li>MSPO SCCS</li> </ul> | <ul style="list-style-type: none"> <li>Obtain MSPO certification on February 2019</li> <li>Crops' grading in line with MPOB guidelines</li> <li>MSPO SCCS</li> </ul> | <ul style="list-style-type: none"> <li>Obtain MSPO certification on 20 June 2018</li> <li>Crops' grading in line with MPOB guidelines</li> <li>MSPO SCCS</li> </ul> |

# Management Discussion and Analysis (cont'd)

## Palm Oil Mills (Cont'd)

The brief profiles of the three mills are indicated in the following table: (Cont'd)

|   | RHP Mill   | RSB Mill  | Lundu Mill   |
|---|--|---|--|
| <b>Sustainability &amp; Environmental</b> | <ul style="list-style-type: none"> <li>Equip with composting plant to recycle mill's waste into plant nutrients for manuring</li> <li>Flue filtering system to regulate boiler gas emission</li> </ul> | <ul style="list-style-type: none"> <li>Waste management plan in compliance with DOE</li> <li>Flue filtering system installation in the pipeline</li> </ul>  | <ul style="list-style-type: none"> <li>Waste management plan in compliance with DOE</li> <li>Flue filtering system to ensure clean air emission</li> </ul>   |
| <b>Performance Metrics - 2024</b>         | <ul style="list-style-type: none"> <li>Temporarily ceased operation for upgrading</li> </ul>   | <ul style="list-style-type: none"> <li>FFB Processed: 328,046 MT</li> <li>CPO Production: 61,816 MT</li> <li>PK Production: 13,031 MT</li> <li>OER: 18.84%</li> <li>KER: 3.97%</li> <li>CPO Sales: RM254.17 million</li> <li>PK Sales: RM33.85 million</li> </ul> | <ul style="list-style-type: none"> <li>FFB Processed: 191,037 MT</li> <li>CPO Production: 37,171 MT</li> <li>PK Production: 8,576 MT</li> <li>OER: 19.46%</li> <li>KER: 4.49%</li> <li>CPO Sales: RM153.17 million</li> <li>PK Sales: RM21.60 million</li> </ul> |

## Our Financial Performance

Our revenue increased slightly by 7.2% to RM544.5 million as compared to 2023 of RM507.8 million accompanied with increase in the average selling prices of Fresh Fruit Bunches (FFB), Crude Palm Oil (CPO), and Palm Kernel (PK) by 15.4%, 10.9%, and 34.1%, respectively, reaching RM763, RM4,131, and RM2,496 per metric tonne as compared to 2023. The 15.1% increase in FFB production volume, totaling 288,657 MT compared to 250,750 MT in the corresponding period of 2023 and the rise in selling prices contributed to the overall revenue growth.

Cost of sales has increased by 2.1% to RM498.5 million as compared to RM488.4 million in 2023 mainly due to increases in harvesting and transport, manuring, plantation admin expenses and FFB purchases.

The administrative and other expenses dropped by RM2.4 million due to the decrease in bad debts written off, biological asset written off and property, plant and equipment (PPE) written off.

The finance cost has reduced by RM3.2 million due to the increase in loan repayment of term loan, revolving credit, hire purchase and banker acceptance.

Other income dropped by RM16.8 million mainly due to no reversal of impairment loss on property, plant and equipment was made during the year.

## Management Discussion and Analysis (cont'd)

### Our Financial Performance

The Group's property, plant and equipment (PPE) stood at RM661.6 million, a reduction of RM10.4 million as compared to 2023 mainly due to disposal of PPE and PPE written off with carrying amount RM6.6 million, and yearly PPE's depreciation of RM65.1 million for the Group. This however, was mitigated by PPE additions of RM61.3 million.

The disposals of Jayamax and Selangor estates which were reclassified as held for sale are completed in 3rd Quarter of 2024.

Total group borrowings decreased by RM107.9 million to RM232.2 million from RM340.1 million as at 31 December 2024 mainly due to the repayment of borrowings RM161.8 million. This decrease was partially offset by the drawdown of term loan amounting to RM36.7 million.

The Group's debt to equity ratio has improved, decreasing to 0.54 times as compared to 0.93 times in 2023. This positive change is attributed to the continued reduction in the Group's borrowings and an increase in the Group's profitability, which has strengthened the equity position. The following is an overview of our Group's key financial indicators for the past five financial years.

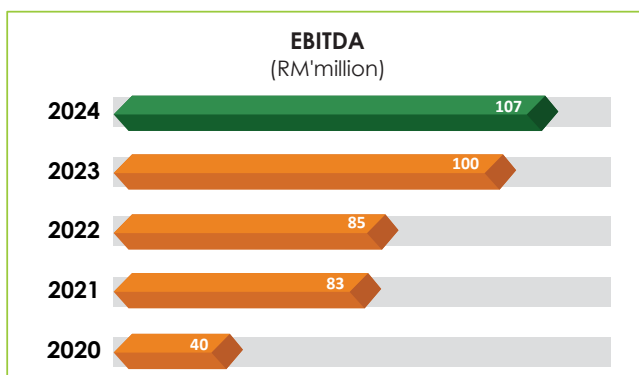
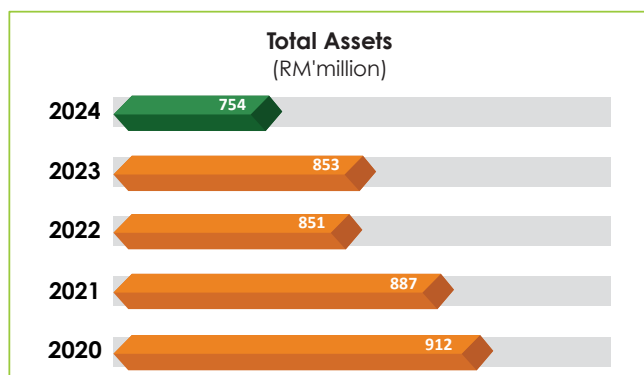
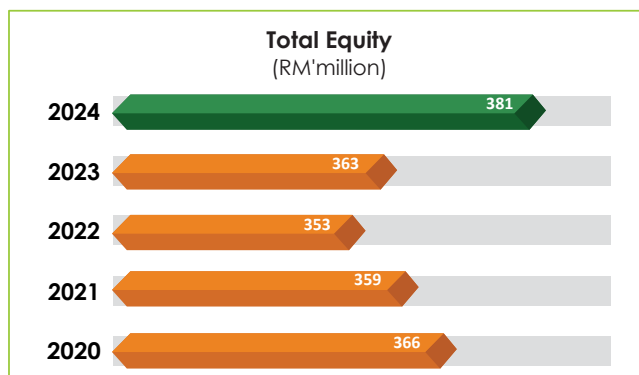
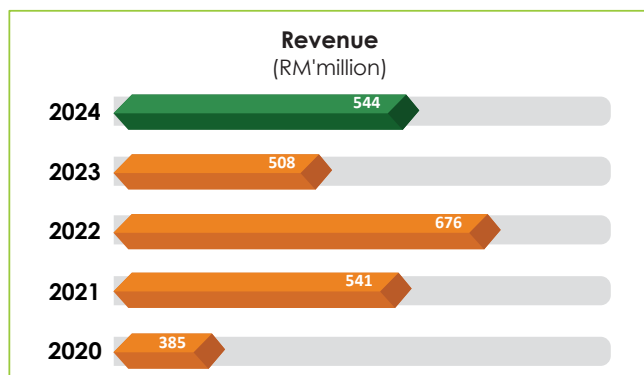
| Key Financial Indicators        | 2024    | 2023     | 2022    | 2021    | 2020     |
|---------------------------------|---------|----------|---------|---------|----------|
| <b>(RM'thousand)</b>            |         |          |         |         |          |
| Revenue                         | 544,494 | 507,762  | 675,917 | 541,502 | 385,471  |
| EBITDA                          | 107,297 | 100,237  | 84,773  | 82,893  | 39,763   |
| Profit/(Loss) after taxation    | 24,439  | 13,018   | (5,818) | (6,978) | (56,052) |
| Attributable to:-               |         |          |         |         |          |
| Owners of the company           | 28,553  | 25,110   | (330)   | (6,533) | (44,122) |
| Non-controlling interest        | (4,114) | (12,092) | (5,488) | (445)   | (11,930) |
| Total equity                    | 381,072 | 362,932  | 353,474 | 359,292 | 366,450  |
| Total assets                    | 753,745 | 853,314  | 851,225 | 886,746 | 912,356  |
| Net debts                       | 204,815 | 337,327  | 338,831 | 370,016 | 408,516  |
| Debt to Equity Ratio            | 0.54    | 0.93     | 0.96    | 1.03    | 1.11     |
| Earnings/(Loss) per share (sen) | 1.40    | 1.23     | (0.02)  | (0.32)  | (2.16)   |
| Net assets per share (RM)       | 0.19    | 0.18     | 0.17    | 0.18    | 0.19     |



# Management Discussion and Analysis (cont'd)

## Review of Financial Results

The five-year key financial metrics are shown in the following charts.



# Management Discussion and Analysis (cont'd)

## Review of Operating Activities

The Group's EBITDA for 2024 increased to RM107.3 million as compared to RM100.2 million in 2023. The increase was primarily driven by higher selling prices, contributing to enhanced revenue generation and higher FFB production in the Group's own estates, which has positively impacted cost efficiency.

The following table highlights key operating indicators for the past five years.

| Key Operating Indicators   | 2024    | 2023    | 2022    | 2021    | 2020    |
|----------------------------|---------|---------|---------|---------|---------|
| CPO Production Volume (MT) | 98,986  | 106,152 | 111,756 | 103,126 | 112,376 |
| PK Production Volume (MT)  | 21,608  | 24,100  | 24,512  | 22,109  | 24,078  |
| FFB Production Volume (MT) | 288,657 | 250,750 | 211,681 | 192,732 | 246,501 |
| OER (%)                    | 19.07   | 19.32   | 19.41   | 19.69   | 19.58   |
| KER (%)                    | 4.16    | 4.39    | 4.26    | 4.22    | 4.20    |
| Mature Area (Ha)*          | 37,394  | 38,464  | 36,352  | 39,424  | 39,349  |
| FFB Yield per Ha (MT/Ha)   | 7.72    | 6.52    | 5.82    | 4.89    | 6.26    |
| CPO Sales Volume (MT)      | 98,605  | 107,531 | 110,607 | 103,527 | 112,403 |
| PK Sales Volume (MT)       | 22,211  | 24,024  | 23,812  | 22,359  | 24,172  |
| FFB Processed (MT)         | 519,083 | 549,418 | 575,800 | 523,839 | 573,949 |

\* Included Jayamax estate and Selangor estate which still have operation before physically disposed to Mahawangsa Sungai Bok Plantation Sdn Bhd in July 2024. Formasi Abadi Sdn Bhd that has ceased operation is excluded from the mature area in YE2024.

## Anticipated or Known Risks

The Group continually reviews and assesses its existing risks to ensure effective management and mitigation. These risks are categorized into four main categories: market risks, operational risks, regulatory risks and liquidity risks.

| Risk Category      | Description/ Rationales   | Impact  | Mitigation Plans   |
|--------------------|---|---|--|
| <b>Market</b>      | Fluctuation of CPO price due to uncertain global demand, foreign government policies, and restrictions imposed on palm oil usage and political uncertainties. | Reduction in revenue that compress our EBITDA | The Group will continue to engage with relevant authorities or government bodies to promote palm oil and to diversify the market and neutralize the anti-palm oil campaigns. |
| <b>Operational</b> | Shortage of oil palm harvesters and persistently low FFB yield.   | Inferior OER and loss of income               | The Group has initiated various programs, incentive and remuneration packages to enhance recruitment of labors.  |

# Management Discussion and Analysis (cont'd)

## Anticipated or Known Risks (Cont'd)

| Risk Category     | Description/ Rationales   | Impact   | Mitigation Plans  |
|-------------------|---|--|---|
| <b>Regulatory</b> | Change to policies and regulations that govern labor, environmental, safety and health.   | Penalty for non-compliance   | The Group remain committed to enhance the efficiency of its operation including mechanization and ensure all the estates and mills are in compliance with MSPO requirements.  |
| <b>Liquidity</b>  | Plantation maintenance, labor and mill operations require continuous investment, irrespective of palm oil prices while expansion or replanting activities may lock up significant funds, reducing liquidity buffers | Inability to meet short-term obligations, disruption in operations and higher financing costs. | Robust cash flow management to project short- and medium-term liquidity needs and identify potential shortfalls early. Besides that, the Group regularly review and optimize cost structures, including labor, logistics and overheads. |

## Forward Looking Statements

Malaysia's oil palm industry in 2025 is expected to remain resilient, driven by steady global demand for palm oil, particularly from key markets such as China, India, and the European Union.

However, challenges such as fluctuating crude palm oil (CPO) prices, labor shortages, and environmental regulations may impact production and exports. The industry's focus on sustainability, mechanization, and downstream expansion will be crucial in maintaining competitiveness. Additionally, government policies and incentives, including ESG (Environmental, Social, and Governance) compliance, will play a key role in shaping the sector's growth and investment outlook.

In view of the above, the Group remain cautiously optimistic on the outlook for the financial year 2025.

## Dividend Policy

For the financial year under review, the Board of Directors has decided not to declare dividend as dividend distribution is subject to a liquidity and solvency assessment based on various factors including the entity's financial position, reserves, earnings, capital requirements and other relevant factors, as outlined in the Companies Act 2016. Our Group has prioritized cash from operations towards debt repayment and reserves for working capital usage, while also ensures higher cash liquidity.

## Acknowledgements

On behalf of the Board of Directors, I would like to express my sincere gratitude and appreciation to our shareholders, valued customers and suppliers, business partners, bankers, government agencies and all the other stakeholders for their continuous commitments, supports, and confidence on our Group.

Most importantly, we would like to put on record our utmost gratitude and appreciation to all employees of Rimbunan Sawit Berhad for their efforts and continuous commitment to the Group.

**Tiong Chiong Ie**  
Managing Director



## PROFILE OF DIRECTORS



### BONG WEI LEONG

*Non-Independent Non-Executive Chairman*

**Mr. Bong Wei Leong** was appointed to the Board as an Independent Director of RSB on 14 February 2006 and was subsequently appointed as Chairman on 19 December 2012. On 1 October 2015, he relinquished the position as Chairman of RSB and remained as Independent Director. He was re-designated as Non Independent Non Executive Chairman of RSB on 1 November 2022.

Mr. Bong graduated with a Bachelor of Business (Accountancy) and Bachelor of Law from Queensland University of Technology, Australia in 1993. He was a Partner of a public accountants firm prior to starting his own practice in 2004. He is a member of the Malaysian Institute of Accountants and the CPA Australia.

Mr. Bong is a businessman with more than 25 years of experience in providing auditing, accounting and taxation services to various clients.

| Age | Gender | Nationality |
|-----|--------|-------------|
| 57  | Male   | Malaysia    |



### TIONG CHIONG ONG

*Non-Independent Non-Executive Vice Chairman*

**Mr. Tiong Chiong Ong** was appointed as Managing Director of RSB on 15 February 2006. On 1 October 2015, he was re-designated as Non-Executive Chairman of RSB and following his decision to relinquish the position of Non-Executive Chairman, Mr. Tiong had been re-designated as Executive Director of RSB on 26 December 2018. Mr. Tiong had been re-designated as Non Independent Non Executive Vice Chairman on 1 January 2023.

Mr. Tiong graduated with a Bachelor of Law and Economics from Monash University, Australia in 1984 and joined RH Group in 1986. He started his career as a chambering student and underwent chambering at Skrine and Co. in Kuala Lumpur for nine (9) months. He is a member of CPA Australia and is a member of the Victorian and Sarawak Bar and the Malaysian Institute of Accountants.

Mr. Tiong is a businessman with extensive experience in various capacities in the timber and plantation industries. He is the Vice-Chairman of Sarawak Timber Association (STA) and immediate past Treasurer of Sarawak Business Federation. He also holds directorship in several private limited companies.

Under his leadership, RSB was presented the 2012 Top Award for the Best Performing Stock in the Plantation Sector by the EDGE Billion Ringgit Club, Malaysia.

In 2013, Mr. Tiong was presented the IPD HRD Leadership Award by the Institute of Professional Development, Open University Malaysia in acknowledgement and in recognition of his exemplary leadership and outstanding contribution to the promotion of Human Capital Development efforts in the plantation industry.

| Age | Gender | Nationality |
|-----|--------|-------------|
| 66  | Male   | Malaysia    |

## Profile Of Directors (cont'd)

### TIONG CHIONG IE

*Managing Director*



**Mr. Tiong Chiong ie** was appointed to the Board of RSB on 14 February 2006 and was subsequently appointed as Chairman of RSB on 26 December 2018. He was appointed as Managing Director of RSB on 11 November 2022. He is also a member of Risk Management Committee.

Mr. Tiong graduated with a Bachelor of Business in Information System from Monash University, Australia in 1994.

Mr. Tiong is a businessman with more than 25 years of managerial experience in the timber, transportation provider and shipping industries. He joined the RH Group in 1996. He also holds directorships in Hornbilland Berhad and several private limited companies.

| Age | Gender | Nationality |
|-----|--------|-------------|
| 54  | Male   | Malaysia    |

### WONG ING SENG

*Non-Independent Non-Executive Director*



**Mr. Wong Ing Seng** was appointed to the Board of RSB on 5 November 2021. He is also the member of Audit Committee and Remuneration Committee.

Mr. Wong Ing Seng graduated with a Bachelor of Science (Hons) in Operation Research and Mathematics from the University of Salford, UK in 1980.

Upon graduation, he joined Chuan Hup Marine Group in Singapore as their Senior Planning Analyst from 1981 until 1982. Mr. Wong then obtained his Master of Science in Business Systems Analysis and Designs from the City University, UK in 1984.

Mr. Wong brings more than 38 years of leadership experience, including managing offshore projects from planning, costing, and project management. Concurrently, he also led the IT department in providing total IT solutions for the Rimbunan Hijau Group by developing in-house trading, plantation, timber-related and complete accounting systems.

Mr. Wong was previously the Senior General Manager of Rimbunan Hijau Group from 1985 until July 2021. In August 2021, he was promoted to the position of Rimbunan Hijau Group's Chief Operating Officer.

| Age | Gender | Nationality |
|-----|--------|-------------|
| 68  | Male   | Malaysia    |

## Profile Of Directors (cont'd)



### TIONG CHIONG EE

*Non-Independent Non-Executive Director*

**Mr. Tiong Chiong Ee** was appointed to the Board as an Non Independent Non Executive Director of RSB on 1 November 2022. He is also the member of Nomination Committee.

Mr. Tiong Chiong Ee is a businessman with more than 15 years of managerial experience in mining, infrastructure, property development and food & beverage industries. He joined Rimbunan Hijau Group in 2006 and is currently the Executive Chairman and Chief Executive Officer of Rimbunan Hijau Group (Greater China). He is the Founder & Chief Executive officer of Owlsome Group Limited, a food & beverage company that owns a beer brewery, food factory, and restaurants in Hong Kong and Japan. In addition, he is the President of US Ancona, an Italian Serie C football club.

| Age | Gender | Nationality |
|-----|--------|-------------|
| 45  | Male   | Australian  |



### LU YIENG PING

*Independent Director*

**Ms. Lu Yieng Ping** was appointed to the Board as an independent director of RSB on 1 November 2022. She is the Chairman of the Audit Committee, Remuneration Committee and a member of the Risk Management Committee and Nomination Committee.

Ms. Lu Yieng Ping graduated with a Bachelor of Commerce degree from the University of Queensland, Australia in 1990. She started her career in auditing in 1991 and became an audit partner at a local firm in Sarawak in 1997. She then moved on and established her own Chartered Accountants' firm in 2017. She possesses more than 30 years of experience in providing auditing, taxation and advisory services (such as corporate restructuring and business strategy) to clients ranging across a wide variety of industries.

| Age | Gender | Nationality |
|-----|--------|-------------|
| 56  | Female | Malaysia    |

Ms. Lu Yieng Ping is an approved Company auditor and registered Income Tax Agent who holds memberships in various professional organizations, such as the Malaysian Institute of Accountants, Chartered Tax Institute of Malaysia and CPA Australia (Fellow). Additionally, she is currently a member of the Industrial Advisory Panel for the Bachelor of Accountancy (Honors) in the School of Business & Management, University Technology Sarawak.



## Profile Of Directors (cont'd)



### DATU LIAW SOON ENG *Independent Director*

**Datu Liaw Soon Eng** was appointed to the Board as an Independent Director of RSB on 11 November 2024. He is the Chairman of Nomination Committee and member of Audit Committee, Remuneration Committee and Risk Management Committee

Datu Liaw graduated with a Bachelor of Arts in Politics and Economics (Hons) from the University of Newcastle Upon Tyne, England in 1979 and Master in Business Administration from Murdoch University, Perth, Western Australia in 1998.

Datu Liaw has served in the Sarawak Civil Service for 42 years in various capacities before joining SMEC Malaysia (Surbana Jurong Group) as Director (Sarawak) on 1 February 2023.

Datu Liaw has served as the Resident of Sarikei Division and Miri Division: The Director of Administration, Premier's Department: The Deputy State Financial Secretary and the Permanent Secretary of Ministry of International Trade & Industry, Industrial Terminal & Entrepreneur Development Sarawak.

| Age | Gender | Nationality |
|-----|--------|-------------|
| 69  | Male   | Malaysia    |

## Profile Of Directors (cont'd)

### Other Information on Directors

#### 1. Family Relationship

Tiong Chiong Ie is the cousin of Tiong Chiong Ong and Tiong Chiong Ee. Apart from these, the other Directors have no family relationship with each other or the major shareholders of RSB.

#### 2. Conflict of Interest

None of the Directors has any conflict of interests with the Company.

#### 3. Convictions of Offences

None of the Directors have been convicted of offences within the past five (5) years other than traffic offence, expect for Tiong Chiong Ong, the detail of which are as follow:

On 14 July 2021, Tiong Chiong Ong, among others, ( collectively, " Persons Acting in Concert") were reprimanded by Securities Commission Malaysia ("SC") for breach of Section 220(1) and S354(3) of the Capital Markets and Services Act 2007 for non-compliances relating to Subur Tiasa Holdings Berhad.

#### 4. Details of Attendance at Board Meetings held in the Financial year ended 31 December 2024

##### Name of Directors

|   |            |
|---|------------|
| Bong Wei Leong                                | 5 out of 5 |
| Tiong Chiong Ong                              | 4 out of 5 |
| Tiong Chiong Ie                               | 5 out of 5 |
| Wong Ing Seng                                 | 5 out of 5 |
| Tiong Chiong Ee                               | 5 out of 5 |
| Lu Yieng Ping                                 | 5 out of 5 |
| Datu Liaw Soon Eng ( Appointed on 11/11/2024) | 1 out of 1 |
| Lau Kiing Yiing (Resigned on 11/11/2024)      | 3 out of 4 |

## KEY SENIOR MANAGEMENT

**TIONG CHIONG IE** - Managing Director

The profile of Tiong Chiong Ie is presented under Profile of Directors section on page 15 of this annual report.



### CHIONG CHUNG HIANG

**Mr. Chiong Chung Hiang** was graduated from University of Windsor, Canada with a Bachelor of Computer Science Degree.

He joined RH Group of Companies since 1993, held various executives & managerial positions in human resources, administration & purchasing; Special Assistant & Executive Director; Operation Manager for Aquaculture Project.

He has 19 years of working experience in oil palm plantation operation under RSB Group, for estates at Kuching, Selangau & Miri Region. He is currently hold the position of Regional General Manager for RSB Group of oil palm plantation operations at Selangau Region.

Mr. Chiong has no family relations with any Director and/or major shareholder of the Company. He does not hold any directorship in public listed companies and he has no conflict of interest with the company.

| Age | Gender | Nationality |
|-----|--------|-------------|
| 62  | Male   | Malaysian   |



### WONG YUEO YUON

Mr. Wong Yueo Yuon was appointed as the Group General Manager on 1/2/2023. He is responsible for the financial report as well as corporate finance and procurement functions of the Group.

Mr. Wong graduated with a Bachelor of Commerce degree from Deakin University, Australia in 1996. He holds memberships in professional organization such as the Malaysian Institute of Accountants and CPA Australia.

Mr. Wong started his career in 1996 and brings more than 29 years of management experience in the field of accounting, corporate finance, project management and investment which he gained from various industries ranging from forestry, property development, manufacturing, ship building, plantation, IT, transportation and general trading.

During his tenor with Rimbunan Hijau Group, a related party of RSB, he coordinated several corporate exercises for RSB namely; injection of assets, rights and bonus issue, disposal and acquisition of estates and various fund-raising projects.

| Age | Gender | Nationality |
|-----|--------|-------------|
| 53  | Male   | Malaysian   |



## Key Senior Management (cont'd)



### LAI KUOH HEE

**Mr. Lai Kuoh Hee** joined in year 2019 as the General Manager, Plantation Operations for Southern and Northern Zones, that is in Kuching and Miri, a total of nine estates. He graduated with a professional degree in Chartered Institute of Management Accountants and post graduate in Corporate Masters in Business Administration with UNIMAS (Sarawak). He leads a team of estate management to engage in reviving the estate's operations for better yield and growth.

Before joining Rimbunan Sawit Berhad, he was with RH Group of companies as the marketing manager of sawn timbers and laminated truck flooring for USA body builders companies.

Mr. Lai has no family relations with any Director and/or major shareholder of the company. He does not hold any directorship in public listed companies and he has no conflict of interest with the company.

| Age | Gender | Nationality |
|-----|--------|-------------|
| 58  | Male   | Malaysian   |



### JEFFREY TIONG IK PENG

**Mr. Jeffrey Tiong Ik Peng** joined the Company in April 2024 as General Manager (Mill and Marketing). With over 20 years of experience in palm oil mill management, he has held various positions in the industry. He began his engineering career at Rimbunan Sawit Berhad in 2005 and served as Mill Manager from 2009 to 2016.

In 2016, he joined Ta Ann Group as a Senior Manager, overseeing mill project development and construction, and was promoted to General Manager in 2019. Jeffrey has been pivotal in driving the company's growth and innovation, significantly increasing revenue.

He possesses extensive expertise in engineering and marketing, leading the development of advanced solutions for production optimization and machinery upgrades. Jeffrey holds diplomas in Mechanical Engineering and Palm Oil Milling and is a certified steam engineer.

| Age | Gender | Nationality |
|-----|--------|-------------|
| 42  | Male   | Malaysian   |

### Additional Information

None of the Key Senior Management has:

- (i) any directorship in public companies and listed issuers;
- (ii) been convicted of any offence (other than traffic offences) within the past five (5) years; and
- (iii) been imposed with any public sanction or penalty by the relevant regulatory bodies during the financial year.

# SUSTAINABILITY STATEMENT



# Sustainability Statement (cont'd)

## 1. INTRODUCTION

Rimbunan Sawit Berhad Group ("RSB") recognizes the importance of sustainability-related matters which can create significant impacts towards the RSB's business, risk profiles and core values. Ever since RSB is established in year 2005, RSB has being committed to achieve Sustaining Wellness as essential strive to obtain the highest level of sustainability in elevating economy benefits, conserving environment, enhancing people and engaging communities or through the EES. Meanwhile establishing improvements in Environment Social and Governance which covers the aspects on ESG. RSB have long crafted its logo to focus our minds and souls towards the four factors to achieve Sustaining Wellness as well as by improving the implementation to achieve greater vision, mission and goal.



## 2. VISION

A leading agri-business and plantation group in Asia Pacific.

## 3. MISSION

To enhance stakeholder's values. To provide high quality products and services to our customers. To provide job opportunities and lifelong learning opportunities at the workplace.

## 4. CORPORATE VALUES

Integrity, Team Work, Quality, Result-Oriented Family Values.

## 5. GOALS

- To achieve high quality products from plantation with good yield per HA and quality standards on fresh fruit bunches (FFB).
- Prioritize mechanization across all plantation activities to reduce dependency on labor.
- Provide adequate trainings to workers to achieve optimal working output an maximum productivity.
- Promoting good health and safe working condition with good surrounding.
- To achieve high oil extraction rate (OER) and kernel extraction rate (KER) from the mill.
- To implement a continuous improvement program both for plantations and mills.
- Communicating all policies and procedures to all employees and stakeholders.
- Regularly evaluate and assess the effectiveness through quality policies.
- To practice recycle of waste materials and recycling mill by-product to reduce environmental pollution.
- To reduce losses and increase revenue for the benefit of our stakeholders.

## 6. SCOPE

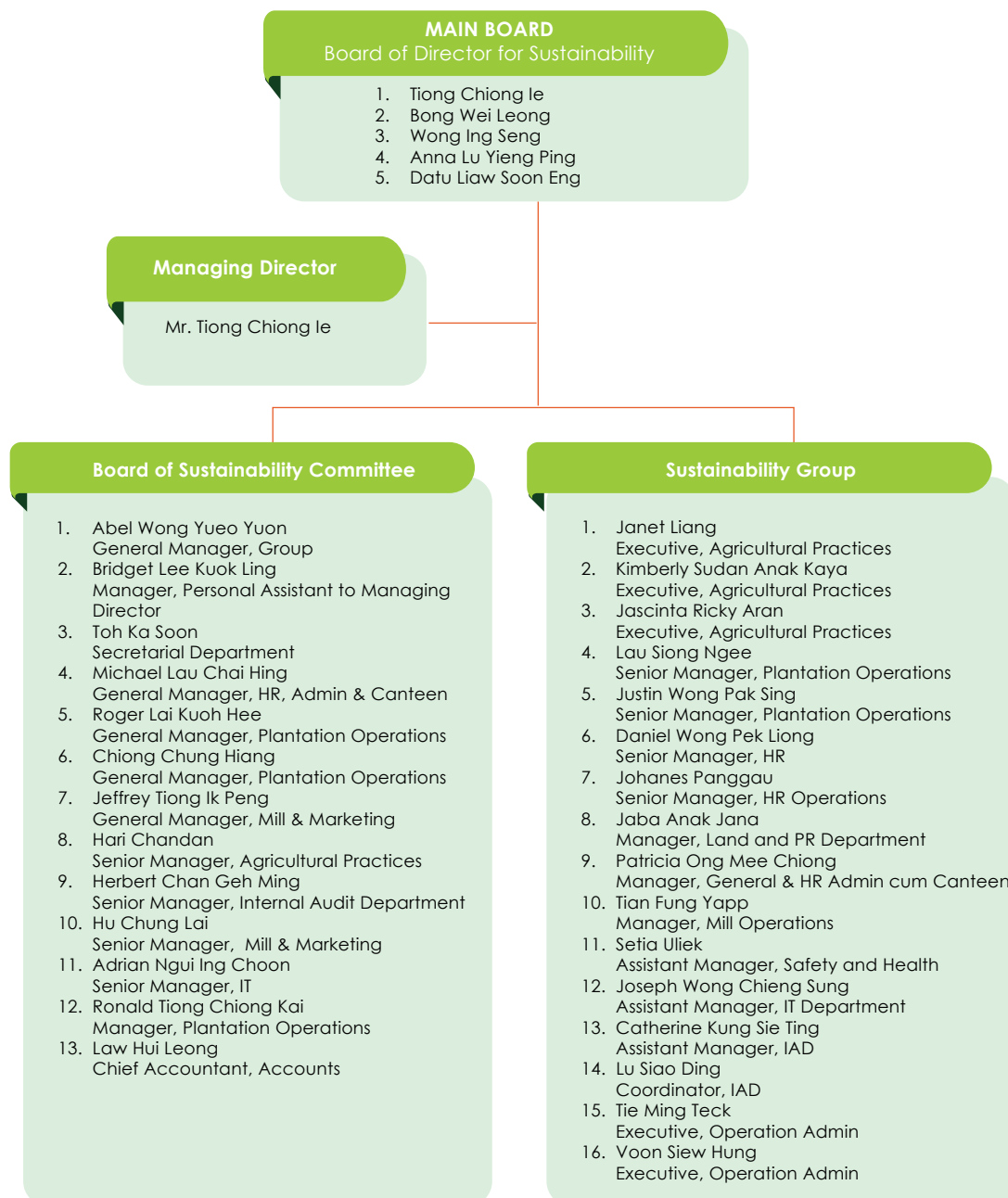
Sustainability report for Rimbunan Sawit Berhad covers the Group's activities in Sarawak, Malaysia and focuses on significant economic, environmental social impacts with good governance to transform the Group's businesses activities. The reporting sustainability period is for the year 2024.



# Sustainability Statement (cont'd)

## 6. SCOPE (CONT')

### 6.1 SUSTAINABILITY ORGANIZATION CHART 2024







Sustainability Statement  
(cont'd)

## 6. SCOPE (CONT')

## 6.3 AREA STATEMENT FOR RIMBUNAN SAWIT BERHAD

| Planted Area                                  | Hectare | %   | Remarks |
|---|---------|-----|---------|
| Peat  | 13,223  | 22  | Planted |
| Mineral                                       | 22,165  | 37  | Planted |
| Nursery                                       | 87      | 0   |         |
| Building and Road Reserve                     | 1,164   | 2   |         |
| Buffer Zone and Riparian Zone/ Unplanted Area | 5,547   | 9   |         |
| Total Land Develop for Planting               | 42,186  | 71  |         |
|   |         |     |         |
| Un-planted and Unsuitable Area                | 17,228  | 29  |         |
|   |         |     |         |
| Total Land Bank                               | 59,414  | 100 |         |

Table 1: Area Statement for Rimbunan Sawit Berhad

"The decrease in land bank is due to the fact that the Group is undertaking disposal of loss-making estates as part of its strategy to constantly evaluate its portfolio of investment and where possible seek opportunities to unlock and realize the value of its investment for the benefit of the shareholders of RSB."

## 6.4 CAPACITY OF MILL PROCESSING

| Description                     | Location | Capacity |
|---------------------------------|----------|----------|
| RH Palm Oil Mill Sdn Bhd        | Miri     | 80 MT/Hr |
| RSB Palm Oil Mill Sdn Bhd       | Miri     | 60 MT/Hr |
| RSB Lundu Palm Oil Mill Sdn Bhd | Kuching  | 60 MT/Hr |

Table 2: Capacity of mill processing

# Sustainability Statement (cont'd)

## 7. SURROUNDING STAKEHOLDERS

### 7.1 KUCHING REGION

| Description                          | Surrounding Stakeholders  |
|--------------------------------------|---|
| PJP Pelita Lundu Plantation Sdn Bhd  | Kampung Selampit<br>Kampung Kendaie<br>Kampung Pasir Putih<br>Sematan<br>Sebunga<br>Senatab<br>Sinar Baru<br>Stungkor<br>Krokong<br>Kampung Rejai |
| PJP Pelita Biawak Plantation Sdn Bhd |   |
| RSB Lundu Palm Oil Mill Sdn Bhd      | Kampung Siluk<br>Kampung Simpang Bokah<br>Kampung Bokah   |

### 7.2 SELANGAU REGION

| Description                            | Surrounding Stakeholders  |
|--|---|
| Nescaya Palma Sdn Bhd                  | Sungai Buloh<br>Batang Balingian  |
| Novelpac-Puncakdana Plantation Sdn Bhd | Selangau town<br>Sungai Lemai<br>Sungai Anus<br>Sungai Metak<br>Sungai Alat |
| PJP Pelita Selangau Plantation Sdn Bhd |   |

### 7.3 MIRI ZONE 1 REGION

| Description                      | Surrounding Stakeholders       |
|----------------------------------|--------------------------------|
| R.H. Plantation (Bakong) Sdn Bhd | Lapok<br>Simpang Niah          |
| Timrest Sdn Bhd                  | Beluru<br>Bakong               |
| R.H Palm Oil Mill Sdn Bhd        | Long Lama<br>Kampung Haji Taha |
| RSB Palm Oil Mill Sdn Bhd        |                                |

### 7.4 MIRI ZONE 2 REGION

| Description                                | Surrounding Stakeholders        |
|--|---------------------------------|
| PJP Pelita Ulu Teru Plantation Sdn Bhd     | Long lama<br>Lapok              |
| PJP Pelita Ekang Banyak Plantation Sdn Bhd | Long Bedian<br>Beluru<br>Bakong |
| Baram Trading Sdn Bhd                      |                                 |
| Pelita-Splendid Plantation Sdn Bhd         |                                 |

### 7.5 MARUDI REGION

| Description             | Surrounding Stakeholders |
|-------------------------|--------------------------|
| Sastat Holdings Sdn Bhd | Marudi                   |
| Woodijaya Sdn Bhd       |                          |
| Formasi Abadi Sdn Bhd   |                          |

Total amount invested (Cooperate Social Responsibility) in the community where for the beneficiaries of external listed users is as below:-

| Description   | Amount      | Beneficiaries (People/Community) |
|---|-------------|----------------------------------|
| Cooperation social responsibility program as per budget | RM71,275.00 | 5000                             |
| Others for welfare activities                           | RM7,900.00  | 100                              |

# Sustainability Statement (cont'd)

## 8. STAKEHOLDER ENGAGEMENT

| ESG Themes                                     | Mitigation Efforts Made by Rimbunan Sawit Berhad  |
|--|---|
| <b>Deliver Positive Environmental Impacts</b>  | <ul style="list-style-type: none"> <li>Protect High Conservation Value (HCV) Area through HCV assessment by protecting and maintaining the areas</li> <li>Enhance biodiversity through tree planting programme to preserve our area, and sustain the ecological balance as well as preserving rare and threatened wild life, flora and fauna.</li> <li>Engage and collaborate with relevant parties to improve knowledge sharing (e.g. hunting of protected species animals)</li> <li>Improve the piping system in our operations through rainwater harvesting</li> <li>Reduce GHG emission through biogas plant</li> <li>Protection on Pollution impact through monitoring Prismasonic based on DOE requirement</li> </ul>   |
| <b>Contribute to the Community</b>             | <ul style="list-style-type: none"> <li>Provide employment opportunities for the local communities</li> <li>Collaborate with different buyers to improve housing amenities by conducting a third-party assessment with priority given to surrounding native / local communities</li> <li>Invest in social development programmes on education, such as providing school uniforms and free bus transportation to school</li> <li>Plan and conduct charity programmes under CSR</li> </ul>   |
| <b>Safeguard Human Rights</b>                  | <ul style="list-style-type: none"> <li>Respect for Human Rights through commitment policies and procedures</li> <li>Implement fair labour practices through monitoring wages to comply with minimum wages</li> <li>Commit to policies on non-discrimination, equal opportunity, and freedom from forced and child labour (Good Social Practices)</li> <li>Improve Occupational Safety and Health (OSH) practices by adhering to ISO 45001 Implementation on New Acts.</li> <li>Promote gender equality throughout the company. Conduct briefings about grievance mechanism to provide awareness on how to address and resolve concerns or complaints from workers, local communities, and other stakeholders</li> </ul>   |
| <b>Promote Transparency and Accountability</b> | <ul style="list-style-type: none"> <li>Strengthen our reporting framework by adopting new sustainability frameworks such as Task Force on Climate-Related Financial Disclosures (TCFD)</li> <li>Improve supply chain traceability by tracking the palm oil source, ensuring it originates from legal and sustainable sources</li> <li>Engage internal auditors and External Auditors (e.g. financial controls monitoring, MSPO standards based on version 2 MSPO 2530-2022)</li> <li>To conduct regular assessments and audits both Internal and External audit by third-party on financial, MSPO requirements on Environmental, Social, Governance and ensuring compliances on labour practices to verify the transparency of our data and financial audit.</li> </ul> |

Our stakeholder are the heart of Rimbunan Sawit Berhad's branding and business operation. We aim to stay connected with our stakeholders to establish various monitoring and understand to solve grievances. Through this Grievances mechanisms organization shall be proactive to assessments and resolution of potential business conflict that enable us to contribute positively to our long-term value creation through identification and engaging with our stakeholders. With regular and active engagements with both internal and external stakeholders, we are and shall be capable of staying up-to-date with the needs and expectations of our stakeholders within the latest sustainability-related market trends.



## Sustainability Statement (cont'd)

### 8. STAKEHOLDER ENGAGEMENT (CONT'D)

The following are the internal and external stakeholders :-

| Stakeholders                             | Engagement Platform   | Frequency of Engagement  | Key Concerns  | Our Approach   |
|--|---|--|---|--|
| Employees<br>(Local and Foreign workers) | <ul style="list-style-type: none"> <li>Internal and external events and trainings</li> <li>Annual performance appraisal</li> <li>Training/ coaching, briefings and development programs</li> <li>Governance and ethics programs</li> <li>Social Impact Assessments</li> <li>Employee Surveys and feedback forms</li> <li>Group or individual meeting</li> <li>Training needs and analyzing workers weaknesses both local and foreign</li> </ul> | <ul style="list-style-type: none"> <li>Daily</li> <li>Monthly</li> <li>Quarterly</li> <li>Annually</li> <li>As and when necessary</li> </ul> | <ul style="list-style-type: none"> <li>Workers' welfare and well-being</li> <li>Competitive salaries and benefits</li> <li>Health, safety, and human rights</li> <li>Work-life balance</li> <li>Career prospects</li> <li>Engagement with Management</li> <li>Responsible and ethical business practices</li> <li>Reception of locals to foreign workers</li> </ul> | <ul style="list-style-type: none"> <li>Promote communication at all levels through employee engagement and internal programs</li> <li>Management to identify high-potential candidates through Leadership Programs at the division/ department/ estate and mill levels across the Group</li> <li>Offer incentive to foreign workers who renew their employment contracts, to retain good workers and overcome shortage of workers</li> </ul> |
| Non-governmental organizations (NGOs)    | <ul style="list-style-type: none"> <li>Group or individual meetings</li> <li>Briefings and awareness programs</li> <li>Sponsorships and charitable contributions</li> <li>Conferences/ seminars</li> </ul>  | <ul style="list-style-type: none"> <li>Quarterly</li> <li>Annually</li> <li>As and when Necessary</li> </ul>                                 | <ul style="list-style-type: none"> <li>Biodiversity and deforestation management</li> <li>Protection of human rights</li> <li>Supporting our local communities</li> </ul>   | <ul style="list-style-type: none"> <li>Support social and environmental policies and CSR programs</li> <li>Implement responsible business practices</li> <li>Comply with Sarawak Labor Ordinance</li> </ul>  |

## Sustainability Statement (cont'd)

### 8. STAKEHOLDER ENGAGEMENT (CONT'D)

| Stakeholders                             | Engagement Platform   | Frequency of Engagement   | Key Concerns   | Our Approach  |
|--|---|---|--|---|
| Investors, Bankers and Business Partners | <ul style="list-style-type: none"> <li>Business meetings</li> <li>Site visits</li> <li>Group or individual meetings</li> <li>Publication – Integrated Report</li> </ul>   | <ul style="list-style-type: none"> <li>Monthly</li> <li>Annually</li> <li>As and When Necessary</li> </ul>                    | <ul style="list-style-type: none"> <li>Health, safety, and human rights</li> <li>Company performance</li> <li>Ethical business practices</li> <li>Regulatory compliance</li> <li>Awareness of integrity</li> </ul> | <ul style="list-style-type: none"> <li>Comply with the Section 17A of the Malaysian Anti-Corruption Commission (Amendment) 2018 on corporate liability</li> <li>Use client and vendor Integrity Pledge to declare anti-bribery</li> </ul>   |
| Suppliers Out grower And Smallholders    | <ul style="list-style-type: none"> <li>Group or individual meetings/ conferences</li> <li>Site visits</li> <li>MSPO awareness program</li> <li>Smallholder inclusion program</li> <li>RSB Traceability Tools as per MSPO requirement</li> </ul> | <ul style="list-style-type: none"> <li>Monthly</li> <li>Quarterly</li> <li>Annually</li> <li>As and When Necessary</li> </ul> | <ul style="list-style-type: none"> <li>Workers' shortage</li> <li>Lack of technical knowledge to produce FFB certified</li> <li>Cost of operations and certifications</li> </ul>                                   | <ul style="list-style-type: none"> <li>Encourage local out growers to participate in activities towards MSPO Certification</li> </ul>   |
| Local Communities and Smallholders       | <ul style="list-style-type: none"> <li>Disaster relief efforts</li> <li>Community outreach and development programs</li> <li>Humanitarian assistance</li> </ul>   | <ul style="list-style-type: none"> <li>Monthly</li> <li>Quarterly</li> <li>Annually</li> <li>As and When Necessary</li> </ul> | <ul style="list-style-type: none"> <li>Provision of various types of support (i.e. donations)</li> <li>Provision of training and job opportunities to enhance livelihoods</li> </ul>                               | <ul style="list-style-type: none"> <li>Conduct Corporate Responsibility ("CR") programs to empower communities and protect the environment</li> <li>Ensure safe operations throughout our value chain with a robust health and safety policy.</li> <li>Educate local communities on the importance of environmental sustainability</li> <li>Provide job opportunities as well as training for relevant skills for the plantation industry.</li> <li>Stimulate economic growth via other business opportunities such as agro-farming, livestock, trading, and other business.</li> </ul> |

## Sustainability Statement (cont'd)

### 8. STAKEHOLDER ENGAGEMENT (CONT'D)

| Stakeholders  | Engagement Platform  | Frequency of Engagement  | Key Concerns  | Our Approach  |
|---|--|--|---|---|
| Customers   | <ul style="list-style-type: none"> <li>Sales and purchase activities</li> <li>Customer satisfaction survey</li> <li>Site visits and briefing</li> <li>Group/one-on-one negotiations</li> <li>Engagement sessions/conferences</li> <li>Reporting</li> </ul>   | <ul style="list-style-type: none"> <li>Daily</li> <li>Monthly</li> <li>Quarterly</li> <li>Annually</li> <li>As and When Necessary</li> </ul> | <ul style="list-style-type: none"> <li>Meeting quality requirements and demands</li> <li>Minimal impact on the environment</li> <li>Sustainability in the supply chain</li> </ul> | <ul style="list-style-type: none"> <li>Optimize delivery of correct products at precise times.</li> <li>Collaborate with strategic partners to develop product applications and solutions.</li> <li>Ensure the consistent production of high-quality offerings.</li> <li>Conduct feedback-gathering for further actions and improvement.</li> </ul> |
| Governments and regulators<br>Consulates of Foreign workers | <ul style="list-style-type: none"> <li>Group and individual meetings</li> <li>Regulatory engagements sessions and communication</li> <li>Site visits</li> <li>Publication/ journals</li> <li>Updates on Group's website</li> <li>Dialogues/ conference</li> <li>Reports/ documents, e.g. submission of capital expenditure report to the Ministry of Finance, submission documents to Inland Revenue Board, Royal Malaysian Customs Dept., etc.</li> </ul> | <ul style="list-style-type: none"> <li>Monthly</li> <li>Quarterly</li> <li>Annually</li> <li>When Necessary</li> </ul>                       | <ul style="list-style-type: none"> <li>Regulatory compliance</li> <li>Environmental management</li> <li>Health and safety</li> <li>Ethical business practices</li> </ul>          | <ul style="list-style-type: none"> <li>Comply with all relevant regulations such as the Companies Act</li> <li>Ensure payment of tax in a timely manner</li> <li>Collaborate with government agencies such as MPOB, etc.</li> <li>Improve recruitment of Foreign workers</li> </ul>   |

# Sustainability Statement (cont'd)

## 8. STAKEHOLDER ENGAGEMENT (CONT'D)

For more information on each material matter, please refer to the following table:

| Material Matter |                                     | Definition & Scope  |
|-----------------|-------------------------------------|---|
| ENVIRONMENT     | Climate Change                      | Continuously minimizing our carbon emissions in an effort to mitigate climate change, as well as adapting our operations to manage climate change risks.  |
|                 | Biodiversity & Responsible Land Use | Protecting our environment from major biodiversity loss, habitat degradation, and unsustainable land management practices.  |
|                 | Environmental Stewardship           | Managing and mitigating environmental impacts associated with our operations, products, and services to achieve sustainable practices and long-term environmental sustainability.   |
| SOCIAL          | Safe & Nurturing Work Environment   | Fostering a nurturing work environment that encompasses both physical safety and psychological well-being while considering workplace safety practices, occupational health measures, ergonomic considerations, employee well-being initiatives, and diversity and inclusion efforts. |
|                 | Human Rights                        | Evaluating the potential impacts on human rights throughout the value chain while integrating human rights considerations into business practices, policies, and decision-making processes.   |
|                 | Sustainable Supply Chain            | Managing and improving the environmental, social, and economic impacts within our supply chain while empowering our suppliers to adopt sustainable practices.   |
|                 | Community Enrichment                | Empowering the local communities surrounding our operations through programs and initiatives that contribute to their socio-economic well-being.  |
| GOVERNANCE      | Good Governance                     | Establishing mechanisms to ensure strong corporate governance principles are in place to promote accountability, integrity, and responsible management.   |
|                 | Risk Management                     | Implementing risk assessments, internal controls, risk management strategies, and reporting mechanisms for emerging and potential risks.  |
| ECONOMIC        | Agricultural Production             | Optimizing agriculture productivity through innovative, responsible and sustainable farming practices.  |
|                 | Customer Satisfaction               | Fostering a customer-centric culture within the organization to build strong customer relationships, and deliver exceptional customer experiences.  |



## Sustainability Statement (cont'd)

### 9. INDIGENOUS PEOPLE AND LOCAL COMMUNITIES

Protection of customary sites as well as allowing access to indigenous people and local communities; to assess the general conditions of the natural habitats and the modified ecosystem environments (planted areas).

In Sarawak, the Indigenous Peoples are collectively known as natives (Dayak and/or Orang Ulu). They include the Iban, Bidayuh, Kenyah, Kayan, Kedayan, Lunbawang, Punan, Bisayah, Kelabit, Berawan, Kejaman, Ukit, Sekapan, Melanau and Penan.

Most the indigenous people are currently referred as localize native within the perimeter of 35 kilometers within estates and mills.

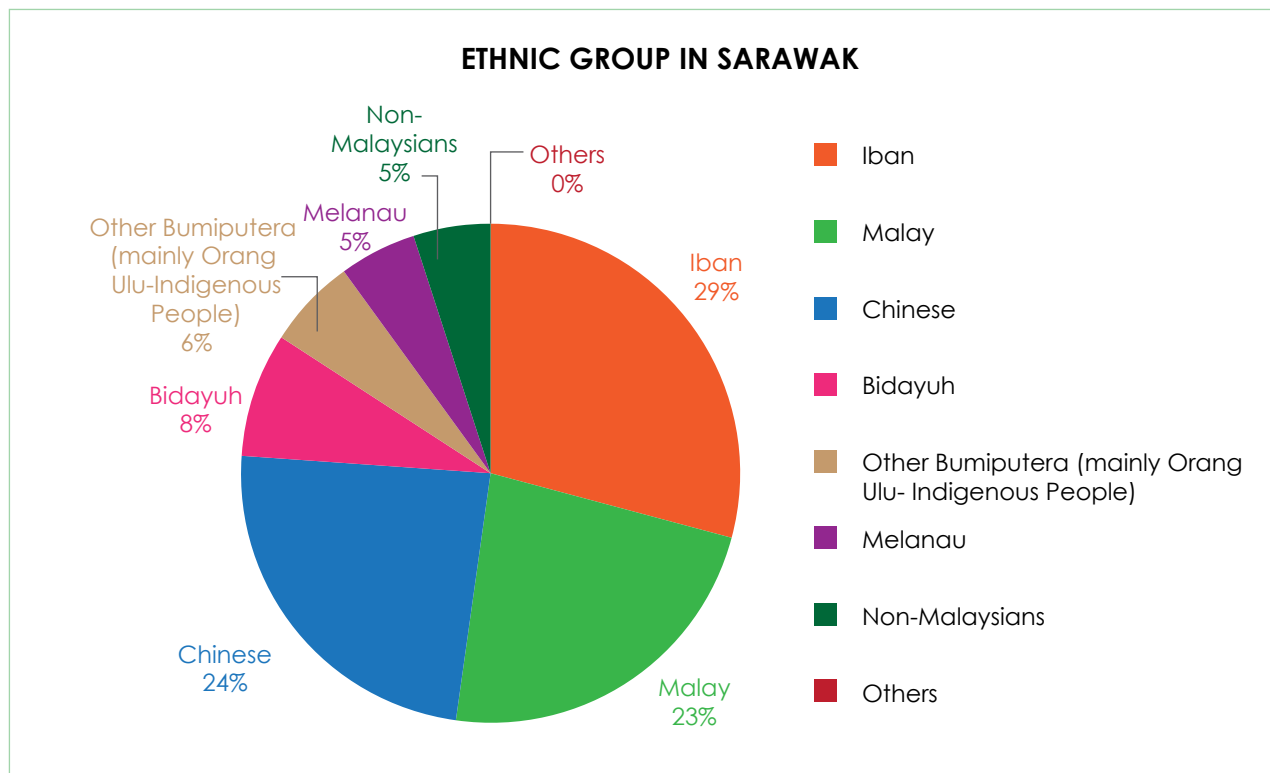


Figure 2: Source: Department of Statistics, Malaysia (2021)

#### 9.1 BENEFITS FOR RURAL FOLKS AND RURAL DEVELOPMENT

- Improve the livelihood of the localize native (indigenous people by improving the facilities of accessibility through roads and to reduce the accessibility by water ways.
- Job opportunities and improvement of living standards.
- Improvement of infrastructure project, learning centre such as schools, electricity, water and developing of town and improving job opportunities in overall sector for plantation and mill workers.
- Benefit through government projects, developing the existing township and providing job opportunities for government servant.

# Sustainability Statement (cont'd)

## 9. INDIGENOUS PEOPLE AND LOCAL COMMUNITIES (CONT'D)

### 9.2 NEW DEVELOPMENT OF TOWNSHIP VERSUS IMPACT OF WILDLIFE PROTECTION (SUSTAINABILITY SCORECARD)

| DELIVER POSITIVE ENVIRONMENTAL IMPACTS  | CONTRIBUTE TO THE COMMUNITY  | SAFEGUARD HUMAN RIGHTS   | PROMOTE TRANSPARENCY AND ACCOUNTABILITY   | ECONOMIC PROSPERITY/ OTHERS  |
|---|--|--|---|--|
| <ul style="list-style-type: none"> <li>Developed and Improve the RSB Biodiversity Policy.</li> <li>Designed a new strategic communication and accessibility by improvement of roads where the usage of waterways are reduced. Improving and facilitating the monitoring program to detect deforestation.</li> <li>Reserved more than 1,200 ha reserved for conservation.</li> <li>Commissioned Primasonic Pollution control system and Continuous Emission Monitoring System ( CMS ) for pollution</li> </ul> | <ul style="list-style-type: none"> <li>Better monitoring system for deforestation by supplier plantations through the Global Forest Watch (GFW) platform.</li> <li>Revised vendor and supplier prerequisites in line with sustainability commitments.</li> </ul> | <ul style="list-style-type: none"> <li>Increased minimum wage to RM1,500 as per minimum wage order regulations.</li> <li>New Minimum wage of RM 1,700.00 effective 1st February 2025</li> <li>Reduced Lost Time Injury Frequency Rate ("LTIFR"). In terms of LTIFR, it was further lowered from 0.71 in FYE2022 to 0.42 in FYE2023 and 0.53 in FYE2024.</li> <li>Working closely with the Indonesian Consulate as the main source of labor and assessing foreign workers recruitment-related risks.</li> <li>Assessed our foreign worker's recruitment as Human Rights requirement with compliances to Immigration act and labor Act to comply with SLO standard.</li> </ul> | <ul style="list-style-type: none"> <li>Monitoring the High Conservation Value to identify RSB impacts of land-use change.</li> <li>Established a new ESG committee to oversee sustainability work plans at an operational level.</li> <li>Established the Board Sustainability Committee ("BSC"), Management Sustainability Committee ("MSC"), Sustainability Subcommittee ("SSC") and ESG Working Team.</li> </ul> | <ul style="list-style-type: none"> <li>Encourage the adoption of sustainability certification through our Smallholder Inclusion Program.</li> <li>Established economic activities for female employees through initiatives and programs.</li> <li>Promote better work opportunity for local woman community.</li> <li>Improving their daily income through special work scope by doing EFB mulching</li> </ul> |

## Sustainability Statement (cont'd)

### 9. INDIGENOUS PEOPLE AND LOCAL COMMUNITIES (CONT'D)

#### 9.3 INTERNATIONAL UNION FOR CONSERVATION OF NATURE (IUCN) RED LIST OF THREATENED SPECIES AND NATIONAL CONSERVATION LIST SPECIES WITH HABITATS IN AREAS AFFECTED BY THE OPERATIONS OF THE COMPANY



##### Conservation of Value Area (HCV 1 to HCV 6)

HCV 1: Species Diversity

Concentrations of biology diversity including endemic species, and rare, threatened, or endangered species are significant at global regional or national levels.

And HCV 3: Ecosystems and Habitats

Rare, threatened, or endangered ecosystems, habitats or refugia.




| No. | Conservation                        | Management Plan   | Date of Commence | Picture   |
|-----|-------------------------------------|---|------------------|---|
| 1.  | Periuk Kera<br>( <i>Nepenthes</i> ) | <ul style="list-style-type: none"> <li>• Demarcation of area (Habitat) on ground and map demarcation</li> <li>• Access Control</li> <li>• No chemical activities and applicable legal signage</li> <li>• Internal and external stakeholder awareness (about conservation management plan and applicable legal)</li> <li>• Monitoring and reporting</li> </ul>                         | 08.10.2024       |   |
| 2.  | Engkabang<br>( <i>Shorea spp</i> )  | <ul style="list-style-type: none"> <li>• Demarcation of area (Habitat) on ground and map demarcation</li> <li>• Access Control (sighted near boundary)</li> <li>• No chemical activities and applicable legal signage</li> <li>• Internal and external stakeholder awareness (about conservation management plan and applicable legal)</li> <li>• Monitoring and reporting</li> </ul> | 08.10.2024       |  |

Sustainability Statement  
(cont'd)

## 9. INDIGENOUS PEOPLE AND LOCAL COMMUNITIES (CONT'D)

## 9.3 INTERNATIONAL UNION FOR CONSERVATION OF NATURE (IUCN) RED LIST OF THREATENED SPECIES AND NATIONAL CONSERVATION LIST SPECIES WITH HABITATS IN AREAS AFFECTED BY THE OPERATIONS OF THE COMPANY (CONT'D)

HCV 1: Species Diversity (Cont'd)

| No. | Conservation   | Management Plan   | Date of Commence | Picture   |
|-----|--|---|------------------|---|
| 3.  | Burung Helang<br>( <i>Spilorenis sheeta</i> )                | <ul style="list-style-type: none"> <li>• Demarcation of area (Habitat) on ground and map demarcation</li> <li>• Access Control (sighted near boundary)</li> <li>• No chemical activities and applicable legal signage</li> <li>• Internal and external stakeholder awareness (about conservation management plan and applicable legal)</li> <li>• Monitoring and reporting</li> </ul> | 08.10.2024       |    |
| 4.  | Burung Sengayan / Sempidan Biru<br>( <i>Lophura ignita</i> ) | <ul style="list-style-type: none"> <li>• Demarcation of area (Habitat) on ground and map demarcation</li> <li>• Access Control (sighted near boundary)</li> <li>• No chemical activities and applicable legal signage</li> <li>• Internal and external stakeholder awareness (about conservation management plan and applicable legal)</li> <li>• Monitoring and reporting</li> </ul> | 08.10.2024       |  |
| 5.  | Burung Hantu<br>( <i>Muscicapidae spp</i> )                  | <ul style="list-style-type: none"> <li>• Demarcation of area (Habitat) on ground and map demarcation</li> <li>• Access Control (sighted near boundary)</li> <li>• No chemical activities and applicable legal signage</li> <li>• Internal and external stakeholder awareness (about conservation management plan and applicable legal)</li> <li>• Monitoring and reporting</li> </ul> | 08.10.2024       |  |






## Sustainability Statement (cont'd)

### 9. INDIGENOUS PEOPLE AND LOCAL COMMUNITIES (CONT'D)

#### 9.3 INTERNATIONAL UNION FOR CONSERVATION OF NATURE (IUCN) RED LIST OF THREATENED SPECIES AND NATIONAL CONSERVATION LIST SPECIES WITH HABITATS IN AREAS AFFECTED BY THE OPERATIONS OF THE COMPANY (CONT'D)

HCV 1: Species Diversity (Cont'd)




| No. | Conservation  | Management Plan   | Date of Commence | Picture   |
|-----|---|---|------------------|---|
| 6.  | Bangau<br>( <i>Ardeidae spp</i> )   | <ul style="list-style-type: none"> <li>• Demarcation of area (Habitat) on ground and map demarcation</li> <li>• Access Control</li> <li>• No chemical activities and applicable legal signage</li> <li>• Internal and external stakeholder awareness (about conservation management plan and applicable legal)</li> <li>• Monitoring and reporting</li> </ul>                         | 08.10.2024       |    |
| 7.  | Kelawar/<br>Kesindap (Short<br>nosed Fruit bat)<br>( <i>Cynopterus<br/>brachyotis</i> ) | <ul style="list-style-type: none"> <li>• Demarcation of area (Habitat) on ground and map demarcation</li> <li>• Access Control (sighted near boundary)</li> <li>• No chemical activities and applicable legal signage</li> <li>• Internal and external stakeholder awareness (about conservation management plan and applicable legal)</li> <li>• Monitoring and reporting</li> </ul> | 08.10.2024       |  |
| 8.  | Kera/Long-tailed<br>Macaque/<br>( <i>Macaca<br/>fascicularis</i> )                      | <ul style="list-style-type: none"> <li>• Demarcation of area (Habitat) on ground and map demarcation</li> <li>• Access Control (sighted near boundary)</li> <li>• No chemical activities and applicable legal signage</li> <li>• Internal and external stakeholder awareness (about conservation management plan and applicable legal)</li> <li>• Monitoring and reporting</li> </ul> | 08.10.2024       |  |

# Sustainability Statement (cont'd)

## 9. INDIGENOUS PEOPLE AND LOCAL COMMUNITIES (CONT'D)

### 9.3 INTERNATIONAL UNION FOR CONSERVATION OF NATURE (IUCN) RED LIST OF THREATENED SPECIES AND NATIONAL CONSERVATION LIST SPECIES WITH HABITATS IN AREAS AFFECTED BY THE OPERATIONS OF THE COMPANY (CONT'D)

HCV 1: Species Diversity (Cont'd)




| No. | Conservation  | Management Plan   | Date of Commence | Picture   |
|-----|---|---|------------------|---|
| 9.  | Tupai/ Slender Squirrel<br>( <i>Sundasciurus tenuis</i> )       | <ul style="list-style-type: none"><li>• Demarcation of area (Habitat) on ground and map demarcation</li><li>• Access Control (sighted near boundary)</li><li>• No chemical activities and applicable legal signage</li><li>• Internal and external stakeholder awareness (about conservation management plan and applicable legal)</li><li>• Monitoring and reporting</li></ul> | 08.10.2024       |    |
| 10. | Kucing Hutan/<br>Wild Cat<br>( <i>Prionailurus Bngalensis</i> ) | <ul style="list-style-type: none"><li>• Demarcation of area (Habitat) on ground and map demarcation</li><li>• Access Control</li><li>• No chemical activities and applicable legal signage</li><li>• Internal and external stakeholder awareness (about conservation management plan and applicable legal)</li><li>• Monitoring and reporting</li></ul>                         | 08.10.2024       |  |
| 11. | Ular Sawa<br>( <i>Pythons</i> )                                 | <ul style="list-style-type: none"><li>• Demarcation of area (Habitat) on ground and map demarcation</li><li>• Access Control (sighted near boundary)</li><li>• No chemical activities and applicable legal signage</li><li>• Internal and external stakeholder awareness (about conservation management plan and applicable legal)</li><li>• Monitoring and reporting</li></ul> | 08.10.2024       |  |

## Sustainability Statement (cont'd)

### 9. INDIGENOUS PEOPLE AND LOCAL COMMUNITIES (CONT'D)

#### 9.3 INTERNATIONAL UNION FOR CONSERVATION OF NATURE (IUCN) RED LIST OF THREATENED SPECIES AND NATIONAL CONSERVATION LIST SPECIES WITH HABITATS IN AREAS AFFECTED BY THE OPERATIONS OF THE COMPANY (CONT'D)

HCV 1: Species Diversity (Cont'd)

| No. | Conservation   | Management Plan   | Date of Commence | Picture   |
|-----|--|---|------------------|---|
| 12. | Kugo/Niah Cave<br>( <i>Cyrtodactylus Cabernicolus</i> )                      | <ul style="list-style-type: none"> <li>• Demarcation of area (Habitat) on ground and map demarcation</li> <li>• Access Control (sighted near boundary)</li> <li>• No chemical activities and applicable legal signage</li> <li>• Internal and external stakeholder awareness (about conservation management plan and applicable legal)</li> <li>• Monitoring and reporting</li> </ul> | 08.10.2024       |    |
| 13. | Biawak<br>( <i>Varanus spp</i> )   | <ul style="list-style-type: none"> <li>• Demarcation of area (Habitat) on ground and map demarcation</li> <li>• Access Control (sighted near boundary)</li> <li>• No chemical activities and applicable legal signage</li> <li>• Internal and external stakeholder awareness (about conservation management plan and applicable legal)</li> <li>• Monitoring and reporting</li> </ul> | 08.10.2024       |  |
| 14. | Tekura/<br>Kura-kura/<br>Bornwo River<br>Turtle ( <i>Orlitia borneesis</i> ) | <ul style="list-style-type: none"> <li>• Demarcation of area (Habitat) on ground and map demarcation</li> <li>• Access Control</li> <li>• No chemical activities and applicable legal signage</li> <li>• Internal and external stakeholder awareness (about conservation management plan and applicable legal)</li> <li>• Monitoring and reporting</li> </ul>                         | 08.10.2024       |  |



# Sustainability Statement (cont'd)

## 9. INDIGENOUS PEOPLE AND LOCAL COMMUNITIES (CONT'D)

### 9.3 INTERNATIONAL UNION FOR CONSERVATION OF NATURE (IUCN) RED LIST OF THREATENED SPECIES AND NATIONAL CONSERVATION LIST SPECIES WITH HABITATS IN AREAS AFFECTED BY THE OPERATIONS OF THE COMPANY (CONT'D)

HCV 2: Landscape-level ecosystems and mosaics

Refers to landscape-level ecosystems or mosaics that are significant at global, regional, or national levels and contain viable populations of the majority of naturally occurring species.

| No. | Conservation              | Management Plan   | Date of Commence | Picture   |
|-----|---------------------------|---|------------------|---|
| 1.  | Oil Palm Plantation Areas | <ul style="list-style-type: none"><li>• Demarcation of area (Habitat) on ground and map demarcation</li><li>• Access Control (sighted near boundary)</li><li>• No chemical activities and applicable legal signage</li><li>• Internal and external stakeholder awareness (about conservation management plan and applicable legal)</li><li>• Monitoring and reporting</li></ul> | 08.10.2024       |   |
| 2.  | Palm Oil Mill             | <ul style="list-style-type: none"><li>• Demarcation of area (Habitat) on ground and map demarcation</li><li>• Access Control</li><li>• No chemical activities and applicable legal signage</li><li>• Internal and external stakeholder awareness (about conservation management plan and applicable legal)</li><li>• Monitoring and reporting</li></ul>                         | 08.10.2024       |  |



## Sustainability Statement (cont'd)

### 9. INDIGENOUS PEOPLE AND LOCAL COMMUNITIES (CONT'D)

#### 9.3 INTERNATIONAL UNION FOR CONSERVATION OF NATURE (IUCN) RED LIST OF THREATENED SPECIES AND NATIONAL CONSERVATION LIST SPECIES WITH HABITATS IN AREAS AFFECTED BY THE OPERATIONS OF THE COMPANY (CONT'D)

##### HCV 4: Ecosystem Services

Basic ecosystem services in critical situations, including protection of water catchments and controls of erosions of vulnerable soils and slopes.

| No. | Conservation                  | Management Plan   | Date of Commence | Picture   |
|-----|-------------------------------|---|------------------|---|
| 1.  | Buffer Zone/<br>Riparian Zone | <ul style="list-style-type: none"> <li>• Demarcation of area (Habitat) on ground and map demarcation</li> <li>• Access Control (sighted near boundary)</li> <li>• No chemical activities and applicable legal signage</li> <li>• Internal and external stakeholder awareness (about conservation management plan and applicable legal)</li> <li>• Monitoring and reporting</li> </ul>   | 08.10.2024       |   |
| 2.  | Cover Crops                   | <ul style="list-style-type: none"> <li>• Demarcation of area (Habitat) on ground and map demarcation</li> <li>• Access Control</li> <li>• No chemical activities and applicable legal signage</li> <li>• Internal and external stakeholder awareness (about conservation management plan and applicable legal)</li> <li>• Monitoring and reporting</li> <li>• Access Control</li> <li>• No chemical activities and applicable legal signage</li> <li>• Internal and external stakeholder awareness (about conservation management plan and applicable legal)</li> <li>• Monitoring and reporting</li> </ul> | 08.10.2024       |  |



# Sustainability Statement (cont'd)

## 9. INDIGENOUS PEOPLE AND LOCAL COMMUNITIES (CONT'D)

### 9.3 INTERNATIONAL UNION FOR CONSERVATION OF NATURE (IUCN) RED LIST OF THREATENED SPECIES AND NATIONAL CONSERVATION LIST SPECIES WITH HABITATS IN AREAS AFFECTED BY THE OPERATIONS OF THE COMPANY (CONT'D)

HCV 5: Community needs

Sites and resources fundamental for satisfying the basic necessities of local communities or indigenous people (for livelihoods, health, nutrition, water, etc.) identified through engagement with these communities or indigenous peoples.

| No. | Conservation           | Management Plan   | Date of Commence | Picture   |
|-----|------------------------|---|------------------|---|
| 1.  | Collect forest produce | <ul style="list-style-type: none"><li>• Demarcation of area/map</li><li>• Access Control (if use Plantation or mill road)</li><li>• No chemical activities and applicable legal signage</li><li>• Internal and external stakeholder awareness (about conservation management plan and applicable legal)</li><li>• Monitoring and reporting</li></ul>  | 08.10.2024       |   |
| 2.  | Collect river produce  | <ul style="list-style-type: none"><li>• Demarcation of area/maps</li><li>• Access Control (if use Plantation or mill road)</li><li>• No chemical activities and applicable legal signage</li><li>• Internal and external stakeholder awareness (about conservation management plan and applicable legal)</li><li>• Monitoring and reporting</li></ul> | 08.10.2024       |  |

## Sustainability Statement (cont'd)

### 9. INDIGENOUS PEOPLE AND LOCAL COMMUNITIES (CONT'D)

#### 9.3 INTERNATIONAL UNION FOR CONSERVATION OF NATURE (IUCN) RED LIST OF THREATENED SPECIES AND NATIONAL CONSERVATION LIST SPECIES WITH HABITATS IN AREAS AFFECTED BY THE OPERATIONS OF THE COMPANY (CONT'D)

##### HCV 6: Cultural Values

Sites, resources, habitats and landscapes of global or national cultural, archaeological or historical significance, and/or of critical cultural, ecological economic or religious/ sacred importance for the traditional cultures of local communities or indigenous peoples, identified through engagement with these local communities or indigenous people.

| No. | Conservation         | Management Plan  | Date of Commence | Picture  |
|-----|----------------------|--|------------------|--|
| 1.  | Upacara adat miring) | <ul style="list-style-type: none"> <li>• Demarcation of area and map</li> <li>• Access Control (sighted near boundary)</li> <li>• Internal and external stakeholder awareness (about conservation management plan and applicable legal)</li> <li>• Monitoring and reporting</li> </ul> | 08.10.2024       |  |

Total area 1,129.35 Hectare land has been reserved for the purpose of HCV and other types of identified HCV area which is about 62.7 hectare per identity (Estates & Mills).

RSB addresses sustainability risk and opportunities for long-term strategy and successes whereby the priorities and target are being set. RSB through its sustainability requirement develops and implement business plan major plans of action on mitigation for the purpose of achieving its goals preventing pollution impacts as well as sustaining the environment with focal point of biodiversity requirement on perseverant of wildlife, fauna, flora, avifauna and protected timber species.



# Sustainability Statement (cont'd)

## 9. INDIGENOUS PEOPLE AND LOCAL COMMUNITIES (CONT'D)

### 9.4 HIGH CONSERVATION VALUE AREAS MANAGEMENT PLAN

| No | Management Activity  | Monitoring Activity  | Management Frequency   | Indicator of Success and Status   | Monitoring Frequency                   |
|----|--|--|--|---|--|
| 1. | Identify High Conservation Value Areas.  | Periodically monitor to revise (if any). Management to decide suitable area for HCV areas at site.   | Site management to select one area and continuous improvement to sustain that area.  | Site management to select area of HCV as per guidelines.  | 5 years or according to needs.         |
| 2. | Make a map of HCV management   | During operational activities. Site management to send coordinate number to GIS department to produce maps.  | HCV management and monitoring plan maps that are in accordance with the conditions in the field.   | Map of HCV available and updated.   | Once a year or according to needs.     |
| 3. | Develop and implement HCV assessment report as per guidelines related to HCV management and monitoring   | Agricultural Practices department to establish HCV Assessment Report as per guidelines.  | HCV Assessment Report will be review as per announcement from MSPO Scheme Owner.   | Establish and implement HCV report.   | 5 years or according to needs.         |
| 4. | Socialization for staff/employees/workers, contractors and the surrounding communities (Stakeholders) about importance of maintaining identified HCV areas. (Awareness Training) | Periodically monitor the level of awareness and understanding of staff/employees/workers, contractors and the surrounding communities (Stakeholders) about importance of maintaining identified HCV areas. | Information and socialization material; interview, stakeholders meeting, HCV management/monitoring plan and HCV guidelines.  | Staff/employees/workers, contractors and surrounding communities know and understand importance of maintaining identified HCV areas | Once a years.                          |
| 6. | Installation of information signs and appeals for identified HCV areas.  | To provide necessary and appropriate signage and boundary marking at all sensitive area, High Conservation Value area, water, way, river and housing area.   | Displaying of appropriate signage on prohibiting illegal hunting, and illegal fishing, caging of protected birds and animals etc. and ensure implementation at site. | Marking of Signage of HCV area and boundary marking as per management plan and monitoring.  | According to needs. (maintain signage) |

## Sustainability Statement (cont'd)

### 9. INDIGENOUS PEOPLE AND LOCAL COMMUNITIES (CONT'D)

#### 9.4 HIGH CONSERVATION VALUE AREAS MANAGEMENT PLAN (CONT'D)

| No  | Management Activity   | Monitoring Activity   | Management Frequency  | Indicator of Success and Status  | Monitoring Frequency               |
|-----|---|---|---|--|------------------------------------|
| 7.  | Riparian and protected area maintenance – Buffer zone (River)                                   | To do quarterly maintenance as conservation area to ensure continuous cleanliness and minimize pollution and wastes.                                  | No Spraying. Only slashing at concern area.   | Collaborate to clean up places based on clean-up schedule.                   | Once a month.                      |
| 8.  | Manage and monitor HCV areas to ensure that area has HCV functions.                             | Periodically monitor and verify HCV identified at that areas.   | Management plan for conservation of wildlife species from the result of the assessments through biodiversity monitoring tool. | Update HCV monitoring tool forth nightly.                                    | Forth Nightly.                     |
| 9.  | Cooperate or coordinate regularly with other parties. (Stakeholders)                            | Collaboration with stakeholders.  | Having stakeholder dialogue session or interview.   | Input HCV from collaboration with stakeholders.                              | Once a year or according to needs. |
| 10. | Landscaping of compound for High Conservation Value area, rare and threaten, endangered species | To do landscaping at identified HCV selected area in order to Improve the outlook of facilities and to propagate natural predator for pest infection. | Plant and landscaping of variety in the HCV area and maintain the area as a reserve area.                                     | HCV areas is maintained from internal and external threats.                  | Once a month.                      |
| 11. | Conduct FPIC (free and prior informed consent) activities to the community.                     | Disseminating and monitoring the community towards the ongoing operation before carrying out activities around the HCV area.                          | To monitor.   | The community knows and understands the existence of operational activities. | Once a month.                      |

## Sustainability Statement (cont'd)

### 10. SUSTAINABILITY ENVIRONMENT, SOCIAL AND GOVERNANCE STRUCTURE

The RSB's sustainability governance is structured as follow:

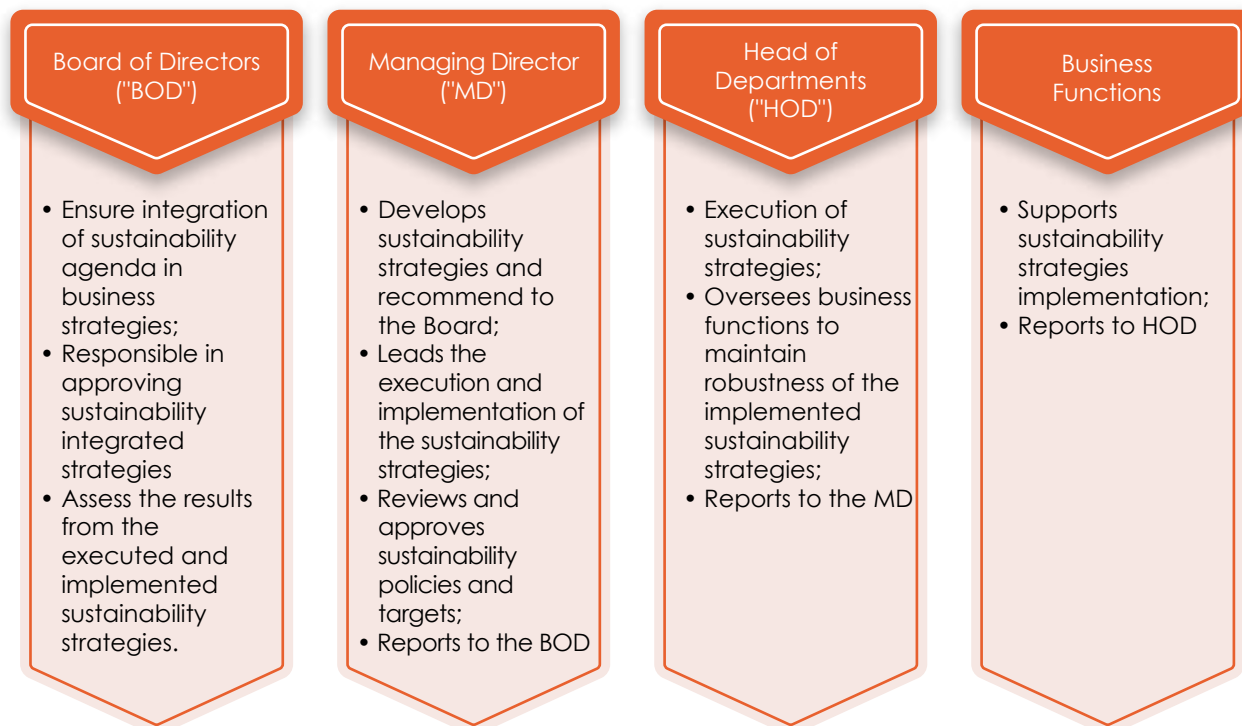


Figure 3: Sustainability Steering Committee



## Sustainability Statement (cont'd)

### 10. SUSTAINABILITY ENVIRONMENT, SOCIAL AND GOVERNANCE STRUCTURE (CONT'D)

#### 10.1 ENVIRONMENT MANAGEMENT

| Comittee of environment between headquarters and site management  | Managing our emission  | Investing in low emission and green technologies   | Leveraging partnership and collaborations of environment   |
|---|--|--|--|
| <ul style="list-style-type: none"> <li>• Ensure integration of sustainability environment agenda in business strategies;</li> <li>• Responsible in approving sustainability environment integrated strategies</li> <li>• Assess the results from the executed and implemented sustainability environment strategies.</li> </ul> | <ul style="list-style-type: none"> <li>• Develops sustainability emission of CO2 and greenhouse gas emission strategies and recommend to the Board;</li> <li>• Leads the execution and implementation of the sustainability of CO2 and greenhouse gas emission strategies;</li> <li>• Reviews and approves sustainability of CO2 and greenhouse gas emission policies and targets;</li> <li>• Reports to the BOD by comittee of environment</li> </ul> | <ul style="list-style-type: none"> <li>• Execution of sustainability strategies to improve and reduce CO2 and greenhouse gas emission;</li> <li>• Oversees business functions to maintain robustness of the implemented sustainability CO2 and greenhouse gas emission strategies;</li> <li>• Reports to the BOD by comittee of environment</li> </ul> | <ul style="list-style-type: none"> <li>• Supports sustainability strategies implementation in improving energy efficiencies in all identitties estate and mills;</li> <li>• Reports to the BOD by comittee of environment</li> </ul> |

#### 10.2 GENERATING ENVIRONMENTAL POSITIVE IMPACTS

##### 10.2.1 Efficiency of Energy Use and Use of Renewable Energy

###### Why Is It Significant

Energy efficiency saves money, increases the resilience and reliability of the electric grid, and provides environmental, community, and health benefits. These significant motivates our company to improve the efficiency of energy use and renewable energy usage.

###### Technique Approach

Currently, both of our mills are practicing the use of renewable energy through the utilization of waste generated such as Mesocarp fiber and Palm Kernel shell in boiler. Production of high-pressure steam that drives steam turbines, generating electricity to power generation our oil palm mill operation. Our future plan is to use empty fruit bunch also in boiler as fuel.

Commonly, the approach from both mills and estates are by monitoring the fuel consumption through the Diesel Consumption Baseline. Next action from the monitoring is to mitigate the over-usage of Diesel Consumption.

## Sustainability Statement (cont'd)

### 10. SUSTAINABILITY ENVIRONMENT, SOCIAL AND GOVERNANCE STRUCTURE (CONT'D)

#### 10.2 GENERATING ENVIRONMENTAL POSITIVE IMPACTS (CONT'D)

##### 10.2.2 Waste Management And Disposal

###### Why Is It Significant

Waste Management helps to reduce waste and preserve the environment. Furthermore, it will also save money or reduce costs associated with disposal. The environment also benefits from recycling and/ or reusing waste because it reduces the need to extract resources and reduces the risk of contamination or pollution.



Figure 4: Technique Approach

# Sustainability Statement (cont'd)

## 10. SUSTAINABILITY ENVIRONMENT, SOCIAL AND GOVERNANCE STRUCTURE (CONT'D)

### 10.2 GENERATING ENVIRONMENTAL POSITIVE IMPACTS (CONT'D)

#### 10.2.2 Waste Management And Disposal (Cont'd)

**Schedule Wastes, Domestic Wastes and Recyclable Items Table (Plantation Estates and Palm Oil Mill)**

| No. | Items  | Office | Workshop | Diesel Storage Area | Genset Room | Chemical Store | Fertilizer Store | General Store | Canteen | Quarters | Loading Ramp Area |
|-----|--|--------|----------|---------------------|-------------|----------------|------------------|---------------|---------|----------|-------------------|
| 1   | Used Oil   |        |          |                     |             |                |                  |               |         |          |                   |
|     | a) Oil 30/ 45 (Lubricant Oil)  | -      | SW 305   | -                   | SW 305      | -              | -                | -             | -       | -        | -                 |
|     | b) Oil 10/ 90 (Hydraulic Oil)  | -      | SW 306   | -                   | SW 306      | -              | -                | -             | -       | -        | -                 |
| 2   | Used Battery   | -      | SW 102   | -                   | SW 102      | -              | -                | -             | -       | -        | -                 |
| 3   | Diesel Drum  | -      | SW 409   | SW 409              | SW 409      | -              | -                | -             | -       | -        | -                 |
| 4   | Scrap Metal  | -      | RI       | -                   | RI          | -              | -                | -             | -       | -        | -                 |
| 5   | Oil Drum   | -      | SW 409   | SW 409              | SW 409      | SW 409         | -                | -             | -       | -        | -                 |
| 6   | Chemical Drum  | -      | SW 409   | SW 409              | SW 409      | SW 409         | -                | -             | -       | -        | -                 |
| 7   | Empty Pesticide Container  | -      | SW 409   | -                   | SW 409      | SW 409         | -                | -             | -       | -        | -                 |
| 8   | Empty Fertilizer Bag (including inner plastic lining)  | -      | -        | -                   | -           | -              | SW 409           | -             | -       | -        | -                 |
| 9   | Contaminated with scheduled waste (cotton rag, used Personal Protective Equipments such as gloves, goggles, aprons, etc) | -      | -        | -                   | -           | -              | SW 409           | -             | -       | -        | -                 |
| 10  | Domestic Wastes (Recyclable) (Paper, Glass, Plastic & Aluminium)   | DW/ RI | DW/ RI   | -                   | DW/ RI      | DW/ RI         | DW/ RI           | DW/ RI        | DW/ RI  | DW/ RI   | DW/ RI            |
| 11  | Domestic Wastes (Non-Recyclable) (Food Wastes & Others)  | DW     | -        | -                   | -           | -              | -                | -             | DW      | DW       | -                 |
| 12  | Damaged Tyres  | -      | RI       | RI                  | RI          | -              | -                | -             | -       | -        | -                 |

Indicator:

DW - Domestic Wastes  
SW - Scheduled Wastes  
RI - Recyclable Items  
- - Not Applicable

SW 103 - Waste of batteries containing cadmium and nickel or mercury or lithium

SW 305 - Spent lubricating oil

SW 306 - Spent hydraulic oil

SW 409 - Disposed containers, bags or equipment contaminated with chemicals, pesticides, mineral oil or scheduled wastes

Table 3: Waste Identification

## Sustainability Statement (cont'd)

### 10. SUSTAINABILITY ENVIRONMENT, SOCIAL AND GOVERNANCE STRUCTURE (CONT'D)

#### 10.2 GENERATING ENVIRONMENTAL POSITIVE IMPACTS (CONT'D)

##### 10.2.3 Greenhouse Gases Emissions

###### Why Is It Significant

Greenhouse gas (GHG) emissions from human activities intensify the greenhouse effect. This contribute to environmental or climate change.

###### Technique Approach

GHG monitoring is the direct measurements of GHG emissions and levels. All participants in the value chain must identify the resources, record, monitoring and produce mitigation strategies to minimize GHG emission. Reporting on GHG emissions shall be done on an annual basis. The resources of GHG emissions is the consumption of fuel, fertilizer and chemical. Improve conservation and maintenance of biodiversity under the High Conservation Value (HCV) Management is one of the approach to reduce GHG emission. Integrated Pest Management and natural pest control is practiced in our estate by using cattle livestock.

###### Measurements Taken Currently

Management has turn its concept in adopting using Sarawak Energy in areas where the Hydro electric supply is available:-

###### Selangau Region

1. Novelpac Puncakdana Sdn. Bhd.

###### Miri Region

1. RH Palm Oil Mill and Estate Main Complex
2. PJPP Ulu Teru Plantation Sdn. Bhd.

The control and reduction of Diesel Usage

Management are also looking into other Identities for controlling of Burning of Fuel.

# Sustainability Statement (cont'd)

## 10. SUSTAINABILITY ENVIRONMENT, SOCIAL AND GOVERNANCE STRUCTURE (CONT'D)

### 10.2 GENERATING ENVIRONMENTAL POSITIVE IMPACTS (CONT'D)

#### 10.2.4 Water Resources

##### Why Is It Significant

Sustainable water management involves the efficient use of water resources. The water quality is very important to be highlighted in all industry in the world as the people use it for their daily domestic use and consumption.

##### Technique Approach

Sustainable water management including assessment of water the sources of water usage. The monitoring of outgoing water, which may have negative impacts into the natural waterways was monitored through quarterly Environmental Monitoring Report. Optimize usage of water resources is being practices in our company which reduce the wastage of water resources. This including rainwater harvesting practices. The implementation of riparian buffer zone protection is enforced strongly in our estates. The water analysis is being done annually to monitor the quality of the water consumes to ensure livelihood, human well-being and socio- economic development is protected adequately. As for mills, we monitor the disposal of empty fruit bunch and our future plan is to use it in boiler as fuel for generating electricity to power generation our oil palm mill operation.

#### 10.2.5 Environmental Conservation and Protection

##### Why Is It Significant

Sustainable business is very synonym with sustainable environment. The preservation of biodiversity is crucial for the health of ecosystems and the well-being of communities. Biodiversity conservation contributes to the maintenance of essential ecosystem services like fertile soil, clean air and water, and all of which are necessary for agricultural productivity and overall quality of life. Dependable land use rehearses are similarly significant as they empower us to improve asset use while limiting adverse consequences on the climate and nearby networks and delicate natural surroundings.

##### Technique Approach

Other than reducing GHG emissions, conservation and maintenance of biodiversity under the High Conservation Value (HCV) Management also will helps to sustain the flora and fauna which exists in both estates and mills. Currently, our mills are installed with Primasonic Acoustic cleaner. It is being installed at boiler chimney to detect data for Total Particulate Matter (TPM) and opacity which monitor boiler flue gas released to the air. It helps to improve boiler efficiency and reduce the in the emitted boiler flue gas. Besides, our company is still trying to keep adhere to the "No Deforestation, No Peat, No Exploitation" (NDPE) Policy. Our company ensure best management practices and prohibit Open Burning.



# Sustainability Statement (cont'd)

## 10. SUSTAINABILITY ENVIRONMENT, SOCIAL AND GOVERNANCE STRUCTURE (CONT'D)

### 10.3 Environmental Risk Assessment

#### 10.3.1 Air Impact Assessment

##### Risk Matrix Table

| Likelihood | Severity (s) |    |       |    |    |
|------------|--------------|----|-------|----|----|
|            | 1            | 2  | 3     | 4  | 5  |
| 5          | 5            | 10 | 15    | 20 | 25 |
| 4          | 4            | 8  | 12    | 16 | 20 |
| 3          | 3            | 6  | 9     | 12 | 15 |
| 2          | 2            | 4  | 6     | 8  | 10 |
| 1          | 1            | 2  | 3     | 4  | 5  |
|            | Minor        |    | Major |    |    |

Table A

##### Legend

High  
Medium  
Low



##### Impact Assessment as per indication

High  
Medium  
Low



| Risk    | Description   | Action   |
|---------|---------------|--|
| 15 – 25 | <b>High</b>   | A HIGH risk requires immediate action to control the Impact as detailed in the hierarchy of control. Actions taken must be documented on the risk assessment form including date for completion                        |
| 5 – 12  | <b>Medium</b> | A MEDIUM risk requires a planned approach to controlling the impact and applies temporary measure if required. Actions taken must be documented on the risk assessment form including date for completion              |
| 1 – 4   | <b>Low</b>    | A risk identified as LOW may be considered as Acceptable and further reduction may not be necessary. However, if the risk can be resolved quickly and efficiently, control measures should be implemented and recorded |

Table B

##### Conclusion

The air impact assessment is within the low level and the mill management has been monitoring through the Environmental Mainstreaming Tool Report.

# Sustainability Statement (cont'd)

## 10. SUSTAINABILITY ENVIRONMENT, SOCIAL AND GOVERNANCE STRUCTURE (CONT'D)

### 10.3 Environmental Risk Assessment

#### 10.3.2 Water Impact Assessment

##### Risk Matrix Table

| Likelihood | Severity (s) |    |       |    |    |
|------------|--------------|----|-------|----|----|
|            | 1            | 2  | 3     | 4  | 5  |
| 5          | 5            | 10 | 15    | 20 | 25 |
| 4          | 4            | 8  | 12    | 16 | 20 |
| 3          | 3            | 6  | 9     | 12 | 15 |
| 2          | 2            | 4  | 6     | 8  | 10 |
| 1          | 1            | 2  | 3     | 4  | 5  |
|            | Minor        |    | Major |    |    |

Table A

##### Legend

High  
Medium  
Low



##### Impact Assessment as per indication

High  
Medium  
Low



| Risk    | Description   | Action   |
|---------|---------------|--|
| 15 – 25 | <b>High</b>   | A HIGH risk requires immediate action to control the Impact as detailed in the hierarchy of control. Actions taken must be documented on the risk assessment form including date for completion                        |
| 5 – 12  | <b>Medium</b> | A MEDIUM risk requires a planned approach to controlling the impact and applies temporary measure if required. Actions taken must be documented on the risk assessment form including date for completion              |
| 1 – 4   | <b>Low</b>    | A risk identified as LOW may be considered as Acceptable and further reduction may not be necessary. However, if the risk can be resolved quickly and efficiently, control measures should be implemented and recorded |

Table B

##### Conclusion

The water impact assessment is within the low level and the mill management has been monitoring through the Environmental Mainstreaming Tool Report.

# Sustainability Statement (cont'd)

## 10. SUSTAINABILITY ENVIRONMENT, SOCIAL AND GOVERNANCE STRUCTURE (CONT'D)

### 10.3 Environmental Risk Assessment

#### 10.3.3 Soil Impact Assessment

##### Soil Impact Assessment

##### Risk Matrix Table

| Likelihood | Severity (s) |    |       |    |    |
|------------|--------------|----|-------|----|----|
|            | 1            | 2  | 3     | 4  | 5  |
| 5          | 5            | 10 | 15    | 20 | 25 |
| 4          | 4            | 8  | 12    | 16 | 20 |
| 3          | 3            | 6  | 9     | 12 | 15 |
| 2          | 2            | 4  | 6     | 8  | 10 |
| 1          | 1            | 2  | 3     | 4  | 5  |
|            | Minor        |    | Major |    |    |

Table A

##### Legend

High  
Medium  
Low



##### Impact Assessment as per indication

High  
Medium  
Low



| Risk    | Description   | Action   |
|---------|---------------|--|
| 15 – 25 | <b>High</b>   | A HIGH risk requires immediate action to control the Impact as detailed in the hierarchy of control. Actions taken must be documented on the risk assessment form including date for completion                        |
| 5 – 12  | <b>Medium</b> | A MEDIUM risk requires a planned approach to controlling the impact and applies temporary measure if required. Actions taken must be documented on the risk assessment form including date for completion              |
| 1 – 4   | <b>Low</b>    | A risk identified as LOW may be considered as Acceptable and further reduction may not be necessary. However, if the risk can be resolved quickly and efficiently, control measures should be implemented and recorded |

Table B

##### Conclusion

The soil impact assessment is within the low level and the mill management has been monitoring through the Environmental Mainstreaming Tool Report.

# Sustainability Statement (cont'd)

## 10. SUSTAINABILITY ENVIRONMENT, SOCIAL AND GOVERNANCE STRUCTURE (CONT'D)

### 10.3 Environmental Risk Assessment

#### 10.3.4 Sound Impact Assessment

##### Risk Matrix Table

| Likelihood | Severity (s) |    |       |    |    |
|------------|--------------|----|-------|----|----|
|            | 1            | 2  | 3     | 4  | 5  |
| 5          | 5            | 10 | 15    | 20 | 25 |
| 4          | 4            | 8  | 12    | 16 | 20 |
| 3          | 3            | 6  | 9     | 12 | 15 |
| 2          | 2            | 4  | 6     | 8  | 10 |
| 1          | 1            | 2  | 3     | 4  | 5  |
|            | Minor        |    | Major |    |    |

Table A

##### Legend

High  
Medium  
Low



##### Impact Assessment as per indication

High  
Medium  
Low



| Risk    | Description   | Action   |
|---------|---------------|--|
| 15 – 25 | <b>High</b>   | A HIGH risk requires immediate action to control the Impact as detailed in the hierarchy of control. Actions taken must be documented on the risk assessment form including date for completion                        |
| 5 – 12  | <b>Medium</b> | A MEDIUM risk requires a planned approach to controlling the impact and applies temporary measure if required. Actions taken must be documented on the risk assessment form including date for completion              |
| 1 – 4   | <b>Low</b>    | A risk identified as LOW may be considered as Acceptable and further reduction may not be necessary. However, if the risk can be resolved quickly and efficiently, control measures should be implemented and recorded |

Table B

##### Conclusion

The water impact assessment is within the low level and the mill management has been monitoring through the Environmental Mainstreaming Tool Report.

## Sustainability Statement (cont'd)

### 10. SUSTAINABILITY ENVIRONMENT, SOCIAL AND GOVERNANCE STRUCTURE (CONT'D)

#### 10.4 Environmental Performance Data And Target

| ENERGY                                 | 2023 (JAN-DEC)      | 2024 (JAN – DEC)    | TARGET/<br>REMARK  |
|--|---------------------|---------------------|--|
| <b>NON-RENEWABLE FUEL SOURCES</b>      |                     |                     |  |
| <b>TOTAL DIESEL (L)</b>                | <b>2,934,026.98</b> | <b>4,034,932.30</b> | <b>Target:<br/>Reduce<br/>30% diesel<br/>consumption by<br/>2030</b> |
| <b>MIRI ZONE 1:</b>                    | <b>896,042.21</b>   | <b>1,438,208.87</b> |  |
| R.H. Plantation (Bakong) Sdn. Bhd.     | 277,603.00          | 581,789.00          |  |
| R.H. Plantation (Selangor) Sdn. Bhd.   | 66,024.00           | -                   |  |
| Jayamax Plantation Sdn. Bhd.           | 1,326.21            | -                   |  |
| Timrest Sdn. Bhd.                      | 377,317.00          | 560,242.00          |  |
| RH Palm Oil Mill                       | 540.00              | 33,731.87           |  |
| RSB Palm Oil Mill                      | 173,232.00          | 262,446.00          |  |
| <b>MIRI ZONE 2:</b>                    | <b>757,397.00</b>   | <b>907,115.00</b>   |  |
| PJPP Ulu Teru Plantation Sdn. Bhd.     | 297,367.00          | 342,281.00          |  |
| PJPP Ekang Banyok Plantation Sdn. Bhd. | 263,668.00          | 332,428.00          |  |
| Baram Trading Sdn. Bhd.                | 181,916.00          | 221,050.00          |  |
| Pelita Splendid Sdn. Bhd.              | 14,446.00           | 11,356.00           |  |
| <b>MIRI ZONE 3:</b>                    | <b>10,166.77</b>    | <b>167,160.00</b>   |  |
| Sastat Holdings Sdn. Bhd.              | 8,466.77            | 165,000.00          |  |
| Woodijaya Sdn. Bhd.                    | 1,700.00            | 2,160.00            |  |
| Formasi Abadi Sdn. Bhd.                | -                   | -                   |  |
| <b>KUCHING REGION:</b>                 | <b>690,699.00</b>   | <b>1,093,498.43</b> |  |
| PJPP Lundu Plantation Sdn. Bhd.        | 338,131.00          | 616,567.87          |  |
| PJPP Biawak Plantation Sdn. Bhd.       | 154,103.00          | 360,675.56          |  |
| RSB Lundu Palm Oil Mill                | 198,465.00          | 116,255.00          |  |
| <b>SELANGAU REGION:</b>                | <b>579,722.00</b>   | <b>428,950.00</b>   |  |
| Nescaya Palma Sdn. Bhd.                | 357,493.00          | 279,374.00          |  |
| Novelpac Puncakdana Sdn. Bhd.          | 222,229.00          | 149,576.00          |  |
| PJPP Selangau Plantation Sdn. Bhd.     | -                   | -                   |  |



# Sustainability Statement (cont'd)

## 10. SUSTAINABILITY ENVIRONMENT, SOCIAL AND GOVERNANCE STRUCTURE (CONT'D)

### 10.4 Environmental Performance Data And Target (Cont'd)

| ENERGY   | 2023 (JAN-DEC)    | 2024 (JAN – DEC)    | TARGET/<br>REMARK   |
|--|-------------------|---------------------|---|
| <b>ENERGY CONSUMPTION<br/>(ELECTRICITY ONLY)</b>             |                   |                     |   |
| <b>TOTAL IMPORTED ELECTRICITY<br/>(SARAWAK ENERGY) (KWH)</b> | <b>539,722.04</b> | <b>2,943,196.80</b> | <b>Target:<br/>0% electricity<br/>wastage by<br/>2030</b> |
| <b>MIRI ZONE 1:</b>  | <b>288,188.04</b> | <b>1,362,767.80</b> |   |
| R.H. Plantation (Bakong) Sdn. Bhd.                           | 136,965.11        | 346,155.80          |   |
| R.H. Plantation (Selangor) Sdn. Bhd.                         | -                 | -                   |   |
| Jayamax Plantation Sdn. Bhd.                                 | -                 | -                   |   |
| Timrest Sdn. Bhd.  | -                 | -                   |   |
| RH Palm Oil Mill   | 151,222.93        | 1,016,612.00        |   |
| RSB Palm Oil Mill  | -                 | -                   |   |
| <b>MIRI ZONE 2:</b>  | <b>14,314.00</b>  | <b>647,641.00</b>   |   |
| PJPP Ulu Teru Plantation Sdn. Bhd.                           | 14,314.00         | 647,641.00          |   |
| PJPP Ekang Banyok Plantation Sdn. Bhd.                       | -                 | -                   |   |
| Baram Trading Sdn. Bhd.                                      | -                 | -                   |   |
| Pelita Splendid Sdn. Bhd.                                    | -                 | -                   |   |
| <b>MIRI ZONE 3:</b>  | <b>-</b>          | <b>-</b>            |   |
| Sastat Holdings Sdn. Bhd.                                    | -                 | -                   |   |
| Woodijaya Sdn. Bhd.  | -                 | -                   |   |
| Formasi Abadi Sdn. Bhd.                                      | -                 | -                   |   |
| <b>KUCHING REGION:</b>                                       | <b>237,220.00</b> | <b>932,788.00</b>   |   |
| PJPP Lundu Plantation Sdn. Bhd.                              | -                 | -                   |   |
| PJPP Biawak Plantation Sdn. Bhd.                             | -                 | -                   |   |
| RSB Lundu Palm Oil Mill                                      | 237,220.00        | 932,788.00          |   |
| <b>SELANGAU REGION:</b>                                      | <b>17,667.00</b>  | <b>93,530.00</b>    |   |
| Nescaya Palma Sdn. Bhd.                                      | -                 | -                   |   |
| Novelpac Puncakdana Sdn. Bhd.                                | 17,667.00         | 93,530.00           |   |
| PJPP Selangau Plantation Sdn. Bhd.                           | -                 | -                   |   |

## Sustainability Statement (cont'd)

### 10. SUSTAINABILITY ENVIRONMENT, SOCIAL AND GOVERNANCE STRUCTURE (CONT'D)

#### 10.4 Environmental Performance Data And Target (Cont'd)

| TOTAL DIESEL GENERATORS (L)            | 821,378.00        | 1,074,398.00      | Target:<br>Reduce<br>30% diesel<br>consumption by<br>2030 |
|--|-------------------|-------------------|---|
| <b>MIRI ZONE 1:</b>                    | <b>194,110.00</b> | <b>277,563.00</b> |   |
| R.H. Plantation (Bakong) Sdn. Bhd.     | 13,057.00         | 13,620.00         |   |
| R.H. Plantation (Selangor) Sdn. Bhd.   | -                 | -                 |   |
| Jayamax Plantation Sdn. Bhd.           | -                 | -                 |   |
| Timrest Sdn. Bhd.                      | 181,053.00        | 142,308.00        |   |
| RH Palm Oil Mill                       | -                 | -                 |   |
| RSB Palm Oil Mill                      | -                 | 121,635.00        |   |
| <b>MIRI ZONE 2:</b>                    | <b>318,988.00</b> | <b>204,520.00</b> |   |
| PJPP Ulu Teru Plantation Sdn. Bhd.     | 102,191.00        | 15,422.00         |   |
| PJPP Ekang Banyak Plantation Sdn. Bhd. | 206,686.00        | 113,018.00        |   |
| Baram Trading Sdn. Bhd.                | 7,851.00          | 76,080.00         |   |
| Pelita Splendid Sdn. Bhd.              | 2,260.00          | -                 |   |
| <b>MIRI ZONE 3:</b>                    | <b>36,800.00</b>  | <b>36,800.00</b>  |   |
| Sastat Holdings Sdn. Bhd.              | 36,800.00         | 36,800.00         |   |
| Woodijaya Sdn. Bhd.                    | -                 | -                 |   |
| Formasi Abadi Sdn. Bhd.                | -                 | -                 |   |
| <b>KUCHING REGION:</b>                 | <b>119,068.00</b> | <b>436,153.00</b> |   |
| PJPP Lundu Plantation Sdn. Bhd.        | -                 | 387,254.00        |   |
| PJPP Biawak Plantation Sdn. Bhd.       | -                 | 3,626.00          |   |
| RSB Lundu Palm Oil Mill                | 119,068.00        | 45,273.00         |   |
| <b>SELANGAU REGION:</b>                | <b>152,412.00</b> | <b>119,362.00</b> |   |
| Nescaya Palma Sdn. Bhd.                | 83,080.00         | 89,307.00         |   |
| Novelpac Puncakdana Sdn. Bhd.          | 69,332.00         | 30,055.00         |   |
| PJPP Selangau Plantation Sdn. Bhd.     | -                 | -                 |   |
| <b>Mill steam turbine</b>              |                   |                   |   |
| RSB Palm Oil Mill                      | 5,241,871.00      | 6,430,540.00      |   |

# Sustainability Statement (cont'd)

## 10. SUSTAINABILITY ENVIRONMENT, SOCIAL AND GOVERNANCE STRUCTURE (CONT'D)

### 10.4 Environmental Performance Data And Target (Cont'd)

| Carbon Emissions (GHG emission) (Kg CO <sub>2</sub> ) |            |            | Target:<br>Reduce 20% in<br>carbon emission<br>by 2030 |
|---|------------|------------|--|
| From burning of fuel (transport/ genset etc.)         |            |            |  |
| <b>MIRI ZONE 1:</b>                                   |            |            |  |
| R.H. Plantation (Bakong) Sdn. Bhd.                    | 871.55     | 1,490.32   |  |
| R.H. Plantation (Selangor) Sdn. Bhd.                  | 412.01     | -          |  |
| Jayamax Plantation Sdn. Bhd.                          | 401.65     | -          |  |
| Timrest Sdn. Bhd.                                     | 908.08     | 962.04     |  |
| RH Palm Oil Mill                                      | 273.36     | -          |  |
| RSB Palm Oil Mill                                     | 216.92     | 203.69     |  |
| <b>MIRI ZONE 2:</b>                                   |            |            |  |
| PJPP Ulu Teru Plantation Sdn. Bhd.                    | 536.47     | 526.88     |  |
| PJPP Ekanh Banyok Plantation Sdn. Bhd.                | 12,369.11  | 1,186.430  |  |
| Baram Trading Sdn. Bhd.                               | 1,562.49   | 919.19     |  |
| Pelita Splendid Sdn. Bhd.                             | 697.80     | 184.49     |  |
| <b>MIRI ZONE 3:</b>                                   |            |            |  |
| Sastat Holdings Sdn. Bhd.                             | 722.87     | 815.04     |  |
| Woodijaya Sdn. Bhd.                                   | 562.06     | 291.52     |  |
| Formasi Abadi Sdn. Bhd.                               | -          | -          |  |
| <b>KUCHING REGION:</b>                                |            |            |  |
| PJPP Lundu Plantation Sdn. Bhd.                       | 281.34     | 626.88     |  |
| PJPP Biawak Plantation Sdn. Bhd.                      | 362.82     | 170.06     |  |
| RSB Lundu Palm Oil Mill                               | 261,186.00 | 236,322.00 |  |
| <b>SELANGAU REGION:</b>                               |            |            |  |
| Nescaya Palma Sdn. Bhd.                               | 219.07     | 216.03     |  |
| Novelpac Puncakdana Sdn. Bhd.                         | 227.03     | 204.94     |  |
| PJPP Selangau Plantation Sdn. Bhd.                    | -          | -          |  |

Sustainability Statement  
(cont'd)

## 10. SUSTAINABILITY ENVIRONMENT, SOCIAL AND GOVERNANCE STRUCTURE (CONT'D)

## 10.4 Environmental Performance Data And Target (Cont'd)

| From manuring                           |           |          |
|---|-----------|----------|
| <b>MIRI ZONE 1:</b>                     |           |          |
| R.H. Plantation (Bakong) Sdn. Bhd.      | 1,090.08  | 1,994.49 |
| R.H. Plantation (Selangor) Sdn. Bhd.    | 321.33    | -        |
| Jayamax Plantation Sdn. Bhd.            | 13.74     | -        |
| Timrest Sdn. Bhd.                       | 1,038.02  | 1,094.21 |
| RH Palm Oil Mill                        | -         | -        |
| RSB Palm Oil Mill                       | -         | -        |
| <b>MIRI ZONE 2:</b>                     |           |          |
| PJPP Ulu Teru Plantation Sdn. Bhd.      | 1,902.20  | 227.34   |
| PJPP Ekanak Banyok Plantation Sdn. Bhd. | 644.64    | 1,000.45 |
| Baram Trading Sdn. Bhd.                 | 365.36    | 1,054.10 |
| Pelita Splendid Sdn. Bhd.               | 2,710.90  | 1,697.72 |
| <b>MIRI ZONE 3:</b>                     |           |          |
| Sastat Holdings Sdn. Bhd.               | 297.50    | 1,033.33 |
| Woodijaya Sdn. Bhd.                     | -         | -        |
| Formasi Abadi Sdn. Bhd.                 | -         | -        |
| <b>KUCHING REGION:</b>                  |           |          |
| PJPP Lundu Plantation Sdn. Bhd.         | 127.68    | 1,885.73 |
| PJPP Biawak Plantation Sdn. Bhd.        | 144.24    | 2,363.33 |
| RSB Lundu Palm Oil Mill                 | -         | -        |
| <b>SELANGAU REGION:</b>                 |           |          |
| Nescaya Palma Sdn. Bhd.                 | 1,095.80  | 1,868.54 |
| Novelpac Puncakdana Sdn. Bhd.           | 10,751.20 | 2,482.90 |
| PJPP Selangau Plantation Sdn. Bhd.      | -         | -        |
| From spraying                           |           |          |
| <b>MIRI ZONE 1:</b>                     |           |          |
| R.H. Plantation (Bakong) Sdn. Bhd.      | 686.74    | 550.00   |
| R.H. Plantation (Selangor) Sdn. Bhd.    | 178.99    | -        |
| Jayamax Plantation Sdn. Bhd.            | 477.52    | -        |
| Timrest Sdn. Bhd.                       | 642.90    | 398.92   |
| RH Palm Oil Mill                        | -         | -        |
| RSB Palm Oil Mill                       | -         | -        |

## Sustainability Statement (cont'd)

### 10. SUSTAINABILITY ENVIRONMENT, SOCIAL AND GOVERNANCE STRUCTURE (CONT'D)

#### 10.4 Environmental Performance Data And Target (Cont'd)

| From spraying  |          |          |
|--|----------|----------|
| <b>MIRI ZONE 2:</b>  |          |          |
| PJPP Ulu Teru Plantation Sdn. Bhd.                               | 22.17    | 413.70   |
| PJPP Ekang Banyak Plantation Sdn. Bhd.                           | 1,209.09 | 398.78   |
| Baram Trading Sdn. Bhd.  | 715.62   | 567.47   |
| Pelita Splendid Sdn. Bhd.  | 1,232.05 | 708.32   |
| <b>MIRI ZONE 3:</b>  |          |          |
| Sastat Holdings Sdn. Bhd.  | 392.16   | 861.11   |
| Woodijaya Sdn. Bhd.  | -        | 861.11   |
| Formasi Abadi Sdn. Bhd.  | -        | -        |
| <b>KUCHING REGION:</b>   |          |          |
| PJPP Lundu Plantation Sdn. Bhd.                                  | 739.54   | 749.32   |
| PJPP Biawak Plantation Sdn. Bhd.                                 | 504.25   | 916.90   |
| RSB Lundu Palm Oil Mill  | -        | -        |
| <b>SELANGAU REGION:</b>  |          |          |
| Nescaya Palma Sdn. Bhd.  | 339.23   | 850.27   |
| Novelpac Puncakdana Sdn. Bhd.                                    | 319.49   | 1,517.47 |
| PJPP Selangau Plantation Sdn. Bhd.                               | -        | -        |
| Biogas plants installed and estimated CO <sub>2</sub> reductions |          |          |
| <b>Number of installed biogas plants</b>                         |          |          |
| RSB Palm Oil Mill  | 4        | 4        |
| Total Methane capture  |          |          |
| <b>Number of mill operate biogas</b>                             |          |          |
| RSB Palm Oil Mill  | 4        | 4        |
| <b>Total (mtCO<sub>2</sub>e)</b>                                 |          |          |
| RSB Palm Oil Mill  | 2,370.00 | 2,800.00 |
| <b>% of mills methane capture</b>                                |          |          |
| RSB Palm Oil Mill  | 65.00    | 65.00    |



# Sustainability Statement (cont'd)

## 10. SUSTAINABILITY ENVIRONMENT, SOCIAL AND GOVERNANCE STRUCTURE (CONT'D)

### 10.4 Environmental Performance Data And Target (Cont'd)

| Water and Effluent                                     | 2023 (Jan-Dec) | 2024 (Jan – Dec) | TARGET |
|--|----------------|------------------|--------|
| Water withdrawal                                       |                |                  |        |
| <b>TOTAL (m3)</b>                                      |                |                  |        |
| <b>Surface Water (m3)</b>                              |                |                  |        |
| RSB Lundu Palm Oil Mill                                | 36,390.40      | 24,812.25        |        |
| RSB Palm Oil Mill                                      | 37,667.90      | 60,389.60        |        |
| RH Palm Oil Mill                                       | -              | -                |        |
| Water discharge  |                |                  |        |
| <b>Total effluent discharged (m3)</b>                  |                |                  |        |
| RSB Lundu Palm Oil Mill                                | 336,960.00     | 162,240.00       |        |
| RSB Palm Oil Mill                                      | 216,850.00     | 290,220.00       |        |
| RH Palm Oil Mill                                       | 284,000.00     | -                |        |
| <b>Effluent discharged to anaerobic ponds (m3)</b>     |                |                  |        |
| RSB Palm Oil Mill                                      | 168,428.00     | 203,154.00       |        |
| <b>Effluent discharged to biogas plants (m3)</b>       |                |                  |        |
| RSB Palm Oil Mill                                      | 24,742.00      | 87,066.00        |        |
| <b>Average BOD reading (mg/L)</b>                      |                |                  |        |
| RSB Lundu Palm Oil Mill                                | 12.25          | 12.00            |        |
| RSB Palm Oil Mill                                      | 21.00          | 18.00            |        |
| RH Palm Oil Mill                                       | 3.53           | -                |        |
| <b>Average COD reading (mg/L)</b>                      |                |                  |        |
| RSB Lundu Palm Oil Mill                                | 217.08         | 100.00           |        |
| RSB Palm Oil Mill                                      | 641.00         | 550.00           |        |
| RH Palm Oil Mill                                       | 140.00         | -                |        |
| <b>Effluent per tonne of FFB processed (m3/mt FFB)</b> |                |                  |        |
| RSB Lundu Palm Oil Mill                                | 0.44           | 0.54             |        |
| RSB Palm Oil Mill                                      | 0.80           | 1.01             |        |
| RH Palm Oil Mill                                       | -              | -                |        |

# Sustainability Statement (cont'd)

## 10. SUSTAINABILITY ENVIRONMENT, SOCIAL AND GOVERNANCE STRUCTURE (CONT'D)

### 10.4 Environmental Performance Data And Target (Cont'd)

| Water consumption  |                       |                       | Target:<br>0% wastage<br>of water<br>consumption<br>at unattended<br>buildings by 2030 |
|--|-----------------------|-----------------------|--|
| <b>Total (L)</b>   | <b>222,274,281.47</b> | <b>255,808,630.00</b> |  |
| <b>MIRI ZONE 1:</b>                                      | 10,527,377.47         | 5,518,719.00          |  |
| R.H. Plantation (Bakong) Sdn. Bhd.                       | 1,445,916.00          | 187,969.00            |  |
| R.H. Plantation (Selangor) Sdn. Bhd.                     | 1,256,456.98          | -                     |  |
| Jayamax Plantation Sdn. Bhd.                             | 2,612.14              | -                     |  |
| Timrest Sdn. Bhd.  | 7,459,301.25          | 5,009,800.00          |  |
| RH Palm Oil Mill   | 284,000.00            | 133,428.00            |  |
| RSB Palm Oil Mill  | 79,091.10             | 187,522.00            |  |
| <b>MIRI ZONE 2:</b>                                      | 77,886,627.00         | 103,154,436.00        |  |
| PJPP Ulu Teru Plantation Sdn. Bhd.                       | 2,625,307.00          | 8,585,116.00          |  |
| PJPP Ekang Banyak Plantation Sdn. Bhd.                   | 62,200,000.00         | 79,900,000.00         |  |
| Baram Trading Sdn. Bhd.                                  | 6,530,660.00          | 7,334,660.00          |  |
| Pelita Splendid Sdn. Bhd.                                | 6,530,660.00          | 7,334,660.00          |  |
| <b>MIRI ZONE 3:</b>                                      | 3,314,940.00          | 1,800,280.00          |  |
| Sastat Holdings Sdn. Bhd.                                | 2,436,240.00          | 1,500,280.00          |  |
| Woodijaya Sdn. Bhd.                                      | 878,700.00            | 300,000.00            |  |
| Formasi Abadi Sdn. Bhd.                                  | -                     | -                     |  |
| <b>KUCHING REGION:</b>                                   | 74,932,776.00         | 82,323,541.00         |  |
| PJPP Lundu Plantation Sdn. Bhd.                          | 37,322,245.00         | 41,012,897.00         |  |
| PJPP Biawak Plantation Sdn. Bhd.                         | 37,322,245.00         | 41,012,897.00         |  |
| RSB Lundu Palm Oil Mill                                  | 288,286.00            | 297,747.00            |  |
| <b>SELANGAU REGION:</b>                                  | 55,612,561.00         | 63,011,654.00         |  |
| Nescaya Palma Sdn. Bhd.                                  | 12,819,400.00         | 15,343,700.00         |  |
| Novelpac Puncakdana Sdn. Bhd.                            | 42,793,161.00         | 47,667,954.00         |  |
| PJPP Selangau Plantation Sdn. Bhd.                       | -                     | -                     |  |
| <b>Water usage per tonne of FFB produced (m3/mt FFB)</b> |                       |                       |  |
| RSB Lundu Palm Oil Mill                                  | 1.56                  | 1.00                  |  |
| RSB Palm Oil Mill  | 0.15                  | 0.161                 |  |
| RH Palm Oil Mill   | 3.29                  | 5.26                  |  |

Sustainability Statement  
(cont'd)

## 10. SUSTAINABILITY ENVIRONMENT, SOCIAL AND GOVERNANCE STRUCTURE (CONT'D)

## 10.4 Environmental Performance Data And Target (Cont'd)

| Waste                                      | 2023 (Jan-Dec)  | 2024 (Jan – Dec)  | TARGET  |
|--|---|-------------------|---|
| Total weight of waste generated            |   |                   | Target: Increase 30% of EFB evacuated to estates by 2030  |
| <b>EFB (mt)</b>                            |   |                   |   |
| RSB Lundu Palm Oil Mill                    | 49,305.00   | 43,944.03         |   |
| <b>Dumping Site (kg)</b>                   | <b>Remark:<br/>No implementation<br/>of recording<br/>domestic waste<br/>disposed</b> | <b>232,312.00</b> | <b>Target:<br/>Increase 90%<br/>weighing domestic<br/>waste for domestic<br/>waste monitoring</b> |
| <b>MIRI ZONE 1:</b>                        | <b>-</b>  | <b>47,112.00</b>  |   |
| R.H. Plantation (Bakong) Sdn. Bhd.         | -   | 18,000.00         |   |
| R.H. Plantation (Selangor) Sdn. Bhd.       | -   | -                 |   |
| Jayamax Plantation Sdn. Bhd.               | -   | -                 |   |
| Timrest Sdn. Bhd.                          | -   | -                 |   |
| RH Palm Oil Mill                           | -   | 13,880.00         |   |
| RSB Palm Oil Mill                          | -   | 15,232.00         |   |
| <b>MIRI ZONE 2:</b>                        | <b>-</b>  | <b>115,200.00</b> |   |
| PJPP Ulu Teru Plantation Sdn. Bhd.         | -   | -                 |   |
| PJPP Ekang Banyok Plantation Sdn. Bhd.     | -   | 115,200.00        |   |
| Baram Trading Sdn. Bhd.                    | -   | -                 |   |
| Pelita Splendid Sdn. Bhd.                  | -   | -                 |   |
| <b>MIRI ZONE 3:</b>                        | <b>-</b>  | <b>70,000.00</b>  |   |
| Sastat Holdings Sdn. Bhd.                  | -   | 70,000.00         |   |
| Woodijaya Sdn. Bhd.                        | -   | -                 |   |
| Formasi Abadi Sdn. Bhd.                    | -   | -                 |   |
| <b>KUCHING REGION:</b>                     | <b>-</b>  | <b>-</b>          |   |
| PJPP Lundu Plantation Sdn. Bhd.            | -   | -                 |   |
| PJPP Biawak Plantation Sdn. Bhd.           | -   | -                 |   |
| RSB Lundu Palm Oil Mill                    | -   | -                 |   |
| <b>SELANGAU REGION:</b>                    | <b>-</b>  | <b>-</b>          |   |
| Nescaya Palma Sdn. Bhd.                    | -   | -                 |   |
| Novelpac Puncakdana Sdn. Bhd.              | -   | -                 |   |
| PJPP Selangau Plantation Sdn. Bhd.         | -   | -                 |   |
| <b>Collected by Municipal Council (MT)</b> |   |                   |   |
| Nescaya Palma Sdn. Bhd.                    | -   | 27.83             |   |
| RSB Lundu Palm Oil Mill                    | -   | -                 |   |

# Sustainability Statement (cont'd)

## 10. SUSTAINABILITY ENVIRONMENT, SOCIAL AND GOVERNANCE STRUCTURE (CONT'D)

### 10.4 Environmental Performance Data And Target (Cont'd)

| Scheduled (hazardous) (MT)             |             |             | Target:<br>Increase 80%<br>proper disposal of<br>scheduled waste by<br>2030 |
|--|-------------|-------------|---|
| <b>SW102</b>                           | <b>1.40</b> | <b>4.38</b> |   |
| <b>MIRI ZONE 1:</b>                    | <b>-</b>    | <b>1.34</b> |   |
| R.H. Plantation (Bakong) Sdn. Bhd.     | -           | 0.33        |   |
| R.H. Plantation (Selangor) Sdn. Bhd.   | -           | -           |   |
| Jayamax Plantation Sdn. Bhd.           | -           | -           |   |
| Timrest Sdn. Bhd.                      | -           | 1.02        |   |
| RH Palm Oil Mill                       | -           | -           |   |
| RSB Palm Oil Mill                      | -           | -           |   |
| <b>MIRI ZONE 2:</b>                    | <b>-</b>    | <b>0.94</b> |   |
| PJPP Ulu Teru Plantation Sdn. Bhd.     | -           | 0.28        |   |
| PJPP Ekang Banyak Plantation Sdn. Bhd. | -           | 0.56        |   |
| Baram Trading Sdn. Bhd.                | -           | 0.09        |   |
| Pelita Splendid Sdn. Bhd.              | -           | 0.01        |   |
| <b>MIRI ZONE 3:</b>                    | <b>-</b>    | <b>0.50</b> |   |
| Sastat Holdings Sdn. Bhd.              | -           | 0.50        |   |
| Woodijaya Sdn. Bhd.                    | -           | -           |   |
| Formasi Abadi Sdn. Bhd.                | -           | -           |   |
| <b>KUCHING REGION:</b>                 | <b>1.40</b> | <b>0.68</b> |   |
| PJPP Lundu Plantation Sdn. Bhd.        | 0.68        | 0.32        |   |
| PJPP Biawak Plantation Sdn. Bhd.       | 0.72        | 0.36        |   |
| RSB Lundu Palm Oil Mill                | -           | -           |   |
| <b>SELANGAU REGION:</b>                | <b>-</b>    | <b>0.92</b> |   |
| Nescaya Palma Sdn. Bhd.                | -           | 0.48        |   |
| Novelpac Puncakdana Sdn. Bhd.          | -           | 0.44        |   |
| PJPP Selangau Plantation Sdn. Bhd.     | -           | -           |   |

## Sustainability Statement (cont'd)

### 10. SUSTAINABILITY ENVIRONMENT, SOCIAL AND GOVERNANCE STRUCTURE (CONT'D)

#### 10.4 Environmental Performance Data And Target (Cont'd)

|  |             |              |  |
|--|-------------|--------------|--|
| <b>SW305</b>                           | <b>2.70</b> | <b>14.41</b> |  |
| <b>MIRI ZONE 1:</b>                    | <b>-</b>    | <b>2.63</b>  |  |
| R.H. Plantation (Bakong) Sdn. Bhd.     | -           | 1.05         |  |
| R.H. Plantation (Selangor) Sdn. Bhd.   | -           | -            |  |
| Jayamax Plantation Sdn. Bhd.           | -           | -            |  |
| Timrest Sdn. Bhd.                      | -           | 0.80         |  |
| RH Palm Oil Mill                       | -           | 0.17         |  |
| RSB Palm Oil Mill                      | -           | 0.60         |  |
| <b>MIRI ZONE 2:</b>                    | <b>-</b>    | <b>5.44</b>  |  |
| PJPP Ulu Teru Plantation Sdn. Bhd.     | -           | 1.43         |  |
| PJPP Ekang Banyak Plantation Sdn. Bhd. | -           | 1.78         |  |
| Baram Trading Sdn. Bhd.                | -           | 1.76         |  |
| Pelita Splendid Sdn. Bhd.              | -           | 0.47         |  |
| <b>MIRI ZONE 3:</b>                    | <b>-</b>    | <b>1.05</b>  |  |
| Sastat Holdings Sdn. Bhd.              | -           | 1.05         |  |
| Woodijaya Sdn. Bhd.                    | -           | -            |  |
| Formasi Abadi Sdn. Bhd.                | -           | -            |  |
| <b>KUCHING REGION:</b>                 | <b>2.70</b> | <b>2.11</b>  |  |
| PJPP Lundu Plantation Sdn. Bhd.        | 1.60        | 0.90         |  |
| PJPP Biawak Plantation Sdn. Bhd.       | 1.10        | 0.90         |  |
| RSB Lundu Palm Oil Mill                | -           | 0.31         |  |
| <b>SELANGAU REGION:</b>                | <b>-</b>    | <b>3.18</b>  |  |
| Nescaya Palma Sdn. Bhd.                | -           | 1.68         |  |
| Novelpac Puncakdana Sdn. Bhd.          | -           | 1.5          |  |
| PJPP Selangau Plantation Sdn. Bhd.     | -           | -            |  |
| <b>SW306</b>                           | <b>-</b>    | <b>0.80</b>  |  |
| RSB Palm Oil Mill                      | -           | 0.80         |  |

## Sustainability Statement (cont'd)

### 10. SUSTAINABILITY ENVIRONMENT, SOCIAL AND GOVERNANCE STRUCTURE (CONT'D)

#### 10.4 Environmental Performance Data And Target (Cont'd)

| SW410                                  | 0.36        | 1.22        |  |
|--|-------------|-------------|--|
| <b>MIRI ZONE 1:</b>                    | -           | <b>0.17</b> |  |
| R.H. Plantation (Bakong) Sdn. Bhd.     | -           | 0.11        |  |
| R.H. Plantation (Selangor) Sdn. Bhd.   | -           | -           |  |
| Jayamax Plantation Sdn. Bhd.           | -           | -           |  |
| Timrest Sdn. Bhd.                      | -           | 0.06        |  |
| RH Palm Oil Mill                       | -           | -           |  |
| RSB Palm Oil Mill                      | -           | -           |  |
| <b>MIRI ZONE 2:</b>                    | -           | <b>0.27</b> |  |
| PJPP Ulu Teru Plantation Sdn. Bhd.     | -           | 0.08        |  |
| PJPP Ekang Banyak Plantation Sdn. Bhd. | -           | 0.02        |  |
| Baram Trading Sdn. Bhd.                | -           | 0.11        |  |
| Pelita Splendid Sdn. Bhd.              | -           | 0.06        |  |
| <b>MIRI ZONE 3:</b>                    |             | <b>0.10</b> |  |
| Sastat Holdings Sdn. Bhd.              | -           | 0.10        |  |
| Woodijaya Sdn. Bhd.                    | -           | -           |  |
| Formasi Abadi Sdn. Bhd.                | -           | -           |  |
| <b>KUCHING REGION:</b>                 | <b>0.36</b> | <b>0.36</b> |  |
| PJPP Lundu Plantation Sdn. Bhd.        | 0.32        | 0.24        |  |
| PJPP Biawak Plantation Sdn. Bhd.       | 0.044       | 0.12        |  |
| RSB Lundu Palm Oil Mill                | -           | -           |  |
| <b>SELANGAU REGION:</b>                | -           | <b>0.32</b> |  |
| Nescaya Palma Sdn. Bhd.                | -           | 0.21        |  |
| Novelpac Puncakdana Sdn. Bhd.          | -           | 0.11        |  |
| PJPP Selangau Plantation Sdn. Bhd.     | -           | -           |  |



Sustainability Statement  
(cont'd)

## 10. SUSTAINABILITY ENVIRONMENT, SOCIAL AND GOVERNANCE STRUCTURE (CONT'D)

## 10.4 Environmental Performance Data And Target (Cont'd)

| Recyclable (KG)                        |   |               | Target: Increase annual recycling rate to a minimum of 30% by 2030 |
|--|---|---------------|--|
| <b>Plastic</b>                         | - | <b>140.80</b> |  |
| <b>MIRI ZONE 1:</b>                    |   | 61.00         |  |
| R.H. Plantation (Bakong) Sdn. Bhd.     | - | 1.00          |  |
| R.H. Plantation (Selangor) Sdn. Bhd.   | - | -             |  |
| Jayamax Plantation Sdn. Bhd.           | - | -             |  |
| Timrest Sdn. Bhd.                      | - | 5.00          |  |
| RH Palm Oil Mill                       | - | -             |  |
| RSB Palm Oil Mill                      | - | 55.00         |  |
| <b>MIRI ZONE 2:</b>                    |   | 26.00         |  |
| PJPP Ulu Teru Plantation Sdn. Bhd.     | - | -             |  |
| PJPP Ekang Banyok Plantation Sdn. Bhd. | - | 26.00         |  |
| Baram Trading Sdn. Bhd.                | - | -             |  |
| Pelita Splendid Sdn. Bhd.              | - | -             |  |
| <b>MIRI ZONE 3:</b>                    |   | 20.00         |  |
| Sastat Holdings Sdn. Bhd.              | - | 20.00         |  |
| Woodijaya Sdn. Bhd.                    | - |               |  |
| Formasi Abadi Sdn. Bhd.                | - |               |  |
| <b>KUCHING REGION:</b>                 |   | -             |  |
| PJPP Lundu Plantation Sdn. Bhd.        | - | -             |  |
| PJPP Biawak Plantation Sdn. Bhd.       | - | -             |  |
| RSB Lundu Palm Oil Mill                | - | -             |  |
| <b>SELANGAU REGION:</b>                |   | 33.80         |  |
| Nescaya Palma Sdn. Bhd.                | - | 14.30         |  |
| Novelpac Puncakdana Sdn. Bhd.          | - | 19.50         |  |
| PJPP Selangau Plantation Sdn. Bhd.     | - |               |  |

## Sustainability Statement (cont'd)

### 10. SUSTAINABILITY ENVIRONMENT, SOCIAL AND GOVERNANCE STRUCTURE (CONT'D)

#### 10.4 Environmental Performance Data And Target (Cont'd)

| Aluminium Can                          | 9.50 | 43.06 |
|--|------|-------|
| <b>MIRI ZONE 1:</b>                    |      |       |
| R.H. Plantation (Bakong) Sdn. Bhd.     | -    | 3.00  |
| R.H. Plantation (Selangor) Sdn. Bhd.   | -    | -     |
| Jayamax Plantation Sdn. Bhd.           | -    | -     |
| Timrest Sdn. Bhd.                      | 9.50 | 22.50 |
| RH Palm Oil Mill                       | -    | 0.26  |
| RSB Palm Oil Mill                      | -    | 17.30 |
| <b>MIRI ZONE 2:</b>                    | -    | -     |
| PJPP Ulu Teru Plantation Sdn. Bhd.     | -    | -     |
| PJPP Ekang Banyok Plantation Sdn. Bhd. | -    | -     |
| Baram Trading Sdn. Bhd.                | -    | -     |
| Pelita Splendid Sdn. Bhd.              | -    | -     |
| <b>MIRI ZONE 3:</b>                    | -    | -     |
| Sastat Holdings Sdn. Bhd.              | -    | -     |
| Woodijaya Sdn. Bhd.                    | -    | -     |
| Formasi Abadi Sdn. Bhd.                | -    | -     |
| <b>KUCHING REGION:</b>                 | -    | -     |
| PJPP Lundu Plantation Sdn. Bhd.        | -    | -     |
| PJPP Biawak Plantation Sdn. Bhd.       | -    | -     |
| RSB Lundu Palm Oil Mill                | -    | -     |
| <b>SELANGAU REGION:</b>                | -    | -     |
| Nescaya Palma Sdn. Bhd.                | -    | -     |
| Novelpac Puncakdana Sdn. Bhd.          | -    | -     |
| PJPP Selangau Plantation Sdn. Bhd.     | -    | -     |

## Sustainability Statement (cont'd)

### 10. SUSTAINABILITY ENVIRONMENT, SOCIAL AND GOVERNANCE STRUCTURE (CONT'D)

#### 10.4 Environmental Performance Data And Target (Cont'd)

| Paper                                  | - | 571.90 |
|--|---|--------|
| <b>MIRI ZONE 1:</b>                    | - | -      |
| R.H. Plantation (Bakong) Sdn. Bhd.     | - | -      |
| R.H. Plantation (Selangor) Sdn. Bhd.   | - | -      |
| Jayamax Plantation Sdn. Bhd.           | - | -      |
| Timrest Sdn. Bhd.                      | - | -      |
| RH Palm Oil Mill                       | - | -      |
| RSB Palm Oil Mill                      | - | -      |
| <b>MIRI ZONE 2:</b>                    | - | -      |
| PJPP Ulu Teru Plantation Sdn. Bhd.     | - | -      |
| PJPP Ekang Banyok Plantation Sdn. Bhd. | - | -      |
| Baram Trading Sdn. Bhd.                | - | -      |
| Pelita Splendid Sdn. Bhd.              | - | -      |
| <b>MIRI ZONE 3:</b>                    | - | -      |
| Sastat Holdings Sdn. Bhd.              | - | -      |
| Woodijaya Sdn. Bhd.                    | - | -      |
| Formasi Abadi Sdn. Bhd.                | - | -      |
| <b>KUCHING REGION:</b>                 | - | 500.00 |
| PJPP Lundu Plantation Sdn. Bhd.        | - | 500.00 |
| PJPP Biawak Plantation Sdn. Bhd.       | - | -      |
| RSB Lundu Palm Oil Mill                | - | -      |
| <b>SELANGAU REGION:</b>                | - | 71.90  |
| Nescaya Palma Sdn. Bhd.                | - | 15.90  |
| Novelpac Puncakdana Sdn. Bhd.          | - | 56.00  |
| PJPP Selangau Plantation Sdn. Bhd.     | - | -      |

# Sustainability Statement (cont'd)

## 10. SUSTAINABILITY ENVIRONMENT, SOCIAL AND GOVERNANCE STRUCTURE (CONT'D)

### 10.4 Environmental Performance Data And Target (Cont'd)

| Registered waste handler<br>(For waste energy recovery and reuse)<br>(mt) |   |  |
|---|---|--|
| <i>Scheduled waste collector</i>  | <ul style="list-style-type: none"> <li>DNS Waste Management Sdn. Bhd.</li> <li>Pentas Flora (Kuching) Sdn. Bhd.</li> <li>YB Enterprise</li> </ul> | <ul style="list-style-type: none"> <li>DNS Waste Management Sdn. Bhd.</li> <li>Pentas Flora (Kuching) Sdn. Bhd.</li> <li>YB Enterprise</li> <li>Tung Seng</li> </ul> |
| <i>Recyclable collector</i>   |   | Rajawali Trading Company<br>Eye 1 Recycle  |
| Number of significant spills  | -   | -  |
| Volume of significant spills (m3)   | -   | -  |
| <b>Composted/mulched (mt)</b>   |   |  |
| <i>Mulching evacuated (mt)</i>  | <b>Remark:</b><br>Year 2023 only summarized the total of mulching evacuated<br><b>(42,996.00)</b>   | <b>43,449.14</b>   |
| <i>RSB Lundu Palm Oil Mill</i>  | -   | 33,310.00  |
| <i>RSB Palm Oil Mill</i>  | -   | 4,766.52   |
| <i>R.H. Plantation (Bakong) Sdn. Bhd.</i>                                 | -   | 3,041.27   |
| <i>Timrest Sdn. Bhd.</i>  |   | 2,331.35   |
| <b>Sold to third party (mt)</b>   |   |  |
| <b>PKS (mt)</b>   |   |  |
| <i>RSB Lundu Palm Oil Mill</i>  | 2,861.12  | 415.83   |
| <b>Stored and carried forward (mt)</b>                                    |   |  |
| <b>EFB (mt)</b>   |   |  |
| <i>RSB Lundu Palm Oil Mill</i>  | 6,309.00  | 10,634.03  |
| <i>RSB Palm Oil Mill</i>  | 77,154.11   | 87,697.00  |

Sustainability Statement  
(cont'd)

## 10. SUSTAINABILITY ENVIRONMENT, SOCIAL AND GOVERNANCE STRUCTURE (CONT'D)

## 10.4 Environmental Performance Data And Target (Cont'd)

| Fertiliser usage                        | 2023 (Jan-Dec)  | 2024 (Jan – Dec) | TARGET |
|---|-----------------|------------------|--------|
| Total (mt)                              | 11,950.65       | 17,193.42        |        |
| Fertilizer types                        |                 |                  |        |
| Inorganic (mt)                          |                 |                  |        |
| <b>MIRI ZONE 1:</b>                     | <b>2,982.63</b> | <b>2,881.95</b>  |        |
| R.H. Plantation (Bakong) Sdn. Bhd.      | 719.79          | 1,460.93         |        |
| R.H. Plantation (Selangor) Sdn. Bhd.    | -               | -                |        |
| Jayamax Plantation Sdn. Bhd.            | -               | -                |        |
| Timrest Sdn. Bhd.                       | 2,262.84        | 1,421.02         |        |
| RH Palm Oil Mill                        | N/A             | N/A              |        |
| RSB Palm Oil Mill                       | N/A             | N/A              |        |
| <b>MIRI ZONE 2:</b>                     | <b>1,938.65</b> | <b>4,006.01</b>  |        |
| PJPP Ulu Teru Plantation Sdn. Bhd.      | 886.85          | 1,628.58         |        |
| PJPP Eakang Banyak Plantation Sdn. Bhd. | 799.15          | 1,628.58         |        |
| Baram Trading Sdn. Bhd.                 | 113.90          | 579.10           |        |
| Pelita Splendid Sdn. Bhd.               | 138.75          | 169.75           |        |
| <b>MIRI ZONE 3:</b>                     | <b>-</b>        | <b>541.00</b>    |        |
| Sastat Holdings Sdn. Bhd.               | -               | 541.00           |        |
| Woodijaya Sdn. Bhd.                     | -               | -                |        |
| Formasi Abadi Sdn. Bhd.                 | -               | -                |        |
| <b>KUCHING REGION:</b>                  | <b>3,046.87</b> | <b>4,185.34</b>  |        |
| PJPP Lundu Plantation Sdn. Bhd.         | 1,804.60        | 2,283.62         |        |
| PJPP Biawak Plantation Sdn. Bhd.        | 1,242.28        | 1,901.72         |        |
| RSB Lundu Palm Oil Mill                 | N/A             | N/A              |        |
| <b>SELANGAU REGION:</b>                 | <b>3,982.50</b> | <b>5,579.12</b>  |        |
| Nescaya Palma Sdn. Bhd.                 | 1,524.80        | 2,215.79         |        |
| Novelpac Puncakdana Sdn. Bhd.           | 2,457.70        | 3,363.33         |        |
| PJPP Selangau Plantation Sdn. Bhd.      | -               | -                |        |

## Sustainability Statement (cont'd)

### 10. SUSTAINABILITY ENVIRONMENT, SOCIAL AND GOVERNANCE STRUCTURE (CONT'D)

#### 10.4 Environmental Performance Data And Target (Cont'd)

| Herbicide usage                        | 2023 (Jan-Dec)    | 2024 (Jan – Dec) | TARGET |
|--|-------------------|------------------|--------|
| Total (L)                              | 197,721.87        | 182,573.83       |        |
| <b>MIRI ZONE 1:</b>                    | <b>17,340.59</b>  | <b>41,959.80</b> |        |
| R.H. Plantation (Bakong) Sdn. Bhd.     | 11,198.09         | 18,595.50        |        |
| R.H. Plantation (Selangor) Sdn. Bhd.   | -                 | -                |        |
| Jayamax Plantation Sdn. Bhd.           | -                 | -                |        |
| Timrest Sdn. Bhd.                      | 6,142.50          | 23,364.30        |        |
| RH Palm Oil Mill                       | N/A               | N/A              |        |
| RSB Palm Oil Mill                      | N/A               | N/A              |        |
| <b>MIRI ZONE 2:</b>                    | <b>15,385.81</b>  | <b>25,850.40</b> |        |
| PJPP Ulu Teru Plantation Sdn. Bhd.     | 8,743.00          | 9,765.00         |        |
| PJPP Ekang Banyok Plantation Sdn. Bhd. | 4,647.00          | 9,765.00         |        |
| Baram Trading Sdn. Bhd.                | 1,302.72          | 4,879.00         |        |
| Pelita Splendid Sdn. Bhd.              | 693.09            | 1,441.40         |        |
| <b>MIRI ZONE 3:</b>                    |                   | <b>5,640.96</b>  |        |
| Sastat Holdings Sdn. Bhd.              | -                 | 5,503.00         |        |
| Woodijaya Sdn. Bhd.                    | -                 | 137.96           |        |
| Formasi Abadi Sdn. Bhd.                | -                 | -                |        |
| <b>KUCHING REGION:</b>                 | <b>35,446.92</b>  | <b>31,780.67</b> |        |
| PJPP Lundu Plantation Sdn. Bhd.        | 22,770.03         | 20,307.57        |        |
| PJPP Biawak Plantation Sdn. Bhd.       | 12,676.89         | 11,473.10        |        |
| RSB Lundu Palm Oil Mill                | N/A               | N/A              |        |
| <b>SELANGAU REGION:</b>                | <b>129,548.55</b> | <b>77,342.00</b> |        |
| Nescaya Palma Sdn. Bhd.                | 113,908.00        | 59,333.00        |        |
| Novelpac Puncakdana Sdn. Bhd.          | 15,640.55         | 18,009.00        |        |
| PJPP Selangau Plantation Sdn. Bhd.     | -                 | -                |        |



## Sustainability Statement (cont'd)

### 10. SUSTAINABILITY ENVIRONMENT, SOCIAL AND GOVERNANCE STRUCTURE (CONT'D)

#### 10.4 Environmental Performance Data And Target (Cont'd)

|  |      |      |
|--|------|------|
| Herbicide types  |      |      |
| <b>Glyphosate usage per hectare (litres/ha)<br/>(if any)</b>   |      |      |
| <b>MIRI ZONE 1:</b>  |      |      |
| R.H. Plantation (Bakong) Sdn. Bhd.   | -    | 4.50 |
| R.H. Plantation (Selangor) Sdn. Bhd.   | -    | -    |
| Jayamax Plantation Sdn. Bhd.   | -    | -    |
| Timrest Sdn. Bhd.  | 1.56 | 1.56 |
| RH Palm Oil Mill   | N/A  | N/A  |
| RSB Palm Oil Mill  | N/A  | N/A  |
| <b>MIRI ZONE 2:</b>  |      |      |
| PJPP Ulu Teru Plantation Sdn. Bhd.   | -    | 1.50 |
| PJPP Ekang Banyak Plantation Sdn. Bhd.   | -    | 2.36 |
| Baram Trading Sdn. Bhd.  | -    | 1.56 |
| Pelita Splendid Sdn. Bhd.  | -    | 1.56 |
| <b>MIRI ZONE 3:</b>  |      |      |
| Sastat Holdings Sdn. Bhd.  | -    | 1.56 |
| Woodijaya Sdn. Bhd.  | -    | 1.56 |
| Formasi Abadi Sdn. Bhd.  | -    | -    |
| <b>KUCHING REGION:</b>   |      |      |
| PJPP Lundu Plantation Sdn. Bhd.  | -    | 1.20 |
| PJPP Biawak Plantation Sdn. Bhd.   | -    | 1.20 |
| RSB Lundu Palm Oil Mill  | N/A  | N/A  |
| <b>SELANGAU REGION:</b>  |      |      |
| Nescaya Palma Sdn. Bhd.  | -    | 1.80 |
| Novelpac Puncakdana Sdn. Bhd.  | -    | 1.56 |
| PJPP Selangau Plantation Sdn. Bhd.   | -    | -    |
| <b>Incidents of non-compliance concerning<br/>the health and safety impacts of<br/>products and services</b> |      |      |
| Non-compliance with regulations<br>resulting in a warning  | 0    | 0    |
| Non-compliance with voluntary codes  | 0    | 0    |

# Sustainability Statement (cont'd)

## 10. SUSTAINABILITY ENVIRONMENT, SOCIAL AND GOVERNANCE STRUCTURE (CONT'D)

### 10.4 Environmental Performance Data And Target (Cont'd)

| Fire and haze                               | 2023 (Jan-Dec) | 2024 (Jan – Dec) | TARGET                            |
|---|----------------|------------------|-----------------------------------|
| Number of confirmed fires                   |                |                  |                                   |
| <i>Total</i>                                | <b>1</b>       | <b>1</b>         | <b>Target:<br/>0 % fire cases</b> |
| <i>Within estate boundary</i>               | <b>1</b>       | <b>1</b>         |                                   |
| <i>Within 5km radius of estate boundary</i> | <b>0</b>       | <b>0</b>         |                                   |
| Number of hotspots detected                 |                |                  |                                   |
| <i>Total</i>                                | <b>0</b>       | <b>0</b>         |                                   |
| <i>Within estate boundary</i>               | <b>0</b>       | <b>0</b>         |                                   |
| <i>Within 5km radius of estate boundary</i> | <b>0</b>       | <b>0</b>         |                                   |
| Causes of fires within estate boundaries    |                |                  |                                   |
| <i>Total</i>                                | <b>1</b>       | <b>1</b>         |                                   |
| <i>Spread by neighbouring area</i>          | <b>0</b>       | <b>0</b>         |                                   |
| <i>Illegal burning by communities</i>       | <b>0</b>       | <b>0</b>         |                                   |
| <i>Weather/ dry season</i>                  | <b>0</b>       | <b>1</b>         |                                   |
| <i>Others</i>                               | <b>1</b>       | <b>0</b>         |                                   |
| <i>Unknown</i>                              | <b>0</b>       | <b>0</b>         |                                   |

## Sustainability Statement (cont'd)

### 11. HUMAN RIGHTS

#### Rimbunan Sawit Berhad's Core Labor Standard Policy

- Respect employees' rights to form or join trade unions of their choice and provide them with due recognition.
- Respect employees' rights and freedoms regarding reproduction and reproductive health, ensuring decisions are made without discrimination, coercion, violence, or complying with the law
- Prohibit the use of Child Labor as defined by Malaysian law and support employees' children in attending and remaining in school. Measures are taken to prevent the use of such labor and ensure children and young workers are not exposed to hazardous situations.
- Prohibit the use of Forced Labor in all operations and administrations, defined as work or service obtained through coercion and without voluntary consent

Other policies and procedures include:



# Sustainability Statement (cont'd)

## 11. HUMAN RIGHTS (CONT'D)

### 11.1 Workplace Well- Being

#### 11.1.1 Staff Training and Development

With the implementation of new regulatory compliances, changes and latest developments in the industry, and to improve performance, the company organizes trainings and development programs to upgrade and update the skills and knowledge of its employees.



Figure 5: Staff Training



Figure 6: Training on E-Invoicing



Figure 7: Anti-Bribery And Corruption Briefing

## Sustainability Statement (cont'd)

### 11. HUMAN RIGHTS (CONT'D)

#### 11.1 Workplace Well- Being (Cont'd)

##### 11.1.2 Recognizing Diversity

In recognition of ethnic diversity and religion, the company organized festive events such as Chinese New Year, Hari Raya Puasa, and Hari Gawai.



Figure 8: Chinese New Year Celebration (1)



Figure 9: Chinese New Year Celebration (2)



Figure 10: Mid-Autumn Festival's Mooncake Gifts



## Sustainability Statement (cont'd)

### 11. HUMAN RIGHTS (CONT'D)

#### 11.1 Workplace Well- Being (Cont'd)

##### 11.1.3 Welfare

The company organizes sports and games for employees to maintain a healthy lifestyle. Sports and recreational facilities are provided at the estates and mills. Sports competitions are held to foster closer relationship and teamwork.



Figure 11: RSB Northern Region Football League (1)



Figure 12: RSB Northern Region Football League (2)



Figure 13: Walkathon



## Sustainability Statement (cont'd)

### 11. HUMAN RIGHTS (CONT'D)

#### 11.1 Workplace Well- Being (Cont'd)

##### 11.1.4 Safety and Health

Safety briefings and trainings were conducted continuously for employees to create awareness on safety at work. Safe Operating Procedures are made available and also continuously brief to employees at work sites.



Figure 14: Safety Briefing



Figure 15: First Aid Training

# Sustainability Statement (cont'd)

## 11. HUMAN RIGHTS (CONT'D)

### 11.2 Anti-Bribery and Corruption (Cont'd)

**For Year Ended 31st December 2024**

#### Why is this important?

Rimbunan Sawit Berhad Group (RSB) instituting robust standard of business ethics and compliance measures are crucial as we promote ethical business practices, protect corporate reputation, ensure fair competition, and sustaining wellness.

By fostering a culture of transparency and compliance with relevant laws, we not only safeguard our reputation but also build trust among stakeholders, investors, and customers. Additionally, positioning our company for long-term growth and resilience in the dynamic business landscape.

#### Our approach

The board and top management are committed to maintain the highest standards of ethical conducts and have implemented a comprehensive Anti-Corruption Framework. Our approach priorities transparency, accountability, and a culture that rejects any form of bribery or unethical practices. Through continuous educations, monitoring, and adherence to relevant laws, we aim to foster an environment that not only complies with anti-corruption regulations but also sets a benchmark for integrity within our industry.

The group's zero-tolerance stance against corruptions is outlined in Anti-Bribery and Corruption (ABC) Policy. RSB has established a dedicated whistleblowing channel under the Whistleblowing Policy, which allows employees and external stakeholders to report improprieties confidentially through orally or in writing (via letter or electronic mail). The group has made our Code of Conduct, Anti-Bribery and Corruption Policy and Whistleblowing Policy available on our corporate and company intranet to ensure they are accessible to all stakeholders.

Our dedication to this approach reflects our unwavering commitment to responsible and sustainable business practices.

#### Our Performance

##### Corruption Risk Assessment

This year we have undertaken a corruption risk assessment that covers those identified in our operations, both in the oil palm estate management and palm oil mill management.

| No. | Description   | Year 2023 | Year 2024 |
|-----|---|-----------|-----------|
| 1   | Percentage of operations that underwent corruption assessments. | 100%      | 100%      |

# Sustainability Statement (cont'd)

## 11. HUMAN RIGHTS (CONT'D)

### 11.2 Anti-Bribery and Corruption (Cont'd)

#### Corruption- Related Training

The employees that have completed the necessary annual training up to 2024.

| No. | Employee Category | Year 2023 | Year 2024 |
|-----|-------------------|-----------|-----------|
| 1   | Management        | 56%       | 74%       |
| 2   | Executive         | 76%       | 73%       |
| 3   | Non-Executive     | 35%       | 14%       |
| 4   | General Workers   | -         | 4%        |

#### Corruption Incidents

As of 31 December 2024, we recorded zero incidents of corruption across RSB's business operation.

| No. | Description                              | Year 2023 | Year 2024 |
|-----|--|-----------|-----------|
| 1   | Number of confirmed corruption incidents | 0         | 0         |

#### Corruption- Communication

Employees communicated on anti-corruption policies and procedures.

| No. | Description   | Year 2023 | Year 2024 |
|-----|---------------|-----------|-----------|
| 1   | Management    | 100%      | 100%      |
| 2   | Executive     | 100%      | 100%      |
| 3   | Non-Executive | 100%      | 100%      |

## Sustainability Statement (cont'd)

### 11. HUMAN RIGHTS (CONT'D)

#### 11.2 Anti-Bribery and Corruption (Cont'd)

##### Corruption- Communication (Cont'd)

Percentage of operations assessed for corruption-related risks is as below:

| No.   | Department                       | Percentage of corruption-related risks % | Percentage of anti-bribery 2023 % | Percentage of anti-bribery 2024 % |
|-------|----------------------------------|--|-----------------------------------|-----------------------------------|
| 1.    | Account & Finance                | 7  | 0                                 | 0                                 |
| 2.    | Human Resources                  | 5  | 0                                 | 0                                 |
| 3.    | Administrative                   | 7  | 0                                 | 0                                 |
| 4.    | Employee Relations (Recruitment) | 10                                       | 0                                 | 0                                 |
| 5.    | Purchasing                       | 15                                       | 0                                 | 0                                 |
| 6.    | Fleet Management                 | 7  | 0                                 | 0                                 |
| 7.    | Safety & Health                  | 4  | 0                                 | 0                                 |
| 8.    | Land and Public Relation         | 6  | 0                                 | 0                                 |
| 9.    | Security                         | 7  | 0                                 | 0                                 |
| 11.   | Operation Management             | 20                                       | 0                                 | 0                                 |
| 12.   | Engineering                      | 10                                       | 0                                 | 0                                 |
| 13.   | Information Technology           | 2  | 0                                 | 0                                 |
| Total |                                  | 100                                      | 0                                 | 0                                 |

All applicable laws and regulations relating to anti-bribery, fraud, and corruption following anti-corruption principles:

- Commit to promote values of integrity, transparency, accountability and good corporate governance;
- Strengthen internal control systems that support corruption prevention;
- Fight any form of corrupt practice; and
- Support corruption prevention initiatives by the Government and the local authorities; (collectively, "The Requirements").

Sustainability Statement  
(cont'd)

## 11. HUMAN RIGHTS (CONT'D)

## 11.3 Administrative Department's summary training

## Total hours of training by employee category (2023)

| No | Category          | No of Employee Attended Training | Total Hours of Training |
|----|-------------------|----------------------------------|-------------------------|
| 1  | Senior Management | -                                | 704                     |
| 2  | Management        | -                                | 3,232                   |
| 3  | Executive         | -                                | -                       |
| 4  | Non-Executive     | -                                | 1,668                   |
| 5  | Workers           | -                                | 1,568                   |
|    | <b>Total:</b>     | <b>-</b>                         | <b>7,172</b>            |

## Total hours of training by employee category (2024)

| No | Category          | No of Employee Attended Training | Total Hours of Training |
|----|-------------------|----------------------------------|-------------------------|
| 1  | Senior Management | 24                               | 550.00                  |
| 2  | Management        | 110                              | 1,277.00                |
| 3  | Executive         | 242                              | 2,734.50                |
| 4  | Non-Executive     | 209                              | 1,543.50                |
| 5  | Workers           | 1,567                            | 4,807.50                |
|    | <b>Total:</b>     | <b>2,152</b>                     | <b>10,912.50</b>        |

Summary Total % of employee attend training. (Year 2024)

| No | Category         | No of Employee Attended Training | Total No of Employees | %   |
|----|------------------|----------------------------------|-----------------------|-----|
| 1  | Management Level | 28                               | 57                    | 49% |
| 2  | Executive        | 70                               | 146                   | 48% |
| 3  | Non-Executive    | 47                               | 412                   | 11% |
| 4  | Workers          | 88                               | 2,366                 | 4%  |
|    | <b>Total:</b>    | <b>233</b>                       | <b>2,981</b>          |     |

## Sustainability Statement (cont'd)

### 11. HUMAN RIGHTS (CONT'D)

#### 11.3 Administrative Department's summary training (Cont'd)

##### Summary Total Hour Training by employee. (Year 2024)

| No     | Category         | No of Employee Attended Training | Total Training Hour |
|--------|------------------|----------------------------------|---------------------|
| 1      | Management Level | 134                              | 1,827.00            |
| 2      | Executive        | 242                              | 2,734.50            |
| 3      | Non-Executive    | 209                              | 1,543.50            |
| 4      | Workers          | 1567                             | 4,807.50            |
| Total: |                  | 2152                             | 10,912.50           |

#### 11.4 Cybersecurity Data Protection

##### Introduction

As the world becomes more and more connected through internet, the need to secure data has become paramount. According to IBM, the average cost of a data breach is a whopping \$4.24 million dollars. That's not even to mention the irreparable damage caused to the organization's reputation — thus lowering its valuation and customer interaction.

Cybersecurity in its broad term describes hardware, software, and best practices that are used to secure an organization IT environment within organization/outside world so that data privacy are achieved to reduce the risk of data breaches and other hackings which may cause lost not only in monetary but confidentiality of the customer to the organization.

Data Protection is defined as the proper handling of sensitive user/company data used in the company for business purposes. Whether the data is encrypted at rest and in transit, the decision of when and how data will be shared with a third party is the realm of data privacy. Lastly it ensures the user's data collection, storage, and usage adheres to all company and regulatory standards.

RSB is using the SAP system with audit trail and records, having multi factor authentication for controlling the user access to his/her needed information in the system for business operation purposes. Each employee are briefed with nondisclosure of company information when join/leave the company.

IT also helped to create alert and awareness to users within company via email on events that are happening elsewhere on the potential breach of information. Method of identifying and reporting to IT department when in doubt on the integrity of the information they are handling.

Throughout the year we implemented antivirus software to protect the user PC/Notebook, Firewall and rules for user accessing to internet and digital signature for email to prevent data breach.



# Sustainability Statement (cont'd)

## 11. HUMAN RIGHTS (CONT'D)

### 11.4 Cybersecurity Data Protection (Cont'd)

#### Our Performance

As at 31 December 2024, there were zero substantiated complaints concerning breaches in customer privacy or data loss.

| Environmental                  | Social                      | Governance                     |
|--------------------------------|-----------------------------|--------------------------------|
| Renewable fuels                | Health and Safety           | Ethical standards              |
| Greenhouse gas emissions (GHG) | Working conditions          | Board diversity and governance |
| Energy efficiency              | Employee benefits           | Stakeholder engagement         |
| Climate risk                   | Diversity and inclusion     | Shareholder right              |
| Water management               | Human Rights                | Pay for performance            |
| Recycling processes            | Impact on local communities |                                |
| Emergency preparedness         |                             |                                |

## Sustainability Statement (cont'd)

### 12. AGRICULTURE PRACTICES

RSB with best commitment had enforce all plantation estates and mills with the following undertakings:

- To comply all prevailing laws under plantation management;

| SUMMARY OF LEGAL REGISTER  |   |   |
|--|---|---|
| List of Activity and Acts  | Regulation and SOP  | Compliance  |
| <b>Malaysian Sustainable Palm Oil (MSPO) policy and Company Standard Operating Procedure</b>   |   |   |
| Sustainability Policy  | <ul style="list-style-type: none"> <li>MSPO standard Part 3-2 General principles for oil palm plantations (more than 500 hectares) and Part 4-1 General principles for palm oil mill including supply chain requirements (First revision)</li> </ul>  | A policy for the implementation of MSPO, emphasising commitment to continual improvement, shall be established, communicated and implemented. |
| <ul style="list-style-type: none"> <li>RSB SOP 2019 (estate) and Mill Manual (mill)</li> <li>Safety and Health Policy</li> <li>PPE Policy</li> <li>Standard Operating Procedure (SOP)</li> <li>Land and PR Handbook</li> <li>Human Right</li> <li>Environmental</li> </ul>   | <ul style="list-style-type: none"> <li>Malaysian Palm Oil Board (MPOB)</li> <li>MSPO Standard (Part 3-2 &amp; Part 4-1 )</li> <li>Comply to Good Agricultural Practices (GOCAP)</li> <li>Comply to Safety and Health Policy and PPE Policy based on OSH Regulation</li> </ul>   | The Standard Operating Procedures with Best Management Practices (BMP) and Guidelines on Major Task.  |
| <b>Land Matter</b>   |   |   |
| <ul style="list-style-type: none"> <li>Land Custody And Development Authority Ordinance 1981 (Incorporating all amendments up to 30th November, 2014)</li> <li>Native Customs (Declaration) Ordinance, 1996 incorporating all amendments up to 31st December, 2006.</li> <li>Land Surveyors Ordinance, 2001 (Incorporating all amendments up to 28th February, 2007)</li> <li>Land Use (Control Of Prescribed Trading Activities) Ordinance, 1997 (Incorporating all amendments up to 30th June, 2007)</li> <li>Sarawak Land Code 1957</li> <li>Land (Native Communal Title) Rules, 2019 (12th July, 2019)</li> <li>Land (Companies) Rules, 2022</li> <li>Land (Carbon Storage) Rules, 2022</li> </ul> | <ul style="list-style-type: none"> <li>Power to constitute new areas of Mixed Zone, Native, or Interior Area Land and consequential.</li> <li>Native Customary Rights.</li> <li>Native Communal Reserved</li> <li>Government Reserved</li> <li>Acquisition of Land by Non-Native</li> <li>Occupation of different classes of land</li> <li>Administration of Miri City Council</li> <li>Illegal for Non-Native of acquire right or privileges over land or certain classes</li> </ul> | Land and PR Handbook and comply with regulation acts.   |

## Sustainability Statement (cont'd)

### 12. AGRICULTURE PRACTICES (CONT'D)

RSB with best commitment had enforce all plantation estates and mills with the following undertakings:

- To comply all prevailing laws under plantation management; (Cont'd)

| SUMMARY OF LEGAL REGISTER   |   |  |
|---|---|--|
| List of Activity and Acts   | Regulation and SOP  | Compliance   |
| <b>Wildlife Protection Matters</b>  |   |  |
| <ul style="list-style-type: none"> <li>National Forestry Act 1984</li> <li>Protection of wild life Act 1972 Amended 2006</li> <li>Wild Life Protection Ordinance, 1998 Incorporating All Amendments Up To 30th June, 2008</li> <li>Forest Concession Area (Rehabilitation And Development) Fund Ordinance, 1985 [Ord. No. 7/85] Incorporating all amendments up to 30th November, 2010</li> <li>National Parks And Nature Reserves Ordinance, 1998 Incorporating all amendments up to 31st May, 2008</li> <li>Sarawak Forestry Corporation Ordinance, 1995 Incorporating all amendments up to 31st July 2024</li> </ul> | <ul style="list-style-type: none"> <li>High Conservation Value – HCV</li> <li>Preservation of high conservative value</li> <li>National parks and nature reserves ordinance, 1998</li> <li>Protection of national forest as per act 1984 Visual to conserve uniqueness, diversity and quality of environment.</li> <li>Prohibition of diversion of water from rivers, except under license 7A.</li> <li>Prohibition of pollution of rivers</li> <li>Sarawak Forestry Cooperation</li> </ul> | <p>High Conservation Value Report of 6 HCV</p> <ol style="list-style-type: none"> <li>HCV 1 Species Diversity</li> <li>HCV 2 Landscape-level ecosystems and mosaics</li> <li>HCV 3 Ecosystems and Habitats</li> <li>HCV 4 Ecosystems Services</li> <li>HCV 4 Community Needs</li> <li>HCV 6 Cultural Value</li> </ol>  |
| <b>Water Ordinance</b>  |   |  |
| <ul style="list-style-type: none"> <li>Water act 1920 revised 1989</li> <li>Water Ordinance, 1994 Incorporating all amendments up to 31st May, 2008</li> </ul>  | <ul style="list-style-type: none"> <li>Water quality analysis for domestic use from own water processing facility shall be done at least once a year.</li> <li>Assessment of water usage, sources of supply and its quality.</li> <li>EMR Report.</li> </ul>  | <ul style="list-style-type: none"> <li>Clean water for domestic use, are provided to employees and their families.</li> <li>Establish a water management plan to prevent pollution and maintain the quality and availability of water resources.</li> <li>Protection of water courses and wetlands, including maintaining, rehabilitating and/or</li> <li>enhance riparian/ riparian buffer zones before, during and after replanting</li> </ul> |

## Sustainability Statement (cont'd)

### 12. AGRICULTURE PRACTICES (CONT'D)

RSB with best commitment had enforce all plantation estates and mills with the following undertakings:

- To comply all prevailing laws under plantation management; (Cont'd)

| SUMMARY OF LEGAL REGISTER  |   |   |
|--|---|---|
| List of Activity and Acts  | Regulation and SOP  | Compliance  |
| <b>Employee Matter</b>   |   |   |
| Sarawak Labour Ordinance for Sarawak instead of Employment Act 1955 Amended 2016 | <ol style="list-style-type: none"> <li>Letter of award/ employment or contract</li> <li>Book of account of wages</li> <li>Registers               <ol style="list-style-type: none"> <li>Employee/ contract employment particulars</li> <li>Terms &amp; conditions</li> <li>Wages &amp; allowances</li> <li>Leave entitlement, annual leave, sick leave, working hours, overtime rates, age of retirement, PERKESO, EPF and EIS (SIP). As per local housing facilities and amenities</li> </ol> </li> </ol> | <p>The principal employment laws are the Employment Act 1955, The Sabah Labour Ordinance 1949 and the Sarawak Labour Ordinance 1952. These laws regulate employment and legislate the basic terms and conditions of service of employees in Peninsular Malaysia and Sabah &amp; Sarawak respectively.</p> <p>The main objective of the amendment to the Employment Act 1955 is to : enhance and improve the protection and welfare of workers in this country; ensure that the labour law provisions in this country are in line with international standards set by the International Labour Organization.</p> |
| Industrial Relations ACT 1967 As at 1 November 2021                              | <ul style="list-style-type: none"> <li>Protection Of Rights Of Workmen And Employers And Their Trade Unions</li> <li>Recognition And Scope Of Representation Of Trade Unions And Sole Bargaining Rights</li> </ul>  | Comply with Legal Requirement.  |
| Employee Provident Funds Act 1991 (EPF)  | <ul style="list-style-type: none"> <li>An Act to provide for the law relating to a scheme of savings for employees' retirement and the management of the savings for the retirement purposes and for matters incidental thereto.</li> </ul>   | <p>Mandatory Contribution</p> <p>Subject to the provisions of section 52, every employee and every employer of a person who is an employee within the meaning of this Act shall be liable to pay monthly contributions on the amount of wages at the rate respectively set out in the Third Schedule.</p>   |

## Sustainability Statement (cont'd)

### 12. AGRICULTURE PRACTICES (CONT'D)

RSB with best commitment had enforce all plantation estates and mills with the following undertakings:

- To comply all prevailing laws under plantation management; (Cont'd)

| SUMMARY OF LEGAL REGISTER   |  |  |
|---|--|--|
| List of Activity and Acts   | Regulation and SOP   | Compliance   |
| <b>Employee Matter</b>  |  |  |
| Employment Insurance Scheme 2017 (updated, deducted start 2018) EIS   | <ul style="list-style-type: none"> <li>EIS is meant to support those who have been retrenched from their jobs, or who resigned due to threats to themselves or their families.</li> <li>In other words, you qualify for EIS benefits when losing your job was out of your control, or when you had no other choice but to quit.</li> </ul>                       | <p>The contribution rate for Employment Insurance System (EIS) is 0.2% for the employer and 0.2% for employee based on the employee's monthly salary.</p> <p>EIS covers these situations of loss of employment:</p> <ul style="list-style-type: none"> <li>Normal retrenchment and redundancy</li> <li>VSS/MSS (Voluntary/Mutual Separation Scheme)</li> <li>Closure of the company due to natural disasters</li> <li>Bankruptcy or closure of the company</li> <li>Constructive dismissal</li> <li>Resignation due to sexual harassment or threats made in the workplace</li> <li>Resignation after being ordered to perform dangerous duties that are not within the job scope.</li> </ul> |
| Passports Act 1966 Incorporating all amendments up to 1 January 2006  | <ul style="list-style-type: none"> <li>An Act relating to the possession and production of travel documents by persons entering or leaving, or travelling within, Malaysia and to provide for matters connected therewith.</li> </ul>  |  |
| Children And Young Persons (Employment) ACT 1966 As at 1 October 2019 | <ul style="list-style-type: none"> <li>Human Right Policy stated prohibit the hiring of individuals that are under 18 years of age for positions in which is mentally, physically, socially or morally dangerous, harmful and hazardous work is required, in accordance to the Children and Young Persons (Employment) Act 1966 As at 1 October 2019.</li> </ul> | <p>Children shall not be employed or exploited. Work by young persons is acceptable under adult supervision, and when not interfering with their education. They shall not be exposed to hazardous working conditions according to legal requirements.</p>   |

## Sustainability Statement (cont'd)

### 12. AGRICULTURE PRACTICES (CONT'D)

RSB with best commitment had enforce all plantation estates and mills with the following undertakings:

- To comply all prevailing laws under plantation management; (Cont'd)

| SUMMARY OF LEGAL REGISTER  |   |   |
|--|---|---|
| List of Activity and Acts  | Regulation and SOP  | Compliance  |
| <b>Employee Matter</b>   |   |   |
| Minimum wage 2020 in major towns was define under Section 2 of the Employment Act 1955 (Act 265), Sarawak Labour Ordinance<br><br>Minimum wage Order 1 <sup>st</sup> Jan 2019 (Amendment) 2018 | <ul style="list-style-type: none"> <li>Sabah Sarawak minimum rates: RM 1100 or daily pay RM 42.31 for 6 working days, RM 50.00 for 5 working days, RM 61.11 for 4 working days. RM 5.29 for hourly pay. Minimum wages in major and identified towns, RM1200 (Effective 1st January 2020)</li> <li>The Minimum wage order 2022 ("Order 2022") (P.U. (A) 140) was gazetted on 27th April 2022 under and being implemented effective from 1st May 2022 at RM1500 per month.</li> </ul> | Comply with Legal Requirement.<br><br>Employees (including employees of contractors) pay and conditions, working hours and breaks of each employee, wages and overtime payments documented on pay slips shall comply with legal requirements and where applicable, Collective Agreements.   |
| Act 262 TRADE UNIONS ACT 1959 As at 1 August 2014  | <ul style="list-style-type: none"> <li>Protection of right of employer and their trade union</li> <li>Statutory contribution by employer and employee.</li> <li>All legislative requirement to comply Sarawak Protection of right of employer and their trade union</li> </ul>  | Trade Union Policy and Human Right Policy (stated 9.1 and 9.1.1) - The organisation shall respect the right of all employees to form or join trade unions and allow workers own representative(s) to facilitate collective bargaining in accordance with applicable laws and regulations. Employees shall have the right to organise and negotiate their work conditions. Employees exercising this right shall not be discriminated against or suffer repercussions. |
| Social Security Act 1969 (SOC SO)<br><br>SOC SO Regulation for foreign workers 2018- Akta Keselamatan Sosial Pekerja 1969 (Akta 4)   | <ul style="list-style-type: none"> <li>Updated - The Employees' Social Security Act 1969 and the Employment Insurance System Act 2017 have been amended respectively as published in the Gazette Act A1658 and Act A1657 by increasing the wage ceiling for contributions from RM4, 000 to RM5, 000 a month. The amendment is effective from 1st September 2022</li> </ul>  | The Employees' Social Security Act 1969 (Malay: Akta Keselamatan Sosial Pekerja 1969), is a Malaysian laws which enacted to provide social security in certain contingencies and to make provision for certain other matters in relation to it. The law is enforced by the Social Security Organization or PERKESO.   |



# Sustainability Statement (cont'd)

## 12. AGRICULTURE PRACTICES (CONT'D)

RSB with best commitment had enforce all plantation estates and mills with the following undertakings:

- To comply all prevailing laws under plantation management; (Cont'd)

| SUMMARY OF LEGAL REGISTER  |   |  |
|--|---|--|
| List of Activity and Acts  | Regulation and SOP  | Compliance   |
| <b>Employee Matter</b>   |   |  |
| Emergency (Employees Minimum Standards of Housing, Accommodations and Amenities (Amendment) Ordinance 2021                         | <ul style="list-style-type: none"> <li>The Amendment Act requires the employer or centralised accommodation provider to provide Accommodation that complies with the requirements relating to fire safety measures, the separation of Accommodation based on gender, and the containment of the spread of infectious diseases.</li> </ul> | Where housing is provided, decent living conditions, including clean water for domestic use, are provided to employees and their families.   |
| Human Rights Commission Of Malaysia (Amendment) ACT 2024   | <ul style="list-style-type: none"> <li>In exercise of the powers conferred by subsection 1 (2) of the Human Rights Commission of Malaysia (Amendment) Act 2024 [Act A1714], the Minister appoints 10 July 2024 as the date on which the Act comes into operation.</li> </ul>  | Human Right Policy - Respect for human rights is a fundamental value of organization. Strive to respect and promote human rights with our employees, stakeholders and community. We aim to help increase the enjoyment of human rights within the communities in which we operate. |
| <b>Environment Matters</b>   |   |  |
| Environment Quality (Prescribe Premises-Crude Palm Oil) Act 1977   | Concern the following matters: requirements and approval of plans; restrictions on discharge, pollution of the atmosphere, noise pollution, pollution of the soil, pollution of inland waters; prohibition of discharge of oil and wastes into Malaysian waters.  | The prevention, abatement, control of pollution and enhancement of the environment.  |
| Environmental Quality (Scheduled Wastes) Regulations, 2005 requires hazardous wastes to be properly packaged, labelled and stored. | Environmental Quality (Prescribed Conveyance) (Scheduled Wastes) Order, 2005. This Order enters into force on 15 August 2005. This Order prescribes the conveyances used for the movement, transfer, placement or deposit of scheduled wastes.  | Comply with Legal Requirement Department Of Environment (DOE) and 7 Scheduled Waste.   |
| Environment Quality (Control of Pollution from Solid Waste Transfer and Station and Landfill) Regulation 2009                      |   | Comply with Legal Requirement and Dumping Site Procedure.  |

## Sustainability Statement (cont'd)

### 12. AGRICULTURE PRACTICES (CONT'D)

RSB with best commitment had enforce all plantation estates and mills with the following undertakings:

- To comply all prevailing laws under plantation management; (Cont'd)

| SUMMARY OF LEGAL REGISTER   |  |   |
|---|--|---|
| List of Activity and Acts   | Regulation and SOP   | Compliance  |
| <b>Environment Matters</b>  |  |   |
| Sarawak River Ordinance 1993                                      | No person shall leave, deposit, throw or discard any effluent, refuse or rubbish of any kind or description into any river or on the banks of any river.   | Comply with Legal Requirement.<br>Environmental Procedure – Buffer Zone               |
| Environment Quality (Declared Activities-Open Burning) Order 2003 | Environmental Quality (Declared Activities) (Open Burning) Order, 2003. This Order enters into force on 1 January 2004. This Order lists activities which are declared not to be open burning so long as they are carried out in accordance with the conditions set out in the text.   | Comply with Legal Requirement and No Open Burning Policy.                             |
| Environmental Quality (Industrial Effluent) Regulation 2009       | Regulates pollution matters and the discharge of effluents from manufacturing activities onto soil, inland waters and Malaysian waters.  | Comply with Legal Requirement.  |
| Environmental Quality (Sewage) Regulation 2009                    | The Sewerage Services Act 1993, which was passed by the Parliament in June 1993. The Act 508 mandates the Federal Government to take full responsibility and control over the development, management and regulation of sewage management nationwide.  | Comply with Legal Requirement.  |
| Environmental Quality (Clean Air) Regulations 2014                | An owner or occupier of a premises involved in any activity or industry listed in the First Schedule of the Regulations shall incorporate measures to reduce the emission of air pollutants to the atmosphere in accordance with the Best Available Techniques Economically Achievable determined by the Director General. Every premises shall be equipped with an air pollution control system in accordance with the specifications as determined by the Director General. The Regulations further make provisions for: monitoring of air pollution control system, maintenance of records, licence required to contravene acceptable conditions for emitting emissions into atmosphere, offences and penalties, etc. | Pollution control; emissions; monitoring; offences/ penalties; authorization/ permit. |

# Sustainability Statement (cont'd)

## 12. AGRICULTURE PRACTICES (CONT'D)

RSB with best commitment had enforce all plantation estates and mills with the following undertakings:

- To comply all prevailing laws under plantation management; (Cont'd)

| SUMMARY OF LEGAL REGISTER  |  |  |
|--|--|--|
| List of Activity and Acts  | Regulation and SOP   | Compliance   |
| <b>Environment Matters</b>   |  |  |
| Natural Resources And Environment ordinance Incorporating all amendments up to 1st January, 2021 | The Natural Resources And Environment Ordinance The Natural Resources And Environment (Prohibition Of Clearing And Burning Of Vegetation And Combustible Materials) (Amendment) Order, 2021 (Made under section 10)  | Comply with Regulation and No Open Burning Policy - This Order may be cited as the Natural Resources and Environment (Prohibition of Clearing and Burning of Vegetation and Combustible Materials) (Amendment) Order, 2021, and shall be deemed to have come into force on the 1st day of January, 2020. |
| Environment ( Reduction of Greenhouse Gases Emission) Ordinance, 2023                            | An Ordinance for the protection of the Environment in Sarawak by reduction or abatement of emission of greenhouse gases into the atmosphere, adoption of strategies towards net zero carbon emissions, low carbon solutions and the transition towards clean renewable energy. | Comply with regulation and Greenhouse Gases Emission Policy.   |
| Environment Quality Act A1712 (Amendment) Act 2024   | Act A1712: Environmental Quality (Amendment) Act 2024 comes into operation on 7 July 2024. This is an Act to amend the Environmental Quality Act 1974. The amendments to the Environmental Quality Act introduce significant changes to penalties for various violations       | Comply with regulations.<br>- NREB<br>- Standards and compliances (MSPO & SOP)<br>- Based on DOE recommendation.<br>- Complying with MPOB & NREB requirement.<br>- Based on DOE recommendation..   |

## Sustainability Statement (cont'd)

### 12. AGRICULTURE PRACTICES (CONT'D)

RSB with best commitment had enforce all plantation estates and mills with the following undertakings:

- To comply all prevailing laws under plantation management; (Cont'd)

| SUMMARY OF LEGAL REGISTER  |   |   |
|--|---|---|
| List of Activity and Acts  | Regulation and SOP  | Compliance  |
| <b>Safety and Health Matter</b>  |   |   |
| Safety and Health Policy   | Safety and Health Policy 1 <sup>st</sup> January 2023 <ul style="list-style-type: none"> <li>Safety Policy, PPE Policy, SOP, Safety Manuals, SHC Org Chart, SHC Minutes Meeting, Guidelines on Major Task.</li> </ul>   | Comply with Legal Requirement and Standard Operating Procedure.<br><br>The safety and health of our employees is of paramount importance. Our policy is to provide a safe and healthy workplace and comply with applicable safety and health laws and regulations, as well as internal requirements. Work to provide and maintain a safe, healthy and productive workplace, in consultation with our employees, by addressing and remediating identified risks of accidents, injury and health impacts. |
| Pesticides (Amendment) Act 2004.   | <ul style="list-style-type: none"> <li>The principal Act is amended by inserting after section 45 the following sections: "45A. Label as evidence of substance being a pesticide.</li> <li>The Pesticides Act 1974 is the principle legislation to regulate the management of pesticides in Malaysia. The Act covers the management of all pesticides and other chemicals used in agriculture.</li> </ul> | Comply with Legal Requirement.  |
| Food Act 1983<br>- 16 <sup>th</sup> scheduled of Malaysian Food Regulations 1985 | <ul style="list-style-type: none"> <li>An Act to protect the public against health hazards and fraud in the preparation, sale and use of food, and for matters incidental thereto or connected therewith. Contains: Food Act 1983 (Act 281) Food Regulations 1985.</li> </ul>   | Comply with Legal Requirement.  |

# Sustainability Statement (cont'd)

## 12. AGRICULTURE PRACTICES (CONT'D)

RSB with best commitment had enforce all plantation estates and mills with the following undertakings:

- To comply all prevailing laws under plantation management; (Cont'd)

| SUMMARY OF LEGAL REGISTER   |   |  |
|---|---|--|
| List of Activity and Acts   | Regulation and SOP  | Compliance   |
| <b>Safety and Health Matter</b>   |   |  |
| Safety and Health Committee Regulations 1996 (S30 OSHA)   | <ul style="list-style-type: none"> <li>The Malaysian OSHA Section 30 states that every employer shall establish a safety and health committee at the place of work if there are 40 or more persons employed. In OSH (Safety and Health Committee) Regulations 1996 regulation 29, the requirements for the safety and health committee training are regulated.</li> </ul> | Comply with Legal Requirement. <ul style="list-style-type: none"> <li>- SHC Chairman appointment letters</li> <li>- SHC members appointment by SHC Chairman</li> </ul> |
| Occupational Safety And Health (Use And Standards Of Exposure Of Chemicals Hazardous To Health) Regulations 2000 (USECHH) | <ul style="list-style-type: none"> <li>USECHH Regulations. Occupational Safety and Health (Use and Standard of Exposure Chemical Hazardous to Health) Regulations 2000 (USECHH Regulations) was made to provide a legal framework to control exposure of chemical hazardous to health at workplace.</li> </ul>  | Comply with Legal Requirement.   |
| Control of Industrial Major Hazards Regulations 1996  | <ul style="list-style-type: none"> <li>The Control of Industrial Major Accident Hazards (CIMAH) regulations was introduced in 1996 to regulate workplaces with hazardous chemicals in their facilities. The Regulations provide a minimum standard to ensure precautionary measures related to major hazard risks are taken.</li> </ul>                                   | Comply with Legal Requirement.   |
| Notification of Accidents, Dangerous Occurrence, Occupational Poisoning Disease (NADOPOD) Regulation 2004                 | <ul style="list-style-type: none"> <li>The purpose of NADOPOD was created to help OSHE to identify the cause of accidents/accidents in order to determine the appropriate preventive measures to avoid the same incident from happening again</li> </ul>  | Comply with Legal Requirement.   |

## Sustainability Statement (cont'd)

### 12. AGRICULTURE PRACTICES (CONT'D)

RSB with best commitment had enforce all plantation estates and mills with the following undertakings:

- To comply all prevailing laws under plantation management; (Cont'd)

| SUMMARY OF LEGAL REGISTER  |   |   |
|--|---|---|
| List of Activity and Acts  | Regulation and SOP  | Compliance  |
| <b>Safety and Health Matter</b>  |   |   |
| Classification, labelling & Safety Data Sheet of Hazardous Chemical (CLASS) Regulations 2013 | <ul style="list-style-type: none"> <li>The regulations aim to reduce employee exposure to chemicals and protect occupational safety and health. The document discusses hazard identification and risk assessment for the Radio Frequency Laboratory. It defines key terms like hazard, hazard control, and risk.</li> </ul> | <p>Comply with Legal Requirement.</p> <p>The Globally Harmonized System of Classification and Labelling of Chemicals (GHS) classifies chemicals by types of hazard. It helps you communicate information about hazardous chemicals on labels and safety data sheets.</p> <p>Name, Address and Telephone Number • Product Identifier • Signal Word • Hazard Statement(s) • Precautionary Statement(s) • Pictogram(s)</p> <p>The SDS includes information such as the properties of each chemical; the physical, health, and environmental health hazards; protective measures; and safety precautions for handling, storing, and transporting the chemical.</p> <p>Chemical classes are groupings that relate chemicals by similar features. Chemicals can be classified by their structure (e.g., hydrocarbons), uses (e.g., pesticides), physical properties (e.g., volatile organic compounds [VOCs]), radiological properties (e.g., radioactive materials), or other factors.</p>   |
| Occupational Safety and Health (Noise Exposure) Regulations 2019                             | <ul style="list-style-type: none"> <li>The new Regulations, come under the Occupational Safety and Health Act 1994 (OSHA), supersede the Factories and Machinery (Noise Exposure) Regulations 1989 that was under the Factories and Machinery Act 1967.</li> </ul>  | <p>The key requirements for employers under the Regulations are as follow:</p> <ul style="list-style-type: none"> <li>Employer shall identify if the employees are exposed to excessive noise in the workplace and 'hearing protection zone' to be demarcated and identified with warning signs</li> <li>Employer shall appoint a noise risk assessor (NRA) to conduct noise risk assessment and implement the recommendations within 30 days after receiving report</li> <li>Employer to provide training at least once a year and supervise the implementation of noise exposure control</li> <li>Employer shall provide personal hearing protector to employee, conduct audiometric testing annually (within 3 months after the employee commencing work at any area which is exposed to noise exceeding the limit specified), and notify DOSH for cases of occupational noise-induced hearing loss, hearing impairment or permanent standard threshold shift</li> <li>Employer to keep noise assessment report for 30 years and audiometric testing report of his employee for so long as the employee is employed and for a period of 5 years after the employee ceases to be his employee.</li> </ul> |



# Sustainability Statement (cont'd)

## 12. AGRICULTURE PRACTICES (CONT'D)

RSB with best commitment had enforce all plantation estates and mills with the following undertakings:

- To comply all prevailing laws under plantation management; (Cont'd)

| SUMMARY OF LEGAL REGISTER                              |  |   |
|--|--|---|
| List of Activity and Acts                              | Regulation and SOP   | Compliance  |
| <b>Safety and Health Matter</b>                        |  |   |
| Steam Boiler & Unfired Pressure Vessel Regulation 1970 | <ul style="list-style-type: none"> <li>These regulations may be cited as the Factories and Machinery (Steam Boiler and Unfired Pressure Vessel) Regulations, 1970, and shall come into force on the 1st day of February, 1970.</li> </ul>  | The Factories and Machinery Act is a standard used to ensure safety of steam boilers and pressure vessels in Malaysia. It regulates that all pressure equipment for import require testing and approval by an accredited third party. |
| Weights and Measures Act 1972                          | <ul style="list-style-type: none"> <li>The Weights and Measures Act 1972 to regulate weights and measures and instruments for weighing and measuring used for trade. The act govern and enforce by the Enforcement Division under the Ministry of Domestic Trade, Cooperatives and Consumerism (MDTCC).</li> <li>Regulate weights and measures and instruments for weighing and measuring and to make provisions for matters connected therewith.</li> </ul> | The regulatory oversight of the quantities, qualities, and cost of services based on measurements that form the basis of sale of products and services.   |
| Petroleum (Safety Measures) 1974                       | <ul style="list-style-type: none"> <li>The Petroleum Regulations 1974 requires any person to obtain for permission to commence or continue any business of processing or refining of petroleum or manufacturing of petrochemical products from petroleum under Section 6(1) of the Petroleum Development Act, 1974.</li> </ul>   | Comply with Legal Requirement.  |
| Occupational Safety and Health (Amendment) Act 2022    | <ul style="list-style-type: none"> <li>New Section 7A, 7B, 7C and 7D (6) the authorization of a licensed person under subsection (3) shall not render the Federal Government liable to any person in respect of any injury, damage or loss occasioned by the obligation under this Act in respect of which charges, fees or levy are demanded, collected and retained.</li> </ul>  | Comply with Legal Requirement.  |

## Sustainability Statement (cont'd)

### 12. AGRICULTURE PRACTICES (CONT'D)

RSB with best commitment had enforce all plantation estates and mills with the following undertakings:

- To comply all prevailing laws under plantation management; (Cont'd)

| SUMMARY OF LEGAL REGISTER  |  |  |
|--|--|--|
| List of Activity and Acts  | Regulation and SOP   | Compliance   |
| <b>Safety and Health Matter</b>  |  |  |
| COVID- 19<br><br>Temporary Measures For Reducing The Impact Of Coronavirus Disease 2019 (Covid-19) Ordinance, 2020 | <ul style="list-style-type: none"> <li>Prevention and Control of Infectious Diseases (Fee for Corona virus Disease 2019 (COVID-19) Detection Test) regulation 2020</li> <li>The Protection of Public Health (Compounding of Offences) Regulation 2020</li> <li>Prevention and Control of Infectious Diseases (Measures within infected Local Area) (Recovery Movement Control) (No.3) (Amendment) (No.16) Regulation 2021.</li> </ul>  | An Ordinance to provide for temporary measures to reduce the impact of Coronavirus Disease 2019 (COVID-19) including to modify the relevant provisions in the Ordinances referred to in the Schedule.<br><br>Based on Government Review. |
| Royal Malaysian Custom Department  | <ul style="list-style-type: none"> <li>Windfall Profit Levy (Amendment) Bill 2022 is to amend the Windfall Profit Levy Act 1998 (Act 592) by introducing new provisions and updating existing provisions to improve the administration of the windfall profit levy.</li> <li>Levy charged is at a rate of 3% on palm oil prices above RM3, 000 / tonne in Peninsular Malaysia and at a rate of 3% on palm oil price above RM3, 500 / tonne in Sabah &amp; Sarawak.</li> <li>Payment must be made using form WPA No.3 within 28 days of the following month at the customs office where company is registered.</li> </ul> | Comply with Legal Requirement.   |

Table 4: Summary of Legal Register

- Implement and comply all prevailing statutory labor ordinances;
- Implement and maintain on environmental management system acclimatizing to MSPO principles and criteria standards and the Standard Operating Procedures with Best Management Practices (BMP) and Good Agricultural Practices (GAP)"
- Developing Oil Palm Plantations only in areas allocated for agriculture land;
- Complying the Environmental Impact Assessment (EIA), Greenhouse Gas (GHG), Biodiversity, Social Impact Assessment (SIA), Social environmental Impact Assessment (SEIA);
- Plantation Development emphasizing zero burning practices; and
- Compliances of Natural Resources of Environmental Board.

For the year under review, No Deforestation, Peat and Exploitation (NDPE) is being practiced.

## Sustainability Statement (cont'd)

### 13. SOCIAL MANAGEMENT

Prioritizing the establishment of a safe environment across all aspects of our operations has led us to carefully implement various approaches throughout our work stream to ensure the safety and well-being of our employees, contractors, visitors, and other persons throughout our activities.



# Sustainability Statement (cont'd)

## 13. SOCIAL MANAGEMENT (CONT'D)

### Social Management

| Supply Chain & SHs  | 2023       | 2024       |
|---|------------|------------|
| FFB Volumes   |            |            |
| Total (mt)  | 543,053.43 | 519,741.08 |
| Sourced from own plantations (Direct Volume) (mt)                   | 177,976.95 | 248,650.67 |
| Sourced from external outgrowers and traders (Indirect Volume) (mt) | 365,076.48 | 271,090.41 |
| Proportion of spending on local suppliers                           | 100%       | 100%       |
| Human Rights and Recruitment  | 2023       | 2024       |
| Legal minimum wage (RM)   | 1,500      | 1,500      |
| Percentage of employees by age group and gender, for each category  |            |            |
| Management under 30   | 0          | 0          |
| Management between 30 - 50  | 59         | 29         |
| Management Above 50   | 41         | 71         |
| Executive Under 30  | 5          | 3          |
| Executive Between 30-50   | 80         | 79         |
| Executive above 50  | 15         | 18         |
| Non-Executive/Technical staff under 30                              | 24         | 26         |
| Non-Executive/Technical staff between 30 – 50                       | 61         | 47         |
| Non-Executive/Technical staff above 50                              | 15         | 27         |
| General workers under 30  | 31         | 33         |
| General workers between 30 -50                                      | 61         | 59         |
| General workers above 50  | 8          | 8          |
| Management Male   | 83         | 65         |
| Management Female   | 17         | 35         |
| Executive Male  | 60         | 64         |
| Executive Female  | 40         | 36         |
| Non-Executive/Technical staff Male                                  | 76         | 75         |
| Non-Executive/Technical staff Female                                | 24         | 25         |
| General workers Male  | 82         | 73         |
| General workers Female  | 18         | 27         |
| Employee turnover by employee category                              |            |            |
| Management  | 4          | 8          |
| Executive   | 25         | 17         |
| Non-Executive/Technical staff                                       | 103        | 81         |
| General workers   | 2,522      | 1876       |

Sustainability Statement  
(cont'd)

## 13. SOCIAL MANAGEMENT (CONT'D)

Social Management (Cont'd)

| Human Rights and Recruitment                     | 2023   | 2024     |
|--|--------|----------|
| Benefits provided to employees                   |        |          |
| Life insurance                                   | SOC SO | SOC SO   |
| Health care                                      | SOC SO | SOC SO   |
| Disability coverage                              | SOC SO | SOC SO   |
| Parental leave                                   | YES    | YES      |
| Quality Housing                                  | YES    | YES      |
| Recreational Facilities                          | YES    | YES      |
| Access to schools                                | YES    | YES      |
| Total hours of training by employee category     |        |          |
| Management                                       | 704    | 1,827.00 |
| Executive  | 3,232  | 2,734.50 |
| Non-Executive/Technical staff                    | 1,668  | 1,543.50 |
| General workers                                  | 1,568  | 4,807.50 |
| Diversity of governance bodies and employees     |        |          |
| Percentage of directors by gender and age group  |        |          |
| Male   | 85.71  | 85.71    |
| Female   | 14.29  | 14.29    |
| Under 30   | 0.00   | 0.00     |
| Between 30 -50                                   | 14.29  | 14.29    |
| Above 50   | 85.71  | 85.71    |
| Number of incidents of discrimination cases      | 0      | 0        |
| Number of employees and dependents housed        | 1180   | 1314     |
| Complaints and grievance disclosed (Human Right) |        |          |
| No of cases                                      | 41     | 44       |
| Open cases                                       | 0      | 0        |
| Closed cases                                     | 41     | 44       |
| HQ   | 0      | 0        |
| Operating Units                                  | 41     | 44       |

## Sustainability Statement (cont'd)

### 13. SOCIAL MANAGEMENT (CONT'D)

#### Social Management (Cont'd)

| Community Enrichment   | 2023      | 2024      |
|--|-----------|-----------|
| Number of identified incidents of violations involving the rights of indigenous peoples.                     |           |           |
| Operations which implemented local community engagement, impact assessments, and/or development programs (%) | 100       | 100       |
| Charitable Contributions (RM)  |           |           |
| Sports   | 24,060    | 29,540    |
| Culture/religion   | 21,255    | 29,635    |
| Community health facilities  |           |           |
| Children and education   | 5,300     | 4,200     |
| Charity (basic needs)  |           |           |
| Others   | 20,350    | 7,900     |
| Operational Health and Safety (OSH)  | 2023      | 2024      |
| <b>Safety Performance: Employees and workers covered by OSH management system</b>                            |           |           |
| <b>Accident Record For employees</b>   |           |           |
| Fatalities as a result of work-related injury:   |           |           |
| Lost time injuries (LTI): Estates  | 2         | 3         |
| Mills  | 1         | 1         |
| Lost time injuries rate (LTIR) for the whole Group   | 0.42      | 0.53      |
| Total manhours worked  | 7,240,896 | 7,512,960 |
| Total days lost due to work related injuries   | 38        | 120       |
| <b>Accident Record For Non-employees</b>   |           |           |
| Fatalities as a result of work-related injury  | 0         | 0         |
| High-consequence work-related injuries (permanent disabilities, excluding fatalities)                        | 0         | 0         |
| Recordable work-related injuries   | 0         | 0         |
| Total hours worked (hours)   | 0         | 0         |
| Total days lost due to work related injury (days)  | 0         | 0         |
| Fatalities as a result of work-related ill health  | 0         | 0         |
| Recordable work-related ill health   | 0         | 0         |
| Management representative  | 0         | 0         |
| Worker representative  | 0         | 0         |
| Stakeholder representative   | 0         | 0         |

# Sustainability Statement (cont'd)

## 13. SOCIAL MANAGEMENT (CONT'D)

### Social Management (Cont'd)

| Operational Health and Safety (OSH)                      | 2023 | 2024 |
|--|------|------|
| Leading Indicators (Whole Group)                         |      |      |
| Worker's training on Safety & Health Standard (sessions) | 31   | 29   |
| Toolbox briefing on Safe Operating Procedure (sessions)  | 666  | 669  |
| Competent first aiders (no. of trained personnel)        | 142  | 112  |

### Diversity and Equal Opportunity

Efforts are made at every organizational level to cultivate an inclusive work environment and uphold a zero-tolerance stance against any form of discrimination based on race, ethnic origin, caste, national origin, disability, religion, gender, sexual orientation, gender identity, union membership, political affiliation, or age.

#### Discrimination

In 2020, we began to observe, and documents incidents of discrimination and the actions taken to correct such instances. Although there were no recorded cases of discrimination to date, we remain committed to upholding this important initiative and will continue to take proactive measures to prevent and address any instances of discrimination that may arise. Our goal is to foster an inclusive and respectful work environment for all employees.

|  | 2021 | 2022 | 2023 | 2024 |
|--|------|------|------|------|
| Incidents of discrimination and corrective actions taken | 0    | 0    | 0    | 0    |

The principle of 'equal pay for equal work' is fundamental for all employees, encompassing all field, office, and management positions. This ensures that employees are paid fairly based on job grades and is complied with throughout Rimbunan Sawit Berhad.



## Sustainability Statement (cont'd)

### 13. SOCIAL MANAGEMENT (CONT'D)



#### MANAGING MATERIAL ASPECTS

Highly addressed towards the concerns and expectations of the RSB's key stakeholders on the RSB's business, for the reporting year 2024, RSB had identified ten (10) material aspects and categorized the aspects accordingly to the sustainability frameworks. Some of the material aspects had combined to provide better management and transparent reporting flow and to focus on reporting the common key indicators. The material aspects were then assessed by the Heads of Departments, together with the Board of Directors, to ensure that proper policies and sufficient control measures are in place.

#### United Nations Sustainable Development Goals

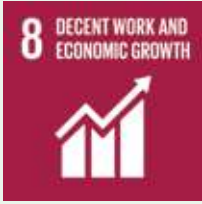
The Sustainable Development Goals (SDGs) are a call for action to promote prosperity while protecting the planet. With our unwavering commitment to achieving positive ESG outcomes, we have collectively chosen the primary SDG priorities that closely align with our Sustainability Strategy and Roadmap for the period 2024 – 2028, as well as our ESG themes. By identifying these top SDGs that are most relevant to Rimbunan Sawit Berhad's business operations, we have seamlessly integrated our sustainability initiatives and ESG considerations into every facet of our business. This alignment empower us to influence our strategies and decision-making processes, continually enhancing the value we provide to our stakeholders. Our key SDGs are listed below.

## Sustainability Statement (cont'd)

### 13. SOCIAL MANAGEMENT (CONT'D)

#### MANAGING MATERIAL ASPECTS (CONT'D)

##### United Nations Sustainable Development Goals (Cont'd)




| Prioritized UN SDGs   | RSB's Initiatives   | Relevant Material Matters   |
|---|---|---|
|  <p>SDG 3: Good Health &amp; Well-Being</p>      | <ul style="list-style-type: none"> <li>Provision of clinics and healthcare facilities for our workers and local communities at our plantations</li> <li>Provision of habitable housing and welfare facilities</li> </ul>  | <ul style="list-style-type: none"> <li>Safe &amp; Nurturing Work Environment</li> <li>Community Enrichment</li> </ul>   |
|  <p>SDG 4: Quality Education</p>                | <ul style="list-style-type: none"> <li>Provision of school transportation for employees' children</li> <li>Provision of Child Learning Center for TKI's children</li> </ul>   | <ul style="list-style-type: none"> <li>Safe &amp; Nurturing Work Environment</li> <li>Community Enrichment</li> </ul>   |
|  <p>SDG 5: Gender Equality</p>                 | <ul style="list-style-type: none"> <li>Policies against free discrimination against women throughout our operation.</li> <li>Policies against any form of sexual harassment.</li> <li>Establishment of Women Committee to give women in RSB a stronger voice.</li> </ul>  | <ul style="list-style-type: none"> <li>Safe &amp; Nurturing Work Environment</li> <li>Community Enrichment</li> <li>Human Rights</li> </ul>   |
|  <p>SDG 8: Decent Work and Economic Growth</p> | <ul style="list-style-type: none"> <li>Adherence to Malaysia and Sarawak Labor laws and ILO's Declaration on Fundamental Principles and Rights at Work.</li> <li>Adherence to the Principle of Free, Prior and Informed Consent ("FPIC") in hiring workers.</li> <li>Policy against free discrimination based on race, ethnic origin, caste, national origin, disability, religion, gender, sexual orientation, gender identity, union membership, political affiliation, or age.</li> <li>Practice of "equal pay for equal work".</li> </ul> | <ul style="list-style-type: none"> <li>Safe &amp; Nurturing Work Environment</li> <li>Human Rights</li> <li>Sustainable Supply Chain</li> <li>Good Governance</li> <li>Risk Management</li> </ul> |

## Sustainability Statement (cont'd)

### 13. SOCIAL MANAGEMENT (CONT'D)

#### MANAGING MATERIAL ASPECTS (CONT'D)

##### United Nations Sustainable Development Goals (Cont'd)

| Prioritized UN SDGs   | RSB's Initiatives  | Relevant Material Matters  |
|---|--|--|
|  <p>SDG 9: Industry, Innovation, and Infrastructure.</p> | <ul style="list-style-type: none"> <li>Mechanization in our estates using mini tractors and BIN system</li> <li>Establishment of RSB mapping system using GIS and other digital technologies for more efficient operations.</li> </ul>   | <ul style="list-style-type: none"> <li>Safe &amp; Nurturing Work Environment</li> <li>Human Rights</li> <li>Sustainable Supply Chain</li> <li>Good Governance</li> <li>Risk Management</li> </ul>      |
|  <p>SDG12: Responsible Consumption and Production</p>   | <ul style="list-style-type: none"> <li>Adherence to the principles of sustainability certification to ensure production is environmentally and socially responsible.</li> <li>Use of Integrated Pest Management ("IPM") leveraging animals to control weeds and rodents.</li> <li>Initiatives to reduce the consumption of fuel, water, and materials.</li> <li>Refurbishment of old or low efficiency steam boilers and steam turbines to reduce fuels consumption</li> <li>Recycling/re-purposing of almost all bio-waste.</li> <li>Proper management of hazardous waste.</li> </ul> | <ul style="list-style-type: none"> <li>Safe &amp; Nurturing Work Environment</li> <li>Sustainable Supply Chain</li> <li>Good Governance</li> <li>Risk Management</li> </ul>                            |
|  <p>SDG 13: Climate Action</p>                         | <ul style="list-style-type: none"> <li>Methane capture from POME and conversion into energy through biogas plants set up at our two POMs.</li> <li>Commissioning of our second biogas plant at RSB POM in September 2018.</li> <li>Installation of (Primasonics Acoustic cleaner for boiler) at RH POM and RSB POM which were commissioned in 2023.</li> <li>Replacement of mills' backup power supply from diesel generators to sesco power supply.</li> </ul>  | <ul style="list-style-type: none"> <li>Climate Change</li> <li>Biodiversity &amp; Responsible Land Use</li> <li>Environmental Stewardship</li> <li>Good Governance</li> <li>Risk Management</li> </ul> |

## Sustainability Statement (cont'd)

### 13. SOCIAL MANAGEMENT (CONT'D)

#### MANAGING MATERIAL ASPECTS (CONT'D)

##### United Nations Sustainable Development Goals (Cont'd)

| Prioritized UN SDGs   | RSB's Initiatives   | Relevant Material Matters   |
|---|---|---|
|  <p>SDG 15: Life on Land</p>                             | <ul style="list-style-type: none"> <li>No deforestation, no peat development and no new development in primary forests or HCV areas.</li> <li>Promotion of optimum land use to ensure long-term sustainability and productivity for agriculture use, including efforts to: <ul style="list-style-type: none"> <li>Reduce water pollution by combining inorganic with organic fertilizers derived from EFB.</li> <li>Minimize soil erosion.</li> </ul> </li> </ul>   | <ul style="list-style-type: none"> <li>Climate Change</li> <li>Biodiversity &amp; Responsible Land Use</li> <li>Environmental Stewardship</li> <li>Good Governance</li> <li>Risk Management</li> </ul>  |
|  <p>SDG 16: Peace, Justice, and Strong Institutions</p> | <ul style="list-style-type: none"> <li>Efforts to build peaceful relations with employees as well as external stakeholders.</li> <li>Active contribution towards social causes and promotion of employee volunteerism.</li> <li>Compliance with relevant national regulations and adherence to international agreements.</li> <li>Policy against free discrimination and grievance channel for stakeholders to raise concerns.</li> <li>Respect for employees' freedom and fundamental rights.</li> </ul> | <ul style="list-style-type: none"> <li>Safe &amp; Nurturing Work Environment</li> <li>Community Enrichment</li> <li>Good Governance</li> <li>Risk Management</li> </ul>   |
|  <p>SDG 17: Partnerships for the Goals</p>             | <ul style="list-style-type: none"> <li>Founding member of the RSPO.</li> <li>Member of the Malaysian Agricultural Producers Association ("MAPA") and All Malayan Estate Staff Union ("AMESU").</li> <li>Member of the Malaysian Palm Oil Association ("MPOA").</li> <li>Member of HCV Network.</li> </ul>   | <ul style="list-style-type: none"> <li>Climate Change</li> <li>Biodiversity &amp; Responsible Land Use</li> <li>Environmental Stewardship</li> <li>Safe &amp; Nurturing Work Environment</li> <li>Community Enrichment</li> <li>Human Rights</li> <li>Sustainable Supply Chain</li> <li>Good Governance</li> <li>Risk Management</li> </ul> |

## Sustainability Statement (cont'd)

### 13. SOCIAL MANAGEMENT (CONT'D)

#### MANAGING MATERIAL ASPECTS (CONT'D)

##### United Nations Sustainable Development Goals (Cont'd)

RSB had reviewed the significant risks and opportunities on the RSB's sustainability developments with the context of the global sustainability goals and recommendations and as well the industrial trends. The key indicators for each material aspects were reviewed and discussed periodically in the management meetings to assess and evaluate the outcomes and affiliated effects. The material aspects are shown in the following table and are discussed according to the respective related sustainability framework.

| Key Stakeholders' Concern and Expectations | Material Aspect |   | Sustainability Framework   |
|--|-----------------|---|--|
|  | 1.              | Corporate Governance                              | Business Management  |
|  | 2.              | Membership, Licenses, Certification and Assurance |  |
|  | 3.              | Stakeholders Engagement                           | Corporate Social Responsibilities Management & Business Management |
|  | 4.              | Agriculture Practices                             | Environment Management<br>Enhance better Profitability             |
|  | 5.              | Workplace Safety and Health                       | People Management<br>( WELFARE )                                   |
|  | 6.              | Workplace Well-Being                              |  |

### 14. GOVERNANCE AND BUSINESS MANAGEMENT

#### 14.1 Corporate Governance

##### Ethical Conducts and Regulatory Compliance:

RSB is dedicated to promote and uphold the highest standards of work ethics and transparency in conducting our daily business operations. The Codes of Ethics and Conduct ("Codes") is in place for the purpose to enhance and strengthen the RSB Group's corporate functions and as well to nurture good corporate behavior culture throughout the RSB Group. We sincerely believe that by maintaining the trust and confidences of all our key stakeholders, we will prolong the Sustaining Wellness to generations.

RSB do not tolerate any form of corruption, breach of conflict of interest, fraud and unethical behavior within the Group and serious disciplinary actions will be taken against any offender. Appropriate security measures are in place to protect the interest of our business.

RSB also strictly comply with applicable local, state, national and ratified international laws and regulation. Since year 2015, we have embarked on a series of activities and initiatives to comply with the Malaysian Sustainable Palm Oil ("MSPO") certification.

# Sustainability Statement (cont'd)

## 14. GOVERNANCE AND BUSINESS MANAGEMENT (CONT'D)

### 14.2 Memberships, Licenses, Certification And Assurance

#### Malaysian Sustainable Palm Oil ("MSPO") Certification:

RSB emphasizes and reviews its sustainability policy through implementation of MSPO by good governance and compliances as to its' principles, criteria and indicators.



MSPO RHPOM

MSPO SCCS RHPOM

MSPO RSBPOM

MSPO SCCS RSBPOM

MSPO Bakong



MSPO Timrest

MSPO PJPP Ulu Teru

MSPO PJPP Ekang  
Banyok

MSPO Baram  
Trading

MSPO Pelita Splendid



MSPO Formasi  
Abadi

MSPO Woodijaya

MSPO Sastat  
Holding



## Sustainability Statement (cont'd)

### 14. GOVERNANCE AND BUSINESS MANAGEMENT (CONT'D)

#### 14.2 Memberships, Licenses, Certification And Assurance (Cont'd)

##### Malaysian Sustainable Palm Oil ("MSPO") Certification: (Cont'd)



MSPO Lundu POM

MSPO SCCS  
Lundu POMMSPO PJPP  
Lundu

MSPO PJPP Biawak

RSB to make a turn around on the Group strategic and to engulf in obtaining best practices of sustainability across the groups. Through Agricultural Practices Department of Sustainability to review, audit and act as a steering team to achieve continuous balance in assessment and development. RSB emphasizing on conservation and improving the natural environment, uplifting socio-economic conditions of employees and communities around the plantations and mills.

To-date, fourteen (14) estates and all the mills of the Group had being certified with MSPO certificate and MSPO SCCS. Currently we are putting effort to further improve with Continuous Improvement Plan and we are at the stage of Recertification which is come to second cycle.

##### Malaysian Palm Oil Board ("MPOB"):

All the plantation estates and mills are registered under the Malaysian Palm Oil Board with the appropriate licenses to operate. Regulations by MPOB are strictly adhered accordingly by RSB based on its Code of Good Agricultural Practices and Code of Good Milling Practices. The current status of some Plantations are on the process of replanting with compliances to Code of Good Oil Palm Nurseries as well as replanting technics.

##### Sarawak Oil Palm Plantation Owners Association ("SOPPOA"):

RSB is the active members of SOPPOA, which is an association representing Oil Palm Plantation owners in Sarawak with the objectives among others are to promote cordial working relation between owners and all relevant parties and also collectively address issues pertaining to oil palm industry in Sarawak.

##### Traceability and Supply Chain Management:

RSB approaches and recognizes the important place by our customers and consumers on food safety, products quality and traceability on the supply chains. Traceability demonstrate the control of our operation and has open up market opportunities. We intend to be sustainable with adequate traceability in the palm oil which we have being able to offer to our customers even in the process of Supply Chain



## Sustainability Statement (cont'd)

### 14. GOVERNANCE AND BUSINESS MANAGEMENT (CONT'D)

#### 14.2 Memberships, Licenses, Certification And Assurance (Cont'd)

##### Certification Standards.

The traceability of fresh fruit bunches from third party like smallholders has much contributed to our group. The Group is keen to extend to the small holders contribution by increasing their supply to Group Mills. With this the mill has set its support on providing training and awareness on FFB grading where in return the group mills will be able to have better CPO and higher OER. The Group places great emphasis on quality assurance and process improvements.

#### 14.3 Key Stakeholders Engagement

RSB upholds the importance on the continuous and meaningful engagement with our key stakeholders. We believe that understanding and fulfilling their concerns and expectations is integral to ensure RSB Group's business continuity and sustainability.

RSB believes that these challenging issues from the business can be best solved through a collaborative efforts involving all key stakeholders. By working side by side, all parties can better understand the issues and contribute their strengths respectively.



Figure 16: Stakeholder Meeting with Government Agencies Kuching Region 2024

## Sustainability Statement (cont'd)

### 14. GOVERNANCE AND BUSINESS MANAGEMENT (CONT'D)



Figure 17: Kuching Region Stakeholder Meeting with participants from Government Agencies, neighbouring estates, local communities and land owners



Figure 18: Stakeholder Meeting with Government Agencies Miri Region 2024



Figure 19: Miri Zone 1 Stakeholder Meeting with participants from Government Agencies, neighbouring estates, local communities and land owners



Figure 20: Miri Zone 2 (PJP Pelita Ekang Banyok) Stakeholder Meeting with participants from neighboring estates, local communities and land owners

# Sustainability Statement (cont'd)

## 14. GOVERNANCE AND BUSINESS MANAGEMENT (CONT'D)

RSB utilizes different approaches to engage with the key stakeholders. Outlined below is an overview of RSB's engagement with stakeholders as well as concerns raised throughout FY2024:

| Key Stakeholder                       | Engagement Channels   | Area of Interests   |
|---------------------------------------|---|---|
| Authorities and Regulators            | <ul style="list-style-type: none"> <li>Dialogues in the organized seminars or talks;</li> <li>Site visits and inspections;</li> <li>Discussions and consultations via electronic channels.</li> </ul> | <ul style="list-style-type: none"> <li>Compliance to the statutory requirements and fulfillment of good corporate citizen responsibilities.</li> </ul>                  |
| Shareholders and Investors            | <ul style="list-style-type: none"> <li>General meetings;</li> <li>Annual Reports;</li> <li>Circulars;</li> <li>Announcements through listing platform;</li> <li>Company website.</li> </ul>           | <ul style="list-style-type: none"> <li>Return on investments;</li> <li>Business sustainability.</li> </ul>  |
| Rural Communities and Representatives | <ul style="list-style-type: none"> <li>Dialogue sessions;</li> <li>Meeting sessions;</li> <li>Strategic joint venture.</li> </ul>   | <ul style="list-style-type: none"> <li>Communities development;</li> <li>Waste management;</li> <li>Employment opportunities.</li> </ul>                                |
| Customers                             | <ul style="list-style-type: none"> <li>Phone calls and correspondence.</li> </ul>   | <ul style="list-style-type: none"> <li>Products quality;</li> <li>Compliance to statutory requirements and standards;</li> <li>Traceability of supply chain.</li> </ul> |
| Employees                             | <ul style="list-style-type: none"> <li>Memos;</li> <li>Intranet portal</li> <li>Meetings and briefing sessions.</li> </ul>  | <ul style="list-style-type: none"> <li>Career development;</li> <li>Business sustainability;</li> <li>Occupational safety and health;</li> <li>Welfare.</li> </ul>      |
| Contractors and Suppliers             | <ul style="list-style-type: none"> <li>Phone calls and correspondence;</li> <li>Meeting sessions;</li> <li>Strategic partnership.</li> </ul>  | <ul style="list-style-type: none"> <li>Business sustainability.</li> </ul>  |

### Corporate Social Responsibilities ("CSR")

#### Improving Social Wellbeing of Rural Community

RSB Group continues to prioritize its Corporate Social Responsibility (CSR) on improving the social wellbeing of rural communities near its estates and mills. These include maintenance of *kampong* roads, providing road access, and giving sponsorships to rural schools, rural government clinics, and events organized by longhouses and *kampong*.

#### Employment Opportunities for Local Rural Community

RSB had developed thousands of hectares of Native Customary Rights ("NCR") land and rural land into oil palm estates. These estates provide job opportunities to the local community, with priority to the native landowners who participated in the NCR land joint-ventured oil palm estates.

## Sustainability Statement (cont'd)

### 15. PEOPLE MANAGEMENT

#### WORKPLACE SAFETY AND HEALTH

#### CONTRIBUTE TO SAFETY & HEALTH

##### Safe & Nurturing Work Environment

#### Why Is It Important

At RSB, establishing a secure and nurturing work environment is a fundamental aspect of our sustainability agenda. Our constant commitment to this objective ensures the physical and psychological well-being of our employees remains a top priority. By prioritizing employee welfare, we actively mitigate the risks associated with an unsafe workplace, such as workplace injuries, potential long-term health complications, and even loss of life. Further to this, we recognize the significance of mental health in maintaining overall employee well-being, as its impact extends beyond the individual to affect others. To promote a healthy work culture, we proactively incorporate occupational health measures and comprehensive employee well-being initiatives, as well as foster an environment of diversity and inclusion throughout our operations. These endeavors not only enhance employee morale but also contribute to our reputation as a compassionate and responsible employer. Aligning with our core values, these efforts yield tangible benefits, including heightened employee productivity and improved overall performance, propelling us towards sustained long-term success.

#### What is Our Approach?

Prioritizing the establishment of a safe environment across all aspects of our operations has led us to carefully implement various approaches throughout our work stream to ensure the safety and well-being of our employees, contractors, visitors, and other persons throughout our activities.

##### Prevention

Implement measures to prevent work-related incidents, injuries and ill-health by eliminating hazards and reducing risk in day-to-day operations.

##### Improvement

Ensure continuous improvement by regularly reviewing and establishing a clear objective to improve the effectiveness of the safety and health throughout the organisation.

##### Compliance

Ensure all organisational activities comply and are consistent with all applicable national OSH Legislation, regulations, code of practice and OSHMS.

##### Improvement

Effectively communicate OSH Policy to internal and external stakeholders, including directors, shareholders, investors, suppliers, visitors, clients, customers, contractors and other communities who may be affected by the organisation activities.



## Sustainability Statement (cont'd)

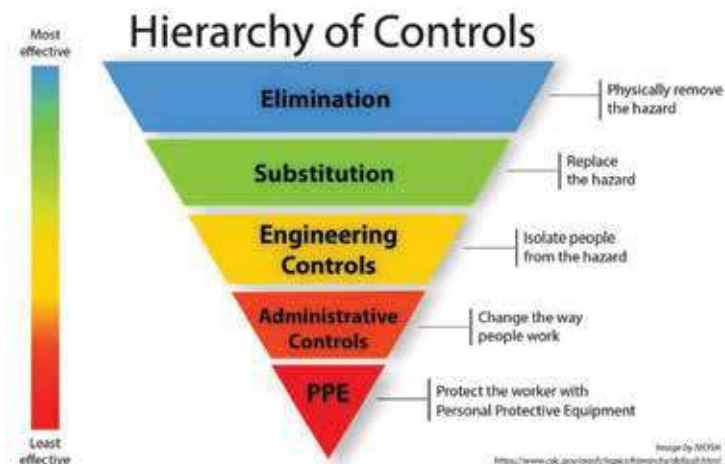
### 15. PEOPLE MANAGEMENT (CONT'D)

#### WORKPLACE SAFETY AND HEALTH (CONT'D)

#### CONTRIBUTE TO SAFETY & HEALTH (CONT'D)

##### Occupational Health and Safety (OSH)

We emphasize Occupational Safety and Health (OSH) by implementing enhanced safety protocols and corrective measures for high-risk activities. Our aim at RSB is to become a 'Zero-Accident' organization and foster a generative culture that priorities workplace health and safety. To achieve this, we utilise the Hierarchy of Control framework, which allows us to systematically address and reduce OSH risks. This framework ranks risk controls based on their level of protection and reliability, ensuring that we employ the most effective measures to eliminate or minimize potential hazards.



#### RSB COMPLIANCES ON MALAYSIAN Occupational Safety and Health (OSH) Policy

- Comply as reasonably practicable with OSH legislation, regulation, and Codes of Practice.
- Review and audit or OSH management systems regularly to ensure they remain relevant and appropriate.
- Conduct education, training and awareness programmes regularly on OSH for all parties concerned.

#### • Training and Development

We offer employees the opportunity to enhance their skills and knowledge through a well-structured training program. Following the program, training modules are designed to address competency gaps that exist, both in the present and for future requirements. We allocate and budget funds annually to support in-house as well as external training initiatives. Thus providing competency from certification programs for employees. These investments reflect our commitment to continuous development and ensure that our employees are equipped with the necessary competencies to succeed with the mission and vision.

## Sustainability Statement (cont'd)

### 15. PEOPLE MANAGEMENT (CONT'D)

#### WORKPLACE SAFETY AND HEALTH (CONT'D)

#### CONTRIBUTE TO SAFETY & HEALTH (CONT'D)

##### Occupational Health and Safety (OSH) (Cont'd)

Our approach includes various development methods, such as:

Additionally, we collaborate with Group Organisation Learning & Development (GOLD), JCorp, and other reputable training education centers to create tailored training modules that meet our specific requirements. By investing in employee development, we ensure our workforce remains equipped with essential contemporary competencies. A Training Needs Analysis is conducted yearly based on the annual approved budget and individual annual performance appraisal.

##### Establishment, Communication and Implementation

##### Occupational Safety and Health (OSH)

RSB is committed in safeguarding the safety, health and welfare of all employees, contractors, clients and general public, taking into account the statutory requirements, the relevant national and international standards and the approved codes of practices.

##### (a) OSH Policy

It is the line responsibility of all concerned, from the top management to the shop floor level, to ensure successful implementation and effectiveness of our Safety and Health Policy.

As such, RSB shall strive to ensure that:-

- i. Occupational Safety and Health concerns will be given priority on par with other business objectives.
- ii. OSH programmes are put in place, regularly reviewed and monitored to ensure continuous improvement in order to meet the requirements of ISO 45001:2018 (OSH Management System).
- iii. Holistic approaches are taken in the enterprise-wide risk management activities to promote a safe and healthy work culture, hence, inculcating risk sensitive employees for betterment of work environment for all.
- iv. Detailed arrangements are contained in the various Group's safety and health manuals, guidelines, policies, safe operating procedures and audit reports, while the implementations are monitored to ensure achievement of our objectives.
- v. Adequate resources, training and time are made available.
- vi. The OSH Policy is reviewed from time to time in light of legislative or organizational changes.

## Sustainability Statement (cont'd)

### 15. PEOPLE MANAGEMENT (CONT'D)

#### WORKPLACE SAFETY AND HEALTH (CONT'D)

#### CONTRIBUTE TO SAFETY & HEALTH (CONT'D)

#### Establishment, Communication and Implementation (Cont'd)

#### Occupational Safety and Health (OSH) (Cont'd)

##### (b) Compliance with Applicable Safety and Health Legislations

In order to ensure compliance with the applicable safety laws of Malaysia, the RSB's Safety and Health Officers and the members of the workplace's Safety and Health Committees (SHC) were required to:

- i. Gain a thorough understanding of Occupational Safety and Health Act 1994, Occupational Safety and Health (Amendment) Act 2020, Factory and Machinery Act 1967 (repealed on 1<sup>st</sup> June 2024), Pesticides Act 1974, Fire Services Act 1988, Natural Resources and Environmental Ordinance 1993, Environmental Quality Act 1974, etc.
- ii. Attend necessary training on safety courses which were conducted by external training providers, and after attended such trainings, cascade the knowledge to key operation staff and members of SHC.
- iii. Review and update, where necessary, the present legal register, safety and health policies, safe work procedures, safe operating procedures, hazard risk profiles, etc., so as to ensure compliances with the latest requirements of safety legislations.

##### (c) Operation Safety Strategy

The Group's Safety and Health Department (SHD) is the center of reference or focal point for the implementation and the monitoring of the policy by adopting the following strategies:

- i. Prepare and compile OSH policies, OSH manuals, guidelines, programmes, Safety Operating Procedures (SOP), safety training materials/manuals, crisis management plans, etc.
- ii. Draft plans and conduct safety training, toolbox briefings, risk assessments, OSH audits and MSPO audits of the operating units.
- iii. Compile hazard risk profiles and devise control strategies;
- iv. Publicize and disseminate information and current issues related to OSH, loss control, fire safety, etc.
- v. Investigate accidents/incidents and losses, compile accident reports and statistical data.
- vi. Assist in chemical health risk assessments, personal chemical exposure monitoring, noise risk assessments, audiometric tests and medical surveillance programmes.
- vii. Organize regular dialogues and discussions with stakeholders, including the employees, local communities and relevant government bodies on OSH concerns.



# Sustainability Statement (cont'd)

## 15. PEOPLE MANAGEMENT (CONT'D)

### WORKPLACE SAFETY AND HEALTH (CONT'D)

### CONTRIBUTE TO SAFETY & HEALTH (CONT'D)

#### Establishment, Communication and Implementation (Cont'd)

#### Occupational Safety and Health (OSH) (Cont'd)

##### (d) OSH Performance

The effectiveness of our OSH Management System is evaluated not only on the basis of "lagging" indicators, such as the rate of work-related incidents, injuries and ill health, but also on frequent measurement of selected "leading" indicators, which are able to provide an up-to-date and concise pictures of operational performance of OSH management processes as well as the success implementation of our safety programmes. Some of those indicators are summarized as follows:

#### Lagging Indicators

| FYE  | Average No. of Workers | Total Man-hours Worked | Accident Cases | Fatal Cases | OPD Cases | Accident Rate (per 1,000 workers) | Fatality Rate (per 1,000 workers) | OPD Rate (per 1,000 workers) | LTIFR (per 1,000,000 hrs Worked) |
|------|------------------------|------------------------|----------------|-------------|-----------|-----------------------------------|-----------------------------------|------------------------------|----------------------------------|
| 2024 | 3,010                  | 7,512,960              | 4              | 0           | 5         | 1.33                              | 0.00                              | 1.66                         | 0.53                             |
| 2023 | 2,855                  | 7,148,920              | 3              | 0           | 1         | 1.05                              | 0.00                              | 0.35                         | 0.42                             |
| 2022 | 2,270                  | 5,665,920              | 4              | 1           | 3         | 1.76                              | 0.44                              | 1.45                         | 0.71                             |
| 2021 | 2,072                  | 5,188,288              | 28             | 0           | 0         | 13.53                             | 0.00                              | 0.00                         | 5.39                             |
| 2020 | 2,491                  | 6,217,453              | 34             | 0           | 0         | 13.65                             | 0.00                              | 0.00                         | 5.47                             |
| 2019 | 3,028                  | 7,557,888              | 57             | 0           | 0         | 18.82                             | 0.00                              | 0.00                         | 7.54                             |
| 2018 | 3,559                  | 8,883,264              | 32             | 0           | 0         | 8.99                              | 0.00                              | 0.00                         | 3.60                             |

##### i. Occupational Accident Record

Accident Record is a major tool used to evaluate our OSH performance through the monitoring of Incident Rate, which represented the number of accidents per 1,000 workers, and Lost Time Injury Frequency Rate ("LTIFR"), which represented the number of accidents with lost days for every 1,000,000 man-hours worked.

Our group had managed to maintain "zero fatality" in all our operations for two straight years during the period of FYE2023 and FYE2024. Unfortunately, for FYE2022, one fatality was reported. The occupational accident (injury) case increased from three cases in 2023, to four cases in 2024.

Likewise, Accident Rate had also increased slightly from 1.05 for FYE2023 to 1.33 for FYE2024.

The LTIFR had also increased slightly from 0.42% for FYE2023 to 0.53% for FYE2024.

Sustainability Statement  
(cont'd)

## 15. PEOPLE MANAGEMENT (CONT'D)

## WORKPLACE SAFETY AND HEALTH (CONT'D)

## CONTRIBUTE TO SAFETY &amp; HEALTH (CONT'D)

## Establishment, Communication and Implementation (Cont'd)

Occupational Safety and Health (OSH) (Cont'd)

## (d) OSH Performance (Cont'd)

ii. Occupational Diseases & Poisoning Record

It was reported that there were five cases of hearing impairment involving the workers at RSB Palm Oil Mill, Bakong and Timrest Estate in FYE2024. They were duly reported by our consultant (Klinik Dr Cheu) to DOSH Kuching via "Borang JKPP7".

Leading Indicators

OSH Training and Scheduled Activities

| FYE  | In-house OSH Training (sessions/ attendance) | Tool-box Briefing (sessions/ attendance) | Trained First Aiders (pax) | OSH Internal Audits (sessions) | SHC Meeting (% completed) | HIRARC (% completed) |
|------|--|--|----------------------------|--------------------------------|---------------------------|----------------------|
| 2024 | 27 (219)                                     | 669 (6,621)                              | 102                        | 9                              | 96.43%                    | 100%                 |
| 2023 | 31   | 666                                      | 99                         | 16                             | 95.00%                    | 100%                 |
| 2022 | 28   | 696                                      | 99                         | 15                             | 87.50%                    | 100%                 |
| 2021 | 30   | 748                                      | -                          | 1                              | 68.75%                    | 100%                 |

iii. In-house OSH Training FYE2024

The following is the list of the In-house OSH Training titles done in FYE2024 that were organized by SHD:

- Keselamatan Pengendalian Kimia (Kilang);
- Keselamatan Pengendalian Racun (Ladang);
- Emergency Respond Plan & Fire Fighting; and
- Emergency First Aid at Workplace.

The training are conducted onsite regionally, where our oil palm estates and palm oil mills are located. 27 sessions of in-house safety training, with a total attendance of 219, managed to be done in FYE2024 even though the safety team was heavily involved in MSPO activities.

# Sustainability Statement (cont'd)

## 15. PEOPLE MANAGEMENT (CONT'D)

### WORKPLACE SAFETY AND HEALTH (CONT'D)

#### CONTRIBUTE TO SAFETY & HEALTH (CONT'D)

##### Establishment, Communication and Implementation (Cont'd)

##### Occupational Safety and Health (OSH) (Cont'd)

##### (d) OSH Performance (Cont'd)

##### iv. Safety Tool Box Briefing FYE2024

The tool box briefing titles are mainly sourced from the Company's SOP, Safety and Health Policy, case studies, safety bulletins and other official OSH channels. Briefing were conducted by the estate/mill own Safety and Health Committees (SHC) and the SHD officers from HQ at the various work sites at all regions, attended by participants who are mostly mill workers, field supervisors and general field workers. The 669 sessions of toolbox briefings, with a total attendance of 6,621, were properly recorded and reported accordingly.

##### v. Fire Fighting Training and Exercise

A series of fire-fighting demos were parts of our in-house training on Emergency Response Plan (ERP) and Fire-Fighting. They served the purpose to demonstrate to the Emergency Respond Team (ERT) members and employees, the correct ways of rescuing casualties, salvaging of important assets and fighting small fires using available fire extinguishers, hence, to enhance their skills and confidence in responding to fire incidents.

##### vi. Emergency Drill

Emergency drills involved all occupants of Regional/HQ offices, mills, estates, etc. They are conducted yearly in order to familiarize all concerned with the correct procedures of initiating evacuation and the proper ways of evacuation so as to avoid panic in the event of real emergencies. Head counts are done by the respective ERT wardens so that all occupants are

##### vii. OSH Internal Audit FYE2024

Our safety audit teams from SHD based at Sibu headquarters managed to conduct 9 sessions of OSH internal audits to estates and mills for FYE2024, albeit our heavy involvement in MSOP audits. The audits were conducted in order to:

- a) Ascertain the extent of compliance with our OSH Management System and MSPO requirements;
- b) Grade the estates and mills in accordance with its efforts towards OSH compliances; and
- c) Make recommendations to improve safety and health standards at the workplace.

75 elements were examined at oil palm estates and 78 elements for palm oil mills as per our OSH Internal Audits Report format.

## Sustainability Statement (cont'd)

### 15. PEOPLE MANAGEMENT (CONT'D)

#### WORKPLACE SAFETY AND HEALTH (CONT'D)

#### CONTRIBUTE TO SAFETY & HEALTH (CONT'D)

#### Establishment, Communication and Implementation (Cont'd)

#### Occupational Safety and Health (OSH) (Cont'd)

##### (d) OSH Performance (Cont'd)

##### viii. Workplace Inspection

Quarterly workplace inspections were done by the estates and mills SHC members not later than a week prior to conducting the SHC meetings so that the findings of the inspections could be discussed during that meetings.

##### ix. Safety and Health Committee (SHC) Meeting

The meetings, which were done quarterly, were convened by the estates and mills SHC to discuss and rectify workplace safety and health issues. The respective chairmen of the SHC for every mill/estate are the managers of the estates/mills with members comprising the key executives (employer representatives) and the able workers (employee representatives representing both locals and foreign workers). 96.43% of meetings were successfully conducted for FYE2024. Meeting proceedings were properly recorded and reported by the committees' secretaries accordingly, using the standard formats.

##### x. Hazards Identification, Risk Assessment & Risk Control (HIRARC)

All tasks in the estates and mills were assessed and documented in HIRARC register. All records are well documented and compiled. HIRARC registers for all mills and estates are to be revised yearly or when directed by Department of Occupational Safety and Health Malaysia (DOSH) (on certain tasks), to ascertain the risk level of current tasks before and after application of safety measures so that priority could be assigned on those tasks with significant risks.

##### x. Hazards Identification, Risk Assessment & Risk Control (HIRARC) (Cont'd)

Major safety and health risks are reported to the Group's Risk Management Committee who meets quarterly to discuss further on the mitigation measures. Six major Risk Profiles had been mitigated and 100% completed in FYE2023 and only left one risk in 2024 as follows:

- a) SH09: Dry climate & GHG gas emission from peatland may cause spontaneous ignition and lead to bush fire that can destroy palm trees & company's properties. During the 1st and 4th Quarter of 2024, the climate was quite wet due to monsoon rain, the risk of bush fire is very much lower.

# Sustainability Statement (cont'd)

## 15. PEOPLE MANAGEMENT (CONT'D)

### WORKPLACE SAFETY AND HEALTH (CONT'D)

### CONTRIBUTE TO SAFETY & HEALTH (CONT'D)

#### Establishment, Communication and Implementation (Cont'd)

#### Occupational Safety and Health (OSH) (Cont'd)

(d) OSH Performance (Cont'd)

xi. Personal Protective Equipment (PPE)

Company's PPE Policy is well established and publicized to specify what types of PPE to use at certain work areas and for certain tasks based on JSA, SOP & HIRARC recommendations. It provides clear guides for employer/employees on mandatory requirements, issuance terms, and timeline for next issuance as well as emphasizing the importance of wearing PPE for ultimate personal protection. Compliances on usage were diligently supervised by supervisors at the worksites.

#### Industrial Hygiene Activities

| No | Occupational Health Surveillance Programme | 2021 (session/pax) | 2022 (session/pax) | 2023 (session/pax) | 2024 (session/pax) |
|----|--|--------------------|--------------------|--------------------|--------------------|
| 1  | CHRA (every 5 yrs)                         | 0                  | 14                 | 0                  | 1                  |
| 2  | PCEM                                       | 18                 | 0                  | 0                  | 12 (134)           |
| 3  | NRA (every 5 yrs)                          | 17                 | 0                  | 0                  | 0                  |
| 4  | Medical Surveillance                       | 10 (36 pax)        | 7 (17 pax)         | 14 (31pax)         | 14 (34 pax)        |
| 5  | Audiometric Test                           | 2 (59 pax)         | 14 (66 pax)        | 15 (94pax)         | 12 (76 pax)        |

xii. Personal Chemical Exposure Monitoring (PCEM)

DOSH registered Hygiene Techs were engaged to conduct the PCEM on pesticides handlers, welders, lab technicians, etc, once per year to quantify employee's exposures to chemicals, to evaluate effectiveness of existing control measures and to recommend for improvement. In FYE, a total of 12 sessions of PCEM were conducted at our estates and mills, involving a total of 134 personnel who were identified as risk group as indicated in the CHRA reports.

# Sustainability Statement (cont'd)

## 15. PEOPLE MANAGEMENT (CONT'D)

### WORKPLACE SAFETY AND HEALTH (CONT'D)

### CONTRIBUTE TO SAFETY & HEALTH (CONT'D)

#### Establishment, Communication and Implementation (Cont'd)

#### Occupational Safety and Health (OSH) (Cont'd)

##### (d) OSH Performance (Cont'd)

##### xiii. Chemical Health Risk Assessment (CHRA)

DOSH registered assessors or "pengapit" were engaged to perform CHRA on our mills and estates once in every five years to assess the risks in the use of hazardous chemicals in accordance with Use & Standard of Exposure of Chemicals Hazardous to Health Regulations. The most recent ones were done at 12 oil palm estates and one CPO mills were completed in 2023, one CPO mill in 2024 and will be re-assessed in 2028 and 2029 respectively.

##### xiv. Noise Risk Assessment (NRA)

DOSH registered Hygiene Techs were engaged to perform NRA to identify high noise areas in the mills as well as personal monitoring to determine employee exposure level to noise and the effectiveness of control measures that are in place. The last round of NRA were done in year 2021 and will be reassessed in 2026 (once in every five years).

##### xv. Audiometric Tests (AT)

In FYE2024, the Hygiene Techs carried out the AT following the conduct of NRA at 12 operating units, involving 76 personnel who were identified as "high risk" as per NRA reports.

##### xvi. Medical Surveillance Programme

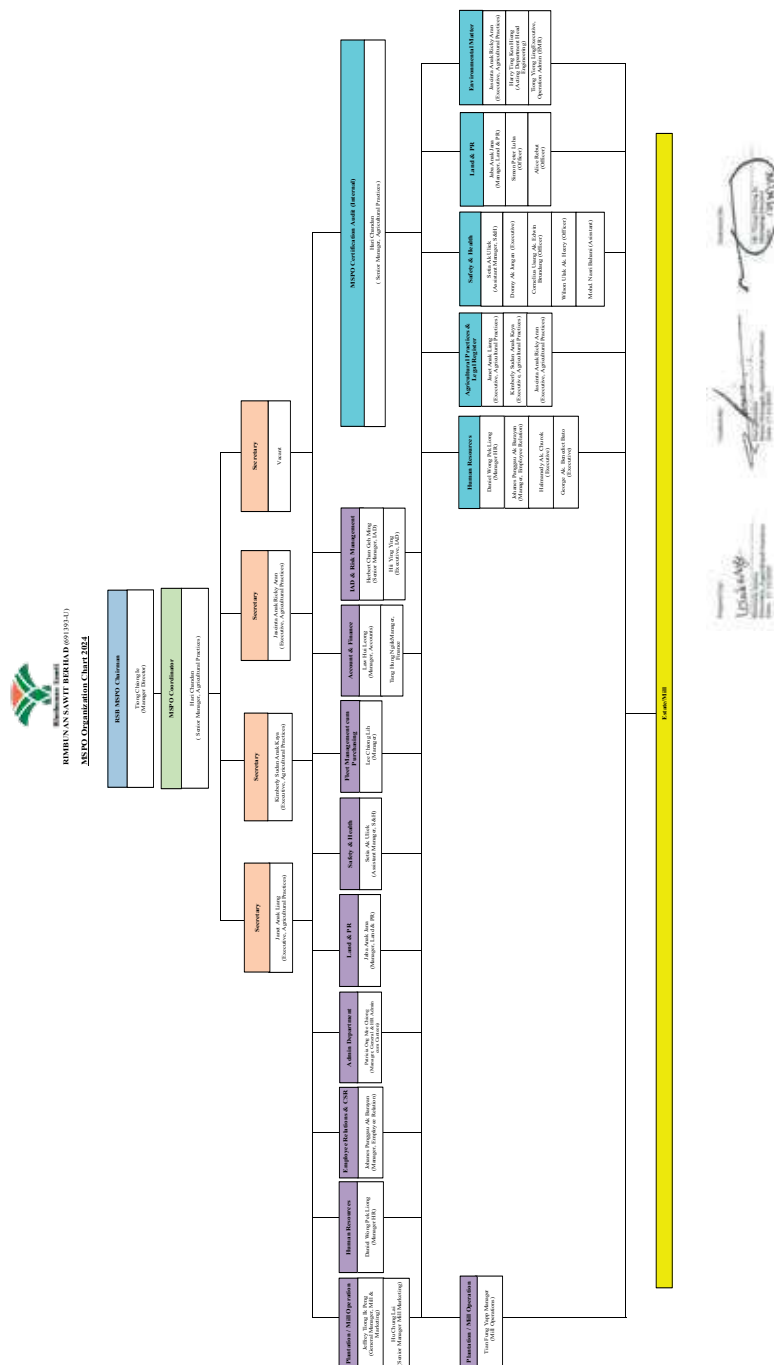
Based on the recommendations in the CHRA Reports, certain chemical handlers, workshop/lab technicians or any other persons being exposed to chemicals hazardous to health are required to undergo PCEM conducted by Hygiene Techs and, later on, periodic medical surveillance, by appointed Occupational Health Doctor (OHD). Medical records would be audited to ensure compliances. FY2024, all the 13 RSB premises had sent their workers (34 pax) who had been identified as "high risk group" for chemical surveillance.

##### xvii. Field Roads Maintenance & Posting of Traffic Signs

Adequate posting of traffic signs and scheduled road maintenance are consistently carried out to ensure better accessibility and safe navigation of field roads. The road maintenance teams carried out daily inspection to identify those road sections which were hazardous that would require prompt repair and posting of traffic signs or upgrades.

## Sustainability Statement (cont'd)

## 16. MALAYSIAN SUSTAINABLE PALM OIL ORGANIZATION CHART FOR RIMBUNAN SAWIT BERHAD





# Sustainability Statement (cont'd)

## 17. MARKETING STRATEGY DATA FOR PLANTATION AND MILL

Sustainability impact to achieve smooth operation through continuous procurement for crop productivity and availability of sufficient crop for processing activities.

| Our Approach             | What We Do   |
|--------------------------|--|
| Policies and Procedures  | <ul style="list-style-type: none"> <li>Develop and review six specific policies and procedures to guide ethical conduct and address corruption issues to help employees navigate potential ethical dilemmas.</li> <li>Establish the Code of Business Ethics (COBE) by management.</li> </ul> |
| Limit of Authority (LOA) | <ul style="list-style-type: none"> <li>Establish the LOA to manage levels of approval and authority limits effectively and efficiently throughout RSB.</li> </ul>  |
| Monitoring and Auditing  | <ul style="list-style-type: none"> <li>Conduct regular monitoring to assess compliance and identify potential breaches.</li> </ul>   |
| Training and Awareness   | <ul style="list-style-type: none"> <li>Provide regular programmes to educate employees about ethical standards, anti-corruption laws, and RSB's policies and procedures.</li> </ul>  |
| Stakeholder Engagement   | <ul style="list-style-type: none"> <li>Provide a few channels for employees and stakeholders to report or submit their complaints through RSB Whistle-blowing Channels via email, E-Form, report, telephone or personally meet the Head of the Integrity Unit.</li> </ul>                    |
| Continuous Improvement   | <ul style="list-style-type: none"> <li>Conduct regular reviews and enhance our ethics and anti-corruption programmes.</li> </ul>   |

| Palm Product Yield (PPY) Charter Palm |   |
|---------------------------------------|---|
| Our Approach                          | What we do  |
| Good Replanting Practices             | Conduct progressive replanting at three to four per cent of total planted areas to sustain age profile.                           |
| Improvement in planting material      | Use advanced planting materials such as Dura x Pisifera (DxP) from Felda (Yagambi) and UP.  |
| Good Nursery Management               | Implement and comply with the Code of Nursery Practice for oil palm Nursery (CoPN).   |
| Good Agricultural Practices           | Expand our mechanisation programme for in-field evacuation and field maintenance to reduce reliance on manual labour/contractors. |
| Performance Tracking                  | Reduce dependency on contractors in harvesting.   |

## Sustainability Statement (cont'd)

### 17. MARKETING STRATEGY DATA FOR PLANTATION AND MILL (CONT'D)

#### Budget 2025

|                  | Oil Palm<br>('000) | Mill<br>('000) | Trading<br>& Services<br>('000) | Total<br>('000) |
|------------------|--------------------|----------------|---------------------------------|-----------------|
| Operation Costs  | 201,900            | 647,700        | 25,300                          | 874,900         |
| CAPEX            | 28,600             | 30,500         | 1,300                           | 60,400          |
| PDE <sup>^</sup> | 35,200             | -              | -                               | 35,200          |
|                  | 265,700            | 678,200        | 26,600                          | 970,500         |

<sup>^</sup> PDE=Plantation Development Expenditures - Including Immature Oil Palm (3,448ha, 15.7millions), Second Generation Planting (627ha, 1.1millions), Replanting (2,576ha, 15.2millions) & Nursery (34ha, 3.1millions)

In the year 2025, our estates are strategically planned to harvest an impressive 341,180 metric tonnes of fresh fruit bunches (FFB), each fetching an average price of RM670 per metric tonne. Simultaneously, our mills are geared to process 833,107 metric tonnes of FFB, targeting an Oil Extraction Rate (OER) of 19.50% and a Kernel Extraction Rate (KER) of 3.80%-4.5%. The anticipated production includes 162,456 metric tonnes of crude palm oil and 35,664 metric tonnes of palm kernel. To support these endeavors, an overall budget of RM201.9 million, RM647.7 million, and RM25.3 million is allocated for estates, mills, and trading, respectively. Additionally, strategic capital expenditures are budgeted with RM28.6 million for estates, RM30.5 million for mills, and RM1.3 million for trading. Notably, our commitment to plantation development encompasses expenditures on immature oil palm (3,448 ha, RM15.7 million), second generation planting (672 ha, RM1.1 million), replanting (2,576 ha, RM15.2 million) and nursery (34 ha, RM3.1 million). This comprehensive approach underscores our dedication to sustainable growth and productivity.

Sustainability Statement  
(cont'd)

## 17. MARKETING STRATEGY DATA FOR PLANTATION AND MILL (CONT'D)

Budget 2024

|                  | Oil Palm<br>('000) | Mill<br>('000) | Trading<br>& Services<br>('000) | Total<br>('000) |
|------------------|--------------------|----------------|---------------------------------|-----------------|
| Operation Costs  | 191,000            | 408,000        | 31,000                          | 630,000         |
| CAPEX            | 18,000             | 7,000          | 500                             | 25,500          |
| PDE <sup>^</sup> | 34,000             | -              | -                               | 34,000          |
|                  | 243,000            | 415,000        | 31,500                          | 689,500         |

<sup>^</sup> PDE=Plantation Development Expenditures - Including Immature Oil Palm (2,824ha, 11millions), Land Preparation for Replanting (3,435ha, 18millions), New Development (522ha, 1millions) & Nursery (51ha, 4millions)

In the fiscal year 2024, our estates are strategically planned to harvest an impressive 352,126 metric tonnes of fresh fruit bunches (FFB), each fetching an average price of RM648 per metric tonne. Simultaneously, our mills are geared to process 535,030 metric tonnes of FFB, targeting an Oil Extraction Rate (OER) of 19.60% and a Kernel Extraction Rate (KER) of 4.50% on average. The anticipated production includes 104,831 metric tonnes of crude palm oil and 24,076 metric tonnes of palm kernel. To support these endeavors, an overall budget of RM191 million, RM408 million, and RM31 million is allocated for estates, mills, and trading, respectively. Additionally, strategic capital expenditures are budgeted with RM18 million for estates, RM7 million for mills, and RM500,000 for trading. Notably, our commitment to plantation development encompasses expenditures on immature oil palm (2,824 ha, RM11 million), land preparation for replanting (3,435 ha, RM18 million), new development (522 ha, RM1 million), and nursery (51 ha, RM4 million). This comprehensive approach underscores our dedication to sustainable growth and productivity.

**17.1 Strategic Plan**

Rimbunan Sawit Group of Companies have a proper strategic plan for both estates and mills in order to achieve all objectives as outlined below:

# Sustainability Statement (cont'd)

## 17. MARKETING STRATEGY DATA FOR PLANTATION AND MILL (CONT'D)

### STRATEGIC PLAN

#### ESTATES:

#### SELANGAU REGION:

To achieve good yield per HA and quality standards on fresh fruit bunches (FFB).

1. Water Management – Flooding
  - To minimize disruptions to all plantation activities during wet or unfavourable weather:
- 1.1 Construction & completion of Perimeter Earthen Bund
  - 1.1.1 The construction of the perimeter earthen bund along the estate's rivers and boundary drains commenced in Y2022.
  - 1.1.2 The completion of the perimeter earthen bund expected to be completed in Y2024/ Y2025.



## Sustainability Statement (cont'd)

### 17. MARKETING STRATEGY DATA FOR PLANTATION AND MILL (CONT'D)

#### STRATEGIC PLAN (CONT'D)

#### ESTATES: (Cont'd)

#### SELANGAU REGION: (Cont'd)

1. Water Management – Flooding (Cont'd)
  - 1.2 Repair & maintenance of Completed Perimeter Earthen Bund
    - One (1) unit of new super long arm excavator will be purchased in Y2025 for use in the repair & maintenance of completed perimeter earthen bund.
  - 1.3 HDPE Pipes with Flap Gate
    - High density polyethylene (HDPE) Pipes with flap gate had been installed at the main drains adjoining to the rivers.
  - 1.3.1 To discharge excess water (outflow) from estate to the adjacent river or boundary drain when the water level at the adjoining river or boundary drain is lower than the main drain in the estate;
  - 1.3.2 To prevent excess water (inflow) from adjacent river or boundary drain into estate during wet weather and hence caused flooding.



## Sustainability Statement (cont'd)

### 17. MARKETING STRATEGY DATA FOR PLANTATION AND MILL (CONT'D)

#### STRATEGIC PLAN (CONT'D)

#### ESTATES: (Cont'd)

#### SELANGAU REGION: (Cont'd)

#### 1. Water Management – Flooding (Cont'd)

##### 1.4 Water Pump House & Engine Pump

1.4.1 In Year 2024, there are two (2) water pump houses installed with engine Pumps in use at strategic locations so as to pump excess water within the estate from main onto the nearby rivers during wet weather.

1.4.2 In Year 2025, additional two (2) water pump houses will be constructed and engine pumps.





## Sustainability Statement (cont'd)

### 17. MARKETING STRATEGY DATA FOR PLANTATION AND MILL (CONT'D)

#### STRATEGIC PLAN (CONT'D)

#### ESTATES: (Cont'd)

#### SELANGAU REGION: (Cont'd)

1. Water Management – Flooding (Cont'd)
  - 1.5 Desilting Drains
    - To desilt main drains timely so as to facilitate smooth water flow within the and discharge of excess rain water into the nearby rivers.
2. Roads Accessibility
  - To carry out effective & efficient roads repair & maintenance to ensure smooth accessibility for plantation activities at all times.





# Sustainability Statement (cont'd)

## 17. MARKETING STRATEGY DATA FOR PLANTATION AND MILL (CONT'D)

### STRATEGIC PLAN (CONT'D)

#### ESTATES: (Cont'd)

#### SELANGAU REGION: (Cont'd)

#### 3. Field Conditions

- There are four (4) units of new excavators with operating weight of each unit not exceeding 7,500 kg, shall continue to carry out field upkeep & maintenance works, desilting of field & collection drains.



#### 4. Manuring

To carry out the approved manuring program on the basis of timeliness & cost effectiveness.

- 4.1 To monitor achievement of planned manuring program versus actual % of hectares manured.
- 4.2 To compare cost per hectares budgeted with actual cost incurred to ensure all costs are rational.
- 4.3 To maintain effective communication with purchasing department to ensure on time fertilizer delivery (quantity & quality).

## Sustainability Statement (cont'd)

### 17. MARKETING STRATEGY DATA FOR PLANTATION AND MILL (CONT'D)

#### STRATEGIC PLAN (CONT'D)

#### ESTATES: (Cont'd)

#### SELANGAU REGION: (Cont'd)

5. Weeding  
To carry out the approved weeding program on the basis of timeliness & cost effectiveness.
  - 5.1 To monitor achievement of planned weeding program versus actual % of hectares applied.
  - 5.2 To compare cost per hectares budgeted with actual cost incurred to ensure all costs are rational.
  - 5.3 To maintain effective communication with purchasing department to ensure on time chemicals delivery (quantity & quality).
6. Vehicle Fleets
  - Ongoing replacement (Y2024/2025) for those aging vehicles with high downtimes, low productivity, costly to repair & maintain.
- 6.1 FFB Internal Transportation
  - 6.1.1 Farm Tractor
    - Y2024 - Eleven (11) units of new Farm Tractor had replaced the existing aging units of farm tractor and lorry.



## Sustainability Statement (cont'd)

### 17. MARKETING STRATEGY DATA FOR PLANTATION AND MILL (CONT'D)

#### STRATEGIC PLAN (CONT'D)

#### ESTATES: (Cont'd)

#### SELANGAU REGION: (Cont'd)

#### 6. Vehicle Fleets (Cont'd)

##### 6.1 FFB Internal Transportation (Cont'd)

##### 6.1.2 Crawler

- Y2024 - Three (3) units of new Crawler had replaced the existing aging units.
- Y2025 – One (1) unit of new Crawler to be arranged.



##### 6.1.3 Lorry Hook lift

- Y2024 - Three (3) units of new Lorry Hook lift had replaced the existing aging units.





## Sustainability Statement (cont'd)

### 17. MARKETING STRATEGY DATA FOR PLANTATION AND MILL (CONT'D)

#### STRATEGIC PLAN (CONT'D)

#### ESTATES: (Cont'd)

#### SELANGAU REGION: (Cont'd)

#### 6. Vehicle Fleets (Cont'd)

##### 6.1 FFB Internal Transportation (Cont'd)

##### 6.1.4 Lorry Truck

- Y2024 - Three (3) units of new Lorry Truck had replaced the existing aging units.



##### 6.2 FFB Loading (Ramp)

- Y2025 - One (1) unit of new Backhoe Loader for FFB loading at Ramp to be arranged and replaced the existing aging unit.

##### 6.3 Repair & Maintenance (Roads, Drains & Culverts)

- Y2025 - Four (4) units of new lorry to be arranged for carrying soil & gravel to do repair and maintenance of roads, drains and culverts.
- Y2025 - One (1) unit of new excavator to be arranged for carrying out repair & maintenance of field roads.
- Y2025 - One (1) unit of new Crawler Carrier to be arranged for carrying out upgrading, repair & maintenance of field roads.

##### 6.4 Field Supervision

- Y2024 - One (1) unit of new Single Cab and one (1) unit of new Double Cab for enhancing field supervision was arranged & replaced two of the existing aging units.
- Y2025 - One (1) unit of new Double Cab for enhancing field supervision to be arranged & replaced one of the existing aging unit.

##### 6.5 Technical Support & Services (Workshop)

- Y2024 - One (1) unit of new Single Cab for enhancing technical support & services (Workshop) was arranged & replaced for one of the existing aging unit.

## Sustainability Statement (cont'd)

## 17. MARKETING STRATEGY DATA FOR PLANTATION AND MILL (CONT'D)

## STRATEGIC PLAN (CONT'D)

### ESTATES: (Cont'd)

**SELANGAU REGION: (Cont'd)**

## 7. Mechanization

To emphasize and priorities mechanization in plantation to reduce dependency of labour. To train workers to achieve maximum working output or productivity.

### 7.1 FFB internal Transportation (Loading)

Y2025 - One (1) unit of new Farm Tractor with Grabber to be arranged for internal FFB loading. To implement subsequent unit(s) should the 1st unit implemented satisfactorily.

## 7.2 Weeding

Continue to use the existing four (4) units of crawler for mechanical weeding.

## 8. Working & Living Environment

To establish and maintain favorable living & working environment.

## 8.1 Building

A. Staff Quarter

- The new staff quarter (10 doors) was constructed & completed in Y2024.



## B. Labour Quarter (TKI)

- The new labour quarter TKI (10 doors) was constructed & completed in Y2024.



## Sustainability Statement (cont'd)

### 17. MARKETING STRATEGY DATA FOR PLANTATION AND MILL (CONT'D)

#### STRATEGIC PLAN (CONT'D)

#### ESTATES: (Cont'd)

#### SELANGAU REGION: (Cont'd)

#### 8. Working & Living Environment (Cont'd)

##### 8.1 Building (Cont'd)

##### B. Labour Quarter (TKI) (Cont'd)

- Two (2) new blocks (each block 10 units) permanent concrete labour quarter (TKI) will be built in Y2025.
- Renovation works will be carried out on one (1) of the existing block of labour quarter (TKI) & one (1) of the existing block of staff quarter will be carried out in Y2025.

##### C. Security Main Post

- The new security main post was constructed & completed in Y2024.



##### 8.2 Infrastructure

##### A. Ramps

- The repair & maintenance work was carried out and completed in Y2024 for safe & smooth FFB loading & external transportation from estate to palm oil mill.



# Sustainability Statement (cont'd)

## 17. MARKETING STRATEGY DATA FOR PLANTATION AND MILL (CONT'D)

### STRATEGIC PLAN (CONT'D)

#### ESTATES: (Cont'd)

#### SELANGAU REGION: (Cont'd)

#### 8. Working & Living Environment (Cont'd)

##### 8.2 Infrastructure (Cont'd)

- B. Steel bridge (along the main access road)
- The repair & maintenance work was carried out & completed in Y2024 for safe & smooth FFB external transportation from estate to palm oil mill.



- C. Electricity Supply
- The upgrading work was carried out and completed in Y2024 for stable & safe electricity supply to staff & labour quarter (TKI).



#### 9. Good Agricultural Practices

Estates will ensure good agricultural practices to be guided by up-to-date Rimbunan Sawit Agricultural Manual at all times.

#### 10. Fleet & Store Management

- 10.1 To maintain 90% machinery utilization in good condition at all times.
- 10.2 To perform monthly stock take and to complete summary of SAP Stock Take Variance Report indicates category amount (RM), follow up action, action by, due date status. Target is to achieve nil stock variance. I.e. Physical stocks (actual Stock counted) = Stock Movement Record - SMR (Stock In/Out/Balance) = SAP System.
- 10.3 To practice to maintain average of 2 months stock level, and to define ideal stock level for major stock items and trigger PRF upon reorder level by using Stock of Material Report (SAP) monthly.



## Sustainability Statement (cont'd)

### 17. MARKETING STRATEGY DATA FOR PLANTATION AND MILL (CONT'D)

#### STRATEGIC PLAN (CONT'D)

#### ESTATES: (Cont'd)

#### SELANGAU REGION: (Cont'd)

#### 11. Safety & Health

- 11.1 To promote, carry out & maintain safety & health program at all times.
- 11.2 To carry out & comply closely with occupational safety and health (OSH) internal audit checklist & scoresheet.
- 11.3 Estate to achieve Grade A in Occupational Safety & Health (OSH) Internal Audit Checklist & Scoresheet (A-E) with Low-Risk Rating (Low, Moderate, and High). To ascertain the extent of compliance with company OSH Mgmt System, to grade the estate in accordance with efforts towards compliance, and to make recommendations to improve safety & health standards at the workplace.

#### 12. Statutory Requirement (MSPO) Compliance

- 12.1 Environmental compliance
  - To ensure no notice or penalty received from any relevant authorities (FMA, EQA, Ordinance, etc.) by reducing chemical usage, and disallow burning activities which comply with Environment Department guidelines.
- 12.2 Safety and health compliance
  - To ensure no Notice of Improvement (NOI), Notice of Prohibition (NOP) or penalty received from DOSH.

#### 13. Revenue on FFB Sales

To meet the customers (Palm Oil Mills) required standard & satisfaction on FFB quality at all times

#### 13.1 Quality Deduction (MT; % of OER/KER)

- To achieve maximum revenue on monthly FFB Sales.  
Minimum or no revenue loss due to any quality deduction by Palm oil mill.

#### 13.2 FFB Quality Grading & Delivery Reports

- To monitor the Daily FFB Grading & Delivery reports and follow up corrective actions with the estate management team.



## Sustainability Statement (cont'd)

### 17. MARKETING STRATEGY DATA FOR PLANTATION AND MILL (CONT'D)

#### STRATEGIC PLAN (CONT'D)

#### ESTATES: (Cont'd)

#### SELANGAU REGION: (Cont'd)

#### 13. Revenue on FFB Sales (Cont'd)

##### 13.2 FFB Quality Grading & Delivery Reports



- A. To establish and maintain effective communication with the Palm Oil Mill Manager whenever deemed necessary for issues on FFB quality grading standard & deduction.
  - B. To ensure FFB field & ramp balance is less than 20% of daily harvested FFB.
  - C. To monitor closely & coordinate effectively on external transportation vehicles to ensure smooth & timely sending of FFB to the palm oil mill with minimum damage, delay & contamination.
  - D. To ensure timeliness in external FFB transportation thru Daily FFB Sales Report from estate's Weighbridge system, Daily Dispatch Variance & Production Report. Any trip with crop dispatch variance  $\geq 2\%$  noticed in the Daily Dispatch Variance Report must be justified with remedial action timely.
14. Operating Profit  
To achieve or exceed targeted Gross Profit Margin (= or  $>40\%$ ) with optimum production costs.
- 14.1 To monitor & control monthly expenditures prudently, ensuring production costs are in line with the yearly approved budget, otherwise immediate remedial measures must be taken.
  - 14.2 Budget for the year to be reviewed at six-month interval, as factors such as changing environment, unexpected expenditures, which required further approval from top management.

## Sustainability Statement (cont'd)

### 17. MARKETING STRATEGY DATA FOR PLANTATION AND MILL (CONT'D)

#### STRATEGIC PLAN (CONT'D)

#### ESTATES: (Cont'd)

#### KUCHING AND MIRI REGION:

1. Replanting & Replenish Vacant Points
  - 1.1 It is vital to increase stems per hectare of all planted areas if possible, to a level of 136 SPH, or 150 SPH based on the terrain and land formation. Each palm will contribute to the FFB production and assist the estate to achieve economies of scales.
  - 1.2 Right now in flat and undulating terrain, IOI has attained to 153 SPH in general for its second or third replanting.
2. FFB Yield
  - 2.1 Strictly adhere to Good Agriculture Practices to increase FFB yield with overall below 5% of unripe, buah menggag, buah muda and other such as dirty rotten and long stalk FFB.
  - 2.2 Estate field staff, mandores, field conductors will need to be trained for the grading and any unripe bunches must be refrained from harvesting and can leave it to the next round of harvesting, 10-12 days interval.
3. Workers Productivity
  - 3.1 Skilled labor especially harvesters, partly through technology advancement and mechanization. Repetitive and laborious tasks can be carried out by machine and equipment and longer hours involving strength of harvesters can be better enhanced.
  - 3.2 Mechanization and automation will assist in carrying out of several tasks in a wide spectrum to reduce energy of manual work force and better achievement of daily and routine works with a wider coverage of area being harvested or chemical weeding process. In simpler term, use of machine and equipment to better release of energy output by the manual harvesters and field workers.
4. Oil Extraction Rate
  - 4.1 Better clonal varieties that can easily achieve 22 to 25% OER must be sourced for replanting purposes as we have 3 palm oil mills which has the better profit drivers.
  - 4.2 By planting better oil palm varieties that can have better OER will put RSB Group in better financial outlook as about 30% of the mills input are generated from own estates which is of vital importance as any 1% increase. This will contribute significantly to RSB group profitability and abundant cash flows.

# Sustainability Statement (cont'd)

## 17. MARKETING STRATEGY DATA FOR PLANTATION AND MILL (CONT'D)

### STRATEGIC PLAN (CONT'D)

#### ESTATES: (Cont'd)

#### KUCHING AND MIRI REGION: (Cont'd)

##### 5. Nutrient Management

- 5.1 A proper nutrient application guidelines to minimize leaching, surface runoff and the right amount to provide a sustainable balance of nutrients for soil health in order to improve our oil palm productivity.
- 5.2 Nutrients come from the soil & earth itself, organic matters and also chemical fertilizer besides organic type. We need to emphasize on three main nutrients, they are, nitrogen, phosphorus, and potassium (NPK). At times, LCC legume cover crops can be used to help supply the nitrogen for our oil palm.
- 5.3 Other nutrients such as calcium, magnesium can be regarded as secondary nutrients whereas trace elements such as manganese, zinc, copper, boron and etc are also essential for the plant health. We need to enhance our yield per hectare so as a maximize sales revenue can be generated to sustain our daily operations.

##### 6. Integrated Pest & Disease Management

- 6.1 Our oil palms estates are prone to threats such as bagworm, nettle caterpillar, rhinoceros beetle, termite, bunch moth and rodents. Therefore, we need prevention, monitoring and control methods.
- 6.2 We need to cultivate beneficial plants such as Cassia cobanesis, Turnera subulata, Antigonon leptopus, and Euphorbia heterophylla to help reduce the need for chemical pesticides, a more sustainable method to have natural enemy or predator for leaf eating caterpillars.
- 6.3 A proper nutrient application guidelines to minimize leaching and surface runoff.

#### MILLS:

##### 1. To achieve optimal mill throughput (Mt/Hr)

- 1.1 All crops are processing timely, and equipment proper maintained in order to ensure uninterrupted mill operations and maximum mill efficiency. Respective mill capacity are listed below:
  - RHPOM - 80 Mt/Hr
  - RSBPOM - 60 Mt/Hr
  - RSBLPOM - 60 Mt/Hr
- 1.2 Mills to manage and control the % of mill downtime (total downtime divided by processing time) to be less than 6%. Mills have to ensure that proper maintenance programs in place, sufficient spares stock level are kept, and prompt actions to repair fixing the downtime.

##### 2. To achieve optimal extraction rate (OER & KER)

- 2.1 Mills to ensure prompt processing of crops.
- 2.2 Mills to put efforts in minimizing the oil losses.
- 2.3 Mills to put efforts in minimizing the kernel losses.

# Sustainability Statement (cont'd)

## 17. MARKETING STRATEGY DATA FOR PLANTATION AND MILL (CONT'D)

### STRATEGIC PLAN (CONT'D)

#### MILLS: (Cont'd)

#### 3. To monitor production quality

- 3.1 Mills to perform proper grading as per MPOB grading standard.
- 3.2 Mills to ensure CPO and PK qualities are acceptable by refineries. Mills to perform sampling for quality testing of the following and analyzing Lab test result closely for quality control.

| Quality Testing                                   | Measurement          | Target  |
|---|----------------------|---------|
| CPO – Free Fatty Acid (FFA)                       | % of FFA             | < 5%    |
| CPO - Deterioration of bleachability index (DOBI) | No. of DOBI of CPO   | >2.20   |
| CPO - Impurities                                  | % of moisture & dirt | < 0.25% |
| PK - Moisture                                     | % of moisture        | < 7%    |
| PK- Dirt  | % of dirt            | < 6%    |

#### 4. To achieve lower cost of production

- 4.1 Mills to follow maintenance program, and try to undertake the repairing jobs by their own, and minimize the outsourcing repairing works. Mills to maintain good feedbacks to PU so that materials or spares purchased are durable and cost effective.
- 4.2 Mills to control chemical dosages by performing daily sampling of treated water and jar test in order to ensure treated water quality and reduce cost of treated water.

#### 5. To maintain good store management

- 5.1 Mills to keep minimum stock inventory level by monitoring store inventory report daily. This effort can reduce the holding costs of various inventories. Also, mills will conduct monthly stock take to ensure all stocks are in place and analyze stock take report for stock variance detected in term of quantity and amount. The variance was not allowed to exceed 0.5% of inventory costs.

#### 6. To emphasize on safety and healthy working and living environment

- 6.1 Mills to renew all licenses and perform equipment calibrations timely.
- 6.2 Mills to set up Emergency Responds Team (ERT) to ensure ERT practicing and fire drill to be carried out at all time. Besides that, related training courses will be provided to acknowledge all people on safety procedures. This program expects to be performed quarterly.
- 6.3 Mills to comply all items listed in Occupational Safety & Health (OSH) Internal Audit checklist & Scoresheet at all times. The checklist will be performed half yearly.

## Sustainability Statement (cont'd)

### 17. MARKETING STRATEGY DATA FOR PLANTATION AND MILL (CONT'D)

#### STRATEGIC PLAN (CONT'D)

##### MILLS: (Cont'd)

7. To improve human resource competency
  - 7.1 Mills to provide training and seminar for the mill management and engineers to upgrade their technical know-how and knowledge in handling milling works either internally or outsourcing a qualified trainer.
  - 7.2 Mills to provide proper compensation and remuneration packages for staff and workers to maintain their loyalty with continuing advancement in their career.
8. To comply with MSPO Standards
  - 8.1 Mills to strictly adhere to the MSPO standards and are committed to maintaining MSPO certifications.
9. To meet customers or vendors satisfaction
  - 9.1 Mills to improve customers' relationship by monitoring customer feedback record and make sure the number of customer complaints to be kept at minimum level (i.e. less than 5 per year). Besides, mills also have to confirm quality of products delivered always at high quality level and ensure payments to be received from customers promptly.
  - 9.2 Mills to improve vendors' relationship by close monitoring vendor feedback record and make sure the number of vendor complaints to be kept at minimum level (i.e. less than 5 per year). All payments must be paid promptly to vendors so that it would not disrupt the mill operations.
10. Refurbishment and Upgrading Work
  - 10.1 RHPOM Refurbishment and Upgrading
    - RSB plans to do major refurbishment and upgrading on RHPOM in year 2025. This initiative will improve the milling throughput to 90 MT/hr. Milling process will be re-optimize to maximize the mill efficiency and further reduce the manpower required. Old and worn out machineries will be replaced to ensure smooth and uninterrupted mill operations and maximum mill efficiency.



## Sustainability Statement (cont'd)

### 17. MARKETING STRATEGY DATA FOR PLANTATION AND MILL (CONT'D)

#### STRATEGIC PLAN (CONT'D)

#### MILLS: (Cont'd)

#### 10. Refurbishment and Upgrading Work (Cont'd)

##### 10.2 Lundu POM Improvements

- With various efforts of improvement and optimization done, current throughput capacity had been increased from 50 MT/Hr to 60 MT/Hr. Proposed to further upgrade the current throughput to 80 MT/Hr by installing additional Horizontal Sterilizer to cater the additional FFB Volume from our related estates and outsiders. With those in place, Lundu POM will have better efficiency, higher processing capacity, and uninterrupted continuous process.



Figure 21: EFB Press Station



Figure 22: Kernel Recovery Station

# Sustainability Statement (cont'd)

## 18 ASSURANCE STATEMENT

In strengthening the credibility of our reporting, selected aspects/parts of Sustainability Statement has been subjected to an internal review by the company's internal auditors and has been approved by the company's Audit Committee.

In line with IA Plan for Assurance Statement for the Year Ended 31/12/2024, The Scope, Subject Matter(s) covered, and Conclusion (where applicable) are provided below:

| Type of Assurance | Material Matters      | Subject Matters   | Scope  | Conclusion     |
|-------------------|-----------------------|---|--|----------------|
| Internal Review   | Anti-Corruption       | Percentage of employees who have received training on anti-corruption by employee category              | Operations assessed:<br>1. Sibuh HQ<br>2. Central Region<br>3. Southern Region<br>4. Northern Region | Not Applicable |
|                   |                       | Percentage of operations assessed for corruption-related risks  |  |                |
|                   |                       | Confirmed incidents of corruption and action taken  |  |                |
|                   |                       | Percentage of employees communicated on Anti-Corruption policies & procedures by employee category      |  |                |
|                   | Community/<br>Society | Total amount invested in the community where the target beneficiaries are external to the listed issuer |  |                |
|                   |                       | Total number of beneficiaries of the investment in communities  |  |                |
|                   | Diversity             | Percentage of employees by gender and age group, for each employee category                             |  |                |
|                   |                       | Percentage of directors by gender and age group   |  |                |

We will continue to improve on our data accuracy and quality to strengthen our disclosures moving forward by ensuring that all indicators will be subjected to independent assurance in the next 5 years.

Note: In preparing the Subject Matter(s) mentioned above, RSB applied the following criteria:

\*Sustainability Reporting Guide 3rd Edition

# Sustainability Statement (cont'd)

## PERFORMANCE DATA TABLE

This ESG Performance Data Table was generated from Bursa Malaysia's ESG Reporting Platform. It is included in this Sustainability Statement as mandated by Bursa Malaysia's enhanced Sustainability Reporting requirements.

| Indicator   | Measurement Unit | 2024      |
|---|------------------|-----------|
| <b>Bursa (Anti-corruption)</b>  |                  |           |
| Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category              |                  |           |
| Management level  | Percentage       | 74.00     |
| Executive   | Percentage       | 73.00     |
| Non-executive/Technical staff   | Percentage       | 14.00     |
| General Workers   | Percentage       | 4.00      |
| Bursa C1(b) Percentage of operations assessed for corruption-related risks  |                  |           |
| Bursa C1(c) Confirmed incidents of corruption and action taken  |                  |           |
| <b>Bursa (Community/Society)</b>  |                  |           |
| Bursa C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer | MYR              | 79,175.00 |
| Bursa C2(b) Total number of beneficiaries of the investment in communities  | Number           | 5,100     |
| <b>Bursa (Diversity)</b>  |                  |           |
| Bursa C3(a) Percentage of employees by gender and age group, for each employee category                             |                  |           |
| Age Group by Employee Category  |                  |           |
| Management Under 30   | Percentage       | 0.00      |
| Management Between 30-50  | Percentage       | 29.00     |
| Management Above 50   | Percentage       | 71.00     |
| Executive Under 30  | Percentage       | 3.00      |
| Executive Between 30-50   | Percentage       | 79.00     |
| Executive Above 50  | Percentage       | 18.00     |
| Non-executive/Technical Staff Under 30  | Percentage       | 26.00     |
| Non-executive/Technical Staff Between 30-50   | Percentage       | 47.00     |
| Non-executive/Technical Staff Above 50  | Percentage       | 27.00     |
| General Workers Under 30  | Percentage       | 33.00     |
| General Workers Between 30-50   | Percentage       | 59.00     |
| General Workers Above 50  | Percentage       | 8.00      |
| Gender Group by Employee Category   |                  |           |
| Management Male   | Percentage       | 65.00     |
| Management Female   | Percentage       | 35.00     |
| Executive Male  | Percentage       | 64.00     |
| Executive Female  | Percentage       | 36.00     |
| Non-executive/Technical Staff Male  | Percentage       | 75.00     |
| Non-executive/Technical Staff Female  | Percentage       | 25.00     |
| General Workers Male  | Percentage       | 73.00     |
| General Workers Female  | Percentage       | 27.00     |

# Sustainability Statement (cont'd)

## PERFORMANCE DATA TABLE (CONT'D)

| Indicator  | Measurement Unit | 2024       |
|--|------------------|------------|
| <b>Bursa (Diversity) (Cont'd)</b>  |                  |            |
| Bursa C3(b) Percentage of directors by gender and age group  |                  |            |
| Male   | Percentage       | 85.71      |
| Female   | Percentage       | 14.29      |
| Under 30   | Percentage       | 0.00       |
| Between 30-50  | Percentage       | 14.29      |
| Above 50   | Percentage       | 85.71      |
| <b>Bursa (Energy management)</b>   |                  |            |
| Bursa C4(a) Total energy consumption   | Megawatt         | 2,943.20   |
| <b>Bursa (Health and safety)</b>   |                  |            |
| Bursa C5(a) Number of work-related fatalities  | Number           | 0          |
| Bursa C5(b) Lost time incident rate ("LTIR")   | Rate             | 0.53       |
| Bursa C5(c) Number of employees trained on health and safety standards   | Number           | 219        |
| <b>Bursa (Labour practices and standards)</b>  |                  |            |
| Bursa C6(a) Total hours of training by employee category   |                  |            |
| Management   | Hours            | 1,827      |
| Executive  | Hours            | 2,735      |
| Non-executive/Technical Staff  | Hours            | 1,544      |
| General Workers  | Hours            | 4,808      |
| Bursa C6(b) Percentage of employees that are contractors or temporary staff  | Percentage       | 0.00       |
| Bursa C6(c) Total number of employee turnover by employee category   |                  |            |
| Management   | Number           | 8          |
| Executive  | Number           | 17         |
| Non-executive/Technical Staff  | Number           | 81         |
| General Workers  | Number           | 1,876      |
| Bursa C6(d) Number of substantiated complaints concerning human rights violations                                  | Number           | 44         |
| <b>Bursa (Supply chain management)</b>   |                  |            |
| Bursa C7(a) Proportion of spending on local suppliers  | Percentage       | 100.00     |
| <b>Bursa (Data privacy and security)</b>   |                  |            |
| Bursa C8(a) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data | Number           | 0          |
| <b>Bursa (Water)</b>   |                  |            |
| Bursa C9(a) Total volume of water used   | Megalitres       | 256.644538 |

Internal assurance

External assurance

No assurance

(\*) Restated

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

## INTRODUCTION

The Board of Directors ("Board") of Rimbunan Sawit Berhad ("RSB" or "the Company") recognises Corporate Governance as being vital and important to the success of RSB and its Group of Companies ("Group") business. They are unreservedly committed to apply the principles necessary to ensure that the principles of good governance are practiced in all of its business dealings in respect of its shareholders and relevant stakeholders.

This Corporate Governance Statement sets out how the Company has applied the three (3) principles which are set out in the Malaysian Code of Corporate Governance in respect of the financial year ended 31 December 2024. Where a specific practice of the Code has not been observed during the financial year under review, the non-observation, including the reasons thereof and, where appropriate, the alternative practice, if any, is mentioned in this Statement.

## PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

### I. Board Responsibilities

All Board members acting on behalf of the Company are aware of their duties and responsibilities as Board members and the various legislations and regulations affecting their conduct and that the principles and practices of good Corporate Governance are applied in all their dealings in respect, and on behalf of the Company.

The Board has assumed the following principal responsibilities in discharging its fiduciary and leadership functions:

- (a) reviewing, approving and adopting a strategic plan for the Company, including the sustainability of the Group's businesses;
- (b) overseeing and evaluating the conduct and performance of the Group's businesses and assessing whether the businesses are being properly managed;
- (c) identifying principal business risks of all aspects of the Group's businesses and ensure the implementation of appropriate internal controls system and mitigating measures to effectively monitor and manage the risks;
- (d) ensuring that all candidates appointed to senior management positions are of sufficient caliber and there are programmes in place to provide for the orderly succession of senior management;
- (e) overseeing the development and implementation of policies relating to investors relations programme and shareholder communications policy; and
- (f) reviewing the adequacy and the integrity of the management information and internal control systems of the Group.

It has put in place an annual strategy planning process, whereby Management presents to the Board its recommended strategy and proposed business and regulatory plans together with the annual budget for the following year during the Board meeting. At the meeting, the Board reviews and deliberates upon both Management's and its own perspectives, as well as challenges Management's views and assumptions, to deliver the best outcomes.

The Board recognises the importance of ensuring a balance of power and authority between the Chairman and the Managing Director ("MD"). The positions of Chairman (i.e. Non-Executive Chairman) and MD are held by different individuals with a clear division of responsibility between the running of the Board and the Company's businesses respectively. This ensure a balance of power and authority, such that no one individual has unfettered decision-making powers.

# Corporate Governance Overview Statement (cont'd)

## PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

### I. Board Responsibilities (cont'd)

The Chairman leads the Board and is responsible for ensuring the adequacy and effectiveness of the Board's governance process and acts as a facilitator at Board meetings to ensure that contributions from Directors are forthcoming on matters being deliberated and that no Board member dominates discussion.

The MD, supported by the Management Committee and senior management team, is responsible for the day-to-day management of the businesses and operations of the Group with respect to both its regulatory and commercial functions and implements the group's strategies, policies and decision adopted by the Board, oversees the operations and business management of the Group, provides effective leadership and ensure high management competency. The MD reports to the Board on the Group performance and operational matters at each quarterly Board meeting. The Board is also kept informed of key strategic initiatives, significant operational issues and the Group's performance.

Both Company Secretaries of the Company are qualified secretaries as required pursuant to Section 235(2) of the Malaysian Companies Act 2016 and are the members of the Malaysian Association of Institute of Chartered Secretaries and Administrators (MAICSA). They are competent in carrying out their duties and plays supporting and advisory roles to the Board and the Group on issue relating to compliance with laws and requirements as well as the Code of Corporate Governance. They ensure adherence and compliance to the procedures and regulatory requirements from time to time. They also ensure that meetings are properly convened and deliberations at meetings are accurately and sufficiently captured and minuted, minutes and statutory records are properly kept and updated.

To enhance accountability, the Board has established clear functions reserved for the Board and those delegated to Management. Further details pertaining to the Board Charter, Code of Conducts and Whistleblowing Policies and Procedures are set out in the CG Report. These documents are made available on the Company's website [www.rsb.com.my](http://www.rsb.com.my) and will be periodically reviewed and updated to ensure it remains consistent with the Board's objective and responsibilities.

### II. Board Composition

During the financial year ended 31 December 2024, the Board has seven (7) members, comprising two (2) Independent Directors, four (4) Non-Independent Non-Executive Directors and one (1) Managing Director. The Board composition complies with the Main market Listing requirements of Bursa Malaysia Securities Berhad that at least 2 directors or 1/3 of the board of directors of the company, whichever is the higher, are independent directors.

The Independent Directors bring to bear objective and independent views, advice and judgment on interests, not only of the Group, but also of shareholders, employees, customers, suppliers and the communities in which the Group conducts its businesses. Independent Directors are essential for protecting the interests of shareholders and can make significant contributions to the Company's decision making by bringing in the quality of detached impartiality.

All the Independent Directors fulfil the criteria of independence as defined in the Listing Requirements and the Board Charter. The Board through the Nomination Committee has assessed the Independent Director and is satisfied with the level of independence demonstrated by all the Independent Directors and their ability to act in the best interest of the Company. The Board therefore believes that balance of power and authority exists within its current structure to sufficiently enable it to discharge its duties objectively.



# Corporate Governance Overview Statement (cont'd)

## PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

### II. Board Composition (cont'd)

The tenure of an Independent Director shall not exceed a cumulative term of nine (9) years. However, upon completion of the nine (9) years, the Independent Director may continue to serve the Board subject to the Director's re-designation as a Non-Independent Director. In the event the Director is to retain as an Independent Director, the Board shall first justify and obtain shareholders' approval.

The Board consists of qualified individual with diverse backgrounds, skills, age and experiences especially in entrepreneurship, plantation and timber industries, sale and marketing, business administration, finance, legal, accounting and taxation. The members of the Board with their combine business, management and professional experiences, knowledge and expertise, provide the core competencies to allow for diverse and objective perspective on Company's business and direction.

The Board acknowledges that continuous training and education are vital for the Board members to gain insight into the state of economy, technological advances, regulatory updates and management strategies. Directors are encouraged to attend continuous education programmes to further enhance their skills and knowledge, where relevant. A budget for Directors' continuing education is therefore provided each year by the Company.

There were also technical briefings/updates on statutory and regulatory requirements from time to time at the Board meetings by the Company Secretaries. All Directors will continue to attend relevant training as may be required from time to time to equip themselves with the knowledge to discharge their duties more effectively and to keep abreast with regulatory and corporate governance developments in the marketplace.

The Board has assessed the training needs of the Directors. Generally, all Directors must attend at least one (1) training/seminar each year. During the financial year ended 31 December 2024, the Directors have attended appropriate training programmes conducted by external experts and the descriptions of the training/seminar are set out below:

| Title of training/seminar   | Numbers of day(s) spent |
|---|-------------------------|
| Case Study-Based MFRS Webinar: Accounting for Biological Assets: MFRS and MPERS           | 1                       |
| e-invoice Implementation Forum for SMEs   | 1                       |
| 2025 Budget Seminar   | 1                       |
| Post Budget 2025 – Live Webinar   | 1                       |
| MIA Webinar Series; The Tax Appeal Process  | 1                       |
| Seminar PercukaianKebangsaan 2024 ( Belanjawan 2025)                                      | 2                       |
| Mandatory Accreditation Programme Part II: Leading for Impact (LIP)                       | 2                       |
| MIA Webinar Series: Implication on Significant Public Rulings Issued In 2022, 2023 & 2024 | 1                       |
| MIA Webinar Series: Optimising Corporate Tax Planning Strategies                          | 1                       |

# Corporate Governance Overview Statement (cont'd)

## PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

### II. Board Composition (cont'd)

The Board has yet to adopt gender diversity policies and targets. However, the company will promote corporate culture that embraces diversity when determining composition of Board and employees at all level from diverse pool of qualified candidates. The Board will continue to monitor and review the Board size and composition from time to time and ensure that women candidates are sought in the recruitment exercise. The evaluation of candidates' suitability are solely based on their competency, appropriate skills, character, time commitment, integrity, contribution and experience in meeting the needs of the Company, including, where appropriate, the ability of the candidates to act as Independent Directors, as the case may be.

The Nomination Committee will recommend candidates for all directorships to be filled to the Board which involves selection and assessment of candidates for directorships proposed by the MD and within the bounds of practicality, by any other senior executive or any director or shareholder, interviewing or meeting up with candidates, deliberation by the Nomination Committee and recommendations by the Nomination Committee to the Board. The Board may utilizes independent sources to identify suitably qualified candidates if deem necessary.

The Nomination Committee is chaired by Independent Director and all the members are non-executive Directors and a majority of whom are independent. During the financial year ended 31 December 2024, the Nomination Committee has met once.

The Board through the Nomination Committee conducted an annual assessment of the performance of the Board, as a whole, Board Committees and individual Directors, based on a self-assessment and peer approach. From the results of the assessment, including the mix of skills, experience and other qualities possessed by Directors, the Board considered and approved the recommendations made by the Nomination Committee on the re-election of Directors at the Company's forthcoming Annual General Meeting. The Nomination Committee shall assess the independence of all Independent Directors annually and report to the Board. All assessments and evaluations carried out by the Nomination Committee in the discharge of all its functions shall be properly documented.

In evaluating the suitability of candidates, the Nomination Committee considers, inter-alia, the competency, experience, commitment (including time commitment), contribution and integrity of the candidates, and additionally in the case of candidates proposed for appointment as Independent Directors, the candidates' independence.

During the financial year ended 31 December 2024, the Nomination Committee upon its annual review carried out, is satisfied that the size and composition of the Board is optimum and conducive to effective discussion and decision making. There is appropriate mix of skills, experience and core competencies in the composition of the Board and that the Board has an appropriate number of Independent Directors. The Nomination Committee is also satisfied that all the members of the Board are suitably qualified to hold their positions as Directors of the Company in view of their respective academic and professional qualifications, good character, experience, integrity, core competencies and qualities as well as their time devoted and committed to discharge their roles.

The Nomination Committee recognizes the importance of the roles that the Nomination Committee plays not only in the selection and assessment of Directors but also in other aspects of corporate governance which the Nomination Committee can assist the Board to discharge its fiduciary and leadership functions.

# Corporate Governance Overview Statement (cont'd)

## PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

### III. Remuneration

The Remuneration Committee is principally responsible for setting the remuneration structure and policy for Executive Directors and recommending to the Board the remuneration of Directors so as to ensure that the Company is able to attract and retain its Directors needed to run the Group successfully. The components of Directors' remuneration are structured so as to link rewards to corporate and individual performance in the case of MD/ED. In the case of Independent Directors, the level of remuneration reflects the experience and level of responsibilities undertaken by the individual Independent Director concerned.

The Board has adopted the Directors' Remuneration Policies and Procedures, the policies and procedures are periodically reviewed and made available on the company's website.

RSB recognises the need to ensure that remuneration of Directors is appreciative and reflective of the responsibility and commitment that goes with Board membership. The Remuneration Committee recommends to the Board the remuneration package of the Directors. The fees for Non-Executive Directors are determined by the Board as a whole. Each individual Director abstained from the Board discussion and decision on his own remuneration. The remuneration package is determined in accordance to fair and equitable criteria based on the performance of the Directors and the Directors' Remuneration Policies and Procedures.

The Board is of the opinion that matters pertaining to Directors' remuneration are of a personal nature. However, in compliance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Listing Requirement"), the remuneration of RSB's Directors for the financial year ended 31 December 2024 were as follows:

|                                       | Fee           |             | Salary        |             | Bonus         |             | Other Emoluments |             | Total         |             |
|---------------------------------------|---------------|-------------|---------------|-------------|---------------|-------------|------------------|-------------|---------------|-------------|
|                                       | Company<br>RM | Group<br>RM | Company<br>RM | Group<br>RM | Company<br>RM | Group<br>RM | Company<br>RM    | Group<br>RM | Company<br>RM | Group<br>RM |
| <b><u>Managing Director</u></b>       |               |             |               |             |               |             |                  |             |               |             |
| Tiong Chiong Ie                       | -             | 84,100      | 600,000       | 600,000     | 225,000       | 225,000     | 8,800            | 8,800       | 833,800       | 917,900     |
| <b><u>Non-Executive Directors</u></b> |               |             |               |             |               |             |                  |             |               |             |
| Tiong Chiong Ong                      | 85,000        | 128,600     | -             | -           | -             | -           | 3,200            | 3,200       | 88,200        | 131,800     |
| Bong Wei Leong                        | 100,000       | 100,000     | -             | -           | -             | -           | 5,600            | 5,600       | 105,600       | 105,600     |
| Wong Ing Seng                         | 80,000        | 141,200     | -             | -           | -             | -           | 10,400           | 10,400      | 90,400        | 151,600     |
| Tiong Chiong Ee                       | 70,000        | 70,000      | -             | -           | -             | -           | 5,600            | 5,600       | 75,600        | 75,600      |
| Lau Kiing Yiing                       | 61,250        | 61,250      | -             | -           | -             | -           | 9,600            | 9,600       | 70,850        | 70,850      |
| Lu Yieng Ping                         | 85,000        | 85,000      | -             | -           | -             | -           | 14,400           | 14,400      | 99,400        | 99,400      |
| Datu Liaw Soon Eng                    | 8,125         | 8,125       | -             | -           | -             | -           | 1,600            | 1,600       | 9,725         | 9,725       |

The terms of reference of the Remuneration Committee is available on the company's website at [www.rsb.com.my](http://www.rsb.com.my).

# Corporate Governance Overview Statement (cont'd)

## PRINCIPLE B: EFFECTIVE AUDIT & RISK MANAGEMENT

### I. Audit Committee

During the financial year ended 31 December 2024, the Audit Committee ("AC") comprises of two (2) Independent Non-Executive Directors and one (1) Non-Independent Non-Executive Director. The AC is chaired by an Independent Non-Executive Director, Ms. Lu Yieng Ping. The Committee has adopted the practice for AC to require a former partner to observe a cooling-off period of at least three (3) years before being appointed as a members of AC and such practice is incorporate in the terms of reference of AC.

The Board has adopted an External Auditors Policy for the AC to assess the suitability and independence of external auditors. The External Auditors Policy has outlined the criteria and procedures for the engagement, assessment and monitoring of external auditors. The AC is responsible for reviewing, assessing and monitoring the performance, suitability and independence of the external auditors, on an annual basis.

The external auditors have confirmed and assured in writing of their independence to the AC. The Audit Committee had assessed the suitability and independence of the external auditors based on the External Auditors Policy and considered several factors including adequacy of experience, resources of the firm and independence of the external auditors. AC is satisfied with the external auditors' performance, technical competency, independence and fulfillment of criteria as outlined in the External Auditors Policy. The AC recommended the re-appointment of Messrs. Crowe Malaysia PLT as external auditors for the ensuing year. The Board approved the recommendation made by Audit Committee for shareholders' approval at the forthcoming annual general meeting.

Audit and non-audit fees paid/payable by the Group and the Company to the External Auditors during the financial year ended 31 December 2024 are set out below:

|                                     | Group<br>(RM)  | Company<br>(RM) |
|-------------------------------------|----------------|-----------------|
| <b>Statutory audit fee paid to:</b> |                |                 |
| - Crowe Malaysia PLT                | 350,000        | 85,000          |
| - Philip Tong & Co                  | 41,000         | -               |
| <b>Total (a)</b>                    | <b>391,000</b> | <b>85,000</b>   |
| <b>Non-audit fees paid to:</b>      |                |                 |
| - Crowe Malaysia PLT                | 8,200          | 5,000           |
| - Crowe Tax (Sarawak) Sdn Bhd       | 160,900        | 13,200          |
| - Crowe KL Tax Sdn Bhd              | 107,000        | 107,000         |
| - Crowe Corporate Services Sdn Bhd  | 32,000         | 32,000          |
| - Tomax Tax Consultants Sdn Bhd     | 10,450         | -               |
| <b>Total (b)</b>                    | <b>318,550</b> | <b>157,200</b>  |
| <b>% of non-audit fees (b/a)</b>    | <b>81.5%</b>   | <b>184.9%</b>   |

The nature of the non-audit fees incurred by the Group and the company are services rendered for reviewing risk management and internal control statement, reviewing of full transfer pricing documentation, tax services and non-assurance engagement in respect of financial due diligence, court case witness, calculation and submission of real property gain tax and others.

# Corporate Governance Overview Statement (cont'd)

## PRINCIPLE B: EFFECTIVE AUDIT & RISK MANAGEMENT

### I. Audit Committee

In considering the nature and scope of non-audit fees, AC was satisfied that they were not likely to create any conflict or impair the Auditors' independence, objectivity and judgment.

During the financial year under review, the AC met with the External Auditor twice (2) without the presence of the other Directors and employees of the Group.

### II. Risk Management & Internal Control Framework

The Board acknowledges its responsibility for the Group's system of risk management and internal control, which is designed to identify, evaluate and manage the risks of the businesses of the Group, in pursuit of its objectives. In addition, the system of internal control practised by the Group spans over financial, operational and compliance aspects, particularly to safeguard the Group's assets and hence shareholders' investments. The system of internal control, by its nature, can only provide reasonable but not absolute assurance against misstatement or loss.

The main features of risk management framework are disclosed on page 158 of this annual report.

In executing the responsibility for the internal control system, the Board via the internal auditors and Risk Management Committee, has adopted procedures to monitor the ongoing adequacy and integrity of the system of risk management and internal control. The effectiveness of the Group's system of risk management and internal control is reviewed on a regular basis by the internal auditors and Risk Management Committee.

Further details on the state of the risk management and system of internal control of the Group are presented on pages 158 to 159 of this annual report.

RSB has its in-house internal audit function which is independent of the activities its audit. The Internal Audit Manager report directly to the Audit Committee. Further details of the internal audit function are outlined on page 164 of this annual report.

## PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING & MEANGINGFUL RELATIONSHIP WITH STAKEHOLDERS

### I. Engagement with stakeholders

The Board recognises the importance of being transparent and accountable to the Company's shareholders and prospective investors. The various channels of communications are through meetings with institutional shareholders and investment communities, quarterly announcements on financial results to Bursa Securities, relevant announcements and circulars, when necessary, the Annual and Extraordinary General Meetings and through the Group's website at [www.rsb.com.my](http://www.rsb.com.my) where shareholders and prospective investors can access corporate information, annual reports, press releases, financial information, company announcements and share prices of the Company. To maintain a high level of transparency and to effectively address any issues or concerns, the Group has a dedicated electronic mail, i.e. [rsb@rsb.com.my](mailto:rsb@rsb.com.my) to which stakeholders can direct their queries or concerns.

## Corporate Governance Overview Statement (cont'd)

### PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING & MEANGINGFUL RELATIONSHIP WITH STAKEHOLDERS (CONT'D)

#### II. Conduct of General meeting

The general meeting, which is the principal forum for shareholders dialogue, allows shareholders to review the Group's performance via the Company's Annual Report and pose questions to the Board for clarification. At the general meeting, shareholders participate in deliberating resolutions being proposed or on the Group's operations in general. The Chairman of the general meeting invited shareholders to raise questions with responses from the Board, Senior Management and external auditors. The notice of general meeting is circulated within the prescribed period before the date of the meeting to enable shareholders to go through the Annual Report, circular and papers supporting the resolutions proposed. Special business transacted at the general meeting are accompanying with the explanatory notes to facilitate full understanding of the matters involved. The outcome of the general meeting will be announced to Bursa Securities immediately.

#### COMPLIANCE STATEMENT

With the introduction of the new Code, the Board remains committed to inculcating good corporate governance for the Group. The Group has complied with the Code except for those disclosed in this statement. The Group will continue to endeavour to comply with all the key principles of the Code in its effort to observe high standards of transparency, accountability and integrity.

#### STATEMENT ON NOMINATION COMMITTEE ACTIVITIES

During the financial year ended 31 December 2024, the Nomination Committee has met twice and the activities carried out by the Nomination Committee during the financial year ended 31 December 2024 are as follows:

- i) Assessed and recommended the restructuring of Board Committee including Audit Committee, Nomination Committee, Remuneration Committee and Risk Management Committee in line with the Malaysia Code of Corporate Governance and Listing Requirement for Board approval.
- ii) Reviewed the mix of skills, character, experience, integrity, core competencies and other qualities required for the Board as well as their time commitment and Board balance.
- iii) Evaluated the performance, contribution and effectiveness of the board including contributions of each individual director as well as the financial controller and the independence of the Independent Directors. The areas of assessment of individual directors include fit and proper, knowledge and integrity, contribution and participation, caliber and personally.
- iv) Assessed the fit and proper criteria and base on the satisfactory assessment outcome, together with the fit and proper declaration made in accordance with the Company's Fit and Proper Policy and recommended to the Board, Directors who are due for retirement by rotation pursuant to the Company's Constitution, for continuation in service as Directors.
- v) Assessed the Financial Controller or person primarily responsible for the management of the financial affairs of Group.
- vi) Evaluated the performance and effectiveness of the Board Committees.
- vii) Assessed and recommended to the Board the training needs and continuing education programme for Directors.

This statement is made in accordance with the resolution of the Board of Directors dated 11 April 2025



# STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

## A. INTRODUCTION

Pursuant to the Main Market Listing Requirements ("Listing Requirements") of the Bursa Malaysia Securities Berhad ("Bursa Securities") and the Malaysian Code on Corporate Governance, the Board of Directors ("the Board") is committed to maintaining a sound system of risk management and internal control within Rimbunan Sawit Berhad ("RSB") and its subsidiaries ("the Group"). This system is designed to manage risk and ensure regulatory compliance to safeguard shareholders' investment and the Group's assets. This Statement has been prepared in accordance with the *Guidelines for Directors of Listed Issuers* issued by Bursa Securities and pursuant to Paragraph 15.26(b) of the Listing Requirements.

## B. COMMITMENT AND RESPONSIBILITY

### The Board

The Board affirms its overall responsibility for maintaining an effective system of risk management and internal control, which is vital to the continued growth of the Group and its vision of maximizing shareholder value. The Board undertakes a stewardship responsibility in managing key risks within the Group, which includes understanding these risks, providing guidance, and ensuring the proactive, structured, and consistent management of risks.

The Group's system of internal controls encompasses financial, operational, and compliance controls, as well as risk management, integrity, and governance. Given the inherent limitations of any internal control system, it is designed to manage, rather than eliminate, the risks that may impede the Group's ability to achieve its business objectives. Therefore, it can provide reasonable, rather than absolute, assurance against material misstatements in financial information, financial losses, fraud, and breaches of laws or regulations.

### Risk Management

The Board recognizes that all areas of the Group's activities involve some degree of risk and acknowledges that business decisions inherently involve the taking of appropriate risks. The ultimate objective is to balance the risks with the potential returns to shareholders.

To support this, the Board is assisted by the Risk Management Committee ("RMC") and the Audit Committee ("AC") in overseeing the Group's risk management and internal control systems. These committees help in the implementation of the Board's policies and procedures on risk and control, identifying and assessing risks, and making recommendations to manage, control, and mitigate those risks. They also continuously monitor and review the risks and their impact on the Group's operations on a regular basis.

### Internal Audit Function

The Group has an Internal Audit Department ("IAD") to assist the AC and the Board. The Head of IAD reports to the AC on a quarterly basis. The IAD conducts audits of the Group's operations as mandated by the AC. The internal audit function ensures compliance with the Group's policies and procedures and assesses the adequacy and effectiveness of the internal control system in place. The IAD highlights significant findings regarding non-compliance to the Board via the AC and follows up with Management to ensure corrective actions are implemented.

# Statement On Risk Management And Internal Control (cont'd)

## C. RISK MANAGEMENT FRAMEWORK

The Board has established an ongoing process for identifying, analyzing, evaluating, and managing the significant risks encountered by the Group. Risk management is an integral part of the Group's business operations, and this process undergoes regular reviews by the Board.

The Risk Management Committee ("RMC") consists primarily of Independent Directors, along with the Managing Director ("MD"), and is responsible for identifying, evaluating, and managing significant risks faced by the Group. The RMC also reports to the Board on any major risks affecting the Group's strategic and business plans. The roles and responsibilities of the RMC in relation to risk management are as follows:

- Oversee and recommend the risk management policies and procedures for the Group.
- Review and recommend changes, as necessary, to ensure that the Group maintains a risk management policy that addresses strategic, operational, financial, and compliance risks.
- Implement and maintain a robust risk management framework that identifies, assesses, manages, and monitors the Group's business risks.
- Review the risk profile of the Group, including all subsidiaries, and evaluate the measures taken to mitigate business risks.
- Assess the adequacy of management's responses to issues identified in the risk registers, ensuring that risks are managed within the Group's defined risk appetite.

The RMC meets periodically to identify and manage risks. These risks are continuously monitored, and appropriate actions are taken to address any changes in existing risks or to mitigate newly identified risks as part of an ongoing, proactive risk management process.

The Group remains committed to fostering a risk-aware culture in all decision-making processes and will continue to manage all risks proactively and effectively, adapting to the changing business and competitive environment.

## D. INTERNAL CONTROL SYSTEM

### Code of Business Conduct and Ethics

The Group communicates the Code of Business Conduct and Ethics to all employees upon their employment. The Code reinforces the Group's core value of integrity by providing guidance on moral and ethical behavior that is expected from all employees in following the laws, policies, standards and procedures.

### Anti-Bribery and Corruption

The Group adopts a zero-tolerance approach to all forms of bribery and corruption, as stated in the Anti-Bribery and Corruption Policy. The policy reflects the Group's commitment to:

- Comply with the Malaysian Anti-Corruption Commission Act 2009 (Act 694) and all applicable laws, promoting integrity, transparency, and accountability in all aspects of its business;
- Prohibit employees and business associates from engaging in bribery or corrupt practices, while continually improving the system;
- Foster a culture of integrity by providing channels for reporting suspected acts of corruption and improper conduct.

## Statement On Risk Management And Internal Control (cont'd)

### D. INTERNAL CONTROL SYSTEM (CONT'D)

#### Internal Control

The Group has implemented several key internal control mechanisms to manage its risks effectively. These include:

- **Organizational Structure:** The Group has established an organizational structure that aligns with its business and operational needs, with clearly defines responsibilities and authority levels.
- **Accountability:** Senior management is delegated specific accountability for monitoring the performance of designated business units.
- **Delegation of Authority and Segregation of Duties:** Policies and procedures for delegation of authority and segregation of duties have been established to ensure compliance with internal controls and applicable laws and regulations. These policies are periodically reviewed and revised to meet changing business and regulatory requirements.
- **Business Planning and Performance Monitoring:** Annual business plans and budgets are prepared by business units, reviewed, and approved by the Board. Performance is monitored against targets on a monthly basis, allowing for timely corrective actions.
- **Operational Meetings:** Regular operational meetings are held, attended by the MD, Regional General Managers, and department heads, to discuss operational matters.
- **Board Meetings:** The Board meets quarterly with a formal agenda to review Group activities. Updates on the Group's operations and activities are provided regularly.
- **Actionable Programs:** The implementation progress of actionable programs is reviewed, and their post-implementation effectiveness is evaluated.

### E. REVIEW OF THE STATEMENT BY EXTERNAL AUDITORS

As required by Paragraph 15.23 of the Bursa Malaysia Securities Berhad Main Market Listing Requirements, the external auditors have reviewed this SORMIC for inclusion in the Annual Report of the Group for the financial year ended 31 December 2024. Their limited assurance review was performed in accordance with the Audit and Assurance Practice Guide 3 (Revised) (AAPG 3) issued by the Malaysian Institute of Accountants. The AAPG 3 (Revised) does not require the external auditors to consider whether the statement covers all risks and controls, or to form an opinion on the adequacy and effectiveness of the Group's risk management and internal control systems including the assessment and opinion by the Board of Directors and Management thereon.

Based on the procedures performed, nothing had come to their attention that caused them to believe that the SORMIC set out above was not prepared, in all material respects, in accordance with the disclosures required by paragraphs 41 and 42 of the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers, nor was factually inaccurate.

## Statement On Risk Management And Internal Control (cont'd)

### F. CONCLUSION

Amidst delivering growth for its stakeholders, the Group will continue its focus on sound risk assessment practices and internal controls to ensure that the Group is well-equipped to manage the various challenges arising from the dynamic and competitive business environment. The Board believes that the development of the system of internal controls is an ongoing process. Throughout the year, the Board has taken proactive steps to improve the internal controls system and will continue to take such steps. The Board is of the view that the system of internal controls is in place and its effectiveness will continue to be enhanced to ensure that it remains robust and adaptable to the Group's evolving operating conditions. The Board has received assurance from the MD and Group GM that the Group's risk management and internal control system, in all material aspects, is operating adequately and effectively.

This statement on Risk Management and internal control is made in accordance with the resolution of the Board dated 11 April 2025.

# REPORT OF THE AUDIT COMMITTEE

## COMPOSITION OF THE AUDIT COMMITTEE

The Audit Committee ("the Committee") of Rimbunan Sawit Berhad ("RSB" or "the Company") was established on 2 March 2006 and during the financial year ended 31 December 2024 comprises the following members:

|          |   |  |
|----------|---|--|
| Chairman | : | Lu Yieng Ping (Independent Director)                   |
| Members  | : | Datu Liaw Soon Eng (Independent Director)              |
|          | : | Wong Ing Seng (Non-Independent Non-Executive Director) |

Ms. Lu Yieng Ping is a member of the Malaysian Institute of Accountants, one (1) of the Associations of Accountants specified in Part II of the First Schedule of the Accountants Act 1967. All members of the Audit Committee are financially literate.

## KEY FUNCTIONS AND RESPONSIBILITIES

The Committee has clear written Terms of Reference ("TOR") defining its functions, qualifications for membership, scope of duties and responsibilities, regulations and procedures governing the manner in which the Committee is to operate and how decisions are to be taken.

The TOR is available on the Company's website at [www.rsb.com.my](http://www.rsb.com.my).

## MEETINGS AND ATTENDANCE

The Committee met five (5) times during the financial year ended 31 December 2024. All Committee meetings were attended by the Company Secretaries. Other Board members and the senior management staff attended the meetings upon invitation of the Committee to provide additional insight into matters to be discussed during the Committee meetings. The representatives of the internal and external auditors were also present during deliberations which required their inputs and advice.

The meeting attendance record of the Committee members was as follows:

|  | Numbers of meetings attended |
|--|------------------------------|
| Lu Yieng Ping                                | 5 out of 5                   |
| Wong Ing Seng                                | 5 out of 5                   |
| Datu Liaw Soon Eng (Appointed on 11/11/2024) | 1 out of 1                   |
| Lau Kiing Yiing (Resigned on 11/11/2024)     | 4 out of 4                   |

All proceedings, matters arising, deliberations, in terms of the issue discussed, and resolutions at the Committee meetings are recorded in the minutes by the Company Secretaries, confirmed by the Committee, signed by the Chairman of the Committee or Chairman of the meeting and reported to the Board of Directors at the Board meetings.

# Report Of The Audit Committee (cont'd)

## SUMMARY OF THE WORK OF THE COMMITTEE

The following works were carried out by the Committee during the financial year ended 31 December 2024:

### Financial Reporting

1. Reviewed with the external auditors their audit for the financial year ended 31 December 2023 ("FY2023") to ensure that the audited financial statements were prepared to give a true and fair view in compliance with applicable Malaysian Financial Reporting Standards and the requirements of the Companies Act 2016; and discussed their audit findings and accounting issues arising from their audit together with their recommendations and management's responses; and considered management's handling of impairment assessment, corrected or uncorrected misstatements and unadjusted audit differences;
2. Reviewed and recommended the audited financial statements of the Company and of the Group for FY2023 for the Board's approval; and
3. Reviewed the unaudited quarterly results of the Group to ensure compliance with applicable approved accounting standards and Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Listing Requirements"), appropriate accounting policies had been adopted and applied consistently and narrative disclosures made were correct and comprehensive.

### External Audit

1. Reviewed the audit plan for FY2024 with the external auditors with focus on the audit engagement team, areas of audit emphasis and impairment assessment, multilocation scoping and audit timeline;
2. Assessed the independence and suitability of external auditors based on the External Auditors Policy adopted by the Board of Directors and recommended to the Board of Directors their re-appointment as external auditors and their audit fees; and
3. Met with the external auditors twice in FY2024 without the presence of Executive Directors and senior management to enquire about management's co-operation with the external auditors, sought clarification on certain issues arising from the final audit and ascertained no significant weaknesses were noted in the internal control system and no frauds were noted in the course of their audit.

### INTERNAL AUDIT

1. Reviewed the internal audit plan and was satisfied that the internal auditors employed a systematic and reasonable methodology to select suitable audit areas and the corresponding companies targeted for audit review;
2. Reviewed and deliberated the internal auditors' reports which highlighted the risk profiles and assessments, their recommendations, management's responses and actions; and
3. Reviewed the adequacy of the scope, functions, competency and resources of the internal audit function and was satisfied that the audit team has the relevant qualifications, adequate expertise and experience to conduct the audit competently and they have also demonstrate to provide quality audit performance.



## Report Of The Audit Committee (cont'd)

### INTERNAL AUDIT (CONT'D)

#### Related Party Transactions

1. Reviewed the adequacy of the disclosure on related party transactions entered into by the Company and the Group in the quarterly and annual reports;
2. Reviewed the recurrent related party transactions ("RRPT") of the Group quarterly to:
  - (i) Ascertain that they were entered in accordance to the Company's established guidelines and procedures, and within the mandated limits, on normal commercial terms and were not detrimental to the interest of the Company and its minority shareholders; and
  - (ii) Monitored the aggregate value transacted to determine if the threshold had been breached to warrant immediate announcement to Bursa Securities.
3. Submitted the aforesaid RRPT to the Board for ratification and approval.
4. Reviewed the draft Circular to Shareholders in relation to the proposed renewal of the existing shareholders' mandate for RRPT of a revenue or trading nature and recommended to the Board for approval.

#### Other

1. Reviewed conflict of Interest (COI) declaration from the Directors and Key Senior Management, ensure the appropriate mitigation actions are taken and reports to the Board. For the financial year under review, AC confirmed that no conflict of interest were identified. The Group remains committed to maintain high standard of corporate governance, ensuring all operations are conducted with integrity and transparency.
2. Reviewed the draft Statement on Risk Management and Internal Control and draft Report of the Audit Committee prior to recommending to the Board of Directors for approval; and
3. Review and discuss the efficiency, effectiveness, and integrity of the internal control system; including risk management; information technology security and control; and financial and operation management.
4. Meet at least quarterly with the head of Risk Management Committee to review and discuss the adequacy of the risk management functions in order to ensure that appropriate risk management functions is in place.

## Report Of The Audit Committee (cont'd)

### INTERNAL AUDIT FUNCTION

The Internal Audit provides independent assurance and advisory services designed to add value and improve the operations of the Group. Its scope encompasses, but is not limited to, through a systematic and regular reviews, the examination and evaluation of the adequacy and effectiveness of the Group's governance, risk assessment and internal control processes in relation to the Group's defined goals and objectives. The Committee approved the internal audit function's charter, which sets out its role, scope, accountability and authority.

Internal Audit function adopts a risk-based auditing approach towards planning and conduct of audits. The internal audit function is independent of the activities it audits, and is responsible for the regular review and/or appraisal of the internal control, management and governance processes with the RSB Group in accordance with the principles of the Internal Audit Charter.

During the financial year ended 31 December 2024, the Internal Audit Department had undertaken the following works:

- prepare the annual audit plan for approval by the Audit Committee;
- performed operational audits on business units of the Group to ascertain the adequacy and integrity of their system of internal controls, governance and risk management;
- performed statutory compliance audits, including related party transactions and internal review sustainability statement;
- made recommendations for improvement where weaknesses and/or non-compliances were found; and
- conducted follow-up visits on the recommendations and action plans agreed by the Management and report to the Audit Committee on the status of its implementation.

The total costs incurred for the internal audit functions of the Group for the FY 2024 was RM 743,634.94 (FY 2023: RM 950,997.74). The reduction of cost in year 2024 was achieved due to restructuring of organization structure and improved efficiency.

This Report is made in accordance with the resolution of the Board of Directors dated 11 April 2025.

# STATEMENT OF DIRECTORS' RESPONSIBILITIES

## FOR PREPARING THE ANNUAL AUDITED FINANCIAL STATEMENTS

The Directors are required under the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Listing Requirements"), to issue a statement explaining their responsibility for preparing the annual audited financial statements.

The Directors are also required by the Companies Act, 2016 ("the Act") to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Group and of the Company as at the financial year end and of the results and cash flows of the Group and of the Company for the financial year then ended.

As required by the Act and the Listing Requirements, the financial statements have been prepared in accordance with the provisions of the Act, applicable Malaysian Financial Reporting Standards and the requirements of the Listing Requirements.

In preparing these financial statements, the Directors have:

- Adopted and consistently applied the appropriate and relevant accounting policies;
- Made reasonable and prudent judgements and estimates; and
- Prepared the financial statements on a going concern basis.

The Directors have responsibility to ensure the Group and the Company maintain proper accounting records which disclose with reasonable accuracy at any time, the financial position and performance of the Group and the Company, and to enable them to ensure the financial statements comply with the provisions of the Act and the Listing Requirements.

The Directors have overall responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group and the Company and to prevent and detect fraud and other irregularities.

This Statement is made in accordance with the resolution of the Board of Directors dated 11 April 2025.



# FINANCIAL STATEMENTS

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# DIRECTORS' REPORT

The directors hereby submit their report and the audited financial statements of the Group and of the Company for the financial year ended 31 December 2024.

## PRINCIPAL ACTIVITIES

The Company is principally engaged in the business of investment holding and the provision of management services. The principal activities of the subsidiaries are set out in Note 6 to the financial statements. There have been no significant changes in the nature of these activities during the financial year.

## RESULTS

|  | The Group<br>RM | The Company<br>RM |
|--|-----------------|-------------------|
| Profit after taxation for the financial year | 24,439,413      | 46,896,394        |
| Attributable to:-                            |                 |                   |
| Owners of the Company                        | 28,552,672      | 46,896,394        |
| Non-controlling interests                    | (4,113,259)     | -                 |
|  | 24,439,413      | 46,896,394        |

## DIVIDENDS

No dividend was paid since the end of the previous financial year and the directors do not recommend the payment of any dividend for the current financial year.

## RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year.

## ISSUES OF SHARES AND DEBENTURES

During the financial year: -

- (a) there were no changes in the issued and paid-up share capital of the Company; and
- (b) there were no issues of debentures by the Company.

## Directors' Report (Cont'd)

### OPTIONS GRANTED OVER UNISSUED SHARES

During the financial year, no options were granted by the Company to any person to take up any unissued shares in the Company.

### BAD AND DOUBTFUL DEBTS

Before the financial statements of the Group and of the Company were made out, the directors took reasonable steps to ascertain that action had been taken in relation to the writing off of bad debts and the making of allowance for impairment losses on receivables and satisfied themselves that all known bad debts had been written off and that adequate allowance had been made for impairment losses on receivables.

At the date of this report, the directors are not aware of any circumstances that would require the further writing off of bad debts, or the additional allowance for impairment losses on receivables in the financial statements of the Group and of the Company.

### CURRENT ASSETS

Before the financial statements of the Group and of the Company were made out, the directors took reasonable steps to ensure that any current assets, which were unlikely to be realised in the ordinary course of business, including their value as shown in the accounting records of the Group and of the Company, have been written down to an amount which they might be expected so to realise.

At the date of this report, the directors are not aware of any circumstances which would render the values attributed to the current assets in the financial statements misleading.

### VALUATION METHODS

At the date of this report, the directors are not aware of any circumstances which have arisen which render adherence to the existing methods of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate. The financial statements of the Group and of the Company are prepared on the basis of accounting principles applicable to a going concerns as the directors believe that, with the improved financial performance, the existing credit lines granted by the banks, as well as the continued financial support from the related parties, the Group and the Company will be able to generate sufficient cash flows to meet their obligations and working capital needs for the next financial year.



## Directors' Report (Cont'd)

### CONTINGENT AND OTHER LIABILITIES

At the date of this report, there does not exist: -

(a) any charge on the assets of the Group and of the Company that has arisen since the end of the financial year which secures the liabilities of any other person; or

(b) any contingent liability of the Group and of the Company which has arisen since the end of the financial year.

No contingent or other liability of the Group and of the Company has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the directors, will or may substantially affect the ability of the Group and of the Company to meet their obligations when they fall due.

### CHANGE OF CIRCUMSTANCES

At the date of this report, the directors are not aware of any circumstances not otherwise dealt with in this report or the financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading.

### ITEMS OF AN UNUSUAL NATURE

The results of the operations of the Group and of the Company during the financial year were not, in the opinion of the directors, substantially affected by any item, transaction or event of a material and unusual nature.

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors, to affect substantially the results of the operations of the Group and of the Company for the financial year in which this report is made.

### DIRECTORS

The names of directors of the Company who served during the financial year and up to the date of this report are as follows: -

Tiong Chiong Ie  
Bong Wei Leong  
Tiong Chiong Ong  
Tiong Chiong Ee  
Datu Liaw Soon Eng (Appointed on 11.11.2024)  
Lau Kiing Yiing (Resigned on 11.11.2024)  
Lu Yieng Ping  
Wong Ing Seng

## Directors' Report (Cont'd)

### DIRECTORS (CONT'D)

The names of directors of the Company's subsidiaries who served during the financial year and up to the date of this report, not including those directors mentioned above, are as follows: -

Bibi Umizah Binti Osman  
 Datu Sr. Zaidi Bin Haji Mahdi (Appointed on 1.5.2024)  
 Datuk Tiong Thai King  
 Datuk Stephen Timothy Wan Ullok  
 George Lentton Anak Indang  
 Ronald Tiong Chiong Kai  
 Sebastian Ak Baya  
 Wong Yueo Yuon

### DIRECTORS' INTERESTS

According to the register of directors' shareholdings, the interests of directors holding office at the end of the financial year in shares of the Company and its related corporations during the financial year are as follows: -

|                                   | < ----- Number of Ordinary Shares ----- > |            |      |                  |
|-----------------------------------|---|------------|------|------------------|
|                                   | At<br>1.1.2024                            | Bought     | Sold | At<br>31.12.2024 |
| Direct Interests in the Company   |   |            |      |                  |
| Tiong Chiong Ong                  | 6,611,908                                 | -          | -    | 6,611,908        |
| Tiong Chiong Ie                   | -   | 12,394,800 | -    | 12,394,800       |
| Wong Ing Seng                     | 64,800                                    | 255,000    | -    | 319,800          |
| Indirect Interests in the Company |   |            |      |                  |
| Tiong Chiong Ong *                | 326,714                                   | -          | -    | 326,714          |
| Tiong Chiong Ie ^                 | 1,526,700                                 | 3,662,500  | -    | 5,189,200        |
| Tiong Chiong Ee #                 | 500,000                                   | 187,200    | -    | 687,200          |
| Wong Ing Seng *                   | 200,000                                   | -          | -    | 200,000          |

\* Deemed interested by virtue of the interest of their spouse and/or children in the Company.

^ Deemed interested by virtue of his substantial shareholdings in Vital Focus Properties Sdn. Bhd.

# Deemed interested by virtue of his substantial shareholdings in Greenwell Investment Limited.

The other directors holding office at the end of the financial year had no interest in shares of the Company or its related corporations during the financial year.

## Directors' Report (Cont'd)

### DIRECTORS' BENEFITS

Since the end of the previous financial year, no director has received or become entitled to receive any benefit (other than directors' remuneration as disclosed in the "Directors' Remuneration" of this report) by reason of a contract made by the Company or a related corporation with the director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest except for any benefits which may be deemed to arise from transactions entered into in the ordinary course of business with companies in which certain directors have substantial financial interests as disclosed in Note 34(b) to the financial statements.

Neither during nor at the end of the financial year was the Group or the Company a party to any arrangements whose object is to enable the directors to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

### DIRECTORS' REMUNERATION

The details of directors' remuneration paid or payable to the directors of the Company during the financial year are as follows: -

|                                    | The Group<br>RM | The Company<br>RM |
|------------------------------------|-----------------|-------------------|
| Fees                               | 695,275         | 489,375           |
| Salaries, bonus and other benefits | 885,292         | 885,292           |
| Defined contribution benefits      | 84,864          | 84,864            |
|                                    | <hr/> 1,665,431 | <hr/> 1,459,531   |

### INDEMNITY AND INSURANCE COST

During the financial year, there is no indemnity given to or professional indemnity insurance effected for directors, officers or auditors of the Company.

### SUBSIDIARIES

The details of the Company's subsidiaries are disclosed in Note 6 to the financial statements.

The available auditors' reports on the financial statements of the subsidiaries did not contain any qualification.

## Directors' Report (Cont'd)

### **SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR**

The significant events during the financial year are disclosed in Note 39 to the financial statements.

### **AUDITORS**

The auditors, Crowe Malaysia PLT, have expressed their willingness to continue in office.

The auditors' remuneration of the Group and of the Company for the financial year was RM391,000 and RM85,000.

Signed in accordance with a resolution of the directors dated 11 April 2025.

**Tiong Chiong le**  
Director

**Bong Wei Leong**  
Director

## **STATEMENT BY DIRECTORS**

### **PURSUANT TO SECTION 251(2) OF THE COMPANIES ACT 2016**

We, Tiong Chiong Ie and Bong Wei Leong, being two of the directors of Rimbunan Sawit Berhad, state that, in the opinion of the directors, the financial statements set out on pages 179 to 256 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as of 31 December 2024 and of their financial performance and cash flows for the financial year ended on that date.

Signed in accordance with a resolution of the directors dated 11 April 2025.

**Tiong Chiong Ie**  
Director

**Bong Wei Leong**  
Director

## **STATUTORY DECLARATION**

### **PURSUANT TO SECTION 251(1)(b) OF THE COMPANIES ACT 2016**

I, Wong Yueo Yuon, MIA Membership Number: 17301, being the officer primarily responsible for the financial management of Rimbunan Sawit Berhad, do solemnly and sincerely declare that the financial statements set out on pages 179 to 256 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the declaration to be true, and by virtue of the Statutory Declarations Act 1960.

Subscribed and solemnly declared by the abovementioned  
Wong Yueo Yuon  
at Sibuluan  
in the State of Sarawak  
on this 11 April 2025

**Wong Yueo Yuon**  
Officer

Before me

# INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF RIMBUNAN SAWIT BERHAD

## REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

### Opinion

We have audited the financial statements of Rimbunan Sawit Berhad, which comprise the statements of financial position as at 31 December 2024 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 179 to 256.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 December 2024, and of their financial performance and their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

### Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### *Independence and Other Ethical Responsibilities*

We are independent of the Group and of the Company in accordance with the *By-Laws (on Professional Ethics, Conduct and Practice)* of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

### Material Uncertainty Related to Going Concern

We draw attention to Note 4 in the financial statements, which indicates that as at 31 December 2024, the Group's current liabilities exceeded its current assets by RM136.4 million. This condition, along with other matters as set forth in Note 4, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.



# Independent Auditors' Report To The Members Of Rimbunan Sawit Berhad (Cont'd)

## REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D)

### Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current financial year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

In addition to the matter described in the Material Uncertainty Related to Going Concern section, we have determined the matters described below to be the key audit matters to be communicated in our report.

| <b>Impairment of Property, Plant and Equipment</b><br>Refer to Note 7 in the financial statements  |   |
|--|---|
| Key Audit Matter   | How our audit addressed the key audit matter  |
| <p>The Group has oil palm plantation assets with a carrying amount of RM552.7 million as of 31 December 2024. No impairment was recognised for the financial year.</p> <p>The Group shall assess at the end of each reporting period whether there is any indication that the plantation assets may be impaired. If any such indication exists, the Group shall estimate the recoverable amounts of these assets.</p> <p>As at 31 December 2024, certain oil palm plantations of the Group have been making losses, indicating that the carrying amounts of these oil palm plantation assets may be impaired.</p> <p>We gave audit focus on the impairment of these oil palm plantation assets because the estimation of their recoverable amounts involves significant judgement.</p> | <p>Our procedures included, amongst others: -</p> <ul style="list-style-type: none"> <li>where valuation experts are engaged to determine the recoverable amounts, we assess the competence, capabilities and objectivity of management's valuation experts; evaluate the valuation methodologies and the appropriateness of the assumptions used by the valuation experts.</li> <li>where recoverable amounts are determined by the management using discounted cash flows method, we evaluate and challenge the appropriateness and reasonableness of the assumptions applied to key inputs and compare those inputs with externally derived data as well as our own assessments based on our knowledge of the client and the industry.</li> <li>testing the sensitivity of the impairment calculations to changes in key assumptions used to evaluate the impact on the currently estimated headroom.</li> <li>evaluating the adequacy of the disclosures in the financial statements, including disclosures of key assumptions and judgements.</li> </ul> |

# Independent Auditors' Report

## To The Members Of Rimbunan Sawit Berhad

### (Cont'd)

#### REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D)

##### Information Other than the Financial Statements and Auditors' Report Thereon

The directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

##### Responsibilities of the Directors for the Financial Statements

The directors of the Company are responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

##### Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

## Independent Auditors' Report To The Members Of Rimbunan Sawit Berhad (Cont'd)

### REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D)

#### Auditors' Responsibilities for the Audit of the Financial Statements (Cont'd)

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also: -

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

# Independent Auditors' Report

## To The Members Of Rimbunan Sawit Berhad

### (Cont'd)

#### **REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D)**

##### **Auditors' Responsibilities for the Audit of the Financial Statements (Cont'd)**

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current financial year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### **REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS**

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiaries of which we have not acted as auditors, are disclosed in Note 6 to the financial statements.

#### **OTHER MATTERS**

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

**Crowe Malaysia PLT**  
201906000005 (LLP0018817-LCA) & AF1018  
Chartered Accountants

**Jackson Law Sie Ong**  
03534/10/2026 J  
Chartered Accountant

11 April 2025

Sibu, Sarawak

# STATEMENTS OF FINANCIAL POSITION

## AS AT 31 DECEMBER 2024

|  |      | The Group    |              | The Company |             |
|--|------|--------------|--------------|-------------|-------------|
|  | Note | 2024<br>RM   | 2023<br>RM   | 2024<br>RM  | 2023<br>RM  |
| <b>ASSETS</b>                                |      |              |              |             |             |
| NON-CURRENT ASSETS                           |      |              |              |             |             |
| Investments in subsidiaries                  | 6    | -            | -            | 491,706,609 | 472,706,609 |
| Property, plant and equipment                | 7    | 661,571,162  | 672,011,163  | 988,029     | 718,926     |
| Biological assets                            | 8    | -            | -            | -           | -           |
| Intangible assets                            | 9    | 21,350       | 9,152        | 21,288      | -           |
| Other investment                             | 10   | -            | 5,000,000    | -           | 5,000,000   |
| Goodwill                                     | 11   | 5,129,956    | 5,129,956    | -           | -           |
| Amount owing by subsidiaries                 | 12   | -            | -            | 315,219,758 | 348,548,252 |
| Deposits with licensed banks                 | 13   | -            | 120,051      | -           | -           |
|  |      | 666,722,468  | 682,270,322  | 807,935,684 | 826,973,787 |
| <b>CURRENT ASSETS</b>                        |      |              |              |             |             |
| Inventories                                  | 14   | 19,913,106   | 18,640,936   | -           | -           |
| Biological assets                            | 8    | 6,005,382    | 3,523,781    | -           | -           |
| Trade receivables                            | 15   | 17,336,132   | 12,163,599   | -           | -           |
| Other receivables, deposits and prepayments  | 16   | 13,896,648   | 8,656,131    | 1,379,690   | 1,753,502   |
| Current tax assets                           |      | 2,446,009    | 1,847,179    | 415,147     | -           |
| Deposits with licensed banks                 | 13   | 21,500,000   | -            | 6,500,000   | -           |
| Cash and bank balances                       |      | 5,925,406    | 2,658,257    | 316,694     | 695,740     |
|  |      | 87,022,683   | 47,489,883   | 8,611,531   | 2,449,242   |
| Assets classified as held for sale           | 17   | -            | 123,553,456  | -           | -           |
|  |      | 753,745,151  | 853,313,661  | 816,547,215 | 829,423,029 |
| <b>EQUITY AND LIABILITIES</b>                |      |              |              |             |             |
| EQUITY                                       |      |              |              |             |             |
| Share capital                                | 18   | 391,510,496  | 391,510,496  | 391,510,496 | 391,510,496 |
| Reserves                                     | 19   | 44,885,759   | 16,333,087   | 105,843,875 | 58,947,481  |
| Equity attributable to owners of the Company |      | 436,396,255  | 407,843,583  | 497,354,371 | 450,457,977 |
| Non-controlling interests                    | 6    | (55,324,376) | (44,911,117) | -           | -           |
| TOTAL EQUITY                                 |      | 381,071,879  | 362,932,466  | 497,354,371 | 450,457,977 |

The annexed notes form an integral part of these financial statements.

# Statements Of Financial Position

As at 31 December 2024

(Cont'd)

|                                       |      | The Group   |             | The Company |             |
|---------------------------------------|------|-------------|-------------|-------------|-------------|
|                                       | Note | 2024<br>RM  | 2023<br>RM  | 2024<br>RM  | 2023<br>RM  |
| NON-CURRENT LIABILITIES               |      |             |             |             |             |
| Borrowings                            | 20   | 120,543,118 | 150,376,434 | 424,424     | 1,550,000   |
| Deferred tax liabilities              | 22   | 28,744,247  | 35,657,889  | 16,529      | 28,900      |
|                                       |      | 149,287,365 | 186,034,323 | 440,953     | 1,578,900   |
| CURRENT LIABILITIES                   |      |             |             |             |             |
| Trade payables                        | 23   | 71,200,364  | 66,530,612  | -           | -           |
| Other payables, deposits and accruals | 24   | 36,558,467  | 47,041,602  | 14,005,981  | 15,374,233  |
| Amount owing to subsidiaries          | 12   | -           | -           | 295,613,082 | 349,515,534 |
| Borrowings:-                          | 20   | -           | -           | -           | -           |
| - bank overdrafts                     |      | -           | -           | -           | -           |
| - other borrowings                    |      | 111,697,996 | 189,728,747 | 9,132,828   | 12,475,000  |
| Current tax liabilities               |      | 3,929,080   | 1,045,911   | -           | 21,385      |
|                                       |      | 223,385,907 | 304,346,872 | 318,751,891 | 377,386,152 |
| TOTAL LIABILITIES                     |      | 372,673,272 | 490,381,195 | 319,192,844 | 378,965,052 |
| TOTAL EQUITY AND LIABILITIES          |      | 753,745,151 | 853,313,661 | 816,547,215 | 829,423,029 |

The annexed notes form an integral part of these financial statements.

# STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

## FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

|   |      | The Group     |               | The Company  |              |
|---|------|---------------|---------------|--------------|--------------|
|   | Note | 2024<br>RM    | 2023<br>RM    | 2024<br>RM   | 2023<br>RM   |
| REVENUE   | 25   | 544,493,840   | 507,761,571   | 27,700,000   | 7,530,000    |
| COST OF SALES   |      | (498,470,017) | (488,373,700) | -            | -            |
| GROSS PROFIT  |      | 46,023,823    | 19,387,871    | 27,700,000   | 7,530,000    |
| OTHER INCOME  |      | 51,915,144    | 68,741,931    | 32,113,445   | 56,626,435   |
| DISTRIBUTION COSTS                                      |      | (23,342,603)  | (22,286,166)  | -            | -            |
| ADMINISTRATIVE AND OTHER EXPENSES                       |      | (31,811,137)  | (34,213,074)  | (5,653,577)  | (5,902,763)  |
| FINANCE COSTS   | 26   | (11,175,144)  | (14,352,116)  | (12,499,945) | (11,149,040) |
| NET IMPAIRMENT GAINS/(LOSSES)<br>ON FINANCIAL ASSETS    | 27   | 24,877        | 47,824        | 5,336,268    | (10,063,121) |
| PROFIT BEFORE TAXATION                                  | 28   | 31,634,960    | 17,326,270    | 46,996,191   | 37,041,511   |
| INCOME TAX EXPENSE                                      | 29   | (7,195,547)   | (4,308,062)   | (99,797)     | (538,104)    |
| PROFIT AFTER TAXATION                                   |      | 24,439,413    | 13,018,208    | 46,896,394   | 36,503,407   |
| OTHER COMPREHENSIVE INCOME                              |      | -             | -             | -            | -            |
| TOTAL COMPREHENSIVE INCOME<br>FOR THE FINANCIAL YEAR    |      | 24,439,413    | 13,018,208    | 46,896,394   | 36,503,407   |
| <b>PROFIT AFTER TAXATION<br/>ATTRIBUTABLE TO:-</b>      |      |               |               |              |              |
| Owners of the Company                                   |      | 28,552,672    | 25,110,418    | 46,896,394   | 36,503,407   |
| Non-controlling interests                               |      | (4,113,259)   | (12,092,210)  | -            | -            |
|   |      | 24,439,413    | 13,018,208    | 46,896,394   | 36,503,407   |
| <b>TOTAL COMPREHENSIVE INCOME<br/>ATTRIBUTABLE TO:-</b> |      |               |               |              |              |
| Owners of the Company                                   |      | 28,552,672    | 25,110,418    | 46,896,394   | 36,503,407   |
| Non-controlling interests                               |      | (4,113,259)   | (12,092,210)  | -            | -            |
|   |      | 24,439,413    | 13,018,208    | 46,896,394   | 36,503,407   |
| <b>EARNING PER SHARE (SEN)</b>                          | 30   |               |               |              |              |
| Basic   |      | 1.40          | 1.23          |              |              |
| Diluted   |      | 1.40          | 1.23          |              |              |

The annexed notes form an integral part of these financial statements.



# STATEMENTS OF CHANGES IN EQUITY

## FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

| The Group   | Note | Share<br>Capital<br>RM | Merger<br>Reserve<br>RM | (Accumulated<br>Losses)/Retained<br>Profits<br>RM | Attributable to<br>Owners<br>of the<br>Company<br>RM | Non-<br>controlling<br>Interests<br>RM | Total<br>Equity<br>RM |
|---|------|------------------------|-------------------------|---|--|--|-----------------------|
| Balance at 1.1.2023   |      | 614,600,257            | (53,065,553)            | (178,801,539)                                     | 382,733,165  | (29,258,846)                           | 353,474,319           |
| Profit after taxation/Total<br>comprehensive income<br>for the financial year |      | -                      | -                       | 25,110,418  | 25,110,418   | (12,092,210)                           | 13,018,208            |
| Contributions by and distributions<br>to owners of the Company:-              |      |                        |                         |   |  |  |                       |
| - reduction of share capital  | 18   | (223,089,761)          | -                       | 223,089,761                                       | -  | -                                      | -                     |
| - dividends   |      |                        |                         |   |  |  |                       |
| - by subsidiaries to  |      | -                      | -                       | -   | -  | (3,270,000)                            | (3,270,000)           |
| - non-controlling interests   |      | -                      | -                       | -   | -  | (290,061)                              | (290,061)             |
| Disposal of subsidiaries  | 31   |                        |                         |   |  |  |                       |
| Balance at 31.12.2023/1.1.2024  |      | 391,510,496            | (53,065,553)            | 69,398,640  | 407,843,583  | (44,911,117)                           | 362,932,466           |
| Profit after taxation/Total<br>comprehensive income<br>for the financial year |      | -                      | -                       | 28,552,672  | 28,552,672   | (4,113,259)                            | 24,439,413            |
| Contributions by and distributions<br>to owners of the Company:-              |      |                        |                         |   |  |  |                       |
| - dividends   |      |                        |                         |   |  |  |                       |
| - by subsidiaries to  |      | -                      | -                       | -   | -  | (6,300,000)                            | (6,300,000)           |
| - non-controlling interests   |      |                        |                         |   |  |  |                       |
| Balance at 31.12.2024   |      | 391,510,496            | (53,065,553)            | 97,951,312  | 436,396,255  | (55,324,376)                           | 381,071,879           |

The annexed notes form an integral part of these financial statements.

## Statements Of Changes In Equity

### For The Financial Year Ended 31 December 2024

(Cont'd)

| The Company   | Note | Share<br>Capital<br>RM | (Accumulated<br>Losses)/<br>Retained<br>Profits<br>RM | Total<br>Equity<br>RM |
|---|------|------------------------|---|-----------------------|
| Balance at 1.1.2023   |      | 614,600,257            | (200,645,687)   | 413,954,570           |
| Profit after taxation/Total comprehensive income for the financial year |      | -                      | 36,503,407  | 36,503,407            |
| Contributions by and distributions to owners of the Company:-           |      |                        |   |                       |
| - reduction of share capital  | 18   | (223,089,761)          | 223,089,761   | -                     |
| Balance at 31.12.2023/1.1.2024  |      | 391,510,496            | 58,947,481  | 450,457,977           |
| Profit after taxation/Total comprehensive income for the financial year |      | -                      | 46,896,394  | 46,896,394            |
| Balance at 31.12.2024   |      | 391,510,496            | 105,843,875   | 497,354,371           |

The annexed notes form an integral part of these financial statements.

# STATEMENTS OF CASH FLOWS

## FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

|  | The Group    |              | The Company  |              |
|--|--------------|--------------|--------------|--------------|
|  | 2024<br>RM   | 2023<br>RM   | 2024<br>RM   | 2023<br>RM   |
| CASH FLOWS FROM OPERATING ACTIVITIES                   |              |              |              |              |
| Profit before taxation                                 | 31,634,960   | 17,326,270   | 46,996,191   | 37,041,511   |
| Adjustments for:-                                      |              |              |              |              |
| Allowance for stock obsolescence                       | -            | 112,837      | -            | -            |
| Amortisation of intangible assets                      | 3,618        | 12,519       | 533          | -            |
| Bad debts written off                                  | 245,124      | 943,732      | -            | 54,881       |
| Biological assets written off                          | -            | 620,029      | -            | -            |
| Changes in fair value of:-                             |              |              |              |              |
| - biological assets                                    | (2,481,601)  | (122,884)    | -            | -            |
| Depreciation of property, plant and equipment          | 64,483,149   | 68,545,258   | 476,777      | 553,312      |
| Dividend income  | -            | -            | (27,700,000) | (7,530,000)  |
| (Gain)/loss on disposal of:-                           |              |              |              |              |
| - assets classified as held for sale                   | (41,446,544) | -            | -            | -            |
| - intangible assets                                    | 588          | -            | -            | -            |
| - property, plant and equipment                        | (1,597,568)  | (659,092)    | -            | -            |
| - investments in subsidiaries                          | -            | 2,098,984    | -            | 2,960,079    |
| - other investment                                     | 2,590,000    | -            | 2,590,000    | -            |
| Gain on derecognition of lease contracts               | (15,362)     | (8,537)      | -            | -            |
| Impairment losses on:-                                 |              |              |              |              |
| - amount owing by subsidiaries                         | -            | -            | 7,994,357    | 15,207,244   |
| Impairment losses no longer required:-                 |              |              |              |              |
| - amount owing by subsidiaries                         | -            | -            | (13,330,625) | (5,144,123)  |
| - investments in subsidiaries                          | -            | -            | (19,000,000) | (41,638,000) |
| - property, plant and equipment                        | -            | (58,552,326) | -            | -            |
| - trade and other receivables                          | (24,877)     | (47,824)     | -            | -            |
| Interest expense                                       | 11,175,144   | 14,352,116   | 12,499,945   | 11,149,040   |
| Interest income  | (101,128)    | (18,613)     | (13,110,426) | (11,849,674) |
| Inventories written down                               | -            | 85           | -            | -            |
| Inventories written off                                | 4,827,893    | 741,037      | -            | -            |
| Payables written off                                   | -            | (2,618,140)  | -            | (2,617,608)  |
| Property, plant and equipment written off              | 2,247,519    | 7,391,057    | -            | 1            |
| Operating profit/(loss) before working capital changes | 71,540,915   | 50,116,508   | (2,583,248)  | (1,813,337)  |
| (Increase)/decrease in inventories                     | (6,100,063)  | 12,185,673   | -            | -            |
| (Increase)/decrease in trade and other receivables     | (10,633,297) | (385,769)    | 373,812      | 898,936      |
| (Decrease)/increase in trade and other payables        | (5,813,383)  | 13,107,997   | (1,368,252)  | 5,611,946    |
| CASH FROM/(FOR) OPERATIONS/<br>BALANCE CARRIED FORWARD | 48,994,172   | 75,024,409   | (3,577,688)  | 4,697,545    |

The annexed notes form an integral part of these financial statements.

## Statements Of Cash Flows

### For The Financial Year Ended 31 December 2024 (Cont'd)

|   | Note  | The Group    |              | The Company  |              |
|---|-------|--------------|--------------|--------------|--------------|
|   |       | 2024<br>RM   | 2023<br>RM   | 2024<br>RM   | 2023<br>RM   |
| CASH FROM/(FOR) OPERATIONS/<br>BALANCE BROUGHT FORWARD                    |       | 48,994,172   | 75,024,409   | (3,577,688)  | 4,697,545    |
| Income tax paid   |       | (11,855,752) | (14,030,818) | (548,700)    | (489,324)    |
| Income tax refunded   |       | 30,902       | 957,596      | -            | 477,115      |
| Interest paid   |       | (5,848,203)  | (7,814,319)  | (12,441,098) | (11,077,855) |
| Interest received   |       | 101,128      | 18,613       | 13,110,426   | 11,849,674   |
| NET CASH FROM/(FOR)<br>OPERATING ACTIVITIES                               |       | 31,422,247   | 54,155,481   | (3,457,060)  | 5,457,155    |
| CASH FLOWS FROM/(FOR) INVESTING<br>ACTIVITIES                             |       |              |              |              |              |
| Net advance to subsidiaries   |       | -            | -            | (15,237,690) | 23,766,858   |
| Costs incurred on biological assets                                       |       | -            | (49,576)     | -            | -            |
| Disposal of subsidiaries, net of cash and<br>cash equivalents disposed of | 31    | -            | (10,785)     | -            | -            |
| Dividend received   |       | -            | -            | 27,700,000   | 7,530,000    |
| Decrease in pledged deposits<br>with licensed banks                       |       | 120,051      | -            | -            | -            |
| Proceeds from disposal of assets<br>classified as held for sale           |       | 165,000,000  | -            | -            | -            |
| Proceeds from disposal of<br>intangible assets                            |       | 8,057        | -            | -            | -            |
| Proceeds from disposal of<br>other investment                             |       | 2,410,000    | -            | 2,410,000    | -            |
| Proceeds from disposal of<br>property, plant and equipment                |       | 5,422,133    | 2,128,923    | -            | 4,550        |
| Purchase of intangible assets   |       | (24,461)     | -            | (21,821)     | -            |
| Purchase of property, plant and<br>equipment                              | 32(a) | (39,935,810) | (37,348,861) | (94,417)     | (11,478)     |
| Subscription of shares in subsidiaries                                    |       | -            | -            | -            | (30,000,000) |
| NET CASH FROM/(FOR) INVESTING<br>ACTIVITIES                               |       | 132,999,970  | (35,280,299) | 14,756,072   | 1,289,930    |
| BALANCE CARRIED FORWARD   |       | 164,422,217  | 18,875,182   | 11,299,012   | 6,747,085    |

The annexed notes form an integral part of these financial statements.

# Statements Of Cash Flows

For The Financial Year Ended 31 December 2024  
(Cont'd)

|  |       | The Group     |              | The Company |             |
|--|-------|---------------|--------------|-------------|-------------|
|  | Note  | 2024<br>RM    | 2023<br>RM   | 2024<br>RM  | 2023<br>RM  |
| BALANCE BROUGHT FORWARD                                      |       | 164,422,217   | 18,875,182   | 11,299,012  | 6,747,085   |
| CASH FLOWS FOR FINANCING ACTIVITIES                          |       |               |              |             |             |
| Dividend paid by subsidiaries to non-controlling interests   |       | (6,300,000)   | (3,270,000)  | -           | -           |
| Drawdown of term loans                                       | 32(b) | 36,665,265    | 24,718,976   | -           | -           |
| Net of (repayment)/drawdown of bankers' acceptance           | 32(b) | (7,969,000)   | 3,697,000    | -           | -           |
| Net repayment of revolving credit                            | 32(b) | (61,783,000)  | (4,876,500)  | (4,500,000) | (8,500,000) |
| Payment of interests on long-term borrowings                 | 32(b) | (8,240,707)   | (8,936,167)  | (58,847)    | (71,185)    |
| Repayment of hire purchase payables                          | 32(b) | (2,218,992)   | (514,455)    | (14,532)    | -           |
| Repayment of lease liabilities                               | 32(b) | (2,637,915)   | (1,357,194)  | (4,679)     | -           |
| Repayment of secured loans                                   | 32(b) | (20,380,000)  | (300,000)    | -           | -           |
| Repayment of term loans                                      | 32(b) | (65,230,298)  | (31,405,933) | -           | -           |
| Repayment of unsecured loans                                 | 32(b) | (1,560,421)   | (1,748,929)  | (600,000)   | (600,000)   |
| NET CASH FOR FINANCING ACTIVITIES                            |       | (139,655,068) | (23,993,202) | (5,178,058) | (9,171,185) |
| NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS         |       | 24,767,149    | (5,118,020)  | 6,120,954   | (2,424,100) |
| CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR |       | 2,658,257     | 7,776,277    | 695,740     | 3,119,840   |
| CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR       | 32(d) | 27,425,406    | 2,658,257    | 6,816,694   | 695,740     |

The annexed notes form an integral part of these financial statements.

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

### 1. GENERAL INFORMATION

The Company is a public limited liability company, incorporated and domiciled in Malaysia and listed on the Main Board of Bursa Malaysia Securities Berhad. The registered office, which is also the principal place of business, is North Wing, Menara Rimbunan Hijau, 101, Pusat Suria Permata, Jalan Upper Lanang, 96000 Sibul, Sarawak.

The financial statements comprise both separate and consolidated financial statements. The financial statements of the Company are separate financial statements, while the financial statements of the Group are consolidated financial statements that include those of the Company and its subsidiaries as of the end of the reporting period. The Company and its subsidiaries are collectively referred to as "the Group".

The financial statements of the Company and of the Group are presented in Ringgit Malaysia ("RM"), which is the Company's functional and presentation currency.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors dated 11 April 2025.

### 2. PRINCIPAL ACTIVITIES

The Company is principally engaged in the business of investment holding and the provision of management services. The principal activities of the subsidiaries are set out in Note 6 to the financial statements. There have been no significant changes in the nature of these activities during the financial year.

### 3. BASIS OF PREPARATION

The financial statements of the Group and of the Company are prepared under the historical cost convention and modified to include other bases of valuation as disclosed in other sections under material accounting policy information, and in compliance with Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

- 3.1 During the current financial year, the Group and the Company have 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 16: Lease Liability in a Sale and Leaseback  
Amendments to MFRS 101: Classification of Liabilities as Current or Non-current  
Amendments to MFRS 101: Non-current Liabilities with Covenants  
Amendments to MFRS 107 and MFRS 7: Supplier Finance Arrangements

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 financial statements of the Group and of the Company.

# Notes To The Financial Statements

## For The Financial Year Ended 31 December 2024 (Cont'd)

### 3. BASIS OF PREPARATION (CONT'D)

- 3.2 The Group and the Company have 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: -

| <b>MFRSs and/or IC Interpretations (Including the Consequential Amendments)</b>   | <b>Effective Date</b> |
|---|-----------------------|
| MFRS 18 Presentation and Disclosure in Financial Statements   | 1 January 2027        |
| MFRS 19 Subsidiaries without Public Accountability: Disclosures   | 1 January 2027        |
| Amendments to MFRS 9 and MFRS 7: Amendments to the Classification and Measurement of Financial Instruments                | 1 January 2026        |
| Amendments to MFRS 9 and MFRS 7: Contracts Referencing Nature-dependent Electricity                                       | 1 January 2026        |
| 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 121: Lack of Exchangeability   | 1 January 2025        |
| Annual Improvements to MFRS Accounting Standards – Volume 11  | 1 January 2026        |

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 and of the Company upon their initial application except as follows: -

MFRS 18 *Presentation and Disclosure in Financial Statements* will replace MFRS 101 *Presentation of Financial Statements* upon its adoption. This new standard aims to enhance the transparency and comparability of financial information by introducing new disclosure requirements. Specifically, it requires that income and expenses be classified into 3 defined categories: "operating", "investing" and "financing", and introduces 2 new subtotals: "operating profit or loss" and "profit or loss before financing and income tax". In addition, MFRS 18 requires the disclosure of management-defined performance measures and sets out principles for the aggregation and disaggregation of information, which will apply to all primary financial statements and the accompanying notes. The statement of financial position and the statement of cash flows will also be affected. The potential impact of the new standard on the financial statements of the Group and of the Company has yet to be assessed.

### 4. GOING CONCERN

The financial statements of the Group are prepared on the basis of accounting principles applicable to a going concern, notwithstanding that the Group's current liabilities exceeded its current assets by RM136.4 million, along with the tax dispute with the Inland Revenue Board, Malaysia ("IRBM") as disclosed in Note 37 to the financial statements.

As at 31 December 2024, the Group's total borrowings amounted to RM232.2 million (2023: RM340.1 million), of which RM111.7 million (2023: RM189.7 million) were classified as current liabilities. Details of these borrowings are disclosed in Note 20 to the financial statements. The Group's trade and non-trade payables were recorded at RM107.8 million (2023: RM113.6 million) as at 31 December 2024. Of these payables, RM37.9 million (2023: RM39.4 million) were payable to the related parties. Details of these trade and non-trade payables are disclosed in Notes 23 and 24 to the financial statements respectively. In addition, the Group recorded earnings before interest, tax, depreciation and amortisation ("EBITDA") of RM107.3 million (2023: RM100.2 million) for the financial year.

As at the end of the reporting period, the Group has access to approved but unutilised credit facilities to meet any potential shortfall in working capital. Management remains confident that the existing credit facilities will continue to be available as the Group has not defaulted on any repayment obligations during the financial year.



## Notes To The Financial Statements For The Financial Year Ended 31 December 2024 (Cont'd)

### 4. GOING CONCERN (CONT'D)

The Group has implemented several strategic initiatives to enhance its financial and operational performance. These include securing a sufficient number of harvesters, advancing mechanization processes, and executing cost optimization measures to improve efficiency and productivity across its plantation operations. These efforts are expected to enhance fresh fruit bunch (FFB) yields and contribute to the Group's profitability. Furthermore, the Group is accelerating the replanting of less productive tall palm areas with high-yielding materials to improve the age profile of the palms and drive significant improvements in plantation productivity.

Management remains confident in its position regarding the ongoing tax dispute with the IRBM, believing, based on legal advice, that there is no legal and factual basis for the tax authority to issue notices of additional assessment, as disclosed in Note 37 to the financial statements.

Taking into account the positive outlook in the oil palm plantation industry, the availability of existing credit lines, as well as the continued financial support from the related parties, management believes that the Group will be able to generate sufficient cash flows to meet its obligations and working capital needs for the next financial year. Accordingly, the financial statements of the Group have been prepared on the going concern basis.

### 5. MATERIAL ACCOUNTING POLICY INFORMATION

#### 5.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

##### *Key Sources of Estimation Uncertainty*

Management believes that there are no key assumptions made concerning the future, and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year other than as disclosed below: -

#### **(a) Depreciation of Property, Plant and Equipment**

The estimates for the residual values, useful lives and related depreciation charges for the property, plant and equipment are based on commercial factors which could change significantly as a result of technical innovations and competitors' actions in response to the market conditions. The Group and the Company anticipate that the residual values of its property, plant and equipment will be insignificant. As a result, residual values are not being taken into consideration for the computation of the depreciable amount. Changes in the expected level of usage and technological development could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised. The carrying amount of property, plant and equipment as at the reporting date is disclosed in Note 7 to the financial statements.

#### **(b) Impairment of Property, Plant and Equipment (Including Right-of-use Assets)**

The Group and the Company determine whether an item of its property, plant and equipment (including right-of-use assets) is impaired by evaluating the extent to which the recoverable amount of the asset is less than its carrying amount. This evaluation is subject to changes such as market performance, economic and political situation of the country. A variety of methods is used to determine the recoverable amount, such as valuation reports and discounted cash flows. For discounted cash flows, significant judgement is required in the estimation of the present value of future cash flows generated by the assets, which involve uncertainties and are significantly affected by assumptions used and judgements made regarding estimates of future cash flows and discount rates. The carrying amount of property, plant and equipment (including right-of-use assets) as at the reporting date is disclosed in Note 7 to the financial statements.

# Notes To The Financial Statements

## For The Financial Year Ended 31 December 2024 (Cont'd)

### 5. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

#### 5.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)

##### (c) Write-down of Inventories

Reviews are made periodically by management on damaged, obsolete and slow-moving inventories. These reviews require judgement and estimates. Possible changes in these estimates could result in revisions to the valuation of inventories. The carrying amount of inventories as at the reporting date is disclosed in Note 14 to the financial statements.

##### (d) Impairment of Trade Receivables

The Group uses the simplified approach to estimate a lifetime expected credit loss allowance for all trade receivables. The Group develops the expected loss rates based on the payment profiles of past sales and the corresponding historical credit losses, and adjusts for qualitative and quantitative reasonable and supportable forward-looking information. If the expectation is different from the estimation, such difference will impact the carrying value of trade receivables. The carrying amount of trade receivables as at the reporting date is disclosed in Note 15 to the financial statements.

##### (e) Impairment of Non-Trade Receivables

The loss allowances for non-trade financial assets are based on assumptions about risk of default (probability of default) and expected loss if a default happens (loss given default). It also requires the Group to assess whether there is a significant increase in credit risk of the non-trade financial asset at the reporting date. The Group uses judgement in making these assumptions and selecting appropriate inputs to the impairment calculation, based on the past payment trends, existing market conditions and forward-looking information. The carrying amounts of amount owing by subsidiaries and other receivables as at the reporting date are disclosed in Notes 12 and 16 to the financial statements respectively.

##### (f) Income Taxes

There are certain transactions and computations for which the ultimate tax determination may be different from the initial estimate. The Group and the Company recognise tax liabilities based on its understanding of the prevailing tax laws and estimates of whether such taxes will be due in the ordinary course of business. Where the final outcome of these matters is different from the amounts that were initially recognised, such difference will impact the income tax expense and deferred tax balances in the period in which such determination is made.

#### *Critical Judgements Made in Applying Accounting Policies*

Management believes that there are no instances of application of critical judgement in applying the accounting policies of the Group and of the Company which will have a significant effect on the amounts recognised in the financial statements other than as disclosed below: -

##### (a) Contingent Liabilities

The recognition and measurement for contingent liabilities are based on management's view of the expected outcome on contingencies after consulting legal counsel for litigation cases and experts, for matters in the ordinary course of business. Furthermore, management is of the view that the chances of the financial institutions to call upon the corporate guarantees issued by the Group and the Company are remote.

## Notes To The Financial Statements

### For The Financial Year Ended 31 December 2024 (Cont'd)

#### 5. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

##### 5.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)

###### (b) Going Concern

Management concludes that there were material uncertainties relating to events or conditions that may cast significant doubt upon the Group's ability to continue as a going concern at the end of the current reporting period. The judgements applied in concluding the appropriate basis for preparing these financial statements are disclosed in Note 4 to the financial statements.

##### 5.2 BUSINESS COMBINATION

###### (a) Merger Method Of Accounting

The acquisitions of Baram Trading Sdn. Bhd. and Nescaya Palma Sdn. Bhd. by the Company have been accounted for as a business combination among entities under common control. Accordingly, the financial statements of the Group have been consolidated using the merger method of accounting.

Under the merger method of accounting, the results of the subsidiaries are presented as if the merger had been effected throughout the current and previous financial years. The assets and liabilities combined are accounted based on the carrying amounts from the perspective of common control shareholders at the date of transfer. On consolidation, the cost of the merger is cancelled with the values of the shares received. Any resulting debit or credit difference is classified as a non-distributable reserve.

##### 5.3 GOODWILL

Goodwill is initially measured at cost. Subsequent to the initial recognition, the goodwill is measured at cost less accumulated impairment losses, if any. A bargain purchase gain is recognised in profit or loss immediately.

##### 5.4 FINANCIAL INSTRUMENTS

###### (a) Financial Assets

###### Financial Assets Through Profit or Loss

The financial assets are initially measured at fair value. Subsequent to the initial recognition, the financial assets are remeasured to their fair values at the reporting date with fair value changes recognised in profit or loss. The fair value changes do not include interest and dividend income.

###### Financial Assets at Amortised Cost

The financial assets are initially measured at fair value plus transaction costs except for trade receivables without significant financing component which are measured at transaction price only. Subsequent to the initial recognition, all financial assets are measured at amortised cost less any impairment losses.

# Notes To The Financial Statements

## For The Financial Year Ended 31 December 2024 (Cont'd)

### 5. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

#### 5.4 FINANCIAL INSTRUMENTS (CONT'D)

##### (b) Financial Liabilities

###### Financial Liabilities at Amortised Cost

The financial liabilities are initially measured at fair value less transaction costs. Subsequent to the initial recognition, the financial liabilities are measured at amortised cost.

##### (c) Equity

###### Ordinary Shares

Ordinary shares are recorded on initial recognition at the proceeds received less directly attributable transaction costs incurred. The ordinary shares are not remeasured subsequently.

##### (d) Financial Guarantee Contracts

Financial guarantee contracts are recognised initially as liabilities at fair value, net of transaction costs. Subsequent to the initial recognition, the financial guarantee contracts are recognised as income in profit or loss over the period of the guarantee or, when there is no specific contractual period, recognised in profit or loss upon discharge of the guarantee. If the debtor fails to make payment relating to a financial guarantee contract when it is due and the Company, as the issuer, is required to reimburse the holder for the associated loss, the reimbursement is recognised as a liability and measured at the higher of the amount of loss allowance determined using the expected credit loss model and the amount of financial guarantee initially recognised less cumulative amortisation.

#### 5.5 INVESTMENTS IN SUBSIDIARIES

Investments in subsidiaries including the fair value adjustments on inter-company loans at inception date, which are eliminated on consolidation, are stated in the separate financial statements of the Company at cost less impairment losses, if any.

#### 5.6 PROPERTY, PLANT AND EQUIPMENT

##### (a) Bearer Plants

Bearer plants, included within property, plant and equipment, are defined as living plants that are used in the production or supply of agricultural produce and for which there is only a remote likelihood that the plant will also be sold as agricultural produce. Bearer plants (before maturity), representing nursery development, and immature oil palm and rubber plantations, are measured at cost, which consists of the costs incurred in the preparation of the nursery, purchase of seedlings and maintenance of the plantations. No depreciation is provided for immature bearer plants. Upon maturity, bearer plants are measured at cost less accumulated depreciation and impairment losses, if any. Mature bearer plants are depreciated over the estimated useful lives of the bearer plants of 25 years.

## Notes To The Financial Statements

### For The Financial Year Ended 31 December 2024 (Cont'd)

#### 5. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

##### 5.6 PROPERTY, PLANT AND EQUIPMENT (CONT'D)

###### (b) Other Property, Plant and Equipment

All other items of property, plant and equipment are initially measured at cost.

Subsequent to initial recognition, all property, plant and equipment are stated at cost less accumulated depreciation and any impairment losses.

Depreciation on other property, plant and equipment is calculated using the straight-line method to allocate their depreciable amounts over the estimated useful lives. The principal annual rates used are: -

|                                     |           |
|-------------------------------------|-----------|
| Buildings, drainage and roads       | 4% - 20%  |
| Nursery irrigation systems          | 7½% - 10% |
| Motor vehicles, plant and machinery | 10%       |
| Equipment and furniture             | 10% - 20% |

Capital work-in-progress represents assets under construction, and which are not ready for commercial use at the end of the reporting period. Capital work-in-progress is stated at cost, and is transferred to the relevant category of assets and depreciated accordingly when the assets are completed and ready for commercial use.

Cost of capital work-in-progress includes direct cost, related expenditure and interest cost on borrowings taken to finance the acquisition of the assets to the date that the assets are completed and put into use.

##### 5.7 BIOLOGICAL ASSETS

Biological assets comprise produce growing on bearer plants.

Produce growing on bearer plants (i.e. FFBs) is classified as current assets as it is expected to be harvested and sold or used for production on a date not later than 12 months after the reporting date.

Biological assets are measured at fair value less costs to sell. Any gains or losses arising on initial recognition and from changes in the fair value less costs to sell are recognised in profit or loss for the period in which they arise.

##### 5.8 INTANGIBLE ASSETS

###### Computer Software

Computer software is initially capitalised at cost which includes the purchase price (net of any discounts and rebates) and other directly attributable cost of preparing the asset for its intended use. Direct expenditure, which enhances or extends the performance of computer software beyond its specifications and which can be reliably measured, is recognised as capital improvement and added to the original cost of the software. Costs associated with maintaining the computer software are recognised as an expense as incurred.

Capitalised computer software is subsequently carried at cost less accumulated amortisation and impairment losses, if any. These costs are amortised on a straight-line basis over their estimated useful lives of 3 to 10 years.

# Notes To The Financial Statements

## For The Financial Year Ended 31 December 2024 (Cont'd)

### 5. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

#### 5.9 LEASES

##### (a) Short-term Leases and Leases of Low-value Assets

The Group and the Company apply the "short-term lease" and "lease of low-value assets" recognition exemption. For these leases, the Group and the Company recognise the lease payments as an operating expense on a straight-line method over the term of the lease unless another systematic basis is more appropriate.

##### (b) Right-of-use Assets

The right-of-use assets are initially measured at cost. Subsequent to the initial recognition, the right-of-use assets are stated cost less accumulated depreciation and any impairment losses, and adjusted for any remeasurement of lease liabilities.

The right-of-use assets are depreciated using the straight-line method from the commencement date to the earlier of the end of the estimated useful lives of the right-of-use asset to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The principal annual periods and rates used are: -

|                                     |                |
|-------------------------------------|----------------|
| Buildings                           | 1 to 10 years  |
| Leasehold land                      | 53 to 99 years |
| Motor vehicles, plant and machinery | 4 years        |

The right-of-use assets are presented in the statements of financial position within property, plant and equipment.

##### (c) Lease Liabilities

Lease liabilities are initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the entities' incremental borrowing rate. Subsequent to the initial recognition, the lease liabilities are measured at amortised cost and adjusted for any lease reassessment or modifications.

The lease liabilities are presented in the statements of financial position within borrowings.

#### 5.10 INVENTORIES

Inventories are stated at the lower of cost and net realisable value. Costs incurred in bringing each product to its present location and condition are accounted for as follows: -

- (a) Processed inventories – cost of raw materials, direct labour, and an appropriate proportion of production overheads, determined on a first-in first-out basis.
- (b) Sundry stores and consumables – original cost of purchase, determined on a weighted average basis.

Net realisable value represents the estimated selling price less the estimated costs of completion and the estimated costs necessary to make the sale.

# Notes To The Financial Statements

## For The Financial Year Ended 31 December 2024 (Cont'd)

### 6. INVESTMENTS IN SUBSIDIARIES

|                                     | The Company   |               |
|-------------------------------------|---------------|---------------|
|                                     | 2024<br>RM    | 2023<br>RM    |
| Unquoted shares, at cost            | 819,669,082   | 819,669,082   |
| Less: Accumulated impairment losses | (327,962,473) | (346,962,473) |
|                                     | 491,706,609   | 472,706,609   |

The details of the subsidiaries are as follows: -

| Name of Subsidiary                             | Principal Place of Business/Country of Incorporation | Percentage of Issued Share Capital Held by Parent |        | Principal Activities                                   |
|--|--|---|--------|--|
|  |  | 2024 %  | 2023 % |  |
| Subsidiaries of the Company                    |  |   |        |  |
| Baram Trading Sdn. Bhd. *                      | Malaysia   | 85  | 85     | Cultivation of oil palm                                |
| Jayamax Plantation Sdn. Bhd.                   | Malaysia   | 100   | 100    | Dormant  |
| Lumiera Enterprise Sdn. Bhd.                   | Malaysia   | 100   | 100    | Dormant  |
| Nescaya Palma Sdn. Bhd.                        | Malaysia   | 100   | 100    | Cultivation of oil palm                                |
| Novelpac-Puncakdana Plantation Sdn. Bhd.       | Malaysia   | 100   | 100    | Cultivation of oil palm                                |
| Pelita-Splendid Plantation Sdn. Bhd. #         | Malaysia   | 70  | 70     | Cultivation of oil palm                                |
| PJP Pelita Biawak Plantation Sdn. Bhd. #       | Malaysia   | 85  | 85     | Cultivation of oil palm                                |
| PJP Pelita Ekang-Banyok Plantation Sdn. Bhd. * | Malaysia   | 60  | 60     | Cultivation of oil palm                                |
| PJP Pelita Lundu Plantation Sdn. Bhd.          | Malaysia   | 60  | 60     | Cultivation of oil palm                                |
| PJP Pelita Selangau Plantation Sdn. Bhd. *#    | Malaysia   | 60  | 60     | Cultivation of oil palm                                |
| PJP Pelita Ulu Teru Plantation Sdn. Bhd. *#    | Malaysia   | 60  | 60     | Cultivation of oil palm                                |
| R.H. Plantation Sdn. Bhd.                      | Malaysia   | 100   | 100    | Cultivation of oil palm and operation of palm oil mill |



## Notes To The Financial Statements

### For The Financial Year Ended 31 December 2024 (Cont'd)

#### 6. INVESTMENTS IN SUBSIDIARIES (CONT'D)

The details of the subsidiaries are as follows (cont'd): -

| Name of Subsidiary                           | Principal Place of Business/Country of Incorporation | Percentage of Issued Share Capital Held by Parent |        | Principal Activities                                    |
|--|--|---|--------|---|
|  |  | 2024 %  | 2023 % |   |
| Subsidiaries of the Company                  |  |   |        |   |
| Rajang Builders Sdn. Bhd.                    | Malaysia   | 100   | 100    | General Trading   |
| Rakantama Sdn. Bhd. #                        | Malaysia   | 100   | 100    | Insurance agency services                               |
| Rimbunan Sawit Management Services Sdn. Bhd. | Malaysia   | 100   | 100    | Investment holding and provision of management services |
| RSB Lundu Palm Oil Mill Sdn. Bhd.            | Malaysia   | 100   | 100    | Operation of palm oil mill                              |
| RSB Palm Oil Mill Sdn. Bhd. *                | Malaysia   | 100   | 100    | Operation of palm oil mill                              |
| Sastat Holdings Sdn. Bhd.                    | Malaysia   | 100   | 100    | Cultivation of oil palm                                 |
| Timrest Sdn. Bhd.                            | Malaysia   | 100   | 100    | Cultivation of oil palm                                 |
| Woodijaya Sdn. Bhd.                          | Malaysia   | 100   | 100    | Cultivation of oil palm                                 |
| Subsidiary of Nescaya Palma Sdn. Bhd.        |  |   |        |   |
| Formasi Abadi Sdn. Bhd. *                    | Malaysia   | 100   | 100    | Cultivation of oil palm                                 |

# These subsidiaries were audited by other firms of chartered accountants.

\* The auditors' reports on the financial statements of the subsidiaries include "Material Uncertainty Related to Going Concern" regarding the ability of the subsidiaries to continue as a going concern in view of their capital deficiency position as at the end of the current reporting period. The financial statements were prepared on a going concern basis as the Company has undertaken to provide continued financial support to the subsidiaries.

(a) During the financial year, the Company recognised a reversal of RM19,000,000 (2023: RM41,638,000) in "Other Income" line item of the statement of profit or loss and other comprehensive income. The reversal was primarily driven by an improvement in the recoverable amount of subsidiary companies. The recoverable amount was derived based on fair value less costs of disposal which was measured based on net assets of the subsidiary companies.

## Notes To The Financial Statements

### For The Financial Year Ended 31 December 2024 (Cont'd)

#### 6. INVESTMENTS IN SUBSIDIARIES (CONT'D)

(b) The non-controlling interests at the end of the reporting period comprise the following: -

|  | Effective Equity Interest |           | The Group           |                     |
|--|---------------------------|-----------|---------------------|---------------------|
|  | 2024<br>%                 | 2023<br>% | 2024<br>RM          | 2023<br>RM          |
| PJP Pelita Biawak Plantation Sdn. Bhd.<br>("Biawak")             | 15                        | 15        | 4,587,345           | 5,644,698           |
| PJP Pelita Ekang-Banyok Plantation<br>Sdn. Bhd. ("Ekang-Banyok") | 40                        | 40        | (14,293,314)        | (11,727,234)        |
| PJP Pelita Lundu Plantation Sdn. Bhd.<br>("Lundu")               | 40                        | 40        | 17,300,981          | 18,684,380          |
| PJP Pelita Selangau Plantation Sdn. Bhd.<br>("Selangau")         | 40                        | 40        | (32,110,770)        | (30,602,946)        |
| PJP Pelita Ulu Teru Plantation Sdn. Bhd.<br>("Ulu Teru")         | 40                        | 40        | (26,805,921)        | (23,103,329)        |
| Other individually immaterial subsidiaries                       |                           |           | (4,002,697)         | (3,806,686)         |
|  |                           |           | <u>(55,324,376)</u> | <u>(44,911,117)</u> |

(c) The summarised financial information (before intra-group elimination) for each subsidiary that has non-controlling interests that are material to the Group is as follows: -

|   | Biawak            |                    |
|---|-------------------|--------------------|
|   | 2024<br>RM        | 2023<br>RM         |
| <u>At 31 December</u>                   |                   |                    |
| Non-current assets                      | 28,299,567        | 33,624,236         |
| Current assets                          | 13,041,257        | 15,710,776         |
| Non-current liabilities                 | (5,414,546)       | (6,741,368)        |
| Current liabilities                     | (5,343,978)       | (4,962,323)        |
| Net assets                              | <u>30,582,300</u> | <u>37,631,321</u>  |
| <u>Financial year ended 31 December</u> |                   |                    |
| Revenue                                 | 25,477,874        | 18,705,809         |
| Profit/(loss) for the financial year    | 2,950,979         | (1,438,534)        |
| Total comprehensive income              | <u>2,950,979</u>  | <u>(1,438,534)</u> |

# Notes To The Financial Statements

## For The Financial Year Ended 31 December 2024 (Cont'd)

### 6. INVESTMENTS IN SUBSIDIARIES (CONT'D)

- (c) The summarised financial information (before intra-group elimination) for each subsidiary that has non-controlling interests that are material to the Group is as follows (cont'd): -

|  | <b>Biawak</b>      |                    |
|--|--------------------|--------------------|
|  | <b>2024<br/>RM</b> | <b>2023<br/>RM</b> |
| Total comprehensive income attributable to non-controlling interests | 442,647            | (215,780)          |
| Dividends paid to non-controlling interests                          | (1,500,000)        | (630,000)          |
| Net cash flows from/(for) operating activities                       | 11,932,061         | (7,972,447)        |
| Net cash flows (for)/from investing activities                       | (1,196,980)        | 22,649             |
| Net cash flows (for)/from financing activities                       | (10,630,077)       | 7,943,159          |

- (d) The summarised financial information (before intra-group elimination) for each subsidiary that has non-controlling interests that are material to the Group is as follows: -

|  | <b>Ekang-Banyok</b> |                    |
|--|---------------------|--------------------|
|  | <b>2024<br/>RM</b>  | <b>2023<br/>RM</b> |
| <u>At 31 December</u>  |                     |                    |
| Non-current assets   | 41,620,273          | 42,516,542         |
| Current assets   | 1,655,566           | 1,570,803          |
| Non-current liabilities  | (588,209)           | -                  |
| Current liabilities  | (78,420,915)        | (73,405,430)       |
| Net liabilities  | (35,733,285)        | (29,318,085)       |
| <u>Financial year ended 31 December</u>                              |                     |                    |
| Revenue  | 10,229,247          | 7,712,271          |
| Loss for the financial year  | (6,415,200)         | (6,277,428)        |
| Total comprehensive income   | (6,415,200)         | (6,277,428)        |
| Total comprehensive income attributable to non-controlling interests | (2,566,080)         | (2,510,971)        |
| Dividends paid to non-controlling interests                          | -                   | -                  |
| Net cash flows for operating activities                              | (3,175,360)         | (2,536,169)        |
| Net cash flows for investing activities                              | (956,480)           | (1,121,813)        |
| Net cash flows from financing activities                             | 4,132,806           | 3,647,179          |

## Notes To The Financial Statements

### For The Financial Year Ended 31 December 2024 (Cont'd)

#### 6. INVESTMENTS IN SUBSIDIARIES (CONT'D)

- (d) The summarised financial information (before intra-group elimination) for each subsidiary that has non-controlling interests that are material to the Group is as follows (cont'd): -

|  | Lundu         |               |
|--|---------------|---------------|
|  | 2024<br>RM    | 2023<br>RM    |
| <u>At 31 December</u>  |               |               |
| Non-current assets   | 32,440,958    | 41,842,766    |
| Current assets   | 25,531,033    | 22,369,408    |
| Non-current liabilities  | (7,392,746)   | (9,863,909)   |
| Current liabilities  | (7,326,792)   | (7,637,315)   |
| Net assets   | 43,252,453    | 46,710,950    |
| <u>Financial year ended 31 December</u>                              |               |               |
| Revenue  | 42,661,516    | 31,956,350    |
| Profit for the financial year  | 8,541,503     | 1,298,591     |
| Total comprehensive income   | 8,541,503     | 1,298,591     |
| Total comprehensive income attributable to non-controlling interests | 3,416,601     | 519,436       |
| Dividends paid to non-controlling interests                          | (4,800,000)   | (2,640,000)   |
| Net cash flows from operating activities                             | 15,198,828    | 10,504,867    |
| Net cash flows for investing activities                              | (2,820,024)   | (3,960,624)   |
| Net cash flows for financing activities                              | (12,356,782)  | (6,548,263)   |
|  |               |               |
|  | Selangau      |               |
|  | 2024<br>RM    | 2023<br>RM    |
| <u>At 31 December</u>  |               |               |
| Non-current assets   | 21,921,521    | 24,753,603    |
| Current assets   | 134,178       | 19,378        |
| Non-current liabilities  | -             | -             |
| Current liabilities  | (102,332,624) | (101,280,347) |
| Net liabilities  | (80,276,925)  | (76,507,366)  |
| <u>Financial year ended 31 December</u>                              |               |               |
| Revenue  | -             | -             |
| Loss for the financial year  | (3,769,559)   | (8,949,844)   |
| Total comprehensive income   | (3,769,559)   | (8,949,844)   |

# Notes To The Financial Statements

## For The Financial Year Ended 31 December 2024 (Cont'd)

### 6. INVESTMENTS IN SUBSIDIARIES (CONT'D)

- (d) The summarised financial information (before intra-group elimination) for each subsidiary that has non-controlling interests that are material to the Group is as follows (cont'd): -

|  | Selangau      |               |
|--|---------------|---------------|
|  | 2024<br>RM    | 2023<br>RM    |
| Total comprehensive income attributable to non-controlling interests | (1,507,824)   | (3,579,937)   |
| Dividends paid to non-controlling interests                          | -             | -             |
| Net cash flows for operating activities                              | (1,049,410)   | (304,900)     |
| Net cash flows for investing activities                              | (9)           | -             |
| Net cash flows from financing activities                             | 1,049,875     | 304,111       |
|  |               |               |
|  | Ulu Teru      |               |
|  | 2024<br>RM    | 2023<br>RM    |
| <u>At 31 December</u>  |               |               |
| Non-current assets   | 102,943,312   | 107,920,069   |
| Current assets   | 4,349,660     | 3,407,840     |
| Non-current liabilities  | (11,346,357)  | (13,812,404)  |
| Current liabilities  | (162,961,417) | (155,273,828) |
| Net liabilities  | (67,014,802)  | (57,758,323)  |
|  |               |               |
| <u>Financial year ended 31 December</u>                              |               |               |
| Revenue  | 23,928,688    | 15,867,380    |
| Loss for the financial year  | (9,256,479)   | (13,339,572)  |
| Total comprehensive income   | (9,256,479)   | (13,339,572)  |
| Total comprehensive income attributable to non-controlling interests | (3,702,592)   | (5,335,829)   |
| Dividends paid to non-controlling interests                          | -             | -             |
| Net cash flows from operating activities                             | 1,488,748     | 911,218       |
| Net cash flows for investing activities                              | (527,299)     | (1,915,634)   |
| Net cash flows (for)/from financing activities                       | (934,605)     | 994,342       |

# Notes To The Financial Statements

## For The Financial Year Ended 31 December 2024 (Cont'd)

### 7. PROPERTY, PLANT AND EQUIPMENT

| The Group                           | At<br>1.1.2024<br>RM | Additions<br>(Note 32(a))<br>RM | Disposals/<br>Derecognition<br>RM | Write-offs<br>RM | Reclassifi-<br>cations<br>RM | Depreciation<br>Charge<br>RM | At<br>31.12.2024<br>RM |
|-------------------------------------|----------------------|---------------------------------|-----------------------------------|------------------|------------------------------|------------------------------|------------------------|
| <b>2024</b>                         |                      |                                 |                                   |                  |                              |                              |                        |
| <i>Carrying Amount</i>              |                      |                                 |                                   |                  |                              |                              |                        |
| <u>Owned assets</u>                 |                      |                                 |                                   |                  |                              |                              |                        |
| Bearer plants                       | 330,600,806          | 22,267,642                      | (1,167,301)                       | (1,436,482)      | -                            | (29,886,570)                 | 320,378,095            |
| Buildings, drainage and roads       | 166,297,240          | 1,809,856                       | (19,759)                          | (62,850)         | 2,550,367                    | (19,302,532)                 | 151,272,322            |
| Nursery irrigation systems          | 57,136               | -                               | -                                 | -                | -                            | (12,984)                     | 44,152                 |
| Motor vehicles, plant and machinery | 59,013,355           | 13,442,668                      | (2,587,308)                       | (728,722)        | 86,513                       | (10,173,282)                 | 59,053,224             |
| Equipment and furniture             | 4,629,666            | 1,132,534                       | (42,600)                          | (16,066)         | 901,885                      | (1,190,164)                  | 5,415,255              |
| Capital work-in-progress            | 29,324,681           | 13,287,993                      | -                                 | (3,399)          | (3,538,765)                  | -                            | 39,070,510             |
|                                     | 589,922,884          | 51,940,693                      | (3,816,968)                       | (2,247,519)      | -                            | (60,565,532)                 | 575,233,558            |
| <u>Right-of-use assets</u>          |                      |                                 |                                   |                  |                              |                              |                        |
| Leasehold land                      | 77,348,417           | -                               | (7,597)                           | -                | -                            | (1,860,286)                  | 75,480,534             |
| Buildings                           | 4,145,500            | 90,463                          | -                                 | -                | -                            | (1,300,018)                  | 2,935,945              |
| Motor vehicles, plant and machinery | 594,362              | 9,222,699                       | (497,606)                         | -                | -                            | (1,398,330)                  | 7,921,125              |
|                                     | 82,088,279           | 9,313,162                       | (505,203)                         | -                | -                            | (4,558,634)                  | 86,337,604             |
|                                     | 672,011,163          | 61,253,855                      | (4,322,171)                       | (2,247,519)      | -                            | (65,124,166)                 | 661,571,162            |

# Notes To The Financial Statements

## For The Financial Year Ended 31 December 2024 (Cont'd)

### 7. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

| The Group                 | At<br>1.1.2023<br>RM | Additions<br>(Note 32(a))<br>RM | Disposals<br>RM | Write-offs<br>RM | Reclassifi-<br>cations<br>RM | Depreciation<br>Charge<br>RM | Impairment<br>Losses No<br>Longer<br>Required<br>RM | Modification<br>of Lease<br>Liabilities<br>RM | Classified<br>as Held<br>for Sale<br>RM | At<br>31.12.2023<br>RM |
|---------------------------|----------------------|---------------------------------|-----------------|------------------|------------------------------|------------------------------|---|---|---|------------------------|
| <b>2023</b>               |                      |                                 |                 |                  |                              |                              |   |   |   |                        |
| Carrying Amount           |                      |                                 |                 |                  |                              |                              |   |   |   |                        |
| Owned assets              |                      |                                 |                 |                  |                              |                              |   |   |   |                        |
| Bearer plants             | 391,679,136          | 11,432,795                      | (239,824)       | (6,032,802)      | -                            | (32,963,354)                 | 36,556,290  | -   | (69,831,435)                            | 330,600,806            |
| Buildings, drainage       |                      |                                 |                 |                  |                              |                              |   |   |   |                        |
| and roads                 | 185,388,151          | 2,403,619                       | -               | (19,200)         | 5,043,380                    | (20,454,462)                 | 9,638,227   | -   | (15,702,475)                            | 166,297,240            |
| Nursery irrigation system | 86,346               | -                               | -               | -                | -                            | (29,209)                     | -   | -   | (1)                                     | 57,136                 |
| Motor vehicles, plant     |                      |                                 |                 |                  |                              |                              |   |   |   |                        |
| and machinery             | 62,050,155           | 9,409,005                       | (1,215,747)     | (1,089,262)      | 169,404                      | (10,310,200)                 | -   | -   | -                                       | 59,013,355             |
| Equipment and             |                      |                                 |                 |                  |                              |                              |   |   |   |                        |
| furniture                 | 4,252,226            | 1,680,863                       | (14,113)        | (81,691)         | 97,182                       | (1,144,788)                  | -   | -   | (160,013)                               | 4,629,666              |
| Capital work-in-          |                      |                                 |                 |                  |                              |                              |   |   |   |                        |
| progress                  | 15,038,215           | 19,764,681                      | (147)           | (168,102)        | (5,309,966)                  | -                            | -   | -   | -                                       | 29,324,681             |
|                           | 658,494,229          | 44,690,963                      | (1,469,831)     | (7,391,057)      | -                            | (64,902,013)                 | 46,194,517  | -   | (85,693,924)                            | 589,922,884            |
| Right-of-use assets       |                      |                                 |                 |                  |                              |                              |   |   |   |                        |
| Leasehold land            |                      |                                 |                 |                  |                              |                              |   |   |   |                        |
| Buildings                 | 105,672,944          | -                               | -               | -                | -                            | (2,822,804)                  | 12,357,809  | -   | (37,859,532)                            | 77,348,417             |
| Motor vehicles, plant     | 5,335,935            | 133,029                         | (112,547)       | -                | -                            | (1,285,020)                  | -   | 74,103  | -                                       | 4,145,500              |
| and machinery             | -                    | 663,474                         | -               | -                | -                            | (69,112)                     | -   | -   | -                                       | 594,362                |
|                           | 111,008,879          | 796,503                         | (112,547)       | -                | -                            | (4,176,936)                  | 12,357,809  | 74,103  | (37,859,532)                            | 82,088,279             |
|                           | 769,503,108          | 45,487,466                      | (1,582,378)     | (7,391,057)      | -                            | (69,078,949)                 | 58,552,326  | 74,103  | (123,553,456)                           | 672,011,163            |



## Notes To The Financial Statements

### For The Financial Year Ended 31 December 2024 (Cont'd)

#### 7. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

| The Group                           | At<br>Cost<br>RM | Accumulated<br>Depreciation<br>and Impairment<br>Losses<br>RM | Carrying<br>Amount<br>RM |
|-------------------------------------|------------------|---|--------------------------|
| <b>2024</b>                         |                  |   |                          |
| <u>Owned assets</u>                 |                  |   |                          |
| Bearer plants                       | 707,929,132      | (387,551,037)   | 320,378,095              |
| Buildings, drainage and roads       | 484,339,789      | (333,067,467)   | 151,272,322              |
| Nursery irrigation systems          | 184,642          | (140,490)   | 44,152                   |
| Motor vehicles, plant and machinery | 169,891,592      | (110,838,368)   | 59,053,224               |
| Equipment and furniture             | 22,903,306       | (17,488,051)  | 5,415,255                |
| Capital work-in-progress            | 39,070,510       | -   | 39,070,510               |
|                                     | 1,424,318,971    | (849,085,413)   | 575,233,558              |
| <u>Right-of-use assets</u>          |                  |   |                          |
| Leasehold land                      | 136,218,911      | (60,738,377)  | 75,480,534               |
| Buildings                           | 5,575,896        | (2,639,951)   | 2,935,945                |
| Motor vehicles, plant and machinery | 9,222,699        | (1,301,574)   | 7,921,125                |
|                                     | 151,017,506      | (64,679,902)  | 86,337,604               |
|                                     | 1,575,336,477    | (913,765,315)   | 661,571,162              |
| <b>2023</b>                         |                  |   |                          |
| <u>Owned assets</u>                 |                  |   |                          |
| Bearer plants                       | 702,901,885      | (372,301,079)   | 330,600,806              |
| Buildings, drainage and roads       | 480,516,831      | (314,219,591)   | 166,297,240              |
| Nursery irrigation systems          | 184,642          | (127,506)   | 57,136                   |
| Motor vehicles, plant and machinery | 174,325,117      | (115,311,762)   | 59,013,355               |
| Equipment and furniture             | 21,434,346       | (16,804,680)  | 4,629,666                |
| Capital work-in-progress            | 29,324,681       | -   | 29,324,681               |
|                                     | 1,408,687,502    | (818,764,618)   | 589,922,884              |
| <u>Right-of-use assets</u>          |                  |   |                          |
| Leasehold land                      | 136,228,876      | (58,880,459)  | 77,348,417               |
| Buildings                           | 9,605,956        | (5,460,456)   | 4,145,500                |
| Motor vehicles, plant and machinery | 663,474          | (69,112)  | 594,362                  |
|                                     | 146,498,306      | (64,410,027)  | 82,088,279               |
|                                     | 1,555,185,808    | (883,174,645)   | 672,011,163              |

# Notes To The Financial Statements

## For The Financial Year Ended 31 December 2024 (Cont'd)

### 7. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

| The Company                | At<br>1.1.2024<br>RM | Additions<br>RM | Depreciation<br>Charge<br>RM | At<br>31.12.2024<br>RM |
|----------------------------|----------------------|-----------------|------------------------------|------------------------|
| 2024                       |                      |                 |                              |                        |
| Carrying Amount            |                      |                 |                              |                        |
| <u>Owned assets</u>        |                      |                 |                              |                        |
| Buildings                  | 577,404              | 15,500          | (361,067)                    | 231,837                |
| Motor vehicles             | 2                    | 624,730         | (8,677)                      | 616,055                |
| Equipment and furniture    | 141,520              | 15,187          | (102,007)                    | 54,700                 |
|                            | 718,926              | 655,417         | (471,751)                    | 902,592                |
| <u>Right-of-use assets</u> |                      |                 |                              |                        |
| Buildings                  | -                    | 90,463          | (5,026)                      | 85,437                 |
|                            | 718,926              | 745,880         | (476,777)                    | 988,029                |

| The Company             | At<br>1.1.2023<br>RM | Additions<br>RM | Disposals<br>RM | Depreciation<br>Charge<br>RM | At<br>31.12.2023<br>RM |
|-------------------------|----------------------|-----------------|-----------------|------------------------------|------------------------|
| 2023                    |                      |                 |                 |                              |                        |
| Carrying Amount         |                      |                 |                 |                              |                        |
| <u>Owned assets</u>     |                      |                 |                 |                              |                        |
| Buildings               | 1,024,904            | -               | -               | (447,500)                    | 577,404                |
| Motor vehicles          | 2                    | 4,550           | (4,550)         | -                            | 2                      |
| Equipment and furniture | 240,405              | 6,928           | (1)             | (105,812)                    | 141,520                |
|                         | 1,265,311            | 11,478          | (4,551)         | (553,312)                    | 718,926                |

## Notes To The Financial Statements

### For The Financial Year Ended 31 December 2024 (Cont'd)

#### 7. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

| The Company                | At<br>Cost<br>RM | Accumulated<br>Depreciation<br>RM | Carrying<br>Amount<br>RM |
|----------------------------|------------------|-----------------------------------|--------------------------|
| <b>2024</b>                |                  |                                   |                          |
| <u>Owned assets</u>        |                  |                                   |                          |
| Buildings                  | 4,518,543        | (4,286,706)                       | 231,837                  |
| Motor vehicles             | 990,525          | (374,470)                         | 616,055                  |
| Equipment and furniture    | 1,556,354        | (1,501,654)                       | 54,700                   |
|                            | 7,065,422        | (6,162,830)                       | 902,592                  |
| <u>Right-of-use assets</u> |                  |                                   |                          |
| Buildings                  | 90,463           | (5,026)                           | 85,437                   |
|                            | 7,155,885        | (6,167,856)                       | 988,029                  |
| <b>2023</b>                |                  |                                   |                          |
| <u>Owned assets</u>        |                  |                                   |                          |
| Buildings                  | 4,503,043        | (3,925,639)                       | 577,404                  |
| Motor vehicles             | 365,795          | (365,793)                         | 2                        |
| Equipment and furniture    | 1,541,167        | (1,399,647)                       | 141,520                  |
|                            | 6,410,005        | (5,691,079)                       | 718,926                  |

- (a) The carrying amount of property, plant and equipment pledged to licensed banks as security for banking facilities granted to the Group (Note 20) is as follows: -

|                                     | The Group   |             |
|-------------------------------------|-------------|-------------|
|                                     | 2024<br>RM  | 2023<br>RM  |
| Leasehold land                      | 17,138,053  | 57,956,642  |
| Bearer plants                       | 251,212,279 | 239,695,581 |
| Buildings, drainage and roads       | 90,372,317  | 95,587,971  |
| Motor vehicles, plant and machinery | 9,685,810   | 44,640,995  |
| Equipment and furniture             | 1,202,330   | 1,252,719   |
| Capital work-in-progress            | 8,864,872   | 5,475,338   |
|                                     | 378,475,661 | 444,609,246 |

# Notes To The Financial Statements

## For The Financial Year Ended 31 December 2024 (Cont'd)

### 7. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

(b) The leasehold land of the Group at the end of the reporting period is analysed as follows: -

|  | The Group         |                   |
|--|-------------------|-------------------|
|  | 2024<br>RM        | 2023<br>RM        |
| Unexpired period of less than 50 years | 69,660,293        | 70,929,601        |
| Unexpired period of more than 50 years | 5,820,241         | 6,418,816         |
|  | <u>75,480,534</u> | <u>77,348,417</u> |

(c) Included in the property, plant and equipment of the Group were motor vehicles, plant and machinery held under hire purchase arrangements with a total carrying amount of RM13,000,871 (2023: RM4,961,576). These assets have been pledged as security for the hire purchase payables of the Group as disclosed in Note 21 to the financial statements.

(d) The Group's bearer plants comprise oil palm and rubber plantations, and are classified into mature and immature plantations as follows: -

| The Group   | Mature<br>Oil Palm<br>Plantation<br>RM | Immature<br>Oil Palm<br>Plantation<br>RM | Nursery<br>Development<br>RM | Total<br>RM  |
|---|--|--|------------------------------|--------------|
| Cost:-  |  |  |                              |              |
| At 1.1.2024   | 680,977,762                            | 18,540,190                               | 3,383,933                    | 702,901,885  |
| Addition during the financial year                  | -                                      | 19,497,506                               | 2,770,136                    | 22,267,642   |
| Disposal during the financial year                  | -                                      | -  | (1,167,301)                  | (1,167,301)  |
| Write-off during the financial year                 | (15,483,802)                           | -  | (589,292)                    | (16,073,094) |
| Reclassification                                    | 13,367,709                             | (12,321,650)                             | (1,046,059)                  | -            |
| At 31.12.2024                                       | 678,861,669                            | 25,716,046                               | 3,351,417                    | 707,929,132  |
| Accumulated depreciation and<br>impairment losses:- |  |  |                              |              |
| At 1.1.2024   | 372,301,079                            | -  | -                            | 372,301,079  |
| Depreciation for the financial year                 | 29,886,570                             | -  | -                            | 29,886,570   |
| Write-off for the financial year                    | (14,636,612)                           | -  | -                            | (14,636,612) |
| At 31.12.2024                                       | 387,551,037                            | -  | -                            | 387,551,037  |
| Carrying amount:-                                   |  |  |                              |              |
| At 31.12.2024                                       | 291,310,632                            | 25,716,046                               | 3,351,417                    | 320,378,095  |

## Notes To The Financial Statements

### For The Financial Year Ended 31 December 2024 (Cont'd)

#### 7. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

- (d) The Group's bearer plants comprise oil palm and rubber plantations, and are classified into mature and immature plantations as follows (cont'd): -

| The Group  | Mature<br>Oil Palm<br>Plantation<br>RM | Immature<br>Oil Palm<br>Plantation<br>RM | Immature<br>Rubber<br>Plantation<br>RM | Nursery<br>Development<br>RM | Total<br>RM   |
|--|--|--|--|------------------------------|---------------|
| Cost:-   |  |  |  |                              |               |
| At 1.1.2023                                      | 856,438,013                            | 29,650,869                               | 11,446,731                             | 1,641,230                    | 899,176,843   |
| Addition during the financial year               | 59,461                                 | 8,945,189                                | -                                      | 2,428,145                    | 11,432,795    |
| Disposal during the financial year               | -                                      | -  | -                                      | (239,824)                    | (239,824)     |
| Write-off during the financial year              | -                                      | (1,616)                                  | (11,446,731)                           | (307,821)                    | (11,756,168)  |
| Reclassification                                 | 20,192,049                             | (20,054,252)                             | -                                      | (137,797)                    | -             |
| Classified as held for sale                      | (195,711,761)                          | -  | -                                      | -                            | (195,711,761) |
| At 31.12.2023                                    | 680,977,762                            | 18,540,190                               | -                                      | 3,383,933                    | 702,901,885   |
| Accumulated depreciation and impairment losses:- |  |  |  |                              |               |
| At 1.1.2023                                      | 501,774,341                            | -  | 5,723,366                              | -                            | 507,497,707   |
| Depreciation for the financial year              | 32,963,354                             | -  | -                                      | -                            | 32,963,354    |
| Impairment losses no longer required             | (36,556,290)                           | -  | -                                      | -                            | (36,556,290)  |
| Write-off for the financial year                 | -                                      | -  | (5,723,366)                            | -                            | (5,723,366)   |
| Classified as held for sale                      | (125,880,326)                          | -  | -                                      | -                            | (125,880,326) |
| At 31.12.2023                                    | 372,301,079                            | -  | -                                      | -                            | 372,301,079   |
| Carrying amount:-                                |  |  |  |                              |               |
| At 31.12.2023                                    | 308,676,683                            | 18,540,190                               | -                                      | 3,383,933                    | 330,600,806   |

## Notes To The Financial Statements

### For The Financial Year Ended 31 December 2024 (Cont'd)

#### 7. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

(e) The following expenses were capitalised to immature plantations: -

|   | The Group  |            |
|---|------------|------------|
|   | 2024<br>RM | 2023<br>RM |
| Depreciation of property, plant and equipment | 641,017    | 529,069    |
| Finance costs:-                               |            |            |
| - bank overdrafts                             | 7,181      | 28,465     |
| - hire purchase payables                      | 24,374     | 2,727      |
| - revolving credit                            | 492,322    | 599,623    |
| - term loans                                  | 2,389,889  | 1,767,218  |
| Lease expenses:-                              |            |            |
| - leases of low-value assets                  | 2,257      | 1,351      |
| - short-term leases                           | 47,815     | 591        |
| Staff costs:-                                 |            |            |
| - short-term benefits                         | 1,330,117  | 835,499    |
| - defined contribution plans                  | 160,625    | 92,711     |

(f) Leases – the Group as a lessee

The Group leases leasehold land, buildings, motor vehicles, and plant and machinery, and other equipment for its operational purposes: -

(i) Leasehold land

The Group has made upfront payment to secure the right-of-use of leasehold land for lease periods ranging from 60 to 99 years. Certain pieces of leasehold land are pledged to licensed banks as security for banking facilities granted to the Group as disclosed in (a) above. There is no option to purchase the leasehold land at the expiry of the respective lease periods.

(ii) Buildings

The Group has leased buildings which are used as offices that run between 1 to 10 years, with an option to renew the leases upon the expiry of the respective lease terms. The Group is restricted from assigning and subleasing the leased assets without the written consent of the lessor and the leased assets may not be used as security for borrowing purposes. The extension option is negotiated by management to provide flexibility in managing the portfolio of assets and to align with the Group's business needs.

(iii) Motor vehicles, plant and machinery

The Group leases motor vehicles, plant and machinery, with lease terms ranging from 3 to 5 years. The Group has no options to purchase the assets at the end of the contract term. The Group is restricted from subleasing the leased assets without the written consent of the lessor.

## Notes To The Financial Statements

### For The Financial Year Ended 31 December 2024 (Cont'd)

#### 7. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

(f) Leases – the Group as a lessee (cont'd)

(iv) Other equipment

The Group has also leased IT equipment and industrial gas cylinders. The Group determines these assets are of low value when they are new, regardless of the age of the assets being leased. The Group has elected not to recognise right-of-use assets and lease liabilities for these assets.

(g) In the previous financial year, the Group recognised a reversal of impairment losses of RM58,552,326 in respect of its oil palm plantation in "Other Income" line item of the statements of profit or loss and other comprehensive income. The reversal was primarily driven by an improvement in the recoverable amount of the oil palm plantation assets, which was triggered by reclassification of certain non-current assets as "Assets classified as held for sale" as disclosed in Note 17 to the financial statements. The fair value was based on a valuation by an external independent valuation specialist with a recognised and relevant professional qualification and recent experience in the location and class of assets being valued. The valuation conforms to the Malaysian Valuation Standards.

#### 8. BIOLOGICAL ASSETS

|  | The Group  |            |
|--|------------|------------|
|  | 2024<br>RM | 2023<br>RM |
| <u>Non-current</u>                       |            |            |
| At 1 January                             | -          | 565,494    |
| Addition during the financial year       | -          | 54,535     |
| Write-off during the financial year      | -          | (620,029)  |
| At 31 December                           | -          | -          |
| <u>Current</u>                           |            |            |
| At 1 January                             | 3,523,781  | 3,400,897  |
| Changes in fair value less costs to sell | 2,481,601  | 122,884    |
| At 31 December                           | 6,005,382  | 3,523,781  |
| Total                                    | 6,005,382  | 3,523,781  |

The biological assets of the Group comprise unharvested agricultural produce of bearer plants (i.e. FFBs).



# Notes To The Financial Statements

## For The Financial Year Ended 31 December 2024 (Cont'd)

### 8. BIOLOGICAL ASSETS

#### (a) Biological Assets, Current – Agricultural Produce of Bearer Plants (i.e. FFBs)

The Group adopted the income approach to measure the fair value of the unharvested FFBs. To arrive at the fair value of the unharvested FFBs, management considered the oil content of the unripe FFBs and assumed that the net cash flows to be generated from FFBs prior to more than 2 weeks to harvest are negligible. Costs to sell, which include harvesting, transportation cost and windfall profit levy, are deducted from the fair value. The key assumptions used in the determination of the fair value less costs to sell of the unharvested FFBs are as follows: -

- (i) estimated volume of unharvested FFBs as of the reporting date, with reference to the actual harvest data subsequent to the reporting date.
- (ii) estimated prices of unharvested FFBs based on the market prices of FFBs as of the reporting date, adjusted for the oil content of the unripe FFBs.
- (iii) estimated selling costs based on past practices and experience.

The fair value measurement of the Group's unharvested FFBs is categorised within level 3 of the fair value hierarchy.

The directors estimate that a decrease in the price of FFBs by 10% would result in the carrying amount of biological assets (current) reducing by RM699,000 (2023: RM433,000).

During the financial year, the Group harvested approximately 289,000 (2023: 251,000) tonnes of FFBs from the oil palm plantation.

#### (b) The following expenses are included in the biological assets: -

|   | The Group  |            |
|---|------------|------------|
|   | 2024<br>RM | 2023<br>RM |
| Depreciation of property, plant and equipment | -          | 4,622      |
| Finance costs:-                               |            |            |
| - bank overdrafts                             | -          | 320        |
| Lease expenses:-                              |            |            |
| - leases of low-value assets                  | -          | 17         |
| Staff costs:-                                 |            |            |
| - short-term benefits                         | -          | 7,591      |
| - defined contribution plans                  | -          | 859        |

# Notes To The Financial Statements

## For The Financial Year Ended 31 December 2024 (Cont'd)

### 9. INTANGIBLE ASSETS

|                   | At<br>1.1.2024<br>RM | Additions<br>RM | Disposals /<br>Write off<br>RM | Amortisation<br>Charge<br>RM | At<br>31.12.2024<br>RM |
|-------------------|----------------------|-----------------|--------------------------------|------------------------------|------------------------|
| <b>The Group</b>  |                      |                 |                                |                              |                        |
| <b>2024</b>       |                      |                 |                                |                              |                        |
| Carrying Amount   |                      |                 |                                |                              |                        |
| Computer software | 9,152                | 24,461          | (8,645)                        | (3,618)                      | 21,350                 |

|                   | At<br>1.1.2023<br>RM | Amortisation<br>Charge<br>RM | At<br>31.12.2023<br>RM |
|-------------------|----------------------|------------------------------|------------------------|
| <b>The Group</b>  |                      |                              |                        |
| <b>2023</b>       |                      |                              |                        |
| Carrying Amount   |                      |                              |                        |
| Computer software | 21,671               | (12,519)                     | 9,152                  |

|                   | At<br>Cost<br>RM | Accumulated<br>Amortisation<br>RM | Carrying<br>Amount<br>RM |
|-------------------|------------------|-----------------------------------|--------------------------|
| <b>The Group</b>  |                  |                                   |                          |
| <b>2024</b>       |                  |                                   |                          |
| Computer software | 1,485,236        | (1,463,886)                       | 21,350                   |
| <b>2023</b>       |                  |                                   |                          |
| Computer software | 1,515,655        | (1,506,503)                       | 9,152                    |

|                    | At<br>1.1.2024<br>RM | Additions<br>RM | Amortisation<br>Charges<br>RM | At<br>31.12.2024<br>RM |
|--------------------|----------------------|-----------------|-------------------------------|------------------------|
| <b>The Company</b> |                      |                 |                               |                        |
| <b>2024</b>        |                      |                 |                               |                        |
| Carrying Amount    |                      |                 |                               |                        |
| Computer software  | -                    | 21,821          | (533)                         | 21,288                 |

|                    | At<br>Cost<br>RM | Accumulated<br>Amortisation<br>RM | Carrying<br>Amount<br>RM |
|--------------------|------------------|-----------------------------------|--------------------------|
| <b>The Company</b> |                  |                                   |                          |
| <b>2024</b>        |                  |                                   |                          |
| Computer software  | 21,821           | (533)                             | 21,288                   |

# Notes To The Financial Statements

## For The Financial Year Ended 31 December 2024 (Cont'd)

### 10. OTHER INVESTMENT

|                                    | The Group/ The Company<br>2024<br>RM | 2023<br>RM |
|------------------------------------|--------------------------------------|------------|
| Unquoted shares, at fair value:-   |                                      |            |
| At 1 January                       | 5,000,000                            | 5,000,000  |
| Disposal during the financial year | (5,000,000)                          | -          |
| At 31 December                     | -                                    | 5,000,000  |

(a) The fair value of unquoted shares which are not traded in an active market is determined based on valuation performed by management at the end of reporting period using the income approach. There was no change to the valuation technique during the financial year.

(b) The fair value of unquoted shares is categorised within level 3 of the fair value hierarchy.

### 11. GOODWILL

|  | The Group<br>2024<br>RM | 2023<br>RM |
|--|-------------------------|------------|
| Cost:-                                       |                         |            |
| At 1 January                                 | 75,030,118              | 75,163,788 |
| Disposal during the financial year (Note 31) | -                       | (133,670)  |
| At 31 December                               | 75,030,118              | 75,030,118 |
| Accumulated impairment losses:-              |                         |            |
| At 1 January/31 December                     | 69,900,162              | 69,900,162 |
| Carrying amount:-                            |                         |            |
| At 31 December                               | 5,129,956               | 5,129,956  |

(a) Goodwill acquired through business combination is allocated to the Group's oil palm plantation cash-generating unit.

## Notes To The Financial Statements

### For The Financial Year Ended 31 December 2024 (Cont'd)

#### 11. GOODWILL (CONT'D)

- (b) The Group assessed the recoverable amount of goodwill allocated and determined that no impairment charge is required. The recoverable amount of the cash-generating unit is determined using a combination of the market approach and the value-in-use approach, and this is derived from the present value of the future cash flows from the cash-generating unit computed based on the projections of financial budgets approved by management covering a period of 5 years. Cash flows beyond the 5th year are extrapolated to the remaining life cycles of the plantation estates, which range from 5 to 22 years. The key assumptions used in the determination of the recoverable amount are as follows: -
- (i) Discount rate (pre-tax) – an estimate of pre-tax rate that reflects specific risks relating to oil palm plantation, which is in the range from 10% to 11% (2023: 10% to 11%).
  - (ii) Growth rate – management's estimate of commodity prices, oil palm yields and oil extraction rates.
  - (iii) Selling prices of fresh fruit bunches – an estimate based on expectations of future changes in the market.
  - (iv) Development and direct costs – an estimate based on past practices and experience.
- (c) The directors believe that there is no reasonable possible change in the above key assumptions applied that is likely to materially cause the cash-generating unit carrying amount to exceed its recoverable amount.

#### 12. AMOUNT OWING BY/(TO) SUBSIDIARIES

|                                       | <b>The Company</b> |               |
|---------------------------------------|--------------------|---------------|
|                                       | <b>2024</b>        | <b>2023</b>   |
|                                       | <b>RM</b>          | <b>RM</b>     |
| <b>Amount owing by subsidiaries</b>   |                    |               |
| <u>Non-current</u>                    |                    |               |
| Non-trade balances                    | 459,368,599        | 498,033,361   |
| Less: Allowance for impairment losses | (144,148,841)      | (149,485,109) |
|                                       | 315,219,758        | 348,548,252   |
| <br>Allowance for impairment losses:- |                    |               |
| At 1 January                          | 149,485,109        | 139,421,988   |
| Addition during the financial year    | 7,994,357          | 15,207,244    |
| Reversal during the financial year    | (13,330,625)       | (5,144,123)   |
|                                       | 144,148,841        | 149,485,109   |
| <br>At 31 December                    |                    |               |
| <b>Amount owing to subsidiaries</b>   |                    |               |
| <u>Current</u>                        |                    |               |
| Non-trade balances                    | 295,613,082        | 349,515,534   |

## Notes To The Financial Statements

### For The Financial Year Ended 31 December 2024 (Cont'd)

#### 12. AMOUNT OWING BY/(TO) SUBSIDIARIES (CONT'D)

The non-trade balance (non-current) represents unsecured advances which are repayable on demand. The amount owing earns interest at rates of 3.60% (2023: 3.00%) per annum. The amount owing is to be settled in cash.

The non-trade balance (current) represents unsecured advances which are repayable on demand.

#### 13. DEPOSITS WITH LICENSED BANKS

- (a) The deposits with licensed banks of the Group at the end of the reporting period bore effective interest at rate of 2.15% to 3.40% (2023: 2.00% to 3.40%) per annum. The deposits have maturity periods ranging from 1 day to 1 month (2023: 1 day to 10 months) for the Group.
- (b) Included in the deposits with licensed banks of the Group at the end of the reporting period is an amount of Nil (2023: RM120,051) which is pledged to a licensed bank as security for banking facilities granted to the Group as disclosed in Note 20 to the financial statements.

#### 14. INVENTORIES

|                               | The Group        |                  |
|-------------------------------|------------------|------------------|
|                               | 2024<br>RM       | 2023<br>RM       |
| At cost:-                     |                  |                  |
| Processed inventories         | 9,824,925        | 8,289,062        |
| Sundry stores and consumables | 10,088,181       | 10,351,874       |
|                               | <hr/> 19,913,106 | <hr/> 18,640,936 |

#### 15. TRADE RECEIVABLES

|                                       | The Group        |                  |
|---------------------------------------|------------------|------------------|
|                                       | 2024<br>RM       | 2023<br>RM       |
| Trade receivables:-                   |                  |                  |
| - third parties                       | 14,623,808       | 10,387,208       |
| - related parties                     | 2,721,912        | 1,785,979        |
|                                       | <hr/> (9,588)    | <hr/> (9,588)    |
| Less: Allowance for impairment losses | <hr/> 17,336,132 | <hr/> 12,163,599 |

## Notes To The Financial Statements

### For The Financial Year Ended 31 December 2024 (Cont'd)

#### 15. TRADE RECEIVABLES (CONT'D)

|                                    | The Group  |            |
|------------------------------------|------------|------------|
|                                    | 2024<br>RM | 2023<br>RM |
| Allowance for impairment losses:-  |            |            |
| At 1 January                       | 9,588      | 9,791      |
| Reversal during the financial year | -          | (203)      |
| At 31 December                     | 9,588      | 9,588      |

The Group's normal trade credit terms range from 7 to 60 (2023: 7 to 60) days.

#### 16. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

|                                       | The Group  |            | The Company |            |
|---------------------------------------|------------|------------|-------------|------------|
|                                       | 2024<br>RM | 2023<br>RM | 2024<br>RM  | 2023<br>RM |
| Sundry receivables                    | 5,948,727  | 5,051,837  | 1,372,167   | 2,114,132  |
| Less: Allowance for impairment losses | (582,997)  | (610,418)  | (500,000)   | (500,000)  |
|                                       | 5,365,730  | 4,441,419  | 872,167     | 1,614,132  |
| Deposits                              | 2,008,224  | 875,366    | 149,412     | 138,312    |
| Prepayments                           | 6,522,694  | 3,339,346  | 358,111     | 1,058      |
|                                       | 13,896,648 | 8,656,131  | 1,379,690   | 1,753,502  |
| Allowance for impairment losses:-     |            |            |             |            |
| At 1 January                          | 610,418    | 659,023    | 500,000     | 500,000    |
| Addition during the financial year    | -          | -          | -           | -          |
| Reversal during the financial year    | (24,877)   | (47,621)   | -           | -          |
| Write-off during the financial year   | (2,544)    | (984)      | -           | -          |
| At 31 December                        | 582,997    | 610,418    | 500,000     | 500,000    |

The amount owing by related parties is unsecured, interest-free and repayable on demand. The amount owing is to be settled in cash.

## Notes To The Financial Statements

### For The Financial Year Ended 31 December 2024 (Cont'd)

#### 17. ASSETS CLASSIFIED AS HELD FOR SALE

On 21 December 2023, the Company announced the disposal of plantation lands together with the oil palm plantation, its facilities, infrastructures, improvements and immovable assets thereon by two wholly-owned subsidiaries of the Company, namely Jayamax Plantation Sdn. Bhd. and R.H. Plantation Sdn. Bhd. to Mahawangsa Sungai Bok Plantation Sdn. Bhd. for a sale consideration of RM75 million and RM90 million respectively. The sale considerations are to be satisfied in cash. Accordingly, the related non-current assets were presented as "Assets classified as held for sale".

The carrying amounts of the non-current assets are the same as their carrying amounts before they were reclassified as held for sale.

The assets classified held for sale are pledged to licensed banks as securities for banking facilities granted to the Group as disclosed in Note 20 to the financial statements.

The sale was completed on 9 July 2024 upon the receipt of the payment of the total balance disposal consideration in accordance with the terms and conditions of the conditional sale and purchase agreement.

#### 18. SHARE CAPITAL

|                                 | 2024          | The Group/The Company |             | 2023          |
|---------------------------------|---------------|-----------------------|-------------|---------------|
|                                 | No. of Shares | 2023                  | 2024        | RM            |
|                                 |               |                       | RM          | RM            |
| <b>Issued and Fully Paid-Up</b> |               |                       |             |               |
| <u>Ordinary shares</u>          |               |                       |             |               |
| At 1 January / 31 December      | 2,041,722,343 | 2,041,722,343         | 391,510,496 | 614,600,257   |
| Reduction of share capital      | -             | -                     | -           | (223,089,761) |
| At 31 December                  | 2,041,722,343 | 2,041,722,343         | 391,510,496 | 391,510,496   |

- (a) The holders of ordinary shares are entitled to receive dividends as and when declared by the Company, and are entitled to one vote per share at meetings of the Company. The ordinary shares have no par value.
- (b) In the previous financial year, the Company reduced its issued share capital from RM614,600,257 to RM391,510,496 via the cancellation of its paid-up share capital which was lost or unrepresented by available assets of RM223,089,761 pursuant to Section 117 of the Companies Act 2016, and the credit arising from such capital reduction was set-off against the accumulated losses of the Company.



## Notes To The Financial Statements

### For The Financial Year Ended 31 December 2024 (Cont'd)

#### 19. RESERVES

|                  | The Group    |              | The Company |            |
|------------------|--------------|--------------|-------------|------------|
|                  | 2024<br>RM   | 2023<br>RM   | 2024<br>RM  | 2023<br>RM |
| Merger reserve   | (53,065,553) | (53,065,553) | -           | -          |
| Retained profits | 97,951,312   | 69,398,640   | 105,843,875 | 58,947,481 |
|                  | 44,885,759   | 16,333,087   | 105,843,875 | 58,947,481 |

The merger reserve arose from the difference between the fair value of the consideration paid for the purchase of subsidiaries under common control and the nominal value of shares of the subsidiaries upon consolidation using merger accounting principles.

#### 20. BORROWINGS

|                                    | The Group   |             | The Company |            |
|------------------------------------|-------------|-------------|-------------|------------|
|                                    | 2024<br>RM  | 2023<br>RM  | 2024<br>RM  | 2023<br>RM |
| Long-term borrowings:-             |             |             |             |            |
| - hire purchase payables (Note 21) | 5,981,092   | 2,549,061   | 367,542     | -          |
| - lease liabilities                | 8,391,363   | 3,588,564   | 56,882      | -          |
| - secured loans                    | -           | 19,350,000  | -           | -          |
| - term loans, secured              | 96,035,472  | 109,738,809 | -           | -          |
| - term loans, unsecured            | 10,135,191  | 13,600,000  | -           | -          |
| - unsecured loans                  | -           | 1,550,000   | -           | 1,550,000  |
|                                    | 120,543,118 | 150,376,434 | 424,424     | 1,550,000  |
| Short-term borrowings:-            |             |             |             |            |
| - bankers' acceptance, secured     | 13,626,000  | 13,479,000  | -           | -          |
| - bankers' acceptance, unsecured   | 3,459,000   | 11,575,000  | -           | -          |
| - hire purchase payables (Note 21) | 4,150,561   | 1,351,484   | 178,926     | -          |
| - lease liabilities                | 2,874,959   | 1,515,479   | 28,902      | -          |
| - revolving credit, secured        | 54,091,000  | 104,578,000 | -           | -          |
| - revolving credit, unsecured      | 9,375,000   | 20,671,000  | 7,375,000   | 11,875,000 |
| - secured loans                    | -           | 1,030,000   | -           | -          |
| - term loans, secured              | 19,871,476  | 31,268,363  | -           | -          |
| - term loans, unsecured            | 2,700,000   | 2,700,000   | -           | -          |
| - unsecured loans                  | 1,550,000   | 1,560,421   | 1,550,000   | 600,000    |
|                                    | 111,697,996 | 189,728,747 | 9,132,828   | 12,475,000 |
| Total borrowings                   | 232,241,114 | 340,105,181 | 9,557,252   | 14,025,000 |

## Notes To The Financial Statements

### For The Financial Year Ended 31 December 2024 (Cont'd)

#### 20. BORROWINGS (CONT'D)

The secured loans, term loans and unsecured loans are repayable as follows: -

|   | The Group   |             | The Company |            |
|---|-------------|-------------|-------------|------------|
|   | 2024<br>RM  | 2023<br>RM  | 2024<br>RM  | 2023<br>RM |
| <u>Current</u>                                  |             |             |             |            |
| - not later than 1 year                         | 24,121,476  | 36,558,784  | 1,550,000   | 600,000    |
| <u>Non-current</u>                              |             |             |             |            |
| - later than 1 year and not later than 2 years  | 25,723,493  | 33,679,288  | -           | 1,550,000  |
| - later than 2 years and not later than 5 years | 64,415,695  | 82,688,046  | -           | -          |
| - later than 5 years                            | 16,031,475  | 27,871,475  | -           | -          |
|   | 106,170,663 | 144,238,809 | -           | 1,550,000  |
|   | 130,292,139 | 180,797,593 | 1,550,000   | 2,150,000  |

The unsecured borrowings of the Group are supported by the corporate guarantee provided by the Company.

The secured borrowings of the Group are supported by: -

- (a) fixed charges over certain subsidiaries' landed properties;
- (b) debenture over certain subsidiaries' fixed and floating assets, both present and in the future;
- (c) fixed deposits of a subsidiary;
- (d) a corporate guarantee provided by the Company; and
- (e) joint and several guarantees provided by certain directors of the Company.

The bank overdrafts of the Group at the end of the reporting period bore effective interest at rates ranging from 7.05% to 8.20% (2023: 7.50% to 7.90%) per annum.

The bankers' acceptance of the Group at the end of the reporting period bore effective interest at rates ranging from 4.01% to 4.71% (2023: 4.62% to 4.79%) per annum.

The revolving credit of the Group and of the Company at the end of the reporting period bore effective interest at rates ranging from 4.12% to 6.74% (2023: 4.12% to 6.71%) per annum and 6.71% to 6.74% (2023: 4.56% to 6.71%) per annum respectively.

## Notes To The Financial Statements

### For The Financial Year Ended 31 December 2024 (Cont'd)

#### 20. BORROWINGS (CONT'D)

The secured loans are granted by a licensed money lender. The loans bore effective interest at rate of 2.90% (2023: 2.90%) per annum. The loans were fully settled during the financial year.

The term loans of the Group at the end of the reporting period bore effective interest at rates ranging from 4.12% to 5.80% (2023: 4.12% to 5.91%) per annum.

The unsecured loans are granted by companies in which certain directors of the Company have substantial financial interests. The loans bore interest at rates of 2.90% (2023: 2.90%) per annum.

#### 21. HIRE PURCHASE PAYABLES

|   | The Group  |            | The Company |            |
|---|------------|------------|-------------|------------|
|   | 2024<br>RM | 2023<br>RM | 2024<br>RM  | 2023<br>RM |
| Minimum hire purchase payments:-                |            |            |             |            |
| - not later than 1 year                         | 4,645,848  | 1,558,100  | 200,664     | -          |
| - later than 1 year and not later than 2 years  | 4,060,692  | 1,564,368  | 200,664     | -          |
| - later than 2 years and not later than 5 years | 2,215,666  | 1,136,922  | 183,847     | -          |
|   | 10,922,206 | 4,259,390  | 585,175     | -          |
| Less: future finance charges                    | (790,553)  | (358,845)  | (38,707)    | -          |
| Present value of hire purchase payables         | 10,131,653 | 3,900,545  | 546,468     | -          |
| <u>Current</u>                                  |            |            |             |            |
| - not later than 1 year                         | 4,150,561  | 1,351,484  | 178,926     | -          |
| <u>Non-current</u>                              |            |            |             |            |
| - later than 1 year and not later than 2 years  | 3,822,083  | 1,518,584  | 187,768     | -          |
| - later than 2 years and not later than 5 years | 2,159,009  | 1,030,477  | 179,774     | -          |
|   | 5,981,092  | 2,549,061  | 367,542     | -          |
|   | 10,131,653 | 3,900,545  | 546,468     | -          |

- (a) The hire purchase payables of the Group and of the Company are secured by the motor vehicles, plant and machinery under hire purchase as disclosed in Note 7(c) to the financial statements.
- (b) The hire purchase payables of the Group at the end of the reporting period bore effective interest at rates ranging from 4.71% to 7.26% (2023: 4.86% to 7.27%) per annum. The interest rates are fixed at the inception of the hire purchase arrangements.

# Notes To The Financial Statements

## For The Financial Year Ended 31 December 2024 (Cont'd)

### 22. DEFERRED TAX LIABILITIES

|   | At<br>1.1.2024<br>RM | Recognised<br>in Profit<br>or Loss<br>(Note 29)<br>RM | At<br>31.12.2024<br>RM |
|---|----------------------|---|------------------------|
| <b>The Group</b>                                    |                      |   |                        |
| <b>2024</b>   |                      |   |                        |
| <i>Deferred Tax Liabilities</i>                     |                      |   |                        |
| Property, plant and equipment and intangible assets | 123,502,738          | (17,727,821)  | 105,774,917            |
| Biological assets                                   | 823,272              | 493,942   | 1,317,214              |
|   | 124,326,010          | (17,233,879)  | 107,092,131            |
| <i>Deferred Tax Assets</i>                          |                      |   |                        |
| Unused tax losses                                   | (14,368,592)         | (5,517,646)   | (19,886,238)           |
| Unabsorbed agriculture / capital allowance          | (74,299,529)         | 15,837,883  | (58,461,646)           |
|   | (88,668,121)         | 10,320,237  | (78,347,884)           |
|   | 35,657,889           | (6,913,642)   | 28,744,247             |
|   |                      |   |                        |
|   | At<br>1.1.2023<br>RM | Recognised<br>in Profit<br>or Loss<br>(Note 29)<br>RM | At<br>31.12.2023<br>RM |
| <b>The Group</b>                                    |                      |   |                        |
| <b>2023</b>   |                      |   |                        |
| <i>Deferred Tax Liabilities</i>                     |                      |   |                        |
| Property, plant and equipment and intangible assets | 138,774,801          | (15,272,063)  | 123,502,738            |
| Biological assets                                   | 817,339              | 5,933   | 823,272                |
|   | 139,592,140          | (15,266,130)  | 124,326,010            |
| <i>Deferred Tax Assets</i>                          |                      |   |                        |
| Unused tax losses                                   | (23,790,125)         | 9,421,533   | (14,368,592)           |
| Unabsorbed agriculture / capital allowance          | (73,097,556)         | (1,201,973)   | (74,299,529)           |
|   | (96,887,681)         | 8,219,560   | (88,668,121)           |
|   | 42,704,459           | (7,046,570)   | 35,657,889             |

## Notes To The Financial Statements

### For The Financial Year Ended 31 December 2024 (Cont'd)

#### 22. DEFERRED TAX LIABILITIES (CONT'D)

|   | At<br>1.1.2024<br>RM | Recognised<br>in Profit<br>or Loss<br>(Note 29)<br>RM | At<br>31.12.2024<br>RM |
|---|----------------------|---|------------------------|
| <b>The Company</b>                                  |                      |   |                        |
| <b>2024</b>   |                      |   |                        |
| <i>Deferred Tax Liabilities</i>                     |                      |   |                        |
| Property, plant and equipment and intangible assets | 28,900               | (12,371)  | 16,529                 |

|   | At<br>1.1.2023<br>RM | Recognised<br>in Profit<br>or Loss<br>(Note 29)<br>RM | At<br>31.12.2023<br>RM |
|---|----------------------|---|------------------------|
| <b>The Company</b>                                  |                      |   |                        |
| <b>2023</b>   |                      |   |                        |
| <i>Deferred Tax Liabilities</i>                     |                      |   |                        |
| Property, plant and equipment and intangible assets | 49,847               | (20,947)  | 28,900                 |
| <i>Deferred Tax Assets</i>                          |                      |   |                        |
| Unabsorbed capital allowance                        | (49,847)             | 49,847  | -                      |
|   | -                    | 28,900  | 28,900                 |

No deferred tax assets are recognised in respect of the following items as it is not probable that taxable profits of the subsidiaries will be available against which the deductible temporary differences, the carry forward tax losses and tax credits can be utilised: -

|   | <b>The Group</b>   |                    | <b>The Company</b> |                    |
|---|--------------------|--------------------|--------------------|--------------------|
|   | <b>2024<br/>RM</b> | <b>2023<br/>RM</b> | <b>2024<br/>RM</b> | <b>2023<br/>RM</b> |
| Deductible temporary differences              | 1,601,325          | 430,408            | -                  | -                  |
| Unused tax losses: -                          |                    |                    |                    |                    |
| - expiring within 5 years                     | 59,133,221         | 59,591,878         | -                  | -                  |
| - expiring within 6 to 10 years               | 7,440,112          | 6,160,488          | -                  | -                  |
| Unabsorbed agriculture /<br>capital allowance | 32,107,532         | 36,281,240         | -                  | -                  |
|   | 100,282,190        | 102,464,014        | -                  | -                  |

# Notes To The Financial Statements

## For The Financial Year Ended 31 December 2024 (Cont'd)

### 22. DEFERRED TAX LIABILITIES (CONT'D)

At the end of the reporting period, the Group has the following unused tax losses and unabsorbed capital allowance (stated at gross) that are available for offset against future taxable profits of the Group.

|   | The Group   |             | The Company |            |
|---|-------------|-------------|-------------|------------|
|   | 2024<br>RM  | 2023<br>RM  | 2024<br>RM  | 2023<br>RM |
| Unused tax losses: -                          |             |             |             |            |
| - expiring within 5 years                     | 308,385,934 | 295,473,837 | -           | -          |
| - expiring within 6 to 10 years               | 51,862,277  | 38,363,486  | -           | -          |
| Unabsorbed agriculture /<br>capital allowance | 377,371,575 | 460,753,207 | -           | -          |
|   | 737,619,786 | 794,590,530 | -           | -          |

Based on the current legislation, the unused tax losses up to the year of assessment 2018 can be carried forward until the year of assessment 2028 and the unused tax losses for 2019 onwards are allowed to be utilised for 10 consecutive years of assessment immediately following that year of assessment, whereas the unabsorbed agriculture/capital allowance is allowed to be carried forward indefinitely.

### 23. TRADE PAYABLES

|                   | The Group  |            |
|-------------------|------------|------------|
|                   | 2024<br>RM | 2023<br>RM |
| Trade payables:-  |            |            |
| - third parties   | 46,172,436 | 42,264,230 |
| - related parties | 25,027,928 | 24,266,382 |
|                   | 71,200,364 | 66,530,612 |

The normal trade credit terms granted to the Group range from 15 to 90 (2023: 15 to 90) days.

## Notes To The Financial Statements

### For The Financial Year Ended 31 December 2024 (Cont'd)

#### 24. OTHER PAYABLES, DEPOSITS AND ACCRUALS

|                            | The Group  |            | The Company |            |
|----------------------------|------------|------------|-------------|------------|
|                            | 2024<br>RM | 2023<br>RM | 2024<br>RM  | 2023<br>RM |
| Other payables:-           |            |            |             |            |
| - third parties            | 1,292,596  | 2,481,335  | 53,851      | 25,364     |
| - related parties          | 12,938,921 | 15,125,244 | 10,525,213  | 12,032,729 |
| - state sales tax and cess | 1,706,776  | 3,371,149  | -           | -          |
| Deposits                   | 15,938,293 | 20,977,728 | 10,579,064  | 12,058,093 |
| Accruals                   | 101,736    | 11,762,336 | 500         | 500        |
|                            | 20,518,438 | 14,301,538 | 3,426,417   | 3,315,640  |
|                            | 36,558,467 | 47,041,602 | 14,005,981  | 15,374,233 |

- (a) The amount owing to related parties represents unsecured interest-free advances granted to the Group by companies in which certain directors of the Company have controlling interests. The amount is repayable on demand and is to be settled in cash.
- (b) Included in the deposits is Nil (2023: RM11,550,000), being deposit and part payment received upon execution of the Conditional Sale and Purchase Agreements (CSPAs) in relation to the disposal of plantation lands together with the oil palm plantation, its facilities, infrastructures, improvements and immovable assets thereon as disclosed in Note 17 to the financial statements. The deposit sums are refundable, free of interest, in the event any of the conditions precedent of the CSPAs are not obtained or fulfilled upon the terms contained therein and the CSPAs is terminated. The sale was completed on 9 July 2024 upon the receipt of the payment of the total balance disposal consideration in accordance with the terms and conditions of the conditional sale and purchase agreement.



# Notes To The Financial Statements

## For The Financial Year Ended 31 December 2024 (Cont'd)

### 25. REVENUE

|   | The Group          |                    | The Company       |                  |
|---|--------------------|--------------------|-------------------|------------------|
|   | 2024<br>RM         | 2023<br>RM         | 2024<br>RM        | 2023<br>RM       |
| <b>Revenue from Contracts with Customers</b>  |                    |                    |                   |                  |
| <u>Recognised at a point in time</u>          |                    |                    |                   |                  |
| Insurance commission                          | 9,954              | 101,415            | -                 | -                |
| Sale of crude palm oil                        | 407,341,405        | 400,546,500        | -                 | -                |
| Sale of empty fruit bunches,<br>decanter cake | 735                | 32,423             | -                 | -                |
| Sale of food and sundry goods                 | 1,184,901          | -                  | -                 | -                |
| Sale of fresh fruit bunches                   | 71,718,707         | 57,766,489         | -                 | -                |
| Sale of palm kernel                           | 55,447,149         | 44,731,935         | -                 | -                |
| Sale of palm kernel shell                     | 717,528            | 1,899,698          | -                 | -                |
| Sale of sludge oil                            | 77,249             | 1,054,130          | -                 | -                |
| FFB harvesting contract                       | 5,571,951          | -                  | -                 | -                |
|   | 542,069,579        | 506,132,590        | -                 | -                |
| <u>Recognised over time</u>                   |                    |                    |                   |                  |
| Transportation income                         | 2,424,261          | 1,628,501          | -                 | -                |
| Workshop service income                       | -                  | 480                | -                 | -                |
|   | 2,424,261          | 1,628,981          | -                 | -                |
|   | 544,493,840        | 507,761,571        | -                 | -                |
| <b>Revenue from Other Sources</b>             |                    |                    |                   |                  |
| Dividend income                               | -                  | -                  | 27,700,000        | 7,530,000        |
| <b>Total revenue</b>                          | <b>544,493,840</b> | <b>507,761,571</b> | <b>27,700,000</b> | <b>7,530,000</b> |

- (a) The revenue of the Group and of the Company are derived entirely in Malaysia.
- (b) There is no significant financing component in the revenue as the revenue is made on the normal credit terms not exceeding twelve (12) months.
- (c) Revenue from sales of agricultural products is recognised (net of discount and taxes collected on behalf) at the point when the control of goods has been transferred to the customer. Based on the terms of the contract with the customer, control transfers upon delivery of the goods to a location specified by the customer and the acceptance of the goods by the customer. There is no material right of return and warranty provided to the customers.
- (d) Revenue from fresh fruit bunches ("FFB") harvesting contract is recognised at a point in time upon delivery of harvested FFB and acceptance by the customers.

## Notes To The Financial Statements

### For The Financial Year Ended 31 December 2024 (Cont'd)

#### 25. REVENUE (CONT'D)

- (e) Transportation and workshop service income are recognised over time in the period when services are rendered. As a practical expedient, the Group recognises revenue on a straight-line method over the period of service. There is no material right of return and warranty provided to the customers.
- (f) Insurance commissions are recognised at a point in time upon the effective date of bound insurance coverage.
- (g) Dividend income is recognised when the right to receive dividend payment is established.

#### 26. FINANCE COSTS

|  | The Group   |             | The Company |            |
|--|-------------|-------------|-------------|------------|
|  | 2024<br>RM  | 2023<br>RM  | 2024<br>RM  | 2023<br>RM |
| Interest expense on:-  |             |             |             |            |
| - bank overdrafts  | 79,726      | 231,467     | -           | 59,508     |
| - bankers' acceptance  | 638,538     | 1,014,968   | -           | -          |
| - hire purchase liabilities  | 361,615     | 107,488     | 2,190       | -          |
| - lease liabilities  | 421,839     | 212,582     | 721         | -          |
| - revolving credit   | 5,129,939   | 6,567,884   | 594,627     | 953,044    |
| - secured loans  | 305,366     | 596,526     | -           | -          |
| - term loans   | 7,095,951   | 7,902,353   | -           | -          |
| - unsecured loans  | 55,936      | 117,218     | 55,936      | 71,185     |
| - others   | -           | -           | 11,846,471  | 10,065,303 |
|  | 14,088,910  | 16,750,486  | 12,499,945  | 11,149,040 |
| Less:-   |             |             |             |            |
| - amount capitalised under property, plant and equipment (Note 7(e)) | (2,913,766) | (2,398,033) | -           | -          |
| - amount capitalised under biological assets (Note 8(b))             | -           | (337)       | -           | -          |
|  | 11,175,144  | 14,352,116  | 12,499,945  | 11,149,040 |

# Notes To The Financial Statements

## For The Financial Year Ended 31 December 2024 (Cont'd)

### 27. NET IMPAIRMENT GAINS/(LOSSES) ON FINANCIAL ASSETS

|   | The Group  |            | The Company |              |
|---|------------|------------|-------------|--------------|
|   | 2024<br>RM | 2023<br>RM | 2024<br>RM  | 2023<br>RM   |
| Impairment losses:-                     |            |            |             |              |
| - amount owing by subsidiaries (Note12) | -          | -          | (7,994,357) | (15,207,244) |
| Reversal of impairment losses:-         |            |            |             |              |
| - amount owing by subsidiaries (Note12) | -          | -          | 13,330,625  | 5,144,123    |
| - trade receivables (Note 15)           | -          | 203        | -           | -            |
| - other receivables (Note 16)           | 24,877     | 47,621     | -           | -            |
|   | 24,877     | 47,824     | 5,336,268   | (10,063,121) |

### 28. PROFIT BEFORE TAXATION

|   | The Group    |            | The Company |            |
|---|--------------|------------|-------------|------------|
|   | 2024<br>RM   | 2023<br>RM | 2024<br>RM  | 2023<br>RM |
| Profit before taxation is arrived at after charging/(crediting):- |              |            |             |            |
| Allowance for stock obsolescence                                  | -            | 112,837    | -           | -          |
| Amortisation of intangible assets                                 | 3,618        | 12,519     | 533         | -          |
| Audit fee:-   |              |            |             |            |
| - current financial year  | 391,000      | 388,500    | 85,000      | 85,000     |
| - over provision in the previous financial year                   | (2,500)      | (2,000)    | -           | -          |
| Bad debts written off   | 245,124      | 943,732    | -           | 54,881     |
| Biological assets written off                                     | -            | 620,029    | -           | -          |
| Changes in fair value of:-  |              |            |             |            |
| - biological assets   | (2,481,601)  | (122,884)  | -           | -          |
| Depreciation of property, plant and equipment                     | 64,483,149   | 68,545,258 | 476,777     | 553,312    |
| Directors' remuneration (Note 33(a))                              | 1,990,523    | 1,928,498  | 1,459,531   | 1,320,377  |
| Finance costs (Note 26)   | 11,175,144   | 14,352,116 | 12,499,945  | 11,149,040 |
| (Gain)/loss on disposal of:-                                      |              |            |             |            |
| - assets classified as held for sale                              | (41,446,544) | -          | -           | -          |
| - investments in subsidiaries                                     | -            | 2,098,984  | -           | 2,960,079  |
| - intangible assets   | 588          | -          | -           | -          |
| - other investment  | 2,590,000    | -          | 2,590,000   | -          |
| - property, plant and equipment                                   | (1,597,568)  | (659,092)  | -           | -          |
| Gain on derecognition of lease contracts                          | (15,362)     | (8,537)    | -           | -          |

## Notes To The Financial Statements

### For The Financial Year Ended 31 December 2024 (Cont'd)

#### 28. PROFIT BEFORE TAXATION (CONT'D)

|   | The Group  |              | The Company  |              |
|---|------------|--------------|--------------|--------------|
|   | 2024<br>RM | 2023<br>RM   | 2024<br>RM   | 2023<br>RM   |
| Profit before taxation is arrived<br>after charging/(crediting) (cont'd):-                |            |              |              |              |
| Impairment losses no longer required:-  |            |              |              |              |
| - investments in subsidiaries   | -          | -            | (19,000,000) | (41,638,000) |
| - property, plant and equipment   | -          | (58,552,326) | -            | -            |
| Interest income   | (101,128)  | (18,613)     | (13,110,426) | (11,849,674) |
| Inventories written down  | -          | 85           | -            | -            |
| Inventories written off   | 4,827,893  | 741,037      | -            | -            |
| Lease expenses:-  |            |              |              |              |
| - leases of low-value assets  | 84,843     | 31,983       | -            | -            |
| - short-term leases   | 295,934    | 5,906        | -            | -            |
| Lease income:-  |            |              |              |              |
| - others  | (195,394)  | (117,548)    | (3,000)      | (12,650)     |
| Management fee  | -          | -            | 144,000      | 144,000      |
| Payables written off  | -          | (2,618,140)  | -            | (2,617,608)  |
| Property, plant and equipment<br>written off  | 2,247,519  | 7,391,057    | -            | 1            |
| Staff costs (including other key<br>management personnel as<br>disclosed in Note 33(b)):- |            |              |              |              |
| - short-term benefits   | 36,883,114 | 34,393,549   | -            | -            |
| - defined contribution plans  | 3,891,430  | 3,555,372    | -            | -            |

# Notes To The Financial Statements

## For The Financial Year Ended 31 December 2024 (Cont'd)

### 29. INCOME TAX EXPENSE

|   | The Group   |             | The Company |            |
|---|-------------|-------------|-------------|------------|
|   | 2024<br>RM  | 2023<br>RM  | 2024<br>RM  | 2023<br>RM |
| Current tax:-   |             |             |             |            |
| - current financial year                                | 13,812,936  | 11,613,639  | 11,582      | 510,709    |
| - under/(over) provision in the previous financial year | 296,253     | (259,007)   | 100,586     | (1,505)    |
|   | 14,109,189  | 11,354,632  | 112,168     | 509,204    |
| Deferred tax (Note 22):-                                |             |             |             |            |
| - origination and reversal of temporary differences     | (6,716,706) | (6,471,545) | (12,392)    | 29,260     |
| - (over)/under provision in the previous financial year | (196,936)   | (575,025)   | 21          | (360)      |
|   | (6,913,642) | (7,046,570) | (12,371)    | 28,900     |
|   | 7,195,547   | 4,308,062   | 99,797      | 538,104    |

A reconciliation of income tax expense applicable to the profit before taxation at the statutory tax rate to income tax expense at the effective tax rate of the Group and of the Company is as follows: -

|  | The Group    |             | The Company  |              |
|--|--------------|-------------|--------------|--------------|
|  | 2024<br>RM   | 2023<br>RM  | 2024<br>RM   | 2023<br>RM   |
| Profit before taxation                                       | 31,634,960   | 17,326,270  | 46,996,191   | 37,041,511   |
| Tax at the statutory tax rate of 24%                         | 7,592,390    | 4,158,305   | 11,279,086   | 8,889,963    |
| Tax effects of:-   |              |             |              |              |
| Non-taxable income   | (10,934,713) | (8,569,439) | (12,173,766) | (11,424,410) |
| Non-deductible expenses                                      | 14,032,752   | 7,288,421   | 893,434      | 3,109,343    |
| Control transfers  | (254,063)    | (70,228)    | 436          | -            |
| Deferred tax assets not recognised during the financial year | 2,891,818    | 6,688,096   | -            | -            |
| Utilisation of deferred tax assets previously not recognised | (5,073,642)  | (3,302,578) | -            | (34,927)     |
| (Over)/under provision in the previous financial year        |              |             |              |              |
| - income tax   | 296,253      | (259,007)   | 100,586      | (1,505)      |
| - deferred tax   | (196,936)    | (575,025)   | 21           | (360)        |
| Others   | (1,158,312)  | (1,050,483) | -            | -            |
| Income tax expense for the financial year                    | 7,195,547    | 4,308,062   | 99,797       | 538,104      |

## Notes To The Financial Statements

### For The Financial Year Ended 31 December 2024 (Cont'd)

#### 30. EARNING PER SHARE

|   | The Group<br>2024 | 2023          |
|---|-------------------|---------------|
| Profit attributable to owners of the Company (RM)                             | 28,552,672        | 25,110,418    |
| Weighted average number of ordinary shares:-<br>As at 1 January / 31 December | 2,041,722,343     | 2,041,722,343 |
| Basic earning per share (sen)   | 1.40              | 1.23          |

The Company has not issued any dilutive potential ordinary shares and hence, the diluted earning per share is equal to the basic earning per share.

#### 31. DISPOSALS OF SUBSIDIARIES

In the previous financial year, three subsidiaries of the Company, namely Burung Tiong Helicopter Sdn. Bhd., Rajang Agrisupplies Sdn. Bhd. and Toplevel Synergy Sdn. Bhd., completed their member's voluntary winding up procedures. As a result, the aforementioned companies ceased to be subsidiaries of the Company.

The financial effects are summarised below: -

|  | The Group<br>2024<br>RM | The Company<br>2023<br>RM |
|--|-------------------------|---------------------------|
| Investments in subsidiaries                              | -                       | 2,960,079                 |
| Goodwill (Note 11)                                       | 133,670                 | -                         |
| Other receivables  | 1,806,696               | -                         |
| Current tax assets                                       | 493,001                 | -                         |
| Cash and bank balances                                   | 10,785                  | -                         |
| Other payables   | (55,107)                | -                         |
| Non-controlling interests                                | (290,061)               | -                         |
| Carrying amount of net assets disposed of                | 2,098,984               | 2,960,079                 |
| Loss on disposal of subsidiaries                         | (2,098,984)             | (2,960,079)               |
| Consideration received, satisfied in cash                | -                       | -                         |
| Less: Cash and bank balances of subsidiaries disposed of | (10,785)                | -                         |
| Net cash outflows for disposal of subsidiaries           | (10,785)                | -                         |

There were no disposals of subsidiaries in the current financial year.

# Notes To The Financial Statements

## For The Financial Year Ended 31 December 2024 (Cont'd)

### 32. CASH FLOWS INFORMATION

(a) The cash disbursed for the purchase of property, plant and equipment is as follows: -

|  | The Group   |             | The Company |            |
|--|-------------|-------------|-------------|------------|
|  | 2024<br>RM  | 2023<br>RM  | 2024<br>RM  | 2023<br>RM |
| Cost of property, plant and equipment purchased (Note 7)                   | 61,253,855  | 45,487,466  | 745,880     | 11,478     |
| Less:-   |             |             |             |            |
| - additions of new lease liabilities (Note (b) below)                      | (9,313,162) | (796,503)   | (90,463)    | -          |
| - acquired through hire purchase arrangement (Note (b) below)              | (8,450,100) | (4,415,000) | (561,000)   | -          |
| - finance costs included within property, plant and equipment (Note 26)    | (2,913,766) | (2,398,033) | -           | -          |
| - non-cash items included within property, plant and equipment (Note 7(e)) | (641,017)   | (529,069)   | -           | -          |
| Cash disbursed for the purchase of property, plant and equipment           | 39,935,810  | 37,348,861  | 94,417      | 11,478     |



## Notes To The Financial Statements

### For The Financial Year Ended 31 December 2024 (Cont'd)

#### 32. CASH FLOWS INFORMATION (CONT'D)

(b) The reconciliations of liabilities arising from financing activities are as follows: -

|   | Bankers' acceptance<br>RM | Hire purchase payables<br>RM | Lease liabilities<br>RM | Revolving credit<br>RM | Secured loans<br>RM | Term loans<br>RM | Unsecured loans<br>RM | Total<br>RM   |
|---|---------------------------|------------------------------|-------------------------|------------------------|---------------------|------------------|-----------------------|---------------|
| <b>The Group</b>  |                           |                              |                         |                        |                     |                  |                       |               |
| Balance at 1.1.2024                                       | 25,054,000                | 3,900,545                    | 5,104,043               | 125,249,000            | 20,380,000          | 157,307,172      | 3,110,421             | 340,105,181   |
| <u>Changes in Financing</u>                               |                           |                              |                         |                        |                     |                  |                       |               |
| <u>Cash Flows</u>   |                           |                              |                         |                        |                     |                  |                       |               |
| Net of drawdown/<br>(repayment) of<br>borrowing principal | (7,969,000)               | -                            | -                       | (61,783,000)           | -                   | -                | -                     | (69,752,000)  |
| Drawdown of borrowing<br>principal                        | -                         | -                            | -                       | -                      | -                   | 36,665,265       | -                     | 36,665,265    |
| Repayment of borrowing<br>principal                       | -                         | (2,218,992)                  | (2,637,915)             | -                      | (20,380,000)        | (65,230,298)     | (1,560,421)           | (92,027,626)  |
| Repayment of borrowing<br>interests                       | -                         | (361,615)                    | (421,839)               | -                      | (305,366)           | (7,095,951)      | (55,936)              | (8,240,707)   |
|   | (7,969,000)               | (2,580,607)                  | (3,059,754)             | (61,783,000)           | (20,685,366)        | (35,660,984)     | (1,616,357)           | (133,355,068) |
| Balance carried forward                                   | 17,085,000                | 1,319,938                    | 2,044,289               | 63,466,000             | (305,366)           | 121,646,188      | 1,494,064             | 206,750,113   |

# Notes To The Financial Statements

## For The Financial Year Ended 31 December 2024 (Cont'd)

### 32. CASH FLOWS INFORMATION (CONT'D)

(b) The reconciliations of liabilities arising from financing activities are as follows (cont'd): -

|  | Bankers' acceptance<br>RM | Hire purchase payables<br>RM | Lease liabilities<br>RM | Revolving credit<br>RM | Secured loans<br>RM | Term loans<br>RM | Unsecured loans<br>RM | Total<br>RM |
|--|---------------------------|------------------------------|-------------------------|------------------------|---------------------|------------------|-----------------------|-------------|
| <b>The Group</b>   |                           |                              |                         |                        |                     |                  |                       |             |
| Balance brought forward  | 17,085,000                | 1,319,938                    | 2,044,289               | 63,466,000             | (305,366)           | 121,646,188      | 1,494,064             | 206,750,113 |
| <u>Non-cash Changes</u>  |                           |                              |                         |                        |                     |                  |                       |             |
| Acquisition of new leases (Note (a) above)   | -                         | -                            | 9,313,162               | -                      | -                   | -                | -                     | 9,313,162   |
| New hire purchase arrangements (Note (a) above)  | -                         | 8,450,100                    | -                       | -                      | -                   | -                | -                     | 8,450,100   |
| Derecognition of lease liabilities   | -                         | -                            | (512,968)               | -                      | -                   | -                | -                     | (512,968)   |
| Finance charges recognised in profit or loss and capitalised under property, plant and equipment and biological assets | 638,538                   | 361,615                      | 421,839                 | 5,129,939              | 305,366             | 7,095,951        | 55,936                | 14,009,184  |
| Payment of interest (presented as operating cash flows)  | (638,538)                 | -                            | -                       | (5,129,939)            | -                   | -                | -                     | (5,768,477) |
|  | -                         | 8,811,715                    | 9,222,033               | -                      | 305,366             | 7,095,951        | 55,936                | 25,491,001  |
| Balance at 31.12.2024  | 17,085,000                | 10,131,653                   | 11,266,322              | 63,466,000             | -                   | 128,742,139      | 1,550,000             | 232,241,114 |

# Notes To The Financial Statements

## For The Financial Year Ended 31 December 2024 (Cont'd)

### 32. CASH FLOWS INFORMATION (CONT'D)

(b) The reconciliations of liabilities arising from financing activities are as follows (cont'd): -

|   | Bankers' acceptance<br>RM | Hire purchase payables<br>RM | Lease liabilities<br>RM | Revolving credit<br>RM | Secured loans<br>RM | Term loans<br>RM | Unsecured loans<br>RM | Total<br>RM  |
|---|---------------------------|------------------------------|-------------------------|------------------------|---------------------|------------------|-----------------------|--------------|
| <b>The Group</b>                                    |                           |                              |                         |                        |                     |                  |                       |              |
| Balance at 1.1.2023                                 | 21,357,000                | -                            | 5,711,715               | 130,125,500            | 20,680,000          | 163,994,129      | 4,859,350             | 346,727,694  |
| <b>Changes in Financing</b>                         |                           |                              |                         |                        |                     |                  |                       |              |
| <u>Cash Flows</u>                                   |                           |                              |                         |                        |                     |                  |                       |              |
| Net of drawdown/ (repayment) of borrowing principal | 3,697,000                 | -                            | -                       | (4,876,500)            | -                   | -                | -                     | (1,179,500)  |
| Drawdown of borrowing principal                     | -                         | -                            | -                       | -                      | -                   | 24,718,976       | -                     | 24,718,976   |
| Repayment of borrowing principal                    | -                         | (514,455)                    | (1,357,194)             | -                      | (300,000)           | (31,405,933)     | (1,748,929)           | (35,326,511) |
| Repayment of borrowing interests                    | -                         | (107,488)                    | (212,582)               | -                      | (596,526)           | (7,902,353)      | (117,218)             | (8,936,167)  |
|   | 3,697,000                 | (621,943)                    | (1,569,776)             | (4,876,500)            | (896,526)           | (14,589,310)     | (1,866,147)           | (20,723,202) |
| Balance carried forward                             | 25,054,000                | (621,943)                    | 4,141,939               | 125,249,000            | 19,783,474          | 149,404,819      | 2,993,203             | 326,004,492  |

# Notes To The Financial Statements

## For The Financial Year Ended 31 December 2024 (Cont'd)

### 32. CASH FLOWS INFORMATION (CONT'D)

(b) The reconciliations of liabilities arising from financing activities are as follows (cont'd): -

|  | Bankers' acceptance<br>RM | Hire purchase payables<br>RM | Lease liabilities<br>RM | Revolving credit<br>RM | Secured loans<br>RM | Term loans<br>RM | Unsecured loans<br>RM | Total<br>RM |
|--|---------------------------|------------------------------|-------------------------|------------------------|---------------------|------------------|-----------------------|-------------|
| <b>The Group</b>   |                           |                              |                         |                        |                     |                  |                       |             |
| Balance brought forward  | 25,054,000                | (621,943)                    | 4,141,939               | 125,249,000            | 19,783,474          | 149,404,819      | 2,993,203             | 326,004,492 |
| <u>Non-cash Changes</u>  |                           |                              |                         |                        |                     |                  |                       |             |
| Acquisition of new leases (Note (a) above)   | -                         | -                            | 796,503                 | -                      | -                   | -                | -                     | 796,503     |
| New hire purchase arrangements (Note (a) above)  | -                         | 4,415,000                    | -                       | -                      | -                   | -                | -                     | 4,415,000   |
| Modification of lease liabilities  | -                         | -                            | 74,103                  | -                      | -                   | -                | -                     | 74,103      |
| Derecognition of lease liabilities   | -                         | -                            | (121,084)               | -                      | -                   | -                | -                     | (121,084)   |
| Finance charges recognised in profit or loss and capitalised under property, plant and equipment and biological assets | 1,014,968                 | 107,488                      | 212,582                 | 6,567,884              | 596,526             | 7,902,353        | 117,218               | 16,519,019  |
| Payment of interest (presented as operating cash flows)  | (1,014,968)               | -                            | -                       | (6,567,884)            | -                   | -                | -                     | (7,582,852) |
|  | -                         | 4,522,488                    | 962,104                 | -                      | 596,526             | 7,902,353        | 117,218               | 14,100,689  |
| Balance at 31.12.2023  | 25,054,000                | 3,900,545                    | 5,104,043               | 125,249,000            | 20,380,000          | 157,307,172      | 3,110,421             | 340,105,181 |

## Notes To The Financial Statements

### For The Financial Year Ended 31 December 2024 (Cont'd)

#### 32. CASH FLOWS INFORMATION (CONT'D)

(b) The reconciliations of liabilities arising from financing activities are as follows (cont'd): -

|   | Hire purchase<br>payables<br>RM | Lease<br>liabilities<br>RM | Revolving<br>credit<br>RM | Unsecured<br>loans<br>RM | Total<br>RM |
|---|---------------------------------|----------------------------|---------------------------|--------------------------|-------------|
| <b>The Company</b>  |                                 |                            |                           |                          |             |
| Balance at 1.1.2024   | -                               | -                          | 11,875,000                | 2,150,000                | 14,025,000  |
| <u>Changes in Financing</u>                                   |                                 |                            |                           |                          |             |
| <u>Cash Flows</u>   |                                 |                            |                           |                          |             |
| Net of drawdown/<br>(repayment) of<br>borrowing principal     | -                               | -                          | (4,500,000)               | -                        | (4,500,000) |
| Repayment of<br>borrowing principal                           | (14,532)                        | (4,679)                    | -                         | (600,000)                | (619,211)   |
| Repayment of<br>borrowing interests                           | (2,190)                         | (721)                      | -                         | (55,936)                 | (58,847)    |
|   | (16,722)                        | (5,400)                    | (4,500,000)               | (655,936)                | (5,178,058) |
| <u>Non-cash Changes</u>                                       |                                 |                            |                           |                          |             |
| Acquisition of<br>new leases<br>(Note (a) above)              | -                               | 90,463                     | -                         | -                        | 90,463      |
| New hire purchase<br>arrangements<br>(Note (a) above)         | 561,000                         | -                          | -                         | -                        | 561,000     |
| Finance charges<br>recognised in profit<br>or loss            | 2,190                           | 721                        | 594,627                   | 55,936                   | 653,474     |
| Payment of interest<br>(presented as<br>operating cash flows) | -                               | -                          | (594,627)                 | -                        | (594,627)   |
|   | 563,190                         | 91,184                     | -                         | 55,936                   | 710,310     |
| Balance at 31.12.2024   | 546,468                         | 85,784                     | 7,375,000                 | 1,550,000                | 9,557,252   |

# Notes To The Financial Statements

## For The Financial Year Ended 31 December 2024 (Cont'd)

### 32. CASH FLOWS INFORMATION (CONT'D)

(b) The reconciliations of liabilities arising from financing activities are as follows (cont'd): -

|   | Revolving<br>credit<br>RM | Unsecured<br>loans<br>RM | Total<br>RM |
|---|---------------------------|--------------------------|-------------|
| <b>The Company</b>                                      |                           |                          |             |
| Balance at 1.1.2023                                     | 20,375,000                | 2,750,000                | 23,125,000  |
| <u>Changes in Financing Cash Flows</u>                  |                           |                          |             |
| Net of drawdown/(repayment) of borrowing principal      | (8,500,000)               | -                        | (8,500,000) |
| Repayment of borrowing principal                        | -                         | (600,000)                | (600,000)   |
| Repayment of borrowing interests                        | -                         | (71,185)                 | (71,185)    |
|   | (8,500,000)               | (671,185)                | (9,171,185) |
| <u>Non-cash Changes</u>                                 |                           |                          |             |
| Finance charges recognised in profit or loss            | 953,044                   | 71,185                   | 1,024,229   |
| Payment of interest (presented as operating cash flows) | (953,044)                 | -                        | (953,044)   |
|   | -                         | 71,185                   | 71,185      |
| Balance at 31.12.2023                                   | 11,875,000                | 2,150,000                | 14,025,000  |

(c) The total cash outflows for leases as a lessee are as follows: -

|                                       | <b>The Group</b>   |                    | <b>The Company</b> |                    |
|---------------------------------------|--------------------|--------------------|--------------------|--------------------|
|                                       | <b>2024<br/>RM</b> | <b>2023<br/>RM</b> | <b>2024<br/>RM</b> | <b>2023<br/>RM</b> |
| Interest paid on lease liabilities    | 421,839            | 212,582            | 721                | -                  |
| Payment of lease liabilities          | 2,637,915          | 1,357,194          | 4,679              | -                  |
| Payment of leases of low-value assets | 87,100             | 33,351             | -                  | -                  |
| Payment of short-term leases          | 343,749            | 6,497              | -                  | -                  |
|                                       | 3,490,603          | 1,609,624          | 5,400              | -                  |

## Notes To The Financial Statements

### For The Financial Year Ended 31 December 2024 (Cont'd)

#### 32. CASH FLOWS INFORMATION (CONT'D)

(d) The cash and cash equivalents comprise the following: -

|  | The Group  |            | The Company |            |
|--|------------|------------|-------------|------------|
|  | 2024<br>RM | 2023<br>RM | 2024<br>RM  | 2023<br>RM |
| Cash and bank balances                             | 5,925,406  | 2,658,257  | 316,694     | 695,740    |
| Deposits with licensed banks                       | 21,500,000 | 120,051    | 6,500,000   | -          |
| Bank overdrafts                                    | -          | -          | -           | -          |
|  | 27,425,406 | 2,778,308  | 6,816,694   | 695,740    |
| Deposits pledged with a<br>licensed bank (Note 13) | -          | (120,051)  | -           | -          |
|  | 27,425,406 | 2,658,257  | 6,816,694   | 695,740    |

#### 33. KEY MANAGEMENT PERSONNEL COMPENSATION

The key management personnel of the Group and of the Company include executive directors and non-executive directors of the Company and certain members of senior management of the Group and of the Company.

The key management personnel compensation during the financial year are as follows: -

|                                      | The Group  |            | The Company |            |
|--------------------------------------|------------|------------|-------------|------------|
|                                      | 2024<br>RM | 2023<br>RM | 2024<br>RM  | 2023<br>RM |
| <b>(a) Directors</b>                 |            |            |             |            |
| <u>Directors of the Company</u>      |            |            |             |            |
| Short-term benefits:-                |            |            |             |            |
| - fees                               | 695,275    | 624,351    | 489,375     | 434,250    |
| - salaries, bonus and other benefits | 885,292    | 1,054,930  | 885,292     | 811,959    |
|                                      | 1,580,567  | 1,679,281  | 1,374,667   | 1,246,209  |
| Defined contribution plans           | 84,864     | 79,768     | 84,864      | 74,168     |
|                                      | 1,665,431  | 1,759,049  | 1,459,531   | 1,320,377  |



## Notes To The Financial Statements

### For The Financial Year Ended 31 December 2024 (Cont'd)

#### 33. KEY MANAGEMENT PERSONNEL COMPENSATION (CONT'D)

The key management personnel compensation during the financial year are as follows (cont'd): -

|   | The Group  |            | The Company |            |
|---|------------|------------|-------------|------------|
|   | 2024<br>RM | 2023<br>RM | 2024<br>RM  | 2023<br>RM |
| <b>(a) Directors (cont'd)</b>                         |            |            |             |            |
| <i>Directors of the Subsidiaries</i>                  |            |            |             |            |
| Short-term benefits:-                                 |            |            |             |            |
| - fees  | 173,400    | 169,449    | -           | -          |
| - salaries, bonus and other benefits                  | 134,592    | -          | -           | -          |
|   | 307,992    | 169,449    | -           | -          |
| Defined contribution plans                            | 17,100     | -          | -           | -          |
|   | 325,092    | 169,449    | -           | -          |
| Total directors' remuneration (Note 28)               | 1,990,523  | 1,928,498  | 1,459,531   | 1,320,377  |
| <b>(b) Other Key Management Personnel</b>             |            |            |             |            |
| Short-term benefits                                   | 5,107,897  | 4,853,854  | -           | -          |
| Defined contribution plans                            | 558,358    | 476,644    | -           | -          |
| Total compensation for other key management personnel | 5,666,255  | 5,330,498  | -           | -          |

The estimated monetary value of benefits-in-kind provided by the Group to the directors of the Company was Nil (2023: Nil).

#### 34. SIGNIFICANT RELATED PARTY DISCLOSURES

##### (a) Subsidiaries

The subsidiaries are disclosed in Note 6 to the financial statements.

##### (b) Significant Related Party Transactions and Balances

Other than those disclosed elsewhere in the financial statements, the Group and the Company also carried out the following significant transactions with the related parties during the financial year: -

## Notes To The Financial Statements

### For The Financial Year Ended 31 December 2024 (Cont'd)

#### 34. SIGNIFICANT RELATED PARTY DISCLOSURES (CONT'D)

##### (b) Significant Related Party Transactions and Balances (Cont'd)

(i) Transactions between the Company and its subsidiaries: -

|                        | The Group  |            | The Company |            |
|------------------------|------------|------------|-------------|------------|
|                        | 2024<br>RM | 2023<br>RM | 2024<br>RM  | 2023<br>RM |
| Expenditure incurred:- |            |            |             |            |
| - interest paid        | -          | -          | 11,846,471  | 10,065,303 |
| - management fee       | -          | -          | 144,000     | 144,000    |
| Income earned:-        |            |            |             |            |
| - dividend income      | -          | -          | 27,700,000  | 7,530,000  |
| - interest income      | -          | -          | 13,018,755  | 11,848,392 |

(ii) Transactions between the Group and companies in which the directors and their close family members have substantial financial interests: -

|  | The Group  |            | The Company |            |
|--|------------|------------|-------------|------------|
|  | 2024<br>RM | 2023<br>RM | 2024<br>RM  | 2023<br>RM |
| Expenditure incurred:-                             |            |            |             |            |
| - contract charges                                 | 5,985,977  | 263,185    | -           | -          |
| - event package fee                                | 86,095     | 27,328     | -           | -          |
| - fertiliser testing charges                       | 5,430      | 10,260     | -           | -          |
| - interest paid                                    | 55,936     | 117,218    | 55,936      | 71,185     |
| - miscellaneous goods and services                 | 6,208      | 3,577      | -           | -          |
| - purchase of diesel, petrol, oil and lubricant    | 11,460,228 | 661,813    | -           | -          |
| - purchase of fertilisers and chemicals            | 983,995    | 77,516     | -           | -          |
| - purchase of fresh fruit bunches                  | 23,265,837 | 23,614,590 | -           | -          |
| - purchase of property, plant and equipment        | 3,266,593  | 2,054,941  | 624,730     | -          |
| - purchase of sundry stores, tools and consumables | 5,762,809  | 1,312,214  | 9,720       | 8,235      |
| - recharge expense:-                               |            |            |             |            |
| - general  | 106,183    | 12,000     | -           | -          |
| - store items                                      | 10,969     | 268,694    | -           | -          |
| - rental paid                                      | 1,503,350  | 150,000    | 16,500      | -          |
| - repairs and maintenance                          | 198,614    | 276,119    | -           | 44,012     |
| - transportation and accommodation charges         | 96,847     | 82,954     | 530         | -          |
| - water and electricity charges                    | 8,173      | 7,762      | -           | -          |
| - upkeep and maintenance                           | 1,592,342  | 663,700    | -           | -          |

# Notes To The Financial Statements

## For The Financial Year Ended 31 December 2024 (Cont'd)

### 34. SIGNIFICANT RELATED PARTY DISCLOSURES (CONT'D)

#### (b) Significant Related Party Transactions and Balances (Cont'd)

- (ii) Transactions between the Group and companies in which the directors and their close family members have substantial financial interests (cont'd): -

|   | The Group  |            | The Company |            |
|---|------------|------------|-------------|------------|
|   | 2024<br>RM | 2023<br>RM | 2024<br>RM  | 2023<br>RM |
| Income earned:-                         |            |            |             |            |
| - computer and software maintenance     | -          | 24,868     | -           | -          |
| - handling fee received                 | -          | 189,595    | -           | -          |
| - miscellaneous goods and services      | 12,275     | 5,520      | -           | -          |
| - recharge income:-                     |            |            |             |            |
| - general                               | 888        | 735        | -           | -          |
| - store items                           | 540,677    | 247,071    | -           | -          |
| - rental received                       | 41,600     | 56,900     | 3,000       | -          |
| - repairs and maintenance               | -          | 480        | -           | -          |
| - sale of crude palm oil                | -          | 67,333,172 | -           | -          |
| - sale of fresh fruit bunches           | 63,815,609 | 37,491,079 | -           | -          |
| - sale of diesel                        | 256,848    | 1,242      | -           | -          |
| - sale of palm kernel                   | -          | 9,866,417  | -           | -          |
| - sale of property, plant and equipment | 15,950     | 1,500      | -           | -          |
| - sale of seedlings                     | 285,670    | 455,334    | -           | -          |
| - spare parts, tools and consumables    | 179,206    | 27,103     | -           | -          |
| - transportation income                 | 27,000     | 738,092    | -           | -          |

The significant outstanding balances of the related parties (including the allowance for impairment loss made) together with their terms and conditions are disclosed in the respective notes to the financial statements.

# Notes To The Financial Statements

## For The Financial Year Ended 31 December 2024 (Cont'd)

### 35. OPERATING SEGMENTS

#### (a) Business Segment and Geographical Information

The Group operates predominantly in one business segment in Malaysia. Accordingly, the information by business and geographical segments is not presented.

#### (b) Major Customers

The following are major customers with revenue equal to or more than 10% of the Group's total revenue: -

|             | Revenue     |             |
|-------------|-------------|-------------|
|             | 2024<br>RM  | 2023<br>RM  |
| Customer #1 | 234,305,502 | 166,490,112 |
| Customer #2 | 146,504,388 | 106,700,342 |
| Customer #3 | 63,815,608  | 78,102,732  |

### 36. CAPITAL COMMITMENTS

|                               | The Group  |            |
|-------------------------------|------------|------------|
|                               | 2024<br>RM | 2023<br>RM |
| Property, plant and equipment | 4,733,692  | 8,550,028  |

### 37. CONTINGENT LIABILITIES

#### Tax Assessment Dispute – Timrest Sdn. Bhd.

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.

# Notes To The Financial Statements

## For The Financial Year Ended 31 December 2024 (Cont'd)

### 37. CONTINGENT LIABILITIES (CONT'D)

#### Tax Dispute – Timrest Sdn. Bhd.

Following the receipt of these assessments, TSB filed a judicial review application on 15 January 2021, challenging the validity of the DGIR's actions. On 3 June 2021, the Kuala Lumpur High Court granted an interim stay of enforcement, relieving TSB from making payments on the disputed taxes until a final decision was made. This interim stay remained effective throughout the judicial review process, ensuring that TSB was not required to pay the assessed amount.

After extensive proceedings, including case managements, legal arguments, and conflicting precedents in similar appeals, the judicial review application was heard and subsequently dismissed by the High Court on 27 November 2023. The High Court ruled that TSB's application lacked sufficient merit and awarded costs of RM2,500 each to the DGIR and Attorney General's Chambers. However, upon formal application, the Court extended the interim stay pending TSB's filing of an appeal with the Court of Appeal.

The appeal process led to a critical decision on 10 January 2025, when the High Court ruled in favor of TSB. The Court found that the gains arising from the disposal of cultivation rights were capital in nature and not subject to income tax under the ITA. The Form JA (income tax assessment for YA 2017) issued by the DGIR was set aside. This judgment affirmed that the disposal of cultivation rights did not constitute a trading activity, and the interim stay granted from 3 June 2021 effectively shielded TSB from paying the disputed taxes throughout the legal proceedings. However, on 28 January 2025, the Inland Revenue Board ("IRB") filed a notice of appeal against the High Court's decision, and as of the reporting date, the appeal process remains ongoing.

Based on legal counsel and the High Court's ruling, management is of the view that the DGIR's classification of the transaction as taxable under the ITA lacks both legal and factual basis. The management remains confident in its position and based on this advice, has determined that no provision is required in the financial statements.

#### Commercial Dispute – R.H. Plantation Sdn. Bhd

On 23 May 2024, R.H. Plantation Sdn. Bhd. ("RHP"), a wholly-owned subsidiary of the Company, became the Defendant in a lawsuit filed by Mr. Sangau Anak Ebaik trading under Undi Enterprise ("the Plaintiff") in the Miri High Court under Suit No. MYJ-22NCC-2-5/2024. The Plaintiff is claiming RM3.03 million as outstanding payments and alleged shortchanged amounts for Oil Palm Fresh Fruit Bunches ("FFB") delivered to RHP from January 2022 to February 2024.

Legal proceedings commenced with the Plaintiff serving a writ of summons and statement of claim on 31 May 2024. RHP filed its defence on 10 July 2024, contesting the claim on the grounds that the Plaintiff had erroneously double-counted the quantity of FFB delivered. A reply to the defence was filed by the Plaintiff on 17 July 2024.

Pre-trial case management took place on 4 September 2024, during which the Court directed parties to submit relevant documents, including the affidavit verifying the list of documents, bundle of pleadings, statement of agreed facts, and issues to be tried. Additionally, trial dates were initially set for 10 to 14 March 2025. Subsequently, the trial was rescheduled and fixed for 18 to 22 August 2025 to accommodate preparation by both parties.

Further developments occurred during case management on 22 January 2025, where the Plaintiff requested a joint forensic analysis of certain documents to verify specific details. RHP objected to this proposal, and the Court instructed parties to discuss the matter further and submit a detailed proposal within 14 days.

## Notes To The Financial Statements

### For The Financial Year Ended 31 December 2024 (Cont'd)

#### 37. CONTINGENT LIABILITIES (CONT'D)

##### Commercial Dispute – R.H. Plantation Sdn. Bhd (cont'd)

Legal advice obtained by the management has indicated that there is a reasonable basis to challenge the Plaintiff's claims. Specifically, the Plaintiff's calculation appears to lack merit, and allowing the claim would result in unjust enrichment. As a result, the management has determined that no provision is required to be made in the financial statements.

Management will continue to monitor the progress of the litigation, comply with all Court directives, and reassess the necessity of recognising a provision based on future developments.

#### 38. FINANCIAL INSTRUMENTS

The Group's activities are exposed to a variety of market risk (including foreign currency risk, interest rate risk and equity price risk), credit risk and liquidity risk. The Group's overall financial risk management policy focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

##### 38.1 FINANCIAL RISK MANAGEMENT POLICIES

The Group's policies in respect of the major areas of treasury activity are as follows: -

##### **(a) Market Risk**

##### **(i) Foreign Currency Risk**

The Group does not have any transactions or balances denominated in foreign currencies and hence, is not exposed to foreign currency risk.

##### **(ii) Interest Rate Risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to interest rate risk arises mainly from its long-term borrowings with variable rates. The Group's policy is to obtain the most favourable interest rates available and by maintaining a balanced portfolio of mix of fixed and floating rate borrowings.

The fixed rate debt instruments of the Group and of the Company are not subject to interest rate risk since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

The Group's exposure to interest rate risk based on the carrying amounts of the financial instruments at the end of the reporting period is disclosed in Note 20 to the financial statements.

# Notes To The Financial Statements

## For The Financial Year Ended 31 December 2024 (Cont'd)

### 38. FINANCIAL INSTRUMENTS (CONT'D)

#### 38.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

##### (a) Market Risk (Cont'd)

##### (ii) Interest Rate Risk (Cont'd)

##### *Interest Rate Risk Sensitivity Analysis*

The following table details the sensitivity analysis to a reasonably possible change in the interest rates at the end of the reporting period, with all other variables held constant: -

|   | The Group  |            | The Company |            |
|---|------------|------------|-------------|------------|
|   | 2024<br>RM | 2023<br>RM | 2024<br>RM  | 2023<br>RM |
| <b>Effects on Profit after Taxation</b> |            |            |             |            |
| Increase of 50 basis points             | - 330,000  | - 443,000  | -           | -          |
| Decrease of 50 basis points             | + 330,000  | + 443,000  | -           | -          |
| <b>Effects on Equity</b>                |            |            |             |            |
| Increase of 50 basis points             | - 330,000  | - 443,000  | -           | -          |
| Decrease of 50 basis points             | + 330,000  | + 443,000  | -           | -          |

##### (iii) Equity Price Risk

The Group does not have any quoted investments and hence, is not exposed to equity price risk.

##### (b) Credit Risk

The Group's exposure to credit risk, or the risk of counterparties defaulting, arises mainly from its trade and other receivables. The Group manages its exposure to credit risk by the application of monitoring procedures on an ongoing basis. For other financial assets (including deposits with licensed banks, and cash and bank balances), the Group minimises credit risk by dealing exclusively with high credit rating counterparties.

Also, the Company's exposure to credit risk includes loans and advances to subsidiaries and corporate guarantees given to financial institutions for credit facilities granted to certain subsidiaries. The Company monitors the ability of the subsidiaries to serve their loans on an individual basis.

##### (i) Credit Risk Concentration Profile

The Group's concentration of credit risk in respect of trade receivables exists due to the Group's limited number of customers. Based on the Group's historical collection of these receivables, management believes that they are fully recoverable.



## Notes To The Financial Statements For The Financial Year Ended 31 December 2024 (Cont'd)

### 38. FINANCIAL INSTRUMENTS (CONT'D)

#### 38.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

##### (b) Credit Risk (Cont'd)

###### (ii) Maximum Exposure to Credit Risk

At the end of the reporting period, the maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the statement of financial position of the Group and of the Company after deducting any allowance for impairment losses (where applicable).

In addition, the Company's maximum exposure to credit risk also includes corporate guarantees provided to its subsidiaries of RM201,918,139 (2023: RM295,735,172), representing the outstanding banking facilities of the subsidiaries as at the end of the reporting period. These corporate guarantees have not been recognised in the Company's financial statements since their fair values on initial recognition were not material.

###### (iii) Assessment of Impairment Losses

At each reporting date, the Group assesses whether any of financial assets at amortised cost are credit impaired.

The gross carrying amounts of those financial assets are written off when there is no reasonable expectation of recovery despite the fact that they are still subject to enforcement activities.

A financial asset is credit impaired when any of the following events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred: -

- significant financial difficulty of the receivable;
- a breach of contract, such as a default or a past due event;
- restructuring of a debt in relation to the receivable's financial difficulty;
- it is becoming probable that the receivable will enter bankruptcy or other financial reorganisation.

##### Trade Receivables

The Group applies the simplified approach to measure expected credit losses using a lifetime expected credit loss allowance for all trade receivables.

##### *Inputs, Assumptions and Techniques used for Estimating Impairment Losses*

To measure the expected credit losses, trade receivables (including related parties) have been grouped based on shared credit risk characteristics and the days past due.

The Group measures the expected credit losses of certain major customers, trade receivables that are credit impaired and trade receivables with a high risk of default on an individual basis.

Also, the Group considers any trade receivables having financial difficulty or in default with significant balances outstanding for more than 150 days as credit impaired and assesses for their risk of loss individually.

# Notes To The Financial Statements

## For The Financial Year Ended 31 December 2024 (Cont'd)

### 38. FINANCIAL INSTRUMENTS (CONT'D)

#### 38.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

##### (b) Credit Risk (Cont'd)

##### (iii) Assessment of Impairment Losses (Cont'd)

##### Trade Receivables (Cont'd)

The expected loss rates are based on the historical credit losses experienced, adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle their debts.

There are no significant changes in the estimation techniques and assumptions as compared to the previous financial year.

##### *Allowance for Impairment Losses*

| The Group              | Gross Amount<br>RM | Lifetime Loss Allowance<br>RM | Carrying Amount<br>RM |
|------------------------|--------------------|-------------------------------|-----------------------|
| <b>2024</b>            |                    |                               |                       |
| Current (not past due) | 17,336,132         | -                             | 17,336,132            |
| Credit impaired        | 9,588              | (9,588)                       | -                     |
|                        | 17,345,720         | (9,588)                       | 17,336,132            |
| <b>2023</b>            |                    |                               |                       |
| Current (not past due) | 12,163,599         | -                             | 12,163,599            |
| Credit impaired        | 9,588              | (9,588)                       | -                     |
|                        | 12,173,187         | (9,588)                       | 12,163,599            |

The movements in the loss allowances in respect of trade receivables are disclosed in Note 15 to the financial statements.

## Notes To The Financial Statements For The Financial Year Ended 31 December 2024 (Cont'd)

### 38. FINANCIAL INSTRUMENTS (CONT'D)

#### 38.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

##### (b) Credit Risk (Cont'd)

###### (iii) Assessment of Impairment Losses (Cont'd)

###### Other Receivables (Including Related Parties)

The Group applies the 3-stage general approach to measure expected credit losses for all non-trade receivables.

###### Inputs, Assumptions and Techniques used for Estimating Impairment Losses

Under this approach, the Group assesses whether there is a significant increase in credit risk on the receivables by comparing their risk of default as at the reporting date with the risk of default as at the date of initial recognition. The Company considers that there is a significant increase in credit risk for any receivable with significant balances outstanding more than 90 days. The Group considers a non-trade receivable to be credit impaired when a debtor is unlikely to repay its debts in full or the debtor is having financial difficulty.

There are no significant changes in the estimation techniques and assumptions as compared to the previous financial year.

###### Allowance for Impairment Losses

The Group has determined that majority of the other receivables are fully recoverable and adequate loss allowance has been recognised. The movements in the loss allowances in respect of non-trade receivables are disclosed in Note 16 to the financial statements.

###### Deposits with Licensed Banks, and Cash and Bank Balances

The Group considers the licensed banks to have low credit risks. In addition, some of the bank balances are insured by Government agencies. Therefore, the Group is of the view that the loss allowance is immaterial and hence, it is not provided for.

###### Amount Owning By Subsidiaries (Non-trade Balances)

The Company applies the 3-stage general approach to measure expected credit losses for all inter-company balances.

###### Inputs, Assumptions and Techniques used for Estimating Impairment Losses

The Company measures the expected credit losses on an individual basis, which is aligned with its credit risk management practices on the inter-company balances.

The Company considers loans and advances to subsidiaries to have low credit risks. The Company assumes that there is a significant increase in credit risk when a subsidiary's financial position deteriorates significantly.

# Notes To The Financial Statements

## For The Financial Year Ended 31 December 2024 (Cont'd)

### 38. FINANCIAL INSTRUMENTS (CONT'D)

#### 38.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

##### (b) Credit Risk (Cont'd)

##### (iii) Assessment of Impairment Losses (Cont'd)

##### Amount Owning By Subsidiaries (Non-trade Balances) (Cont'd)

For loans and advances that are repayable on demand, impairment loss is assessed based on the assumption that repayment of the outstanding balances is demanded at the reporting date. If the subsidiary does not have sufficient highly liquid resources when the loans and advances are demanded, the Company will consider the expected manner of recovery to measure the impairment loss; the recovery manner could be either through "repayable over time" or a fire sale of less liquid assets by the subsidiary.

There are no significant changes in the estimation techniques and assumptions as compared to the previous financial year.

##### Allowance for Impairment Losses

The movement in the loss allowance is disclosed in Note 12 to the financial statements.

##### Financial Guarantee Contracts

All the financial guarantee contracts are considered to be performing, have low risks of default and historically there were no instances where these financial guarantee contracts were called upon by the parties of which the financial guarantee contracts were issued to. Accordingly, no loss allowances were identified based on 12-month expected credit losses.

##### (c) Liquidity Risk

Liquidity risk arises mainly from general funding and business activities. The Group practices prudent risk management by maintaining sufficient cash balances and the availability of funding through certain committed credit facilities.

# Notes To The Financial Statements

## For The Financial Year Ended 31 December 2024 (Cont'd)

### 38. FINANCIAL INSTRUMENTS (CONT'D)

#### 38.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

#### (c) Liquidity Risk (Cont'd)

##### Maturity Analysis

The following table sets out the maturity profile of the financial liabilities at the end of the reporting period based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on the rates at the end of the reporting period): -

| The Group                | Weighted<br>Average<br>Effective<br>Rate<br>% | Carrying<br>Amount<br>RM | Contractual<br>Undiscounted<br>Cash Flows<br>RM | On Demand<br>or Within<br>1 Year<br>RM | 1 – 2 Years<br>RM | 2 – 5 Years<br>RM | Over<br>5 Years<br>RM |
|--------------------------|---|--------------------------|---|--|-------------------|-------------------|-----------------------|
| <b>2024</b>              |   |                          |   |  |                   |                   |                       |
| Trade and other payables | -   | 106,052,055              | 106,052,055                                     | 106,052,055                            | -                 | -                 | -                     |
| Borrowings:-             |   |                          |   |  |                   |                   |                       |
| - bankers' acceptance    | 5.98  | 17,085,000               | 17,085,000                                      | 17,085,000                             | -                 | -                 | -                     |
| - hire purchase payables | 5.28  | 10,131,653               | 10,922,206                                      | 4,645,848                              | 4,060,692         | 2,215,666         | -                     |
| - lease liabilities      | 5.43  | 11,266,322               | 12,354,721                                      | 3,371,036                              | 3,426,719         | 5,556,966         | -                     |
| - revolving credit       | 4.79  | 63,466,000               | 63,466,000                                      | 63,466,000                             | -                 | -                 | -                     |
| - term loans             | 5.26  | 128,742,139              | 190,292,000                                     | 40,073,000                             | 42,533,000        | 90,592,000        | 17,094,000            |
| - unsecured loans        | 2.90  | 1,550,000                | 1,594,950                                       | 1,594,950                              | -                 | -                 | -                     |
|                          |   | 338,293,169              | 401,766,932                                     | 236,287,889                            | 50,020,411        | 98,364,632        | 17,094,000            |
| <b>2023</b>              |   |                          |   |  |                   |                   |                       |
| Trade and other payables | -   | 110,201,065              | 110,201,065                                     | 110,201,065                            | -                 | -                 | -                     |
| Borrowings:-             |   |                          |   |  |                   |                   |                       |
| - bankers' acceptance    | 4.26  | 25,054,000               | 25,054,000                                      | 25,054,000                             | -                 | -                 | -                     |
| - hire purchase payables | 5.77  | 3,900,545                | 3,900,545                                       | 1,351,484                              | 1,518,584         | 1,030,477         | -                     |
| - lease liabilities      | 4.73  | 5,104,043                | 6,897,215                                       | 1,690,915                              | 1,680,515         | 2,235,631         | 1,290,154             |
| - revolving credit       | 5.26  | 125,249,000              | 125,249,000                                     | 125,249,000                            | -                 | -                 | -                     |
| - secured loans          | 2.90  | 20,380,000               | 22,829,000                                      | 1,608,000                              | 2,417,000         | 10,970,000        | 7,834,000             |
| - term loans             | 5.20  | 157,307,172              | 179,107,000                                     | 41,066,000                             | 36,036,000        | 80,802,000        | 21,203,000            |
| - unsecured loans        | 2.90  | 3,110,421                | 3,215,000                                       | 1,621,000                              | 1,594,000         | -                 | -                     |
|                          |   | 450,306,246              | 476,452,825                                     | 307,841,464                            | 43,246,099        | 95,038,108        | 30,327,154            |

# Notes To The Financial Statements

## For The Financial Year Ended 31 December 2024 (Cont'd)

### 38. FINANCIAL INSTRUMENTS (CONT'D)

#### 38.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

##### (c) Liquidity Risk (Cont'd)

###### Maturity Analysis (Cont'd)

The following table sets out the maturity profile of the financial liabilities at the end of the reporting period based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on the rates at the end of the reporting period) (cont'd): -

| The Company  | Weighted<br>Average<br>Effective<br>Rate<br>% | Contractual<br>Carrying<br>Amount<br>RM | On Demand<br>Undiscounted<br>Cash Flows<br>RM | or Within<br>1 Year<br>RM | 1 – 2 Years<br>RM | 2 – 5 Years<br>RM |
|--|---|---|---|---------------------------|-------------------|-------------------|
| <b>2024</b>  |   |   |   |                           |                   |                   |
| Trade and other payables   | -   | 14,005,981                              | 14,005,981                                    | 14,005,981                | -                 | -                 |
| Amount owing to subsidiaries   | 3.60  | 295,613,082                             | 295,613,082                                   | 295,613,082               | -                 | -                 |
| Borrowings:-   |   |   |   |                           |                   |                   |
| - hire purchase payables   | 6.60  | 546,468                                 | 585,175                                       | 200,664                   | 200,664           | 183,847           |
| - lease liabilities  | 5.00  | 85,784                                  | 91,800  | 32,400                    | 32,400            | 27,000            |
| - revolving credit   | 6.72  | 7,375,000                               | 7,375,000                                     | 7,375,000                 | -                 | -                 |
| - unsecured loan   | 2.90  | 1,550,000                               | 1,594,950                                     | 1,594,950                 | -                 | -                 |
| Financial guarantee contracts<br>in relation to corporate guarantee<br>given to certain subsidiaries | -   | *                                       | 201,918,139                                   | 201,918,139               | -                 | -                 |
|  |   | 319,176,315                             | 521,184,127                                   | 520,740,216               | 233,064           | 210,847           |

# Notes To The Financial Statements

## For The Financial Year Ended 31 December 2024 (Cont'd)

### 38. FINANCIAL INSTRUMENTS (CONT'D)

#### 38.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

##### (c) Liquidity Risk (Cont'd)

##### Maturity Analysis (Cont'd)

The following table sets out the maturity profile of the financial liabilities at the end of the reporting period based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on the rates at the end of the reporting period) (cont'd): -

| The Company  | Weighted<br>Average<br>Effective<br>Rate<br>% | Carrying<br>Amount<br>RM | Contractual<br>Undiscounted<br>Cash Flows<br>RM | On Demand<br>or Within<br>1 Year<br>RM | 1 – 2 Years<br>RM |
|--|---|--------------------------|---|--|-------------------|
| <b>2023</b>  |   |                          |   |  |                   |
| Trade and other payables   | -   | 15,374,233               | 15,374,233                                      | 15,374,233                             | -                 |
| Amount owing to subsidiaries   | 3.00  | 349,515,534              | 349,515,534                                     | 349,515,534                            | -                 |
| Borrowings:-   |   |                          |   |  |                   |
| - revolving credit   | 6.68  | 11,875,000               | 11,875,000                                      | 11,875,000                             | -                 |
| - unsecured loan   | 2.90  | 2,150,000                | 2,254,171                                       | 660,020                                | 1,594,151         |
| Financial guarantee contracts<br>in relation to corporate guarantee<br>given to certain subsidiaries | -   | *                        | 295,735,172                                     | 295,735,172                            | -                 |
|  |   | 378,914,767              | 674,754,110                                     | 673,159,959                            | 1,594,151         |

\* The contractual undiscounted cash flows represent the outstanding credit facilities of the subsidiaries at the end of the reporting period. The financial guarantees have not been recognised in the financial statements since their fair values on initial recognition were not material.



# Notes To The Financial Statements

## For The Financial Year Ended 31 December 2024 (Cont'd)

### 38. FINANCIAL INSTRUMENTS (CONT'D)

#### 38.2 CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that entities within the Group will be able to maintain an optimal capital structure so as to support its businesses and maximise shareholder(s) value. To achieve this objective, the Group may make adjustments to the capital structure in view of changes in economic conditions, such as adjusting the amount of dividend payment, returning of capital to shareholders or issuing new shares.

The Group manages its capital based on debt-to-equity ratio that complies with debt covenants and regulatory, if any. The debt-to-equity ratio is calculated as net debt divided by total equity. The Group includes within net debt, loans and borrowings from financial institutions less cash and cash equivalents. Capital includes equity attributable to the owners of the parent and non-controlling interests. The debt-to-equity ratio of the Group at the end of the reporting period was as follows: -

|  | The Group    |             |
|--|--------------|-------------|
|  | 2024<br>RM   | 2023<br>RM  |
| Borrowings (Note 20):-                       |              |             |
| - other borrowings                           | 232,241,114  | 340,105,181 |
|  | 232,241,114  | 340,105,181 |
| Less: Deposits with licensed banks (Note 13) | (21,500,000) | (120,051)   |
| Less: Cash and bank balances                 | (5,925,406)  | (2,658,257) |
| Net debts                                    | 204,815,708  | 337,326,873 |
| Total equity                                 | 381,071,879  | 362,932,466 |
| Debt-to-equity ratio                         | 0.54         | 0.93        |

There was no change in the Group's approach to capital management during the financial year.

# Notes To The Financial Statements

## For The Financial Year Ended 31 December 2024 (Cont'd)

### 38. FINANCIAL INSTRUMENTS (CONT'D)

#### 38.3 CLASSIFICATION OF FINANCIAL INSTRUMENTS

|  | The Group   |             | The Company |             |
|--|-------------|-------------|-------------|-------------|
|  | 2024<br>RM  | 2023<br>RM  | 2024<br>RM  | 2023<br>RM  |
| <b>Financial Assets</b>                                |             |             |             |             |
| <u>Designated at Fair Value through Profit or Loss</u> |             |             |             |             |
| Unquoted investments                                   | -           | 5,000,000   | -           | 5,000,000   |
| <u>Amortised Cost</u>                                  |             |             |             |             |
| Trade receivables                                      | 17,336,132  | 12,163,599  | -           | -           |
| Other receivables and deposits                         | 7,373,954   | 5,316,785   | 1,021,579   | 1,752,444   |
| Amount owing by subsidiaries                           | -           | -           | 315,219,758 | 348,548,252 |
| Deposits with licensed banks                           | 21,500,000  | 120,051     | 6,500,000   | -           |
| Cash and bank balances                                 | 5,925,406   | 2,658,257   | 316,694     | 695,740     |
|  | 52,135,492  | 20,258,692  | 323,058,031 | 350,996,436 |
| <b>Financial Liabilities</b>                           |             |             |             |             |
| <u>Amortised Cost</u>                                  |             |             |             |             |
| Trade payables   | 71,200,364  | 66,530,612  | -           | -           |
| Other payables, deposits and accruals                  | 34,851,691  | 43,670,453  | 14,005,981  | 15,374,233  |
| Amount owing to subsidiaries                           | -           | -           | 295,613,082 | 349,515,534 |
| Borrowings:-   |             |             |             |             |
| - other borrowings                                     | 232,241,114 | 340,105,181 | 9,557,252   | 14,025,000  |
|  | 338,293,169 | 450,306,246 | 319,176,315 | 378,914,767 |

#### 38.4 GAINS OR LOSSES ARISING FROM FINANCIAL INSTRUMENTS

|   | The Group    |              | The Company  |              |
|---|--------------|--------------|--------------|--------------|
|   | 2024<br>RM   | 2023<br>RM   | 2024<br>RM   | 2023<br>RM   |
| <b>Financial Assets</b>                 |              |              |              |              |
| <u>Amortised Cost</u>                   |              |              |              |              |
| Net gains recognised in profit or loss  | 126,005      | 66,437       | 18,446,694   | 1,786,553    |
| <b>Financial Liabilities</b>            |              |              |              |              |
| <u>Amortised Cost</u>                   |              |              |              |              |
| Net losses recognised in profit or loss | (10,753,305) | (14,139,534) | (12,499,224) | (11,149,040) |

## Notes To The Financial Statements

### For The Financial Year Ended 31 December 2024 (Cont'd)

#### 38. FINANCIAL INSTRUMENTS (CONT'D)

##### 38.5 FAIR VALUE INFORMATION

The fair values of the financial assets and financial liabilities of the Group and of the Company maturing within the next 12 months approximated their carrying amounts due to the relatively short-term maturity of the financial instruments or repayable on demand terms.

The Group's investment in unquoted shares with carrying amount of Nil (2023: RM5,000,000) is carried at fair value within level 3 of the fair value hierarchy.

The fair value of secured loans and unsecured loans that carry fixed interest rates approximated Nil and RM1,579,000 (2023: RM14,052,000 and RM2,817,000) respectively. The fair value is determined by discounting the relevant cash flows using current market interest rate for similar instruments of 5.00% (2023 5.00%) and the fair value is within level 2 of the fair value hierarchy.

The fair value of hire purchase payables that carry fixed interest rates approximated RM9,840,000 (2023: RM3,884,000). The fair value is determined by discounting the relevant cash flows using current market interest rate for similar instruments of 4.70% to 7.26% (2023: 5.00% to 7.27%) and the fair value is within level 2 of the fair value hierarchy.

The fair values of the term loans that carry floating interest rates approximate their carrying amounts as they are repriced to market interest rates on or near the reporting date.

#### 39. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

On 21 December 2023, the wholly-owned subsidiaries of the Company, namely R.H. Plantation Sdn. Bhd. ("RHPSB") and Jayamax Plantation Sdn. Bhd. ("JPSB"), has entered into the following agreements:-

- (a) a conditional sale and purchase agreement entered into by RHPSB to dispose the Selangor Estate to Mahawangsa Sungai Bok Plantation Sdn. Bhd. ("MSBPSB") for a disposal consideration of RM90 million ("Disposal Consideration 1") to be satisfied entirely in cash ("CSPA1" or "Proposed Disposal 1"); and
- (b) a conditional sale and purchase agreement entered into by JPSB to dispose the Jayamax Estate to MSBPSB for a disposal consideration of RM75 million ("Disposal Consideration 2") to be satisfied entirely in cash ("CSPA2" or "Proposed Disposal 2").

The Proposed Disposal 1 shall be conditional upon the fulfilment of the following conditions: -

- (a)(i) 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;
- (a)(ii) 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;
- (a)(iii) 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;

## Notes To The Financial Statements For The Financial Year Ended 31 December 2024 (Cont'd)

### 39. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR (CONT'D)

The Proposed Disposal 1 shall be conditional upon the fulfilment of the following conditions: -

- (a)(iv) 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
- (a)(v) all other approvals, consents or authorisations from the relevant authorities or parties and matters contemplated by the CSPA 1 being obtained.

The Proposed Disposal 2 shall be conditional upon the fulfilment of the following conditions: -

- (b)(i) 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;
- (b)(ii) 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;
- (b)(iii) 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;
- (b)(iv) 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;
- (b)(v) 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
- (b)(vi) all other approvals, consents or authorisations from the relevant authorities or parties and matters contemplated by the CSPA 2 being obtained.

On 21 February 2024, RHPSB and JPSB had entered into the following agreements: -

- (c) a supplementary agreement to the CSPA 1 entered into by RHPSB and MSBPSB to vary the mode of settlement of the balance Disposal Consideration 1 ("Supplementary Agreement 1"); and
- (d) a supplementary agreement to the CSPA 2 entered into by JPSB and MSBPSB to vary the mode of settlement of the balance Disposal Consideration 2 ("Supplementary Agreement 2").

Pursuant to the Supplementary Agreement 1, RHPSB and MSBPSB have agreed to vary the mode of settlement of the balance Disposal Consideration 1 as follows: -

- (c)(i) The balance disposal consideration of RM2.50 million shall be paid by MSBPSB to RHPSB as part payment within 7 days from the date of the Supplementary Agreement 1; and
- (c)(ii) The balance disposal consideration of RM78.50 million shall be paid by MSBPSB to RHPSB within 2 months from the CSPA 1 Unconditional Date.

# Notes To The Financial Statements

## For The Financial Year Ended 31 December 2024 (Cont'd)

### 39. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR (CONT'D)

Pursuant to the Supplementary Agreement 2, JPSB and MSBPSB have agreed to vary the mode of settlement of the balance Disposal Consideration 2 as follows: -

- (d)(i) The balance disposal consideration of RM2.50 million shall be paid by MSBPSB to JPSB as part payment within 7 days from the date of the Supplementary Agreement 2; and
- (d)(ii) The balance disposal consideration of RM65.00 million shall be paid by MSBPSB to JPSB within 2 months from the CSPA 2 Unconditional Date.

Both Proposed Disposal 1 and Proposed Disposal 2 have been completed on 9 July 2024 following the receipt of the payment of the total balance disposal consideration by RHPSB and JPSB from MSBPSB in accordance with the terms and conditions of the CSPAs.

# ADDITIONAL COMPLIANCE INFORMATION

The following information is presented in compliance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Listing Requirements"):

## 1. Utilisation of proceeds raised from any corporate proposal

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 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")

(i) The Proposed Disposal 1 shall be conditional upon the fulfilment of the following conditions:

- (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");
- (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");
- (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");
- (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
- (e) all other approvals, consents or authorisations from the relevant authorities or parties and matters contemplated by the CSPA 1 being obtained, hereinafter collectively referred to as "CSPA 1 Conditions Precedent".

(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").

## Additional Compliance Information (Cont'd)

### 1. Utilisation of proceeds raised from any corporate proposal (Cont'd)

- (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.
- (i) The Proposed Disposal 2 shall be conditional upon the fulfilment of the following conditions:
  - (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;
  - (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");
  - (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");
  - (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");
  - (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
  - (f) all other approvals, consents or authorisations from the relevant authorities or parties and matters contemplated by the CSPA 2 being obtained, hereinafter collectively referred to as "CSPA 2 Conditions Precedent".
- (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").
- (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.

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").

On 31 January 2024, 3% retention of CSPA 1 has been released by RHPSB's solicitors to RHPSB. Based on the management of RSB's records, the Proposed Disposal 1 would not be subject to the imposition of real property gains tax as the Disposal Consideration 1 is lower than the original cost of investment of RM118.00 million incurred by RHPSB in acquiring the Selangor Estate. Accordingly, there is no chargeable gain arising from the Proposed Disposal 1. On such basis, the retention sum of RM2,700,000 is not required to be remitted to the Director General of Inland Revenue under section 21B of the RPGT Act but shall be released by RHPSB's solicitors to RHPSB.



## Additional Compliance Information (Cont'd)

### 1. Utilisation of proceeds raised from any corporate proposal (Cont'd)

On 31 January 2024, 3% retention of CSPA 1 has been released by JPSB's solicitors to JPSB. Based on the management of RSB's records, the Proposed Disposal 2 would not be subject to the imposition of real property gains tax as there is no chargeable gain arising from such disposal. Notwithstanding the Disposal Consideration 2 being higher than the original cost of investment of approximately RM40.38 million incurred by JPSB in acquiring the Jayamax Estate which results in a gain, there is an allowable loss arising from the Proposed Disposal 2 after deducting all allowable expenses from such gain.

On 21 February 2024, the wholly-owned subsidiaries of RSB, namely RHPSB and JPSB, had entered into the following agreements:

- (i) a supplementary agreement to the CSPA 1 entered into by RHPSB and MSBPSB to vary the mode of settlement of the balance Disposal Consideration 1 ("Supplementary Agreement 1"); and
- (ii) a supplementary agreement to the CSPA 2 entered into by JPSB and MSBPSB to vary the mode of settlement of the balance Disposal Consideration 2 ("Supplementary Agreement 2").

The balance disposal consideration of RM2.50 million shall be paid by MSBPSB to RHPSB as part payment within 7 days from the date of the Supplementary Agreement 1. The balance disposal consideration of RM78.50 million shall be paid by MSBPSB to RHPSB within 2 months from the CSPA 1 unconditional date.

The balance disposal consideration of RM2.50 million shall be paid by MSBPSB to JPSB as part payment within 7 days from the date of the Supplementary Agreement 2. The balance disposal consideration of RM65.00 million shall be paid by MSBPSB to JPSB within 2 months from the CSPA 2 unconditional date.

On 28 February 2024, the balance disposal consideration of RM2.50 million of CSPA 1 and the balance disposal consideration of RM2.50 million of CSPA 2 have been paid to RHPSB and JPSB by MSBPSB upon execution of the Supplementary Agreement 1 and 2.

On 28 June 2024, the redemption sums of RM12,371,539 to redeem Lot 56 Sawai Land District under CSPA 1, and Lots 4 and 6 both of Block 9 Dulit Land District under CSPA 2, had all been settled.

On 1 July 2024, MSBPSB has make payment of RM11,545,821 to RHPSB and RM5,000,000 to JPSB. Besides, RHPSB also received redemption sums of RM61,458,243 on 1 July 2024.

The Memorandum of Discharge of Charge of the Existing Charge, the Memorandum of Transfer in favour of MSBPSB and the Memorandum of Charge in favour of MSBPSB's financier, all affecting Lot 56 Sawai Land District under CSPA 1 have been accepted for registration at the land registry office of the Land and Survey Department, Miri division on 5 July 2024.

The Memorandum of Discharge of Charge of the Existing Charge affecting Lots 4 and 6 both of Block 9 Dulit District, and the Memorandum of Transfer in favour of MSBPSB and the Memorandum of Charge in favour of MSBPSB's financier, all affecting Lots 4 and 6 both of Block 9 Dulit Land District and Lots 101 and 102 both Sawai Land District under CSPA 2 have been accepted for registration at the land registry office of the Land and Survey Department, Miri Division on 3 July 2024.

The Disposal Consideration 1 under CSPA 1 has been settled by MSBPSB on 5 July 2024 pursuant to the payment of the final amount of RM5,495,936 on 5 July 2024 in the late afternoon to Messrs. Huang & Co. Advocates as stakeholder, of which such sum was then released to RHPSB on even date, 9 July 2024.

## Additional Compliance Information (Cont'd)

### 1. Utilisation of proceeds raised from any corporate proposal (Cont'd)

- (ii) a supplementary agreement to the CSPA 2 entered into by JPSB and MSBPSB to vary the mode of settlement of the balance Disposal Consideration 2 ("Supplementary Agreement 2"). (Cont'd)

The Disposal Consideration 2 under CSPA 2 has been settled by MSBPSB on July 2024 pursuant to the payment of the final amount of RM47,628,461 on 5 July 2024 in the late afternoon to Messrs. Huang & Co. Advocates as stakeholder, of which such sum was then released to JPSB on even date, 9 July 2024.

RHPSB has delivered Selangor Estate to MSBPSB and relocated its employees from Selangor Estate to other estates within RSB Group, and MSBPSB has taken possession and management of Selangor Estate on even date, 9 July 2024; and

JPSB has delivered Jayamax Estate to MSBPSB and relocated its employees from Jayamax Estate to other estates within RSB Group, and MSBPSB has taken possession and management of Jayamax Estate on even date, 9 July 2024.

The Disposals have been completed on 9 July 2024 following the receipt of the payment of the total balance disposal consideration by the RHPSB and JPSB from MSBPSB in accordance with the terms and conditions of the CSPAs. An announcement was made on 9 July 2024.

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                        | 86,106                      | July 2024           |
| 2.  | New planting and replanting of oil palm                         | 19,100                        | 19,100                      | July 2024           |
| 3.  | Working capital requirements                                    | 59,119                        | 59,119                      | July 2024           |
| 4.  | Defray estimated expenses in relation to the Proposed Disposals | 675                           | 675                         | July 2024           |
|     | <b>Total</b>  | <b>165,000</b>                | <b>165,000</b>              |                     |

### 2. Material contracts

There were no material contracts (not being contracts entered into in the ordinary course of business) entered into by the Company or its subsidiaries involving Directors' and major shareholders' interests, either still subsisting at the end of the financial year ended 31 December 2024 or entered into since the end of the previous financial year.

## Additional Compliance Information (Cont'd)

### 3. Recurrent related party transactions of a revenue or trading nature ("RRPT")

A breakdown of the aggregate value of the RRPT conducted pursuant to the shareholder mandate during the financial year where the aggregate value is equal to or more than the threshold prescribed under paragraph 10.09(1)(a) of the Listing Requirements, are set out below:

| Name of Related Party(ies)             | Type of RRPT   | Relationship with RSB Group | Actual Value as at 31 December 2024 (RM) |
|--|--|-----------------------------|--|
| R H Selangau Palm Oil Mill Sdn Bhd     | Sales of Fresh Fruit Bunches                             | Note (A)                    | 63,815,608                               |
| Pelita Melor Sdn Bhd                   | Purchase of Fresh Fruit Bunches                          | Note (B)                    | 9,472,345                                |
| Rimbunan Hijau General Trading Sdn Bhd | Purchase of Diesel                                       | Note (C)                    | 7,641,820                                |
| Sinar Tiasa Sdn Bhd                    | Rehabilitation (weeding, upkeep & maintenance, manuring) | Note (D)                    | 7,135,292                                |
| Rona Hijau Sdn Bhd                     | Purchase of Fresh Fruit Bunches                          | Note (E)                    | 6,913,441                                |

Notes:

- (A) Connected with Tan Sri Datuk Sir Diong Hiew King @ Tiong Hiew King ("Tan Sri Tiong"), Tiong Toh Siong Holdings Sdn. Bhd. ("TTSH"), Teck Sing Lik Enterprise Sdn. Bhd. ("TSL"), Tiong Toh Siong Enterprises Sdn. Bhd. ("TTSE"), Rimbunan Hijau Southeast Asia Sdn. Bhd. ("RHSA"), Pertumbuhan Abadi Asia Sdn. Bhd. ("PAA"), Datuk Tiong Thai King, Tiong Chiong Ie and Tiong Chiong Ong.
- (B) Connected with Tan Sri Tiong, TTSH, TSL, Datuk Tiong Thai King, Tiong Chiong Ie and Tiong Chiong Ong.
- (C) Connected with Tan Sri Tiong, PAA and Tiong Chiong Ong.
- (D) Connected with Tan Sri Tiong, TTSE, TSL, Datuk Tiong Thai King, Tiong Chiong Ie and Tiong Chiong Ong.
- (E) Connected with Tan Sri Tiong, PAA and Tiong Chiong Ong.

# LIST OF PROPERTIES OWNED BY THE GROUP

| Location  | Tenure                 | Approximate Area (Hectares) | Year of Acquisition | Net Carrying Amount* (RM'000) |
|---|------------------------|-----------------------------|---------------------|-------------------------------|
| NCR Land Located Ulu Teru Land, Miri Division, Sarawak <sup>^</sup>     | JVA Commencing on 2003 | 7,900 Ha                    | -                   | 79,785                        |
| Lot 1 Blk 1 & 2 Buloh Land  | Provisional Leasehold  | 4,482 Ha                    | 1999                | 78,065                        |
| Lot 2 Blk 1 Buloh Land  |                        |                             | 2000                |                               |
| Lot 24, 25 Blk 12 Bawan Land  |                        |                             | 1999, 2000          |                               |
| Lot 56 & 58, Bok Land District  | Provisional Leasehold  | 6,172 Ha                    | 1988                | 73,537                        |
| Lot 65, Bok Land District   |                        |                             | 2005                |                               |
| Lot 59, Bok Land District   |                        |                             | 2006                |                               |
| Lot 1 Blk 7, Sawai Land District  | Leasehold              | 7,491 Ha                    | 1998                | 49,872                        |
| Lot 64, Sawai Land District   | Provisional Leasehold  |                             | 1988                |                               |
| Lot 93 Sawai Land District  | Provisional Leasehold  |                             | 1999                |                               |
| Lot 1 Blk 3 Buloh Land  | Provisional Leasehold  | 4,127 Ha                    | 2000                | 36,484                        |
| NCR Land Located Long Ekang and Long Banyok, Miri Division <sup>@</sup> | JVA Commencing on 2005 | 2,203 Ha                    | -                   | 32,405                        |
| Lot 4, Apoh Land District   | Provisional Leasehold  | 3,386 Ha                    | 2010                | 28,504                        |
| NCR Land at Selangau, Mukah, Sibul Division <sup>^</sup>                | JVA Commencing on 2001 | 5,156 Ha                    | -                   | 17,174                        |
| Lot 205, Teraja Land District, Batang Baram, Baram                      | Provisional Leasehold  | 1,504 Ha                    | 2018                | 17,024                        |
| Lot 5, Block 3, Stungkor Land District                                  | Provisional Leasehold  | 3,914.62 Ha                 | 2002                | 13,708                        |
| Lot 40, Block 12, Gadin Lundu Land District                             |                        |                             |                     |                               |
| Lot 67, Block 11, Gadin Lundu Land District                             |                        |                             |                     |                               |
| Lot 7, Block 3, Stungkor Land District                                  |                        |                             |                     |                               |
| Lot 247, Block 4, Stungkor Land District                                |                        |                             |                     |                               |
| Lot 385, Block 8, Stungkor Land   |                        |                             |                     |                               |
| Lot 66, 91, 92, 93 Block 11, Gading Lundu Land District                 |                        |                             |                     |                               |
| Lot 47, Block 12, Gading Lundu Land District                            |                        |                             |                     |                               |
| Lot 28, 29, 30, Block 3, Stungkor Land District                         |                        |                             |                     |                               |

\* Net Book Value include Land, Bearer Plants, and Infrastructure.

<sup>^</sup> The Lease Term for JVA land is 60 years subject to finalisation of respective land title.

<sup>@</sup> The Lease Term for JVA is subject to finalisation of land title.

# **Disclaimer** : Net Carrying Amount is as per individual management account

# ANALYSIS OF SHAREHOLDINGS

## AS AT 4 APRIL 2025

### Share Capital

|                      |   |   |
|----------------------|---|---|
| Issued share capital | : | <b>391,510,496 divided into 2,041,722,343 ordinary shares</b> |
| Class of shares      | : | <b>Ordinary shares</b>  |
| Voting rights        | : | <b>One (1) vote per ordinary share</b>                        |

### Distribution Schedule of Ordinary Shares

| No. of Holders | Holdings                                | Total Holdings | %      |
|----------------|---|----------------|--------|
| 140            | Less than 100 shares                    | 4,508          | 0.00*  |
| 916            | 100 to 1,000 shares                     | 516,906        | 0.03   |
| 4,734          | 1,001 to 10,000 shares                  | 29,894,201     | 1.46   |
| 4,559          | 10,001 to 100,000 shares                | 169,354,037    | 8.29   |
| 855            | 100,001 - less than 5% of issued shares | 834,272,799    | 40.86  |
| 4              | 5% and above of issued shares           | 1,007,679,892  | 49.36  |
| 11,208         |   | 2,041,722,343  | 100.00 |

Note:

\* less than 0.01%

### Substantial Shareholders

The substantial shareholders' interests in ordinary shares in the Company as per the Register of Substantial Shareholders as at 4 April 2025 are as follows:

| Name  | No. of shares held (Direct) | %     | No. of shares held (Indirect) | %     |
|---|-----------------------------|-------|-------------------------------|-------|
| 1. Tiong Toh Siong Holdings Sdn Bhd                       | 264,429,560                 | 12.95 | 633,508,332(a)                | 31.03 |
| 2. Pemandangan Jauh Plantation Sdn Bhd                    | 526,955,544                 | 25.81 | -                             | -     |
| 3. Pertumbuhan Abadi Asia Sdn Bhd                         | 114,187,400                 | 5.59  | 119,271,200(b)                | 5.84  |
| 4. Teck Sing Lik Enterprise Sdn Bhd                       | 102,107,388                 | 5.00  | 157,939,300(c)                | 7.74  |
| 5. Tiong Toh Siong Enterprises Sdn Bhd                    | 10,402,400                  | 0.51  | 226,568,891(d)                | 11.10 |
| 6. Tan Sri Datuk Sir Diong Hiew King<br>@ Tiong Hiew King | 2,400,000                   | 0.12  | 1,351,203,971(e)              | 66.18 |

Notes: -

- Deemed interested by virtue of its interest in Pemandangan Jauh Plantation Sdn Bhd, Ladang Hijau (Sarawak) Sdn Bhd and Multi Greenview Sdn Bhd pursuant to Section 8 of the Companies Act.
- Deemed interested by virtue of its interest in Rimbunan Hijau Southeast Asia Sdn Bhd, Rimbunan Hijau (Sarawak) Sdn Bhd and Kendaie Oil Palm Plantation Sdn Bhd pursuant to Section 8 of the Companies Act.
- Deemed interested by virtue of its interests Tiong Toh Siong Enterprises Sdn Bhd, Rimbunan Hijau Southeast Asia Sdn Bhd and Kinta Hijau Sdn Bhd pursuant to Section 8 of the Companies Act.
- Deemed interested by virtue of his interests in Rimbunan Hijau Southeast Asia Sdn Bhd, Kendaie Oil Palm Plantation Sdn Bhd, Kinta Hijau Sdn Bhd, Rimbunan Hijau (Sarawak) Sdn Bhd and Rejang Height Sdn Bhd pursuant to Section 8 of the Companies Act.
- Deemed interested by virtue of his interest in Tiong Toh Siong Holdings Sdn Bhd, Teck Sing Lik Enterprise Sdn Bhd, Tiong Toh Siong Enterprises Sdn Bhd, Pertumbuhan Abadi Asia Sdn Bhd, Rimbunan Hijau Southeast Asia Sdn Bhd, Rimbunan Hijau (Sarawak) Sdn Bhd, Kendaie Oil Palm Plantation Sdn Bhd, Pemandangan Jauh Plantation Sdn Bhd, Ladang Hijau (Sarawak) Sdn Bhd, Rejang Height Sdn Bhd, Kinta Hijau Sdn Bhd and Multi Greenview Sdn Bhd pursuant to Section 8 of the Companies Act.

## Analysis of Shareholdings (Cont'd)

### As at 4 APRIL 2025

#### Directors' Interests

The Directors' interests in ordinary shares in the Company as per the Register of Directors' Shareholdings as at 4 April 2025 are as follows:

| Name                  | No. of shares<br>held (Direct) | %     | No. of shares<br>held (Indirect) | %     |
|-----------------------|--------------------------------|-------|----------------------------------|-------|
| 1. Bong Wei Leong     | -                              | -     | -                                | -     |
| 2. Tiong Chiong Ong   | 6,611,908                      | 0.32  | 326,714 <sup>(a)</sup>           | 0.02  |
| 3. Tiong Chiong Ie    | 12,394,800                     | 0.607 | 5,189,200 <sup>(b)</sup>         | 0.254 |
| 4. Tiong Chiong Ee    | -                              | -     | 687,200 <sup>(c)</sup>           | 0.034 |
| 5. Wong Ing Seng      | 319,800                        | 0.016 | 200,000 <sup>(d)</sup>           | 0.010 |
| 6. Lu Yieng Ping      | -                              | -     | -                                | -     |
| 7. Datu Liaw Soon Eng | -                              | -     | -                                | -     |

a. Deemed interested by virtue of the interest of his spouse and children in the Company.

b. Deemed interest by virtue of his interest in Vital Focus Properties Sdn Bhd pursuant to Section 8 of the Companies Act.

c. Deemed interested by virtue of his interest in Greenwell Investment Limited pursuant to Section 8 of the Companies Act.

d. Deemed interested by virtue of the interest of his spouse in the Company.

The other Directors have no interests in shares of the related corporations of the Company.

#### Thirty Largest Securities Account Holders

| Name                                    | No. of<br>Ordinary Shares | %     |
|---|---------------------------|-------|
| 1 Pemandangan Jauh Plantation Sdn Bhd   | 526,955,544               | 25.81 |
| 2 Tiong Toh Siong Holdings Sdn Bhd      | 264,429,560               | 12.95 |
| 3 Pertumbuhan Abadi Asia Sdn Bhd        | 114,187,400               | 5.59  |
| 4 Teck Sing Lik Enterprise Sdn Bhd      | 102,107,388               | 5.00  |
| 5 Rimbunan Hijau Southeast Asia Sdn Bhd | 100,584,800               | 4.93  |
| 6 State Financial Secretary Sarawak     | 76,034,272                | 3.72  |
| 7 Multi Greenview Sdn Bhd               | 69,500,000                | 3.40  |
| 8 Rejang Height Sdn Bhd                 | 63,345,591                | 3.10  |
| 9 Pertumbuhan Abadi Enterprises Sdn Bhd | 58,096,800                | 2.85  |
| 10 Kinta Hijau Sdn Bhd                  | 43,952,100                | 2.15  |
| 11 Ladang Hijau (Sarawak) Sdn Bhd       | 37,052,788                | 1.81  |
| 12 Rimbunan Hijau (Sarawak) Sdn Bhd     | 15,686,400                | 0.77  |
| 13 Tiong Chiong Ie                      | 12,394,800                | 0.61  |
| 14 Tiong Toh Siong Enterprises Sdn Bhd  | 10,402,400                | 0.51  |
| 15 TC Blessed Holdings Sdn Bhd          | 7,214,400                 | 0.35  |
| 16 Ong Ngoh Ing @ Ong Chong Oon         | 5,550,000                 | 0.27  |
| 17 Wong Sing Kiong                      | 5,323,000                 | 0.26  |
| 18 Vital Focus Properties Sdn Bhd       | 5,189,200                 | 0.25  |
| 19 Tiong Chiong Ong                     | 4,877,208                 | 0.24  |
| 20 Chong Tong Siew                      | 4,378,000                 | 0.21  |
| 21 Roseate Garland Sdn Bhd              | 4,180,520                 | 0.21  |
| 22 Lueh Tai Wai                         | 3,200,000                 | 0.16  |

## Analysis of Shareholdings (Cont'd)

As at 4 APRIL 2025

### Thirty Largest Securities Account Holders (cont'd)

|    | Name  | No. of<br>Ordinary Shares | %    |
|----|---|---------------------------|------|
| 23 | Gooi Seong Gum  | 3,000,000                 | 0.15 |
| 24 | Kendaie Oil Palm Plantation Sdn Bhd                         | 3,000,000                 | 0.15 |
| 25 | Tan Kah Hock  | 3,000,000                 | 0.15 |
| 26 | Yayasan Sarawak   | 3,000,000                 | 0.15 |
| 27 | RHB Nominees (Tempatan) Sdn Bhd                             | 2,950,000                 | 0.14 |
|    | Pledged Securities Account for Ong Ngoh Ing @ Ong Chong Oon |                           |      |
| 28 | Tan Aik Seng  | 2,420,000                 | 0.12 |
| 29 | Diong Hiew King @ Tiong Hiew King                           | 2,400,000                 | 0.12 |
| 30 | Ngu Yii Chuo  | 2,400,000                 | 0.12 |



# NOTICE OF ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that the 20<sup>th</sup> Annual General Meeting of Rimbunan Sawit Berhad ("RSB" or "the Company") will be held at Level 2, North Wing, Menara Rimbunan Hijau, 101, Pusat Suria Permata, Jalan Upper Lanang, 96000 Sibul, Sarawak, Malaysia on Thursday, 29 May 2025 at 12.00 noon to transact the following businesses:

## AGENDA

- |  |                        |
|--|------------------------|
| 1. To receive the Audited Financial Statements of the Company for the financial year ended 31 December 2024 together with the Reports of the Directors and Auditors thereon.                                     | <b>Refer to Note 1</b> |
| 2. To approve the payment of Directors' fees amounting to RM489,375 for the financial year ended 31 December 2024 (2023: RM434,250).   | <b>Resolution 1</b>    |
| 3. To approve the payment of Other Benefits payable to Directors (excluding Directors' fees) up to RM250,000 for the period from 30 May 2025 until the conclusion of next Annual General Meeting of the Company. | <b>Resolution 2</b>    |
| 4. To re-elect the following Directors who retire by rotation pursuant to Article 123 of the Company's Constitution and being eligible, offer themselves for re-election:  |                        |
| i) Mr. Wong Ing Seng   | <b>Resolution 3</b>    |
| ii) Mr. Tiong Chiong Ie  | <b>Resolution 4</b>    |
| 5. To re-elect Datu Liaw Soon Eng who retires pursuant to Article 128 of the Company's Constitution and being eligible, offers himself for re-election as Director.  | <b>Resolution 5</b>    |
| 6. To re-appoint Crowe Malaysia PLT as auditors until the conclusion of the next annual general meeting and to authorise the Directors to fix their remuneration.  | <b>Resolution 6</b>    |

## As special business

- |  |                     |
|--|---------------------|
| 7. To consider and, if thought fit, pass the following ordinary resolution:  |                     |
| <b>Proposed renewal of and new shareholder mandates for recurrent related party transactions of a revenue or trading nature ("Shareholder Mandate")</b>  | <b>Resolution 7</b> |
| <p>"THAT approval be and is hereby given to the Company and its subsidiaries ("RSB Group") to enter into any of the category of related party transactions which are recurrent, of a revenue or trading nature and are necessary for day-to-day operations of RSB Group as outlined in point 3(b) of the Circular to Shareholders dated 30 April 2025, with the specific related parties mentioned therein subject further to the following:</p> <p>(a) the transactions are in the ordinary course of business and are on normal commercial terms which are not more favourable to the related parties than those generally available to the public and not detrimental to the interest of the minority shareholders; and</p> |                     |

## Notice Of Annual General Meeting (Cont'd)

(b) disclosure is made in the annual report a breakdown of the aggregate value of the transactions conducted pursuant to the Shareholder Mandate during the financial year where the aggregate value is equal to or more than the threshold prescribed under Paragraph 10.09(1) of the Main Market Listing Requirements, and amongst others, based on the following information:

- the type of the recurrent related party transactions made; and
- the names of the related parties involved in each type of the recurrent related party transactions made and their relationship with the Company.

AND THAT such approval will continue to be in force until:

- (a) the conclusion of the next annual general meeting ("AGM") of the Company, at which time it will lapse, unless by ordinary resolution passed at the meeting, the authority is renewed;
- (b) the expiration of the period within which the next AGM of the Company after that date is required to be held pursuant to Section 340(2) of the Companies Act 2016 ("CA 2016") [but must not extend to such extension as may be allowed pursuant to Section 340(4) of the CA 2016]; or
- (c) revoked or varied by resolution passed by the shareholders in general meeting,

whichever is the earlier.

AND THAT the Directors of the Company be and are hereby authorised to complete and do all such acts and things as they may consider expedient or necessary to give effect to the Shareholder Mandate."

8. To transact any other business of which, due notice shall have been given in accordance with the Companies Act 2016 and the Company's Constitution.

**By Order of the Board of Directors**

**Toh Ka Soon** (MAICSA 7031153)

SSM Practicing Certificate No.: 201908004032

**Voon Jan Moi** (MAICSA 7021367)

SSM Practicing Certificate No.: 202008001906

Joint Company Secretaries

Dated: 30 April 2025

Sibu, Sarawak

## Notice Of Annual General Meeting (Cont'd)

### Notes :

1. This agenda item is meant for discussion only and hence it is not put forward for voting.
2. A proxy or attorney or a duly authorised representative may, but need not be a member of the Company. There shall be no restriction as to the qualification of the proxy;
3. A member of the Company who is entitled to attend and vote at the 20<sup>th</sup> annual general meeting ("AGM") may appoint not more than two (2) proxies to attend and vote instead of the member at the AGM;
4. Where a member of the Company is an authorised nominee as defined in the Depositories Act, which is exempted from compliance with the provisions of subsection 25A(1) of the Depositories Act, it may appoint not more than two (2) proxies in respect of each securities account it holds;
5. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds;
6. Where a member or the authorised nominee appoints two (2) proxies, or where an exempt authorised nominee appoints two (2) or more proxies, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies;
7. A proxy appointed to attend and vote at the AGM shall have the same rights as the member to speak at the AGM;
8. To be valid, the Form of Proxy, duly completed must be deposited at the registered office of the Company at North Wing, Menara Rimbunan Hijau, 101, Pusat Suria Permata, Jalan Upper Lanang, 96000 Sibu, Sarawak, Malaysia not less than 48 hours before the time appointed for holding the AGM or any adjournment thereof;
9. If the appointor is a corporation, the Form of Proxy must be executed under its common seal or under the hand of an officer or attorney duly authorised. Any alteration to the instrument appointing a proxy must be initialed; and
10. A depositor whose name appears in the Record of Depositors as at 23 May 2025 shall be regarded as a member of the Company entitled to attend the AGM or appoint a proxy to attend, speak and vote on his behalf.

### Explanatory Note on Special Businesses:

#### 1. Ordinary resolution in relation to the re-election of Directors (proposed Resolutions 3 to 5)

The Nomination Committee ("NC") of the Company has assessed the performance, contribution and effectiveness of all the Directors and assess the fit and proper criteria of the respective Directors seeking for re-election at the AGM. The areas of assessment of individual Directors include fit and proper, knowledge and integrity, contribution and participation, calibre and personality. Each of the retiring Director possess the relevant skill sets and experience and bring valuable insights to the Board of Directors ("Board"). Based on the satisfactory assessment outcome, together with the fit and proper declaration made in accordance with the Company's Fit and Proper Policy, as well as confirmation of the retiring Independent Director of his independence, the Board recommended these Directors to be re-elected according to the resolutions to be tabled at the AGM. None of the retiring directors has conflict of interest with RSB Group.

## Notice Of Annual General Meeting (Cont'd)

### **2. Ordinary resolution on Shareholder Mandate for recurrent related party transactions**

Paragraph 10.09 of the Main Market Listing Requirements states that with regard to related party transactions which are recurrent, of a revenue or trading nature and which are necessary for day-to-day operations ("RRPT"), a public listed company may seek a shareholder mandate.

The proposed Resolution No. 7, if passed, will authorise the Company and each of its subsidiaries to enter into RRPT with the mandated related parties as identified in point 3(b) of the Circular, which are necessary for day-to-day operations of the RSB Group, provided that such transactions are in the ordinary course of business and are on normal commercial terms which are not more favourable to the related parties than those generally available to the public and not detrimental to the interest of the minority shareholders.

By obtaining the Shareholder Mandate, the necessity to convene separate meetings from time to time to seek shareholders' approval as and when such RRPT occur would not arise. This would reduce substantial administrative time and costs associated with the convening of such meetings without compromising on the corporate objectives of the RSB Group or adversely affecting the business opportunities available to the RSB Group.

Please refer to the Circular to Shareholders dated 30 April 2025 for further information.

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**Rimbunan Sawit**  
**RIMBUNAN SAWIT BERHAD**

[Registration No: 200501014346(691393-U)]  
(Incorporated in Malaysia)

**FORM OF PROXY**

|                                  |  |
|----------------------------------|--|
| Number of shares held by Proxy 1 |  |
| Number of shares held by Proxy 2 |  |

\*I/We \_\_\_\_\_

(\*NRIC/Company No. \_\_\_\_\_) of \_\_\_\_\_

\_\_\_\_\_ (full address) being a \*member/members of

**Rimbunan Sawit Berhad** hereby appoint \_\_\_\_\_

(NRIC No. \_\_\_\_\_) of \_\_\_\_\_

(full address) or failing \*him/her, \_\_\_\_\_ (NRIC No. \_\_\_\_\_)

of \_\_\_\_\_ (full address)

or Chairman of the meeting as \*my/our proxy to vote for \*me/us and on \*my/our behalf at the 20<sup>th</sup> Annual General Meeting of the Company to be held on Thursday, 29 May 2025 at 12.00 noon and, at any adjournment thereof for/against the resolution(s) to be proposed thereat.

| Resolutions |  | For | Against |
|-------------|--|-----|---------|
| 1.          | To approve the payment of directors' fees for the financial year ended 31 December 2024.   |     |         |
| 2.          | To approve the payment of other benefits payable to directors (excluding Directors' fees).   |     |         |
| 3.          | To re-elect Wong Ing Seng as director.   |     |         |
| 4.          | To re-elect Tiong Chiong Ie as director.   |     |         |
| 5.          | To re-elect Datu Liaw Soon Eng as director.  |     |         |
| 6.          | To re-appoint Messrs. Crowe Malaysia PLT as auditors for the ensuing year.   |     |         |
| 7.          | To approve the proposed renewal of and new shareholder mandates for recurrent related party transactions of a revenue or trading nature. |     |         |

*[Please indicate with a (X) in the space above how you wish your vote to be cast. If no specific direction as to voting is indicated, the proxy will vote or abstain as he/she thinks fit.]*

\* Strike out whichever is not desired.

Dated this \_\_\_\_\_ day of \_\_\_\_\_ 2025

\_\_\_\_\_  
Signature / common seal of shareholder(s)

**Notes:**

1. A proxy or attorney or a duly authorised representative may, but need not be a Member of the Company. There shall be no restriction as to the qualification of the proxy;
2. A member of the Company who is entitled to attend and vote at the 20<sup>th</sup> annual general meeting ("AGM") may appoint not more than two (2) proxies to attend and vote instead of the Member at the AGM;
3. Where a member of the Company is an authorised nominee as defined in the Depositories Act, which is exempted from compliance with the provisions of subsection 25A(1) of the Depositories Act, it may appoint not more than two (2) proxies in respect of each securities account it holds;
4. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds;
5. Where a member or the authorised nominee appoints two (2) proxies, or where an exempt authorised nominee appoints two (2) or more proxies, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies;
6. A proxy appointed to attend and vote at the AGM shall have the same rights as the member to speak at the AGM;
7. To be valid, the Form of Proxy, duly completed must be deposited at the registered office of the Company at North Wing, Menara Rimbunan Hijau, 101, Pusat Suria Permata, Jalan Upper Lanang, 96000 Sibul, Sarawak, Malaysia not less than 48 hours before the time appointed for holding the AGM or any adjournment thereof;
8. If the appointor is a corporation, the Form of Proxy must be executed under its common seal or under the hand of an officer or attorney duly authorised. Any alteration to the instrument appointing a proxy must be initialed; and
9. A depositor whose name appears in the Record of Depositors as at 23 May 2025 shall be regarded as a member of the Company entitled to attend the AGM or appoint a proxy to attend, speak and vote on his behalf.

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Affix  
stamp

The Company Secretary  
**Rimbunan Sawit Berhad** [Registration No: 200501014346(691393-U)]

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

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**RIMBUNAN SAWIT BERHAD**

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