

RIMBUNAN SAWIT BERHAD ("RSAWIT" or "THE COMPANY") - ISSUANCE OF UNMODIFIED AUDIT OPINION WITH STATEMENT OF MATERIAL UNCERTAINTY RELATING TO GOING CONCERN IN RESPECT OF RSAWIT'S AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

Pursuant to paragraph 9.19(37) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, the Board of Directors of RSAWIT wishes to announce that the Company's external auditors, Messrs Crowe Malaysia PLT, has included a statement of material uncertainty relating to going concern in its independent Auditors' Report dated 16 April 2026, in respect of the Group's financial statements for the financial year ended 31 December 2025. Kindly find below the extract of the abovesaid Independent Auditors' Report: -

Opinion

We have audited the financial statements of Rimbunan Sawit Berhad, which comprise the statements of financial position as at 31 December 2025 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 13 to 96.

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 2025, 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"), as applicable to audits of financial statements of public interest entities 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 2025, the Group's current liabilities exceeded its current assets by RM119.9 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.

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.

Impairment of Property, Plant and Equipment 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 RM534.1 million as of 31 December 2025. 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. During the financial year, 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">▪ 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.▪ testing the sensitivity of the impairment calculations to changes in key assumptions used to evaluate the impact on the currently estimated headroom.▪ evaluating the adequacy of the disclosures in the financial statements, including disclosures of key assumptions and judgements.

STEPS TAKEN OR PROPOSED TO BE TAKEN AND TIMELINE TO ADDRESS THOSE KEY AUDIT MATTERS THAT RELATE TO THE MATERIAL UNCERTAINTY RELATED TO GOING CONCERN

In assessing the appropriateness of the going concern basis, the directors have considered the Group's financial performance, liquidity position, cash flow forecasts, and access to financing facilities for at least twelve months from the reporting date. The Group recorded positive earnings before interest, tax, depreciation and amortisation ("EBITDA") for the financial year, and management has prepared profit and cash flow forecasts which indicate that the Group is expected to generate positive operating cash flows in the ensuing financial year.

The Group has access to approved banking facilities, including revolving credit and other short-term facilities, of which a portion remains unutilised as at 31 December 2025. The Group has not defaulted on any repayment obligations during the financial year, and there has been no recall or cancellation of major banking facilities as at the reporting date. However, certain of these facilities are short term in nature and subject to renewal at the discretion of the respective financial institutions.

Management has also considered the status of the tax dispute with the IRBM. The subsidiary's appeal was allowed by the Special Commissioners of Income Tax and the relevant assessment for the year of assessment 2017 was set aside. The IRBM has filed an appeal against the decision and the appeal proceedings remain ongoing.

Notwithstanding the above, the Group's future performance and cash flows remain exposed to external factors that are not within the control of the management, including volatility in crude palm oil prices, variability in fresh fruit bunch production due to weather conditions and labour availability, and fluctuations in key input costs. In addition, the Group's liquidity is partly dependent on the continued renewal of short-term banking facilities.

These conditions indicate the existence of a material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern. Accordingly, the Group may be unable to realise its assets and discharge its liabilities in the normal course of business.

Nevertheless, the financial statements have been prepared on a going concern basis as management believes that the Group will be able to continue its operations and meet its obligations as they fall due, based on the considerations described above. The financial statements do not include any adjustments that would result if the Group were unable to continue as a going concern.