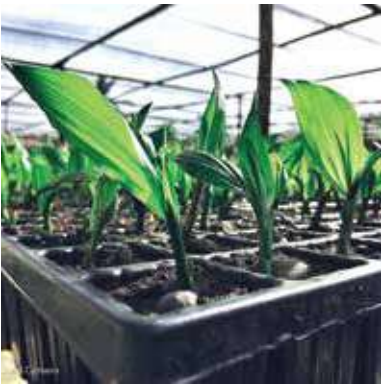




**RIMBUNAN SAWIT BERHAD**  
[REGISTRATION NO: 200501014346 (691393-U)]

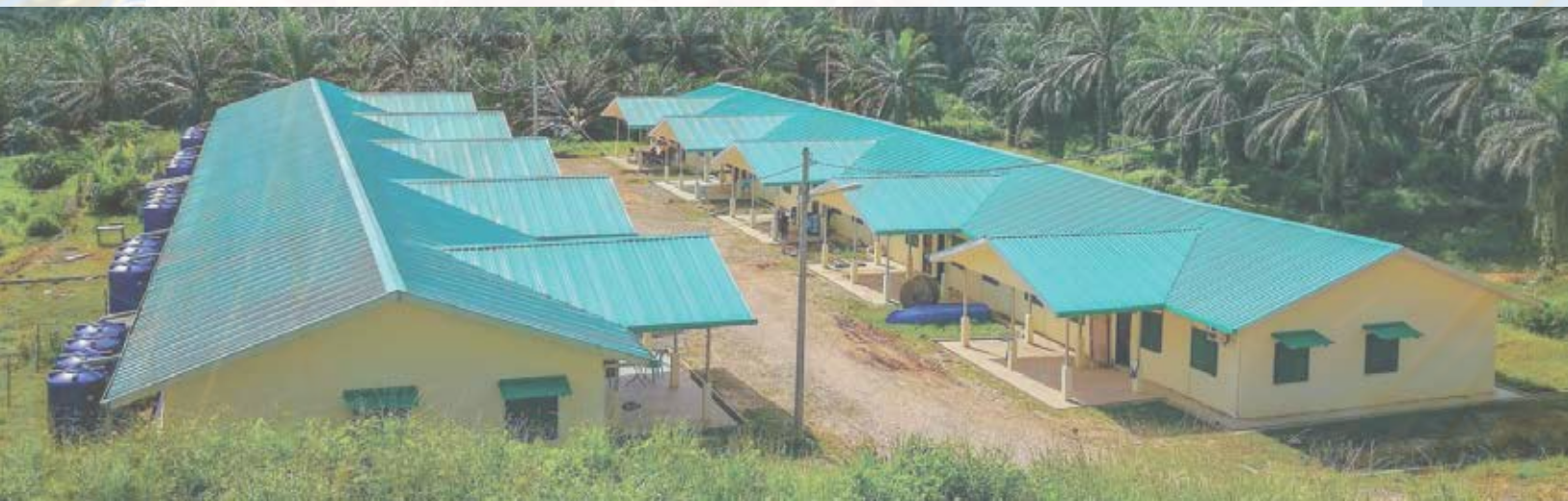


**ANNUAL REPORT 2023**



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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. R.H. Plantation Sdn. Bhd. - Selangor Estate
8. Timrest Sdn. Bhd.
9. Jayamax Plantation Sdn. Bhd.

### Miri Zone 2:

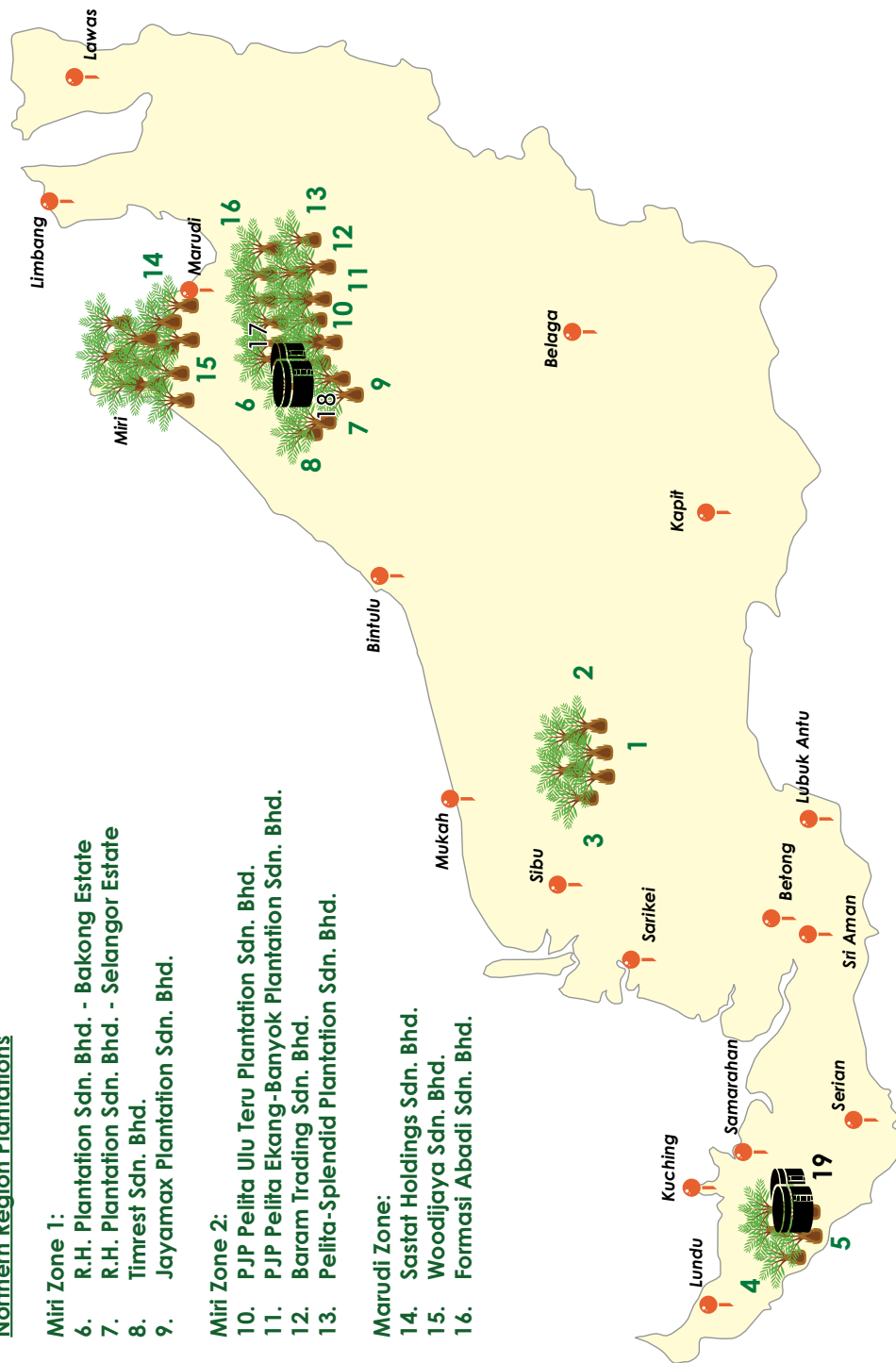
10. PJP Pelita Ulu Teru Plantation Sdn. Bhd.
11. PJP Pelita Ekang-Banyok Plantation Sdn. Bhd.
12. Baram Trading Sdn. Bhd.
13. Pelita-Splendid Plantation Sdn. Bhd.

### Marudi Zone:

14. Sasat Holdings Sdn. Bhd.
15. Woodjaya Sdn. Bhd.
16. Formasi Abadi Sdn. Bhd.

## Palm Oil Mills

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



# CORPORATE STRUCTURE



**RIMBUNAN  
SAWIT  
BERHAD**

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- 100% | Jayamax Plantation Sdn Bhd
- 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-Banyak 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

**M  
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- 100% | R. H. Plantation Sdn Bhd
- 100% | RSB Palm Oil Mill Sdn Bhd
- 100% | RSB Lundu Palm Oil Mill Sdn Bhd

**O  
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S**

- 100% | Rajang Builders Sdn Bhd
- 100% | Rakantama Sdn Bhd
- 100% | Rimbunan Sawit Management Services Sdn Bhd
- 100% | Lumiera Enterprise 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)

### LAU KIING YIING

(INDEPENDENT DIRECTOR)

### LU YIENG PING

(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

RHB Bank Berhad  
Malayan Banking Berhad  
Hong Leong Bank Berhad  
Public Bank Berhad  
Bank Pertanian Malaysia 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 2023.

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

The Group reported a gross profit of RM19.4 million, profit before tax of RM17.3 million, profit after tax of RM13.0 million, and EBITDA of RM100.2 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. Additionally, a boost in other income by RM50.0 million further contributed to the higher profit after tax. The boost was mainly due to the impairment review triggered by strategic disposal of Selangor and Jayamax estate, resulting to impairment loss no longer required on property, plant and equipment.

## 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.

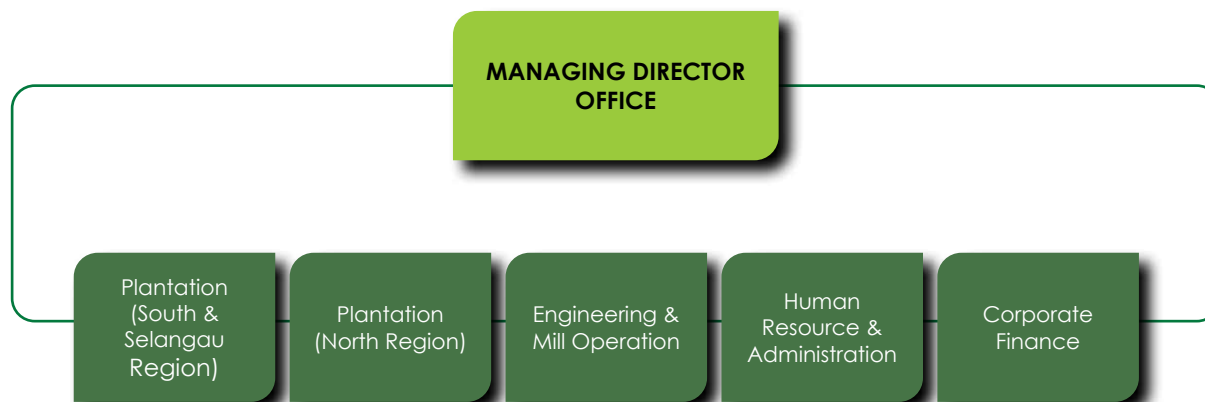
## Our Corporate and Organisation Structure

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 30 June 2023, Our Group propose to undertake the Proposed Capital Reduction. The Proposed Capital Reduction entails the reduction of the issued share capital of our Company via the cancellation of our Company's paid-up share capital which is lost or unrepresented by available assets of RM223,089,761 pursuant to Section 117 of the Companies Act of 2016. The corresponding credit of RM223,089,761 arising from the Proposed Capital Reduction will be used to set-off against our Company's accumulated losses while the remaining balance, if any, will be credited to retained earnings of our Company which shall be used in a manner to be determined by our Board at a later date and in the best interest of our Company as permitted by the relevant and applicable laws as well as the Main Market Listing Requirements of Bursa Securities. Our Group had announced that the Company has not received any application under Section 118 (2) of the Companies Act of 2016 for the cancellation of the special resolution passed at the Company's extraordinary general meeting held on 19 September 2023 for the Proposed Capital Reduction. Pursuant thereto, the Company had lodged the relevant documents as required by Section 119 (1) of the Companies Act 2016 with the Registrar of Companies ("ROC") and subsequently on 6 November 2023, received a notice dated 3 November 2023 issued by the ROC confirming the reduction of share capital ("Notice"). Pursuant to Section 119 (4) of the Companies Act 2016, the Notice shall be inclusive evidence that all the requirements of the Act with respect to the reduction of share capital have been complied with. Accordingly, the Proposed Capital Reduction is effective as at 3 November 2023. Following the completion of the Proposed Capital Reduction, the issued share capital of the Company is RM391,510,496 comprising 2,041,722,343 RSB shares.

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.



## Management Discussion and Analysis (cont'd)

### Oil Palm Estate

Our portfolio of estates remains at sixteen spanning across Kuching, Sibul and Miri regions in Sarawak. Our total land bank stood at 69,557 hectares. Our total planted area stood at 43,031 hectares, comprising 62% of our land bank. The planted area by Age Cluster and are reflected in the following tables:

Age Cluster	2023 (HA)	Planted Hectares by Region	2023 (HA)
Immature (1-3 years)	2,231	Kuching region	6,761
Young mature (4 - 7 years)	1,454	Sibu region	9,396
Prime mature (8 - 19 years)	20,390	Miri region	26,874
Old mature (> 20 years)	18,956	<b>Total planted area</b>	<b>43,031</b>
<b>Total planted area</b>	<b>43,031</b>		

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
Operation & Capacity	<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>
Certification & Compliance	<ul style="list-style-type: none"> <li>Obtain MSPO certification on 18 February 2019</li> <li>ISO 9001:2008 standard</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
Sustainability & Environmental	<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>
Performance Metrics - 2023	<ul style="list-style-type: none"> <li>FFB Processed: 46,355 MT</li> <li>CPO Production: 8,849 MT</li> <li>PK Production: 2,033 MT</li> <li>OER: 19.09%</li> <li>KER: 4.39%</li> <li>CPO Sales: RM35.11 million</li> <li>PK Sales: RM4.5 million</li> </ul>	<ul style="list-style-type: none"> <li>FFB Processed: 255,804 MT</li> <li>CPO Production: 49,527 MT</li> <li>PK Production: 11,062 MT</li> <li>OER: 19.36%</li> <li>KER: 4.32%</li> <li>CPO Sales: RM183.86 million</li> <li>PK Sales: RM20.39 million</li> </ul>	<ul style="list-style-type: none"> <li>FFB Processed: 247,259 MT</li> <li>CPO Production: 47,776 MT</li> <li>PK Production: 11,005 MT</li> <li>OER: 19.32%</li> <li>KER: 4.45%</li> <li>CPO Sales: RM181.57 million</li> <li>PK Sales: RM19.82 million</li> </ul>

### Our Financial Performance

Our revenue reduced by 24.9% to RM507.8 million as compared to 2022 of RM675.9 million accompanied with decrease in the average selling price of FFB, CPO and PK by an decrease of 28.7%, 23.8% and 33.9% to RM661, RM3,725 and RM1,862 per metric tonne as compared to 2022. Despite a noteworthy 18.5% increase in FFB production volume in 2023, the decline in average selling prices contributed to the overall revenue decline.

Cost of sales has decreased by 20.6% to RM488.4 million as compared to RM614.9 million in 2022 mainly due to drop in FFB purchases price by RM141.8 million from RM550.2 million in 2022 to RM408.4 million in 2023.

The administrative and other expenses increased by RM3.0 million due to the increase in bad debts written off, biological asset written off, PPE written off, stock written off, legal and professional charges and staff costs.

The finance cost has increased by RM1.5 million due to the increase in loan borrowings of term loan, revolving credit, hire purchase and banker acceptance. Furthermore, the overall interest rate of borrowings also increased as compared to 2022.

Other income boost by RM50.0 million mainly due to the impairment review triggered by strategic disposal of Selangor and Jayamax estate, resulting to impairment loss no longer required on property, plant and equipment. Additionally, a boost in other income further contributed to the higher profit before taxation of RM17.3 million as compared to profit before taxation of RM6.0 million in 2022 and our profit of taxation was improved by 323.8% or RM18.8 million in 2023.

## Management Discussion and Analysis (cont'd)

### Our Financial Position

The Group's non-current assets stood at RM682.3 million, a reduction of RM98.2 million as compared to 2022 mainly due to disposal of PPE and PPE written off with carrying amount RM3.1 million, assets classified as held for sale of RM123.6 million, biological assets written off of RM0.6 million, impairment of goodwill with RM0.1 million and yearly PPE's depreciation of RM69.1 million for the Group. This however, was mitigated by PPE additions of RM45.5 million and reversal of impairment loss of PPE of RM52.8 million.

The proposed disposals of Jayamax and Selangor estates are reclassified as held for sale as all the classification criteria are met. The proposed disposals are expected to be completed in 3rd Quarter of 2024.

The Group's total borrowings decreased by RM9.3 million to RM340.1 million as compared to 2022 of RM349.4 million mainly due to the repayment of borrowings. However, it was mitigated by the drawdown of term loan, revolving credit, hire purchase and banker acceptance. Furthermore, there is no bank overdraft as at 31 December 2023 mainly due to the Group used REPO for payment to contractors and suppliers.

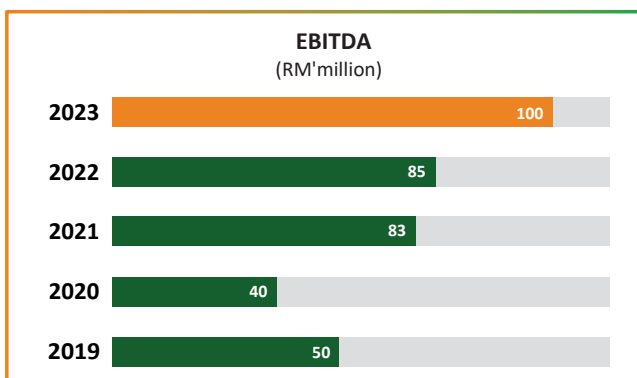
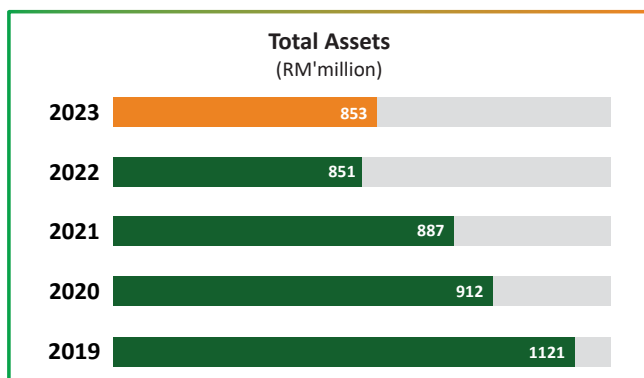
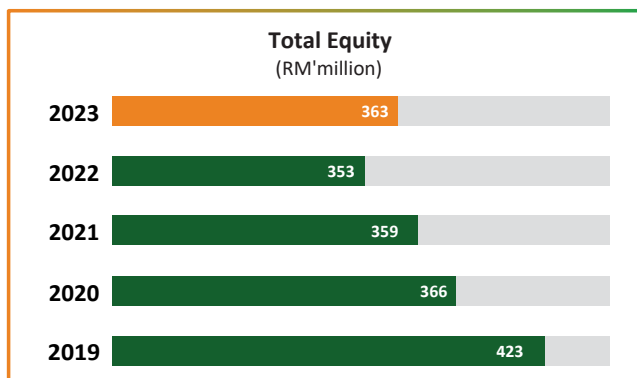
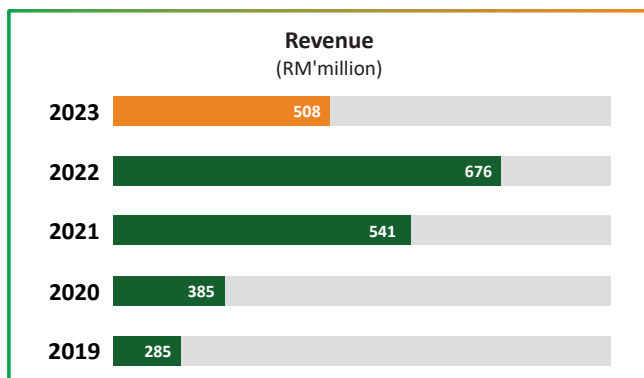
The Group's debt to equity ratio has decreased to 0.93 times as compared to 0.96 times in 2022 as a result of further reduction to our Group borrowings. The following is an overview of our Group's key financial indicators for the past five financial years.

Key Financial Indicators	2023	2022	2021	2020	2019
<b>(RM'thousand)</b>					
Revenue	507,762	675,917	541,502	385,471	284,714
EBITDA	100,237	84,773	82,893	39,763	50,138
Profit/(Loss) after taxation	13,018	(5,818)	(6,978)	(56,052)	(62,843)
Total equity	362,932	353,474	359,292	366,450	422,502
Total assets	853,314	851,225	886,746	912,356	1,120,920
Net debts	337,327	338,831	370,016	408,516	505,965
Debt to Equity Ratio	0.93	0.96	1.03	1.11	1.20
Profit/(Loss) per share (sen)	1.23	(0.02)	(0.32)	(2.16)	(2.53)
Net assets per share (RM)	0.18	0.17	0.18	0.19	0.27

# 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 2023 increased to RM100.2 million as compared to RM84.8 million in 2022. The increase was mainly due to hike in FFB production, increase in PK sales volume and cost control.

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

Key Operating Indicators	2023	2022	2021	2020	2019
CPO Production Volume (MT)	106,152	111,756	103,126	112,376	109,514
PK Production Volume (MT)	24,100	24,512	22,109	24,078	23,616
FFB Production Volume (MT)	250,750	211,681	192,732	246,501	315,132
OER (%)	19.32	19.41	19.69	19.58	20.35
KER (%)	4.39	4.26	4.22	4.20	4.39
Mature Area (Ha)	38,464	36,352	39,424	39,349	43,424
FFB Yield per Ha (MT/Ha)	6.52	5.82	4.89	6.26	7.26
CPO Sales Volume (MT)	107,531	110,607	103,527	112,403	109,611
PK Sales Volume (MT)	24,024	23,812	22,359	24,172	23,690
FFB Processed (MT)	549,418	575,800	523,839	573,949	538,136

### Anticipated or Known Risks

The group continually reviews and assesses its existing risks. Our risks are categorized into four main categories mainly 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 initiate various programs, incentive and remuneration to enhance recruitment of labors.

## Management Discussion and Analysis (cont'd)

### Anticipated or Known Risks (Cont'd)

The group continually reviewing and assess its existing risks. Our risks are categorized into four main categories mainly market risks, operational risks, regulatory risks and liquidity 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>	Debt to Equity ratio close to 1 in the past.	Higher funding costs with limited funding alternatives	Our key initiatives is to relook into our portfolio of assets so as to realign our resources on productive areas and to expedite cost reduction initiatives.

### Forward Looking Statements

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

### 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*



**Nationality**  
Malaysia



**Gender**  
Male



**Age**  
56

**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.



**TIONG CHIONG ONG**

*Non-Independent  
Non-Executive Vice Chairman*



**Nationality**  
Malaysia



**Gender**  
Male



**Age**  
65

**Mr. Tiong Chiong Ong** was appointed to the Board of RSB on 14 February 2006 and was subsequently 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 past Chairman of Sarawak Oil Palm Plantation Owner Association (SOPPOA), a non-profit organization comprised of a majority of oil palms owner in Sarawak, permanent council members of Sarawak Timber Association (STA) and 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.

## Profile Of Directors (cont'd)



**TIONG CHIONG IE**

*Managing  
Director*



**Nationality**  
Malaysia



**Gender**  
Male



**Age**  
53

**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 1 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.



**Nationality**  
Malaysia



**Gender**  
Male



**Age**  
67



**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.



## Profile Of Directors (cont'd)



**TIONG CHIONG EE**

*Non-Independent  
Non-Executive Director*



**Nationality**  
Australian



**Gender**  
Male



**Age**  
44

**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.



**LAU KIING YIING**

*Independent Director*



**Nationality**  
Malaysia



**Gender**  
Male



**Age**  
68

**MR. Lau Kiing Yiing** was appointed to the Board as an Independent Director of RSB on 1 November 2022. He is the Chairman of Audit Committee and Nomination Committee. He is also the member of Remuneration Committee and Risk Management Committee

Mr. Lau Kiing Yiing initial professional training was with a Big 4 firm from 1982 to 1984. He was a partner in the accounting firm Crowe Horwath (now known as Crowe Malaysia PLT) Sibul Office and retires in 2007. Having been in the accountancy field for more than 39 years, he has extensive knowledge and professional experience in accounting, auditing, taxation matters and advisory services which includes proposed flotation exercise on the Malaysian Stock Exchange. While with Crowe, he oversees a wide portfolio of medium to large sized clients operating in various industries. He has also been involved in resolving tax investigations and tax field audits.

## Profile Of Directors (cont'd)



**LU YIENG PING**

*Independent  
Director*



**Nationality**  
Malaysia



**Gender**  
Female



**Age**  
55

**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 Remuneration Committee and a member of the Risk Management Committee, Audit 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.

Ms. Lu Yieng Ping is an approved Company auditor and registered Income Tax Agent who holds memberships in various professional organizations, such as the Malaysia 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 (Honours) in the School of Business & Management, University Technology Sarawak.

## 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, except 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 2023.

<b>Name of Directors</b>	<b>Number of Meetings Attended</b>
Bong Wei Leong	5 out of 5
Tiong Chiong Ong	3 out of 5
Tiong Chiong Ie	5 out of 5
Wong Ing Seng	5 out of 5
Tiong Chiong Ee	5 out of 5
Lau Kiing Yiing	4 out of 5
Lu Yieng Ping	5 out of 5
Tiong Ing Ming (Resigned on 31/05/2023)	3 out of 5

## KEY SENIOR MANAGEMENT

**TIONG CHIONG IE** - Managing Director

The profiles of Tiong Chiong Ie is listed under Profile of Directors on page 15 respectively of this annual report.



# SUSTAINABILITY STATEMENT



## Sustainability Statement (cont'd)

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# 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.

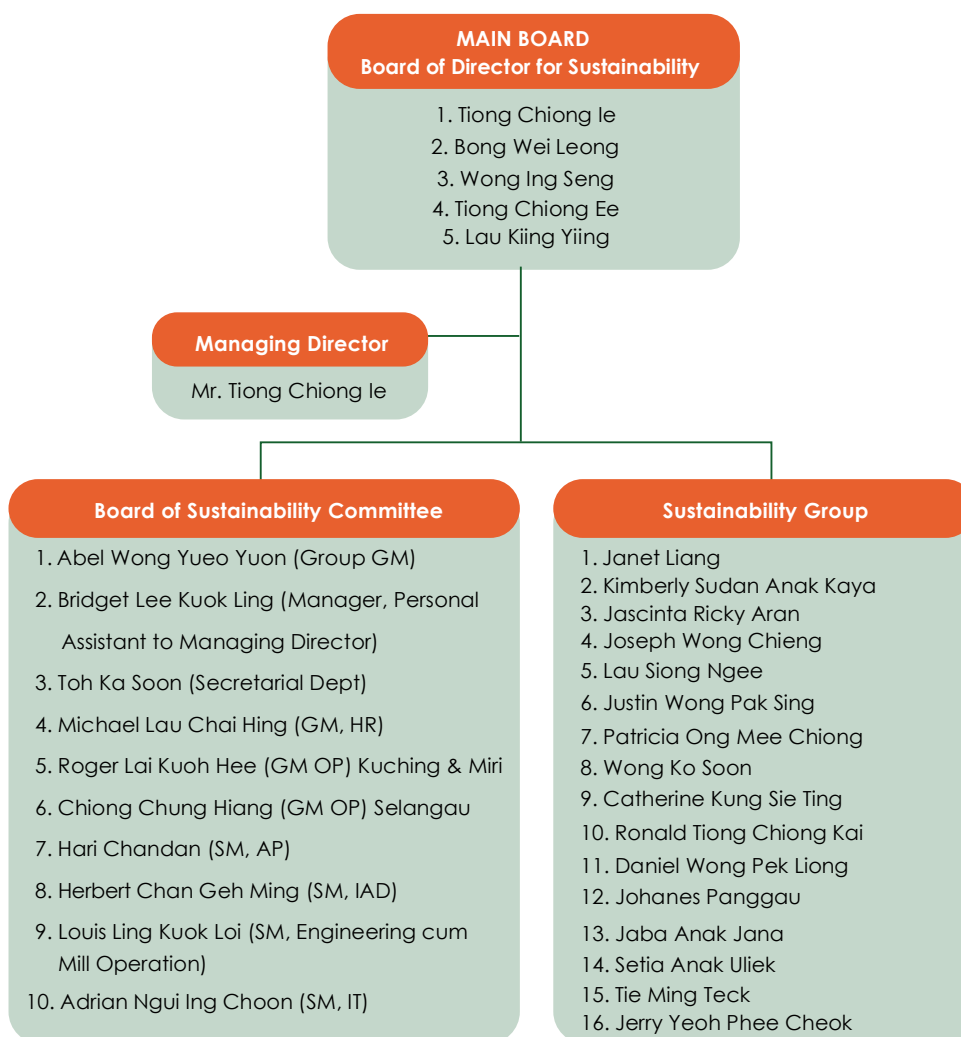
## 5. GOALS

- To achieve high quality products from plantation with good yield per HA and quality standards on fresh fruit bunches (FFB)
- Priorities mechanization for all activities in plantation to reduce dependency of labor
- Adequate and train workers to achieve maximum working output or 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 access 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

# Sustainability Statement (cont'd)

## 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 2023.





## Sustainability Statement (cont'd)

### 6. SCOPE (CONT'D)

The organization consist of the existing identities and location as per the map below:



Figure 1: Location of estates and mills of Rimbunan Sawit Berhad

### Area Statement For Rimbunan Sawit Berhad

Planted Area	Hectare	%	Remarks
Peat	13,195	19	Planted
Mineral	29,836	43	Planted
Nursery	161	0	
Building and Road Reserve	1,460	2	
Buffer Zone and Riparian Zone	1,129	2	HCV Area
Total Land Develop for Planting	45,781	66	
Unplatable and Unsuitable Area	23,776	34	
Total Land Bank	69,557	100	

Table 1: Area Statement For Rimbunan Sawit Berhad

## Sustainability Statement (cont'd)

### 6. SCOPE (CONT'D)

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

### 7. SURROUNDING STAKEHOLDERS

#### 7.1 KUCHING REGION

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

#### 7.2 SELANGAU REGION

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

#### 7.3 MIRI ZONE 1 REGION

Description	Surrounding Stakeholders
R.H. Plantation (Bakong) Sdn Bhd	Lapok Simpang Niah
R.H. Plantation (Selangor) Sdn Bhd	Beluru Bakong Long Lama Kampung Hj Taha
Jayamax Plantation Sdn Bhd	
Timrest Sdn Bhd	
R.H Palm Oil Mill Sdn Bhd	
RSB Palm Oil Mill Sdn Bhd	

#### 7.4 MIRI ZONE 2 REGION

Description	Surrounding Stakeholders
PJP Pelita Ulu Teru Plantation Sdn Bhd	Long lama Lapok
PJP Pelita E kang Banyok Plantation Sdn Bhd	Long Bedian Beluru Bakong
Baram Trading Sdn Bhd	
Pelita-Splendid Plantation Sdn Bhd	

#### 7.5 MARUDI

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

## Sustainability Statement (cont'd)

### 7. SURROUNDING STAKEHOLDERS (CONT'D)

Total amount invested (Cooperate Social Responsibility) in the community where the targeted beneficiaries are external to the listed issuer is as below:-

Description	Amount	Beneficiaries (People/Community)
Cooperation social responsibility program as per budget	RM50,615.00	5000
Others for welfare activities	RM20,350.00	100

### 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 the one million tree planting programme to preserve our area, and sustain the ecological balance</li> <li>Reduce GHG emission through biogas plant</li> <li>Improve the piping system in our operations through rainwater harvesting</li> <li>Engage and collaborate with relevant parties to improve knowledge sharing (e.g. hunting of protected species animals)</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</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</li> <li>Improve Occupational Safety and Health (OSH) practices by adhering to ISO 45001</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>

## Sustainability Statement (cont'd)

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

ESG Themes	Mitigation Efforts made by Rimbunan Sawit Berhad
Promote Transparency and Accountability	<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 (e.g. financial, MSPO) to conduct regular assessments and audits as well as external audit by third-party on financial, MSPO environmental, social, and 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 grievances mechanisms for proactive assessments and resolution of potential business conflict that enable us to contribute positively to our long-term value creation. Through regular and active engagements with both internal and external stakeholders, we are capable of staying up-to-date with the needs and expectations of our stakeholders within the latest sustainability-related market trends.

Stakeholders	Engagement Platform	Frequency of Engagement	Key Concerns	Our Approach
Employees (including local and foreign workers)	<ul style="list-style-type: none"> <li>Annual performance appraisal</li> <li>Training/coaching, briefings and development programmes</li> <li>Governance and ethics programmes</li> <li>Social Impact Assessments</li> <li>Employee Surveys and feedback forms</li> <li>Group or individual meetings</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 programmes</li> <li>Management to identify high-potential candidates through Leadership Programme 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>

## Sustainability Statement (cont'd)

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

Stakeholders	Engagement Platform	Frequency of Engagement	Key Concerns	Our Approach
Non-governmental organisations (NGOs)	<ul style="list-style-type: none"> <li>Group or individual meetings</li> <li>Briefings and awareness programmes</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 programmes.</li> <li>Implement responsible business practices.</li> <li>Comply with Sarawak Labour Ordinance.</li> </ul>
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 and Outgrowers	<ul style="list-style-type: none"> <li>Group or individual meetings/ conferences</li> <li>Site visits</li> <li>MSPO awareness programme</li> <li>Smallholder inclusion programme</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 outgrowers to participate in activities towards MSPO Certification.</li> </ul>

## Sustainability Statement (cont'd)

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

Stakeholders	Engagement Platform	Frequency of Engagement	Key Concerns	Our Approach
Local Communities	<ul style="list-style-type: none"> <li>Disaster relief efforts</li> <li>Community outreach and development programmes</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") programmes 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>Optimise 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	<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>As and 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> </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	<b>Climate Change</b>	Continuously minimizing our carbon emissions in an effort to mitigate climate change, as well as adapting our operations to manage climate change risks.
	<b>Biodiversity &amp; Responsible Land Use</b>	Protecting our environment from major biodiversity loss, habitat degradation, and unsustainable land management practices.
	<b>Environmental Stewardship</b>	Managing and mitigating environmental impacts associated with our operations, products, and services to achieve sustainable practices and long-term environmental sustainability.
Social	<b>Safe &amp; Nurturing Work Environment</b>	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.
	<b>Human Rights</b>	Evaluating the potential impacts on human rights throughout the value chain while integrating human rights considerations into business practices, policies, and decision-making processes.
	<b>Sustainable Supply Chain</b>	Managing and improving the environmental, social, and economic impacts within our supply chain while empowering our suppliers to adopt sustainable practices.
	<b>Community Enrichment</b>	Empowering the local communities surrounding our operations through programmes and initiatives that contribute to their socio-economic well-being.
Governance	<b>Good Governance</b>	Establishing mechanisms to ensure strong corporate governance principles are in place to promote accountability, integrity, and responsible management.
	<b>Risk Management</b>	Implementing risk assessments, internal controls, risk management strategies, and reporting mechanisms for emerging and potential risks.
Economic	<b>Agricultural Production</b>	Optimizing agriculture productivity through innovative, responsible and sustainable farming practices.
	<b>Customer Satisfaction</b>	Fostering a customer-centric culture within the organization to build strong customer relationships, and deliver exceptional customer experiences.

### 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.



## Sustainability Statement (cont'd)

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

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

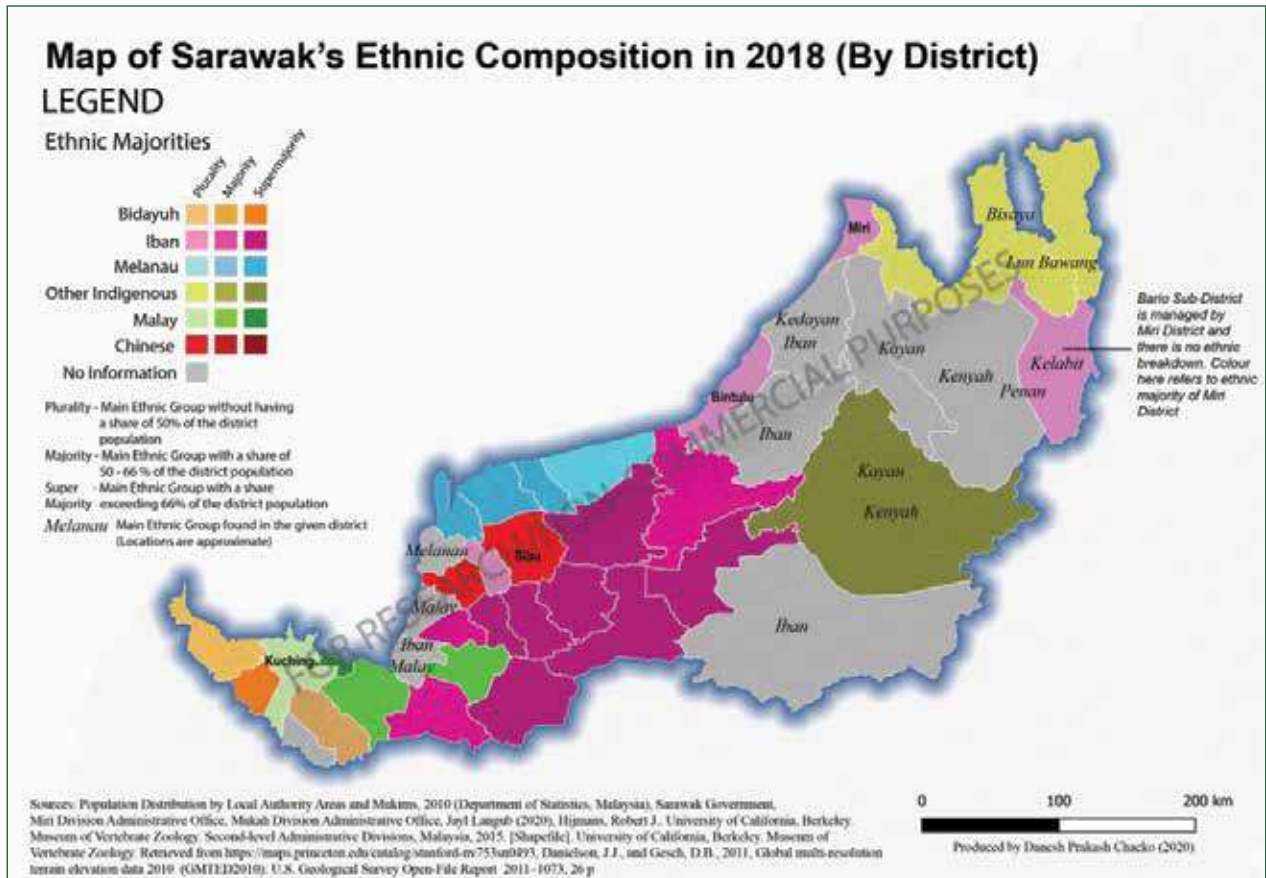


Figure 2: Map of Sarawak's Ethnic Composition by District

#### 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 center 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 programme 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>Reduced Lost Time Injury Frequency Rate ("LTIFR"). In terms of LTIFR, it was further lowered from 0.71 in FYE2022 to 0.14 in FYE2023.</li> <li>Working closely with the Indonesian Consulate as the main source of Labour and assessing foreign worker recruitment-related risks.</li> <li>Assessed our foreign worker's recruitment as Human Rights requirement with compliances to Immigration act and labour 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 Programme.</li> <li>Established economic activities for female employees through initiatives and programmes.</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)

#### 9.2 New Development of Township versus Impact of Wildlife Protection (Sustainability Scorecard) (cont'd)



##### Conservation of Value Area

##### **Management Plan of High Conservation Value Area (Preservation for indigenous people as well as flora, fauna and biodiversity)**

##### Flora

No	Conservation	Management Plan	Date of commence	Picture
1.	Engkabang ( <i>Shorea spp</i> ) and Engkabang Asu ( <i>shore macrophyhylla</i> )	<ul style="list-style-type: none"> <li>• Demarcation of area (habitat) on ground</li> <li>• -Access control</li> <li>• -No chemical activities &amp; applicable legal signage</li> <li>• -Map demarcation</li> </ul>	7.10.2023	
2.	Periuk Kera ( <i>Nepenthes</i> )	<ul style="list-style-type: none"> <li>• -Employee awareness (about Conservation Management Plan and applicable legal)</li> <li>• -Monitoring and reporting</li> </ul>	7.10.2023	

##### Avifauna (Birds)

No	Conservation	Management Plan	Date of commence	Picture
1.	Burung Sengayan/ Sempidan Biru ( <i>Lophuraignita</i> )	<ul style="list-style-type: none"> <li>• Demarcation of area (habitat) on ground</li> <li>• Access control</li> <li>• Applicable legal signage</li> <li>• Map demarcation</li> </ul>	14.10.2023	
2.	Helang Bido ( <i>Spilornisheeta</i> )	<ul style="list-style-type: none"> <li>• Employee awareness (about Conservation Management Plan and applicable legal)</li> <li>• Monitoring and reporting</li> </ul>	14.10.2023	

## 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) (cont'd)

##### Avifauna (Birds) (cont'd)

No	Conservation	Management Plan	Date of commence	Picture
3.	Burung But/ Burung Alang- alang ( <i>Centropus bengalensis</i> )		21.10.2023	
4.	Burung Hantu ( <i>Muscicapidae spp.</i> ),		21.10.2023	
5.	Bangau ( <i>Ardeidae spp</i> )		21.10.2023	

##### Mammals






No	Conservation	Management Plan	Date of commence	Picture
1	Short-nosed Fruit bat/ Kelawar/ Kesindap ( <i>Cynopterus brachyotis</i> )	<ul style="list-style-type: none"> <li>• Poster of "Protected Wildlife Of Sarawak" to be displayed for staffs, workers and surrounding communities' awareness</li> <li>• Map the demarcation</li> <li>• No chemical activities and applicable legal signage to be displayed at the buffer zone, HBV and riparian areas</li> </ul>	7.10.2023	
2.	Long-tailed Macaque/ Kera ( <i>Macaca fascicularis</i> )		7.10.2023	

## 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) (cont'd)

##### Mammals (cont'd)









No	Conservation	Management Plan	Date of commence	Picture
3	Pig-tailed Macaque/ Kera Nyumboh/ Beruk ( <i>Macaca nemestrina</i> )	<ul style="list-style-type: none"> <li>Awareness training regarding Conservation management plan and legal compliances to be organized for staffs, workers and surrounding communities</li> <li>Access control</li> <li>Monitoring and reporting</li> </ul>	7.10.2023	
4.	Common Palm civet /Musang ( <i>Paradoxurus hermaphrodites</i> )		7.10.2023	
5.	Long-tailed Porcupine/ Landak ( <i>Trichys fasciculata</i> )		14.10.2023	
6.	Slender Squirrel/ Tupai ( <i>Sundasciurus tenuis</i> )		14.10.2023	
7.	Wild Cat/ Kucing Hutan/ Jelu Mayau ( <i>Prionailurus Bengalensis</i> ),		21.10.2023	
8.	Pangolin/ Tengelliling ( <i>Manis javanica</i> )		21.10.2023	
9.	Short-tailed Mongoose / Pulut ( <i>Herpestes brachyurus</i> )		21.10.2023	

## 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) (cont'd)

##### Amphibians and Reptiles

No	Conservation	Management Plan	Date of commence	Picture
1	Ular Sawa ( <i>Pythons</i> )	<ul style="list-style-type: none"> <li>• Poster of "Protected Wildlife Of Sarawak" to be displayed for staffs, workers and surrounding communities' awareness (including information of restriction and fines)</li> <li>• Map the demarcation</li> <li>• No chemical activities and applicable legal signage to be displayed at the buffer zone, HBV and riparian areas</li> <li>• Awareness training regarding Conservation management plan and legal compliances to be organized for staffs, workers and surrounding communities</li> <li>• Access control, Monitoring and reporting</li> </ul>	28.10.2023	
2.	Black Rat Snake-tailed ( <i>Python breitensteini</i> )		28.10.2023	
3.	Niah Cave Gecko ( <i>Cyrtodactylus Cavernicolus</i> )		28.10.2023	
4.	Buaya Katak ( <i>Estuarine crocodile</i> )		28.10.2023	
5.	Buaya Jenjulong ( <i>False gharial</i> )		28.10.2023	
6.	Smith's Gecko ( <i>Gekko Smithii</i> ),		28.10.2023	
7.	Biawak ( <i>Varanus spp</i> ),		28.10.2023	
8.	Borneon River Turtle ( <i>Orlitia borneesis</i> ).		7.10.2023	

## 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) (cont'd)

Total area 1129.35 land has been reserved for the purpose of HCV which is 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.



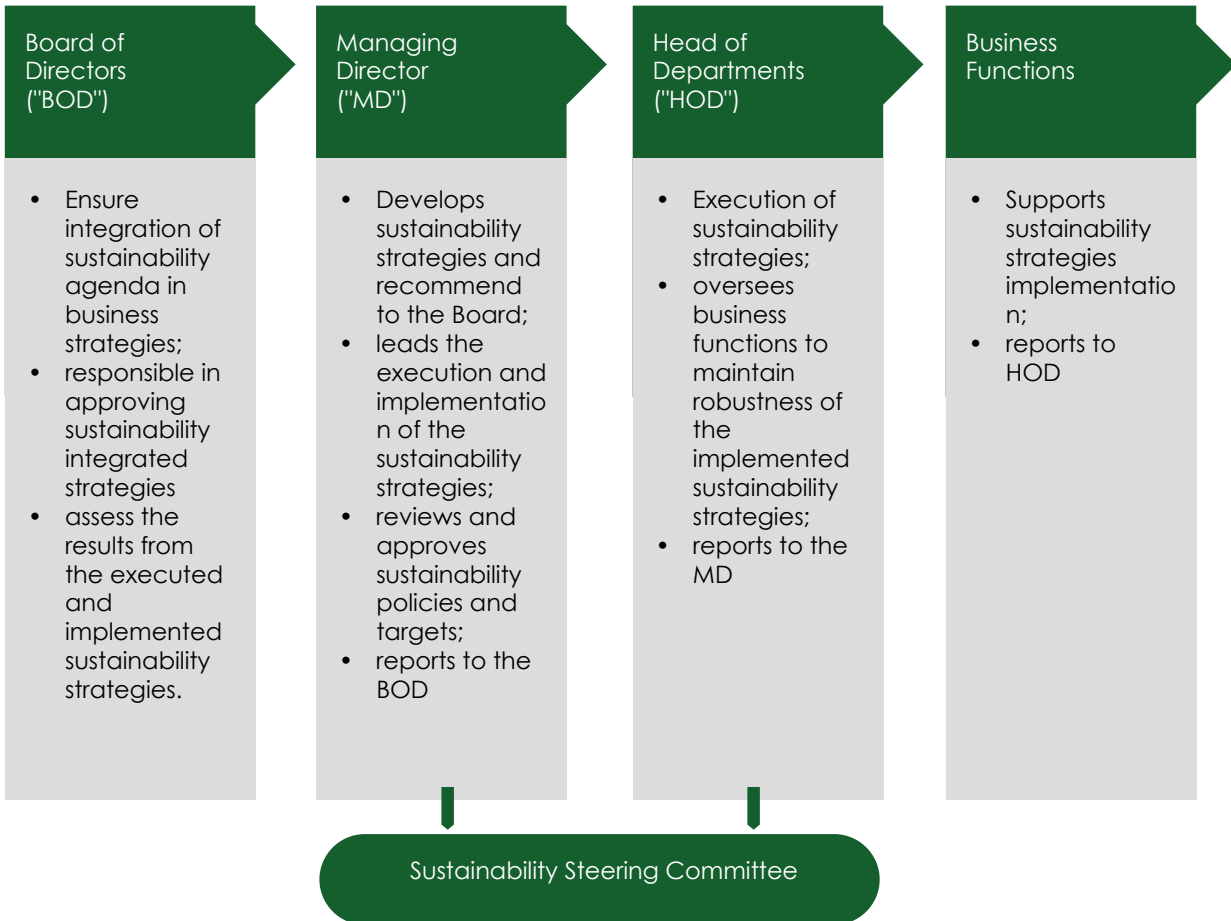
#### Biodiversity Management Plan

No	Particular	Planning
1	Identification of High Conservation Value and Riparian Area.	To identify High Conservation Value and Riparian area, includes high conservation value forest.
2	Signage and Boundary Marking	To provide necessary and appropriate signage and boundary marking at all sensitive area, High Conservation Value area, water, way, river and housing
3	Observation site preparation	a) To set up an observation area for biodiversity monitoring and information site center. b) To provide a Centre for outreach CSR programme.
4	Flora and Fauna diversity preparation	To protect and conserve available fauna and flora in high conservation value forest.
5	Riparian and protected area maintenance	To do quarterly maintenance as conservation area to ensure continuous cleanliness and minimize pollution and wastes.
6	Wildlife protection signage	To install and provide necessary signage in order to prevent illegal poaching or hunting
7	Landscaping of compound for High Conservation Value area, rare and threaten, endangered species (RTES)	To do landscaping at identified RTES selected area in order to Improve the outlook of facilities and to propagate natural predator for pest infection.

# Sustainability Statement (cont'd)

## 10. SUSTAINABILITY ENVIRONMENT, SOCIAL AND GOVERNANCE STRUCTURE

The RSB's sustainability governance is structured as follow:

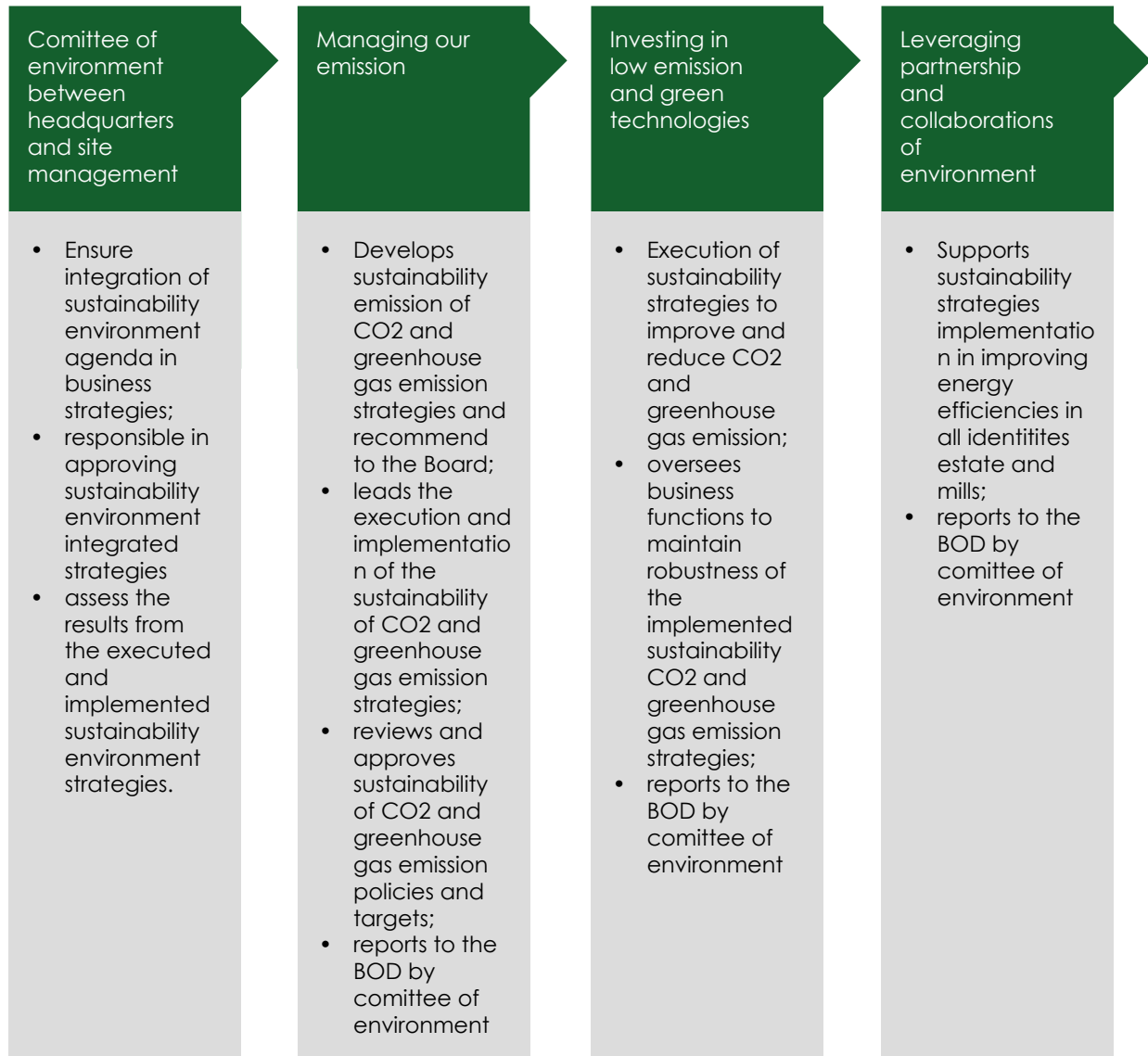




# Sustainability Statement (cont'd)

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

### 10.1 ENVIRONMENT MANAGEMENT



## Sustainability Statement (cont'd)

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

#### 10.2 GENERATING ENVIRONMENTAL POSITIVE IMPACTS

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.

#### 10.3 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 1: Technique Approach

# Sustainability Statement (cont'd)

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

### 10.3 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	Store Room		Canteen	Quarters	Loading Ramp Area
						Chemical Store	Fertilizer Store			
1	Used Oil									
	a) Oil 30/ 45 (Lubricant Oil)	-	SW 305	-	SW 305	-	-	-	-	-
2	b) Oil 10/ 90 (Hydraulic Oil)	-	SW 306	-	SW 306	-	-	-	-	-
	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
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

### Scheduled Waste Identification

## Sustainability Statement (cont'd)

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

#### 10.3 Waste Management and Disposal (Cont'd)

##### 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.

##### 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.

##### 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.

## Sustainability Statement (cont'd)

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

#### 10.3 Waste Management and Disposal (Cont'd)

##### Environmental Conservation and Protection (Cont'd)

##### Technique Approach

Other than reducing GHG emissions, conservation and maintenance of biodiversity under the High Conservation Value (HCV) Management also will help 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.

##### Performance Data

Conservation and Biodiversity	2023
Identified HCV area	
Total (ha)	<b>425</b>
Mills	60
estates (ha)	365
HCV area by type	
Total (ha)	<b>704.35</b>
Forest (ha)	<b>300</b>
Buffer zones (ha)	<b>404.35</b>
Others (ha)	<b>0</b>
Total Identified HCV area and HCV area by type (ha)	<b>1,129.35</b>

## Sustainability Statement (cont'd)

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

#### 10.3 Waste Management and Disposal (Cont'd)

##### Environmental Conservation and Protection (Cont'd)

##### Performance Data (Cont'd)

Conservation and Biodiversity	2023
IUCN Red List species and national conservation list species with habitats in areas affected by operations	IUCN status (CR, EN, VU, NT) LC not mandatory
Malayan Pangolin	Critically Endangered (CR)
Dusky-leaf Monkey	Endangered
Flat-headed Cat	Endangered
Asian elephant	Endangered
Malayan tapir	Endangered
Smooth Otter	Vulnerable
Crested Serpent Eagle Asian Palm Civet Wild Boar Reticulated Python Oriental Pied Hornbill Sumatran Spitting Cobra Kingfisher Monitor Lizard White-breasted Waterhen Great Egret Common Porcupine Plantain Squirrel Spotted Wood Owl Lesser Whistling Duck	
Energy	2023
Fuel consumption	
<i>Diesel Total (litre)</i>	<b>2,863,250.77</b>
<i>Miri Zone 1</i>	816,469.21
<i>Miri zone 2</i>	766,193.79
<i>Marudi</i>	10,166.77
<i>Selangau Region</i>	579,722.00

## Sustainability Statement (cont'd)

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

#### 10.3 Waste Management and Disposal (Cont'd)

##### Environmental Conservation and Protection (Cont'd)

##### Performance Data (Cont'd)

Energy	2023
<i>Kuching Region</i>	690,699.00
<b>Energy consumption by place (electricity only) (kWh)</b>	With Reference to data at table Energy Consumption Baseline Green Gas Emission and Water Consumption Record as tabled Below
<i>Total</i>	<b>1,025,556.88</b>
<i>Miri Zone 1</i>	788,336.88
<i>Miri zone 2</i>	-
<i>Marudi</i>	-
<i>Selangau Region</i>	-
<i>Kuching Region</i>	237,220.00
GHG emissions by source (KgCO <sup>2</sup> )	With Reference to data at table Energy Consumption Baseline Green Gas Emission and Water Consumption Record as tabled Below
Mill Methane Source	
<i>Number of mill</i>	<b>3</b>
<i>Number of mill operate biogas</i>	<b>2</b>
Number of confirmed fires	1
Number of hotspots detected	0
Cause of fires within estate boundaries	Electrical short circuit
Water withdrawal	
Mills:	
RSB Lundu Palm Oil Mill	36390.4
RSB Palm Oil Mill	37667.9
RH Palm Oil Mill	-
<i>Total</i>	74058.3
Water discharge	
Estate (through EMR Report)	

## Sustainability Statement (cont'd)

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

#### 10.3 Waste Management and Disposal (Cont'd)

##### Performance Data (Cont'd)

Energy	2023
Average BOD reading (mg/L)	2
<b>Average COD reading (mg/L)</b>	23
Mills:	
RSB Lundu Palm Oil Mill	336,960
RSB Palm Oil Mill	37,667.90
RH Palm Oil Mill	284,000
<i>Total effluent discharged (m³)</i>	968479.1
Effluent discharged to biogas plants (m3)	214742.4
Average BOD reading (mg/L)	
Mills	12.26
Average COD reading (mg/L)	647.32
Mills	647.32
Water usage per tonne of FFB produced (m3/mt FFB)	1.01
Total weight of waste generated	55293.73
Biomass (mt)	
<b>Total</b>	<b>55293.73</b>
EFB	49305
PKS	5988.73
Raw POME (mt)	33690
EFB	42996
PKS	2861.12
EFB	6309
Scheduled / hazardous	



## Sustainability Statement (cont'd)

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

#### 10.3 Waste Management and Disposal (Cont'd)

##### Performance Data (Cont'd)

Energy	2023
Registered waste handler (For waste energy recovery and reuse)	DNS Waste Management Sdn. Bhd.
	Pentas Flora (Kuching) Sdn. Bhd.
	Y.B. Enterprise Sdn. Bhd.
Source	SW102
	SW305
	SW410
Number of significant spills	0
Volume of significant spills (m3)	0
Estates	
Fertiliser usage (mt)	45873.95
Fertiliser types	MOP, BUNCH, ZnCuB, NPK 7/4/34/4+1B-50Kg, Egyptian Rock Phosphate-50Kg, Teguh MOP Granula-50Kg, , Mixture, Limestone, FMP, FERTIBOR, CPD7,55,45,44,Chelated
Inorganic (mt)	14759.60
Organic (mt) - Mulch evacuated	31114.35
Herbicide usage	Supremo, Tapus, Kenlly 20wg, Hardy, Kenlon, Concede
Active ingredients per planted hectare (litres/ha)	1.56
Average of Glyphosate usage per hectare (litres/ha)	1.20
Incidents of non-compliance concerning the health and safety impacts of products and services	<b>7</b>

## Sustainability Statement (cont'd)

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

#### 10.3 Waste Management and Disposal (Cont'd)

##### Energy Consumption Baseline, Greenhouse Gas Emission & Water Consumption Record

No	Estate/ Mill	Energy Consumption		Greenhouse Gas Emission (KgCO <sup>2</sup> )			Water Consumption (L)
		Diesel (L)	Electrical (kWh)	Diesel	Manuring	Weeding	
<b>Miri Zone 1</b>							
1	R.H. Plantation (Bakong) Sdn. Bhd.	277,603.00	136,965.11	871.55	1,090.08	686.74	1,566,409.00
2	R.H. Plantation (Selangor) Sdn. Bhd.	66,024.00	-	412.01	321.33	178.99	1,256,456.98
3	Jayamax Plantation Sdn. Bhd.	1,326.21	-	401.65	13.74	477.52	2,612.14
4	Timrest Sdn. Bhd.	297,744.00	-	908.08	1,038.02	642.90	7,459,301.25
5	R.H Palm Oil Mill	540.00	151,222.93	273.36	-	-	284,000.00
6	RSB Palm Oil Mill	173,232.00	500,148.84	216.92	-	-	79,091.10
<b>AVERAGE</b>		<b>136,078.20</b>	<b>262,778.96</b>	<b>513.93</b>	<b>615.79</b>	<b>496.54</b>	<b>1,774,645.08</b>
<b>TOTAL</b>		<b>816,469.21</b>	<b>788,336.88</b>	<b>3,083.57</b>	<b>2,463.17</b>	<b>1,986.15</b>	<b>10,647,870.47</b>
<b>Miri Zone 2</b>							
7	PJPP Ulu Teru Plantation Sdn. Bhd.	297,367.00	-	536.47	1,902.20	22.17	2,625,307.00
8	PJPP Ekang Banyak Plantation Sdn. Bhd.	263,668.00	-	1,019.54	644.64	1,209.09	62,200,000.00
9	Baram Trading Sdn. Bhd.	181,916.00	-	1,562.49	365.36	715.62	6,530,660.00
10	Pelita Splendid Sdn. Bhd.	14,446.00	-	697.80	2,710.90	1,232.05	6,530,660.00
<b>AVERAGE</b>		<b>189,349.25</b>	<b>-</b>	<b>954.08</b>	<b>1,405.78</b>	<b>794.73</b>	<b>19,471,656.75</b>
<b>TOTAL</b>		<b>757,397.00</b>	<b>-</b>	<b>3,816.30</b>	<b>5,623.10</b>	<b>3,178.93</b>	<b>77,886,627.00</b>

## Sustainability Statement (cont'd)

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

#### 10.3 Waste Management and Disposal (Cont'd)

##### Energy Consumption Baseline, Greenhouse Gas Emission & Water Consumption Record (Cont'd)

No	Estate/ Mill	Energy Consumption		Greenhouse Gas Emission (KgCO <sup>2</sup> )			Water Consumption (L)
		Diesel (L)	Electrical (kWh)	Diesel	Manuring	Weeding	
<b>Miri Zone 3</b>							
11	Sastat Holdings Sdn. Bhd.	8,466.77	-	722.87	297.50	392.16	2,436,240.00
12	Woodijaya Sdn. Bhd.	1,700.00	-	562.06	-	-	878,700.00
13	Formasi Abadi Sdn. Bhd.	-	-	-	-	-	-
<b>AVERAGE</b>		<b>3,388.92</b>	<b>-</b>	<b>428.31</b>	<b>99.17</b>	<b>130.72</b>	<b>1,104,980.00</b>
<b>TOTAL</b>		<b>10,166.77</b>	<b>-</b>	<b>1,284.93</b>	<b>297.50</b>	<b>392.16</b>	<b>3,314,940.00</b>
<b>Kuching Region</b>							
14	PJPP Lundu Plantation Sdn. Bhd.	338,131.00	-	281.34	127.68	739.54	37,322,245.00
15	PJPP Biawak Plantation Sdn. Bhd.	154,103.00	-	362.82	144.24	504.25	37,322,245.00
16	RSB Lundu Palm Oil Mill	198,465.00	237,220.00	46.07	-	-	288,286.00
<b>AVERAGE</b>		<b>230,233.00</b>	<b>79,073.33</b>	<b>230.08</b>	<b>90.64</b>	<b>414.60</b>	<b>24,977,592.00</b>
<b>TOTAL</b>		<b>690,699.00</b>	<b>237,220.00</b>	<b>690.23</b>	<b>271.92</b>	<b>1,243.79</b>	<b>74,932,776.00</b>
<b>Selangau Region</b>							
17	Nescaya Palma Sdn. Bhd.	357,493.00	-	219.07	1,095.80	339.23	12,819,400.00
18	Novelpac Puncakdana Sdn. Bhd.	222,229.00	-	302.26	767.76	213.14	42,793,161.00
19	PJPP Selangau Plantation Sdn. Bhd.	-	-	-	-	-	-
<b>AVERAGE</b>		<b>193,240.67</b>	<b>-</b>	<b>173.78</b>	<b>621.19</b>	<b>184.12</b>	<b>18,537,520.33</b>
<b>TOTAL</b>		<b>579,722.00</b>	<b>-</b>	<b>521.33</b>	<b>1,863.56</b>	<b>552.37</b>	<b>55,612,561.00</b>

# Sustainability Statement (cont'd)

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

### 10.3 Waste Management and Disposal (Cont'd)

Effluent Pond Data

**Environmental Risk Assessment**

**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**

# Sustainability Statement (cont'd)

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

### 10.3 Waste Management and Disposal (Cont'd)

Effluent Pond Data (Cont'd)

#### Environmental Risk Assessment (Cont'd)

##### Conclusion

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

##### 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	High	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	Medium	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	Low	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

# Sustainability Statement (cont'd)

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

### 10.3 Waste Management and Disposal (Cont'd)

Effluent Pond Data (Cont'd)

#### Environmental Risk Assessment (Cont'd)

#### Conclusion

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

#### 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	High	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	Medium	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	Low	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

# Sustainability Statement (cont'd)

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

### 10.3 Waste Management and Disposal (Cont'd)

Effluent Pond Data (Cont'd)

#### Environmental Risk Assessment (Cont'd)

#### Conclusion

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

#### 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	High	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	Medium	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	Low	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

## Sustainability Statement (cont'd)

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

#### 10.3 Waste Management and Disposal (Cont'd)

Effluent Pond Data (Cont'd)

#### Environmental Risk Assessment (Cont'd)

#### Conclusion

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

#### Environmental Aspect And Impact

Document No: RSBLPOM/ENV/EAI/2023/03  
 Date : 02.11.2023  
 Revision: 4

No	Station/Area	Machine/ Equipment/Tool	Activities	Environmental Concerns		Legal Control	Procedure control	Continuous Improvement Plan
				Aspect	Impact			
1	Weightbridge Station	Weightbridge	Weighing transport vehicle of FFB, CPO, PK, PKS, EFB, Buch Ash, Diesel and etc	smoke emission from vehicle	Air pollution	EQA	Turn off the vehicle engine while weighing	Briefing to driver
		shovel	Push the FFB into the ramp hopper	smoke emission from shovel	Air pollution	EQA	Turn off the shovel engine when not operate	Preventive Maintenance
				Hydraulic oil, engine oil used by shovel	Land pollution	EQA	Daily check the hydraulic system and engine system	SOP
		FFB Transporter	Unload FFB	smoke emission from vehicle	Air pollution	EQA	Turn off the vehicle engine while waiting for unload	Briefing to driver
		FFB Transporter by estate driver	Transporting/unloading of FFB back to plantation or estate	help to reduce FFB bedlock at mill.	Decrease pollution from FFB waste	EQA	by offering incentives for the disposal of empty bunches	maintain current practice
2	FFB reception/ Ramp Station	FFB Transporter by local neighbourhood	Mulching of EFB	layering crops with EFB mulch	preservation of soil moisture, increasing of soil fertility.	EQA	encourage local neighbourhood to transport EFB	Briefing to local neighbourhood
		FFB production	produce edible mushroom 'Volvarella Volvacea @ kulat sawit from gathered, dampened, and covered empty fruit bunches	Workers and local neighbourhood can harvested as the mushroom reach the desired maturity	provides local neighbourhood with a secondary source of income and food sources.	EQA	encourage local neighbourhood to transport, gathered, dampened, covered FFB	Briefing to local neighbourhood & SOP



## Sustainability Statement (cont'd)

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

#### 10.3 Waste Management and Disposal (Cont'd)

##### Environmental Aspect And Impact (Cont'd)

No	Station/Area	Machine/ Equipment/Tool	Activities	Environmental Concerns		Legal Control	Procedure control	Continuous Improvement Plan
				Aspect	Impact			
3	Feeding Station	Ramp Hopper	Storing and feeding FFB into FFB conveyor	Hydraulic oil used for ramp door operation	Land pollution	EQA	Daily check the hydraulic system	SOP
				Gearbox oil for conveyor and hydraulic oil for hydraulic system	Land pollution	EQA	Daily check the hydraulic system and gearbox	SOP
		FB conveyor	Convey the FFB	Hydraulic oil for hydraulic system	Land pollution	EQA	Daily check the hydraulic system and gearbox	SOP
		Transfer carriage/ indexer	Transfer cage	help to reduce EFB bedlock at mill.	Decrease pollution from EFB waste	EQA	by offering incentives for the disposal of empty bunches	SOP
		Sterilizer	Sterilize fruit bunch	Condensate	Water pollution	EQA	Water condensate flow into condensate pit	SOP
		Transfer carriage/ indexer	Transfer cage	Hydraulic oil for hydraulic system	Land pollution	EQA	Daily check the hydraulic system	SOP
		Auto feeder/SFB conveyor	Convey the SFB	Gearbox oil	Land pollution	EQA	Daily check the gearbox	SOP
4	Sterilizing Station	Tipper	Tipping the cage	hydraulic oil for hydraulic system	Land pollution	EQA	Daily check the hydraulic system	SOP
		Condensate pit	Trap oil coming from sterilizer condensate before pump to cooling pump	condensate oil	Water pollution	EQA	Recover the condensate oil	maintain current practice

## Sustainability Statement (cont'd)

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

#### 10.3 Waste Management and Disposal (Cont'd)

##### Environmental Aspect And Impact (Cont'd)

No	Station/Area	Machine/ Equipment/Tool	Activities	Environmental Concerns		Legal Control	Procedure control	Continuous Improvement Plan
				Aspect	Impact			
5	Threshing Station	Thresher drum	Separate fruit and empty bunch	Gearbox oil	Land pollution	EQA	Daily check the gearbox	SOP
		EFB conveyor/ below threshing/ bunch recycle conveyor	Convey the EFB/fruit	Gearbox oil	Land pollution	EQA	Daily check the gearbox	SOP
		Fruitlet conveyor	Convey the fruit	hydraulic oil for hydraulic system	Land pollution	EQA	Daily check the hydraulic system	SOP
		EFB bunch crusher	Crusher EFB	Gearbox oil	Land pollution	EQA	Daily check the gearbox	SOP
6	Pressing Station	Digester	Digest fruit	Gearbox oil	Land pollution	EQA	Daily check the gearbox	SOP
		Press machine	Pressing fruit	Gearbox oil	Land pollution	EQA	Daily check the gearbox	SOP
		CBC conveyor	Convey the fiber	Gearbox oil	Land pollution	EQA	Daily check the gearbox	SOP
7	Depericarping Station	Nut polishing drum	Separate nut and stone	Gearbox oil	Land pollution	EQA	Daily check the gearbox	SOP
		Nut conveyor/ elevator	Convey the nut	Gearbox oil	Land pollution	EQA	Daily check the gearbox	SOP
		Destoning system	Separate nut and stone	Dust	Air pollution	EQA	Recover as boiler fuel	Housekeeping
		Depericarping system	Separate fiber and nut	Dust	Air pollution	EQA	Recover as boiler fuel	Housekeeping

# Sustainability Statement (cont'd)

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

### 10.3 Waste Management and Disposal (Cont'd)

#### Environmental Aspect And Impact (Cont'd)

No	Station/Area	Machine/ Equipment/Tool	Activities	Environmental Concerns		Legal Control	Procedure control	Continuous Improvement Plan
				Aspect	Impact			
8	Kernel Recovery plant	Nut conveyor/ nut elevator/ shell conveyor	Convey the nut/shell	Gearbox oil	Land pollution	EQA	Daily check the gearbox	SOP
		Winnowing system	separate kernel and palm shell	Dust	Air pollution	EQA	Recover as boiler fuel	Housekeeping
		Hydrocyclone system	separate kernel and palm shell	Hydrocyclone water	Water pollution	EQA	transfer to sludge pit	
		Kernel silo/bulk	drying and storage palm kernel	palm kernel oil	Water pollution	EQA	collect and recover	Housekeeping
		Crude oil tank/ sludge tank/ Decanter feed tank	Heating sludge	Sludge	Water pollution	EQA	collect and recover	Housekeeping
		Clarifier tank	Separate palm oil and sludge	Palm oil and sludge	Water pollution	EQA	collect and recover	Housekeeping
		Oil reclaimed tank	Recover tank	Sludge	Water pollution	EQA	collect and recover	Housekeeping
		Pure oil tank	Heating palm oil	pure oil	Water pollution	EQA	collect and recover	Housekeeping
9	Clarification station	Decanter machine	Oil recovery	Sludge	Water pollution	EQA	channel to sludge pit	maintain current practice
		Vacuum dryer	Reduce pure oil moisture	Water oil mixture	Land pollution	EQA	send to palm field as organic fertilizer	maintain current practice
		Sludge pit	Trap oil coming from oil room and kernel station before pump to cooling pump	Sludge oil	Water pollution	EQA	water oil mixture flow to press for dilution	maintain current practice
		Desander	Separate sludge and sand	Sludge oil	Water pollution	EQA	Recover the sludge oil	maintain current practice
		Vibrating screen	Separate fiber and sludge oil	Sludge oil	Land pollution	EQA	channel to sludge pit	Housekeeping
		Pump (oil transfer/crude oil/vacuum/ desander)	transfer sludge oil/pure oil	sludge oil/pure oil	Water pollution	EQA	collect and recover	Housekeeping
		Drainage system	collect and dispose of rain water	Water	Water pollution	EQA	Oil trap to trap the oil by prevent it flow to river	Housekeeping

## Sustainability Statement (cont'd)

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

#### 10.3 Waste Management and Disposal (Cont'd)

##### Environmental Aspect And Impact (Cont'd)

No	Station/Area	Machine/ Equipment/Tool	Activities	Environmental Concerns		Legal Control	Procedure control	Continuous Improvement Plan
				Aspect	Impact			
10	Engine Room Station	Diesel generator set	generate power	Smoke emission	Air pollution	EQA	Turn off genset while turbine run	Preventive Maintenance
				Engine oil	Land pollution	EQA	Check the engine system before operate	SOP
		Steam Turbine	Generate power	Gearbox oil	Land pollution	EQA	Check the gearbox system before operate	SOP
		Diesel tank	Diesel storage	Diesel	Water pollution	EQA	Daily check the diesel tank	maintain current practice
11	Boiler Station	Boiler	Generate power	Smoke emission	Air pollution	EQA	Smoke monitoring	install electrostatic precipitor (ESP)
				Fiber and shell conveyor/ Fuel elevator	Convey fiber and shell	Gearbox oil	Land pollution	EQA
		shovel	Pour fiber and shell into fuel elevator chute	smoke emission from shovel	Air pollution	EQA	Turn off the shovel engine when not operate	Preventive Maintenance
12	Effluent Treatment Plant	Pond	Effluent treatment	Hydraulic oil, engine oil used by shovel	Land pollution	EQA	Daily check the hydraulic system and engine system	SOP
				Sources of fiber used in the power plant's boiler.	reduce production cost	EQA	Better energy efficiency	manage by competent person & SOP
13	Laboratory	Lab equipments/ chemical	testing quality of product/ POME	POME	Water pollution	EQA	Effluent monitoring	manage by competent person
				Chemical	Water pollution	EQA	Schedule waste	Spillage clean up training

# Sustainability Statement (cont'd)

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

### 10.3 Waste Management and Disposal (Cont'd)

#### Environmental Aspect And Impact (Cont'd)

No	Station/Area	Machine/ Equipment/Tool	Activities	Environmental Concerns		Legal Control	Procedure control	Continuous Improvement Plan
				Aspect	Impact			
14	Workshop	Lathe machine	shape machine	Metal chips	Land pollution	EQA	Scrap iron	Spillage clean up training
				Gearbox oil	Land pollution	EQA	Schedule waste	
		Hydraulic Hacksaw Machine	Cutting metal	Metal chips	Land pollution	EQA	Scrap iron	Spillage clean up training
				hydraulic oil	Land pollution	EQA	Schedule waste	
		Grinding Machine	Grinding metal	drinding disc	Land pollution	EQA	Scrap iron	
		Hydraulic Jack	Jack puller	Hydraulic oil	Land pollution	EQA	Schedule waste	Spillage clean up training
15	Schedule Waste Store	Drill machine	Drilling metal	Metal chips	Land pollution	EQA	Scrap iron	Spillage clean up training
				Greasing tools	Land pollution	EQA	Schedule waste	
		Schedule waste	waste storage	used hydraulic oil, used engine oil, used filter, used cotton rag, etc	Land pollution/ water pollution	EQA	Dispose to certify schedule waste contractor	manage by competent person

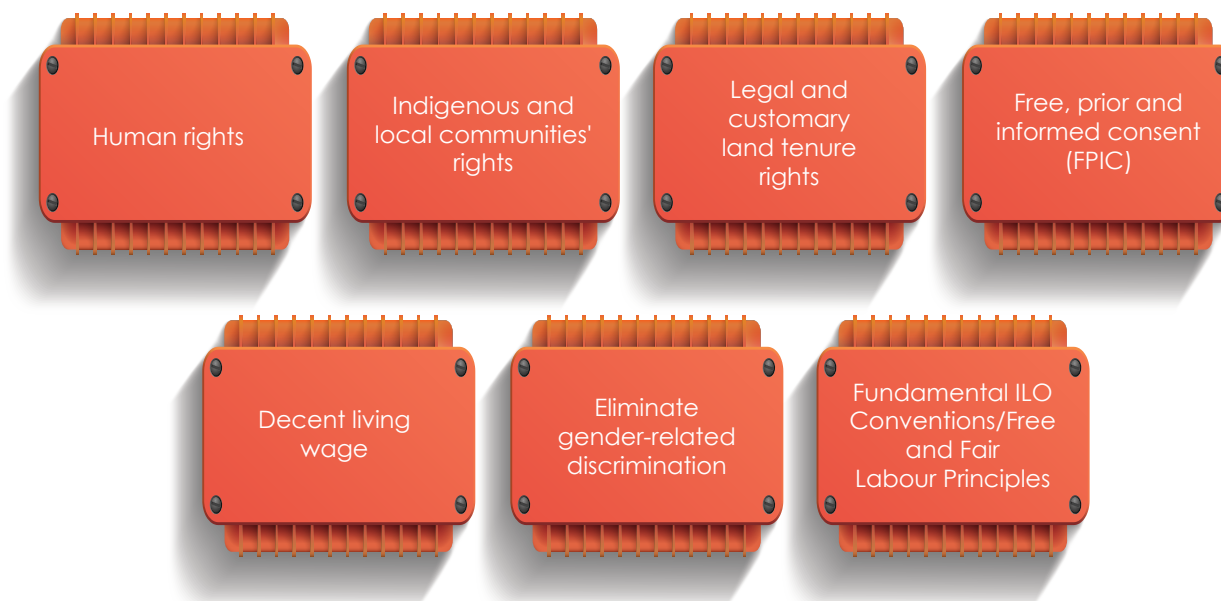
## Sustainability Statement (cont'd)

### 11. HUMAN RIGHTS

#### Rimbunan Sawit Berhad's Core Labour 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 Labour as defined by Malaysian law and support employees' children in attending and remaining in school. Measures are taken to prevent the use of such labour and ensure children and young workers are not exposed to hazardous situations.
- Prohibit the use of Forced Labour 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)

### WORKPLACE WELL-BEING

#### 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.



Staff Training



Fertilizer Management Briefing

#### 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.



Chinese New Year Celebration

## Sustainability Statement (cont'd)

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

#### WORKPLACE WELL-BEING (Cont'd)

##### I. Welfare (Cont'd)

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.



Joint Family Day



# Sustainability Statement (cont'd)

## 11. HUMAN RIGHTS (CONT'D)

### WORKPLACE WELL-BEING

#### I. Welfare (Cont'd)



Family Day

## Sustainability Statement (cont'd)

### 11. HUMAN RIGHTS (Cont'd)

#### Anti-Bribery and Corruption

##### For Year Ended 31st December 2023

##### 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
1	Percentage of operations that underwent corruption assessments	100%

##### Corruption- Related Training

No.	Employee Category	Year 2023
1	Management	56%
2	Executive	76%
3	Non -Executive	35%

## Sustainability Statement (cont'd)

### 11. HUMAN RIGHTS (Cont'd)

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

##### Corruption Incidents

As of 31 December 2023, we recorded zero incidents of corruption across RSB's business operation.

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

##### Corruption- Communication

Employees communicated on anti-corruption policies and procedures.

No.	Employee Category	Year 2023
1	Management	100%
2	Executive	100%
3	Non -Executive	100%

#### Governance

Anti-Corruption	2023
Percentage of operations assessed for corruption related risks	100%
Governance body members communicated on anticorruption policies and procedures	5
Governance body members received training on anticorruption policies and procedures	4

## Sustainability Statement (cont'd)

### 11. HUMAN RIGHTS (Cont'd)

#### Governance (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 %
1.	Account & Finance	7	0
2.	Human Resources	5	0
3.	Administrative	7	0
4.	Employee Relations (Recruitment)	10	0
5.	Purchasing	15	0
6.	Fleet Management	7	0
7.	Safety & Health	4	0
8.	Land and Public Relation	6	0
9.	Security	7	0
11.	Operation Management	20	0
12.	Engineering	10	0
13.	Information Technology	2	0
	Total	100	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").

#### 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.

# Sustainability Statement (cont'd)

## 11. HUMAN RIGHTS (Cont'd)

### Governance (Cont'd)

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

##### Introduction (cont'd)

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.

##### Our Performance

As at 31 December 2023, 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 for Plantation	
List of Activity/Acts	Regulation/SOP
Local 1. <b>Sustainability policy based on :</b> A) MSPO standard - RSB SOP 2019/ Mill Manual B) the Standard Operating Procedures with Best Management Practices (BMP)	- MPOB - MSPO Standard (Part 3 & Part 4) - Comply to GOCAP
2. <b>Land &amp; PR Handbook</b>  <b>Land and Wildlife Protection Matters</b> <b>a) Sarawak Land code</b> - Land Acquisition Act 1960 revised 1992 - Land Conservation 1960 Revised 1989 - Land development act 1956 revised 1991 - National park 1890  <b>b) Wild Life</b> - Wild Life Conservation Act 2010 - National Parks Act 1980 - National Forestry Act 1984 - Water act 1920 revised 1989 - Protection of wild life Act 1972 Amended 2006	a) Power to constitute new areas of Mixed Zone, Native, or Interior Area Land and consequential. b) Native Customary Rights. c) Native Communal Reserved d) Government Reserved. e) Acquisition of Land by Non-Native f) Occupation of different classes of land g) Administration of Miri City Council h) Illegal for Non-Native of acquire right or privileges over land or certain classes  - Biodiversity - Preservation of high conservative value - National parks and nature reserves ordinance, 1998 - Protection of national forest as per act 1984 - Visual to conserve uniqueness, diversity and quality of environment. - Prohibition of diversion of water from rivers, except under license 7A. - Prohibition of pollution of rivers - Sarawak Forestry Cooperation
2. <b>Employee Matter</b>  a) Sarawak Labour Ordinance b) Workers Minimum Standard of Housing and Amenities Act 1990 c) Trade Union Act 1959 d) Children and Young Persons (Employment) (Amendment) Act 2010 e) Minimum wage Orders - Minimum Wage Order (Amendment) 2018 - Minimum Wage Order 2020 - Minimum Wage Order 2022 f) Industrial Relations Act 1967 g) Employee Provident Funds Act 1991	1. Employee Handbook 2. Employment Contract 3. Account of wages 4. Registers a) Employees' list and particulars b) Terms & conditions c) Wages & allowances d) Leave entitlement, annual leave, sick leave, working hours, overtime rates, age of retirement, SOCSO, EPF and EIS 5. Minimum standard of housing and amenities for workers. 6. Establishment and rights of employees to join trade union.

## 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 for Plantation	
List of Activity/Acts	Regulation/SOP
<p><b>2. Employee Matter (Cont'd)</b></p> <p>h) Employees' Social Security Act 1969 (SOCSO)</p> <p>i) Employment Insurance Scheme 2017 (updated, deducted start 2018)</p> <p>j) Employees' Social Security Act 1969 (Act 4)</p> <p>k) Emergency Ordinance (Employees Minimum Standards of Housing, Accommodations and Amenities (Amendment) 2021)</p>	<p>7. Implementation of minimum wage.</p> <p>8. SOCSO statutory contributions by employer and employees, including for foreign workers.</p>
<p><b>3. Environment Matters</b></p> <p>a) Environment Quality Assessment</p> <ul style="list-style-type: none"> <li>- Environment Quality Act 1974</li> <li>- Environment Quality (Prescribe Premises-Crude Palm Oil) Act 1977</li> <li>- Environment Quality Schedule waste) Regulation 2005</li> <li>- Environment Quality (Prescribed Premises) (Scheduled Wastes Treatment and Disposal Facilities) (Amendment) Regulations 2006</li> <li>- Environment Quality (Control of Pollution from Solid Waste Transfer and Station and Landfill) Regulation 2009</li> <li>- Sarawak River Ordinance 1993</li> <li>- Natural Resources and Environment (Amendment) Ordinance 1997</li> <li>- Natural Resources and Environment Board (NREB)</li> <li>- Natural Resource and Environment (Prescribed Activities Order 1994) (Incorporating all amendments up to May 1997)</li> <li>- Environment Quality (Declared Activities-Open Burning) Order 2003</li> <li>- Environmental Quality (Industrial Effluent) Regulation 2009</li> <li>- Environmental Quality (Sewage) Regulation 2009</li> <li>- Environmental Quality (Clean Air) Regulation 1978</li> </ul>	<p>NREB</p> <p>Standards and compliances (MSPO &amp; SOP)</p> <p>Based on DOE recommendation</p> <p>Complying with MPOB &amp; NREB requirement.</p> <p>Based on DOE recommendation</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 for Plantation	
List of Activity/Acts	Regulation/SOP
<b>4. Safety &amp; Health Policy</b> <b>Pesticide Act</b> 1. Pesticides Act 1974 <ul style="list-style-type: none"> <li>- Pesticides (Registration) Rules 1988</li> <li>- Pesticides (Licencing for sale and Storage) Rules 1988</li> <li>- Pesticides (Labelling) Regulations 1984</li> </ul> <b>Food Act 1983</b> 2. 16 <sup>th</sup> scheduled of Malaysian Food Regulations 1985  <b>Safety and Health Matters</b>  1. Employers' safety and health general policy statement regulations 1995. 2. Safety and Health Officer Regulations 1997 3. Occupational Safety and Health Act (OSHA) 1994 (S15, 17, 18 & 19) 4. Employers Safety & Health General Policy Statement Regulations 1996 (S16 OSHA) 5. Safety and Health Committee Regulations 1996 (S30 OSHA) 6. Control of Industrial Major Hazards Regulations 1996  - Use & Standard exposure of Chemicals Hazardous to Health (USECHH) Regulations 2000 - Notification of Accidents, Dangerous Occurrence, Occupational Poisoning Disease (NADOPOD) Regulation 2004 - Classification, labelling & Safety Data Sheet of Hazardous Chemical (CLASS) Regulations 2013	S&H policy dated 1st July 2016 - Safety Policy, SOP, Safety Manuals, SHC Org Chart, SHC MOM, Guidelines on Major Task.  - SHO Orders - SHO Certification Programmes  - Guidelines on Occupational Safety & Health in Agriculture 2002 - COP on SHE for Transportation 2007 - COP for Transportation Activities 2010  - Safety & Health Policy - RSB SOP 2019 - Safety Manuals - Training Programme - Guidelines on Major Tasks 2008 - Safety & Health Committee Guidelines - SHC Chairman appointment letters - SHC members appointment by SHC Chairman - Emergency Response Plan (ERP) - Guidelines on First Aid Facilities 1996 & 2004 - Guidelines for the Registration of Assessors, Hygiene Technician & Occupational Health Doctor 2000



## 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 for Plantation	
List of Activity/Acts	Regulation/SOP
<p><b>4. Safety &amp; Health Policy (Cont'd)</b></p> <p><b>Factories &amp; Machineries Act (FMA) 1967</b></p> <ol style="list-style-type: none"> <li>1. FMA (Fencing of Machinery &amp; Safety) Regulation 197</li> <li>2. Safety, Health and Welfare Regulations 1970           <ul style="list-style-type: none"> <li>- Noise Exposure Regulation 1989</li> <li>- Steam Boiler &amp; Unfired Pressure Vessel Regulation 1970</li> </ul> </li> </ol> <p><b>Petroleum (Safety Measures) 1974</b></p> <ul style="list-style-type: none"> <li>- Weights and Measures Act 1972</li> <li>- Akta Petroleum Dan Elektrik (Kawalan Bekalan) 1974</li> </ul>	<ul style="list-style-type: none"> <li>- Guidelines on the Preparation of Chemical Register 2000</li> <li>- Assessment of Health Arising from the Use of Hazardous Chemicals in Workplace 2000 (2nd Edition)</li> <li>- Guidelines on Control of Chemicals Hazardous to Health 2001</li> <li>- Guidelines on Medical Surveillance 2001</li> <li>- JKPP 6, 7, 8, 9 &amp; 10 forms</li> <li>- SOP on Accident Reporting</li> <li>- Accident Management flow chart</li> <li>- Guidelines for Classification of Hazardous Chemicals 1997</li> <li>- ICOP on Chemicals</li> <li>- Classification &amp; Hazard Communication 2014</li> <li>- Reg. 4, 5, 6, 8, 9 &amp; 11: Fencing of Machinery</li> <li>- Reg. 5: Working at Height</li> <li>- Reg. 16: Precaution Against Ignition (see also S20 Petroleum (Safety Measures) Act 1984</li> <li>- Reg. 20: Stacking of Materials</li> <li>- Reg.23, 32, 34, 36, 37, 38 : Health &amp; Welfare (Cleanliness, PPE, Drinking Water, Washing Facilities, Sanitary Convenience, First Aid)</li> <li>- Noise Mapping</li> <li>- Regulation 72 (11) CF for unfired pressure vessel</li> <li>- Pesticides Act 1974, Handling chemicals and mixing storage</li> <li>- S20 : Labelling of containers of receptacles containing petroleum</li> <li>- Regulate weights and measures and instruments for weighing and measuring and to make provisions for matters connected therewith.</li> <li>- Controlling of petroleum and electric supply</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)

Miri Zone 1	Miri Zone 2	Marudi	Selangau Region	Kuching Region
Jayamax Plantation Sdn Bhd	Baram Trading Sdn Bhd	Formasi Abadi Sdn Bhd	Nescaya Palma Sdn. Bhd.	PJPP Lundu Plantation Sdn Bhd
R. H. Plantation Sdn Bhd (Bakong Estate)	PJP Pelita Ekang-Banyak Plantation Sdn Bhd	Woodijaya Sdn Bhd	Novelpac-Puncakdana Plantation Sdn Bhd	PJPP Biawak Plantation Sdn Bhd
Timrest Sdn Bhd	PJP Pelita Ulu Teru Plantation Sdn Bhd	Sastat Holdings Sdn Bhd	PJP Pelita Selangau Plantation Sdn. Bhd	RSB Lundu Palm Oil Mill Sdn Bhd
R. H. Plantation Sdn Bhd (Selangor Estate)	Pelita-Splendid Plantation Sdn Bhd			
R. H. Plantation Sdn Bhd (Palm Oil Mill)				
RSB Palm Oil Mill Sdn Bhd				

**Table 3: 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.

### 13. SOCIAL MANAGEMENT

**Our Vision: To provide sustainable solutions which enhances the lives of our community**

**Our Mission: To develop sustainable properties with advances technology and smart solutions, while minimizing our impact on the environment and delivering projects that benefit our community.**

## Sustainability Statement (cont'd)

### 13. SOCIAL MANAGEMENT (Cont'd)



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

#### Social Management

Supply Chain & SHs		2023
FFB Volumes		
Total (mt)		<b>543,053.43</b>
Sourced from own plantations (Direct Volume) (mt)		<b>177,976.95</b>
Sourced from external outgrowers and traders (Indirect Volume) (mt)		<b>365,076.48</b>
Proportion of spending on local suppliers		<b>100%</b>
Human Rights and Recruitment		2023
Legal minimum wage (RM)		<b>1,500</b>
Percentage of employees by age group and gender, for each category		
Management under 30		<b>0</b>
Management between 30 - 50		<b>59</b>

## Sustainability Statement (cont'd)

### 13. SOCIAL MANAGEMENT (Cont'd)

Human Rights and Recruitment (Cont'd)	2023
Percentage of employees by age group and gender, for each category (Cont'd)	
Management Above 50	<b>41</b>
Executive Under 30	<b>5</b>
Executive Between 30-50	<b>80</b>
Executive above 50	<b>15</b>
Non-Executive/Technical staff under 30	<b>24</b>
Non-Executive/Technical staff between 30 – 50	<b>61</b>
Non-Executive/Technical staff above 50	<b>15</b>
General workers under 30	<b>31</b>
General workers between 30 -50	<b>61</b>
General workers above 50	<b>8</b>
Management Male	<b>83%</b>
Management Female	<b>17%</b>
Executive Male	<b>60%</b>
Executive Female	<b>40%</b>
Non-Executive/Technical staff Male	<b>76%</b>
Non-Executive/Technical staff Female	<b>24%</b>
General workers Male	<b>82%</b>
General workers Female	<b>18%</b>
Employee turnover by employee category	
Management	<b>4</b>
Executive	<b>25</b>
Non-Executive/Technical staff	<b>103</b>
General workers	<b>2,522</b>
Benefits provided to employees	
Life insurance	SOCSO
Health care	SOCSO
Disability coverage	SOCSO
Parental leave	YES
Quality Housing	YES
Recreational Facilities	YES
Access to schools	YES

## Sustainability Statement (cont'd)

### 13. SOCIAL MANAGEMENT (Cont'd)

Human Rights and Recruitment (Cont'd)	2023
Total hours of training by employee category	Numbers
Management	<b>704</b>
Executive	<b>3,232</b>
Non-Executive/Technical staff	<b>1,668</b>
General workers	<b>1,568</b>
Diversity of governance bodies and employees	
Percentage of directors by gender and age group	
Male	<b>85.71</b>
Female	<b>14.29</b>
Under 30	<b>0.00</b>
Between 30 -50	<b>14.29</b>
Above 50	<b>85.71</b>
Complaints and grievance disclosed (Human Right)	
No of cases	<b>41</b>
Open cases	<b>0</b>
Closed cases	<b>41</b>
<b>Community Enrichment</b>	
Charitable Contributions (RM)	
Sports	<b>24,060</b>
Culture/religion	<b>21,255</b>
Children and education	<b>5,300</b>
Others	<b>20,350</b>
<b>Operational Health and Safety (OSH)</b>	
Employees and workers covered by OSH management system	
<b>For employees</b>	
Fatalities as a result of work-related injury	
Estates	<b>0</b>
Mills	<b>0</b>
High-consequence work-related injuries (permanent disabilities excluding fatalities)	
Estates	<b>2</b>
Mills	<b>1</b>

## Sustainability Statement (cont'd)

### 13. SOCIAL MANAGEMENT (Cont'd)

<b>Operational Health and Safety (OSH) (Cont'd)</b>	<b>2023</b>
Lost time injuries and lost time injuries frequency rate	<b>0.42</b>
Total hours worked	<b>7,148,920</b>
Total days lost due to work related injury and severity rate	<b>38</b>
Worker's training on Safety & Health Standard	<b>2,240</b>
Competent first aiders	<b>142</b>

#### **Diversity and Equal Opportunity**

Efforts are made at every organisational 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.

	<b>2021</b>	<b>2022</b>	<b>2023</b>
Incidents of discrimination and corrective actions taken	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)



## 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 2023, RSB had identified sixteen (16) 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.






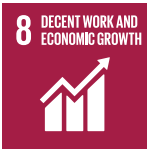


## Sustainability Statement (cont'd)

### 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 labour 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.

	Material Aspect	Sustainability Framework
Key Stakeholders' Concern and Expectations	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 Enhance better Profitability
	5. Workplace Safety and Health	People Management (WELFARE)
	6. Workplace Well-Being	

### 14. GOVERNANCE AND BUSINESS MANAGEMENT

#### I. 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. The current status of the Estates and Mills are as below:

# Sustainability Statement (cont'd)

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

### I. CORPORATE GOVERNANCE (CONT'D)

#### Malaysian Sustainable Palm Oil Certification Status

No	Region	Estate / Mill	Code No.	Reg. No.	Cert. Body	Stage 1 Audit	Stage 2 Audit	Certification	Surveillance Audit
1	Miri Zone 1	Jayamax Plantation Sdn. Bhd.	ME05	318819-W	SIRIM QAS	3 - 4 November 2016	3 - 4 May 2017	Certified on: 30.01.2018 - 29.01.2028	3rd to 4th January 2019
2		R. H. Plantation Sdn Bhd (Bakong Estate)	ME02	153619-A	SIRIM QAS	22-Nov-17	19th to 20th Mar 2018	Certified on: 18.02.2019 - 17.02.2024	Proposed in November 2019
3		Timrest Sdn Bhd	ME04	168720-D	SIRIM QAS	22-Nov-17	21st to 23rd Mar 2018	Certified on: 18.02.2019 - 17.02.2024	Proposed in November 2019
4		R. H. Plantation Sdn Bhd (Selangor Estate)	ME03	153619-A	SIRIM QAS	21-Nov-17	19th to 20th Mar 2018	Certified on: 26.02.2019 - 25.02.2024	Proposed in November 2019
5		R. H. Plantation Sdn Bhd (Palm Oil Mill)	ME01	153619-A	SIRIM QAS	21-Nov-17	19th Mar 2018	Certified on: 18.02.2019 - 17.02.2024	Proposed in November 2019
6		RSB Palm Oil Mill Sdn Bhd	ME07	794272-M	SIRIM QAS	22-Nov-17	20th Mar 2018	Certified on: 18.02.2019 - 17.02.2024	Proposed in November 2019
7		PJPP Lundu Plantation Sdn Bhd	MC01	467277-W	DQS	24-Jan-18	18th April 2018	Certified on: 03.02.2019 - 02.02.2024	Proposed in September 2019
8	Lundu	PJPP Biawak Plantation Sdn Bhd	MC02	358147-P	DQS	24 - 25 January 2018	18th April 2018	Certified on: 03.02.2019 - 02.02.2024	Proposed in September 2019
9		PJP Pelita Selangau Plantation Sdn Bhd	MB01	515181-X	DQS	27th April 2018	14th to 15th September 2018	Certified on: 12.07.2019 - 11.07.2024	Proposed in October 2019
10	Selangau	Nescaya Palma Sdn. Bhd.	MB02	483804-W	DQS	25th April 2018	11th to 12th September 2018	Certified on: 17.06.2019 - 16.06.2024	Proposed in October 2019
11		Novelpac-Puncakdana Plantation Sdn Bhd	MB03	378441-K	DQS	26th April 2018	12th to 13th September 2018	Certified on: 31.01.2020- 30.01.2025	Proposed in October 2019
12		Baram Trading Sdn Bhd	MF03	60689-U	SIRIM QAS	31st Jul to 2nd Aug 2018	7th to 9th January 2019	Certified on: 13.11.2019 - 12.11.2024	Proposed in August 2019
13	Miri Zone 2	PJP Pelita Ekang-Banyok Plantation Sdn Bhd	MF02	718679-H	SIRIM QAS	31st Jul to 2nd Aug 2018	9th to 10th January 2019	Certified on: 25.10.2019 - 24.10.2024	Proposed in August 2019
14		PJP Pelita Ulu Teru Plantation Sdn Bhd	MF01	358153-T	SIRIM QAS	31st Jul to 2nd Aug 2018	7th to 8th January 2019	Certified on: 17.09.2019 - 16.09.2024	Proposed in August 2019
15		Pelita-Splendid Plantation Sdn Bhd	MF04	398311-P	SIRIM QAS	31st Jul to 2nd Aug 2018	7th to 9th January 2019	Certified on: 13.11.2019 - 12.11.2024	Proposed in August 2019
16	Marudi	Formasi Abadi Sdn Bhd	MG03	382202-U	SIRIM QAS	21st September 2018	4th to 7th March 2019	Certified on: 22.12.2019 - 21.12.2024	Proposed in October 2019
17		Woodjiaya Sdn Bhd	MG02	448169-P	SIRIM QAS	20th September 2018	4th to 7th March 2019	Certified on: 17.12.2019 - 16.12.2024	Proposed in October 2019
18		Lumiera Enterprise Sdn Bhd	MG01	376076-V	SIRIM QAS	18th September 2018	4th to 6th March 2019	Certified on: 25.03.2020 - 24.03.2025	Proposed in October 2019
19		Sasfat Holdings Sdn Bhd	MG05	782053-D	SIRIM QAS	19th September 2018	4th to 6th March 2019	Certified on: 25.03.2020 - 24.03.2025	Proposed in October 2019
20		RSB Lundu Palm Oil Mill Sdn Bhd	MC15	1212332-X	DQS	26th January 2018	18th April 2018	Certified on: 20.06.2018 - 19.06.2025	Proposed in September 2019

#### Legend:

IA : Internal Audit  
FV3 : Field Visit Week 3

2EA : 2nd Stage Audit By CB

FV1 : Field Visit Week 1

FV2 : Field Visit Week 2

1EA : 1st Stage Audit By CB  
FV4 : Field Visit Week 4

# Sustainability Statement (cont'd)

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

### II. 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 Jayamax



MSPO Bakong      MSPO Timrest      MSPO Selangor      MSPO PJPP Ulu Teru      MSPO PJPP Ekang Banyak



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)

### II. MEMBERSHIPS, LICENSES, CERTIFICATION AND ASSURANCE (CONT'D)

#### Malaysian Sustainable Palm Oil (“MSPO”) Certification: (cont'd)



MSPO Lundu POM

MSPO SCCS  
Lundu POM

MSPO 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, Sixteen (16) 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.

#### ISO:

RSB continues to maintain the ISO: 9001 accreditation to ensure that the quality of products produced and delivered by RSB’s mills.



ISO 9001:2015 for RH Mill Sdn. Bhd

## Sustainability Statement (cont'd)

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

#### II. MEMBERSHIPS, LICENSES, CERTIFICATION AND ASSURANCE (CONT'D)

##### **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 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.

#### III. 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.



# Sustainability Statement (cont'd)

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

### III. KEY STAKEHOLDERS ENGAGEMENT (CONT'D)



Miri Zone 1 Stakeholder Meeting with participants from Government Agencies, neighboring estates, local communities and land owners.



Kuching Region Stakeholder Meeting with participants from Government Agencies, neighboring estates, local communities and land owners.

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 FY2023:

## Sustainability Statement (cont'd)

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

#### III. KEY STAKEHOLDERS ENGAGEMENT (CONT'D)

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>

## Sustainability Statement (cont'd)

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

#### III. KEY STAKEHOLDERS ENGAGEMENT (CONT'D)

##### **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.

##### **Blood Donation**

RSB employees has been participating in an annual blood donation drive to support Sibu General Hospital to maintain its blood bank.



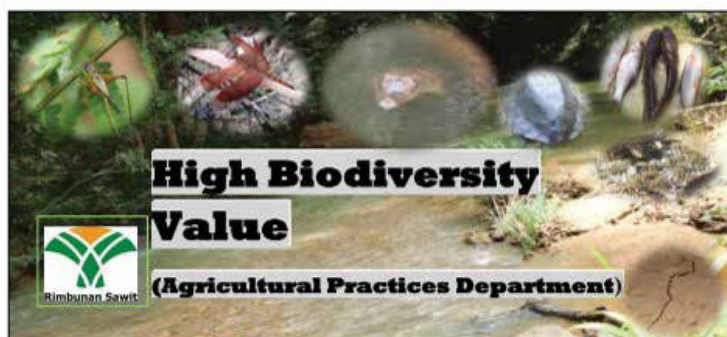
Blood Donation Drive

# Sustainability Statement (cont'd)

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

### III. KEY STAKEHOLDERS ENGAGEMENT (CONT'D)

#### Corporate Social Responsibilities ("CSR") (cont'd)



Biodiversity Assessment Report was made available for each estates of Rimbunan Sawit Berhad by Agricultural Practices Department



Environmental Impact Assessment was done for each estate of Rimbunan Sawit Berhad by Agricultural Practices Department

## Sustainability Statement (cont'd)

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

#### III. KEY STAKEHOLDERS ENGAGEMENT (CONT'D)

##### Corporate Social Responsibilities ("CSR") (cont'd)



Compliances of Natural Resources and Environment Board of Sarawak



MSP0 awareness briefing done annually by Agricultural Practices Department

## Sustainability Statement (cont'd)

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

#### PEOPLE MANAGEMENT

#### II. 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 prioritising 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 recognise 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 endeavours 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?

Prioritising 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)

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

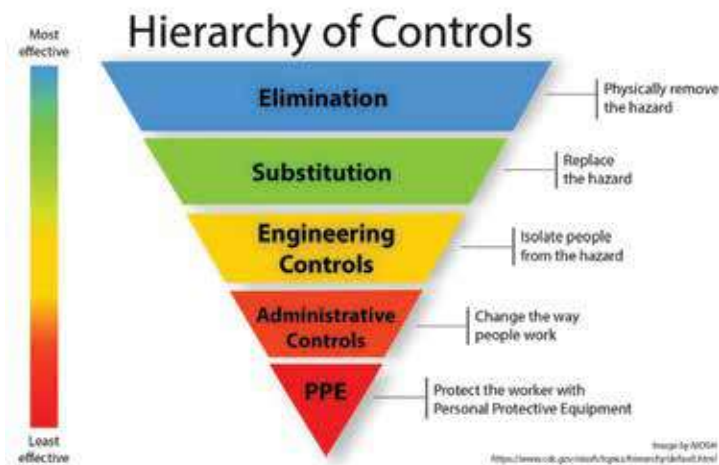
#### PEOPLE MANAGEMENT (CONT'D)

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

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

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

We emphasise 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' organisation and foster a generative culture that prioritises 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 minimise 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.

# Sustainability Statement (cont'd)

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

### PEOPLE MANAGEMENT (CONT'D)

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

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

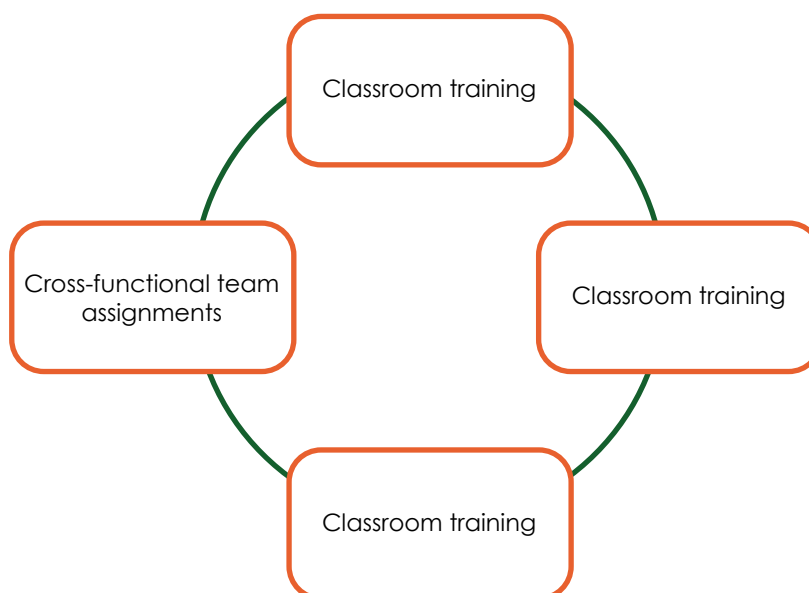
##### Occupational Health and Safety (OSH)

- Training and Development

We offer employees the opportunity to enhance their skills and knowledge through a well-structured training programme. Following the programme, 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.

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.





## Sustainability Statement (cont'd)

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

#### PEOPLE MANAGEMENT (CONT'D)

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

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

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

##### 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 management system (OSHMS:1722) is adopted, while programmes are put in place, regularly reviewed and monitored to ensure continuous improvement;
- 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; and
- vi. The Safety and Health Policy is reviewed from time to time in light of legislative or organizational changes.

##### (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 (including the recent amendments), Factory and Machinery Act 1967, 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;
- iii. After attended such trainings, cascade the knowledge to key operation staff and members of SHC; and
- iv. Review and update, where necessary, the present legal register, safety and health policies, safe work procedures, safe operating procedures, risk assessments, etc, so as to ensure compliances with the latest requirements of safety legislations.

## Sustainability Statement (cont'd)

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

#### PEOPLE MANAGEMENT (CONT'D)

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

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

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

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

##### (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, safety audits and MSPO audits of the operating units;
- iii. Compile hazard risk profiles and devise control strategies;

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:

- 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; and
- vii. Organize regular dialogues and discussions with stakeholders, including the employees, local communities and relevant government bodies on OSH concerns.

##### (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

##### 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.

## Sustainability Statement (cont'd)

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

#### PEOPLE MANAGEMENT (CONT'D)

#### II. 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)

##### Lagging Indicators (Cont'd)

##### i. Occupational Accident Record (Cont'd)

Our group had managed to maintain "zero fatality" in all our operations for five straight years during the period of FYE2017, FYE2018, FYE2019, FYE2020 and FYE2021. Unfortunately, for FYE2022, one fatality was reported. Nevertheless, the occupational accident case was greatly reduced to from 28 cases in FYE2021, four cases in FYE2023 and three cases in FYE2023. This was mainly due to the enhanced in safety awareness among the employees at all levels, albeit the efficiency in accident reporting and increased transparency imposed by MSPO requirements.

Likewise, Incident Rate had also decreased significantly from 13.55 in FYE2021 to mere 1.76 in FYE2022 and further reduced to 0.35 in FYE2023.

In terms of LTIFR, it was further lowered from 0.71 in FYE2022 to 0.14 in FYE2023.

FYE	No. of Workers Employed	Total Man-hours Worked	Total Accident Cases	Fatal Cases	Occur Diseases Cases	Incident Rate (per 1,000 Workers)	LTIFR (per 1,000,000 Hours Worked)	Fatality Rate
2023	2,855	7,148,920	3.00	0	1	0.35	0.14	0.00
2022	2,270	5,665,920	4.00	1	3	1.76	0.71	0.44
2021	2,072	5,188,288	28.00	0	0	13.53	5.39	0.00
2020	2,491	6,217,453	34.00	0	0	13.65	5.47	0.00
2019	3,028	7,557,888	57.00	0	0	18.82	7.54	0.00
2018	3,559	8,883,264	32.00	0	0	8.99	3.60	0.00

##### ii. Occupational Diseases & Poisoning Record

It was reported that there was only one case of hearing impairment involving the workers at RH Plantation, Bakong Estate in FYE2023. They were duly reported by our consultant (Alpine) to DOSH Kuching via "Borang JKKP7".

## Sustainability Statement (cont'd)

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

#### PEOPLE MANAGEMENT (CONT'D)

#### II. 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)

##### Leading Indicators

##### iii. In-house OSH Training FYE2023

The following is the list of the In-house OSH Training titles done in FYE2023 that were organized by SHD:

- a) Keselamatan Pengendalian Kimia (Kilang);
- b) Keselamatan Pengendalian Racun (Ladang);
- c) Emergency First Aid at Workplace;
- d) They were conducted onsite regionally, where our oil palm estates and palm oil mills are located. 31 sessions of in-house safety training were done in FYE2023 even though the safety team was heavily involved in MSPO activities.

##### iv. Safety Tool Box Briefing FYE2023

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. All the 666 sessions of toolbox briefings were properly recorded and reported accordingly.

##### v. OSH Internal Audit FYE2023

Our safety audit teams from SHD based at Sibuluh headquarters managed to conduct 16 sessions of OSH internal audits to estates and mills, which should be conducted at least once per year. 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.

##### vi. 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.

# Sustainability Statement (cont'd)

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

### PEOPLE MANAGEMENT (CONT'D)

#### II. 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)

##### Leading Indicators (Cont'd)

##### vii. 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). Meeting proceedings were properly recorded and reported by the committees' secretaries accordingly, using the standard formats.

##### viii. 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 register 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.

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. They are as follows:

- a) SH03: Unfired pressure vessels (UPV) certification (certificate of fitness).
- b) SH04: Noise mapping at all mills – FYE2022, the estates were also included.
- c) SH05: Covid-19 pandemic at offices – successfully managed.
- d) SH06: Covid-19 pandemic at oil palm estates and CPO mills – successfully managed.
- e) SH07: Firefighting system at CPO mill (RHPOM) – fire certificate (FC) no longer applicable due to changes in Bomba Act.
- f) SH08: Legal compliance with Chemical Health Risk Assessment (CHRA). Previous CHRA's expired mostly in June and July 2022 after every five years period. All reassessments for all mills and estate were completed by January 2023.
- g) 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 4th Quarter of 2023, the climate was quite wet due to monsoon rain, the risk of bush fire is very much lower.

## Sustainability Statement (cont'd)

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

#### PEOPLE MANAGEMENT (CONT'D)

#### II. 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)

##### Leading Indicators (Cont'd)

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

FYE	In-house OSH Training (sessions)	Tool-box Briefing (sessions)	OSH Internal Audits (sessions)	SHC Meeting (% completed)	HIRARC (% completed)
2023	31	666	16	95.00%	100%
2022	28	696	15	87.50%	100%
2021	30	748	1	68.75%	100%

##### i. Personal Protective Equipment (PPE)

Company's PPE Policy is well 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.

##### ix. 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.

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

DOSH registered assessors or "pengapit" were engaged to perform CHRA on our mills and estates once in every 5 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 assessment helps to identify health risk exposures and risk ratings, for recommendation of safety control measures, and for decision on PCEM and Health Surveillance requirements. Those assessments that had expired between June and July 2022 (involving 14 oil palm estates and one CPO mill) were reassessed and fully completed in January 2023.

## Sustainability Statement (cont'd)

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

#### PEOPLE MANAGEMENT (CONT'D)

#### II. 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)

##### Leading Indicators (Cont'd)

##### xi. 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.

##### xii. Audiometric Tests (AT)

In FYE2023, the Hygiene Techs carried out the AT following the conduct of NRA at all the 15 operating units

##### xiii. 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.

No	Occupational Health Surveillance Programme	2021 (session)	2022 (session)	2023 (session)
1	CHRA	NIL	NIL	NIL
2	PCEM	18	NIL	NIL
3	NRA	17	NIL	NIL
4	Medical Surveillance	10 (36pax)	7 (17pax)	14 (31pax)
5	Audiometric Test	2 (59pax)	14 (66pax)	15 (94pax)

##### xiv. 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)

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

#### PEOPLE MANAGEMENT (CONT'D)

#### II. 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)

##### Leading Indicators (Cont'd)

##### xv. 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.

##### xvi. 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 accounted for and that all have safely evacuated to safe places and assembly points. emergencies. Head counts are done by the respective ERT wardens so that all occupants are accounted for and that all have safely evacuated to safe places and assembly points.

##### **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.



Staff Training At Oil Palm Estate



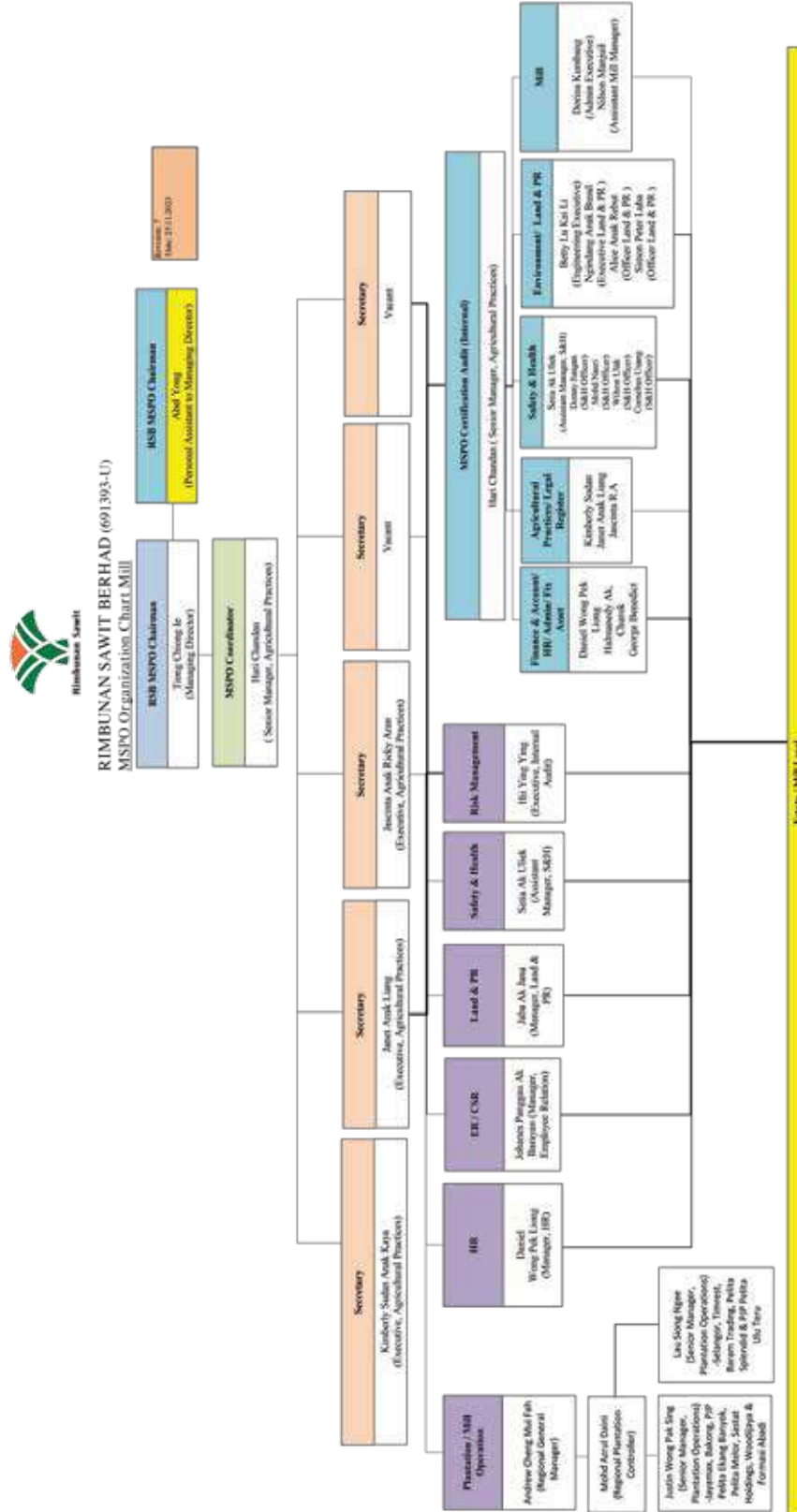
Safety Briefing



# Sustainability Statement (cont'd)

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

### Malaysian Sustainable Palm Oil Organization Chart for Rimbunan Sawit Berhad



## Sustainability Statement (cont'd)

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

#### PEOPLE MANAGEMENT (CONT'D)

##### 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 Kulim.</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 Kulim'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 Kulim 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)

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

#### PEOPLE MANAGEMENT (CONT'D)

##### Business Plan

##### **Budget 2024:**

	Oil Palm (‘000)	Mill (‘000)	Trading & Services (‘000)	Total (‘000)
Operation Costs	191,000	27,000	31,000	249,000
CAPEX	18,000	7,000	500	25,500
PDE <sup>^</sup>	34,000	-	-	34,000
	243,000	34,000	31,500	308,500

<sup>^</sup>PDE = Plantation Development Expenditures - Including Oil Palm (2,824ha, 11millions), Land Preparation for Replanting (3,056ha, 18millions), New Development (522ha, 1millions) & Nursery (32ha, 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, RM27 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 (3,056 ha, RM18 million), new development (522 ha, RM1 million), and nursery (32 ha, RM4 million). This comprehensive approach underscores our dedication to sustainable growth and productivity.

##### **Vision:**

To become one of the top 3 most profitable oil palm plantation companies in Sarawak by 2024, achieving optimum crop yield, competitive production costs, and sustainable agriculture practices.

## Sustainability Statement (cont'd)

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

#### PEOPLE MANAGEMENT (CONT'D)

##### Business Plan (Cont'd)

##### **Mission:**

1. Restore existing planted oil palm during the pandemic to normal by mid-2024.
2. Maximize crop recovery in productive areas with additional resources.
3. Achieve optimum crop yield by the end of 2024 through estate return to basics for the long term.
4. Develop a competent employee workforce to meet changing working environments.
5. Provide a conducive working environment and competitive pay packages to retain good employees.
6. Ensure full compliance with the Malaysian Sustainable Palm Oil (MSPO) standards.

##### **S.W.O.T ANALYSIS:**

##### **1. Strengths:**

- Established estate buildings and infrastructure.
- Own mills with adequate milling capacities.
- Strong supporting departments from headquarters.
- Large fleet of machinery.
- Favorable CPO prices.
- Good synergies with mills and estates.

##### **2. Weaknesses:**

- Poor supervision due to different time zones.
- High administrative costs due to overstaffing.
- Lack of good quarry sources for main roads.
- Poor maintenance of machinery fleet.
- Unstable workforce with high turnover.

##### **3. Opportunities:**

- Synergies among 12 estates for resource sharing.
- Cost savings through centralized workshops and road upkeep supervision.
- Engaging agronomists for palm nutrition.
- Training and upskilling programs.
- Cheaper utility supply.
- Reopening borders after the pandemic for workforce availability.

# Sustainability Statement (cont'd)

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

### PEOPLE MANAGEMENT (CONT'D)

#### Business Plan (Cont'd)

#### 4. Threats:

- Undetected crop pilferages.
- Flood-prone fields causing unharvested areas.
- Acute shortage of workers.
- Enforced regulations and penalties.
- High percentage of unharvested areas.

#### **Plan for Estates Management:**

1. Normalize FFB crop recovery operation in existing planted oil palm blocks by Q3 2024.
2. Maximize FFB recovery in productive blocks with additional resources.
3. Ensure FFB grading and quality control by adopting MPOB definitions.
4. Monitor FFB production yield by Division, Block, Section, and Task.
5. Establish attractive piece rates and incentives for workers, especially Tenaga Kerja Indonesia (TKI).
6. Improve housing facilities for TKI and staff.
7. Upgrade, repair, and maintain internal and external roads for smooth transportation.
8. Implement efficient FFB evacuation using ramps and bins system.
9. Review and carry out desilting, widening, and deepening works for water flow and drainage.
10. Emphasize safety, maintain assets, and comply fully with MSPO.
11. Achieve optimum FFB production and production yield.
12. Focus on timely harvesting, regular flooding management, and road upkeep.
13. Complete restacking and harvesting path compaction for unproductive areas.
14. Implement effective manuring and weeding programs.
15. Construct more conducive living quarters for TKI workers and staff.
16. Upgrade housing facilities and construct a new surau for Muslim workers.

#### **Strategic Plan for Mills Management:**

1. Achieve optimal mill throughput and minimize downtime.
2. Ensure optimal extraction rates (OER & KER) with minimal oil and kernel losses.
3. Monitor production quality through proper grading and quality testing.
4. Lower the cost of production through preventive maintenance and efficient repairs.
5. Maintain good store management with minimum stock inventory levels.
6. Emphasize safety, healthy working conditions, and compliance with OSH standards.
7. Improve customer and vendor relationships for satisfaction.

This business plan outlines a comprehensive strategy for Rimbunan Sawit Bhd to achieve its vision and mission, addressing strengths, weaknesses, opportunities, and threats while providing detailed plans for estates and mills management.

## Sustainability Statement (cont'd)

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

#### PEOPLE MANAGEMENT (CONT'D)



Site visit plantation



Mill visit

#### Conclusion for business plan by account department

The outlined strategic plan exhibits a thorough approach to address key financial aspects, ensuring sustainable growth for Rimbunan Sawit Bhd. By focusing on optimizing crop yield, controlling production costs, and adhering to sustainable practices, the company positions itself for financial success.

1. **Cost Efficiency:** The projected financials for estates and mills reflect a detailed understanding of production costs. Cost management strategies, including machinery maintenance and streamlined operations, contribute to cost-effectiveness.
2. **Revenue Generation:** Maximizing FFB recovery and maintaining favorable relationships with vendors and customers enhance revenue streams. The emphasis on optimal mill throughput and extraction rates further contributes to revenue generation.
3. **Risk Mitigation:** The SWOT analysis identifies potential threats such as undetected crop pilferages, workforce shortages, and regulatory challenges. The strategic plan addresses these risks through efficient monitoring, workforce development, and compliance with MSPO standards, creating a robust risk mitigation framework.
4. **Investment in Workforce:** Recognizing the importance of a competent and stable workforce, the plan invests in training, upskilling programs, and improved working conditions. This not only fosters employee satisfaction but also minimizes turnover, contributing to long-term financial stability.
5. **Capital Allocation:** The financial projections provide a clear picture of the capital required for estate management and mill operations. This enables precise budgeting, preventing overinvestment and ensuring optimal resource allocation.

In conclusion, the financial aspects of the strategic plan align with the company's vision of becoming one of the top 3 most profitable oil palm plantation companies in Sarawak. The focus on cost efficiency, revenue generation, risk mitigation, workforce investment, and prudent capital allocation positions Rimbunan Sawit Bhd for sustained financial success.

# Sustainability Statement (cont'd)

## 15. ASSURANCE STATEMENT

This Sustainability Statement has not been subjected to an assurance process.

RSB's Internal Audit will set a three-year approved internal review plan of the Sustainability Statement on the common indicators:

2024 – 3 Indicators  
2025 – 7 Indicators  
2026 – 11 Indicators

## 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	2023
<b>Bursa (Anti-corruption)</b>		
Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category		
*Management level	Percentage	56.00*
Executive	Percentage	76.00
Non-executive/Technical staff	Percentage	35.00
Bursa C1(b) Percentage of operations assessed for corruption-related risks	Percentage	100.00
Bursa C1(c) Confirmed incidents of corruption and action taken	Number	0
<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	70,965.00
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	59.00
Management Above 50	Percentage	41.00
Executive Under 30	Percentage	5.00
Executive Between 30-50	Percentage	80.00
Executive Above 50	Percentage	15.00
Non-executive/Technical Staff Under 30	Percentage	24.00
Non-executive/Technical Staff Between 30-50	Percentage	61.00
Non-executive/Technical Staff Above 50	Percentage	15.00
General Workers Under 30	Percentage	31.00
General Workers Between 30-50	Percentage	61.00
General Workers Above 50	Percentage	8.00
Gender Group by Employee Category		
Management Male	Percentage	83.00
Management Female	Percentage	17.00
Executive Male	Percentage	60.00
Executive Female	Percentage	40.00
Non-executive/Technical Staff Male	Percentage	76.00
Non-executive/Technical Staff Female	Percentage	24.00
General Workers Male	Percentage	82.00
General Workers Female	Percentage	18.00



## Sustainability Statement (cont'd)

### PERFORMANCE DATA TABLE (CONT'D)

Indicator	Measurement Unit	2023
<b>Bursa (Anti-corruption) (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	28,226.22
<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	0.42
Bursa C5(c) Number of employees trained on health and safety standards	Number	2,240
<b>Bursa (Labour practices and standards)</b>		
Bursa C6(a) Total hours of training by employee category		
Management	Hours	704
Executive	Hours	3,232
Non-executive/Technical Staff	Hours	1,668
General Workers	Hours	1,568
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	4
Executive	Number	25
Non-executive/Technical Staff	Number	103
General Workers	Number	2,522
Bursa C6(d) Number of substantiated complaints concerning human rights violations	Number	41
<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
Bursa (Water)		
Bursa C9(a) Total volume of water used	Megalitres	55.672561

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 2023. 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

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 2023, 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 two (2) Directors or 1/3 of the board of directors of the company, whichever are 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 criterias 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 2023, 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
MIA Webinar Series: ISQM Implementation Part 3 – Forms And Other Documentation	1
MIA Webinar Series : Modified Auditors Opinion Vs Modified Audit Report	1/2
Preference Shares – From Issuance to Redemption/Conversion – Live Webinar	1
Post Budget 2023 – Live Webinar	1
Seminar Percukaian Kebangsaan 2023 Secara Webinar Anjuran	1
Issue and Allotment of Shares - Live Webinar	1/2
MIA International Accountants Conference 2023	2
Anti Corruption Documentations & Procedures Need To Know	1
MIA Webinar Series: Practical Auditing (Part 3)	1
MIA Webinar Series: Practical Auditing (Part 2)	1
MIA Webinar Series: ISA 530 Audit Stamping – From Theory To Practice ; Implementing ISA 530 In The Auditing Process	1
MIA Webinar Series: Latest Special Voluntary Disclosure Programme Announced In Budget 2023	1/2
Practical Guidance & Implementation Workshop on ISQM	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 utilize independent sources to identify suitably qualified candidates if deemed necessary.

The Nomination Committee is chaired by Senior Independent Director and all the members are non-executive Directors and a majority of whom are independent. During the financial year ended 31 December 2023, the Nomination Committee has met twice.

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 2023, 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. 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 2023 were as follows:

	Fee		Salary		Bonus		Other Emoluments		Total	
	Company RM	Group RM	Company RM	Group RM	Company RM	Group RM	Company RM	Group RM	Company RM	Group RM
<b><u>Managing Director</u></b>										
Tiong Chiong Ie	-	62,150	600,000	600,000	100,000	100,000	7,200	7,200	707,200	769,350
<b><u>Non-Executive Directors</u></b>										
Tiong Chiong Ong	70,000	121,300	-	-	50,000	50,000	2,400	2,400	122,400	173,700
Tiong Ing Ming	31,250	31,750	-	-	-	-	8,800	8,800	40,050	40,550
Bong Wei Leong	83,000	83,000	-	-	-	-	4,000	4,000	87,000	87,000
Wong Ing Seng	65,000	111,050	-	-	-	-	8,800	8,800	73,800	119,850
Tiong Chiong Ee	55,000	55,000	-	-	-	-	5,600	5,600	60,600	60,600
Lau Kiing Yiing	65,000	65,000	-	-	-	-	10,400	10,400	75,400	75,400
Lu Yieng Ping	65,000	65,000	-	-	-	-	13,600	13,600	78,600	78,600

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 2023, 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, Mr. Lau Kiing Yiing. 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 2023 are set out below:

	Group (RM)	Company (RM)
<b>Statutory audit fee paid to:</b>		
- Crowe Malaysia PLT	350,000	85,000
- Philip Tong & Co	38,500	-
<b>Total (a)</b>	<b>388,500</b>	<b>85,000</b>
<b>Non-audit fees paid to:</b>		
- Crowe Malaysia PLT	28,250	28,250
- Crowe Tax (Sarawak) Sdn Bhd	100,500	12,200
- Crowe KL Tax Sdn Bhd	170,000	170,000
- Tomax Tax Consultants Sdn Bhd	10,400	-
<b>Total (b)</b>	<b>309,150</b>	<b>210,450</b>
<b>% of non-audit fees (b/a)</b>	<b>79.6%</b>	<b>247.6%</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, preparation of full Transfer Pricing documentation, tax services and non-assurance engagement in respect of proposed capital reduction and proposed disposals.

# Corporate Governance Overview Statement (cont'd)

## PRINCIPLE B: EFFECTIVE AUDIT & RISK MANAGEMENT (CONT'D)

### I. Audit Committee (Cont'd)

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 122 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 122 to 123 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 127 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 2023, the Nomination Committee has met twice and the activities carried out by the Nomination Committee during the financial year ended 31 December 2023 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 8 April 2024.

# STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

## INTRODUCTION

The Board is pleased to present the Statement on Risk Management and Internal Control (SORMIC), which outlines the nature of risk management and internal controls with the Group, for the year under review. This statement is prepared in accordance with:

- Paragraph 15.26(b) of the Main Market Listing Requirement ("Main LR") of Bursa Malaysia; and
- Statement on Risk Management and Internal Control – Guidelines for Directors of Listed Issuers.

## ROLES AND RESPONSIBILITIES

### Board of Directors

The Group is led by the Board. The Board has delegated the governance and risk management responsibilities to Audit Committee ("AC") and Risk Management Committee ("RMC") which ensures independent oversight of internal controls and risk management. Notwithstanding the delegated responsibilities, the Board affirms its responsibility for overseeing and ensuring a sound system of risk management and internal control for the Group.

The Group's system of internal controls encompasses financial, operational and compliance controls, risk management, integrity and governance. In view of the limitations that are inherent in any system of internal controls, the system is designed to manage, rather than eliminate the risks that hinder the Company from achieving its business objectives. It can therefore only provide reasonable, rather than absolute, assurance against material misstatement of financial information, financial losses, fraud and breaches of laws or regulations.

### Risk Management

The Group has established the Risk Management Department ("RMD") to assist the Board in ensuring the implementation of appropriate systems to manage the overall risk exposure of the Group. Among others the RMD is responsible for assisting in development of risk management framework, ensuring all the necessary policies and mechanism included; maintaining the risk register for the Group; monitoring and reporting of the key risks as identified by the Management and facilitate the quarterly risk review to RMC. RMC ensures that the overall risks are adequately identified and managed within an acceptable risk appetite. Significant risks, together with its impact, mitigating actions and improved results, were presented to the Board.

### Internal Audit

The Group's Internal Audit Function is carried out by an independent in-house Internal Audit Department ("IAD"), which reports functionally directly to AC in accordance with Paragraph 15.27 of Main LR of Bursa Malaysia and report to Managing Director ("MD") on corporate administrative matters. Internal audit are carried out on units based on annual audit plan approved by the AC, which are determined using risk-based approach and also taking into consideration input from Management, AC and the Board.

The IAD's performance and conduct is guided by The International Standards for the Professional Practice of Internal Auditing (the IIA Standards), the International Professional Practices Framework (IPPF) and also Malaysian Code on Corporate Governance 2021.

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

### RISK MANAGEMENT FRAMEWORK

The Group adopts an Enterprise Risk Management (“ERM”) framework which streamline operations to realise business goals of organization. This ERM provides structural guidance to identify, evaluate, control, report and monitor significant risks faced by organisation, including action plans to treat risks are monitored in relation to organization’s appetite. Additionally, this framework accords ownership of risk to process owners by engaging every level of the organization as risk owners of their immediate sphere of risks which aims to approach risk management holistically and mitigating measures to address risks to acceptable levels (using risk register).

Listed below are the principal risk as a guidelines on risk reporting:

<b>Operating Risk</b>	Operating risk management ranges from managing strategic operating risks to manage diverse day-to-day business activities such as production, safety, health and environment, sustainability and compliance with laws and regulations.
<b>Financial Risk</b>	The Group is exposed to various financial risks relating to credit, liquidity, interest rates and etc. Financial Risk involves the Group operating liabilities to the financial results of uncertainty such as unreasonable capital structure, unreasonable debt maturity arrangement which cause problem in repayment of debt and etc.
<b>Compliance Risk</b>	Risk related to meeting global sustainability standards and certification. The Group is committed to achieving compliance of MSPO Guidelines, ISO certified, labour law and other quality standards to achieve excellence in quality management of our business. Compliance to these standards will ensure wider market reach with current demand for sustainable palm oil.
<b>Environment Risk</b>	Erratic Weather Conditions impacting operation.
<b>Human Resource Risk</b>	Our plantation is highly dependent on foreign labour especially from Indonesia for its operations. Policy changes, increased competition and intensified scrutiny of labour management may impact our operations which in turn leads to decrease in sales and profit.

### INTERNAL CONTROL SYSTEM

During the year under review and up to the date of this Statement, the Group manages its risks by implementing various internal control mechanisms. The key elements of the internal control systems are as follows:

- The Group has established an organizational structure that is aligned with its business and Operational requirements, with clearly defined lines of responsibility and authority levels;
- Relevant senior management have been delegated with specific accountability for monitoring the performance of designated business operating units;
- Policies and procedures relating to the delegation of authority and segregation of duties have been established for key business processes to ensure compliance with the internal control and the prescribed laws and regulations. The Group’s policies and procedures are reviewed and revised periodically to meet changing business and operational needs and regulatory guidelines.
- Annual business plans and budgets of the Group are prepared by business and operating units, reviewed and approved by the Board. Performance achievements are reviewed against the targeted results on a monthly basis allowing timely responses and corrective actions to be taken to mitigate risks.
- Regular operational meetings are held and are attended by MD, Regional General Managers and department heads to discuss the Group’s operational matters.

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

### INTERNAL CONTROL SYSTEM (CONT'D)

- Board meetings are held on quarterly basis with a formal agenda on matters for discussion. The Board is kept updated on the Group's activities and operations on a timely and regular basis.
- Periodic review and updates of risk profiles for principal risk and emerging risks both internal and external risks which will potentially derail the achievement of the business goals and objectives.
- Ensure internal audit programme covered identified principal risks. Audit findings throughout the financial period served as key feedback to validate effectiveness of risk management activities and embedded internal controls.
- Review implementation progress of actionable programme, and evaluated post-implementation effectiveness.

The group will continue to enhance the adequacy and effectiveness of the internal control system of the Group.

### 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. Their limited assurance review was performed in accordance with the Audit and Assurance Practice Guide (AAPG) 3 (Revised November 2022) 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.

### CONCLUSION

The Board is satisfied with the adequacy and effectiveness of the Group's risk management and internal control system. The Board has received assurance from the MD and Corporate's GM that the Group's risk management and internal control system, in all material aspects, is operating adequately and effectively. For the financial year under review, there were no material control failures or adverse compliance events that have directly resulted in any material loss to the Group.

**This statement on Risk Management and internal control is made in accordance with the resolution of the Board dated 8 April 2024.**

# 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 2023 comprises the following members:

Chairman	:	Lau Kiing Yiing (Independent Director)
Members	:	Lu Yieng Ping (Independent Director)
	:	Wong Ing Seng (Non-Independent Non-Executive Director)

Mr. Lau Kiing Yiing and Ms. Lu Yieng Ping are members 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 2023. 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
Lau Kiing Yiing	4 out of 5
Lu Yieng Ping	5 out of 5
Wong Ing Seng	5 out of 5
Tiong Ing Ming (Resigned on 31/05/2023)	3 out of 5

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 2023:

#### Financial Reporting

1. Reviewed with the external auditors their audit for the financial year ended 31 December 2022 ("FY2022") 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 FY2022 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 FY2023 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 FY2023 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.

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

### 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.

### 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 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
2. 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.
3. 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 2023, 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;
- 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 2023 was RM 950,997.74 (FY 2022: RM 878,110.81). The increased of cost in year 2023 was mainly due to an increase of ad-hoc field audit review.

This Report is made in accordance with the resolution of the Board of Directors dated 8 April 2024.



# 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 08 April 2024.



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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 2023.

## 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 RM	The Company RM
Profit after taxation for the financial year	13,018,208	36,503,407
Attributable to:-		
Owners of the Company	25,110,418	36,503,407
Non-controlling interests	(12,092,210)	-
	13,018,208	36,503,407

## 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) the Company reduced its issued and paid-up share capital from RM614,600,257 to RM391,510,496 via the cancellation of its issued and 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; 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 concern as the directors believe that, with the implementation of the rationalisation plan and 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 other than the recognition of a net reversal of impairment losses in respect of property, plant and equipment, which was predominantly triggered by reclassification of certain non-current assets as "Assets classified as held for sale" as disclosed in Note 7 and 17 to the financial statements.

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  
Tiong Ing Ming (Retired on 31.5.2023)  
Lau Kiing Yiing  
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 (Appointed on 10.5.2023)  
Datuk Tiong Thai King  
Datuk Stephen Timothy Wan Ullok  
Datu Junaidi Bin Reduan (Resigned on 29.3.2023)  
Datu Monaliza Binti Zaidel (Resigned on 13.3.2024)  
George Lentton Anak Indang  
Ronald Tiong Chiong Kai (Appointed on 1.5.2023)  
Sebastian Ak Baya  
Tiong Kiong King (Resigned on 1.5.2023)  
Wong Yueo Yuon (Appointed on 30.3.2023)  
YBhg. Datu Stephen Jussem Dundon

### 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 1.1.2023	Bought	Sold	At 31.12.2023
Direct Interests in the Company				
Tiong Chiong Ong	6,611,908	-	-	6,611,908
Wong Ing Seng	64,800	-	-	64,800
Indirect Interests in the Company				
Tiong Chiong Ong *	326,714	-	-	326,714
Tiong Chiong Ie ^	-	1,526,700	-	1,526,700
Tiong Chiong Ee #	-	500,000	-	500,000
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 RM	The Company RM
Fees	624,351	434,250
Salaries, bonus and other benefits	1,054,930	811,959
Defined contribution benefits	79,768	74,168
	1,759,049	1,320,377

### 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 RM388,500 and RM85,000.

Signed in accordance with a resolution of the directors dated 25 April 2024.

**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 142 to 214 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 2023 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 25 April 2024.

**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 142 to 214 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, NRIC Number: 720409-13-5521  
at Sibul  
in the State of Sarawak  
on this 25 April 2024

**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 2023 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, comprising material accounting policy information and other explanatory information, as set out on pages 142 to 214.

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 2023, 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 2023, the Group's current liabilities exceeded its current assets by RM133.3 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 (Cont'd)

## To The Members Of Rimbunan Sawit Berhad

### 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> Refer to Note 7 in the financial statements	
<b>Key Audit Matter</b>	<b>How our audit addressed the key audit matter</b>
<p>The Group has oil palm plantation assets with a carrying amount of RM574.9 million as of 31 December 2023. A reversal of RM58.6 million was recognised for the financial year in respect of these plantation assets.</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>We gave audit focus on the impairment of these plantation assets because the estimation of their recoverable amounts involves significant management 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 (Cont'd)

## To The Members Of Rimbunan Sawit Berhad

### 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 (Cont'd)

## To The Members Of Rimbunan Sawit Berhad

### 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

# Independent Auditors' Report (Cont'd)

## To The Members Of Rimbunan Sawit Berhad

### 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

25 April 2024

Sibu, Sarawak

**Jackson Law Sie Ong**  
03534/10/2024 J  
Chartered Accountant

# STATEMENTS OF FINANCIAL POSITION

## AS AT 31 DECEMBER 2023

	Note	The Group		The Company	
		2023 RM	2022 RM	2023 RM	2022 RM
<b>ASSETS</b>					
<b>NON-CURRENT ASSETS</b>					
Investments in subsidiaries	6	-	-	472,706,609	404,028,688
Property, plant and equipment	7	672,011,163	769,503,108	718,926	1,265,311
Biological assets	8	-	565,494	-	-
Intangible assets	9	9,152	21,671	-	-
Other investment	10	5,000,000	5,000,000	5,000,000	5,000,000
Goodwill	11	5,129,956	5,263,626	-	-
Amount owing by subsidiaries	12	-	-	348,548,252	354,161,815
Deposits with licensed banks	13	120,051	120,051	-	-
		682,270,322	780,473,950	826,973,787	764,455,814
<b>CURRENT ASSETS</b>					
Inventories	14	18,640,936	31,680,568	-	-
Biological assets	8	3,523,781	3,400,897	-	-
Trade receivables	15	12,163,599	11,421,885	-	-
Other receivables, deposits and prepayments	16	8,656,131	11,714,680	1,753,502	2,707,319
Current tax assets		1,847,179	2,062,425	-	475,609
Deposits with licensed banks	13	-	5,300,000	-	-
Cash and bank balances		2,658,257	5,170,398	695,740	3,119,840
		47,489,883	70,750,853	2,449,242	6,302,768
Assets classified as held for sale	17	123,553,456	-	-	-
		853,313,661	851,224,803	829,423,029	770,758,582
<b>EQUITY AND LIABILITIES</b>					
<b>EQUITY</b>					
Share capital	18	391,510,496	614,600,257	391,510,496	614,600,257
Reserves	19	16,333,087	(231,867,092)	58,947,481	(200,645,687)
Equity attributable to owners of the Company		407,843,583	382,733,165	450,457,977	413,954,570
Non-controlling interests	6	(44,911,117)	(29,258,846)	-	-
<b>TOTAL EQUITY</b>		<b>362,932,466</b>	<b>353,474,319</b>	<b>450,457,977</b>	<b>413,954,570</b>

The annexed notes form an integral part of these financial statements.

# Statements Of Financial Position (Cont'd)

As at 31 December 2023

	Note	The Group		The Company	
		2023 RM	2022 RM	2023 RM	2022 RM
NON-CURRENT LIABILITIES					
Borrowings	20	150,376,434	158,910,262	1,550,000	-
Deferred tax liabilities	22	35,657,889	42,704,459	28,900	-
		186,034,323	201,614,721	1,578,900	-
CURRENT LIABILITIES					
Trade payables	23	66,530,612	70,540,988	-	-
Other payables, deposits and accruals	24	47,041,602	32,596,476	15,374,233	12,379,895
Amount owing to subsidiaries	12	-	-	349,515,534	321,299,117
Borrowings:-	20	-	2,694,121	-	-
- bank overdrafts		-	-	-	-
- other borrowings		189,728,747	187,817,432	12,475,000	23,125,000
Current tax liabilities		1,045,911	2,486,746	21,385	-
		304,346,872	296,135,763	377,386,152	356,804,012
TOTAL LIABILITIES		490,381,195	497,750,484	378,965,052	356,804,012
TOTAL EQUITY AND LIABILITIES		853,313,661	851,224,803	829,423,029	770,758,582

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 2023

	Note	The Group		The Company	
		2023 RM	2022 RM	2023 RM	2022 RM
REVENUE	25	507,761,571	675,917,025	7,530,000	1,400,000
COST OF SALES		(488,373,700)	(614,900,927)	-	-
GROSS PROFIT		19,387,871	61,016,098	7,530,000	1,400,000
OTHER INCOME		68,741,931	18,784,263	56,626,435	9,526,466
DISTRIBUTION COSTS		(22,286,166)	(30,196,835)	-	-
ADMINISTRATIVE AND OTHER EXPENSES		(34,213,074)	(31,254,597)	(5,902,763)	(26,225,228)
FINANCE COSTS	26	(14,352,116)	(12,855,871)	(11,149,040)	(5,556,879)
NET IMPAIRMENT GAINS/(LOSSES) ON FINANCIAL ASSETS	27	47,824	497,921	(10,063,121)	(76,634,201)
PROFIT/(LOSS) BEFORE TAXATION	28	17,326,270	5,990,979	37,041,511	(97,489,842)
INCOME TAX EXPENSE	29	(4,308,062)	(11,808,686)	(538,104)	(3,051)
PROFIT/(LOSS) AFTER TAXATION		13,018,208	(5,817,707)	36,503,407	(97,492,893)
OTHER COMPREHENSIVE INCOME		-	-	-	-
TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR		13,018,208	(5,817,707)	36,503,407	(97,492,893)
<b>PROFIT/(LOSS) AFTER TAXATION ATTRIBUTABLE TO:-</b>					
Owners of the Company		25,110,418	(329,848)	36,503,407	(97,492,893)
Non-controlling interests		(12,092,210)	(5,487,859)	-	-
		13,018,208	(5,817,707)	36,503,407	(97,492,893)
<b>TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:-</b>					
Owners of the Company		25,110,418	(329,848)	36,503,407	(97,492,893)
Non-controlling interests		(12,092,210)	(5,487,859)	-	-
		13,018,208	(5,817,707)	36,503,407	(97,492,893)
<b>EARNING/(LOSS) PER SHARE (SEN)</b>	30				
Basic		1.23	(0.02)		
Diluted		1.23	(0.02)		

The annexed notes form an integral part of these financial statements.

# STATEMENTS OF CHANGES IN EQUITY

## FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

The Group	Note	Share Capital RM	Merger Reserve RM	(Accumulated Losses)/Retained Profits RM	Attributable to		Total Equity RM
					Owners of the Company RM	Non-controlling Interests RM	
Balance at 1.1.2022		614,600,257	(53,065,553)	(178,471,691)	383,063,013	(23,770,987)	359,292,026
Loss after taxation/Total comprehensive income for the financial year		-	-	(329,848)	(329,848)	(5,487,859)	(5,817,707)
Balance at 31.12.2022/1.1.2023		614,600,257	(53,065,553)	(178,801,539)	382,733,165	(29,258,846)	353,474,319
Profit after taxation/Total comprehensive income for the financial year		-	-	25,110,418	25,110,418	(12,092,210)	13,018,208
Contributions by and distributions to owners of the Company:-							
- reduction of share capital - dividends	18	(223,089,761)	-	223,089,761	-	-	-
- by subsidiaries to non-controlling interests		-	-	-	-	(3,270,000)	(3,270,000)
Disposal of subsidiaries	31	-	-	-	-	(290,061)	(290,061)
Balance at 31.12.2023		391,510,496	(53,065,553)	69,398,640	407,843,583	(44,911,117)	362,932,466

The annexed notes form an integral part of these financial statements.

# Statements Of Changes In Equity (Cont'd)

For The Financial Year Ended 31 December 2023

<b>The Company</b>	<b>Note</b>	<b>Share Capital RM</b>	<b>(Accumulated Losses)/ Retained Profits RM</b>	<b>Total Equity RM</b>
Balance at 1.1.2022		614,600,257	(103,152,794)	511,447,463
Loss after taxation/Total comprehensive income for the financial year		-	(97,492,893)	(97,492,893)
Balance at 31.12.2022/1.1.2023		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		391,510,496	58,947,481	450,457,977

The annexed notes form an integral part of these financial statements.

## STATEMENTS OF CASH FLOWS

### FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

	The Group		The Company	
	2023 RM	2022 RM	2023 RM	2022 RM
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit/(loss) before taxation	17,326,270	5,990,979	37,041,511	(97,489,842)
Adjustments for:-				
Allowance for stock obsolescence	112,837	-	-	-
Allowance for stock obsolescence no longer required	-	(10,857)	-	-
Amortisation of intangible assets	12,519	14,659	-	-
Bad debts written off	943,732	93,858	54,881	-
Biological assets written off	620,029	755,884	-	-
Changes in fair value of:-				
- biological assets	(122,884)	1,708,667	-	-
- other investment	-	(3,356,753)	-	(3,356,753)
Depreciation of property, plant and equipment	68,545,258	65,911,124	553,312	609,149
Dividend income	-	-	(7,530,000)	(1,400,000)
(Gain)/loss on disposal of:-				
- property, plant and equipment	(659,092)	(31,306)	-	(82,451)
- investments in subsidiaries	2,098,984	-	2,960,079	-
Gain on derecognition of lease contracts	(8,537)	(735)	-	-
Impairment losses on:-				
- amount owing by subsidiaries	-	-	15,207,244	79,130,791
- investments in subsidiaries	-	-	-	24,189,165
- trade and other receivables	-	53,106	-	-
Impairment losses no longer required:-				
- amount owing by subsidiaries	-	-	(5,144,123)	(2,496,590)
- investments in subsidiaries	-	-	(41,638,000)	-
- property, plant and equipment	(58,552,326)	(4,525,903)	-	-
- trade and other receivables	(47,824)	(551,027)	-	-
Interest expense	14,352,116	12,855,871	11,149,040	5,556,879
Interest income	(18,613)	(142,637)	(11,849,674)	(6,051,785)
Inventories written down	85	6,290	-	-
Inventories written off	741,037	107,831	-	-
Payables written off	(2,618,140)	(4,496)	(2,617,608)	-
Property, plant and equipment written off	7,391,057	2,474,343	1	188
Operating profit/(loss) before working capital changes	50,116,508	81,348,898	(1,813,337)	(1,391,249)
Decrease/(increase) in inventories	12,185,673	(11,003,068)	-	-
(Increase)/decrease in trade and other receivables	(385,769)	1,175,954	898,936	515,977
Increase in trade and other payables	13,107,997	11,808,856	5,611,946	4,805,715
CASH FROM OPERATIONS/ BALANCE CARRIED FORWARD	75,024,409	83,330,640	4,697,545	3,930,443

The annexed notes form an integral part of these financial statements.

# Statements Of Cash Flows (Cont'd)

For The Financial Year Ended 31 December 2023

	Note	The Group		The Company	
		2023 RM	2022 RM	2023 RM	2022 RM
CASH FROM OPERATIONS/ BALANCE BROUGHT FORWARD		75,024,409	83,330,640	4,697,545	3,930,443
Income tax paid		(14,030,818)	(15,711,830)	(489,324)	(195,039)
Income tax refunded		957,596	2,390,155	477,115	499,638
Interest paid		(7,814,319)	(6,445,632)	(11,077,855)	(5,469,136)
Interest received		18,613	142,637	11,849,674	6,051,075
NET CASH FROM OPERATING ACTIVITIES		54,155,481	63,705,970	5,457,155	4,816,981
CASH FLOWS(FOR)/FROM INVESTING ACTIVITIES					
Net advance to subsidiaries		-	-	23,766,858	39,754,259
Costs incurred on biological assets		(49,576)	(163,260)	-	-
Disposal of subsidiaries, net of cash and cash equivalents disposed of	31	(10,785)	-	-	-
Dividend received		-	-	7,530,000	1,400,000
Proceeds from capital reduction of subsidiaries	6(b)	-	-	-	4,000,000
Proceeds from disposal of property, plant and equipment		2,128,923	499,600	4,550	165,000
Purchase of property, plant and equipment	32(a)	(37,348,861)	(25,192,484)	(11,478)	(8,277)
Subscription of shares in subsidiaries		-	-	(30,000,000)	(33,000,000)
NET CASH(FOR)/FROM INVESTING ACTIVITIES		(35,280,299)	(24,856,144)	1,289,930	12,310,982
BALANCE CARRIED FORWARD		18,875,182	38,849,826	6,747,085	17,127,963

The annexed notes form an integral part of these financial statements.

## Statements Of Cash Flows (Cont'd)

For The Financial Year Ended 31 December 2023

	Note	The Group		The Company	
		2023 RM	2022 RM	2023 RM	2022 RM
BALANCE BROUGHT FORWARD		18,875,182	38,849,826	6,747,085	17,127,963
CASH FLOWS FOR FINANCING ACTIVITIES					
Dividend paid by subsidiaries to non-controlling interests		(3,270,000)	-	-	-
Drawdown of term loans	32(b)	24,718,976	9,003,068	-	-
Net of drawdown/(repayment) of bankers' acceptance	32(b)	3,697,000	(2,340,000)	-	-
Net repayment of revolving credit	32(b)	(4,876,500)	(15,452,000)	(8,500,000)	(13,500,000)
Payment of interests on long-term borrowings	32(b)	(8,936,167)	(7,678,683)	(71,185)	(87,743)
Repayment of hire purchase payables	32(b)	(514,455)	-	-	-
Repayment of lease liabilities	32(b)	(1,357,194)	(1,289,165)	-	-
Repayment of secured loans	32(b)	(300,000)	(190,000)	-	-
Repayment of term loans	32(b)	(31,405,933)	(26,641,894)	-	-
Repayment of unsecured loans	32(b)	(1,748,929)	(1,510,650)	(600,000)	(600,000)
NET CASH FOR FINANCING ACTIVITIES		(23,993,202)	(46,099,324)	(9,171,185)	(14,187,743)
NET(DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		(5,118,020)	(7,249,498)	(2,424,100)	2,940,220
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR		7,776,277	15,025,775	3,119,840	179,620
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR	32(d)	2,658,257	7,776,277	695,740	3,119,840

The annexed notes form an integral part of these financial statements.

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

### 1. GENERAL INFORMATION

The Company is a public limited liability company, incorporated and domiciled in Malaysia. 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 consolidated financial statements include the financial statements of the Company and its subsidiaries made up to the end of the reporting period.

The consolidated financial statements 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 25 April 2024.

### 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)**

MFRS 17 Insurance Contracts

Amendments to MFRS 17 Insurance Contracts

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

Amendments to MFRS 101: Disclosure of Accounting Policies

Amendments to MFRS 108: Definition of Accounting Estimates

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

Amendments to MFRS 112: International Tax Reform – Pillar Two Model Rules

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 except as follows: -

The Amendments to MFRS 101 'Disclosure of Accounting Policies' did not result in any changes to the existing accounting policies of the Group and of the Company. The amendments require the disclosure of 'material' rather than 'significant' accounting policies and provide guidance on how entities apply the concept of materiality in making decisions about the material accounting policy disclosures. The Group and the Company have made updates to the accounting policies presented in Note 5 to the financial statements in line with the amendments.

# Notes To The Financial Statements (cont'd)

## For The Financial Year Ended 31 December 2023

### 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>
Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred
Amendments to MFRS 16: Lease Liability in a Sale and Leaseback	1 January 2024
Amendments to MFRS 101: Classification of Liabilities as Current or Non-current	1 January 2024
Amendments to MFRS 101: Non-current Liabilities with Covenants	1 January 2024
Amendments to MFRS 107 and MFRS 7: Supplier Finance Arrangements	1 January 2024
Amendments to MFRS 121: Lack of Exchangeability	1 January 2025

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.

### 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 RM133.3 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 2023, the Group's total borrowings amounted to RM340.1 million (2022: RM349.4 million), of which RM189.7 million (2022: RM190.5 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 RM113.6 million (2022: RM103.1 million) as at 31 December 2023. Of these payables, RM39.4 million (2022: RM36.4 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 RM100.2 million (2022: RM84.8 million) for the financial year. As at the end of the reporting period, the Group has available approved unutilised credit facilities to meet the shortfall in working capital requirements, if any.

The Group believes that it will continue to enjoy the existing credit facilities granted by the banks as it has not defaulted on any repayment obligations for the financial year. Furthermore, as part of its rationalisation plan, the Group has taken measures to improve its cash flows position by downsizing or ceasing the operations of certain unproductive oil palm plantation estates, so as to reduce future losses and cash outflows. Two (2) out of four (4) unproductive oil palm plantation estates were sold during the financial year. The Proposed Disposal as disclosed in Note 39 to the financial statements is expected to raise RM165.0 million which is expected to be utilised for the repayment of bank borrowings and creditors, funding of replanting and rehabilitation programme, as well as working capital of the Group. Besides that, the Group will proceed to accelerate the replanting of the least productive tall palm areas with the aim to improve the age profile of the palms whilst planting high-yielding material to impart a significant boost to plantation productivity. The Group also believes that it has an arguable case to contend that there is no legal and factual basis for the tax authority to issue notices of additional assessment, based on the legal advice, as disclosed in Note 37 to the financial statements.



# Notes To The Financial Statements (cont'd)

## For The Financial Year Ended 31 December 2023

#### 4. GOING CONCERN (Cont'd)

In view of the above, barring any other unforeseen circumstances, management believes that, with the implementation of the rationalisation plan and the existing credit lines granted by the banks, as well as the continued financial support from the related parties and completion of proposed disposal, 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.

###### (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.

# Notes To The Financial Statements (cont'd)

## For The Financial Year Ended 31 December 2023

### 5. MATERIAL ACCOUNTING POLICY INFORMATION (Cont'd)

#### 5.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (Cont'd)

##### *Key Sources of Estimation Uncertainty (Cont'd)*

##### **(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.

##### **(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.

# Notes To The Financial Statements (cont'd)

## For The Financial Year Ended 31 December 2023

### 5. MATERIAL ACCOUNTING POLICY INFORMATION (Cont'd)

#### 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.

##### (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.

# Notes To The Financial Statements (cont'd)

## For The Financial Year Ended 31 December 2023

### 5. MATERIAL ACCOUNTING POLICY INFORMATION (Cont'd)

#### 5.4 FINANCIAL INSTRUMENTS (Cont'd)

##### (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.

##### (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%

# Notes To The Financial Statements (cont'd)

## For The Financial Year Ended 31 December 2023

### 5. MATERIAL ACCOUNTING POLICY INFORMATION (Cont'd)

#### 5.6 PROPERTY, PLANT AND EQUIPMENT (Cont'd)

##### (b) Other Property, Plant and Equipment (Cont'd)

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 and planted gaharu trees.

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. Planted gaharu trees are classified as non-current assets as they are expected to be harvested and sold or used for production on a date 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.

#### 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.

# Notes To The Financial Statements (cont'd)

## For The Financial Year Ended 31 December 2023

### 5. MATERIAL ACCOUNTING POLICY INFORMATION (Cont'd)

#### 5.9 LEASES (Cont'd)

##### (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 (cont'd)

## For The Financial Year Ended 31 December 2023

### 6. INVESTMENTS IN SUBSIDIARIES

	The Company	
	2023	2022
Unquoted shares, at cost	819,669,082	792,629,161
Less: Accumulated impairment losses	(346,962,473)	(388,600,473)
	472,706,609	404,028,688

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
		2023 %	2022 %	
<i>Subsidiaries of the Company</i>				
Baram Trading Sdn. Bhd. *	Malaysia	85	85	Cultivation of oil palm
Burung Tiong Helicopter Sdn. Bhd.	Malaysia	-	85	Wound up
Jayamax Plantation Sdn. Bhd.	Malaysia	100	100	Cultivation of oil palm
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

# Notes To The Financial Statements (cont'd)

## For The Financial Year Ended 31 December 2023

### 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
		2023 %	2022 %	
<i>Subsidiaries of the Company</i>				
R.H. Plantation Sdn. Bhd.	Malaysia	100	100	Cultivation of oil palm and operation of palm oil mill
Rajang Agrisupplies Sdn. Bhd.	Malaysia	-	100	Wound up
Rajang Builders Sdn. Bhd.	Malaysia	100	100	Workshop operation services
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
Topline Synergy Sdn. Bhd.	Malaysia	-	100	Wound up
Woodijaya Sdn. Bhd.	Malaysia	100	100	Cultivation of oil palm
<i>Subsidiary of Nescaya Palma Sdn. Bhd.</i>				
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.



# Notes To The Financial Statements (cont'd)

## For The Financial Year Ended 31 December 2023

### 6. INVESTMENTS IN SUBSIDIARIES (Cont'd)

- (a) During the financial year, the Company recognised a reversal of RM41,638,000 in "Other Income" line item of the statement of profit or loss and other comprehensive income. The reversal was predominantly triggered by reclassification of certain non-current assets as "Assets classified as held for sale" by subsidiaries of the Company as disclosed in Note 17 to the financial statements. In the previous financial year, a total impairment loss of RM24,189,165, representing the write down of the investments to their recoverable amounts, was recognised.
- (b) In the previous financial year, the following wholly-owned subsidiaries of the Company, undertook capital reduction exercises pursuant to Section 117 of the Companies Act 2016, the details of which are as follows: -

	Issued and paid-up share capital			
	Before capital reduction RM	Cancellation of shares at RM1 each RM	After capital reduction RM	Capital repayment RM
<b>2022</b>				
Lumiera Enterprise Sdn. Bhd.	30,000,000	(4,000,000)	26,000,000	4,000,000

- (c) The non-controlling interests at the end of the reporting period comprise the following: -

	Effective Equity Interest		The Group	
	2023 %	2022 %	2023 RM	2022 RM
PJP Pelita Biawak Plantation Sdn. Bhd. ("Biawak")	15	15	5,644,698	6,490,478
PJP Pelita Ekang-Banyok Plantation Sdn. Bhd. ("Ekang-Banyok")	40	40	(11,727,234)	(9,216,263)
PJP Pelita Lundu Plantation Sdn. Bhd. ("Lundu")	40	40	18,684,380	20,804,944
PJP Pelita Selangau Plantation Sdn. Bhd. ("Selangau")	40	40	(30,602,946)	(27,023,009)
PJP Pelita Ulu Teru Plantation Sdn. Bhd. ("Ulu Teru")	40	40	(23,103,329)	(17,767,500)
Other individually immaterial subsidiaries			(3,806,686)	(2,547,496)
			(44,911,117)	(29,258,846)

# Notes To The Financial Statements (cont'd)

## For The Financial Year Ended 31 December 2023

### 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: -

	<b>Biawak</b>	
	<b>2023</b>	<b>2022</b>
	<b>RM</b>	<b>RM</b>
<u>At 31 December</u>		
Non-current assets	33,624,236	39,972,670
Current assets	15,710,776	16,274,767
Non-current liabilities	(6,741,368)	(8,081,170)
Current liabilities	(4,962,323)	(4,896,412)
Net assets	<u>37,631,321</u>	<u>43,269,855</u>
<u>Financial year ended 31 December</u>		
Revenue	18,705,809	21,324,684
(Loss)/profit for the financial year	(1,438,534)	10,741,395
Total comprehensive income	<u>(1,438,534)</u>	<u>10,741,395</u>
Total comprehensive income attributable to non-controlling interests	(215,780)	1,611,209
Dividends paid to non-controlling interests	(630,000)	-
Net cash flows (for)/from operating activities	(7,972,447)	5,746,450
Net cash flows from/(for) investing activities	22,649	(21,068)
Net cash flows from/(for) financing activities	7,943,159	(5,719,643)
<u>Ekang-Banyok</u>		
	<b>2023</b>	<b>2022</b>
	<b>RM</b>	<b>RM</b>
<u>At 31 December</u>		
Non-current assets	42,516,542	44,223,306
Current assets	1,570,803	1,754,930
Non-current liabilities	-	-
Current liabilities	(73,405,430)	(69,018,893)
Net liabilities	<u>(29,318,085)</u>	<u>(23,040,657)</u>

# Notes To The Financial Statements (cont'd)

## For The Financial Year Ended 31 December 2023

### 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)

	<b>Ekang-Banyok</b>	
	<b>2023</b>	<b>2022</b>
	<b>RM</b>	<b>RM</b>
<u>Financial year ended 31 December</u>		
Revenue	7,712,271	9,637,253
Loss for the financial year	(6,277,428)	(1,881,469)
Total comprehensive income	(6,277,428)	(1,881,469)
<hr/>		
Total comprehensive income attributable to non-controlling interests	(2,510,971)	(752,588)
Dividends paid to non-controlling interests	-	-
<hr/>		
Net cash flows for operating activities	(2,536,169)	(1,526,164)
Net cash flows for investing activities	(1,121,813)	(1,189,322)
Net cash flows from financing activities	3,647,179	2,718,167
<hr/>		
	<b>Lundu</b>	
	<b>2023</b>	<b>2022</b>
	<b>RM</b>	<b>RM</b>
<u>At 31 December</u>		
Non-current assets	41,842,766	50,331,389
Current assets	22,369,408	20,877,139
Non-current liabilities	(9,863,909)	(11,609,977)
Current liabilities	(7,637,315)	(7,586,192)
Net assets	46,710,950	52,012,359
<hr/>		
<u>Financial year ended 31 December</u>		
Revenue	31,956,350	36,306,843
Profit for the financial year	1,298,591	779,200
Total comprehensive income	1,298,591	779,200
<hr/>		
Total comprehensive income attributable to non-controlling interests	519,436	311,680
Dividends paid to non-controlling interests	(2,640,000)	-
<hr/>		
Net cash flows from operating activities	10,504,867	6,368,793
Net cash flows for investing activities	(3,960,624)	(6,441,775)
Net cash flows (for)/from financing activities	(6,548,263)	73,396
<hr/>		

# Notes To The Financial Statements (cont'd)

## For The Financial Year Ended 31 December 2023

### 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)

	<b>Selangau</b>	
	<b>2023 RM</b>	<b>2022 RM</b>
<u>At 31 December</u>		
Non-current assets	24,753,603	33,320,689
Current assets	19,378	112,992
Non-current liabilities	-	-
Current liabilities	(101,280,347)	(100,991,203)
Net liabilities	<u>(76,507,366)</u>	<u>(67,557,522)</u>
<u>Financial year ended 31 December</u>		
Revenue	-	-
Loss for the financial year	(8,949,844)	(8,873,290)
Total comprehensive income	<u>(8,949,844)</u>	<u>(8,873,290)</u>
Total comprehensive income attributable to non-controlling interests	(3,579,937)	(3,549,316)
Dividends paid to non-controlling interests	-	-
Net cash flows for operating activities	(304,900)	(396,633)
Net cash flows for investing activities	-	9,999
Net cash flows from financing activities	<u>304,111</u>	<u>391,180</u>
	<b>Ulu Teru</b>	
	<b>2023 RM</b>	<b>2022 RM</b>
<u>At 31 December</u>		
Non-current assets	107,920,069	112,662,916
Current assets	3,407,840	3,792,949
Non-current liabilities	(13,812,404)	(17,209,350)
Current liabilities	(155,273,828)	(143,665,266)
Net liabilities	<u>(57,758,323)</u>	<u>(44,418,751)</u>

# Notes To The Financial Statements (cont'd)

## For The Financial Year Ended 31 December 2023

### 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)

	Ulu Teru	
	2023 RM	2022 RM
<u>Financial year ended 31 December</u>		
Revenue	15,867,380	17,760,280
Loss for the financial year	(13,339,572)	(6,642,500)
Total comprehensive income	(13,339,572)	(6,642,500)
<hr/>		
Total comprehensive income attributable to non-controlling interests	(5,335,829)	(2,657,000)
Dividends paid to non-controlling interests	-	-
<hr/>		
Net cash flows from operating activities	144,092,410	2,798,713
Net cash flows for investing activities	(1,915,634)	(521,406)
Net cash flows for financing activities	(142,186,850)	(2,267,969)
<hr/>		

# Notes To The Financial Statements (cont'd)

## For The Financial Year Ended 31 December 2023

### 7. PROPERTY, PLANT AND EQUIPMENT

The Group	At 1.1.2023 RM	Additions (Note 32(a)) RM	Disposals RM	Write-offs RM	Reclassifi- cations RM	Depreciation Charge RM	Impairment Losses No Longer Required RM	Modification of Lease Liabilities RM	Classified as Held for Sale RM	At 31.12.2023
<b>2023</b>										
<i>Carrying Amount</i>										
<u>Owned assets</u>										
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 systems	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
<u>Right-of-use assets</u>										
Leasehold land	105,672,944	-	-	-	-	(2,822,804)	12,357,809	-	(37,859,532)	77,348,417
Buildings	5,335,935	796,503	(112,547)	-	-	(1,354,132)	-	74,103	-	4,739,862
	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 (cont'd)

## For The Financial Year Ended 31 December 2023

### 7. PROPERTY, PLANT AND EQUIPMENT (Cont'd)

The Group	At 1.1.2022 RM	Additions (Note 32(a)) RM	Disposals RM	Write-offs RM	Reclassifi- cations RM	Depreciation Charge RM	Impairment Losses No Longer Required RM	Due to Lease Modification RM	At 31.12.2022 RM
<b>2022</b>									
Carrying Amount Owned assets									
Bearer plants	413,519,684	11,297,673	-	(2,304,953)	-	(31,384,154)	550,886	-	391,679,136
Buildings, drainage and roads	200,832,578	119,820	-	(32,887)	39,223	(19,545,600)	3,975,017	-	185,388,151
Nursey irrigation systems	117,032	-	-	-	-	(30,686)	-	-	86,346
Motor vehicles, plant and machinery	71,092,743	1,784,097	(468,289)	(97,807)	56,759	(10,317,348)	-	-	62,050,155
Equipment and furniture	4,944,775	406,423	(5)	(26,642)	68,238	(1,140,563)	-	-	4,252,226
Capital work-in- progress	1,704,528	13,509,961	-	(12,054)	(164,220)	-	-	-	15,038,215
	692,211,340	27,117,974	(468,294)	(2,474,343)	-	(62,418,351)	4,525,903	-	658,494,229
Right-of-use assets									
Leasehold land	108,495,747	-	-	-	-	(2,822,803)	-	-	105,672,944
Buildings	6,679,868	-	-	-	-	(1,331,569)	-	(12,364)	5,335,935
	115,175,615	-	-	-	-	(4,154,372)	-	(12,364)	111,008,879
	807,386,955	27,117,974	(468,294)	(2,474,343)	-	(66,572,723)	4,525,903	(12,364)	769,503,108

## Notes To The Financial Statements (cont'd)

For The Financial Year Ended 31 December 2023

### 7. PROPERTY, PLANT AND EQUIPMENT (Cont'd)

The Group	At Cost RM	Accumulated Depreciation RM	Accumulated Impairment Losses RM	Carrying Amount RM
<b>2023</b>				
<u>Owned assets</u>				
Bearer plants	702,901,885	(358,309,737)	(13,991,342)	330,600,806
Buildings, drainage and roads	480,516,831	(301,725,406)	(12,494,185)	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	(792,279,091)	(26,485,527)	589,922,884
<u>Right-of-use assets</u>				
Leasehold land	136,228,876	(30,163,432)	(28,717,027)	77,348,417
Buildings	10,092,639	(5,352,777)	-	4,739,862
	146,321,515	(35,516,209)	(28,717,027)	82,088,279
	1,555,009,017	(827,795,300)	(55,202,554)	672,011,163
<b>2022</b>				
<u>Owned assets</u>				
Bearer plants	899,176,843	(408,774,980)	(98,722,727)	391,679,136
Buildings, drainage and roads	527,716,981	(309,891,260)	(32,437,570)	185,388,151
Nursery irrigation systems	306,870	(220,524)	-	86,346
Motor vehicles, plant and machinery	174,692,767	(112,642,612)	-	62,050,155
Equipment and furniture	24,259,319	(20,007,093)	-	4,252,226
Capital work-in-progress	15,038,215	-	-	15,038,215
	1,641,190,995	(851,536,469)	(131,160,297)	658,494,229
<u>Right-of-use assets</u>				
Leasehold land	190,138,060	(42,004,360)	(42,460,756)	105,672,944
Buildings	9,513,789	(4,177,854)	-	5,335,935
	199,651,849	(46,182,214)	(42,460,756)	111,008,879
	1,840,842,844	(897,718,683)	(173,621,053)	769,503,108



# Notes To The Financial Statements (cont'd)

For The Financial Year Ended 31 December 2023

## 7. PROPERTY, PLANT AND EQUIPMENT (Cont'd)

The Company	At 1.1.2023 RM	Additions RM	Disposals RM	Depreciation Charge RM	At 31.12.2023 RM
<b>2023</b>					
<i>Carrying Amount</i>					
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

The Company	At 1.1.2022 RM	Additions RM	Disposals RM	Write-offs RM	Depreciation Charge RM	At 31.12.2022 RM
<b>2022</b>						
<i>Carrying Amount</i>						
Buildings	1,474,526	-	-	-	(449,622)	1,024,904
Motor vehicles	115,407	-	(82,548)	(188)	(32,669)	2
Equipment and furniture	358,987	8,277	(1)	-	(126,858)	240,405
	1,948,920	8,277	(82,549)	(188)	(609,149)	1,265,311

The Company	At Cost RM	Accumulated Depreciation RM	Carrying Amount RM
<b>2023</b>			
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
<b>2022</b>			
Buildings	4,503,043	(3,478,139)	1,024,904
Motor vehicles	365,795	(365,793)	2
Equipment and furniture	1,548,321	(1,307,916)	240,405
	6,417,159	(5,151,848)	1,265,311

# Notes To The Financial Statements (cont'd)

## For The Financial Year Ended 31 December 2023

### 7. PROPERTY, PLANT AND EQUIPMENT (Cont'd)

- (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: -

	<b>The Group</b>	
	<b>2023</b>	<b>2022</b>
	<b>RM</b>	<b>RM</b>
Leasehold land	57,956,642	59,638,748
Bearer plants	239,695,581	247,013,198
Buildings, drainage and roads	95,587,971	104,726,158
Motor vehicles, plant and machinery	44,640,995	50,567,217
Equipment and furniture	1,252,719	1,424,140
Capital work-in-progress	5,475,338	1,080,626
	444,609,246	464,450,087

- (b) The leasehold land of the Group at the end of the reporting period is analysed as follows: -

	<b>The Group</b>	
	<b>2023</b>	<b>2022</b>
	<b>RM</b>	<b>RM</b>
Unexpired period of less than 50 years	70,929,601	99,149,467
Unexpired period of more than 50 years	6,418,816	6,523,477
	77,348,417	105,672,944

- (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 RM 4,707,602 (2022: Nil). These assets have been pledged as security for the hire purchase payables of the Group as disclosed in Note 21 to the financial statements.

# Notes To The Financial Statements (cont'd)

## For The Financial Year Ended 31 December 2023

### 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: -

The Group	Mature Oil Palm Plantation RM	Immature Oil Palm Plantation RM	Immature Rubber Plantation RM	Nursery Development RM	Total 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 for the financial year	-	-	-	-	-
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 (cont'd)

## For The Financial Year Ended 31 December 2023

### 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: -

The Group	Mature Oil Palm Plantation RM	Immature Oil Palm Plantation RM	Immature Rubber Plantation RM	Nursery Development RM	Total RM
Cost:-					
At 1.1.2022	860,614,653	30,953,308	11,446,731	588,128	903,602,820
Addition during the financial year	-	9,779,150	-	1,518,523	11,297,673
Write-off during the financial year	(15,648,741)	-	-	(74,909)	(15,723,650)
Reclassification	11,472,101	(11,081,589)	-	(390,512)	-
At 31.12.2022	856,438,013	29,650,869	11,446,731	1,641,230	899,176,843
Accumulated depreciation and impairment losses:-					
At 1.1.2022	490,083,136	-	-	-	490,083,136
Depreciation for the financial year	31,384,154	-	-	-	31,384,154
Impairment losses for the financial year	-	-	5,723,366	-	5,723,366
Impairment losses no longer required	(6,274,252)	-	-	-	(6,274,252)
Write-off for the financial year	(13,418,697)	-	-	-	(13,418,697)
At 31.12.2022	501,774,341	-	5,723,366	-	507,497,707
Carrying amount:-					
At 31.12.2022	354,663,672	29,650,869	5,723,365	1,641,230	391,679,136

# Notes To The Financial Statements (cont'd)

## For The Financial Year Ended 31 December 2023

### 7. PROPERTY, PLANT AND EQUIPMENT (Cont'd)

(e) The following expenses were capitalised to immature plantations: -

	<b>The Group</b>	
	<b>2023</b>	<b>2022</b>
	<b>RM</b>	<b>RM</b>
Depreciation of property, plant and equipment	529,069	657,078
Finance costs:-		
- bank overdrafts	28,465	4,386
- hire purchase payables	2,727	-
- revolving credit	599,623	245,514
- term loans	1,767,218	1,018,512
Lease expenses:-		
- leases of low-value assets	1,351	1,778
- short-term leases	591	26,421
Staff costs:-		
- short-term benefits	835,499	848,843
- defined contribution plans	92,711	91,216

(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 of 4 years. The Group has 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 (cont'd)

## For The Financial Year Ended 31 December 2023

### 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) The Group recognised a reversal of impairment losses of RM58,552,326 in respect of its oil palm plantation. The reversal was predominantly triggered by reclassification of certain non-current assets as "Assets classified as held for sale" as disclosed in Note 17 to the financial statements. In the previous financial year a reversal of RM10,249,269 was recognised due to favourable yield performance, commodity prices and industry outlook.

In the previous financial year, the Group's immature rubber plantation experienced a delay in maturity and slow growth in girth which indicate it may be impaired and impairment charge of RM5,723,366 was recognised.

A total net reversal of RM58,552,326 (2022: RM4,525,903) was recognised in "Other Income" line item of the statements of profit or loss and other comprehensive income.

### 8. BIOLOGICAL ASSETS

	<b>The Group</b>	
	<b>2023</b>	<b>2022</b>
	<b>RM</b>	<b>RM</b>
<u>Non-current</u>		
At 1 January	565,494	1,153,565
Addition during the financial year	54,535	167,813
Write-off during the financial year	(620,029)	(755,884)
At 31 December	-	565,494
<u>Current</u>		
At 1 January	3,400,897	5,109,564
Changes in fair value less costs to sell	122,884	(1,708,667)
At 31 December	3,523,781	3,400,897
Total	3,523,781	3,966,391

The biological assets of the Group comprise trees prior to harvest (i.e. gaharu plantation) and unharvested agricultural produce of bearer plants (i.e. FFBs).

# Notes To The Financial Statements (cont'd)

## For The Financial Year Ended 31 December 2023

### 8. BIOLOGICAL ASSETS (Cont'd)

#### (a) Biological Assets, Non-current – Trees Prior to Harvest (i.e. Gaharu Plantation)

The Group adopted the income approach to measure the fair value of unharvested gaharu trees. To arrive at the fair value of unharvested gaharu trees, management considered the net cash flows to be incurred and generated from the maintenance of gaharu trees and the sale of gaharu. Costs to sell, which include harvesting and transportation costs, are deducted from the fair value. The key assumptions used in the determination of the fair value less costs to sell of the unharvested gaharu trees are as follows: -

- (i) number of gaharu trees planted as of the reporting date, adjusted for mortality rates.
- (ii) grow-out periods of gaharu trees planted and yields at harvest.
- (iii) estimated prices of unharvested gaharu trees based on the market prices of trees as of the reporting date, adjusted for harvesting and transportation costs.

The fair value measurement of the Group's unharvested gaharu trees is categorised within level 3 of the fair value hierarchy.

As at 31 December 2023, the Group has Nil (2022: 17.92) hectares of gaharu plantation.

#### (b) 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 RM352,000 (2022: RM341,000).

During the financial year, the Group harvested approximately 251,000 (2022: 212,000) tonnes of FFBs from the oil palm plantation.

- (c) The carrying amount of biological assets of the Group which are pledged to licensed banks as securities for banking facilities granted to the Group as disclosed in Note 20 to the financial statements is Nil (2022: RM479,016).





# Notes To The Financial Statements (cont'd)

## For The Financial Year Ended 31 December 2023

### 10. OTHER INVESTMENT

	<b>The Group/The Company</b>	
	<b>2023</b>	<b>2022</b>
	<b>RM</b>	<b>RM</b>
Unquoted shares, at fair value:-		
At 1 January	5,000,000	1,643,247
Changes in fair value	-	3,356,753
At 31 December	5,000,000	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

	<b>The Group</b>	
	<b>2023</b>	<b>2022</b>
	<b>RM</b>	<b>RM</b>
Cost:-		
At 1 January	75,163,788	75,163,788
Disposal during the financial year (Note 31)	(133,670)	-
At 31 December	75,030,118	75,163,788
Accumulated impairment losses:-		
At 1 January/31 December	69,900,162	69,900,162
Carrying amount:-		
At 31 December	5,129,956	5,263,626

- (a) Goodwill acquired through business combination is allocated to the Group's oil palm plantation cash-generating unit.

# Notes To The Financial Statements (cont'd)

## For The Financial Year Ended 31 December 2023

### 11. GOODWILL (Cont'd)

- (b) The Group assessed the recoverable amount of goodwill allocated and determined that no additional impairment charge is required. In the previous financial year, an impairment loss of RM2,198,121 was recognised. 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% (2022: 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

	The Company	
	2023	2022
	RM	RM
<b>Amount owing by subsidiaries</b>		
<u>Non-current</u>		
Non-trade balances	498,033,361	493,583,803
Less: Allowance for impairment losses	(149,485,109)	(139,421,988)
	348,548,252	354,161,815
Allowance for impairment losses:-		
At 1 January	139,421,988	62,787,787
Addition during the financial year	15,207,244	79,130,791
Reversal during the financial year	(5,144,123)	(2,496,590)
	149,485,109	139,421,988
<b>Amount owing to subsidiaries</b>		
<u>Current</u>		
Non-trade balances	349,515,534	321,299,117

# Notes To The Financial Statements (cont'd)

## For The Financial Year Ended 31 December 2023

### 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 3.00% (2022: 2.50%) 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 2.00% to 3.40% (2022: 1.20% to 3.40%) per annum. The deposits have maturity periods ranging from 1 day to 10 months (2022: 1 day to 22 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 RM120,051 (2022: 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	
	2023 RM	2022 RM
At cost:-		
Processed inventories	8,289,062	9,077,059
Sundry stores and consumables	10,351,874	18,160,279
Less: Allowance for stock obsolescence	-	(239,137)
	18,640,936	26,998,201
At net realisable value:-		
Processed inventories	-	4,682,367
	18,640,936	31,680,568

### 15. TRADE RECEIVABLES

	The Group	
	2023 RM	2022 RM
Trade receivables:-		
- third parties	10,387,208	5,277,364
- related parties	1,785,979	6,154,312
Less: Allowance for impairment losses	(9,588)	(9,791)
	12,163,599	11,421,885

## Notes To The Financial Statements (cont'd)

For The Financial Year Ended 31 December 2023

### 15. TRADE RECEIVABLES (Cont'd)

	The Group	
	2023 RM	2022 RM
Allowance for impairment losses:-		
At 1 January	9,791	105,631
Reversal during the financial year	(203)	(95,840)
At 31 December	9,588	9,791

The Group's normal trade credit terms range from 7 to 60 (2022: 7 to 60) days.

### 16. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	The Group		The Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Other receivables:-				
- third parties	3,276,803	5,627,885	1,983,379	2,710,551
- related parties	1,775,034	2,410,390	130,753	304,088
	5,051,837	8,038,275	2,114,132	3,014,639
Less: Allowance for impairment losses	(610,418)	(659,023)	(500,000)	(500,000)
	4,441,419	7,379,252	1,614,132	2,514,639
Deposits	875,366	1,028,618	138,312	138,312
Prepayments	3,339,346	3,306,810	1,058	54,368
	8,656,131	11,714,680	1,753,502	2,707,319
Allowance for impairment losses:-				
At 1 January	659,023	1,121,717	500,000	500,000
Addition during the financial year	-	53,106	-	-
Reversal during the financial year	(47,621)	(455,187)	-	-
Write-off during the financial year	(984)	(60,613)	-	-
At 31 December	610,418	659,023	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 (cont'd)

## For The Financial Year Ended 31 December 2023

### 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.

### 18. SHARE CAPITAL

	The Group/The Company			2022 RM
	2023 No. of Shares	2022	2023 RM	
Issued and Fully Paid-Up				
Ordinary shares				
At 1 January / 31 December	2,041,722,343	2,041,722,343	614,600,257	614,600,257
Reduction of share capital	-	-	(223,089,761)	-
At 31 December	2,041,722,343	2,041,722,343	391,510,496	614,600,257

- (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) During the 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 (cont'd)

## For The Financial Year Ended 31 December 2023

### 19. RESERVES

	The Group		The Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Merger reserve	(53,065,553)	(53,065,553)	-	-
Retained profits/(Accumulated losses)	69,398,640	(178,801,539)	58,947,481	(200,645,687)
	16,333,087	(231,867,092)	58,947,481	(200,645,687)

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	
	2023 RM	2022 RM	2023 RM	2022 RM
Long-term borrowings:-				
- hire purchase payables (Note 21)	2,549,061	-	-	-
- lease liabilities	3,588,564	4,395,591	-	-
- secured loans	19,350,000	20,380,000	-	-
- term loans, secured	109,738,809	116,925,321	-	-
- term loans, unsecured	13,600,000	16,300,000	-	-
- unsecured loans	1,550,000	909,350	1,550,000	-
	150,376,434	158,910,262	1,550,000	-
Short-term borrowings:-				
- bank overdrafts, secured	-	2,694,121	-	-
- bankers' acceptance, secured	13,479,000	11,518,000	-	-
- bankers' acceptance, unsecured	11,575,000	9,839,000	-	-
- hire purchase payables (Note 21)	1,351,484	-	-	-
- lease liabilities	1,515,479	1,316,124	-	-
- revolving credit, secured	104,578,000	98,717,000	-	-
- revolving credit, unsecured	20,671,000	31,408,500	11,875,000	20,375,000
- secured loans	1,030,000	300,000	-	-
- term loans, secured	31,268,363	28,068,808	-	-
- term loans, unsecured	2,700,000	2,700,000	-	-
- unsecured loans	1,560,421	3,950,000	600,000	2,750,000
	189,728,747	190,511,553	12,475,000	23,125,000
Total borrowings	340,105,181	349,421,815	14,025,000	23,125,000

# Notes To The Financial Statements (cont'd)

## For The Financial Year Ended 31 December 2023

### 20. BORROWINGS (Cont'd)

The secured loans, term loans and unsecured loans are repayable as follows: -

	The Group		The Company	
	2023 RM	2022 RM	2023 RM	2022 RM
<u>Current</u>				
- not later than 1 year	36,558,784	35,018,808	600,000	2,750,000
<u>Non-current</u>				
- later than 1 year and not later than 2 years	33,679,288	34,280,291	1,550,000	-
- later than 2 years and not later than 5 years	82,688,046	80,375,098	-	-
- later than 5 years	27,871,475	39,859,282	-	-
	144,238,809	154,514,671	1,550,000	-
	180,797,593	189,533,479	2,150,000	2,750,000

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: -

- fixed charges over certain subsidiaries' landed properties;
- debenture over certain subsidiaries' fixed and floating assets, both present and in the future;
- fixed deposits of a subsidiary;
- a corporate guarantee provided by the Company; and
- 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 7.50% - 7.90% (2022: 7.56%) per annum.

The bankers' acceptance of the Group at the end of the reporting period bore effective interest at rates ranging from 4.62% to 4.79% (2022: 4.29% to 4.52%) 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 6.71% (2022: 3.09% to 6.32%) per annum and 4.56% to 6.71% (2022: 4.55% to 6.32%) per annum respectively.

## Notes To The Financial Statements (cont'd)

### For The Financial Year Ended 31 December 2023

#### 20. BORROWINGS (Cont'd)

The secured loans are granted by a licensed money lender. The loans bore effective interest at rate of 2.90% (2022: 2.90%) per annum.

The term loans of the Group at the end of the reporting period bore effective interest at rates ranging from 4.12% to 5.91% (2022: 4.35% to 5.15%) 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% (2022: 2.40% to 2.90%) per annum.

#### 21. HIRE PURCHASE PAYABLES

	<b>The Group 2023 RM</b>
Minimum hire purchase payments:-	
- not later than 1 year	1,558,100
- later than 1 year and not later than 2 years	1,564,368
- later than 2 years and not later than 5 years	1,136,922
	<hr/>
	4,259,390
Less: future finance charges	(358,845)
	<hr/>
Present value of hire purchase payables	3,900,545
	<hr/>
<u>Current</u>	
- not later than 1 year	1,351,484
<u>Non-current</u>	
- later than 1 year and not later than 2 years	1,518,584
- later than 2 years and not later than 5 years	1,030,477
	<hr/>
	2,549,061
	<hr/>
	3,900,545
	<hr/>

- (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 4.86% to 7.27% (2022: Nil) per annum. The interest rates are fixed at the inception of the hire purchase arrangements.



# Notes To The Financial Statements (cont'd)

## For The Financial Year Ended 31 December 2023

### 22. DEFERRED TAX LIABILITIES

	The Group		The Company	
	2023 RM	2022 RM	2023 RM	2022 RM
At 1 January	42,704,459	44,011,714	-	-
Recognised in profit or loss (Note 29)	(7,046,570)	(1,307,255)	28,900	-
At 31 December	35,657,889	42,704,459	28,900	-

The deferred tax is attributable to the followings:-

	The Group		The Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Property, plant and equipment, and intangible assets	139,760,381	155,032,444	28,900	49,847
Biological assets	822,148	816,215	-	-
Unused tax losses	(31,586,097)	(41,007,630)	-	-
Unabsorbed agriculture/ capital allowance	(73,338,543)	(72,136,570)	-	(49,847)
	35,657,889	42,704,459	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 carryforward tax losses and tax credits can be utilised: -

	The Group		The Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Deductible temporary differences	466,223	408,130	-	-
Unused tax losses	65,977,643	60,443,700	-	-
Unabsorbed agriculture/capital allowance	35,754,862	37,961,380	-	34,927
	102,198,728	98,813,210	-	34,927

The unused tax losses are allowed to be utilised for 10 consecutive years of assessment while unabsorbed agriculture/capital allowance is allowed to be carried forward indefinitely.

## Notes To The Financial Statements (cont'd)

### For The Financial Year Ended 31 December 2023

#### 23. TRADE PAYABLES..

	The Group	
	2023 RM	2022 RM
Trade payables:-		
- third parties	42,264,230	47,162,058
- related parties	24,266,382	23,378,930
	66,530,612	70,540,988

The normal trade credit terms granted to the Group range from 15 to 90 (2022: 15 to 90) days.

#### 24. OTHER PAYABLES, DEPOSITS AND ACCRUALS

	The Group		The Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Other payables:-				
- third parties	2,481,335	3,612,596	25,364	6,239
- related parties	15,125,244	13,031,687	12,032,729	8,568,802
- state sales tax and cess	3,371,149	4,236,952	-	-
	20,977,728	20,881,235	12,058,093	8,575,041
Deposits	11,762,336	78,200	500	3,400
Accruals	14,301,538	11,637,041	3,315,640	3,801,454
	47,041,602	32,596,476	15,374,233	12,379,895

- (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 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.

# Notes To The Financial Statements (cont'd)

## For The Financial Year Ended 31 December 2023

### 25. REVENUE

	The Group		The Company	
	2023 RM	2022 RM	2023 RM	2022 RM
<b>Revenue from Contracts with Customers</b>				
<u>Recognised at a point in time</u>				
Insurance commission	101,415	76,581	-	-
Sale of crude palm oil	400,546,500	540,328,937	-	-
Sale of empty fruit bunches	32,423	14,353	-	-
Sale of fresh fruit bunches	57,766,489	61,109,041	-	-
Sale of palm kernel	44,731,935	67,029,991	-	-
Sale of palm kernel shell	1,899,698	1,888,249	-	-
Sale of sludge oil	1,054,130	2,602,686	-	-
	506,132,590	673,049,838	-	-
<u>Recognised over time</u>				
Transportation income	1,628,501	2,861,507	-	-
Workshop service income	480	5,680	-	-
	1,628,981	2,867,187	-	-
	507,761,571	675,917,025	-	-
<b>Revenue from Other Sources</b>				
Dividend income	-	-	7,530,000	1,400,000
Total revenue	507,761,571	675,917,025	7,530,000	1,400,000

- (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.
- (c) 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.
- (d) Insurance commissions are recognised at a point in time upon the effective date of bound insurance coverage.
- (e) Dividend income is recognised when the right to receive dividend payment is established.

## Notes To The Financial Statements (cont'd)

For The Financial Year Ended 31 December 2023

### 26. FINANCE COSTS

	The Group		The Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Interest expense on:-				
- bank overdrafts	231,467	13,125	59,508	2,444
- bankers' acceptance	1,014,968	654,285	-	-
- hire purchase liabilities	107,488	-	-	-
- lease liabilities	212,582	251,250	-	-
- revolving credit	6,567,884	5,778,222	953,044	1,406,391
- secured loans	596,526	602,689	-	-
- term loans	7,902,353	6,665,679	-	-
- unsecured loans	117,218	159,065	71,185	87,743
- others	-	-	10,065,303	4,060,301
	16,750,486	14,124,315	11,149,040	5,556,879
Less:-				
- amount capitalised under property, plant and equipment (Note 7(e))	(2,398,033)	(1,268,412)	-	-
- amount capitalised under biological assets (Note 8(d))	(337)	(32)	-	-
	14,352,116	12,855,871	11,149,040	5,556,879

### 27. NET IMPAIRMENT GAINS/(LOSSES) ON FINANCIAL ASSETS

	The Group		The Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Impairment losses:-				
- amount owing by subsidiaries (Note 12)	-	-	( 15,207,244)	(79,130,791)
- other receivables (Note 16)	-	(53,106)	-	-
Reversal of impairment losses:-				
- amount owing by subsidiaries (Note 12)	-	-	5,144,123	2,496,590
- trade receivables (Note 15)	203	95,840	-	-
- other receivables (Note 16)	47,621	455,187	-	-
	47,824	497,921	(10,063,121)	(76,634,201)

# Notes To The Financial Statements (cont'd)

## For The Financial Year Ended 31 December 2023

### 28. PROFIT/(LOSS) BEFORE TAXATION

	The Group		The Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Profit/(loss) before taxation is arrived at after charging/(crediting):-				
Allowance for stock obsolescence	112,837	-	-	-
Allowance for stock obsolescence no longer required	-	(10,857)	-	-
Amortisation of intangible assets	12,519	14,659	-	-
Audit fee:-				
- current financial year	388,500	392,000	85,000	80,000
- over provision in the previous financial year	(2,000)	-	-	-
Bad debts written off	943,732	93,858	54,881	-
Biological assets written off	620,029	755,884	-	-
Changes in fair value of:-				
- biological assets	(122,884)	1,708,667	-	-
- other investment	-	(3,356,753)	-	(3,356,753)
Depreciation of property, plant and equipment	68,545,258	65,911,124	553,312	609,149
Directors' remuneration (Note 33(a))	1,928,498	1,595,499	1,320,377	1,031,388
Finance costs (Note 26)	14,352,116	12,855,871	11,149,040	5,556,879
(Gain)/loss on disposal of:-				
- investments in subsidiaries	2,098,984	-	2,960,079	-
- property, plant and equipment	(659,092)	(31,306)	-	(82,451)
Gain on derecognition of lease contracts	(8,537)	(735)	-	-
Impairment losses on:-				
- investments in subsidiaries	-	-	-	24,189,165
Impairment losses no longer required:-				
- investments in subsidiaries	-	-	(41,638,000)	-
- property, plant and equipment	(58,552,326)	(4,525,903)	-	-
Interest income	(18,613)	(142,637)	(11,849,674)	(6,051,785)
Inventories written down	85	6,290	-	-
Inventories written off	741,037	107,831	-	-
Lease expenses:-				
- leases of low-value assets	31,983	32,512	-	-
- short-term leases	5,906	26,836	-	-
Lease income:-				
- others	(117,548)	(145,000)	(12,650)	(18,400)
Management fee	-	-	144,000	96,000
Payables written off	(2,618,140)	(4,496)	(2,617,608)	-
Property, plant and equipment written off	7,391,057	2,474,343	1	188
Staff costs (including other key management personnel as disclosed in Note 33(b)):-				
- short-term benefits	34,393,549	30,684,616	-	-
- defined contribution plans	3,555,372	3,035,624	-	-

# Notes To The Financial Statements (cont'd)

## For The Financial Year Ended 31 December 2023

### 29. INCOME TAX EXPENSE

	The Group		The Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Current tax:-				
- current financial year	11,613,639	13,010,600	510,709	2,608
- (over)/under provision in the previous financial year	(259,007)	105,341	(1,505)	443
	11,354,632	13,115,941	509,204	3,051
Deferred tax (Note 22):-				
- origination and reversal of temporary differences	(6,471,545)	(1,298,247)	29,260	-
- overprovision in the previous financial year	(575,025)	(9,008)	(360)	-
	(7,046,570)	(1,307,255)	28,900	-
	4,308,062	11,808,686	538,104	3,051

A reconciliation of income tax expense applicable to the profit/(loss) 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	
	2023 RM	2022 RM	2023 RM	2022 RM
Profit/(loss) before taxation	17,326,270	5,990,979	37,041,511	(97,489,842)
Tax at the statutory tax rate of 24%	4,158,305	1,437,835	8,889,963	(23,397,562)
Tax effects of:-				
Non-taxable income	(8,569,439)	(902,515)	(11,424,410)	(1,105,444)
Non-deductible expenses	7,288,421	6,613,991	3,109,343	24,501,036
Control transfers	(70,228)	19,110	-	-
Deferred tax assets not recognised during the financial year	6,688,096	4,564,738	-	-
Utilisation of deferred tax assets previously not recognised	(3,302,578)	(287,166)	(34,927)	4,586
(Over)/under provision in the previous financial year				
- income tax	(259,007)	105,341	(1,505)	443
- deferred tax	(575,025)	(9,008)	(360)	-
Others	(1,050,483)	266,360	-	(8)
Income tax expense for the financial year	4,308,062	11,808,686	538,104	3,051

# Notes To The Financial Statements (cont'd)

## For The Financial Year Ended 31 December 2023

### 30. EARNING/(LOSS) PER SHARE

	The Group	
	2023 RM	2022 RM
Profit/(loss) attributable to owners of the Company (RM)	25,110,418	(329,848)
Weighted average number of ordinary shares:- As at 1 January / 31 December	2,041,722,343	2,041,722,343
Basic earning/(loss) per share (sen)	1.23	(0.02)

The Company has not issued any dilutive potential ordinary shares and hence, the diluted loss per share is equal to the basic loss per share.

### 31. DISPOSALS OF SUBSIDIARIES

During the financial year, three subsidiaries of the Company, namely Burung Tiong Helicopter Sdn. Bhd., Rajang Agrisupplies Sdn. Bhd. and Topline 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 2023 RM	The Company 2023 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 previous financial year.

## Notes To The Financial Statements (cont'd)

### For The Financial Year Ended 31 December 2023

#### 32. CASH FLOWS INFORMATION

(a) The cash disbursed for the purchase of property, plant and equipment is as follows: -

	<b>The Group</b>		<b>The Company</b>	
	<b>2023</b> <b>RM</b>	<b>2022</b> <b>RM</b>	<b>2023</b> <b>RM</b>	<b>2022</b> <b>RM</b>
Cost of property, plant and equipment purchased (Note 7)	45,487,466	27,117,974	11,478	8,277
Less:-				
- additions of new lease liabilities (Note (b) below)	(796,503)	-	-	-
- acquired through hire purchase arrangement (Note (b) below)	(4,415,000)	-	-	-
- finance costs included within property, plant and equipment (Note 26)	(2,398,033)	(1,268,412)	-	-
- non-cash items included within property, plant and equipment (Note 7(e))	(529,069)	(657,078)	-	-
Cash disbursed for the purchase of property, plant and equipment	37,348,861	25,192,484	11,478	8,277



# Notes To The Financial Statements (cont'd)

## For The Financial Year Ended 31 December 2023

### 32. CASH FLOWS INFORMATION (Cont'd)

(b) The reconciliations of liabilities arising from financing activities are as follows: -

	Bankers' acceptance RM	Hire purchase payables RM	Lease liabilities RM	Revolving credit RM	Secured loans RM	Term loans RM	Unsecured loans RM	Total 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
<u>Changes in Financing</u>								
<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 (cont'd)

For The Financial Year Ended 31 December 2023

### 32. CASH FLOWS INFORMATION (Cont'd)

(b) The reconciliations of liabilities arising from financing activities are as follows: - (Cont'd)

	Bankers' acceptance RM	Hire purchase payables RM	Lease liabilities RM	Revolving credit RM	Secured loans RM	Term loans RM	Unsecured loans RM	Total 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 (cont'd)

## For The Financial Year Ended 31 December 2023

### 32. CASH FLOWS INFORMATION (Cont'd)

(b) The reconciliations of liabilities arising from financing activities are as follows (Cont'd): -

	Bankers' acceptance RM	Lease liabilities RM	Revolving credit RM	Secured loans RM	Term loans RM	Unsecured loans RM	Total RM
<b>The Group</b>							
Balance at 1.1.2022	23,697,000	7,013,979	145,577,500	20,870,000	181,632,955	6,370,000	385,161,434
<u>Changes in Financing</u>							
<u>Cash Flows</u>							
Net of drawdown/ (repayment) of borrowing principal	(2,340,000)	-	(15,452,000)	-	-	-	(17,792,000)
Drawdown of borrowing principal	-	-	-	-	9,003,068	-	9,003,068
Repayment of borrowing principal	-	(1,289,165)	-	(190,000)	(26,641,894)	(1,510,650)	(29,631,709)
Repayment of borrowing interests	-	(251,250)	-	(602,689)	(6,665,679)	(159,065)	(7,678,683)
	(2,340,000)	(1,540,415)	(15,452,000)	(792,689)	(24,304,505)	(1,669,715)	(46,099,324)
<u>Non-cash Changes</u>							
Derecognition of lease liabilities	-	(13,099)	-	-	-	-	(13,099)
Finance charges recognised in profit or loss and capitalised under property, plant and equipment, and biological assets	654,285	251,250	5,778,222	602,689	6,665,679	159,065	14,111,190
Payment of interest (presented as operating cash flows)	(654,285)	-	(5,778,222)	-	-	-	(6,432,507)
	-	238,151	-	602,689	6,665,679	159,065	7,665,584
Balance at 31.12.2022	21,357,000	5,711,715	130,125,500	20,680,000	163,994,129	4,859,350	346,727,694

# Notes To The Financial Statements (cont'd)

## For The Financial Year Ended 31 December 2023

### 32. CASH FLOWS INFORMATION (Cont'd)

(b) The reconciliations of liabilities arising from financing activities are as follows (Cont'd): -

	Revolving credit RM	Unsecured loans RM	Total 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
Balance at 1.1.2022	33,875,000	3,350,000	37,225,000
<u>Changes in Financing Cash Flows</u>			
Net of drawdown/(repayment) of borrowing principal	(13,500,000)	-	(13,500,000)
Repayment of borrowing principal	-	(600,000)	(600,000)
Repayment of borrowing interests	-	(87,743)	(87,743)
	(13,500,000)	(687,743)	(14,187,743)
<u>Non-cash Changes</u>			
Finance charges recognised in profit or loss	1,406,391	87,743	1,494,134
Payment of interest (presented as operating cash flows)	(1,406,391)	-	(1,406,391)
	-	87,743	87,743
Balance at 31.12.2022	20,375,000	2,750,000	23,125,000

# Notes To The Financial Statements (cont'd)

## For The Financial Year Ended 31 December 2023

### 32. CASH FLOWS INFORMATION (Cont'd)

(c) The total cash outflows for leases as a lessee are as follows: -

	The Group		The Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Interest paid on lease liabilities	212,582	251,250	-	-
Payment of lease liabilities	1,357,194	1,289,165	-	-
Payment of leases of low-value assets	33,351	34,346	-	-
Payment of short-term leases	6,497	53,395	-	-
	<u>1,609,624</u>	<u>1,628,156</u>	<u>-</u>	<u>-</u>

(d) The cash and cash equivalents comprise the following: -

	The Group		The Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Cash and bank balances	2,658,257	5,170,398	695,740	3,119,840
Deposits with licensed banks	120,051	5,420,051	-	-
Bank overdrafts	-	(2,694,121)	-	-
	<u>2,778,308</u>	<u>7,896,328</u>	<u>695,740</u>	<u>3,119,840</u>
Deposits pledged with a licensed bank (Note 13)	(120,051)	(120,051)	-	-
	<u>2,658,257</u>	<u>7,776,277</u>	<u>695,740</u>	<u>3,119,840</u>

## Notes To The Financial Statements (cont'd)

### For The Financial Year Ended 31 December 2023

#### 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	
	2023 RM	2022 RM	2023 RM	2022 RM
<b>(a) Directors</b>				
<u>Directors of the Company</u>				
Short-term benefits:-				
- fees	624,351	313,732	434,250	231,332
- salaries, bonus and other benefits	1,054,930	762,016	811,959	762,016
	1,679,281	1,075,748	1,246,209	993,348
Defined contribution plans	79,768	38,040	74,168	38,040
	1,759,049	1,113,788	1,320,377	1,031,388
<u>Directors of the Subsidiaries</u>				
Short-term benefits:-				
- fees	169,449	176,500	-	-
- salaries, bonus and other benefits	-	293,571	-	-
	169,449	470,071	-	-
Defined contribution plans	-	11,640	-	-
	169,449	481,711	-	-
Total directors' remuneration (Note 28)	1,928,498	1,595,499	1,320,377	1,031,388
<b>(b) Other Key Management Personnel</b>				
Short-term benefits	4,853,854	4,784,684	-	-
Defined contribution plans	476,644	442,526	-	-
Total compensation for other key management personnel	5,330,498	5,227,210	-	-

The estimated monetary value of benefits-in-kind provided by the Group to the directors of the Company was Nil (2022: RM9,700).

# Notes To The Financial Statements (cont'd)

## For The Financial Year Ended 31 December 2023

### 34. SIGNIFICANT RELATED PARTY DISCLOSURES

#### (a) Subsidiaries

The subsidiaries are disclosed in Note 5 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: -

(i) Transactions between the Company and its subsidiaries: -

	The Group		The Company	
	2023 RM	2022 RM	2023 RM	2022 RM
<i>Expenditure incurred:-</i>				
- interest paid	-	-	10,065,303	4,060,301
- management fee	-	-	144,000	96,000
<i>Income earned:-</i>				
- dividend income	-	-	7,530,000	1,400,000
- interest income	-	-	11,848,392	6,025,205

## Notes To The Financial Statements (cont'd)

### For The Financial Year Ended 31 December 2023

#### 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: -

	The Group		The Company	
	2023 RM	2022 RM	2023 RM	2022 RM
<i>Expenditure incurred:-</i>				
- contract charges	263,185	-	-	-
- event package fee	27,328	3,714	-	-
- fertiliser testing charges	10,260	5,910	-	-
- interest paid	117,218	761,754	71,185	87,743
- miscellaneous goods and services	3,577	858	-	-
- purchase of diesel, petrol, oil and lubricant	661,813	395,073	-	-
- purchase of fertilisers and chemicals	77,516	26,970	-	-
- purchase of fresh fruit bunches	23,614,590	35,404,869	-	-
- purchase of property, plant and equipment	2,054,941	25,869	-	-
- purchase of sundry stores, tools and consumables	1,312,214	1,556,900	8,235	-
- recharge expense:-				
- general	12,000	30,423	-	-
- store items	268,694	20,488	-	-
- rental paid	150,000	1,561,456	-	-
- repairs and maintenance	276,119	89,568	44,012	-
- transportation and accommodation charges	82,954	20,394	-	-
- water and electricity charges	7,762	6,833	-	-
- upkeep and maintenance	663,700	-	-	-



# Notes To The Financial Statements (cont'd)

## For The Financial Year Ended 31 December 2023

### 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	
	2023 RM	2022 RM	2023 RM	2022 RM
<i>Income earned:-</i>				
- computer and software maintenance	24,868	-	-	-
- handling fee received	189,595	748,435	-	-
- miscellaneous goods and services	5,520	7,280	-	-
- recharge income:-				
- general	735	-	-	-
- store items	247,071	176,553	-	-
- rental received	56,900	89,100	-	-
- repairs and maintenance	480	5,040	-	-
- sale of crude palm oil	67,333,172	128,569,894	-	-
- sale of empty bunch ash	-	14,354	-	-
- sale of fresh fruit bunches	37,491,079	53,262,855	-	-
- sale of diesel	1,242	-	-	-
- sale of palm kernel	9,866,417	13,057,039	-	-
- sale of property, plant and equipment	1,500	300,000	-	-
- sale of seedlings	455,334	-	-	-
- spare parts, tools and consumables	27,103	1,165,963	-	-
- transportation income	738,092	565,583	-	-

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 (cont'd)

## For The Financial Year Ended 31 December 2023

### 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	
	2023 RM	2022 RM
Customer #1	166,490,112	215,318,111
Customer #2	106,700,342	160,912,320
Customer #3	78,102,732	135,399,323

### 36. CAPITAL COMMITMENTS

	The Group	
	2023 RM	2022 RM
Property, plant and equipment	8,550,028	6,616,355

### 37. CONTINGENT LIABILITIES

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 RM56.3 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 (cont'd)

## For The Financial Year Ended 31 December 2023

### 37. CONTINGENT LIABILITIES (Cont'd)

TSB challenged the Assessments and filed a judicial review application at Kuala Lumpur High Court against the Ministry of Finance on 15 January 2021. However, Ketua Pengarah Hasil Dalam Negeri ("KPHDN") made an application to intervene in the judicial review proceeding commenced by TSB. On 12 February 2023, the High Court allowed the KPHDN's application to intervene with an order of cost in the cause. TSB filed an appeal to the Court of Appeal against the High Court's decision in dismissing TSB's application for leave to commence judicial review on 28 November 2023. The Court of Appeal directed the parties to attend case management on 13 May 2024. During the case management for the Applicant's Application for Stay of Proceedings on 23 January 2024, the High Court instructed parties to attend a physical hearing on 11 June 2024. The interim stay previously granted until disposal of judicial review application remains valid, whereby the disputed taxes do not have to be paid. TSB has also filed an appeal to the Special Commissioners of Income Tax on the issue of penalty. During the case mention on 17 January 2023, the Court instructed both parties to attend the trial on 1 July 2024 and 2 July 2024.

Management believes, based on legal advice, that TSB has an arguable case to contend that KPHDN has exceeded its jurisdiction and acted illegally and unreasonably by failing to realise that the DGIR had failed to consider express provisions of the RPGTA as well as the trite principles established by the Commonwealth Courts whereby the disposal of rights in or over land are capital in nature. Therefore, no provision is required to be made in the financial statements.

### 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.

# Notes To The Financial Statements (cont'd)

## For The Financial Year Ended 31 December 2023

### 38. FINANCIAL INSTRUMENTS (Cont'd)

#### 38.1 FINANCIAL RISK MANAGEMENT POLICIES (Cont'd)

##### (a) Market Risk (Cont'd)

##### (ii) Interest Rate Risk (Cont'd)

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.

##### *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: -

	<b>The Group</b>		<b>The Company</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>
<b>Effects on Profit after Taxation</b>				
Increase of 50 basis points	- 443,000	- 520,000	-	-
Decrease of 50 basis points	+ 443,000	+ 520,000	-	-
<b>Effects on Equity</b>				
Increase of 50 basis points	- 443,000	- 520,000	-	-
Decrease of 50 basis points	+ 443,000	+ 520,000	-	-

##### (iii) Equity Price Risk

The Group does not have any quoted investments and hence, is not exposed to equity price risk.

# Notes To The Financial Statements (cont'd)

## For The Financial Year Ended 31 December 2023

### 38. FINANCIAL INSTRUMENTS (Cont'd)

#### 38.1 FINANCIAL RISK MANAGEMENT POLICIES (Cont'd)

##### (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.

##### (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 RM295,735,172 (2022: RM297,795,750), 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.

# Notes To The Financial Statements (cont'd)

## For The Financial Year Ended 31 December 2023

### 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)

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.

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 RM	Lifetime Loss Allowance RM	Carrying Amount RM
<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

# Notes To The Financial Statements (cont'd)

## For The Financial Year Ended 31 December 2023

### 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)

##### *Allowance for Impairment Losses*

The Group	Gross Amount RM	Lifetime Loss Allowance RM	Carrying Amount RM
<b>2022</b>			
Current (not past due)	11,421,885	-	11,421,885
Credit impaired	9,791	(9,791)	-
	11,431,676	(9,791)	11,421,885

The movements in the loss allowances in respect of trade receivables are disclosed in Note 15 to the financial statements.

##### 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.

# Notes To The Financial Statements (cont'd)

## For The Financial Year Ended 31 December 2023

### 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 Owing 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.

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*

An impairment loss of RM10,063,121 (2022: RM76,634,201) was recognised in respect of amounts owing by subsidiaries of which the Company determined them to be credit impaired. 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 (cont'd)

## For The Financial Year Ended 31 December 2023

### 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 2023	Weighted Average Effective Rate %	Carrying Amount RM	Contractual Undiscounted Cash Flows RM	On Demand or Within 1 Year RM	1 – 2 Years RM	2 – 5 Years RM	Over 5 Years RM
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	4,259,390	1,558,100	1,564,368	1,136,922	-
- 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	476,811,670	308,048,080	43,291,883	95,144,553	30,327,154
<b>2022</b>							
Trade and other payables	-	98,900,512	98,900,512	98,900,512	-	-	-
Borrowings:-							
- bank overdrafts	7.56	2,694,121	2,694,121	2,694,121	-	-	-
- bankers' acceptance	3.97	21,357,000	21,357,000	21,357,000	-	-	-
- lease liabilities	4.05	5,711,715	6,341,615	1,510,915	1,500,515	1,960,831	1,369,354
- revolving credit	4.89	130,125,500	130,125,500	130,125,500	-	-	-
- secured loans	2.90	20,680,000	23,725,000	897,000	1,608,000	9,457,000	11,763,000
- term loans	4.82	163,994,129	185,405,000	37,575,000	38,474,000	83,052,000	26,304,000
- unsecured loans	2.68	4,859,350	6,040,000	5,122,000	918,000	-	-
		448,322,327	474,588,748	298,182,048	42,500,515	94,469,831	39,436,354

# Notes To The Financial Statements (cont'd)

## For The Financial Year Ended 31 December 2023

### 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 Average Effective Rate %	Carrying Amount RM	Contractual Undiscounted Cash Flows RM	On Demand or Within 1 Year RM	1 – 2 Years RM
<b>2023</b>					
Trade and other payables	-	15,374,233	15,374,233	15,374,233	-
Borrowings:-					
Amount owing to subsidiaries	3.00	349,515,534	349,515,534	349,515,534	-
- 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 in relation to corporate guarantee given to certain subsidiaries	-	*	295,735,172	295,735,172	-
		<b>378,914,767</b>	<b>674,754,110</b>	<b>673,159,959</b>	<b>1,594,151</b>
<b>2022</b>					
Trade and other payables	-	12,379,895	12,379,895	12,379,895	-
Borrowings:-					
Amount owing to subsidiaries	2.50	321,299,117	321,299,117	321,299,117	-
- revolving credit	5.74	20,375,000	20,375,000	20,375,000	-
- unsecured loan	2.90	2,750,000	3,498,000	600,000	2,898,000
Financial guarantee contracts in relation to corporate guarantee given to certain subsidiaries	-	*	297,795,750	297,795,750	-
		<b>356,804,012</b>	<b>655,347,762</b>	<b>652,449,762</b>	<b>2,898,000</b>

\* 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 (cont'd)

## For The Financial Year Ended 31 December 2023

### 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: -

	<b>The Group</b>	
	<b>2023</b>	<b>2022</b>
	<b>RM</b>	<b>RM</b>
Borrowings (Note 20):-		
- bank overdrafts	-	2,694,121
- other borrowings	340,105,181	346,727,694
	<hr/>	<hr/>
	340,105,181	349,421,815
Less: Deposits with licensed banks (Note 13)	(120,051)	(5,420,051)
Less: Cash and bank balances	(2,658,257)	(5,170,398)
	<hr/>	<hr/>
Net debts	337,326,873	338,831,366
	<hr/>	<hr/>
Total equity	362,932,466	353,474,319
	<hr/>	<hr/>
Debt-to-equity ratio	0.93	0.96
	<hr/>	<hr/>

There was no change in the Group's approach to capital management during the financial year.

# Notes To The Financial Statements (cont'd)

## For The Financial Year Ended 31 December 2023

### 38. FINANCIAL INSTRUMENTS (Cont'd)

#### 38.3 CLASSIFICATION OF FINANCIAL INSTRUMENTS

	The Group		The Company	
	2023 RM	2022 RM	2023 RM	2022 RM
<b>Financial Assets</b>				
<u>Designated at Fair Value through Profit or Loss</u>				
Unquoted investments	5,000,000	5,000,000	5,000,000	5,000,000
<u>Amortised Cost</u>				
Trade receivables	12,163,599	11,421,885	-	-
Other receivables and deposits	5,316,785	8,407,870	1,752,444	2,652,951
Amount owing by subsidiaries	-	-	348,548,252	354,161,815
Deposits with licensed banks	120,051	5,420,051	-	-
Cash and bank balances	2,658,257	5,170,398	695,740	3,119,840
	20,258,692	30,420,204	350,996,436	359,934,606
<b>Financial Liabilities</b>				
<u>Amortised Cost</u>				
Trade payables	66,530,612	70,540,988	-	-
Other payables, deposits and accruals	43,670,453	28,359,524	15,374,233	12,379,895
Amount owing to subsidiaries	-	-	349,515,534	321,299,117
Borrowings:-				
- bank overdrafts	-	2,694,121	-	-
- other borrowings	340,105,181	346,727,694	14,025,000	23,125,000
	450,306,246	448,322,327	378,914,767	356,804,012

# Notes To The Financial Statements (cont'd)

## For The Financial Year Ended 31 December 2023

### 38. FINANCIAL INSTRUMENTS (Cont'd)

#### 38.4 GAINS OR LOSSES ARISING FROM FINANCIAL INSTRUMENTS

	The Group		The Company	
	2023 RM	2022 RM	2023 RM	2022 RM
<b>Financial Assets</b>				
<u>Fair Value Through Profit or Loss</u>				
Net gains recognised in profit or loss	-	3,356,753	-	3,356,753
<hr/>				
<u>Amortised Cost</u>				
Net gains/(losses) recognised in profit or loss	66,437	640,558	1,786,553	(70,582,416)
<hr/>				
<b>Financial Liabilities</b>				
<u>Amortised Cost</u>				
Net losses recognised in profit or loss	(14,352,116)	(12,855,871)	(11,149,040)	(5,556,879)
<hr/>				

#### 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 RM5,000,000 (2022: 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 RM14,052,000 and RM2,817,000 (2022: RM16,128,000 and RM2,710,000) respectively. The fair value is determined by discounting the relevant cash flows using current market interest rate for similar instruments of 5.00% (2022 4.37%) 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 RM3,884,000 (2022: Nil). The fair value is determined by discounting the relevant cash flows using current market interest rate for similar instruments of 5.00% - 7.27% (2022: Nil) 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.

# Notes To The Financial Statements (cont'd)

## For The Financial Year Ended 31 December 2023

### 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;
- (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;

# Notes To The Financial Statements (cont'd)

## For The Financial Year Ended 31 December 2023

### 39. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR (Cont'd)

The Proposed Disposal 2 shall be conditional upon the fulfilment of the following conditions: - (Cont'd)

- (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.

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.

Save for the provisional lease for both Lot 101 and Lot 102 have been issued by the Lands and Surveys Department of Sarawak, Miri Division to JPSB as the registered proprietor on 18 January 2024, thereby fulfilling the CSPA 2 condition precedent stated in (b)(i) above. All the other CSPA 1 & CSPA 2 Conditions Precedent have yet to be fulfilled.

Barring any unforeseen circumstances and subject to all requisite approvals/consents being obtained, the Proposed Disposals are expected to be completed by the third (3rd) quarter of 2024.

# 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 upon execution of the CSPA 1 & CSPA 2, of which 3% shall be retained by 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 2 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.

The sale proceeds and the breakdown of utilization are tabulated as below:

No.	Purposes	Proposed Utilization (RM'000)	Actual Utilization (RM'000)	Intended Time-Frame
1.	Partial repayment of interest-bearing borrowings	86,106	-	4 <sup>th</sup> Quarter 2024
2.	New planting and replanting of oil palm	19,100	-	4 <sup>th</sup> Quarter 2024
3.	Working capital requirements	59,119	21,500	4 <sup>th</sup> Quarter 2024
4.	Defray estimated expenses in relation to the Proposed Disposals	675	-	4 <sup>th</sup> Quarter 2024
	<b>Total</b>	<b>165,000</b>	<b>21,500</b>	

## Additional Compliance Information (cont'd)

### 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 2023 or entered into since the end of the previous financial year.

### 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 2023 (RM)
Borneo Edible Oils Sdn Bhd	Sales of Crude Palm Oil, Palm Kernel & Handling Fee Income	Note (A)	78,102,732
R H Selangau Palm Oil Mill Sdn Bhd	Sales of Fresh Fruit Bunches	Note (B)	36,774,653
Rona Hijau Sdn Bhd	Purchase of Fresh Fruit Bunches	Note (C)	7,393,505
Pelita Melor Sdn Bhd	Purchase of Fresh Fruit Bunches	Note (D)	6,586,148
Caiyuan Corporation Sdn Bhd	Purchase of Fresh Fruit Bunches	Note (E)	3,576,898

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, TTSE, 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, TTSH, TSL, Datuk Tiong Thai King, Tiong Chiong Ie and Tiong Chiong Ong.
- (E) Connected with Tan Sri Tiong, TTSE, TSL, Datuk Tiong Thai King, Tiong Chiong Ie and Tiong Chiong Ong.

## LIST OF PROPERTIES OWNED BY THE GROUP

Location	Tenure	Year Lease Expiring	Approximate Area (Hectares)	Description / Existing use	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	Oil Palm Estate	-	86,737
Lot 1 Blk 1 Buloh Land		2059			1999	
Lot 1 Blk 1 Buloh Land		2060			2000	
Lot 2 Blk 1 Buloh Land		-			-	
Lot 24 Blk 12 Bawan Land	Leasehold	-	4,482 Ha	Oil Palm Estate	-	82,626
Lot 25 Blk 12 Bawan Land		-			-	
NCR		-			-	
Lot 56 & 58, Bok Land District		2087			1988	
Lot 65, Bok Land District	Provisional Leasehold	2065	6,172 Ha	Oil Palm Estate	2005	49,890
Lot 59, Bok Land District		2058			2006	
Lot 1 Blk 7, Sawai Land District	Leasehold	2058			1998	
Lot 64, Sawai Land District	Provisional Leasehold	2087	7,491 Ha	Oil Palm Estate	1988	44,374
Lot 93 Sawai Land District	Provisional Leasehold	2059			1999	
Lot 1 Blk 3 Buloh Land	Leasehold	2060	4,127 Ha	Oil Palm Estate	2000	39,388
NCR Land Located Long Ekang and Long Banyok, Miri Division <sup>®</sup>	JVA Commencing on 2005	-	3,367 Ha	Oil Palm Estate	-	34,059
Lot 4, Apoh Land District	Provisional Leasehold	2070	3,386 Ha	Oil Palm Estate	2010	29,909
NCR Land at Selangau, Mukah, Sibul Division <sup>^</sup>	JVA Commencing on 2001	-	5,000 Ha	Oil Palm Estate	-	19,077
Lot 205, Teraja Land District, Batang Baram, Baram	Provisional Leasehold	2068	1,504 Ha	Oil Palm Estate	2018	18,040
Lot 5, Block 3, Stungkor Land District						
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	Provisional Leasehold	2062	3,933 Ha	Oil Palm Estate	2002	14,805
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 1 APRIL 2024

### Share Capital

Issued share capital	: 391,510,496 divided into 2,041,722,343 ordinary shares
Class of shares	: Ordinary shares
Voting rights	: One (1) vote per ordinary share

### Distribution Schedule of Ordinary Shares

No. of Holders	Holdings	Total Holdings	%
132	Less than 100 shares	4,230	0.00*
883	100 to 1,000 shares	523,138	0.03
5,120	1,001 to 10,000 shares	32,421,589	1.59
4,991	10,001 to 100,000 shares	184,639,311	9.04
876	100,001 - less than 5% of issued shares	907,154,183	44.43
4	5% and above of issued shares	916,979,892	44.91
12,006		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 1 April 2024 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 <sup>(a)</sup>	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 <sup>(b)</sup>	5.84
4. Teck Sing Lik Enterprise Sdn Bhd	102,107,388	5.00	157,939,300 <sup>(c)</sup>	7.74
5. Tiong Toh Siong Enterprises Sdn Bhd	10,402,400	0.51	226,568,891 <sup>(d)</sup>	11.10
6. Tan Sri Datuk Sir Diong Hiew King @ Tiong Hiew King	2,400,000	0.12	1,351,203,971 <sup>(e)</sup>	66.18

Notes: -

- Deemed interested by virtue of its interest in Pemandangan Jauh Plantation Sdn Bhd, Ladang Hijau (Sarawak) Sdn Bhd, Multi Greenview Sdn Bhd and Subur Tiasa Holdings Berhad 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 1 APRIL 2024

### Directors' Interests

The Directors' interests in ordinary shares in the Company as per the Register of Directors' Shareholdings as at 1 April 2024 are as follows:

Name	No. of shares held (Direct)	%	No. of shares 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	3,894,800	0.166	4,189,200 <sup>(b)</sup>	0.210
4. Tiong Chiong Ee	-	-	500,000 <sup>(c)</sup>	0.024
5. Wong Ing Seng	64,800	0.003	200,000 <sup>(d)</sup>	0.010
6. Lau Kiing Yiing	-	-	-	-
7. Lu Yieng ping	-	-	-	-

- 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 2016
- c. Deemed interested by virtue of the interest of his spouse in the Company
- 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 Ordinary Shares	%
1 Pemandangan Jauh Plantation Sdn Bhd	526,955,544	25.81
2 Tiong Toh Siong Holdings Sdn Bhd	173,729,560	8.51
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 RHB Nominees (Tempatan) Sdn Bhd	90,700,000	4.44
Bank of China (Malaysia) Berhad Pledged Securities Account for Tiong Toh Siong Holdings Sdn Bhd		
7 State Financial Secretary Sarawak	76,034,272	3.72
8 Multi Greenview Sdn Bhd	69,500,000	3.40
9 Rejang Height Sdn Bhd	63,345,591	3.10
10 Pertumbuhan Abadi Enterprises Sdn Bhd	58,096,800	2.85
11 Kinta Hijau Sdn Bhd	43,952,100	2.15
12 Ladang Hijau (Sarawak) Sdn Bhd	37,052,788	1.82
13 Rimbunan Hijau (Sarawak) Sdn Bhd	15,686,400	0.77
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 Tiong Chiong Ong	4,877,208	0.24
19 Chong Tong Siew	4,378,000	0.21
20 Vital Focus Properties Sdn Bhd	4,189,200	0.21

## Analysis of Shareholdings (cont'd)

As at 1 APRIL 2024

### Thirty Largest Securities Account Holders (cont'd)

	<b>Name</b>	<b>No. of Ordinary Shares</b>	<b>%</b>
21	Roseate Garland Sdn Bhd	4,180,520	0.21
22	Tiong Chiong Ie	3,894,800	0.19
23	Lueh Tai Wai	3,200,000	0.16
24	Gooi Seong Gum	3,000,000	0.15
25	Kendaie Oil Palm Plantation Sdn Bhd	3,000,000	0.15
26	Yayasan Sarawak	3,000,000	0.15
27	Public Nominees (Tempatan) Sdn Bhd	2,681,100	0.13
	Pledged Securities Account for Yap Kau Tee (E-KPG)		
28	Maybank Nominees (Tempatan) Sdn Bhd		
	Pledged Securities Account for Cheah Kok Shen	2,410,000	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 19<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, 30 May 2024 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 2023 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 RM434,250 for the financial year ended 31 December 2023 (2022: RM231,332).   | <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 1 June 2024 until the conclusion of next Annual General Meeting of the Company.       | <b>Resolution 2</b>                        |
| 4. | To re-elect the following Directors who retire pursuant to Article 123 of the Company's Constitution and being eligible, offer themselves for re-election:<br><br>i) Mr. Tiong Chiong Ong<br>ii) Mr. Bong Wei Leong | <b>Resolution 3</b><br><b>Resolution 4</b> |
| 5. | 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.  |  |

### As special business

- |    |  |                     |
|----|--|---------------------|
| 6. | To consider and, if thought fit, pass the following ordinary resolution:<br><br><b>Proposed renewal of and new shareholder mandates for recurrent related party transactions of a revenue or trading nature ("Shareholder Mandate")</b>  | <b>Resolution 5</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 2024, 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."

7. 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 2024

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 19th 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 Sibul, 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 21 May 2024 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 and 4)

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 all the retiring Independent Directors of their independence, the Board recommended these Directors to be re-elected according to the resolutions to be tabled at the AGM.

# 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. 6, 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 2024 for further information.



**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 19th Annual General Meeting of the Company to be held on Thursday, 30 May 2024 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 2023.		
2.	To approve the payment of other benefits payable to directors (excluding Directors' fees).		
3.	To re-elect Tiong Chiong Ong as director.		
4.	To re-elect Bong Wei Leong as director.		
5.	To re-appoint Messrs. Crowe Malaysia PLT as auditors for the ensuing year.		
6.	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 \_\_\_\_\_ 2024

\_\_\_\_\_  
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 19<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 21 May 2024 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 Sibul, Sarawak.

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**RIMBUNAN SAWIT BERHAD**

[REGISTRATION NO: 200501014346 (691393-U)]

North Wing, Menara Rimbunan Hijau101, Pusat Suria Permata,  
Jalan Upper Lanang, 96000 Sibul, Sarawak

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Website: [www.rsb.com.my](http://www.rsb.com.my)