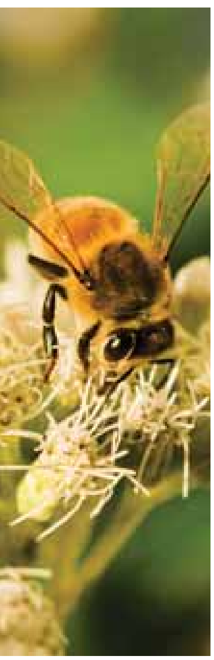
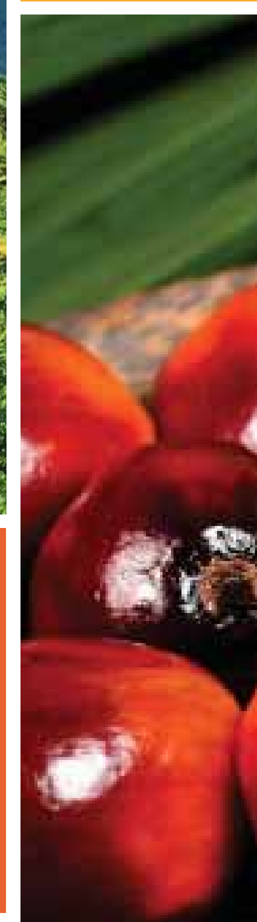
RIMBUNAN SAWIT BERHAD

[Registration No: 200501014346(691393-U)]





ANNUAL REPORT 2021

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VISION & MISSION

VISION

To be progressive plantation and agri-business group.

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

100% quality

- QUALITY (both our products and services)
- INTEGRITY
- TEAMWORK
- FAMILY VALUES
- 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

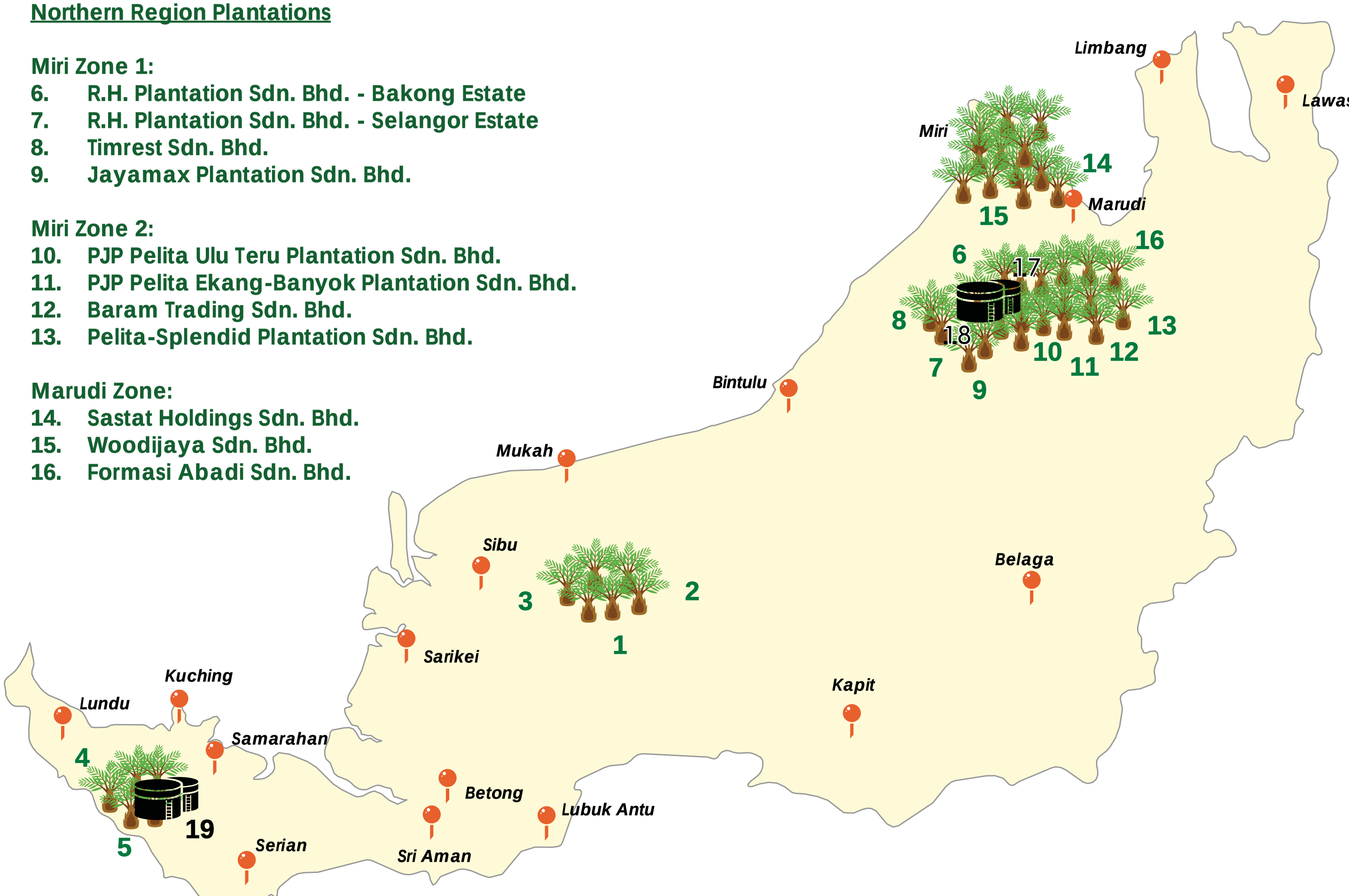
Miri Zone 1:
6. R.H. Plantation Sdn. Bhd. - Bakong Estate
7. R.H. Plantation Sdn. Bhd. - Selangor Estate
8. Timrest Sdn. Bhd.
9. Jayamax Plantation Sdn. Bhd.

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. Sastat Holdings Sdn. Bhd.
15. Woodijaya 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

PALM OIL SECTOR

PLANTATION

- 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-Banyok Plantation Sdn Bhd
- 60% | PJP Pelita Lundu Plantation Sdn Bhd
- 60% | PJP Pelita Selangau Plantation Sdn Bhd
- 60% | PJP Pelita Ulu Teru Plantation Sdn Bhd

MILL

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

OTHERS

- 85% | Burung Tiong Helicopter Sdn Bhd
- 100% | Rajang Agrisupplies Sdn Bhd
- 100% | Rajang Builders Sdn Bhd
- 100% | Rakantama Sdn Bhd
- 100% | Topline Synergy Sdn Bhd
- 100% | Rimbunan Sawit Management Services Sdn Bhd
- 100% | Lumiera Enterprise Sdn Bhd

CORPORATE INFORMATION

BOARD OF DIRECTORS

TIONG CHIONG IE
(Chairman/Non-Independent Non-Executive Director)

TIONG CHIONG ONG
(Executive Director)

WONG ING SENG
(Non-Independent Non-Executive Director)
(Appointed on 5th November 2021)

BONG WEI LEONG
(Independent Director)

TIONG ING MING
(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 Sibu, Sarawak
Tel: 084-218555
Fax: 084-219555
E-mail: rsb@rsb.com.my
Website: 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 Sibu, Sarawak

STOCK EXCHANGE LISTING

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

PRINCIPAL BANKERS

Affin Bank Berhad
Alliance Bank Malaysia Berhad
Ambank (M) Berhad
Bank of China (Malaysia) Berhad
Bank Pertanian Malaysia Berhad
CIMB Bank Berhad
Hong Leong Bank Berhad
Malayan Banking Berhad
Public Bank Berhad
RHB 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 2021.

On the local front, the domestic economy was severely affected by the movement control order ("MCO") and the necessary restrictions imposed by the government to contain the COVID-19 outbreak. The Group was fortunate that most of its operations were allowed to operate during the MCO period as the palm oil industry is considered an essential sector.

For the 31 December 2021 financial year under review, the Group reported a total revenue of RM541.5 million which contributed 40.5% higher than corresponding period in 2020. Overall sales volume of CPO and PK production dropped by 7.9% and 7.5% to 103,527MT and 22,359MT respectively. On the other hand, there had been favorable growth in the average selling price of CPO and PK with an increase of 61.3% and 81.0% to RM4,278 and RM2,679 respectively as compared to 2020. Despite of lower FFB production in 2021, the hike in FFB average selling price secured the FFB revenue towards positive trend with an increase of 36.0%.

The gross profit has reflected the impact on favorable average selling price concluded with RM54.6 million together with plantation cost being monitored and further rationalized in 2021.

The Group reported a pre-tax profit of RM2.9 million, which is an increase of 106.2% from RM47.0 million pre-tax loss in 2020. This is in line with the effort on rationalizing administration costs, followed with lower loss after taxation by 87.6% from RM56.1 million to RM7.0 million in 2021.

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.

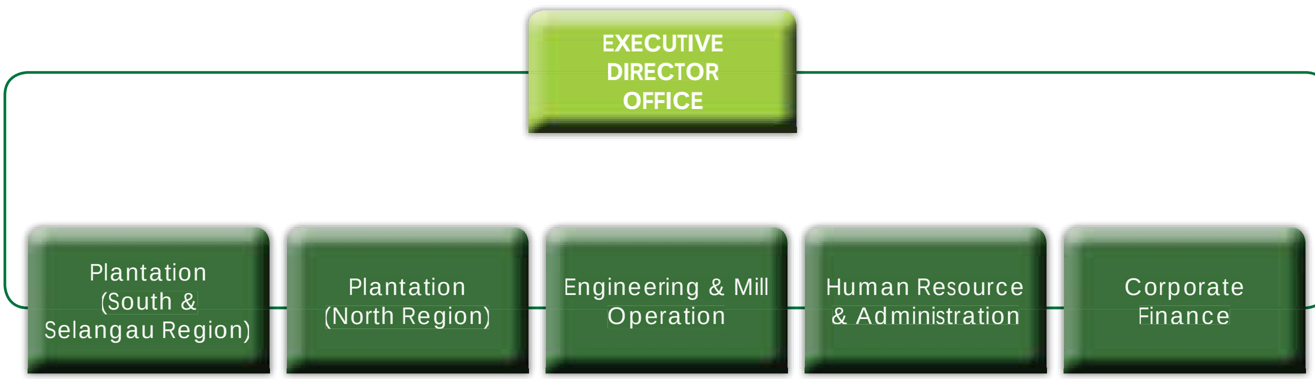
Our Corporate and Organisation Structure

Our corporate functions at head office level remain intact with continuous improvement and streamlining led by executive 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

For the financial year under review, Sale and purchase agreement ("SPA") dated 22 February 2017 entered into between RH Lundu Palm Oil Mill Sdn Bhd and RSB Lundu Palm Oil Mill Sdn Bhd, for RH Lundu to sell and RSB Lundu to purchase, the Lundu Land together with the Lundu Oil Mill, workers' quarters and plantation assets, for RM33,700,000 exclusive of goods and services tax. The Lundu Acquisition SPA was subsequently varied by two supplemental agreements dated 28 March 2017 and 21 December 2018, respectively. RSB Lundu had, on 20 February 2019, settled the partial purchase price of RM28,080,000 to RH Lundu to complete the acquisition of the Lundu Oil Mill including the workers' quarters and the plantation assets, therefore making a partial completion of the Lundu Acquisition SPA. As for Lundu Land, being the remaining asset to be completed under the Lundu Acquisition SPA, its completion is subject to the subdivision of Parent Lot 248 Block 4 Stungkor Land District in Lundu, Kuching Division, Sarawak culminating in the issuance of the issue document of title to the Lundu Land and the written consent being obtained from the Director of Lands and Surveys and the Superintendent of Lands and Surveys respectively for the transfer of the Lundu Land by RH Lundu to RSB Lundu within 18 months from 20 February 2019. As at 18 August 2020, the Lundu Acquisition SPA has been mutually extended by a period of 18 months from 19 August 2020 until 18 February 2022 for the parties to fulfil the Conditions Subsequent. On 5 February 2021, the subdivision of parent Lot 248 is completed. On 6 May 2021, the application for consent to transfer Lot 306 by RH Lundu to RSB Lundu has been approved by the Director of Lands and Surveys Department, Kuching division. Fulfilment of the remaining Conditions Subsequent (c) and (d) set out in clause 4.1 of the Supplemental Agreement dated 21 December 2018 (originally contained in clause 3.1(c) and (d) of the principal Sale and Purchase Agreement dated 22 February 2017) on 17 May 2021 and that parties are to proceed to the final completion of the sale and purchase transaction of the within two (2) months from 17 May 2021. On 21 July 2021, the notice of assessment has finally been issued by IRB (Stamp Duty Unit). The stamp duty has been paid and arrange to submit the stamped Memorandum of Transfer for registration at the Land and Survey Department, Kuching. On 2 August 2021, the transfer of ownership of Lot 306 Block 4 Stungkor Land District by RH Lundu POM to RSB Lundu POM has been successfully completed pursuant to the acceptance of the Memorandum of Transfer for registration, and the issuance of the Form L by the Registrar of Land and Survey Department, Kuching. On 3 August 2021, the Director's Consent and the Superintendent's Consent where both are the remaining two Conditions Subsequent set out in the Supplemental SPA for the Lundu Acquisition, Lot 306 Block 4 Stungkor Land District has been transferred to RSB Lundu and RSB Lundu has paid the Final Balance Sum to R H Lundu to complete the Lundu Acquisition and accordingly, the SPA in relation to the Lundu Acquisition has been completed.

Management Discussion and Analysis (cont'd)

Oil Palm Estate

Our portfolio of estates remains at sixteen spanning across Kuching, Sibu and Miri regions in Sarawak. Our total land bank remains at 69,909 hectares. Our total planted area stood at 43,392 hectares, comprising 62% of our land bank. The planted area by Age Cluster and are reflected in the following tables:

Age Cluster	2021 (HA)
Immature (1-3 years)	2,704
Young mature (4 - 7 years)	2,996
Prime mature (8 - 19 years)	20,003
Old mature (> 20 years)	17,689
Total planted area	**43,392**

Planted Hectares by Region	2021 (HA)
Kuching region	6,610
Sibu region	9,396
Miri region	27,386
Total planted area	**43,392**

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.

The remaining mill, Lundu Mill 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.

Management Discussion and Analysis (cont'd)

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

	RHP Mill	RSB Mill	Lundu Mill
Operation & Capacity	• Commenced operation in 1998 • 80 metric ton per hour	• Commenced operation in May 2017 • 60 metric ton per hour	• Commenced operation in March 2006 • 45 metric ton per hour
Certification & Compliance	• Obtain MSPO certification on 18 February 2019 • ISO 9001:2008 standard • MSPO SCCS	• Obtain MSPO certification on 18 February 2019 • Crops' grading in line with MPOB guidelines • MSPO SCCS	• Obtain MSPO certification on 20 June 2018 • Crops' grading in line with MPOB guidelines • MSPO SCCS
Sustainability & Environmental	• Equip with composting plant to recycle mill's waste into plant nutrients for manuring • Flue filtering system to regulate boiler gas emission	• Waste management plan in compliance with DOE • Flue filtering system installation in the pipeline	• Waste management plan in compliance with DOE • Flue filtering system to ensure clean air emission
Performance Metrics - 2021	• FFB Processed: 186,399 MT • CPO Production: 37,195 MT • PK Production: 7,879 MT • OER: 19.95% • KER: 4.23% • CPO Sales: RM158.23 million • PK Sales: RM20.97 million	• FFB Processed: 97,943 MT • CPO Production: 20,245 MT • PK Production: 4,198 MT • OER: 20.67% • KER: 4.29% • CPO Sales: RM85.12 million • PK Sales: RM11.36 million	• FFB Processed: 239,497 MT • CPO Production: 45,686 MT • PK Production: 10,032 MT • OER: 19.08% • KER: 4.19% • CPO Sales: RM198.28 million • PK Sales: RM27.58 million

Management Discussion and Analysis (cont'd)

Our Financial Performance

Our revenue improved by 40.5% to RM541.5 million as compared to 2020 of RM385.5 million accompanied with favorable growth in average selling price by an increase of 61.3% and 81.0% to RM4,278 and RM2,679 as compared to 2020. Despite of lower FFB production in 2021, the hike in FFB average selling price secured the FFB revenue towards positive trend with an increase of 36.0%.

Cost of sales has increased by 34.9% to RM486.9 million as compared to RM361.0 million in 2020 mainly due to hike in FFB purchases price by RM168.6 million from RM291.9 million in 2020 to RM460.5 million in 2021. As a result, the Group notched gross profit of RM54.6 million as compared to gross profit of RM24.5 million in 2020.

Other income increased by RM2.5 million mainly due to the reversal of impairment loss of property, plant and equipment of approximately RM4.19 million. The administrative and other expenses decreased by RM18.7 million mainly due to biological asset written off, PPE written off and impairment of goodwill amounted to RM9.7 million, RM3.8 million and RM5 million, respectively, in 2020.

The finance cost has reduced by RM5.2 million arising from the settlement of term loan facilities. Overall, the Group recorded profit before taxation of RM2.9 million as compared to loss before taxation of RM47.0 million in 2020 and our loss after taxation was reduced by 87.6% or RM49.1 million in 2021.

Our Financial Position

The Group's non-current assets stood at RM815.6 million, a reduction of RM49.9 million as compared to 2020 mainly due to disposal of PPE and PPE written off with carrying amount RM2.5 million, impairment of goodwill with RM2.2 million, and yearly PPE's depreciation of RM67.2 million for the Group. This, however, was mitigated by PPE addition of RM17.8 million and reversal of impairment losses no longer required of RM4.2 million.

The Group's total borrowings decreased by RM21.8 million to RM387.9 million as compared to 2020 of RM409.8 million mainly due to the repayment of banking facilities.

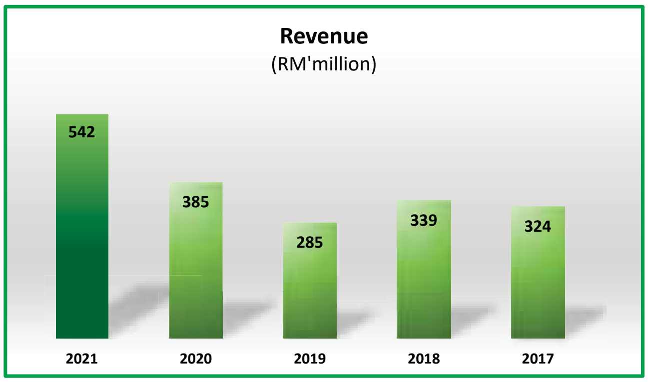
The Group's debt to equity ratio has decreased to 1.03 times as compared to 1.11 times in 2020 as a result of further reduction to our group borrowings. The following is an overview of our Group's key financial indicators for the past five financial years.

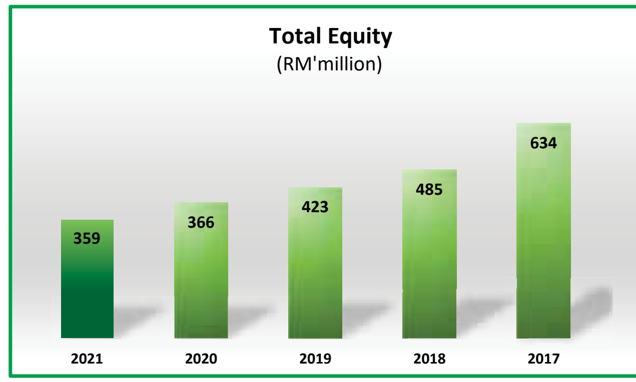
Key Financial Indicators	2021	2020	2019	2018	2017
(RM'thousand)					
Revenue	541,502	385,471	284,714	338,688	324,392
EBITDA	82,893	39,763	50,138	27,269	66,373
Profit/(Loss) after taxation	(6,978)	(56,052)	(62,843)	(148,697)	(157,588)
Total equity	359,292	366,450	422,502	485,345	633,832
Total assets	886,746	912,356	1,120,920	1,211,366	1,471,022
Net debts	370,016	408,516	505,965	535,738	583,465
Debt to Equity Ratio	1.03	1.11	1.20	1.10	0.92
Loss per share (sen)	(0.32)	(2.16)	(2.53)	(6.54)	(6.47)
Net assets per share (RM)	0.18	0.18	0.27	0.31	0.40

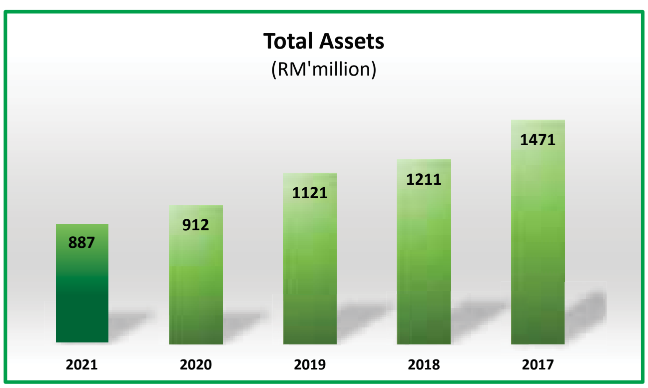
Management Discussion and Analysis (cont'd)

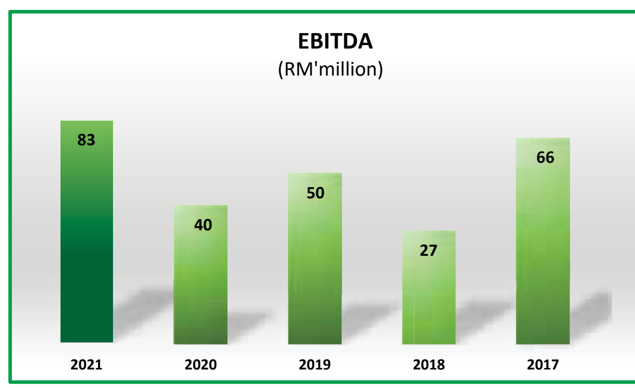
Review of Financial Results

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









Review of Operating Activities

The Group's EBITDA for 2021 increased to RM82.9 million as compared to RM39.8 million in 2020. The increase was mainly due to higher CPO, PK and FFB price.

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

Key Financial Indicators	2021	2020	2019	2018	2017
CPO Production Volume (MT)	**103,126**	112,376	109,514	116,689	67,374
PK Production Volume (MT)	**22,109**	24,078	23,616	25,582	15,470
FFB Production Volume (MT)	**192,732**	246,501	315,132	345,709	357,052
OER (%)	**19.69**	19.58	20.35	20.21	20.14
KER (%)	**4.22**	4.20	4.39	4.43	4.62
Mature Area (Ha)	**39,424**	39,349	43,424	43,424	44,992
FFB Yield per Ha (MT/Ha)	**4.89**	6.26	7.26	7.96	7.94
CPO Sales Volume (MT)	**103,527**	112,403	109,611	118,362	65,814
PK Sales Volume (MT)	**22,359**	24,172	23,690	25,684	14,896
FFB Processed (MT)	**523,839**	573,949	538,136	577,400	334,506

Management Discussion and Analysis (cont'd)

Anticipated or Known Risks

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.

Risk Category	Description/ Rationales	Impact	Mitigation Plans
Market	Fluctuation of CPO price due to uncertain global demand, foreign government policies, and restrictions imposed on palm oil usage, political uncertainties and COVID-19 pandemic.	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.
Operational	Shortage of oil palm harvesters and persistently low FFB yield.	Inferior OER and loss of income	The Group has initiate various programs and incentive to enhance labor shortage.
Regulatory	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.
Liquidity	Debt to Equity ratio exceed 1 for the past 5 years.	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

Crude palm oil ("CPO") price is expected to remain strong until early 2022 supported by the global edible oil supply tightness due to the Russia-Ukraine War. There is no clear prediction on how long the conflict will last, palm oil will continue to be in demand despite its current high price. The CPO production is expected to be lower than pre-pandemic level while the demand for edible oil has seen a strong recovery due to the impact from adverse weather arising from the La Nina phenomenon, unresolved labor shortage situation and recent conflict between Russia and Ukraine. In addition to the severe worker shortage, these factors would increase the risk of supply chain disruptions to the internal business, causing delays, shortage of raw materials, increased costs, and reduced orders which impacts the business performance.

Looking ahead, as the world reopens, market participants must be prepared to capitalize on heightened price volatility brought about by uncertain economic recovery, potential changes to global trade policy, increasingly unpredictable weather conditions, and the recent conflict between Russia and Ukraine. But, with the expectation of firm palm oil prices and demand of the market, our Group will continue with aggressive cost control measures and explore more innovative and sustainable approaches in its operations to drive greater cost efficiency and productivity, and our Group remains cautiously optimistic on the outlook of plantation segment and looking for a favorable financial performance in the year ahead.

Management Discussion and Analysis (cont'd)

Dividend Policy

For the financial year under review, our Group recorded loss after taxation of RM7.0 million. As such, we did not recommend dividend to be paid for the financial year ended 31 December 2021.

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 Ong
Executive Director

PROFILE OF DIRECTORS

TIONG CHIONG IE
Aged 51 / Male / Malaysian
Chairman/Non-Independent Non-Executive Director

Mr. Tiong Chiong Ie was appointed to the Board of RSB on 14 February 2006 and was subsequently appointed as Chairman of RSB on 26 December 2018. He is also a member of Audit Committee, Nomination Committee and Remuneration 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.

TIONG CHIONG ONG
Aged 63 / Male / Malaysian
Executive Director

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 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 immediate past Chairman of Sarawak Oil Palm Plantation Owner Association (SOPPOA), a non-profit organization comprised of a majority of oil palms owner in Sarawak, Vice-Chairman of Sarawak Timber Association (STA) and immediate past Treasurer of Sarawak Business Federation. He also holds directorship in several private limited companies.

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

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

Profile Of Directors (cont'd)

WONG ING SENG
Aged 65/Male/Malaysian
Non-Independent Non-Executive Director

Mr. Wong Ing Seng was appointed to the Board of RSB on 05 November 2021.

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.

BONG WEI LEONG
Aged 54 / Male / Malaysian
Independent Director

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 is the Chairman of Audit Committee, Nomination Committee and Remuneration Committee. He is also a member of Risk Management Committee.

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. He also sits on the board of CCK Consolidated Holdings Berhad, a public listed company.

Profile Of Directors (cont'd)

TIONG ING MING
Aged 64 / Male / Malaysian
Independent Director

Mr. Tiong Ing Ming was appointed to the Board as an Independent Director of RSB on 14 February 2006. He is a member of Audit Committee, Nomination Committee, Remuneration Committee and Risk Management Committee.

He graduated with a Bachelor of Building (Hons) from University of Melbourne, Australia in 1982 and began his career in a consulting quantity surveying practice since 1994. He is a registered quantity surveyor of the Board of Quantity Surveyors, Malaysia and a member of the Institution of Surveyors Malaysia. He also sits on the board of Subur Tiasa Holdings Berhad, a public listed company.

Other Information on Directors

1. Family Relationship

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

2. Conflict of Interest

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

3. Convictions of Offences

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

   On 14 July 2021, Securities Commission Malaysia reprimanded and directed Tiong Toh Siong Enterprises Sdn Bhd ("TTSE") and its persons acting in concert ("PACs") to undertake unconditional mandatory takeover offer on Subur Tiasa Holdings Berhad, which has been completed on 13 April 2022. Mr. Tiong Chiong Ong is one of the parties to the PACs by virtue of him being the son of Tan Sri Datuk Sir Diong Hiew King, the major shareholder of TTSE.

Profile Of Directors (cont'd)

4. Details of Attendance at Board Meetings held in the Financial year ended 31 December 2021

Name of Directors	Number of Meetings Attended
Tiong Chiong Ie	3 out of 5
Tiong Chiong Ong	5 out of 5
Wong Ing Seng (Appointed 05.11.2021)	1 out of 5
Bong Wei Leong	5 out of 5
Tiong Ing Ming	5 out of 5
Tiong Kiong King (Resigned 05.11.2021)	4 out of 5

KEY SENIOR MANAGEMENT

TIONG CHIONG ONG - Executive Director

The profiles of Tiong Chiong Ong is listed under Profile of Directors on page 14 of this annual report.

SUSTAINABILITY STATEMENT

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.

SCOPE

This Sustainability Statement ("Statement") 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 period is for the financial year ended 31 December 2021 ("FY2021").

SUSTAINABILITY GOVERNANCE STRUCTURE

The RSB's sustainability governance is structured as follow:

Board of Directors ("BOD")

- Ensure integration of sustainability agenda in business strategies;
- responsible in approving sustainability integrated strategies;
- assess the results from the executed and implemented sustainability strategies.

Executive Director ("ED")

- Develops sustainability strategies and recommend to the Board;
- leads the execution and implementation of the sustainability strategies;
- reviews and approves sustainability policies and targets;
- reports to the BOD.

Head of Departments ("HOD")

- Execution of sustainability strategies;
- oversees business functions to maintain robustness of the implemented sustainability strategies;
- reports to the ED.

Business Functions

- Supports sustainability strategies implementation;
- reports to HOD.

Sustainability Steering Committee

Sustainability Statement (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 2021, RSB had identified six (6) 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 Executive Director, to ensure that proper policies and sufficient control measures are in place.

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

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

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 2016, 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)

GOVERNANCE AND BUSINESS MANAGEMENT (CONT'D)

I. CORPORATE GOVERNANCE (CONT'D)

Ethical Conducts and Regulatory Compliance: (Cont'd)

Remote audit with SIRIM QAS

Sustainability Statement (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 Banyok


MSPO Baram Trading


MSPO Pelita Splendid


MSPO Pelita Melor


MSPO Formasi Abadi


MSPO Woodijaya


MSPO Sastat Holding


MSPO Lundu POM


MSPO SCCS Lundu POM


MSPO PJPP Lundu


MSPO PJPP Biawak

Sustainability Statement (cont'd)

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

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

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.

ISO:

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


SGS

R. H. Plantation Sdn. Bhd.
- Palm Oil Mill

ISO 9001:2015

ISO 9001:2015 for RH Mill Sdn. Bhd.

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.

Sustainability Statement (cont'd)

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

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)

III. KEY STAKEHOLDERS ENGAGEMENT (CONT'D)

Miri Zone 2 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.

Sustainability Statement (cont'd)

III. KEY STAKEHOLDERS ENGAGEMENT (CONT'D)

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






Sustainability Statement (cont'd)

III. KEY STAKEHOLDERS ENGAGEMENT (CONT'D)

RSB utilizes different approaches to engage with the key stakeholders. Outlined below is an overview of RSB's engagement with stakeholders as well as concerns raised throughout FY2021:

Key Stakeholder	Engagement Channels	Area of Interests
Authorities and Regulators	• Dialogues in the organized seminars or talks; • Site visits and inspections; • Discussions and consultations via electronic channels.	• Compliance to the statutory requirements and fulfillment of good corporate citizen responsibilities.
Shareholders and Investors	• General meetings; • Annual Reports; • Circulars; • Announcements through listing platform; • Company website.	• Return on investments; • Business sustainability.
Rural Communities and Representatives	• Dialogue sessions; • Meeting sessions; • Strategic joint venture.	• Communities development; • Waste management; • Employment opportunities.
Customers	• Phone calls and correspondence.	• Products quality; • Compliance to statutory requirements and standards; • Traceability of supply chain.
Employees	• Memos; • Intranet portal; • Meetings and briefing sessions.	• Career development; • Business sustainability; • Occupational safety and health; • Welfare.
Contractors and Suppliers	• Phone calls and correspondence; • Meeting sessions; • Strategic partnership.	• Business sustainability.

Sustainability Statement (cont'd)

Corporate Social Responsibilities ("CSR")

Improving Social Wellbeing of Rural Community

With its estates and mills operation at rural areas, RSB 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

Through joint-venture projects, RSB had developed thousands of hectares of native customary rights (NCR) 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.

Contributions to Frontliners During Covid-19 Pandemic

RSB contributed to frontliners that are from healthcare, defence, security and essential services sectors.

Contributions to frontliners at Sibu Hospital

Sustainability Statement (cont'd)

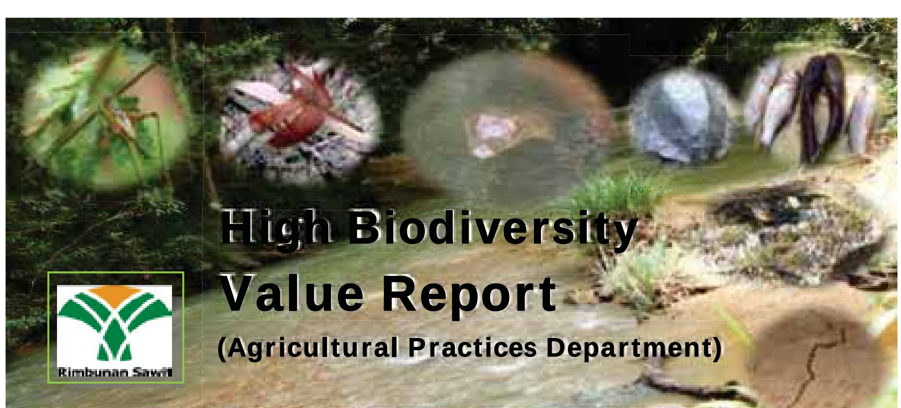
ENVIRONMENT MANAGEMENT

I. 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;
- 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 had done for new development.



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

Sustainability Statement (cont'd)

ENVIRONMENT MANAGEMENT (CONT'D)

I. AGRICULTURE PRACTICES (CONT'D)

For the year under review, no deforestation had done for new development.

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


NATURAL RESOURCES AND ENVIRONMENT BOARD SARAWAK

EMP REPORT APPROVAL

Compliances of Natural Resources and Environment Board of Sarawak

MSPO awareness briefing done annually through online training by Agricultural Practices Department

Sustainability Statement (cont'd)

PEOPLE MANAGEMENT

I. WORKPLACE SAFETY AND HEALTH

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:

- Gain a thorough understanding of Occupational Safety and Health Act 1994, Factory and Machinery Act 1967, Pesticides Act 1974, Fire Services Act 1988, Natural Resources and Environmental Ordinance 1993, Environmental Quality Act 1974, etc;
- Attend necessary training on safety courses which were conducted by external training providers;
- After attended such trainings, cascade the knowledge to key operation staff and members of SHC; and
- 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)

PEOPLE MANAGEMENT (CONT'D)

I. WORKPLACE SAFETY AND HEALTH (CONT'D)

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

(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:

- Prepare and compile OSH policies, OSH manuals, guidelines, programmes, Safety Operating Procedures (SOP), safety training materials/manuals, crisis management plans, etc;
- Draft plans on safety training, risk assessments, job safety analysis, and safety audits of the operating units;
- Compile hazard risk profiles and devise control strategies on prioritized or significant risks;
- Publicize and disseminate information and current issues related to OSH, loss control, fire safety, hazards risk, etc;
- Upload all OSH documents to intranet;
- Upload all MSPO related documents to Group's MSPO google drive;
- Organize and coordinate OSH training, tool-box briefing, education, publicity and promotional activities;
- Conduct OSH internal audits and inspections at all operating units;
- Investigate accidents/incidents and losses, and compile their reports and statistical data;
- Conduct chemical health risk assessments, personal chemical exposure monitoring, noise risk assessments, audiometric tests and medical surveillance programmes; and
- 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:

i. *Accident Record*

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

Our group had managed to maintain "zero fatality" in all our operations for four straight years during the period of FYE2018, FYE2019, FYE2020 and FYE2021. Zero fatality will always be the all-time main goal for the Group.

Significant further decrease was noted in Lost Time Injury (LTI) reported in FYE2021 i.e. 28.00 compared with 34.00 in FYE2020. This was mainly due to the increased in safety awareness among the employees at all levels, albeit the efficiency in accident reporting and increased transparency imposed by MSPO requirements.

Sustainability Statement (cont'd)

PEOPLE MANAGEMENT (CONT'D)

I. WORKPLACE SAFETY AND HEALTH (CONT'D)

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

(d) OSH Performance (Cont'd)

i. *Accident Record (Cont'd)*

Likewise, Incident Rate had also decreased further from 13.65 in FYE2020 to 13.53 in FYE2021.

In terms of LTIFR, it was further lowered to 5.39 in FYE2021 compared with 5.47 in FYE2020.

FYE	Average No. of Workers	Total Man-hours Worked	Total Accident Cases (LTI)	Incident Rate (per 1,000 Workers)	LTIFR (per 1,000,000 Hours Worked)	Fatality Rate
2021	2,072	5,188,288	28.00	13.53	5.39	0.00
2020	2,491	6,217,453	34.00	13.65	5.47	0.00
2019	3,028	7,557,888	57.00	18.82	7.54	0.00
2018	3,559	8,883,264	32.00	8.99	3.60	0.00

ii. *OSH In-house Training FYE2021*

The following is the list of the In-house OSH Training titles that were organized by our SHD, which were conducted regionally, where our oil palm estates and palm oil mills are located:

a) Keselamatan Am Bekerja Di Kilang Sawit;
b) Emergency Response Team;
c) Fire Fighting;
d) Keselamatan Pengendalian Racun;
e) Emergency First Aid at Workplace; and
f) Noise Awareness.

34 sessions of training managed to be conducted in year 2021, which involved a total of 294 staff members and general workers, albeit some restriction posed by Covid-19 pandemic and movement control order by the government.

Sustainability Statement (cont'd)

PEOPLE MANAGEMENT (CONT'D)

I. WORKPLACE SAFETY AND HEALTH (CONT'D)

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

(d) OSH Performance (Cont'd)

iii. *Safety Tool Box Briefing FYE2021*

The briefing titles are mainly sourced from the Company's SOP, Safety and Health Policy, case studies, safety bulletins and other official OSH channels. All briefings were properly recorded and reported accordingly.

Albeit the movement control order that started from March 2021 onwards, our Safety Officers from HQ managed to conduct a total of 6 sessions of tool box briefing during their OSH Internal audit visits to the individual oil palm estates and mills, attended by a total of 39 field supervisors and general workers.

Meanwhile, a total of 574 sessions of tool box briefing were conducted by the estate/mill own Safety and Health Committees (SHC) to their workers at the various work sites at all regions attended by a total of 4,533 participants who are mostly mill workers, field supervisors and general field workers.

iv. *OSH Internal Audit FYE2021*

Our safety audit teams from the SHD, which are based at Sibu headquarters, conducted periodical OSH internal audits to all estates and mills at least once per year. The audits were conducted in order to:

a) Ascertain the extent of compliance with our OSH Management System;
b) Grade the estate in accordance with its efforts towards compliance; 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.

v. *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)

PEOPLE MANAGEMENT (CONT'D)

I. WORKPLACE SAFETY AND HEALTH (CONT'D)

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

(d) OSH Performance (Cont'd)

vi. *Safety and Health Committee (SHC) Meeting*

The meetings, which were done quarterly, were convened quarterly by the estates and mills SHC to discuss and rectify workplace safety and health issues. The respective chairman of the SHC for every region 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 minuted and reported accordingly using the standard formats by the committees' secretaries.

vii. *Hazards Identification, Risk Assessment & Risk Control (HIRARC)*

All tasks in the estates and mills are were assessed and documented in HIRARC register. All records are well documented and compiled. HIRARC is 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 risks are reported to the Group's Risk Management Committee who meets quarterly to discuss further on the mitigation measures.

viii. *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.

Sustainability Statement (cont'd)

PEOPLE MANAGEMENT (CONT'D)

I. WORKPLACE SAFETY AND HEALTH (CONT'D)

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

(d) OSH Performance (Cont'd)

ix. *Personal Chemical Exposure Monitoring (PCEM)*

DOSH registered Hygiene Techs 1 were engaged to conduct the PCEM on pesticides handlers, welders, lab technicians, etc, once per year to quantify employee exposures to chemicals, to evaluate effectiveness of existing control measures and to recommend for improvement. FYE2021, a total of 30 employees under exposure had undergone the PCEM.

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. Most of the CHRA assessments will be due for reassessments in the year 2022.

xi. *Noise Risk Assessment (NRA)*

DOSH registered Hygiene Techs 2 were engaged to perform noise mapping 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.

FYE2021, each the 17 estates/mills had performed one session of the NRA.

xii. *Audiometric Tests (AT)*

The Hygiene Techs 2 also carried out the AT to a total of 109 workers under exposure at the three palm oil mills, namely, R.H. Plantation Sdn Bhd, RSB Palm Oil Mill Sdn Bhd and RSB Lundu Palm Oil Mill Sdn Bhd.

xiii. *Medical Surveillance Programme*

Based on the recommendations of CHRA Reports, certain chemical handlers, workshop/lab technicians or any other persons being exposed to chemicals hazardous to health are required to undergo PCEM by Hygiene Techs 1 and medical surveillance, periodically, by appointed Occupational Health Doctor (OHD). Medical records would be audited to ensure compliances.

In FYE2021, 13 estates and mills had sent a total of 49 employees who were identified in the PCEM reports to undergo medical surveillance at the registered OHD clinics.

Sustainability Statement (cont'd)

PEOPLE MANAGEMENT (CONT'D)

I. WORKPLACE SAFETY AND HEALTH (CONT'D)

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

(d) OSH Performance (Cont'd)

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 upgrading of existing ones.

xv. Fire Fighting Training and Exercise

The series of demos were parts of our in-house safety training on Emergency Response Plan (ERP) and Fire Fighting. They served the purpose to show to the Emergency Respond Team (ERT) members and employees, the correct ways of fighting small fires using available fire extinguishers, hence, to enhance their confidence and performance in responding to fire incidents.

xvi. Emergency Drill

Emergency drills involved all occupants of Regional HQ offices, mills, residents of 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.

Sustainability Statement (cont'd)

PEOPLE MANAGEMENT (CONT'D)

II. 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. Below are among the trainings that were attended via webinar:

1) MIA Webinar Series: Preparation and Presentation of Consolidated Financial Statements
2) MIA Webinar Series: Employer's Tax Obligation
3) Webinar on Forced Labour and Fair Migration for Export Manufacturing and Plantation Sectors in Malaysia
4) Financial Risk Evaluation and Review
5) Industrial Relations Practice, Management of Misconduct and Termination
6) MIA Webinar Series: Business Tax Deductions

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. However due to the Covid-19 pandemic and in compliance with the related SOP, no festive event was organized in 2021.

III. WELFARE

The company organizes sports and games for employees to maintain a healthy lifestyle. Sports and recreational facilities are provided at the estates and mills. Sports competitions are held to foster closer relationship and teamwork. However due to the Covid-19 pandemic and in compliance with the related SOP, no sports or games as organized in 2021.

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 2021. 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 the Corporate Governance Report.

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

Corporate Governance Overview Statement (cont'd)

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

I. Board Responsibilities (Cont'd)

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

The ED, 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 ED 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 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 2021, the Board has five (5) members, comprising two (2) Independent Directors, two (2) Non-Independent Non-Executive Director and one (1) Executive Directors. The Board composition complies with the Main market Listing requirements of Bursa Malaysia Securities Berhad that at least 2 directors or 1/3 of the board of directors of the company, whichever is the higher, are independent directors.

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

All the Independent Directors fulfil the 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. Our Independent Directors, Mr. Bong Wei Leong and Mr. Tiong Ing Ming have served as Independent Directors of the Company for a consecutive term of more than nine (9) years. However, the Board concurred that their independence as Independent Directors have not been compromised in any way based on the following justifications and recommendation from the Nomination Committee:

(a) They fulfilled the criteria as Independent Director as stipulated in the Listing Requirements and therefore are able to offer impartial judgement and advice to the Board;
(b) They remain independent and vocal, actively participated in deliberations and exercised independent judgement at Board and Board Committee meetings without compromising operational consideration. Hence, provide a check and balance to operational management; and
(c) They continue to exercise independent and objective judgement in carrying out their duties as Independent Directors and they provide guidance, unbiased and independent views to many aspects of the Company and the Group's strategy so as to safeguard the interests of minority shareholders. Their long tenure as Independent Directors have no conflict of interest or undue influence from management and interested parties.

Having considered the above, the Board had recommended both Mr. Bong Wei Leong and Mr. Tiong Ing Ming to be retained as Independent Directors of the Company and such proposal shall be tabled for shareholders' approval through a two-tier voting process at the forthcoming Annual General Meeting.

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.

Corporate Governance Overview Statement (cont'd)

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

II. Board Composition (Cont'd)

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 2021, 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
Time-bar and penalty headache; Inland Revenue Boards vs Taxpayers	1/2
Effective Secretarial Practice for Accountings Series (Module 1) – Meeting) Physical & Virtual) & Written Resolutions; Managing the Process & Procedure	1
Practical Auditing Methodology for SMPs	2
National Tax Conference 2021	2
MIA International Accountants Conference 2021	2
Conversation with Audit Committee	1/2

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 ED and within the bounds of practicality, by any other senior executive or any director or shareholder, interviewing or meeting up with candidates, deliberation by the Nomination Committee and recommendations by the Nomination Committee to the Board. The Board may utilizes independent sources to identify suitably qualified candidates if deem necessary.

The Nomination Committee is chaired by 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 2021, the Nomination Committee has met once.

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

Corporate Governance Overview Statement (cont'd)

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

II. Board Composition (Cont'd)

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 2021, 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.

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 ED. In the case of Independent Directors, the level of remuneration reflects the experience and level of responsibilities undertaken by the individual Independent Director concerned.

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

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

Corporate Governance Overview Statement (cont'd)

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

III. Remuneration (Cont'd)

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 2021 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
Executive Directors										
Tiong Chiong Ong	-	59,200	100,000	600,000	50,000	50,000	16,831	38,365	166,831	747,565
Tiong Kiong King	-	57,000	200,000	230,000	-	15,000	9,574	11,670	209,574	313,670
Non-Executive Directors										
Tiong Ing Ming	55,000	56,000	-	-	-	-	2,600	2,600	57,600	58,600
Tiong Chiong Ie	35,000	63,600	-	-	-	-	1,400	1,400	36,400	65,000
Bong Wei Leong	65,000	65,000	-	-	-	-	2,600	2,600	67,600	67,600
Wong Ing Seng	5,000	5,000	-	-	-	-	200	200	5,200	5,200

The terms of reference of the Remuneration Committee is available on the company's website at www.rsb.com.my.

PRINCIPLE B: EFFECTIVE AUDIT & RISK MANAGEMENT

I. Audit Committee

During the financial year ended 31 December 2021, 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. Bong Wei Leong. The Committee has adopted the practice for AC to require a former partner of the external audit firm 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.

Corporate Governance Overview Statement (cont'd)

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

I. Audit Committee (Cont'd)

Audit and non-audit fees paid/payable by the Group and the Company to the External Auditors during the financial year ended 31 December 2021 are set out below:

	Group (RM)	Company (RM)
Statutory audit fee paid to:		
- Crowe Malaysia PLT	333,000	70,000
- Philip Tong & Co	36,500	-
Total (a)	**369,500**	**70,000**
Non-audit fees paid to:		
- Crowe Malaysia PLT	5,000	5,000
- Crowe Tax (Sarawak) Sdn Bhd	79,000	12,000
- Tomax Tax Services Sdn Bhd	9,300	-
Total (b)	**93,300**	**17,000**
% of non-audit fees (b/a)	25.3%	24.3%

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, review of financial statements pursuant to the adoption of new accounting standards, and tax services.

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 48 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.

Corporate Governance Overview Statement (cont'd)

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

II. Risk Management & Internal Control Framework (Cont'd)

Further details on the state of the risk management and system of internal control of the Group are presented on pages 48 to 49 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 52 to 53 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 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 to which stakeholders can direct their queries or concerns.

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 the Corporate Governance Report. 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.

Corporate Governance Overview Statement (cont'd)

STATEMENT ON NOMINATION COMMITTEE ACTIVITIES

During the financial year ended 31 December 2021, the Nomination Committee has met twice and the activities carried out by the Nomination Committee during the financial year ended 31 December 2021 are as follows:

i) 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.

ii) Evaluated the performance and effectiveness of the board including contributions of each individual director as well as the financial controller and the independence of the Independent Directors.

iii) Assessed 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.

iv) Discussed to formalise a policy on the board and workforce diversity (including gender, age and ethnicity) and discussed the assessment of independent directors who have served for more than Nine (9) years for continuance in office as Independent Directors of the Company.

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 7 April 2022.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

INTRODUCTION

Pursuant to Paragraph 15.26(b) of the Main Market Listing Requirement ("Main LR") of Bursa Malaysia, the Board of Directors ("Board") of Rimbunan Sawit Berhad ("the Company") is committed to nurture and support a sound risk management framework and internal controls system (the "System") and is pleased to enclosed the Statement of Risk Management and Internal Control which outline the corporate governance practices to safeguard shareholders' investments and the Group's assets.

ROLES AND RESPONSIBILITIES

Board of Directors

The Board acknowledge its overall responsibility in the establishment and oversight of the Group's risk management framework and internal control systems. The Board is cognizant of the fact that its role in providing risk oversight sets the tone and culture towards managing key risks that may impede the achievement of the Group's business goals within an acceptable risk profile. The Board also recognized the facts that the internal control systems are the actions taken by the Board and management to manage risk and increase occurrences that established goals will be achieved, rather than eliminate the likelihood of material misstatements or unforeseeable circumstances, fraud and losses. Therefore, due to inherent limitations, it should be noted that the System can only provide reasonable, rather than absolute, assurance that the likelihood of a significant adverse impact on objectives arising from a future event or situation is at a level of acceptance to the business.

Risk Management

The Group has established the Risk Management Department ("RMD") to assists 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, which 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 Risk Management Committee ("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 Audit Committee ("AC") in accordance with Paragraph 15.27 of Main LR of Bursa Malaysia and report to Executive Directors 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. Ad-hoc audits and special investigation assignment will also be performed when required. The IAD undertakes regular reviews on the business processes to examine and evaluate the adequacy and efficiency of financial and operating controls. Significant risks and non-compliance impacting the Group are highlighted and where applicable, recommendations are provided to rectify weaknesses and improve on the effectiveness of risk management, internal control system and governance processes. Business process owner decides on the appropriate action to resolve issues/concerns within an agreed timeline. Follow-up reviews were conducted to ensure that corrective action have been implemented accordingly. The internal audit and investigation reports incorporate with findings, recommendations, together with corrective and preventive action, were presented to the AC in quarterly basis. The AC actively review the Internal Audit function/activities and oversight on Internal Audit's independence, scope of work and resources.

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 orgainisation, 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:

Operating Risk	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.
Financial Risk	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.
Compliance Risk	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.
Environment Risk	Erratic Weather Conditions impacting operation.
Human Resource Risk	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

The Group has in place a system of internal control which encompasses all types of control including those of a financial, operational, environmental and compliance nature.

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.

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

INTERNAL CONTROL SYSTEM (CONT'D)

- 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 Executive Director, divisional and department heads to discuss the Group's operational matters.
- 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 statement. Their limited assurance review was performed in accordance with Recommended Practice Guide ("RPG ") 5 (Revised) issued by the Malaysian Institute of Accountants, which does not require the external auditors to form an opinion on the adequacy and effectiveness of the risk management and internal control systems of the Group.

Based on the procedures performed, nothing had come to their attention that caused them to believe that the Statement on Risk Management and Internal Control 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 ED 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 07 April 2022.

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 2021 comprises the following members:

Chairman : Bong Wei Leong (Independent Director)
Members : Tiong Ing Ming (Independent Director)
Tiong Chiong Ie (Non-Independent Non-Executive Director)

Mr. Bong Wei Leong is a member of the Malaysian Institute of Accountants, one (1) of the Associations of Accountants specified in Part II of the First Schedule of the Accountants Act 1967. All members of the Audit Committee are financially literate.

KEY FUNCTIONS AND RESPONSIBILITIES

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

The TOR is available on the Company's website at www.rsb.com.my.

MEETINGS AND ATTENDANCE

The Committee met five (5) times during the financial year ended 31 December 2021. 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
Bong Wei Leong	5 out of 5
Tiong Ing Ming	5 out of 5
Tiong Chiong Ie	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 2021:

Financial Reporting

1. Reviewed with the external auditors their audit for the financial year ended 31 December 2020 ("FY2020") 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 FY2020 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 FY2021 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 FY2021 without the presence of Executive Directors and senior management to enquire about management's co-operation with the external auditors, sought clarification on certain issues arising from the final audit and ascertained no significant weaknesses were noted in the internal control system and no frauds were noted in the course of their audit.

INTERNAL AUDIT

1. Reviewed the internal audit plan and was satisfied that the internal auditors employed a systematic and reasonable methodology to select suitable audit areas and the corresponding companies targeted for audit review;

2. Reviewed and deliberated the internal auditors' reports which highlighted the risk profiles and assessments, their recommendations, management's responses and actions; and

3. Reviewed the adequacy of the scope, functions, competency and resources of the internal audit function and was satisfied that the audit team has the relevant qualifications, adequate expertise and experience to conduct the audit competently and they have also demonstrate to provide quality audit performance.

Report Of The Audit Committee (cont'd)

SUMMARY OF THE WORK OF THE COMMITTEE (CONT'D)

Related Party Transactions

1. Reviewed the adequacy of the disclosure on related party transactions entered into by the Company and the Group in the quarterly and annual reports.

2. Reviewed the recurrent related party transactions ("RRPT") of the Group quarterly to:

   (i) Ascertain that they were entered in accordance to the Company's established guidelines and procedures, and within the mandated limits, on normal commercial terms and were not detrimental to the interest of the Company and its minority shareholders; and

   (ii) Monitored the aggregate value transacted to determine if the threshold had been breached to warrant immediate announcement to Bursa Securities.

3. Submitted the aforesaid RRPT to the Board for ratification and approval.

4. Reviewed the draft Circular to Shareholders in relation to the proposed renewal of the existing shareholders' mandate for RRPT of a revenue or trading nature and recommended to the Board for approval.

Other

1. Reviewed 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.

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.

Report Of The Audit Committee (cont'd)

INTERNAL AUDIT FUNCTION (CONT'D)

The Internal Audit reports based on the annual audit plan duly approved by the AC and any unplanned audit reviews and special assignment undertaken by IAD were issued to the Committee quarterly incorporating findings, recommendations to improve on the weaknesses noted in the course of the audits and management's comments on the findings. An established system has been put in place to ensure that all remedial actions have been taken on the agreed audit issues and recommendations highlighted in the audit reports. At each meeting, the Committee considered the results of the audits undertaken and considered the adequacy of management's response to matters raised, including time taken to resolve such matters. The tasks, responsibilities, and goals of the Committee and internal auditing are closely intertwined in many ways.

During the financial year ended 31 December 2021, the Internal Audit Department had undertaken the following works:

- prepare the annual audit plan for approval by the Audit Committee;
- 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;
- reviewing and appraising the soundness, adequacy and application of the system of internal control for areas covering operational, inventories, fixed assets, business process system, and human resource of the RSB Group and recommend improvement thereon; and
- identifying ways and opportunities to improve the effectiveness and efficiency of the operations and processes within the RSB Group.

The total costs incurred for the internal audit functions of the Group for the FY 2021 was RM 733,887.06 (FY 2020: RM 892,788.76). The decreased of cost in year 2021 was mainly due to pandemic and restricted field operational visit from the period of Jan to Mar 2021 and also transferred of internal auditors during the year.

This Report is made in accordance with the resolution of the Board of Directors dated 7 April 2022.

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:

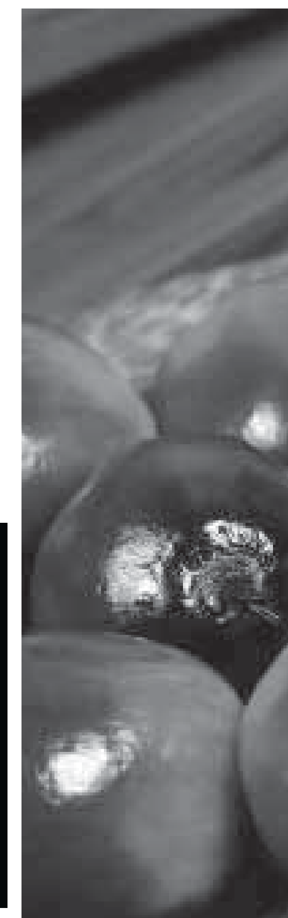
- Adopted and consistently applied the appropriate and relevant accounting policies;
- Made reasonable and prudent judgements and estimates; and
- Prepared the financial statements on a going concern basis.

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 7 April 2022.

FINANCIAL STATEMENTS



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 2021.

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
(Loss)/profit after taxation for the financial year	(6,977,649)	72,830,696
Attributable to:-		
Owners of the Company	(6,532,417)	72,830,696
Non-controlling interests	(445,232)	-
	(6,977,649)	72,830,696

DIVIDENDS

No dividend was paid since the end of the previous financial year and the directors do not recommend the payment of any dividend for the current financial year.

RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year.

ISSUES OF SHARES AND DEBENTURES

During the financial year:-

(a) there were no changes in the issued and paid-up share capital of the Company; and

(b) there were no issues of debentures by the Company.

Directors' Report (cont'd)

OPTIONS GRANTED OVER UNISSUED SHARES

During the financial year, no options were granted by the Company to any person to take up any unissued shares in the Company.

BAD AND DOUBTFUL DEBTS

Before the financial statements of the Group and of the Company were made out, the directors took reasonable steps to ascertain that action had been taken in relation to the writing off of bad debts and the making of allowance for impairment losses on receivables, and satisfied themselves that all known bad debts had been written off and that adequate allowance had been made for impairment losses on receivables.

At the date of this report, the directors are not aware of any circumstances that would require the further writing off of bad debts, or the additional allowance for impairment losses on receivables in the financial statements of the Group and of the Company.

CURRENT ASSETS

Before the financial statements of the Group and of the Company were made out, the directors took reasonable steps to ensure that any current assets, which were unlikely to be realised in the ordinary course of business, including their value as shown in the accounting records of the Group and of the Company, have been written down to an amount which they might be expected so to realise.

At the date of this report, the directors are not aware of any circumstances which would render the values attributed to the current assets in the financial statements misleading.

VALUATION METHODS

At the date of this report, the directors are not aware of any circumstances which have arisen which render adherence to the existing methods of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate. The financial statements of the Group and of the Company are prepared on the basis of accounting principles applicable to a going concerns as the directors believe that, with the 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.

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.

Directors' Report (cont'd)

CHANGE OF CIRCUMSTANCES

At the date of this report, the directors are not aware of any circumstances not otherwise dealt with in this report or the financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading.

ITEMS OF AN UNUSUAL NATURE

The results of the operations of the Group and of the Company during the financial year were not, in the opinion of the directors, substantially affected by any item, transaction or event of a material and unusual nature.

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors, to affect substantially the results of the operations of the Group and of the Company for the financial year in which this report is made.

DIRECTORS

The names of directors of the Company who served during the financial year and up to the date of this report are as follows:-

Tiong Chiong Ong	
Tiong Kiong King	(Resigned on 5.11.2021)
Tiong Chiong Ie	
Wong Ing Seng	(Appointed on 5.11.2021)
Bong Wei Leong	
Tiong Ing Ming	

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:-

Datuk Tiong Thai King	
Datuk Stephen Timothy Wan Ullok	
YBhg. Datu Stephen Jussem Dundon	(Resigned on 11.3.2022)
Dato' Muhammad Arif Stephen Bin Abdullah	
Datu Junaidi Bin Reduan	
Penghulu Ngau Ajang	
Tiong Kiong King	
Timothy Tiong Ing Zun	
George Lentton Anak Indang	
Idris Bin Ibrahim	
Monaliza Binti Zaidel	
Sebastian Ak Baya	

Directors' Report (cont'd)

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 1.1.2021	Bought	Sold	At 31.12.2021
Direct Interests in the Company				
Tiong Chiong Ong	6,073,108	538,800	-	6,611,908
Tiong Ing Ming	200,000	-	-	200,000
Indirect Interests in the Company				
Tiong Chiong Ong *	326,714	-	-	326,714

* Deemed interested by virtue of the interest of his spouse and children in the Company.

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' 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 Note 30(a) to the financial statements) 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 31(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 Group and of the Company during the financial year are disclosed in Note 30(a) to the financial statements.

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.

Directors' Report (cont'd)

SUBSIDIARIES

The details of the Company's subsidiaries are disclosed in Note 6 to the financial statements.

SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR AND OCCURRING AFTER THE REPORTING PERIOD

The significant events during the financial year and occurring after the reporting period are disclosed in Note 36 to the financial statements.

AUDITORS

The auditors, Crowe Malaysia PLT, have expressed their willingness to continue in office.

The auditors' remuneration is disclosed in Note 26 to the financial statements.

Signed in accordance with a resolution of the directors dated 26 April 2022.

Tiong Chiong Ong
Director

Bong Wei Leong
Director

STATEMENT BY DIRECTORS
PURSUANT TO SECTION 251(2) OF THE COMPANIES ACT 2016

We, Tiong Chiong Ong and Tiong Chiong Ie, being two of the directors of Rimbunan Sawit Berhad, state that, in the opinion of the directors, the financial statements set out on pages 68 to 148 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 2021 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 26 April 2022.

Tiong Chiong Ong
Director

Bong Wei Leong
Director

STATUTORY DECLARATION
PURSUANT TO SECTION 251(1)(b) OF THE COMPANIES ACT 2016

I, Ling Tong Ung, MIA Membership Number: 5906, 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 68 to 148 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
Ling Tong Ung
at Sibu
in the State of Sarawak
on this 26 April 2022

Ling Tong Ung
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 2021 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 68 to 148.

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 2021, 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 the Group incurred a net loss of RM7.0 million for the financial year ended 31 December 2021 and, as of that date, the Group's current liabilities exceeded its current assets by RM227.2 million. These conditions and the tax dispute with the Inland Revenue Board, Malaysia ("IRBM") as disclosed in Note 34 to the financial statements, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern.

As at 31 December 2021, the Group's total borrowings amounted to RM387.9 million (2020: RM409.8 million), of which RM202.9 million (RM204.2 million) were classified as current liabilities. Details of these borrowings are disclosed in Note 19 to the financial statements. The Group's trade and non-trade payables were recorded at RM91.3 million (2020: RM86.3 million) as at 31 December 2021. Of these payables, RM37.9 million (2020: RM39.4 million) were payable to the related parties. Details of these trade and non-trade payables are disclosed in Notes 21 and 22 to the financial statements respectively. In addition, despite the loss suffered, the Group recorded earnings before interest, tax, depreciation and amortisation ("EBITDA") of RM82.9 million (2020: RM39.8 million) for the financial year. As at the end of the reporting period, the Group has available approved unutilised credit facilities of RM60.7 million, 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 in 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 from these estates. 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 34 to the financial statements.

Independent Auditors' Report (Cont'd)

To The Members Of Rimbunan Sawit Berhad

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D)

Material Uncertainty Related to 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, 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.

Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current financial year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

In addition to the matter described in the Material Uncertainty Related to Going Concern section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Impairment of Goodwill
Refer to Note 11 in the financial statements

Key Audit Matter	How our audit addressed the key audit matter
The Group has goodwill with a cost stated at RM75.2 million as at 31 December 2021, which relates to the Group's oil palm plantation cash-generating unit ("CGU"). An impairment allowance of RM2.2 million (2020: RM5.1 million) was recognised for the financial year, with a resulting net carrying amount of goodwill of RM5.3 million as at the end of the financial year. CGUs containing goodwill shall be tested for impairment on an annual basis. It is considered to be a key audit matter due to the significant judgement required in determining the assumptions used to estimate the recoverable amount. The recoverable amount of each CGU, being the higher of value-in-use and fair value less costs to sell, has been derived with reference to the valuations performed by professional valuers or from the discounted cash flows model. Both methods use several key assumptions, including assumptions about future commodity prices and the appropriate discount rate as well as internal assumptions related to estimated gross profit margin, oil palm yield rates and future capital and operating expenditure	Our procedures included, amongst others:- • for recoverable amounts determined by using professional valuers, assessing the competence, capabilities and objectivity of management's valuation experts; and evaluating the valuation methodologies and the appropriateness of the assumptions used by the valuation experts. • for recoverable amounts determined by using discounted cash flows method, evaluating and challenging the appropriateness and reasonableness of the assumptions applied to key inputs such as prices of crude palm oil, oil palm yield rates, operating costs and discount rate applied, which included comparing these inputs with externally derived data as well as our own assessments based on our knowledge of the client and the industry. • performing sensitivity analysis, which included assessing the effect of reasonably possible reductions in key drivers (e.g. commodity prices, discount rate) of cash flows forecast to evaluate the impact on the currently estimated headroom. • evaluating the adequacy of the disclosures in the financial statements, including disclosures of key assumptions and judgements.

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 (Cont'd)

<table>
<tr><td colspan="2">Impairment of Property, Plant and Equipment
Refer to Note 7 in the financial statements</td></tr>
<tr><td>Key Audit Matter</td><td>How our audit addressed the key audit matter</td></tr>
<tr><td>The Group has oil palm plantation assets with a carrying amount of RM697.2 million as at 31 December 2021. A net reversal of RM4,192,834 was recognised for the financial year in respect of these plantation assets.

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.

Certain oil palm plantations of the Group have a history of losses mainly due to the low oil palm yield. This was identified by management as an impairment indicator. Two methods are used by management to determine the recoverable amounts of the plantation assets, i.e. valuations performed by professional valuers and discounted cash flows model.

We gave audit focus on the impairment of these plantation assets because the estimation of their recoverable amounts involves significant management judgement.</td><td>Our procedures included, amongst others:-

• for recoverable amounts determined by using professional valuers, assessing the competence, capabilities and objectivity of management's valuation experts; and evaluating the valuation methodologies and the appropriateness of the assumptions used by the valuation experts.

• for recoverable amounts determined by using discounted cash flows method, evaluating and challenging the appropriateness and reasonableness of the assumptions applied to key inputs such as prices of crude palm oil, oil palm yield rates, operating costs and discount rate applied, which included comparing these inputs with externally derived data as well as our own assessments based on our knowledge of the client and the industry.

• testing the sensitivity of the impairment calculations to changes in key assumptions used (e.g. commodity prices, discount rate) to evaluate the impact on the currently estimated headroom</td></tr>
</table>

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.

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.

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)

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

Ling Hang Ngee
03188/07/2023 J
Chartered Accountant

26 April 2022

Sibu, Sarawak

STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER 2021

		The Group		The Company	
		2021	2020	2021	2020
	Note	RM	RM	RM	RM
ASSETS					
NON-CURRENT ASSETS					
Investments in subsidiaries	6	-	-	399,217,853	371,409,160
Property, plant and equipment	7	807,386,955	855,046,667	1,948,920	2,572,367
Biological assets	8	1,153,565	1,013,341	-	-
Intangible assets	9	36,330	196,538	-	-
Other investment	10	1,643,247	1,643,247	1,643,247	1,643,247
Goodwill	11	5,263,626	7,461,747	-	-
Amount owing by subsidiaries	12	-	-	427,384,316	207,943,443
Deposits with licensed banks	13	120,051	120,051	-	-
		815,603,774	865,481,591	830,194,336	583,568,217
CURRENT ASSETS					
Inventories	14	20,780,764	18,476,570	-	-
Biological assets	8	5,109,564	3,077,556	-	-
Trade receivables	15	14,164,139	10,195,297	-	-
Other receivables, deposits and prepayments	16	9,744,317	10,090,450	3,222,586	3,900,554
Current tax assets		3,532,346	3,907,882	783,260	536,455
Deposits with licensed banks	13	16,491,251	89,408	91,251	89,408
Cash and bank balances		1,319,600	1,037,368	88,369	95,086
		71,141,981	46,874,531	4,185,466	4,621,503
		886,745,755	912,356,122	834,379,802	588,189,720
EQUITY AND LIABILITIES					
EQUITY					
Share capital	17	614,600,257	614,600,257	614,600,257	614,600,257
Reserves	18	(231,537,244)	(225,004,827)	(103,152,794)	(175,983,490)
Equity attributable to owners of the Company		383,063,013	389,595,430	511,447,463	438,616,767
Non-controlling interests	6	(23,770,987)	(23,145,235)	-	-
TOTAL EQUITY		359,292,026	366,450,195	511,447,463	438,616,767

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

Statements Of Financial Position (Cont'd)

As at 31 December 2021

	Note	The Group 2021 RM	The Group 2020 RM	The Company 2021 RM	The Company 2020 RM
NON-CURRENT LIABILITIES					
Borrowings	19	185,088,797	205,600,946	2,840,412	-
Deferred tax liabilities	20	44,011,714	45,406,691	-	-
		229,100,511	251,007,637	2,840,412	-
CURRENT LIABILITIES					
Trade payables	21	53,308,760	55,218,574	-	-
Other payables, deposits and accruals	22	38,024,344	31,123,453	7,574,180	5,706,304
Amount owing to subsidiaries	12	-	-	278,133,159	102,391,844
Borrowings:-	19				
- bank overdrafts		2,785,076	1,848,014	-	24,805
- other borrowings		200,072,637	202,313,692	34,384,588	41,450,000
Current tax liabilities		4,162,401	4,394,557	-	-
		298,353,218	294,898,290	320,091,927	149,572,953
TOTAL LIABILITIES		527,453,729	545,905,927	322,932,339	149,572,953
TOTAL EQUITY AND LIABILITIES		886,745,755	912,356,122	834,379,802	588,189,720

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 2021

		The Group		The Company	
	Note	2021 RM	2020 RM	2021 RM	2020 RM
REVENUE	23	541,501,641	385,470,881	17,022,950	-
COST OF SALES		(486,852,104)	(360,983,552)	-	-
GROSS PROFIT		54,649,537	24,487,329	17,022,950	-
OTHER INCOME		11,655,567	9,125,597	35,548,841	3,549,322
DISTRIBUTION COSTS		(25,287,487)	(18,954,657)	-	-
ADMINISTRATIVE AND OTHER EXPENSES		(24,407,967)	(43,098,286)	(1,600,973)	(132,713,493)
FINANCE COSTS	24	(13,324,117)	(18,514,985)	(5,346,966)	(2,769,951)
NET IMPAIRMENT LOSSES ON FINANCIAL ASSETS	25	(376,963)	(53,163)	27,262,371	(44,050,158)
PROFIT/(LOSS) BEFORE TAXATION	26	2,908,570	(47,008,165)	72,886,223	(175,984,280)
INCOME TAX EXPENSE	27	(9,886,219)	(9,043,434)	(55,527)	790
(LOSS)/PROFIT AFTER TAXATION		(6,977,649)	(56,051,599)	72,830,696	(175,983,490)
OTHER COMPREHENSIVE INCOME		-	-	-	-
TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR		(6,977,649)	(56,051,599)	72,830,696	(175,983,490)
(LOSS)/PROFIT AFTER TAXATION ATTRIBUTABLE TO:-					
Owners of the Company		(6,532,417)	(44,121,447)	72,830,696	(175,983,490)
Non-controlling interests		(445,232)	(11,930,152)	-	-
		(6,977,649)	(56,051,599)	72,830,696	(175,983,490)
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:-					
Owners of the Company		(6,532,417)	(44,121,447)	72,830,696	(175,983,490)
Non-controlling interests		(445,232)	(11,930,152)	-	-
		(6,977,649)	(56,051,599)	72,830,696	(175,983,490)
LOSS PER SHARE (SEN)	28				
Basic		(0.32)	(2.16)		
Diluted		(0.32)	(2.16)		

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

STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

The Group	Note	Share Capital Ordinary Shares RM	Share Capital Preference Shares RM	Merger Reserve RM	Accumulated Losses RM	Attributable to Owners of the Company RM	Non-controlling Interests RM	Total Equity RM
Balance at 1.1.2020		724,690,725	82,438,465	(53,065,553)	(320,346,760)	433,716,877	(11,215,083)	422,501,794
Loss after taxation/ Total comprehensive income for the financial year		-	-	-	(44,121,447)	(44,121,447)	(11,930,152)	(56,051,599)
Contributions by and distributions to owners of the Company:-								
- conversion of ICPSs to ordinary shares	17	82,438,465	(82,438,465)	-	-	-	-	-
- reduction of share capital	17	(192,528,933)	-	-	192,528,933	-	-	-
Balance at 31.12.2020/1.1.2021		614,600,257	-	(53,065,553)	(171,939,274)	389,595,430	(23,145,235)	366,450,195
Loss after taxation/ Total comprehensive income for the financial year		-	-	-	(6,532,417)	(6,532,417)	(445,232)	(6,977,649)
Contributions by and distributions to owners of the Company:-								
- dividends								
- by subsidiaries to non-controlling interests		-	-	-	-	-	(180,520)	(180,520)
Balance at 31.12.2021		614,600,257	-	(53,065,553)	(178,471,691)	383,063,013	(23,770,987)	359,292,026

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 2021

The Company	**Note**	**Share Capital** **Ordinary Shares** **RM**	**Share Capital** **Preference Shares** **RM**	**Accumulated Losses** **RM**	**Total Equity** **RM**
Balance at 1.1.2020		724,690,725	82,438,465	(192,528,933)	614,600,257
Loss after taxation/Total comprehensive income for the financial year		-	-	(175,983,490)	(175,983,490)
Contributions by and distributions to owners of the Company:-					
- conversion of ICPSs to ordinary shares	17	82,438,465	(82,438,465)	-	-
- reduction of share capital	17	(192,528,933)	-	192,528,933	-
Balance at 31.12.2020/1.1.2021		614,600,257	-	(175,983,490)	438,616,767
Profit after taxation/Total comprehensive income for the financial year		-	-	72,830,696	72,830,696
Balance at 31.12.2021		614,600,257	-	(103,152,794)	511,447,463

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

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

	The Group		The Company	
	2021 RM	2020 RM	2021 RM	2020 RM
CASH FLOWS FROM/(FOR) OPERATING ACTIVITIES				
Profit/(loss) before taxation	2,908,570	(47,008,165)	72,886,223	(175,984,280)
Adjustments for:-				
Allowance for stock obsolescence no longer required	(7,919)	(6,492)	-	-
Amortisation of intangible assets	177,808	290,512	-	-
Bad debts written off	21,977	258,290	-	49,734
Biological assets written off	253,215	9,652,337	-	-
Changes in fair value of:-				
- biological assets	(2,032,008)	605,885	-	-
- other investment	-	(1,625,305)	-	(1,625,305)
Depreciation of property, plant and equipment	66,483,240	67,966,432	623,447	1,051,793
Dividend income	-	-	(17,022,950)	-
(Gain)/loss on disposal of:-				
- assets classified as held for sale	-	(1,692,000)	-	-
- property, plant and equipment	(241,411)	1,286,005	-	-
Gain on derecognition of lease contracts	-	-	-	(93,091)
Impairment losses on:-				
- amount owing by subsidiaries	-	-	2,860,306	44,050,158
- goodwill	2,198,121	5,083,795	-	-
- investments in subsidiaries	-	-	-	130,000,000
- trade and other receivables	473,062	148,032	-	-
Impairment losses no longer required:-				
- amount owing by subsidiaries	-	-	(30,122,677)	-
- investments in subsidiaries	-	-	(29,758,692)	-
- property, plant and equipment	(4,192,834)	-	-	-
- trade and other receivables	(96,099)	(94,869)	-	-
Interest expense	13,324,117	18,514,985	5,346,966	2,769,951
Interest income	(35,199)	(35,718)	(5,755,080)	(1,479,067)
Inventories written off	81,396	44,839	-	-
Payables written off	(34,527)	(43,508)	(34,527)	-
Property, plant and equipment written off	489,611	3,835,274	-	105
Operating profit/(loss) before working capital changes	79,771,120	57,180,329	(976,984)	(1,260,002)
Increase in inventories	(2,377,671)	(3,400,439)	-	-
(Increase)/decrease in trade and other receivables	(4,021,649)	(1,815,324)	678,678	748,403
Increase/(decrease) in trade and other payables	5,286,765	(52,766,878)	1,902,403	(259,770)
CASH FROM/(FOR) OPERATIONS/ BALANCE CARRIED FORWARD	78,658,565	(802,312)	1,604,097	(771,369)

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

Statements Of Cash Flows (Cont'd)
For The Financial Year Ended 31 December 2021

		The Group		The Company	
		2021	2020	2021	2020
	Note	RM	RM	RM	RM
CASH FROM/(FOR) OPERATIONS/ BALANCE BROUGHT FORWARD		78,658,565	(802,312)	1,604,097	(771,369)
Income tax paid		(13,078,462)	(13,274,917)	(302,332)	(189,584)
Income tax refunded		1,940,646	1,005,078	-	1,005,078
Interest paid		(6,810,674)	(9,654,508)	(5,321,978)	(2,608,606)
Interest received		35,199	35,718	5,754,370	1,479,067
NET CASH FROM/(FOR) OPERATING ACTIVITIES		60,745,274	(22,690,941)	1,734,157	(1,085,414)
CASH FLOWS(FOR)/FROM INVESTING ACTIVITIES					
Net advance to subsidiaries		-	-	(16,437,187)	(57,438,959)
Costs incurred on biological assets		(393,119)	(126,907)	-	-
Dividend received		-	-	17,022,950	-
Proceeds from capital reduction of subsidiaries	6(b)	-	-	9,999,999	94,000,000
Proceeds from disposal of assets classified as held for sale		-	85,000,000	-	-
Proceeds from disposal of property, plant and equipment		2,236,871	57,342,155	-	814
Purchase of intangible assets		(17,600)	(5,000)	-	-
Purchase of property, plant and equipment	29(a)	(15,731,968)	(7,398,256)	-	-
Subscription of shares in subsidiaries		-	-	(8,050,000)	(15,000,000)
NET CASH(FOR)/FROM INVESTING ACTIVITIES		(13,905,816)	134,811,992	2,535,762	21,561,855
BALANCE CARRIED FORWARD		46,839,458	112,121,051	4,269,919	20,476,441

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

Statements Of Cash Flows (Cont'd)
For The Financial Year Ended 31 December 2021

	Note	The Group 2021 RM	The Group 2020 RM	The Company 2021 RM	The Company 2020 RM
BALANCE BROUGHT FORWARD		46,839,458	112,121,051	4,269,919	20,476,441
CASH FLOWS FOR FINANCING ACTIVITIES					
Dividend paid by subsidiaries to non-controlling interests		(180,520)	-	-	-
Drawdown of secured loans	29(b)	-	21,000,000	-	-
Drawdown of term loans	29(b)	6,069,500	220,548	-	-
Drawdown of unsecured loans	29(b)	3,500,000	-	3,500,000	-
Net of(repayment)/drawdown of bankers' acceptance	29(b)	(2,211,000)	(2,265,000)	-	-
Net of(repayment)/drawdown of revolving credit	29(b)	520,500	(43,134,000)	(7,575,000)	(14,450,000)
Payment of interests on long-term borrowings	29(b)	(7,943,649)	(9,531,386)	(24,988)	(161,345)
Repayment of lease liabilities	29(b)	(1,233,108)	(6,533,507)	-	(393,451)
Repayment of secured loans	29(b)	(130,000)	-	-	-
Repayment of term loans	29(b)	(25,384,168)	(55,586,616)	-	(1,507,663)
Repayment of unsecured loans	29(b)	(4,100,000)	(250,000)	(150,000)	-
NET CASH FOR FINANCING ACTIVITIES		(31,092,445)	(96,079,961)	(4,249,988)	(16,512,459)
NET INCREASE IN CASH AND CASH EQUIVALENTS		15,747,013	16,041,090	19,931	3,963,982
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR		(721,238)	(16,762,328)	159,689	(3,804,293)
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR	29(d)	15,025,775	(721,238)	179,620	159,689

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

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 Sibu, Sarawak.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors dated 26 April 2022.

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 are prepared under the historical cost convention and modified to include other bases of valuation as disclosed in other sections under significant accounting policies, and in compliance with Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

3.1 During the current financial year, the Group has adopted the following new accounting standard(s) and/or interpretation(s) (including the consequential amendments, if any):-

MFRSs and/or IC Interpretations (Including the Consequential Amendments)
Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16: Interest Rate Benchmark Reform – Phase 2
Amendment to MFRS 16: Covid-19-Related Rent Concessions beyond 30 June 2021

The adoption of the above accounting standard(s) and/or interpretation(s) (including the consequential amendments, if any) did not have any material impact on the Group's financial statements.

3.2 The Group has not applied in advance the following accounting standards and interpretations (including the consequential amendments, if any) that have been issued by the Malaysian Accounting Standards Board ("MASB") but are not yet effective for the current financial year:-

MFRSs and/or IC Interpretations (Including the Consequential Amendments)	Effective Date
MFRS 17 Insurance Contracts	1 January 2023
Amendments to MFRS 3: Reference to the Conceptual Framework	1 January 2022
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 17 Insurance Contracts	1 January 2023
Amendment to MFRS 17: Initial Application of MFRS 17 and MFRS 9 – Comparative Information	1 January 2023
Amendments to MFRS 101: Classification of Liabilities as Current or Non-current	1 January 2023
Amendments to MFRS 101: Disclosure of Accounting Policies	1 January 2023
Amendments to MFRS 108: Definition of Accounting Estimates	1 January 2023
Amendments to MFRS 112: Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023

Notes To The Financial Statements (cont'd)
For The Financial Year Ended 31 December 2021

3. BASIS OF PREPARATION (CONT'D)

3.2 The Group has not applied in advance the following accounting standards and interpretations (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:- (Cont'd)

MFRSs and/or IC Interpretations (Including the Consequential Amendments)	Effective Date
Amendments to MFRS 116: Property, Plant and Equipment – Proceeds before Intended Use	1 January 2022
Amendments to MFRS 137: Onerous Contracts – Cost of Fulfilling a Contract	1 January 2022
Annual Improvements to MFRS Standards 2018 – 2020	1 January 2022

The adoption of the above accounting standard(s) and/or interpretation(s) (including the consequential amendments, if any) is expected to have no material impact on the financial statements of the Group upon their initial application.

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, for the financial year ended 31 December 2021, incurred a net loss of RM7.0 million and, as of that date, the Group's current liabilities exceeded its current assets by RM227.2 million, along with the tax dispute with the Inland Revenue Board, Malaysia ("IRBM") as disclosed in Note 34 to the financial statements.

As at 31 December 2021, the Group's total borrowings amounted to RM387.9 million (2020: RM409.8 million), of which RM202.9 million (RM204.2 million) were classified as current liabilities. Details of these borrowings are disclosed in Note 19 to the financial statements. The Group's trade and non-trade payables were recorded at RM91.3 million (2020: RM86.3 million) as at 31 December 2021. Of these payables, RM37.9 million (2020: RM39.4 million) were payable to the related parties. Details of these trade and non-trade payables are disclosed in Notes 21 and 22 to the financial statements respectively. In addition, despite the loss suffered, the Group recorded earnings before interest, tax, depreciation and amortisation ("EBITDA") of RM82.9 million (2020: RM39.8 million) for the financial year. As at the end of the reporting period, the Group has available approved unutilised credit facilities of RM60.7 million, 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 in 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 from these estates. 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 34 to the financial statements.

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, 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.

Notes To The Financial Statements (cont'd)
For The Financial Year Ended 31 December 2021

5. SIGNIFICANT ACCOUNTING POLICIES

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 anticipates 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 Goodwill

The assessment of whether goodwill is impaired requires an estimation of the recoverable amount, being the higher of fair value less costs to sell and value-in-use, of the cash-generating unit to which the goodwill is allocated. Estimating a recoverable amount requires management to make an estimate of the expected future cash flows from the cash-generating unit and also to choose a suitable discount rate in order to calculate the present value of those cash flows. The carrying amount of goodwill as at the reporting date is disclosed in Note 11 to the financial statements.

(c) Impairment of Property, Plant and Equipment (Including Right-of-use Assets)

The Group determines whether its property, plant and equipment (including right-of-use assets) are impaired by evaluating the extent to which the recoverable amounts of the assets are less than their carrying amounts. 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 amounts, such as valuation reports and discounted cash flows. For discounted cash flows, significant judgement is required in the estimation of the present value of future cash flows generated by the assets, which involve uncertainties and are significantly affected by assumptions used and judgements made regarding estimates of future cash flows and discount rates. The carrying amount of property, plant and equipment (including right-of-use assets) as at the reporting date is disclosed in Note 7 to the financial statements.

Notes To The Financial Statements (cont'd)
For The Financial Year Ended 31 December 2021

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

5.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)

Key Sources of Estimation Uncertainty (Cont'd)

(d) 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.

(e) 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.

(f) Impairment of Non-Trade Receivables

The loss allowances for non-trade financial assets are based on assumptions about risk of default and expected loss rates. 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 other receivables and amount owing by subsidiaries as at the reporting date are disclosed in Notes 16 and 12 to the financial statements respectively.

(g) Income Taxes

There are certain transactions and computations for which the ultimate tax determination may be different from the initial estimate. The Group recognises 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.

(h) Discount Rates used in Leases

Where the interest rate implicit in the lease cannot be readily determined, the Group uses the incremental borrowing rate to measure the lease liabilities. The incremental borrowing rate is the interest rate that the Group would have to pay to borrow over a similar term, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. Therefore, the incremental borrowing rate requires estimation particularly when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Group estimates the incremental borrowing rate using observable inputs when available and is required to make certain entity-specific estimates.

Notes To The Financial Statements (cont'd)
For The Financial Year Ended 31 December 2021

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

5.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)

Critical Judgements Made in Applying Accounting Policies

Management believes that there are no instances of application of critical judgement in applying the Group's accounting policies which will have a significant effect on the amounts recognised in the financial statements other than as disclosed below:-

(a) Classification of Rubber Plantation as Bearer Plants

The classification of rubber trees as bearer plants or non-bearer plants depends on the business plan for respective rubber plantations, pertinent facts and circumstances surrounding the trees, plantations and relevant local market or industry considerations. Rubber trees are not considered as bearer plants when there is a commercially viable plan to sell the rubber trees as lumber to an established market.

The Group's business plan is to cultivate rubber trees for rubber tapping and hence, rubber plantation is accounted for as bearer plants.

(b) Lease Terms

Some leases contain extension options exercisable by the Group before the end of the non-cancellable contract period. In determining the lease term, management considers all facts and circumstances including the past practice and any cost that will be incurred to change the asset if an option to extend is not taken. An extension option is only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

(c) 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.

(d) Going Concern

Management concludes that there are events or conditions indicating the existence of a material uncertainty that may cast significant doubt upon the Group's ability to continue as a going concern at the end of the current reporting period. The judgements applied in concluding the appropriate basis for preparing these financial statements are disclosed in Note 4 to the financial statements.

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

5.2 BASIS OF CONSOLIDATION (CONT'D)

The consolidated financial statements include the financial statements of the Company and its subsidiaries made up to the end of the reporting period.

Subsidiaries are entities controlled by the Group. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Potential voting rights are considered when assessing control only when such rights are substantive. The Group also considers it has de facto power over an investee when, despite not having the majority of voting rights, it has the current ability to direct the activities of the investee that significantly affect the investee's return.

Subsidiaries are consolidated from the date on which control is transferred to the Group up to the effective date on which control ceases, as appropriate.

Intragroup transactions, balances, income and expenses are eliminated on consolidation. Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Where necessary, adjustments are made to the financial statements of subsidiaries to ensure consistency of accounting policies with those of the Group.

(a) Business Combinations

Acquisitions of businesses are accounted for using the acquisition method. Under the acquisition method, the consideration transferred for acquisition of a subsidiary is the fair value of the assets transferred, liabilities incurred and the equity interests issued by the Group at the acquisition date. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs, other than the costs to issue debt or equity securities, are recognised in profit or loss when incurred.

In a business combination achieved in stages, previously held equity interests in the acquiree are remeasured to fair value at the acquisition date and any corresponding gain or loss is recognised in profit or loss.

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.

Non-controlling interests in the acquiree may be initially measured either at fair value or at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets at the date of acquisition. The choice of measurement basis is made on a transaction-by-transaction basis.

Notes To The Financial Statements (cont'd)
For The Financial Year Ended 31 December 2021

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

5.2 BASIS OF CONSOLIDATION

(b) Non-controlling Interests

Non-controlling interests are presented within equity in the consolidated statement of financial position, separately from the equity attributable to owners of the Company. Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income is attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

(c) Changes in Ownership Interests in Subsidiaries without Change of Control

All changes in the parent's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of consideration paid or received is recognised directly in equity of the Group.

(d) Loss of Control

Upon the loss of control of a subsidiary, the Group recognises any gain or loss on disposal in profit or loss which is calculated as the difference between:-

(i) the aggregate of the fair value of the consideration received and the fair value of any retained interest in the former subsidiary; and

(ii) the previous carrying amount of the assets (including goodwill), and liabilities of the former subsidiary and any non-controlling interests.

Amounts previously recognised in other comprehensive income in relation to the former subsidiary are accounted for in the same manner as would be required if the relevant assets or liabilities were disposed of (i.e. reclassified to profit or loss or transferred directly to retained profits). The fair value of any investments retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under MFRS 9 or, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

5.3 GOODWILL

Goodwill is measured at cost less accumulated impairment losses, if any. The carrying value of goodwill is reviewed for impairment annually or more frequently if events or changes in circumstances indicate that the carrying amount may be impaired. The impairment value of goodwill is recognised immediately in profit or loss. An impairment loss recognised for goodwill is not reversed in a subsequent period.

Under the acquisition method, any excess of the sum of the fair value of the consideration transferred in the business combination, the amount of non-controlling interests recognised and the fair value of the Group's previously held equity interest in the acquiree (if any), over the net fair value of the acquiree's identifiable assets and liabilities at the date of acquisition is recorded as goodwill.

Where the latter amount exceeds the former, after reassessment, the excess represents a bargain purchase gain and is recognised in profit or loss immediately.

Notes To The Financial Statements (cont'd)
For The Financial Year Ended 31 December 2021

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

5.4 FUNCTIONAL AND FOREIGN CURRENCIES

(a) Functional and Presentation Currency

The individual financial statements of each entity in the Group are presented in the currency of the primary economic environment in which the entity operates, which is the functional currency.

The consolidated financial statements are presented in Ringgit Malaysia ("RM"), which is the Company's functional and presentation currency.

(b) Foreign Currency Transactions and Balances

Transactions in foreign currencies are converted into the respective functional currencies on initial recognition, using the exchange rates at the transaction dates. Monetary assets and liabilities at the end of the reporting period are translated at the exchange rates ruling as of that date. Non-monetary assets and liabilities are translated using exchange rates that existed when the values were determined. All exchange differences are recognised in profit or loss.

5.5 FINANCIAL INSTRUMENTS

Financial assets and financial liabilities are recognised in the statements of financial position when the Group has become a party to the contractual provisions of the instruments.

Financial instruments are classified as financial assets, financial liabilities or equity instruments in accordance with the substance of the contractual arrangement and their definitions in MFRS 132. Interest, dividends, gains and losses relating to a financial instrument classified as a liability are reported as an expense or income. Distributions to holders of financial instruments classified as equity are charged directly to equity.

Financial instruments are offset when the Group has a legally enforceable right to offset and intends to settle either on a net basis or to realise the asset and settle the liability simultaneously.

A financial instrument is recognised initially at its fair value (other than trade receivables without significant financing component which are measured at transaction price as defined in MFRS 15 at inception). Transaction costs that are directly attributable to the acquisition or issue of the financial instrument (other than a financial instrument at fair value through profit or loss) are added to/deducted from the fair value on initial recognition, as appropriate. Transaction costs on the financial instrument at fair value through profit or loss are recognised immediately in profit or loss.

Financial instruments recognised in the statements of financial position are disclosed in the individual policy statement associated with each item.

Notes To The Financial Statements (cont'd)
For The Financial Year Ended 31 December 2021

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

5.5 FINANCIAL INSTRUMENTS (Cont'd)

(a) Financial Assets

All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value (through profit or loss, or other comprehensive income), depending on the classification of the financial assets.

Debt Instruments

(i) Amortised Cost

The financial asset is held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest. Interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset. When the asset has subsequently become credit-impaired, the interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset.

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts), excluding expected credit losses, through the expected life of the financial asset or a shorter period (where appropriate).

(ii) Fair Value through Other Comprehensive Income

The financial asset is held for both collecting contractual cash flows and selling the financial asset, where the asset's cash flows represent solely payments of principal and interest. Movements in the carrying amount are taken through other comprehensive income and accumulated in the fair value reserve, except for the recognition of impairment, interest income and foreign exchange difference which are recognised directly in profit or loss. Interest income is calculated using the effective interest rate method.

(iii) Fair Value through Profit or Loss

All other financial assets that do not meet the criteria for amortised cost or fair value through other comprehensive income are measured at fair value through profit or loss. The fair value changes do not include interest or dividend income.

The Group reclassifies debt instruments when and only when its business model for managing those assets changes.

Notes To The Financial Statements (cont'd)
For The Financial Year Ended 31 December 2021

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

5.5 FINANCIAL INSTRUMENTS (Cont'd)

(a) Financial Assets (Cont'd)

Equity Instruments

All equity investments are subsequently measured at fair value with gains and losses recognised in profit or loss except where the Group has elected to present the subsequent changes in fair value in other comprehensive income and accumulated in the fair value reserve at initial recognition.

The designation at fair value through other comprehensive income is not permitted if the equity investment is either held for trading or is designated to eliminate or significantly reduce a measurement or recognition inconsistency that would otherwise arise.

Dividend income from this category of financial assets is recognised in profit or loss when the Group's right to receive payment is established unless the dividends clearly represent a recovery of part of the cost of the equity investments.

(b) Financial Liabilities

(i) Financial Liabilities at Fair Value through Profit or Loss

Fair value through profit or loss category comprises financial liabilities that are either held for trading or are designated to eliminate or significantly reduce a measurement or recognition inconsistency that would otherwise arise. The changes in fair value (excluding interest expense) of these financial liabilities are recognised in profit or loss.

(ii) Other Financial Liabilities

Other financial liabilities are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts), through the expected life of the financial liability or a shorter period (where appropriate).

(c) Equity Instruments

Equity instruments classified as equity are measured initially at cost and are not remeasured subsequently.

Ordinary Shares and Irredeemable Convertible Preference Shares ("ICPSs")

Ordinary shares and ICPSs are classified as equity and recorded at the proceeds received, net of directly attributable transaction costs.

Dividends on ordinary shares are recognised as liabilities when approved for appropriation.

Notes To The Financial Statements (cont'd)
For The Financial Year Ended 31 December 2021

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

5.5 FINANCIAL INSTRUMENTS (CONT'D)

(d) Derecognition

A financial asset or part of it is derecognised when, and only when, the contractual rights to the cash flows from the financial asset expire or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. On derecognition of a financial asset measured at amortised cost, the difference between the carrying amount of the asset and the sum of the consideration received and receivable is recognised in profit or loss. In addition, on derecognition of a debt instrument classified as fair value through other comprehensive income, the cumulative gain or loss previously accumulated in the fair value reserve is reclassified from equity to profit or loss. In contrast, there is no subsequent reclassification of the fair value reserve to profit or loss following the derecognition of an equity investment.

A financial liability or a part of it is derecognised when, and only when, the obligation specified in the contract is discharged or cancelled or expires. On derecognition of a financial liability, the difference between the carrying amount of the financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

(e) Financial Guarantee Contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

Financial guarantee contracts are recognised initially as liabilities at fair value, net of transaction costs. Subsequent to initial recognition, 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 Group, as the issuer, is required to reimburse the holder for the associated loss, the liability is measured at the higher of the amount of the credit loss determined in accordance with the expected credit loss model and the amount initially recognised less cumulative amortisation.

5.6 INVESTMENTS IN SUBSIDIARIES

Investments in subsidiaries are stated at cost in the statement of financial position of the Company, and are reviewed for impairment at the end of the reporting period if events or changes in circumstances indicate that the carrying values may not be recoverable. The cost of the investments includes transaction costs.

On the disposal of the investments in subsidiaries, the difference between the net disposal proceeds and the carrying amount of the investments is recognised in profit or loss.

Notes To The Financial Statements (cont'd)
For The Financial Year Ended 31 December 2021

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

5.7 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. Cost includes expenditure that are directly attributable to the acquisition of the asset and other costs directly attributable to bringing the asset to working condition for its intended use.

Subsequent to initial recognition, all property, plant and equipment are stated at cost less accumulated depreciation and any impairment losses.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when the cost is incurred and it is probable that the future economic benefits associated with the asset will flow to the Group and the cost of the asset can be measured reliably. The carrying amount of parts that are replaced is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

Depreciation on property, plant and equipment is charged to profit or loss (unless it is included in the carrying amount of another asset) on a straight-line method to write off the depreciable amount of the assets over their estimated useful lives. Depreciation of an asset does not cease when the asset becomes idle or is retired from active use unless the asset is fully depreciated. The principal annual rates used for this purpose are:-

Buildings, drainage and roads	4% - 20%
Nursery irrigation systems	7½% - 10%
Motor vehicles, plant and machinery	10%
Equipment and furniture	10% - 20%

The depreciation method, useful lives and residual values are reviewed, and adjusted if appropriate, at the end of each reporting period to ensure that the amounts, method and periods of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of the property, plant and equipment. Any changes are accounted for as a change in estimate.

When significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Notes To The Financial Statements (cont'd)
For The Financial Year Ended 31 December 2021

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

5.7 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.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use. Any gain or loss arising from derecognition of the asset, being the difference between the net disposal proceeds and the carrying amount, is recognised in profit or loss.

5.8 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 more than 15 days 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 more 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.

5.9 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.

Gains or losses arising from derecognition of computer software are measured as the difference between the net disposal proceeds and the carrying amount of the assets and are recognised in profit or loss when the assets are derecognised.

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

5.10 LEASES

The Group assesses whether a contract is or contains a lease, at the inception of the contract. The Group recognises a right-of-use asset and corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for low-value assets and short-term leases with 12 months or less. For these leases, the Group recognises the lease payments as an operating expense on a straight-line method over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use assets are presented in the statements of financial position within property, plant and equipment, and the associated lease liabilities are presented within borrowings.

The right-of-use asset is initially measured at cost. Cost includes the initial amount of the corresponding lease liability, adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred, less any incentives received.

The right-of-use asset is subsequently measured at cost less accumulated depreciation and any impairment losses, and adjusted for any remeasurement of the lease liability. The depreciation starts from the commencement date of the lease. If the lease transfers ownership of the underlying asset to the Group or the cost of the right-of-use asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. Otherwise, the Group depreciates 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 estimated useful lives of the right-of-use assets are determined on the same basis as those property, plant and equipment.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate.

The lease liability is subsequently measured at amortised cost using the effective interest method. It is remeasured when there is a change in the future lease payments (other than lease modification that is not accounted for as a separate lease) with the corresponding adjustment made to the carrying amount of the right-of-use asset or is recognised in profit or loss if the carrying amount has been reduced to zero.

5.11 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 2021

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

5.12 CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise cash in hand, bank balances, demand deposits and short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value with original maturity periods of three months or less. For the purpose of the statements of cash flows, cash and cash equivalents are presented net of bank overdrafts.

5.13 IMPAIRMENT

(a) Impairment of Financial Assets

The Group recognises a loss allowance for expected credit losses on investments in debt instruments that are measured at amortised cost or at fair value through other comprehensive income, and trade receivables, as well as on financial guarantee contracts.

The expected credit loss is estimated as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the original effective interest rate.

The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument. The Group always recognises lifetime expected credit losses for trade receivables using the simplified approach. The expected credit losses on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience and are adjusted for forward-looking information (including time value of money where appropriate).

For all other financial instruments, the Group recognises lifetime expected credit losses when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses.

The Group recognises an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account, except for investments in debt instruments that are measured at fair value through other comprehensive income, for which the loss allowance is recognised in other comprehensive income and accumulated in the fair value reserve, and does not reduce the carrying amount of the financial asset in the statements of financial position.

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

5.13 IMPAIRMENT (CONT'D)

(b) Impairment of Non-financial Assets

The carrying values of assets, other than those to which MFRS 136 does not apply, are reviewed at the end of each reporting period for impairment when an annual impairment assessment is compulsory or there is an indication that the assets might be impaired. Impairment is measured by comparing the carrying values of the assets with their recoverable amounts. When the carrying amount of an asset exceeds its recoverable amount, the asset is written down to its recoverable amount and an impairment loss shall be recognised. The recoverable amount of an asset is the higher of the asset's fair value less costs to sell and its value-in-use, which is measured by reference to discounted future cash flows using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where it is not possible to estimate the recoverable amount of an individual asset, the Group determines the recoverable amount of the cash-generating unit to which the asset belongs.

An impairment loss is recognised in profit or loss immediately. Any impairment loss recognised in respect of a cash-generating unit is allocated first to reduce the carrying amount of any goodwill allocated to the cash-generating unit and then to reduce the carrying amounts of the other assets in the cash-generating unit on a pro rata basis.

In respect of assets other than goodwill, and when there is a change in the estimates used to determine the recoverable amount, a subsequent increase in the recoverable amount of an asset is treated as a reversal of the previous impairment loss and is recognised to the extent of the carrying amount of the asset that would have been determined (net of amortisation and depreciation) had no impairment loss been recognised. The reversal is recognised in profit or loss immediately.

5.14 PROVISIONS

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of past events, when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and when a reliable estimate of the amount can be made. Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. Where the effect of the time value of money is material, the provision is the present value of the estimated expenditure required to settle the obligation. The discount rate shall be a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as interest expense in profit or loss.

5.15 EMPLOYEE BENEFITS

(a) Short-term Benefits

Wages, salaries, paid annual leave and bonuses are measured on an undiscounted basis and are recognised in profit or loss and included in the property, plant and equipment, and biological assets, where appropriate, in the period in which the associated services are rendered by employees of the Group.

Notes To The Financial Statements (cont'd)

For The Financial Year Ended 31 December 2021

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

5.15 EMPLOYEE BENEFITS (Cont'd)

(b) Defined Contribution Plans

The Group's contributions to defined contribution plans are recognised in profit or loss and included in the property, plant and equipment, and biological assets, where appropriate, in the period to which they relate. Once the contributions have been paid, the Group has no further liability in respect of the defined contribution plans.

5.16 INCOME TAXES

(a) Current Tax

Current tax assets and liabilities are the expected amount of income tax recoverable or payable to the taxation authorities.

Current taxes are measured using tax rates and tax laws that have been enacted or substantively enacted at the end of the reporting period and are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss (either in other comprehensive income or directly in equity).

(b) Deferred Tax

Deferred tax is recognised using the liability method for all temporary differences other than those that arise from goodwill or from the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on the tax rates that have been enacted or substantively enacted at the end of the reporting period.

Deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised. The carrying amounts of deferred tax assets are reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that the related tax benefits will be realised.

Current and deferred tax items are recognised in correlation to the underlying transactions either in profit or loss, other comprehensive income or directly in equity. Deferred tax arising from a business combination is adjusted against goodwill or negative goodwill.

Current tax assets and liabilities or deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred taxes relate to the same taxable entity (or on different tax entities but they intend to settle current tax assets and liabilities on a net basis) and the same taxation authority.

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

5.17 CONTINGENT LIABILITIES

A contingent liability is a possible obligation that arises from past events and whose existence will only be confirmed by the occurrence of one or more uncertain future events not wholly within the control of the Group. It can also be a present obligation arising from past events that is not recognised because it is not probable that an outflow of economic resources will be required or the amount of obligation cannot be measured reliably.

A contingent liability is not recognised but is disclosed in the notes to the financial statements, unless the probability of outflow of economic benefits is remote. When a change in the probability of an outflow occurs so that the outflow is probable, it will then be recognised as a provision.

5.18 OPERATING SEGMENTS

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. An operating segment's operating results are reviewed regularly by the chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

5.19 EARNINGS PER ORDINARY SHARE

Basic earnings per ordinary share is calculated by dividing the consolidated profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the reporting period, adjusted for own shares held.

Diluted earnings per ordinary share is determined by adjusting the consolidated profit or loss attributable to ordinary shareholders of the Company and the weighted average number of ordinary shares outstanding, adjusted for own shares held, for the effects of all dilutive potential ordinary shares.

5.20 BORROWING COSTS

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of those assets, until such time as the assets are ready for their intended use or sale. The capitalisation of borrowing costs is suspended during extended periods in which active development is interrupted. The capitalisation rate used to determine the amount of borrowing costs eligible for capitalisation is the weighted average of the borrowing costs applicable to borrowings that are outstanding during the financial year, other than borrowings made specifically for the purpose of financing a specific project-in-progress, in which case the actual borrowing costs incurred on that borrowings less any investment income on temporary investment of that borrowings will be capitalised.

All other borrowing costs are recognised in profit or loss as expenses in the period in which they are incurred.

Notes To The Financial Statements (cont'd)
For The Financial Year Ended 31 December 2021

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

5.21 FAIR VALUE MEASUREMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using a valuation technique. The measurement assumes that the transaction takes place either in the principal market or in the absence of a principal market, in the most advantageous market. For non-financial asset, the fair value measurement takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

For financial reporting purposes, the fair value measurements are analysed into level 1 to level 3 as follows:-

Level 1: Inputs are quoted prices (unadjusted) in active markets for identical assets or liability that the entity can access at the measurement date;

Level 2: Inputs are inputs, other than quoted prices included within level 1, that are observable for the asset or liability, either directly or indirectly; and

Level 3: Inputs are unobservable inputs for the asset or liability.

The transfer of fair value between levels is determined as of the date of the event or change in circumstances that caused the transfer.

5.22 REVENUE FROM CONTRACTS WITH CUSTOMERS

Revenue from contracts with customers is measured based on the consideration specified in a contract with a customer in exchange for transferring goods or services to a customer net of sales and service tax, returns, rebates and discounts. The Group recognises revenue when (or as) it transfers control over a product or service to customer. An asset is transferred when (or as) the customer obtains control of the asset. Depending on the substance of the contract, revenue is recognised when the performance obligation is satisfied, which may be at a point in time or over time.

(a) Sale of Goods

Revenue from the sale of goods is recognised when the Group has transferred control of the goods to the customer, being when the goods have been delivered to the customer and upon its acceptance. Following delivery, the customer has full discretion over the manner of distribution and price to sell the goods, and bears the risks of obsolescence and loss in relation to the goods.

A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

(b) Rendering of Services

Revenue from the provision of services is recognised over time in the period in which services are rendered. Customers are invoiced when the service is rendered and consideration is payable when invoiced.

Notes To The Financial Statements (cont'd)
For The Financial Year Ended 31 December 2021

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

5.23 OTHER INCOME

(a) Dividend Income

Dividend income from investment is recognised when the right to receive dividend payment is established.

(b) Interest Income

Interest income is recognised on an accrual basis using the effective interest method.

(c) Rental Income

Rental income is accounted for on a straight-line method over the lease term.

6. INVESTMENTS IN SUBSIDIARIES

	The Company 2021 RM	The Company 2020 RM
Unquoted shares, at cost	763,629,161	765,579,160
Less: Accumulated impairment losses	(364,411,308)	(394,170,000)
	399,217,853	371,409,160

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 2021 %	Percentage of Issued Share Capital Held by Parent 2020 %	Principal Activities
Subsidiaries of the Company				
Baram Trading Sdn. Bhd. *	Malaysia	85	85	Cultivation of oil palm
Burung Tiong Helicopter Sdn. Bhd.	Malaysia	85	85	Dormant
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

Notes To The Financial Statements (cont'd)
For The Financial Year Ended 31 December 2021

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
		2021 %	2020 %	
Subsidiaries of the Company (Cont'd)				
Pelita-Splendid Plantation Sdn. Bhd. #	Malaysia	70	70	Cultivation of oil palm
PJP Pelita Biawak Plantation Sdn. Bhd. #	Malaysia	85	85	Cultivation of oil palm
PJP Pelita Ekang-Banyok Plantation Sdn. Bhd. *	Malaysia	60	60	Cultivation of oil palm
PJP Pelita Lundu Plantation Sdn. Bhd.	Malaysia	60	60	Cultivation of oil palm
PJP Pelita Selangau Plantation Sdn. Bhd. *#	Malaysia	60	60	Cultivation of oil palm
PJP Pelita Ulu Teru Plantation Sdn. Bhd. *#	Malaysia	60	60	Cultivation of oil palm
R.H. Plantation Sdn. Bhd.	Malaysia	100	100	Cultivation of oil palm and operation of palm oil mill
Rajang Agrisupplies Sdn. Bhd.	Malaysia	100	100	Dormant
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 oilmill
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	100	Provision of management consultancy services

Notes To The Financial Statements (cont'd)
For The Financial Year Ended 31 December 2021

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
		2021 %	2020 %	
Subsidiaries of the Company (Cont'd)				
Woodijaya Sdn. Bhd.	Malaysia	100	100	Cultivation of oil palm
Subsidiary of Nescaya Palma Sdn. Bhd.				
Formasi Abadi Sdn. Bhd. *	Malaysia	100	100	Cultivation of oil palm

\# These subsidiaries were audited by other firms of chartered accountants.

* *The auditors' reports on the financial statements of the subsidiaries include "Material Uncertainty Related to Going Concern" regarding the ability of the subsidiaries to continue as a going concern in view of their capital deficiency position as at the end of the current reporting period. The financial statements were prepared on a going concern basis as the Company has undertaken to provide continued financial support to the subsidiaries.*

(a) In the previous financial year, the Company carried out a review of the recoverable amounts of its investments in certain subsidiaries that had been persistently making losses. A total impairment loss of RM130,000,000, representing the write-down of the investments to their recoverable amounts, was recognised in "Administrative and Other Expenses" line item of the statement of profit or loss and other comprehensive income. For the current financial year, following an uptrend in CPO prices, the Company reassessed its estimates and a reversal of RM29,758,692 was recognised in "Other Income" line item of the statement of profit or loss and other comprehensive income.

(b) During the 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
2021				
Topline Synergy Sdn. Bhd.	10,000,000	(9,999,999)	1	9,999,999
2020				
Lumiera Enterprise Sdn. Bhd.	60,000,000	(30,000,000)	30,000,000	30,000,000
Topline Synergy Sdn. Bhd.	50,000,000	(40,000,000)	10,000,000	40,000,000
Woodijaya Sdn. Bhd.	45,000,000	(24,000,000)	21,000,000	24,000,000
	155,000,000	(94,000,000)	61,000,000	94,000,000

Notes To The Financial Statements (cont'd)
For The Financial Year Ended 31 December 2021

6. INVESTMENTS IN SUBSIDIARIES (CONT'D)

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

	Effective Equity Interest		The Group	
	2021 %	2020 %	2021 RM	2020 RM
PJP Pelita Biawak Plantation Sdn. Bhd. ("Biawak")	15	15	4,879,269	4,620,608
PJP Pelita Ekang-Banyok Plantation Sdn. Bhd. ("Ekang-Banyok")	40	40	(8,463,675)	(7,876,427)
PJP Pelita Lundu Plantation Sdn. Bhd. ("Lundu")	40	40	20,493,264	18,082,741
PJP Pelita Selangau Plantation Sdn. Bhd. ("Selangau")	40	40	(23,473,693)	(22,327,195)
PJP Pelita Ulu Teru Plantation Sdn. Bhd. ("Ulu Teru")	40	40	(15,110,500)	(13,602,214)
Other individually immaterial subsidiaries			(2,095,652)	(2,042,748)
			(23,770,987)	(23,145,235)

(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:-

	Biawak	
	2021 RM	2020 RM
At 31 December		
Non-current assets	32,906,355	35,760,979
Current assets	10,034,657	5,504,083
Non-current liabilities	(6,383,439)	(6,979,622)
Current liabilities	(4,029,113)	(3,481,390)
Net assets	32,528,460	30,804,050
Financial year ended 31 December		
Revenue	13,241,936	7,984,353
Profit/(loss) for the financial year	1,724,410	(1,089,715)
Total comprehensive income	1,724,410	(1,089,715)
Total comprehensive income attributable to non-controlling interests	439,181	(163,457)
Dividends paid to non-controlling interests	(180,520)	-
Net cash flows (for)/from operating activities	(129,635)	2,799,330
Net cash flows for investing activities	(277,081)	(79,473)
Net cash flows from/(for) financing activities	401,419	(2,674,523)

Notes To The Financial Statements (cont'd)

For The Financial Year Ended 31 December 2021

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):-

	Ekang-Banyok	
	2021	2020
	RM	RM
At 31 December		
Non-current assets	45,862,735	48,621,587
Current assets	1,081,752	887,715
Non-current liabilities	-	-
Current liabilities	(68,103,675)	(69,200,370)
Net liabilities	(21,159,188)	(19,691,068)
Financial year ended 31 December		
Revenue	8,763,599	6,082,183
Loss for the financial year	(1,468,120)	(3,663,557)
Total comprehensive income	(1,468,120)	(3,663,557)
Total comprehensive income attributable to non-controlling interests	(587,248)	(1,465,423)
Dividends paid to non-controlling interests	-	-
Net cash flows from operating activities	5,156,627	436,593
Net cash flows from/(for) investing activities	120,931	(280,593)
Net cash flows for financing activities	(5,293,885)	(132,540)

	Lundu	
	2021	2020
	RM	RM
At 31 December		
Non-current assets	60,208,638	62,931,365
Current assets	13,082,612	3,882,340
Non-current liabilities	(14,156,042)	(14,713,692)
Current liabilities	(7,902,049)	(6,893,161)
Net assets	51,233,159	45,206,852

Notes To The Financial Statements (cont'd)

For The Financial Year Ended 31 December 2021

6. INVESTMENTS IN SUBSIDIARIES (CONT'D)

(d) The summarised financial information (before intra-group elimination) for each subsidiary that has non-controlling interests that are material to the Group is as follows (cont'd):-

	Lundu 2021 RM	Lundu 2020 RM
Financial year ended 31 December		
Revenue	27,211,301	17,442,779
Profit/(loss) for the financial year	6,026,307	(4,404,533)
Total comprehensive income	6,026,307	(4,404,533)
Total comprehensive income attributable to non-controlling interests	2,410,523	(1,761,813)
Dividends paid to non-controlling interests	-	-
Net cash flows from operating activities	8,682,217	2,310,177
Net cash flows for investing activities	(8,824,940)	(1,764,990)
Net cash flows from/(for) financing activities	151,473	(538,602)

	Selangau 2021 RM	Selangau 2020 RM
At 31 December		
Non-current assets	41,890,218	44,328,918
Current assets	101,554	96,545
Non-current liabilities	-	-
Current liabilities	(100,676,004)	(100,243,451)
Net liabilities	(58,684,232)	(55,817,988)
Financial year ended 31 December		
Revenue	-	158,339
Loss for the financial year	(2,866,244)	(9,466,385)
Total comprehensive income	(2,866,244)	(9,466,385)
Total comprehensive income attributable to non-controlling interests	(1,146,498)	(3,786,554)
Dividends paid to non-controlling interests	-	-
Net cash flows for operating activities	(895,618)	(524,769)
Net cash flows from/(for) investing activities	165,841	(416,609)
Net cash flows from financing activities	730,411	937,128

Notes To The Financial Statements (cont'd)
For The Financial Year Ended 31 December 2021

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	
	2021 RM	2020 RM
At 31 December		
Non-current assets	119,127,265	125,478,712
Current assets	3,016,865	3,062,995
Non-current liabilities	(19,620,000)	(23,520,000)
Current liabilities	(140,300,381)	(139,027,243)
Net liabilities	(37,776,251)	(34,005,536)
Financial year ended 31 December		
Revenue	17,728,938	9,960,762
Loss for the financial year	(3,770,715)	(10,968,708)
Total comprehensive income	(3,770,715)	(10,968,708)
Total comprehensive income attributable to non-controlling interests	(1,508,286)	(4,387,483)
Dividends paid to non-controlling interests	-	-
Net cash flows from/(for) operating activities	9,485,439	(441,273)
Net cash flows for investing activities	(498,609)	(426,155)
Net cash flows (for)/from financing activities	(8,981,905)	879,543

Notes To The Financial Statements (cont'd)
For The Financial Year Ended 31 December 2021

7. PROPERTY, PLANT AND EQUIPMENT

The Group	At 1.1.2021 RM	Additions (Note 29(a)) RM	Disposals RM	Write-offs RM	Reclassifi-cations RM	Depreciation Charge RM	Impairment Losses No Longer Required RM	At 31.12.2021 RM
2021								
Carrying Amount								
Owned assets								
Bearer plants	433,330,218	9,415,215	(496,384)	(9,947)	-	(31,184,717)	2,465,299	413,519,684
Buildings, drainage and roads	218,800,031	37,876	(7,350)	(184,099)	298,499	(19,839,914)	1,727,535	200,832,578
Nursery irrigation systems	147,719	-	-	-	-	(30,687)	-	117,032
Motor vehicles, plant and machinery	67,774,010	4,035,757	(1,049,594)	(252,097)	-	(8,552,485)	-	61,955,591
Equipment and furniture	6,043,200	388,259	(34,988)	(16,124)	-	(1,435,572)	-	4,944,775
Capital work-in-progress	838,937	1,205,315	(41,225)	-	(298,499)	-	-	1,704,528
	726,934,115	15,082,422	(1,629,541)	(462,267)	-	(61,043,375)	4,192,834	683,074,188
Right-of-use assets								
Leasehold land	108,818,546	2,500,000	-	-	-	(2,822,799)	-	108,495,747
Buildings	7,793,851	215,072	-	-	-	(1,329,055)	-	6,679,868
Motor vehicles, plant and machinery	11,500,155	15,334	(365,919)	(27,344)	-	(1,985,074)	-	9,137,152
	128,112,552	2,730,406	(365,919)	(27,344)	-	(6,136,928)	-	124,312,767
	855,046,667	17,812,828	(1,995,460)	(489,611)	-	(67,180,303)	4,192,834	807,386,955

Notes To The Financial Statements (cont'd)
For The Financial Year Ended 31 December 2021

7. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

The Group	At 1.1.2020 RM	Additions (Note 29(a)) RM	Disposals RM	Write-offs RM	Reclassifi-cations RM	Depreciation Charge RM	At 31.12.2020 RM
2020							
Carrying Amount							
Owned assets							
Bearer plants	487,825,307	6,189,052	(25,852,452)	(3,197,192)	(4,238)	(31,630,259)	433,330,218
Buildings, drainage and roads	253,034,221	156,076	(15,578,246)	(1)	1,961,377	(20,773,396)	218,800,031
Nursery irrigation systems	178,406	-	-	-	-	(30,687)	147,719
Motor vehicles, plant and machinery	75,560,879	2,336,826	(935,455)	(493,708)	(14,886)	(8,679,646)	67,774,010
Equipment and furniture	7,125,340	492,516	(211,873)	(144,373)	420,811	(1,639,221)	6,043,200
Capital work-in-progress	2,734,080	475,812	(3,649)	-	(2,367,306)	-	838,937
	826,458,233	9,650,282	(42,581,675)	(3,835,274)	(4,242)	(62,753,209)	726,934,115
Right-of-use assets							
Leasehold land	124,460,784	-	(12,834,903)	-	-	(2,807,335)	108,818,546
Buildings	6,463,338	5,140,186	(2,406,368)	-	-	(1,403,305)	7,793,851
Motor vehicles, plant and machinery	14,391,350	-	(805,214)	-	-	(2,085,981)	11,500,155
	145,315,472	5,140,186	(16,046,485)	-	-	(6,296,621)	128,112,552
	971,773,705	14,790,468	(58,628,160)	(3,835,274)	(4,242)	(69,049,830)	855,046,667

Notes To The Financial Statements (cont'd)
For The Financial Year Ended 31 December 2021

7. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

The Group	At Cost RM	Accumulated Depreciation RM	Accumulated Impairment Losses RM	Carrying Amount RM
2021				
Owned assets				
Bearer plants	903,602,820	(380,352,453)	(109,730,683)	413,519,684
Buildings, drainage and roads	527,776,556	(283,906,361)	(43,037,617)	200,832,578
Nursery irrigation systems	306,870	(189,838)	-	117,032
Motor vehicles, plant and machinery	158,662,109	(96,706,518)	-	61,955,591
Equipment and furniture	24,142,281	(19,197,506)	-	4,944,775
Capital work-in-progress	1,704,528	-	-	1,704,528
	1,616,195,164	(780,352,676)	(152,768,300)	683,074,188
Right-of-use assets				
Leasehold land	190,138,060	(39,181,557)	(42,460,756)	108,495,747
Buildings	9,554,763	(2,874,895)	-	6,679,868
Motor vehicles, plant and machinery	19,013,420	(9,876,268)	-	9,137,152
	218,706,243	(51,932,720)	(42,460,756)	124,312,767
	1,834,901,407	(832,285,396)	(195,229,056)	807,386,955
2020				
Owned assets				
Bearer plants	909,631,905	(364,105,705)	(112,195,982)	433,330,218
Buildings, drainage and roads	528,416,646	(264,851,463)	(44,765,152)	218,800,031
Nursery irrigation systems	306,870	(159,151)	-	147,719
Motor vehicles, plant and machinery	158,111,767	(90,337,757)	-	67,774,010
Equipment and furniture	23,929,073	(17,885,873)	-	6,043,200
Capital work-in-progress	838,937	-	-	838,937
	1,621,235,198	(737,339,949)	(156,961,134)	726,934,115
Right-of-use assets				
Leasehold land	187,638,060	(36,358,758)	(42,460,756)	108,818,546
Buildings	9,516,484	(1,722,633)	-	7,793,851
Motor vehicles, plant and machinery	19,747,820	(8,247,665)	-	11,500,155
	216,902,364	(46,329,056)	(42,460,756)	128,112,552
	1,838,137,562	(783,669,005)	(199,421,890)	855,046,667

Notes To The Financial Statements (cont'd)
For The Financial Year Ended 31 December 2021

7. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

The Company	At 1.1.2021 RM	Depreciation Charge RM	At 31.12.2021 RM
2021			
Carrying Amount			
Owned assets			
Buildings	1,927,123	(452,597)	1,474,526
Motor vehicles	156,828	(41,421)	115,407
Equipment and furniture	488,416	(129,429)	358,987
	2,572,367	(623,447)	1,948,920

The Company	At 1.1.2020 RM	Disposals RM	Write-offs RM	Depreciation Charge RM	At 31.12.2020 RM
2020					
Carrying Amount					
Owned assets					
Buildings	2,379,720	-	-	(452,597)	1,927,123
Motor vehicles	201,114	(1)	-	(44,285)	156,828
Equipment and furniture	619,592	(813)	(105)	(130,258)	488,416
	3,200,426	(814)	(105)	(627,140)	2,572,367
Right-of-use assets					
Buildings	2,831,021	(2,406,368)	-	(424,653)	-
-	6,031,447	(2,407,182)	(105)	(1,051,793)	2,572,367

Notes To The Financial Statements (cont'd)
For The Financial Year Ended 31 December 2021

7. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

The Company	At Cost RM	Accumulated Depreciation RM	Carrying Amount RM
2021			
Owned assets			
Buildings	4,503,043	(3,028,517)	1,474,526
Motor vehicles	1,005,795	(890,388)	115,407
Equipment and furniture	1,540,966	(1,181,979)	358,987
	7,049,804	(5,100,884)	1,948,920
2020			
Owned assets			
Buildings	4,503,043	(2,575,920)	1,927,123
Motor vehicles	1,005,795	(848,967)	156,828
Equipment and furniture	1,540,966	(1,052,550)	488,416
	7,049,804	(4,477,437)	2,572,367

(a) The carrying amount of property, plant and equipment pledged to licensed banks as security for banking facilities granted to the Group (Note 19) is as follows:-

	The Group 2021 RM	The Group 2020 RM
Leasehold land	53,031,988	54,576,413
Bearer plants	212,092,003	222,371,097
Buildings, drainage and roads	95,731,208	104,158,343
Motor vehicles, plant and machinery	50,565,716	56,217,100
Equipment and furniture	1,412,213	1,548,485
Capital work-in-progress	693,310	55,316
	413,526,438	438,926,754

Notes To The Financial Statements (cont'd)
For The Financial Year Ended 31 December 2021

7. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

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

	The Group 2021 RM	The Group 2020 RM
Unexpired period of less than 50 years	102,395,921	102,614,059
Unexpired period of more than 50 years	6,099,826	6,204,487
	108,495,747	108,818,546

(c) 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 1.1.2021	865,910,359	31,628,488	11,446,731	646,327	909,631,905
Addition during the financial year	-	8,850,283	-	564,932	9,415,215
Disposal during the financial year	-	(4)	-	(496,384)	(496,388)
Write-off during the financial year	(14,937,973)	-	-	(9,939)	(14,947,912)
Reclassification	9,642,267	(9,525,459)	-	(116,808)	-
At 31.12.2021	860,614,653	30,953,308	11,446,731	588,128	903,602,820
Accumulated depreciation and impairment losses:-					
At 1.1.2021	476,301,687	-	-	-	476,301,687
Depreciation for the financial year	31,184,717	-	-	-	31,184,717
Impairment losses no longer required	(2,465,299)	-	-	-	(2,465,299)
Write-off for the financial year	(14,937,969)	-	-	-	(14,937,969)
At 31.12.2021	490,083,136	-	-	-	490,083,136
Carrying amount:-					
At 31.12.2021	370,531,517	30,953,308	11,446,731	588,128	413,519,684

Notes To The Financial Statements (cont'd)
For The Financial Year Ended 31 December 2021

7. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

(c) The Group's bearer plants comprise oil palm and rubber plantations, and are classified into mature and immature plantations as follows (cont'd):-

The Group	Mature Oil Palm Plantation RM	Immature Oil Palm Plantation RM	Immature Rubber Plantation RM	Nursery Development RM	Total RM
Cost:-					
At 1.1.2020	832,858,212	102,914,211	13,259,180	3,065,540	952,097,143
Addition during the financial year	-	5,585,313	466,406	137,333	6,189,052
Disposal during the financial year	(40,367,922)	(506)	-	(2,592)	(40,371,020)
Write-off during the financial year	(1,861,195)	(2,255,612)	(2,278,855)	(1,883,370)	(8,279,032)
Reclassification	75,281,264	(74,614,918)	-	(670,584)	(4,238)
At 31.12.2020	865,910,359	31,628,488	11,446,731	646,327	909,631,905
Accumulated depreciation and impairment losses:-					
At 1.1.2020	460,789,367	1,621,646	-	1,860,823	464,271,836
Depreciation for the financial year	31,630,259	-	-	-	31,630,259
Disposal for the financial year	(14,518,568)	-	-	-	(14,518,568)
Write-off for the financial year	(1,599,371)	(1,621,646)	-	(1,860,823)	(5,081,840)
At 31.12.2020	476,301,687	-	-	-	476,301,687
Carrying amount:-					
At 31.12.2020	389,608,672	31,628,488	11,446,731	646,327	433,330,218

7. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

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

	The Group	
	2021 RM	**2020 RM**
Depreciation of property, plant and equipment	696,749	1,005,721
Finance costs:-		
- bank overdrafts	24,541	46,962
- lease liabilities	-	6,203
- revolving credit	435,363	475,795
- term loans	709,135	717,345
Lease expenses:-		
- leases of low-value assets	3,130	1,675
- short-term leases	263	190
Staff costs:-		
- short-term benefits	652,895	879,794
- defined contribution plans	79,947	103,977

(e) 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 10 to 87 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 and wharfs 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, and plant and machinery

Motor vehicles, and plant and machinery have been leased under hire purchase arrangements. The Group has an option to purchase the assets at the expiry of the respective lease periods at an insignificant amount.

(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.

Notes To The Financial Statements (cont'd)

For The Financial Year Ended 31 December 2021

7. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

(f) During the financial year, following the uptrend in CPO price, the Group carried out a review of the recoverable amount of its plantation assets. A net reveral of RM4,192,834 was recognised in "Other Income" line item of the statements of profit or loss and other comprehensive income.

8. BIOLOGICAL ASSETS

	The Group	
	2021 RM	2020 RM
Non-current		
At 1 January	1,013,341	10,452,960
Addition during the financial year	393,439	208,476
Write-off during the financial year	(253,215)	(9,652,337)
Reclassification	-	4,242
At 31 December	1,153,565	1,013,341
Current		
At 1 January	3,077,556	3,683,441
Changes in fair value less costs to sell	2,032,008	(605,885)
At 31 December	5,109,564	3,077,556
Total	6,263,129	4,090,897

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).

(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 2021, the Group has 26.8 (2020: 21.8) hectares of gaharu plantation.

Notes To The Financial Statements (cont'd)

For The Financial Year Ended 31 December 2021

8. BIOLOGICAL ASSETS (CONT'D)

(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 RM348,000 (2020: RM317,000).

During the financial year, the Group harvested approximately 193,000 (2020: 246,000) 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 19 to the financial statements is RM397,681 (2020: RM257,457).

(d) The following expenses are included in the biological assets:-

	The Group	
	2021	**2020**
	RM	**RM**
Depreciation of property, plant and equipment	314	77,677
Finance costs:-		
- bank overdrafts	6	1,177
- lease liabilities	-	312
- revolving credit	-	2,403
Lease expenses:-		
- leases of low-value assets	1	53
- short-term leases	10	-
Staff costs:-		
- short-term benefits	388	51,383
- defined contribution plans	46	6,497

Notes To The Financial Statements (cont'd)
For The Financial Year Ended 31 December 2021

9. INTANGIBLE ASSETS

The Group	At 1.1.2021 RM	Additions RM	Amortisation Charge RM	At 31.12.2021 RM
2021				
Carrying Amount				
Computer software	196,538	17,600	(177,808)	36,330

The Group	At 1.1.2020 RM	Additions RM	Amortisation Charge RM	At 31.12.2020 RM
2020				
Carrying Amount				
Computer software	482,050	5,000	(290,512)	196,538

The Group	At Cost RM	Accumulated Amortisation RM	Carrying Amount RM
2021			
Computer software	1,515,655	(1,479,325)	36,330
2020			
Computer software	1,498,055	(1,301,517)	196,538

10. OTHER INVESTMENT

	The Group/The Company 2021 RM	2020 RM
Unquoted shares, at fair value:-		
At 1 January	1,643,247	17,942
Changes in fair value	-	1,625,305
At 31 December	1,643,247	1,643,247

10. OTHER INVESTMENT (CONT'D)

(a) The fair value of unquoted shares which are not traded in an active market is determined based on valuation performed by management at the end of reporting period using the income approach. There was no change to the valuation technique during the financial year.

(b) The fair value of unquoted shares is categorised within level 3 of the fair value hierarchy.

11. GOODWILL

	The Group	
	2021	2020
	RM	RM
Cost:-		
At 1 January/31 December	75,163,788	75,163,788
Accumulated impairment losses:-		
At 1 January	67,702,041	62,618,246
Impairment loss for the financial year	2,198,121	5,083,795
At 31 December	69,900,162	67,702,041
Carrying amount:-		
At 31 December	5,263,626	7,461,747

(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 2021

11. GOODWILL (CONT'D)

(b) The Group assessed the recoverable amount of goodwill allocated and determined that an impairment loss of RM2,198,121 (2020: RM5,083,795) was required. The recoverable amount of the cash-generating unit is determined using a combination of the market approach and the value-in-use approach, and this is derived from the present value of the future cash flows from the cash-generating unit computed based on the projections of financial budgets approved by management covering a period of 5 years. Cash flows beyond the 5th year are extrapolated to the remaining life cycles of the plantation estates, which range from 5 to 22 years. The key assumptions used in the determination of the recoverable amount are as follows:-

(i) Discount rate (pre-tax) – an estimate of pre-tax rate that reflects specific risks relating to oil palm plantation, which is 17.5% (2020: 15.0%).

(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	
	2021 RM	2020 RM
Amount owing by subsidiaries		
Non-current		
Non-trade balances	490,172,103	297,993,601
Less: Allowance for impairment losses	(62,787,787)	(90,050,158)
	427,384,316	207,943,443
Allowance for impairment losses:-		
At 1 January	90,050,158	46,000,000
Addition during the financial year	2,860,306	44,050,158
Reversal during the financial year	(30,122,677)	-
At 31 December	62,787,787	90,050,158
Amount owing to subsidiaries		
Current		
Non-trade balances	278,133,159	102,391,844

The non-trade balance (non-current) represents unsecured advances which are repayable on demand. The amount owing earns interest at rates ranging from 2.50% to 2.80% (2020: 2.78% to 3.48%) per annum. The amount owing is to be settled in cash.

The non-trade balance (current) represents unsecured advances which are repayable on demand.

Notes To The Financial Statements (cont'd)
For The Financial Year Ended 31 December 2021

13. DEPOSITS WITH LICENSED BANKS

(a) The deposits with licensed banks of the Group and of the Company at the end of the reporting period bore effective interest at rate of 1.20% to 3.40% (2020: 3.45%) per annum and 2.05% (2020: 2.05% to 3.45%) per annum respectively. The deposits have maturity periods ranging from 1 day to 34 months (2020: 46 months) and 180 (2020: 180) days for the Group and the Company respectively.

(b) Included in the deposits with licensed banks of the Group at the end of the reporting period is an amount of RM120,051 (2020: RM120,051) which is pledged to a licensed bank as security for banking facilities granted to the Group as disclosed in Note 19 to the financial statements.

14. INVENTORIES

	The Group	
	2021 RM	2020 RM
At cost:-		
Processed inventories	10,833,915	836,733
Sundry stores and consumables	10,196,843	8,760,094
Less: Allowance for stock obsolescence	(249,994)	(257,913)
	20,780,764	9,338,914
At net realisable value:-		
Processed inventories	-	9,137,656
	20,780,764	18,476,570

15. TRADE RECEIVABLES

	The Group	
	2021 RM	2020 RM
Trade receivables:-		
- third parties	8,586,317	8,735,718
- related parties	5,683,453	1,459,579
Less: Allowance for impairment losses	(105,631)	-
	14,164,139	10,195,297
Allowance for impairment losses:-		
At 1 January	-	-
Addition during the financial year	105,631	-
At 31 December	105,631	-

The Group's normal trade credit terms range from 7 to 60 (2020: 7 to 60) days.

Notes To The Financial Statements (cont'd)

For The Financial Year Ended 31 December 2021

16. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	The Group		The Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Other receivables:-				
- third parties	3,062,796	2,003,238	2,133	2,036
- related parties	5,052,707	6,243,072	3,560,247	4,247,066
- goods and services tax recoverable	-	187	-	-
	8,115,503	8,246,497	3,562,380	4,249,102
Less: Allowance for impairment losses	(1,121,717)	(855,767)	(500,000)	(500,000)
	6,993,786	7,390,730	3,062,380	3,749,102
Deposits	653,920	640,995	138,312	138,312
Prepayments	2,096,611	2,058,725	21,894	13,140
	9,744,317	10,090,450	3,222,586	3,900,554
Allowance for impairment losses:-				
At 1 January	855,767	802,604	500,000	500,000
Addition during the financial year	367,431	148,032	-	-
Reversal during the financial year	(96,099)	(94,869)	-	-
Write-off during the financial year	(5,382)	-	-	-
At 31 December	1,121,717	855,767	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 2021

17. SHARE CAPITAL

	The Group/The Company			
	2021	2020	2021	2020
	No. of Shares		RM	RM
Issued and Fully Paid-Up				
Ordinary shares				
At 1 January	2,041,722,343	1,418,487,551	614,600,257	724,690,725
Conversion from ICPSs	-	623,234,792	-	82,438,465
Reduction of share capital	-	-	-	(192,528,933)
At 31 December	2,041,722,343	2,041,722,343	614,600,257	614,600,257
ICPSs				
At 1 January	-	164,876,929	-	82,438,465
Conversion to ordinary shares	-	(164,876,929)	-	(82,438,465)
At 31 December	-	-	-	-
Total	2,041,722,343	2,041,722,343	614,600,257	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 and ICPSs have no par value.

(b) In the previous financial year:-

(i) the Company issued 623,234,792 new ordinary shares arising from the conversion of 164,876,929 irredeemable convertible preference shares ("ICPSs) by the ICPS holders at a conversion ratio of 3.78. The new ordinary shares were issued at no consideration, and they rank pari passu in all respects with the existing ordinary shares of the Company; and

(ii) the Company reduced its issued share capital from RM807,129,190 to RM614,600,257 via the cancellation of its paid-up share capital which was lost or unrepresented by available assets of RM192,528,933 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 2021

18. RESERVES

	The Group		The Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Merger reserve	(53,065,553)	(53,065,553)	-	-
Accumulated losses	(178,471,691)	(171,939,274)	(103,152,794)	(175,983,490)
	(231,537,244)	(225,004,827)	(103,152,794)	(175,983,490)

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.

19. BORROWINGS

	The Group		The Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Long-term borrowings:-				
- lease liabilities	5,723,399	7,408,746	-	-
- secured loans	20,680,000	20,880,000	-	-
- term loans, secured	155,224,986	175,492,200	-	-
- unsecured loans	3,460,412	1,820,000	2,840,412	-
	185,088,797	205,600,946	2,840,412	-
Short-term borrowings:-				
- bank overdrafts, secured	-	429,751	-	-
- bank overdrafts, unsecured	2,785,076	1,418,263	-	24,805
- bankers' acceptance, secured	10,127,000	11,643,000	-	-
- bankers' acceptance, unsecured	13,570,000	14,265,000	-	-
- lease liabilities	1,290,580	623,269	-	-
- revolving credit, secured	97,961,500	88,559,000	-	-
- revolving credit, unsecured	47,616,000	56,498,000	33,875,000	41,450,000
- secured loans	190,000	120,000	-	-
- term loans, secured	26,407,969	25,455,423	-	-
- unsecured loans	2,909,588	5,150,000	509,588	-
	202,857,713	204,161,706	34,384,588	41,474,805
Total borrowings	387,946,510	409,762,652	37,225,000	41,474,805

19. BORROWINGS (CONT'D)

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

	The Group		The Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Current				
- not later than 1 year	29,507,557	30,725,423	509,588	-
Non-current				
- later than 1 year and not later than 2 years	35,470,011	31,750,384	2,840,412	-
- later than 2 years and not later than 5 years	96,701,030	88,865,373	-	-
- later than 5 years	47,194,357	77,576,443	-	-
	179,365,398	198,192,200	2,840,412	-
	208,872,955	228,917,623	3,350,000	-

The unsecured borrowings of the Group are supported by the corporate guarantee provided by the Company.

The secured borrowings of the Group are supported by:-

(a) fixed charges over certain subsidiaries' landed properties;

(b) debenture over certain subsidiaries' fixed and floating assets, both present and in the future;

(c) fixed deposits of a subsidiary;

(d) a corporate guarantee provided by the Company; and

(e) joint and several guarantees provided by certain directors of the Company.

The bank overdrafts of the Group and of the Company at the end of the reporting period bore effective interest at rates ranging from 5.85% to 6.64% (2020: 6.23% to 7.92%) per annum and 5.85% (2020: 6.23%) per annum respectively.

The bankers' acceptance of the Group at the end of the reporting period bore effective interest at rates ranging from 2.77% to 3.17% (2020: 2.80% to 4.55%) 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 2.87% to 5.24% (2020: 2.87% to 5.45%) per annum and 3.44% to 5.24% (2020: 4.52%) per annum respectively.

Notes To The Financial Statements (cont'd)
For The Financial Year Ended 31 December 2021

19. BORROWINGS (CONT'D)

The secured loans are granted by a licensed money lender. The loans bore effective interest at rate of 2.90% (2020: 2.90%) per annum.

The term loans of the Group at the end of the reporting period bore effective interest at rates ranging from 3.30% to 4.30% (2020: 3.37% to 6.66%) 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 ranging from 2.40% to 2.90% (2020: 2.40% to 4.00%) per annum.

20. DEFERRED TAX LIABILITIES

	The Group		The Company	
	2021 RM	2020 RM	2021 RM	2020 RM
At 1 January	45,406,691	49,503,856	-	-
Recognised in profit or loss (Note 27)	(1,394,977)	(4,097,165)	-	-
At 31 December	44,011,714	45,406,691	-	-

The deferred tax is attributable to the followings:-

	The Group		The Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Property, plant and equipment, and intangible assets	160,822,761	169,167,765	57,869	64,830
Biological assets	1,226,294	747,315	-	-
Receivables	(23,715)	(23,715)	-	-
Unused tax losses	(41,914,741)	(48,623,073)	-	-
Unabsorbed agriculture/ capital allowance	(76,098,885)	(75,861,601)	(57,869)	(64,830)
	44,011,714	45,406,691	-	-

Notes To The Financial Statements (cont'd)
For The Financial Year Ended 31 December 2021

20. DEFERRED TAX LIABILITIES (CONT'D)

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	
	2021 RM	2020 RM	2021 RM	2020 RM
Deductible temporary differences	309,025	212,330	-	-
Unused tax losses	56,894,620	55,236,757	-	-
Unabsorbed agriculture/capital allowance	24,939,716	21,944,273	30,341	31,436
	82,143,361	77,393,360	30,341	31,436

The unused tax losses are allowed to be utilised for 10 (2020: 7) consecutive years of assessment while unabsorbed agriculture/capital allowance is allowed to be carried forward indefinitely.

21. TRADE PAYABLES

	The Group	
	2021 RM	2020 RM
Trade payables:-		
- third parties	29,004,665	27,400,459
- related parties	24,304,095	27,818,115
	53,308,760	55,218,574

The normal trade credit terms granted to the Group range from 15 to 90 (2020: 15 to 90) days. Late interest is charged at rates of 10.00% (2020: 9.00% to 12.00%) per annum on the overdue balance.

Notes To The Financial Statements (cont'd)
For The Financial Year Ended 31 December 2021

22. OTHER PAYABLES, DEPOSITS AND ACCRUALS

	The Group		The Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Other payables:-				
- third parties	5,011,435	6,003,304	64,553	74,438
- related parties	13,624,272	11,532,829	3,893,073	1,859,904
- state sales tax and cess	7,057,980	4,064,538	-	-
	25,693,687	21,600,671	3,957,626	1,934,342
Deposits	13,400	46,229	-	-
Accruals	12,317,257	9,476,553	3,616,554	3,771,962
	38,024,344	31,123,453	7,574,180	5,706,304

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.

23. REVENUE

	The Group		The Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Dividend income	-	-	17,022,950	-
Insurance commission	99,973	84,896	-	-
Sale of - crude palm oil	441,634,882	298,132,794	-	-
- empty fruit bunches	15,999	34,931	-	-
- fresh fruit bunches	34,587,180	42,087,382	-	-
- palm kernel	59,906,011	35,782,321	-	-
- palm kernel shell	1,327,664	1,532,779	-	-
- sludge oil	1,174,052	4,555,221	-	-
Transportation income	2,705,480	3,199,378	-	-
Workshop service income	50,400	61,179	-	-
	541,501,641	385,470,881	17,022,950	-

Notes To The Financial Statements (cont'd)
For The Financial Year Ended 31 December 2021

24. FINANCE COSTS

	The Group		The Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Interest expense on:-				
- bank overdrafts	133,405	661,297	24,064	117,758
- bankers' acceptance	694,510	872,851	-	-
- lease liabilities	304,809	375,928	-	90,356
- revolving credit	5,872,947	7,858,853	1,772,232	2,490,848
- secured loans	658,696	-		
- term loans	6,521,681	9,494,687	-	70,989
- unsecured loans	197,302	240,059	24,988	-
- others	109,812	261,507	3,525,682	-
	14,493,162	19,765,182	5,346,966	2,769,951
Less:-				
- amount capitalised under property, plant and equipment (Note 7(d))	(1,169,039)	(1,246,305)	-	-
- amount capitalised under biological assets (Note 8(d))	(6)	(3,892)	-	-
	13,324,117	18,514,985	5,346,966	2,769,951

25. NET IMPAIRMENT LOSSES ON FINANCIAL ASSETS

	The Group		The Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Impairment losses:-				
- amount owing by subsidiaries (Note12)	-	-	2,860,306	44,050,158
- trade receivables (Note 15)	105,631	-	-	-
- other receivables (Note 16)	367,431	148,032	-	-
Reversal of impairment losses:-				
- amount owing by subsidiaries (Note12)	-	-	(30,122,677)	-
- other receivables (Note 16)	(96,099)	(94,869)	-	-
	376,963	53,163	(27,262,371)	44,050,158

Notes To The Financial Statements (cont'd)
For The Financial Year Ended 31 December 2021

26. PROFIT/(LOSS) BEFORE TAXATION

	The Group		The Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Profit/(loss) before taxation is arrived at after charging/(crediting):-				
Allowance for stock obsolescence no longer required	(7,919)	(6,492)	-	-
Amortisation of intangible assets	177,808	290,512	-	-
Audit fee:-				
- current financial year	369,500	379,500	70,000	70,000
- (over)/under provision in the previous financial year	(3,000)	1,440	-	5,000
Bad debts written off	21,977	258,290	-	49,734
Biological assets written off	253,215	9,652,337	-	-
Changes in fair value of:-				
- biological assets	(2,032,008)	605,885	-	-
- other investment	-	(1,625,305)	-	(1,625,305)
Depreciation of property, plant and equipment	66,483,240	67,966,432	623,447	1,051,793
Directors' remuneration(Note 30(a))	1,391,735	1,227,739	533,505	945,339
Finance costs(Note 24)	13,324,117	18,514,985	5,346,966	2,769,951
(Gain)/loss on disposal of:-				
- assets classified as held for sale	-	(1,692,000)	-	-
- property, plant and equipment	(241,411)	1,286,005	-	-
Gain on derecognition of lease contracts	-	-	-	(93,091)
Impairment losses on:-				
- goodwill	2,198,121	5,083,795	-	-
- investments in subsidiaries	-	-	-	130,000,000
Impairment losses no longer required:-				
- investments in subsidiaries	-	-	(29,758,692)	-
- property, plant and equipment	(4,192,834)	-	-	-
Interest income	(35,199)	(35,718)	(5,755,080)	(1,479,067)
Inventories written off	81,396	44,839	-	-
Lease expenses:-				
- leases of low-value assets	34,596	24,099	-	-
- short-term leases	2,000	124,000	-	-
Lease income:-				
- sublease of right-of-use assets	-	-	-	(87,493)
- others	(46,700)	(52,780)	-	(134,400)
Management fee	-	-	77,700	71,000
Payables written off	34,527	(43,508)	34,527	-
Property, plant and equipment written off	489,611	3,835,274	-	105
Staff costs(including other key management personnel as disclosed in Note 30(b)):-				
- short-term benefits	26,644,709	27,391,374	-	-
- defined contribution plans	2,787,080	2,986,882	-	-

Notes To The Financial Statements (cont'd)

For The Financial Year Ended 31 December 2021

27. INCOME TAX EXPENSE

	The Group		The Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Current tax:-				
- current financial year	11,190,168	8,927,173	55,527	-
- real property gain tax	-	4,103,817	-	-
- under/(over) provision in the previous financial year	91,028	109,609	-	(790)
	11,281,196	13,140,599	55,527	(790)
Deferred tax (Note 20):-				
- origination and reversal of temporary differences	(397,694)	(5,223,953)	-	-
- (over)/under provision in theprevious financial year	(997,283)	1,126,788	-	-
	(1,394,977)	(4,097,165)	-	-
	9,886,219	9,043,434	55,527	(790)

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	
	2021 RM	2020 RM	2021 RM	2020 RM
Profit/(loss) before taxation	2,908,570	(47,008,165)	72,886,223	(175,984,280)
Tax at the statutory tax rate of 24%	698,057	(11,281,960)	17,492,694	(42,236,227)
Tax effects of:-				
Non-taxable income	(3,758,564)	(1,080,292)	(21,376,637)	(412,440)
Non-deductible expenses	10,658,954	8,419,977	3,940,610	42,642,979
Control transfers	(3,920)	(103,565)	-	-
Deferred tax assets not recognised during the financial year	5,959,855	9,872,149	-	2,982
Utilisation of deferred tax assets previously not recognised	(1,209,854)	(132,673)	(1,095)	-
Real property gain tax	-	4,103,817	-	-
Under/(over) provision in the previous financial year				
- income tax	91,028	109,609	-	(790)
- deferred tax	(997,283)	1,126,788	-	-
Others	(1,552,054)	(1,990,416)	(45)	2,706
Income tax expense for the financial year	9,886,219	9,043,434	55,527	(790)

Notes To The Financial Statements (cont'd)
For The Financial Year Ended 31 December 2021

28. LOSS PER SHARE

	The Group	
	2021 RM	2020 RM
Loss attributable to owners of the Company (RM)	(6,532,417)	(44,121,447)
Weighted average number of ordinary shares:-		
Issued ordinary shares at 1 January	2,041,722,343	1,418,487,551
Effect of conversion of ICPSs	-	623,234,792
Weighted average number of ordinary shares at 31 December	2,041,722,343	2,041,722,343
Basic loss per share (sen)	(0.32)	(2.16)

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.

29. CASH FLOWS INFORMATION

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

	The Group		The Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Cost of property, plant and equipment purchased (Note 7)	17,812,828	14,790,468	-	-
Less:-				
- additions of new lease liabilities (Note (b) below)	(215,072)	(5,140,186)	-	-
- finance costs included within property, plant and equipment (Note 24)	(1,169,039)	(1,246,305)	-	-
- non-cash items included within property, plant and equipment (Note 7(d))	(696,749)	(1,005,721)	-	-
Cash disbursed for the purchase of property, plant and equipment	15,731,968	7,398,256	-	-

Notes To The Financial Statements (cont'd)
For The Financial Year Ended 31 December 2021

29. CASH FLOWS INFORMATION (CONT'D)

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

	Bankers' acceptance RM	Lease liabilities RM	Revolving credit RM	Secured loans RM	Term loans RM	Unsecured loans RM	Total RM
The Group							
Balance at 1.1.2021	25,908,000	8,032,015	145,057,000	21,000,000	200,947,623	6,970,000	407,914,638
Changes in Financing Cash Flows							
Net of drawdown/ (repayment) of borrowing principal	(2,211,000)	-	520,500	-	-	-	(1,690,500)
Drawdown of borrowing principal	-	-	-	-	6,069,500	3,500,000	9,569,500
Repayment of borrowing principal	-	(1,233,108)	-	(130,000)	(25,384,168)	(4,100,000)	(30,847,276)
Repayment of borrowing interests	-	(304,809)	-	(658,696)	(6,782,842)	(197,302)	(7,943,649)
	(2,211,000)	(1,537,917)	520,500	(788,696)	(26,097,510)	(797,302)	(30,911,925)
Non-cash Changes							
Acquisition of new leases (Note (a) above)	-	215,072	-	-	-	-	215,072
Finance charges recognised in profit or loss and capitalised under property, plant and equipment, and biological assets	-	304,809	-	658,696	6,521,681	197,302	7,682,488
Other non-cash changes	-	-	-	-	261,161	-	261,161
	-	519,881	-	658,696	6,782,842	197,302	8,158,721
Balance at 31.12.2021	23,697,000	7,013,979	145,577,500	20,870,000	181,632,955	6,370,000	385,161,434

Notes To The Financial Statements (cont'd)

For The Financial Year Ended 31 December 2021

29. 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
The Group							
Balance at 1.1.2020	28,173,000	9,425,336	188,191,000	-	256,313,691	7,220,000	489,323,027
Changes in Financing Cash Flows							
Net of drawdown/ (repayment) of borrowing principal	(2,265,000)	-	(43,134,000)	-	-	-	(45,399,000)
Drawdown of borrowing principal	-	-	-	21,000,000	220,548	-	21,220,548
Repayment of borrowing principal	-	(6,533,507)	-	-	(55,586,616)	(250,000)	(62,370,123)
Repayment of borrowing interests	-	(375,928)	-	-	(8,915,399)	(240,059)	(9,531,386)
	(2,265,000)	(6,909,435)	(43,134,000)	21,000,000	(64,281,467)	(490,059)	(96,079,961)
Non-cash Changes							
Acquisition of new leases (Note (a) above)	-	5,140,186	-	-	-	-	5,140,186
Finance charges recognised in profit or loss and capitalised under property, plant and equipment, and biological assets	-	375,928	-	-	9,494,687	240,059	10,110,674
Other non-cash charges	-	-	-	-	(579,288)	-	(579,288)
	-	5,516,114	-	-	8,915,399	240,059	14,671,572
Balance at 31.12.2020	25,908,000	8,032,015	145,057,000	21,000,000	200,947,623	6,970,000	407,914,638

Notes To The Financial Statements (cont'd)
For The Financial Year Ended 31 December 2021

29. 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
The Company			
Balance at 1.1.2021	41,450,000	-	41,450,000
Changes in Financing Cash Flows			
Net of drawdown/(repayment) of borrowing principal	(7,575,000)	3,500,000	(4,075,000)
Repayment of borrowing principal	-	(150,000)	(150,000)
Repayment of borrowing interests	-	(24,988)	(24,988)
	(7,575,000)	3,325,012	(4,249,988)
Non-cash Changes			
Finance charges recognised in profit or loss	-	24,988	24,988
	-	24,988	24,988
Balance at 31.12.2021	33,875,000	3,350,000	37,225,000

	Lease Liabilities RM	Revolving credit RM	Term loans RM	Total RM
The Company				
Balance at 1.1.2020	2,892,910	55,900,000	1,507,663	60,300,573
Changes in Financing Cash Flows				
Net of drawdown/(repayment) of borrowing principal	-	(14,450,000)	-	(14,450,000)
Repayment of borrowing principal	(393,451)	-	(1,507,663)	(1,901,114)
Repayment of borrowing interests	(90,356)	-	(70,989)	(161,345)
	(483,807)	(14,450,000)	(1,578,652)	(16,512,459)
Non-cash Changes				
Finance charges recognised in profit or loss	90,356	-	70,989	161,345
Derecognition of lease contracts	(2,499,459)	-	-	(2,499,459)
	(2,409,103)	-	70,989	(2,338,114)
Balance at 31.12.2020	-	41,450,000	-	41,450,000

Notes To The Financial Statements (cont'd)
For The Financial Year Ended 31 December 2021

29. CASH FLOWS INFORMATION (CONT'D)

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

	The Group		The Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Interest paid on lease liabilities	304,809	375,928	-	90,356
Payment of lease liabilities	1,233,108	6,533,507	-	393,451
Payment of leases of low-value assets	37,727	25,827	-	-
Payment of short-term leases	2,263	124,190	-	-
	1,577,907	7,059,452	-	483,807

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

	The Group		The Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Cash and bank balances	1,319,600	1,037,368	88,369	95,086
Deposits with licensed banks	16,611,302	209,459	91,251	89,408
Bank overdrafts	(2,785,076)	(1,848,014)	-	(24,805)
	15,145,826	(601,187)	179,620	159,689
Deposits pledged with a licensed bank (Note 13)	(120,051)	(120,051)	-	-
	15,025,775	(721,238)	179,620	159,689

30. 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.

30. KEY MANAGEMENT PERSONNEL COMPENSATION (CONT'D)

The key management personnel compensation during the financial year are as follows:-

	The Group		The Company	
	2021	2020	2021	2020
	RM	RM	RM	RM
(a) Directors				
Directors of the Company				
Short-term benefits:-				
- fees	189,600	254,800	160,000	115,000
- salaries, bonus and other benefits	906,183	798,739	359,393	798,739
	1,095,783	1,053,539	519,393	913,739
Defined contribution plans	35,952	31,600	14,112	31,600
	1,131,735	1,085,139	533,505	945,339
Directors of the Subsidiaries				
Short-term benefits:-				
- fees	260,000	142,600	-	-
Total directors' remuneration (Note 26)	1,391,735	1,227,739	533,505	945,339
(b) Other Key Management Personnel				
Short-term benefits	4,275,612	4,129,724	-	-
Defined contribution plans	425,136	439,166	-	-
Total compensation for other key management personnel	4,700,748	4,568,890	-	-

The estimated monetary value of benefits-in-kind provided by the Group to the directors of the Company was RM9,700 (2020: RM23,950).

Notes To The Financial Statements (cont'd)
For The Financial Year Ended 31 December 2021

31. SIGNIFICANT RELATED PARTY DISCLOSURES

(a) Identities of Related Parties

Parties are considered to be related to the Group if the Group or the Company has the ability, directly or indirectly, to control or jointly control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group or the Company and the party are subject to common control.

In addition to the information detailed elsewhere in the financial statements, the Group has related party relationships with its directors, key management personnel and entities within the same group of companies.

(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	
	2021 RM	2020 RM	2021 RM	2020 RM
Expenditure incurred:-				
- interest paid	-	-	3,525,682	-
- management fee	-	-	77,700	71,000
Income earned:-				
- dividend income	-	-	17,022,950	-
- interest income	-	-	5,753,238	1,473,624
- rental income	-	-	-	221,893
- sale of property, plant and equipment	-	-	-	814

Notes To The Financial Statements (cont'd)
For The Financial Year Ended 31 December 2021

31. 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	
	2021 RM	2020 RM	2021 RM	2020 RM
Expenditure incurred:-				
- consultancy fee	40	-	-	-
- contract charges	-	1,237,702	-	-
- event package fee	-	7,369	-	-
- fertiliser testing charges	84,234	43,194	-	-
- interest paid	831,010	240,058	-	-
- miscellaneous goods and services	88,920	31,764	-	-
- purchase of diesel, petrol, oil and lubricant	106,917	64,852	-	-
- purchase of fertilisers and chemicals	79,324	202,492	-	-
- purchase of fresh fruit bunches	22,009,680	6,711,250	-	-
- purchase of property, plant and equipment	3,502,256	133,032	-	-
- purchase of seedlings	360,956	-	-	-
- purchase of sundry stores, tools and consumables	2,327,265	1,831,784	-	-
- recharge expense:-				
- general	84,229	-	-	-
- store items	65,515	12,677	-	-
- rental paid	1,070,864	1,648,076	-	645,007
- repairs and maintenance	366,257	101,297	-	9,779
- service fee	-	7,211	-	-
- transportation and accommodation charges	9,973	8,210	-	-
- water and electricity charges	40,106	73,338	-	15,276

Notes To The Financial Statements (cont'd)

For The Financial Year Ended 31 December 2021

31. 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	
	2021 RM	2020 RM	2021 RM	2020 RM
Income earned:-				
- handling fee received	742,138	765,837	-	-
- miscellaneous goods and services	7,260	-	-	-
- recharge income:-				
- general	4,600	-	-	-
- store items	67,751	65,363	-	-
- rental received	36,300	16,900	-	-
- repairs and maintenance	49,840	61,179	-	-
- sale of crude palm oil	107,733,482	64,548,871	-	-
- sale of empty bunch ash	15,999	37,507	-	-
- sale of fresh fruit bunches	20,086,228	26,496,449	-	-
- sale of palm kernel	8,390,608	-	-	-
- sale of property, plant and equipment	8,693	88,436	-	-
- spare parts, tools and consumables	26,963	1,480	-	-
- transportation income	443,856	432,711	-	-
- water and electricity	9,394	27,164	-	-

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.

32. 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.

32. OPERATING SEGMENTS (CONT'D)

(b) Major Customers

The following are major customers with revenue equal to or more than 10% of the Group's total revenue:-

	Revenue 2021 RM	Revenue 2020 RM
Customer #1	108,011,600	104,179,253
Customer #2	122,200,014	99,348,770
Customer #3	117,285,613	65,715,606

33. CAPITAL COMMITMENTS

	The Group 2021 RM	The Group 2020 RM
Property, plant and equipment	1,045,589	3,161,216

34. 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.

TSB challenged the Assessments and has filed a judicial review application at Kuala Lumpur High Court against the Ministry of Finance. However, Ketua Pengarah Hasil Dalam Negeri ("KPHDN") has made an application to intervene in the judicial review proceeding commenced by TSB. The case is now pending for the outcome of appeals to the Federal Court of two other cases of whether intervention by KPHDN is allowed. Further, the High Court has granted an interim stay upon the enforcement of the Assessments, whereby the disputed taxes do not have to be paid.

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.

Notes To The Financial Statements (cont'd)
For The Financial Year Ended 31 December 2021

35. 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.

35.1 FINANCIAL RISK MANAGEMENT POLICIES

The Group's policies in respect of the major areas of treasury activity are as follows:-

(a) Market Risk

(i) Foreign Currency Risk

The Group does not have any transactions or balances denominated in foreign currencies and hence, is not exposed to foreign currency risk.

(ii) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to interest rate risk arises mainly from its long-term borrowings with variable rates. The Group's policy is to obtain the most favourable interest rates available and by maintaining a balanced portfolio of mix of fixed and floating rate borrowings.

The Group's deposits with licensed banks and fixed rate borrowings are carried at amortised cost. Therefore, they are not subject to interest rate risk as defined in MFRS 7 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 19 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:-

	The Group		**The Company**	
	2021 RM	**2020 RM**	**2021 RM**	**2020 RM**
Effects on Profit after Taxation				
Increase of 50 basis points	- 644,000	- 744,000	-	-
Decrease of 50 basis points	+ 644,000	+ 744,000	-	-
Effects on Equity				
Increase of 50 basis points	- 644,000	- 744,000	-	-
Decrease of 50 basis points	+ 644,000	+ 744,000	-	-

35. FINANCIAL INSTRUMENTS (CONT'D)

35.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(a) Market Risk (Cont'd)

(iii) Equity Price Risk

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

(b) Credit Risk

The Group's exposure to credit risk, or the risk of counterparties defaulting, arises mainly from its trade and other receivables. The Group manages its exposure to credit risk by the application of monitoring procedures on an ongoing basis. For other financial assets (including deposits with licensed banks, and cash and bank balances), the Group minimises credit risk by dealing exclusively with high credit rating counterparties.

The Company's exposure to credit risk arises principally from loans and advances to subsidiaries and corporate guarantees given to financial institutions for credit facilities granted to certain subsidiaries. The Company monitors the results of these subsidiaries regularly and repayments made by the subsidiaries.

(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 RM319,817,531 (2020: RM332,285,832), 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 2021

35. FINANCIAL INSTRUMENTS (CONT'D)

35.1 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
2021			
Current (not past due)	14,269,770	(105,631)	14,164,139
2020			
Current (not past due)	10,195,297	-	10,195,297

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

Notes To The Financial Statements (cont'd)
For The Financial Year Ended 31 December 2021

35. FINANCIAL INSTRUMENTS (CONT'D)

35.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(b) Credit Risk (Cont'd)

(iii) Assessment of Impairment Losses (Cont'd)

Other Receivables (Including Related Parties)

The Group applies the 3-stage general approach to measure expected credit losses for all non-trade receivables.

Inputs, Assumptions and Techniques used for Estimating Impairment Losses

Under this approach, the Group assesses whether there is a significant increase in credit risk on the receivables by comparing their risk of default as at the reporting date with the risk of default as at the date of initial recognition. The Company considers that there is a significant increase in credit risk for any receivable with significant balances outstanding more than 90 days. The Group considers a non-trade receivable to be credit impaired when a debtor is unlikely to repay its debts in full or the debtor is having financial difficulty.

There are no significant changes in the estimation techniques and assumptions as compared to the previous financial year.

Allowance for Impairment Losses

The Group	Gross Amount RM	12-month Loss Allowance RM	Lifetime Loss Allowance RM	Carrying Amount RM
2021				
Low credit risk	653,920	-	-	653,920
Significant increase in credit risk	3,938,266	-	-	3,938,266
Credit impaired	4,177,237	-	(1,121,717)	3,055,520
	8,769,423	-	(1,121,717)	7,647,706
2020				
Low credit risk	640,995	-	-	640,995
Significant increase in credit risk	3,646,823	-	(5,382)	3,641,441
Credit impaired	4,599,487	-	(850,385)	3,749,102
	8,887,305	-	(855,767)	8,031,538

Notes To The Financial Statements (cont'd)
For The Financial Year Ended 31 December 2021

35. FINANCIAL INSTRUMENTS (CONT'D)

35.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(b) Credit Risk (Cont'd)

(iii) Assessment of Impairment Losses (Cont'd)

Other Receivables (Including Related Parties) (Cont'd)

Allowance for Impairment Losses (Cont'd)

The Company	Gross Amount RM	12-month Loss Allowance RM	Lifetime Loss Allowance RM	Carrying Amount RM
2021				
Low credit risk	138,312	-	-	138,312
Credit impaired	3,562,380	-	(500,000)	3,062,380
	3,700,692	-	(500,000)	3,200,692
2020				
Low credit risk	138,312	-	-	138,312
Credit impaired	4,249,102	-	(500,000)	3,749,102
	4,387,414	-	(500,000)	3,887,414

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 2021

35. FINANCIAL INSTRUMENTS (CONT'D)

35.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(b) Credit Risk (Cont'd)

(iii) Assessment of Impairment Losses (Cont'd)

<u>Amount Owing By Subsidiaries (Non-trade Balances)</u>

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

In the previous financial year, an impairment loss of RM44,050,158 was recognised in respect of amounts owing by subsidiaries of which the Company determined them to be credit impaired. During the financial year, a reversal of RM27,262,371 was recognised in respect of amounts owing by subsidiaries. The movement in the loss allowance is disclosed in Note 12 to the financial statements.

<u>Financial Guarantee Contracts</u>

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 2021

35. FINANCIAL INSTRUMENTS (CONT'D)

35.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(c) Liquidity Risk (Cont'd)

Maturity Analysis

The following table sets out the maturity profile of the financial liabilities at the end of the reporting period based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on the rates at the end of the reporting period):-

The Group	Weighted Average Effective Rate %	Carrying Amount RM	Contractual Undiscounted Cash Flows RM	On Demand or Within 1 Year RM	Over 1 – 2 Years RM	2 – 5 Years RM	5 Years RM
2021							
Trade and other payables	-	84,275,124	84,275,124	84,275,124	-	-	-
Borrowings:-							
- bank overdrafts	6.56	2,785,076	2,785,076	2,785,076	-	-	-
- bankers' acceptance	2.95	23,697,000	23,697,000	23,697,000	-	-	-
- lease liabilities	4.10	7,013,979	7,895,529	1,541,915	1,516,915	2,815,069	2,021,630
- revolving credit	3.86	145,577,500	145,577,500	145,577,500	-	-	-
- secured loans	2.90	20,870,000	24,514,000	788,000	897,000	7,305,000	15,524,000
- term loans	3.67	181,632,955	207,122,600	33,394,600	37,567,000	101,246,000	34,915,000
- unsecured loans	2.66	6,370,000	6,641,000	3,120,000	3,521,000	-	-
		472,221,634	502,507,829	295,179,215	43,501,915	111,366,069	52,460,630
2020							
Trade and other payables	-	82,277,489	82,277,489	82,277,489	-	-	-
Borrowings:-							
- bank overdrafts	6.27	1,848,014	1,848,014	1,848,014	-	-	-
- bankers' acceptance	3.45	25,908,000	25,908,000	25,908,000	-	-	-
- lease liabilities	5.08	8,032,015	9,206,000	1,499,000	1,494,000	3,539,000	2,674,000
- revolving credit	4.29	145,057,000	145,057,000	145,057,000	-	-	-
- secured loans	2.90	21,000,000	25,305,000	727,000	783,000	4,719,000	19,076,000
- term loans	3.89	200,947,623	230,536,000	32,486,000	36,544,000	97,881,000	63,625,000
- unsecured loans	2.84	6,970,000	7,226,200	5,374,880	1,228,080	623,240	-
		492,040,141	492,040,141	492,040,141	40,049,080	106,762,240	85,375,000

Notes To The Financial Statements (cont'd)
For The Financial Year Ended 31 December 2021

35. FINANCIAL INSTRUMENTS (CONT'D)

35.1 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**
2021					
Trade and other payables	-	7,574,180	7,574,180	7,574,180	-
Borrowings:-					
- revolving credit	4.52	33,875,000	33,875,000	33,875,000	-
- unsecured loan	2.90	3,350,000	3,498,000	600,000	2,898,000
Financial guarantee contracts in relation to corporate guarantee given to certain subsidaries	-	*	319,817,531	319,817,531	-
		44,799,180	364,764,711	361,866,711	2,898,000

Notes To The Financial Statements (cont'd)
For The Financial Year Ended 31 December 2021

35. FINANCIAL INSTRUMENTS (CONT'D)

35.1 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
2020				
Trade and other payables	-	5,706,304	5,706,304	5,706,304
Borrowings:-				
- bank overdrafts	6.23	24,805	24,805	24,805
- revolving credit	4.52	41,450,000	41,450,000	41,450,000
Financial guarantee contracts in relation to corporate guarantee given to certain subsidiaries	-	*	332,285,832	332,285,832
		47,181,109	379,466,941	379,466,941

* 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.

35. FINANCIAL INSTRUMENTS (CONT'D)

35.2 CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that entities within the Group will be able to maintain an optimal capital structure so as to support its businesses and maximise shareholder(s) value. To achieve this objective, the Group may make adjustments to the capital structure in view of changes in economic conditions, such as adjusting the amount of dividend payment, returning of capital to shareholders or issuing new shares.

The Group manages its capital based on debt-to-equity ratio that complies with debt covenants and regulatory, if any. The debt-to-equity ratio is calculated as net debt divided by total equity. The Group includes within net debt, loans and borrowings from financial institutions less cash and cash equivalents. Capital includes equity attributable to the owners of the parent and non-controlling interests. The debt-to-equity ratio of the Group at the end of the reporting period was as follows:-

	The Group	
	2021 RM	2020 RM
Borrowings (Note 19):-		
- bank overdrafts	2,785,076	1,848,014
- other borrowings	385,161,434	407,914,638
	387,946,510	409,762,652
Less: Deposits with licensed banks (Note 13)	(16,611,302)	(209,459)
Less: Cash and bank balances	(1,319,600)	(1,037,368)
Net debts	370,015,608	408,515,825
Total equity	359,292,026	366,450,195
Debt-to-equity ratio	1.03	1.11

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

35.3 CLASSIFICATION OF FINANCIAL INSTRUMENTS

	The Group		The Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Financial Assets				
<u>Designated at Fair Value through Profit or Loss</u>				
Unquoted investments	1,643,247	1,643,247	1,643,247	1,643,247

Notes To The Financial Statements (cont'd)
For The Financial Year Ended 31 December 2021

35. FINANCIAL INSTRUMENTS (CONT'D)

35.3 CLASSIFICATION OF FINANCIAL INSTRUMENTS

	The Group		The Company	
	2021 RM	2020 RM	2021 RM	2020 RM
<u>Amortised Cost</u>				
Trade receivables	14,164,139	10,195,297	-	-
Other receivables and deposits	7,647,706	8,031,538	3,200,692	3,887,414
Amount owing by subsidiaries	-	-	427,384,316	207,943,443
Deposits with licensed banks	16,611,302	209,459	91,251	89,408
Cash and bank balances	1,319,600	1,037,368	88,369	95,086
	39,742,747	19,473,662	430,764,628	212,015,351
Financial Liabilities				
<u>Amortised Cost</u>				
Trade payables	53,308,760	55,218,574	-	-
Other payables, deposits and accruals	30,996,364	27,058,915	7,574,180	5,706,304
Amount owing to subsidiaries	-	-	278,133,159	102,391,844
Borrowings:-				
- bank overdrafts	2,785,076	1,848,014	-	24,805
- other borrowings	385,161,434	407,914,638	37,225,000	41,450,000
	472,221,634	492,040,141	322,932,339	149,572,953

35.4 GAINS OR LOSSES ARISING FROM FINANCIAL INSTRUMENTS

	The Group		The Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Financial Assets				
<u>Fair Value Through Profit or Loss</u>				
Net gains recognised in profit or loss	-	1,625,305	-	1,625,305
<u>Amortised Cost</u>				
Net (losses)/gains recognised in profit or loss	(341,764)	(17,445)	33,017,451	(42,571,091)
Financial Liabilities				
<u>Amortised Cost</u>				
Net losses recognised in profit or loss	(13,324,117)	(18,514,985)	(5,346,966)	(2,769,951)

35. FINANCIAL INSTRUMENTS (CONT'D)

35.5 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 RM1,643,247 (2020: RM1,643,247) 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 RM18,343,000 and RM5,235,000 (2020: RM20,041,000 and RM4,507,000) respectively. The fair value is determined by discounting the relevant cash flows using current market interest rate for similar instruments of 3.70% (2020: 3.90%) 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.

36. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR AND OCCURRING AFTER THE REPORTING PERIOD

(a) On 22 February 2017, RSB Lundu Palm Oil Mill Sdn. Bhd. ("RSBLPOM"), a wholly-owned subsidiary of the Company, entered into a conditional sale and purchase agreement with R H Lundu Palm Oil Mill Sdn. Bhd. ("RHLPOM") to acquire a parcel of land together with a palm oil mill (including workers' quarters) erected thereon and plant and machinery used for the operation of the mill for a purchase consideration of RM33.7 million to be satisfied in cash.

On 21 December 2018, RSBLPOM entered into a supplementary agreement with RHLPOM to amend and vary certain terms of the agreement as follows:-

(i) Land acquisition of RM2.5 million

Both parties agreed to defer the completion of the subdivision of the land culminating in the issuance of title with a lease term of at least 60 years; and the consent in writing of the Directors and the Superintendent of the Land and Survey for the transfer of land to and in favour of RSBLPOM. These conditions are to be fulfilled by RHLPOM within 18 months.

On 18 August 2020, both parties mutually agreed to further extend a period of 18 months to 18 February 2022 to fulfil the conditions precedent outlined above.

On 5 February 2021, RHLPOM had received the title to the land with a lease term of 60 years from 30 January 2004, issued by the Land and Survey Kuching Division.

RHLPOM had received the approval from the Land and Survey Department Sarawak, Kuching in relation to its application for consent to transfer Lot 306 Block 4 Stungkor Land District by RHLPOM to RSBLPOM via the letter dated 6 May 2021 (which was conveyed to RSB on 17 May 2021) ("Director's Consent").

Notes To The Financial Statements (cont'd)
For The Financial Year Ended 31 December 2021

36. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR AND OCCURRING AFTER THE REPORTING PERIOD (CONT'D)

(a) On 21 December 2018, RSBLPOM entered into a supplementary agreement with RHLPOM to amend and vary certain terms of the agreement as follows:- (Cont'd)

(i) Land acquisition of RM2.5 million (Cont'd)

RSB had also obtained confirmation from the Application for Permission to Deal Section of the Land and Survey Department Sarawak, Kuching that the Director's Consent is given by the Director of Lands and Surveys Sarawak, and therefore there will not be any other separate approval to be issued by the Superintendent of Land and Survey ("Superintendent's Consent") for the transfer of the land to and in favour of RSBLPOM in accordance with Section 31 of the Sarawak Land Code.

Following the Director's Consent and the Superintendent's Consent where both are the remaining two Conditions Subsequent set out in the Supplemental SPA for the land acquisition, Lot 306 Block 4 Stungkor Land District has been transferred to RSBLPOM and RSBLPOM has paid the Final Balance Sum to RHLPOM to complete the land acquisition.

Accordingly, the SPA in relation to the land acquisition has been completed on 3 August 2021.

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

The proposed disposal of all rights, title and interests of the Licence Rights in relation to the Simunjan Estate via an absolute assignment, development costs, biological assets, commercial rights and all the fixtures and fittings relating thereto, for a cash consideration of RM150.0 million to Tiasa Mesra Sdn Bhd was completed on 25 October 2020. The status of the utilisation of the proceeds as at 31 December 2021 is as set out below:

	Description of use of proceeds	Proposed Utilisation (RM'mil)	Actual Utilisation (RM'mil)	Redeploy (RM'mil)	Balance Unutilised (RM'mil)
1	Finance the Proposed Lundu Acquisition (land, quarters, oil mill and plantation assets)	33.7	(33.7)	-	-
2	Finance the Proposed Sastat Holdings Sdn Bhd Acquisition	17.0	(17.0)	-	-
3	Repayment of Simunjan Credit Facilities	58.0	(58.0)	-	-
4	Repayment of Advance	23.0	(23.0)	-	-
5	Defray estimated expenses relating to the Proposals	13.0	(10.0)	(3.0)	-
6	Working capital of our Group	5.3	(8.3)	3.0	-
	Total	**150.0**	**(150.0)**	**-**	**-**

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 2021 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 2021(RM)
Borneo Edible Oils Sdn Bhd	Sales of Crude Palm Oil & Handling Fee Income	Note (A)	108,895,005
R H Selangau Palm Oil Mill Sdn Bhd	Sales of Fresh Fruit Bunches	Note (B)	20,086,228
Mighty Roar Sdn Bhd	Purchase of Fresh Fruit Bunches	Note (C)	5,733,844
Pelita Melor Sdn Bhd	Purchase of Fresh Fruit Bunches	Note (D)	6,163,305
Caiyuan Corporation Sdn Bhd	Purchase of Fresh Fruit Bunches	Note (E)	3,459,003

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 Kiong King, Tiong Chiong Ie and Tiong Chiong Ong.

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

(C) Connected with Tan Sri Tiong, PAA, Tiong Kiong King and Tiong Chiong Ong.

(D) Connected with Tan Sri Tiong, TTSH, TSL, Datuk Tiong Thai King, Tiong Kiong King, Tiong Chiong Ie and Tiong Chiong Ong.

(E) Connected with Tan Sri Tiong, TTSE, TSL, Datuk Tiong Thai King, Tiong Kiong 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^	JVA Commecing on 2003	-	7,900.00 Ha	Oil Palm Estate	-	94,980
Lot 11, Buloh Land District Lot 12, Buloh Land District	Provisional Leasehold	2059 2060	4,625.00 Ha	Oil Palm Estate	1999 2000	88,246
Lot 56, Sawai Land District	Provisional Leasehold	2054	4,857.00 Ha	Oil Palm Estate	1994	50,544
Lot 13, Buloh Land District	Provisional Leasehold	2060	4,100.00 Ha	Oil Palm Estate	2000	44,018
Lot 1 Blk 7, Sawai Land District	Leasehold	2058			1998	
Lot 64, Sawai Land District	Provisional Leasehold	2087	7,490.80 Ha	Oil Palm Estate	1988	41,487
Lot 93 Sawai Land District	Provisional Leasehold	2059			1999	
Lot 4 & 6 , Block 9, Dulit Land District, Miri Division, Sarawak	Provisional Leasehold	2059	4,959.80 Ha	Oil Palm Estate	1999	38,790
Lot 197, Teraja Land District	Provisional Leasehold	2067	2,181.00 Ha	Oil Palm Estate	2007	2,066
NCR Land at Selangau, Mukah, Sibu Division^	JVA Commecing on 2001	-	5,000.00 Ha	Oil Palm Estate	-	34,331
NCR Land Located Long Ekang and Long Banyok, Miri Division@	JVA Commecing on 2005	-	3,367.00 Ha	Oil Palm Estate	-	37,697

* Net Book Value include Land, Bearer Plants, and Infrastructure.
^ The Lease Term for JVA land is 60 years subject to finalisation of respective land title.
@ 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 2022

Share Capital

Issued share capital	:	**614,600,257 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	%
127	Less than 100 shares	4,056	0.00*
916	100 to 1,000 shares	555,437	0.03
5,609	1,001 to 10,000 shares	35,052,695	1.72
5,339	10,001 to 100,000 shares	194,208,651	9.51
842	100,001 - less than 5% of issued shares	898,651,172	44.01
4	5% and above of issued shares	913,250,332	44.73
12,837		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 2022 are as follows:

Name	No. of shares held (Direct)	%	No. of shares held (Indirect)	%
1. Tiong Toh Siong Holdings Sdn Bhd	264,429,560	12.95	633,508,332 [a]	31.03
2. Pemandangan Jauh Plantation Sdn Bhd	526,955,544	25.81	-	-
3. Pertumbuhan Abadi Asia Sdn Bhd	114,187,400	5.59	119,271,200 [b]	5.84
4. Teck Sing Lik Enterprise Sdn Bhd	102,107,388	5.00	157,939,300 [c]	7.74
5. Tiong Toh Siong Enterprises Sdn Bhd	10,402,400	0.51	226,568,891 [d]	11.10
6. Tan Sri Datuk Sir Diong Hiew King @ Tiong Hiew King	2,400,000	0.12	1,351,203,971 [e]	66.18

Notes: -

a *Deemed interested by virtue of its interest in Pemandangan Jauh Plantation Sdn Bhd, Ladang Hijau (Sarawak) Sdn Bhd and Multi Greenview Sdn Bhd pursuant to Section 8 of the Companies Act.*

b *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.*

c *Deemed interested by virtue of its interest in 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.*

d *Deemed interested by virtue of its interest 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.*

e *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 2022

Directors' Interests

The Directors' interests in ordinary shares in the Company as per the Register of Directors' Shareholdings as at 1 April 2022 are as follows:

	Name	No. of shares held (Direct)	%	No. of shares held (Indirect)	%
1.	Tiong Chiong Ong	6,611,908	0.32	326,714[a]	0.02
2.	Tiong Chiong Ie	-	-	-	-
3.	Bong Wei Leong	-	-	-	-
4.	Tiong Ing Ming	200,000	0.01	-	-
5.	Wong Ing Seng	-	-	-	-

a. Deemed interested by virtue of the interest of his spouse and children 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	Malaysia Nominees (Tempatan) Sendirian Berhad Pledged Securities Account for Tiong Toh Siong Holdings Sdn Bhd (88-00016-000)	170,000,000	8.33
3	Pertumbuhan Abadi Asia Sdn Bhd	114,187,400	5.59
4	Teck Sing Lik Enterprise Sdn Bhd	102,107,388	5.00
5	Rimbunan Hijau Southeast Asia Sdn Bhd	100,584,800	4.93
6	State Financial Secretary Sarawak	76,034,272	3.72
7	RHB Nominees (Tempatan) Sdn Bhd Bank of China (Malaysia) Berhad Pledged Securities Account for Tiong Toh Siong Holdings Sdn Bhd	70,700,000	3.46
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	58,240,600	2.85
11	Kinta Hijau Sdn Bhd	43,952,100	2.15
12	Ladang Hijau (Sarawak) Sdn Bhd	37,052,788	1.81
13	Tiong Toh Siong Holdings Sdn Bhd	23,729,560	1.16
14	Rimbunan Hijau (Sarawak) Sdn Bhd	15,686,400	0.77
15	HLIB Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Yap Qwee Beng	10,896,000	0.53
16	Tiong Toh Siong Enterprises Sdn Bhd	10,402,400	0.51
17	RHB Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Veloo A/L Karupayah	8,000,000	0.39
18	TC Blessed Holdings Sdn Bhd	7,214,400	0.35

Analysis of Shareholdings (cont'd)
As at 1 April 2022

Thirty Largest Securities Account Holders (cont'd)

	Name	No. of Ordinary Shares	%
19	AllianceGroup Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Kong Kok Choy (8092812)	6,600,000	0.32
20	Tiong Chiong Ong	4,877,208	0.24
21	Ong Ngoh Ing @ Ong Chong Oon	4,550,000	0.22
22	Chong Tong Siew	4,378,000	0.21
23	Lueh Tai Wai	3,100,000	0.15
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	Maybank Nominees (Tempatan) Sdn Bhd Etiqa Life Insurance Berhad (Life Non Par)	2,959,000	0.14
28	Diong Hiew King @ Tiong Hiew King	2,400,000	0.12
29	Ngu Yii Chuo	2,400,000	0.12
30	AllianceGroup Nominees (Tempatan) Sdn Bhd Pledged Securities Account For On Kok Thong	2,303,300	0.11

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 17th 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 Sibu, Sarawak, Malaysia on Monday, 30 May 2022 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 2021 together with the Reports of the Directors and Auditors thereon. **Refer to Note 1**

2. To approve the payment of Directors' fees of RM160,000 for the financial year ended 31 December 2021 (2020: RM115,000). **Resolution 1**

3. To approve the payment of Other Benefits payable to Directors (excluding Directors' fees) up to RM100,000 for the period from 31 May 2022 until the conclusion of next Annual General Meeting of the Company. **Resolution 2**

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:

   i) Mr. Tiong Chiong Ong **Resolution 3**
   ii) Mr. Bong Wei Leong **Resolution 4**

5. To re-elect Mr. Wong Ing Seng who retires pursuant to Article 128 of the Company's Constitution and being eligible, offers himself for re-election as Director. **Resolution 5**

6. To re-appoint Crowe Malaysia PLT as auditors until the conclusion of the next annual general meeting and to authorise the Directors to fix their remuneration. **Resolution 6**

As special business

7. To consider and, if thought fit, pass the following ordinary resolution:

   Continuation in office as Independent Non-Executive Director pursuant to Practice 5.3 of the Malaysian Code on Corporate Governance 2021 **Resolution 7**

   "THAT approval be and is hereby given to Mr. Tiong Ing Ming who has served as an Independent Non-Executive Director of the Company for a consecutive term of more than nine (9) years, to continue in office as an Independent Non-Executive Director of the Company."

8. To consider and, if thought fit, pass the following ordinary resolution:

   Continuation in office as Independent Non-Executive Director pursuant to Practice 5.3 of the Malaysian Code on Corporate Governance 2021 **Resolution 8**

   "THAT, subject to the passing of Resolution 4, approval be and is hereby given to Mr. Bong Wei Leong who has served as an Independent Non-Executive Director of the Company for a consecutive term of more than nine (9) years, to continue in office as an Independent Non-Executive Director of the Company."

Notice Of Annual General Meeting (cont'd)

9. To consider and, if thought fit, pass the following ordinary resolution:

Proposed renewal of and new shareholder mandates for recurrent related party transactions of a revenue or trading nature ("Shareholder Mandate") **Resolution 9**

"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 29 April 2022, with the specific related parties mentioned therein subject further to the following:

(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

(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."

10. 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.

Notice Of Annual General Meeting (cont'd)

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: 29 April 2022
Sibu, Sarawak

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 17th annual general meeting ("AGM") may appoint not more than two (2) proxies to attend and vote instead of the member at the AGM;
4. Where a member of the Company is an authorised nominee as defined in the Depositories Act, which is exempted from compliance with the provisions of subsection 25A(1) of the Depositories Act, it may appoint not more than two (2) proxies in respect of each securities account it holds;
5. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds;
6. Where a member or the authorised nominee appoints two (2) proxies, or where an exempt authorised nominee appoints two (2) or more proxies, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies;
7. A proxy appointed to attend and vote at the AGM shall have the same rights as the member to speak at the AGM;
8. To be valid, the Form of Proxy, duly completed must be deposited at the registered office of the Company at North Wing, Menara Rimbunan Hijau, 101, Pusat Suria Permata, Jalan Upper Lanang, 96000 Sibu, Sarawak, Malaysia not less than 48 hours before the time appointed for holding the AGM or any adjournment thereof;
9. If the appointor is a corporation, the Form of Proxy must be executed under its common seal or under the hand of an officer or attorney duly authorised. Any alteration to the instrument appointing a proxy must be initialed; and
10. A depositor whose name appears in the Record of Depositors as at 24 May 2022 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 Independent Director (proposed Resolution 4)

The Nomination Committee and the Board of Directors have assessed the independence of Mr. Bong Wei Leong and recommended him to be re-elected as Director of the Company.

2. Ordinary resolutions in relation to continuation in office as Independent Non-Executive Directors pursuant to Practice 5.3 of the Malaysian Code on Corporate Governance (proposed Resolutions 7 and 8)

The Nomination Committee and the Board of Directors have assessed the independence of Mr. Tiong Ing Ming and Mr. Bong Wei Leong who have served as Independent Non-Executive Directors of the Company for a consecutive term of more than nine (9) years, and recommended them to continue to act as Independent Non-Executive Directors of the Company through a two-tier voting process based on the following justifications:

Notice Of Annual General Meeting (cont'd)

(a) They fulfilled the criteria as Independent Directors as stipulated in the Listing Requirements and therefore are able to offer impartial judgement and advice to the Board of Directors;
(b) They remain independent and vocal, actively participated in deliberations and exercised independent judgement at Board of Directors and Board Committee meetings without compromising operational consideration. Hence, provide a check and balance to operational management; and
(c) They continue to exercise independent and objective judgement in carrying out their duties as Independent Directors and they provide guidance, unbiased and independent views to many aspects of the Company and the Group's strategy so as to safeguard the interests of minority shareholders. Their long tenure as Independent Directors have no conflict of interest or undue influence from management and interested parties.

3. 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. 9, 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 29 April 2022 for further information.

COVID-19 Outbreak Measure Notes

The health and safety of all members attending the AGM are the top priority of the Company. Hence, the following precautionary measures will be taken for the conduct of the AGM:

a) Members and proxies are encouraged to abide by the most current regulations in place and enforced by the Ministry of Health and the government at the time deciding on whether or not to attend the AGM.
b) Members are strongly encouraged to appoint the Chairman of the AGM as their proxies to attend and vote at the AGM on their behalf by submitting the Form of Proxy with predetermined voting instruction.
c) Members who are not feeling well or have been placed on quarantine orders or stay-at-home notices, are advised to refrain from attending the AGM in person.
d) Members who had been in physical contact with a person infected with COVID-19 are advised to refrain from attending the AGM in person.
e) In the interest of the public health including the well-being of our members, members must cooperate with the precautionary measures put in place by the Company should members (or your proxies) wish to attend the AGM in person.
f) Members and proxies must sanitise their hands and wear a face mask throughout the conduct of the AGM.
g) Members or proxies must observe/maintain social distancing throughout the conduct of the AGM.

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 17th Annual General Meeting of the Company to be held on Monday, 30 May 2022 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 2021.		
2.	To approve the payment of Directors' remuneration (excluding Directors' fees).		
3.	To re-elect Tiong Chiong Ong as director.		
4.	To re-elect Bong Wei Leong as director.		
5.	To re-elect Wong Ing Seng as director.		
6.	To re-appoint Messrs. Crowe Malaysia PLT as auditors for the ensuing year.		
7.	To retain Mr. Tiong Ing Ming as an Independent Non-Executive Director.		
8.	To retain Mr. Bong Wei Leong as an Independent Non-Executive Director.		
9.	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 __________________ 2022

____
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 17th 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 Sibu, 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 24 May 2022 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.

Please fold here

Affix
Stamp

The Company Secretary
Rimbunan Sawit Berhad [Registration No: 200501014346(691393-U)]

North Wing, Menara Rimbunan Hijau,
101, Pusat Suria Permata,
Jalan Upper Lanang,
96000 Sibu, Sarawak.

Please fold here

RIMBUNAN SAWIT BERHAD
[Registration No: 200501014346(691393-U)]

North Wing, Menara Rimbunan Hijau 101, Pusat Suria Permata,
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