



AUDITED FINANCIAL STATEMENTS

I FOR THE YEAR ENDED 30 JUNE 2025

Roundtable On Sustainable Palm Oil

Audited Financial Statements

For the financial year ended 30 June 2025

Audited Financial Statements
For the financial year ended 30 June 2025

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Roundtable on Sustainable Palm Oil

Statement from Chief Executive Officer

I, Joseph Jayan D'Cruz, representing Roundtable on Sustainable Palm Oil ("RSPO"), do hereby state that the financial statements set out on pages 6 to 61 are drawn up so as to give a true and fair view of the financial position of RSPO Group and RSPO as at 30 June 2025 and of the financial performance and cash flows of RSPO Group and RSPO for the financial year ended 30 June 2025 in accordance with the MFRS Accounting Standards and IFRS Accounting Standards.

Signed on behalf of Roundtable on Sustainable Palm Oil on 10 October 2025.

A handwritten signature in black ink, appearing to read 'Joseph D'Cruz', with a stylized flourish at the end.

JOSEPH JAYAN D'CRUZ
CHIEF EXECUTIVE OFFICER

Kuala Lumpur, Malaysia

Independent auditors' report to the members of Roundtable on Sustainable Palm Oil

Report on the audit of the financial statements

Our opinion

We have audited the financial statements of Roundtable on Sustainable Palm Oil ("RSPO") and its subsidiaries ("RSPO Group"), which comprise the statements of income and expenditure, statements of comprehensive income, statements of assets, liabilities and fund balances as at 30 June 2025 and statements of changes in equity and statements of cash flows of RSPO Group and of RSPO for the financial year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 6 to 61.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of RSPO Group and of RSPO as at 30 June 2025, and of its financial performance and its cash flows for the financial year then ended in accordance with MFRS Accounting Standards and IFRS Accounting Standards.

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 audit opinion.

Independence and other ethical responsibilities

We are independent of RSPO Group and of RSPO in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("By-Laws") and the 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.

Responsibilities of the Board of Governors for the financial statements

The Board of Governors of RSPO is responsible for the preparation of the financial statements of RSPO Group and of RSPO that give true and fair view in accordance with MFRS Accounting Standards and IFRS Accounting Standards. The Board of Governors is also responsible for such internal control as the Board of Governors determine is necessary to enable the preparation of financial statements of RSPO Group and of RSPO that are free from material statement, whether due to fraud or error.

Independent auditors' report to the members of
Roundtable on Sustainable Palm Oil

Report on the audit of the financial statements (contd.)

Responsibilities of the Board of Governors for the financial statements (contd.)

In preparing the financial statements of RSPO Group and of RSPO, the Board of Governors are responsible for assessing RSPO Group's and RSPO'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 Board of Governors either intend to liquidate RSPO Group or RSPO 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 RSPO Group and of RSPO 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.

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 RSPO Group and of RSPO, 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 RSPO Group's and RSPO's internal control;
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Governors;

**Independent auditors' report to the members of
Roundtable on Sustainable Palm Oil**

Report on the audit of the financial statements (contd.)

Auditors' responsibilities for the audit of the financial statements (contd.)

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: (contd.)

- Conclude on the appropriateness of the Board of Governors' use of the going concern basis accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on RSPO Group's and RSPO'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 RSPO Group and of RSPO 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 RSPO Group or RSPO to cease to continue as a going concern;
- Evaluate the overall presentation, structure and content of the financial statements of RSPO Group and of RSPO, including the disclosures, and whether the financial statements of RSPO Group and of RSPO represent the underlying transactions and events in a manner that achieves fair presentation; and
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the financial statements of RSPO Group. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Board of Governors 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.

**Independent auditors' report to the members of
Roundtable on Sustainable Palm Oil**

Other matters

This report is made solely to the members of RSPO, as a body, and for no other purpose. We do not assume responsibility to any other person for the content of this report.



Ernst & Young PLT
202006000003 (LLP0022760-LCA) & AF 0039
Chartered Accountants

Kuala Lumpur, Malaysia
10 October 2025

Roundtable on Sustainable Palm Oil

Statements of income and expenditure For the financial year ended 30 June 2025

		RSPO Group		RSPO	
		2025	2024	2025	2024
	Note	RM'000	RM'000	RM'000	RM'000
Income					
Subscription income	1	23,269	22,299	23,269	22,299
Contributions from sustainable palm oil trade	2	58,996	52,259	58,996	52,259
Trade administration fee	2	5,138	-	5,138	-
Roundtable meetings surplus	5	317	193	317	193
Interest income from fixed deposits		578	1,712	566	1,695
Interest income from quoted debt instruments		958	679	958	679
Unrealised gain in investment		1,819	638	1,819	638
Realised gain in investment		684	497	684	497
Other income		11	94	11	94
		91,770	78,371	91,758	78,354
Less: expenditure					
Staff costs	3	35,914	34,282	-	-
Management fees		-	-	55,420	53,500
Recruitment expenses		1,209	1,005	-	-
Professional fees		1,879	1,822	1,315	1,122
Short term leases		284	1,048	-	-
Consultancy fees		9,463	10,123	1,299	2,065
Trademark and patent		167	28	167	28
Board of Governors meeting expenses		183	267	183	267
General assembly		238	204	238	204
Bad debts written off		143	285	143	285
Net allowance for impairment on receivables	14, 15	404	44	404	44
Net foreign exchange (gain)/loss	6	(58)	634	783	63
Auditors' remuneration		270	201	172	116
Depreciation of property, plant and equipment	9	999	661	-	-
Depreciation of right-of-use assets	10	1,511	1,135	-	-
Amortisation of intangible assets	11	473	-	473	-
Finance costs	19	171	100	-	-
Prisma support and maintenance		3,185	-	3,185	-
Other expenditure		5,739	4,811	2,190	1,321
		62,174	56,650	65,972	59,015

Roundtable on Sustainable Palm Oil

Statements of income and expenditure

For the financial year ended 30 June 2025 (contd.)

	Note	RSPO Group		RSPO	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Project costs	7	18,192	20,620	18,192	20,620
		<u>80,366</u>	<u>77,270</u>	<u>84,164</u>	<u>79,635</u>
Surplus/(Deficit) of income over expenditure before taxation		11,404	1,101	7,594	(1,281)
Taxation	8	<u>(2,262)</u>	<u>(1,522)</u>	<u>(360)</u>	<u>(516)</u>
Surplus/(Deficit) of income over expenditure for the financial year		<u>9,142</u>	<u>(421)</u>	<u>7,234</u>	<u>(1,797)</u>

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Roundtable on Sustainable Palm Oil

Statements of comprehensive income For the financial year ended 30 June 2025

	RSPO Group		RSPO	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
Surplus/(Deficit) of income over expenditure for the financial year	9,142	(421)	7,234	(1,797)
Item that may be subsequently reclassified to profit or loss:				
Currency translation differences	<u>(10,166)</u>	<u>1,039</u>	<u>(10,166)</u>	<u>1,039</u>
Total comprehensive (loss)/income for the financial year	<u>(1,024)</u>	<u>618</u>	<u>(2,932)</u>	<u>(758)</u>

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Roundtable on Sustainable Palm Oil

Statements of assets, liabilities and fund balances As at 30 June 2025

	Note	RSPO Group		RSPO	
		2025	2024	2025	2024
		RM'000	RM'000	RM'000	RM'000
Assets					
Non-current assets					
Property, plant and equipment	9	1,011	1,782	-	-
Right-of-use assets	10	2,280	3,791	-	-
Intangible asset	11	15,484	5,039	15,484	5,039
Deferred tax assets	12	702	999	223	259
Investment in subsidiaries	13	-	-	500	500
		<u>19,477</u>	<u>11,611</u>	<u>16,207</u>	<u>5,798</u>
Current assets					
Membership subscription fee receivable	14	2,018	1,683	2,018	1,683
Contributions and trade administration fee receivable	15	13,511	5,135	13,511	5,135
Other receivables, deposits and prepayments	16	5,697	3,914	31,686	17,534
Tax recoverable		552	-	453	-
Other financial assets	26(b)	46,030	47,736	46,030	47,736
Fixed deposits with a licensed bank	18	-	22,739	-	22,739
Cash and bank balances	17	22,368	8,647	21,035	7,087
		<u>90,176</u>	<u>89,854</u>	<u>114,733</u>	<u>101,914</u>
Total assets		<u>109,653</u>	<u>101,465</u>	<u>130,940</u>	<u>107,712</u>

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Roundtable on Sustainable Palm Oil

Statements of assets, liabilities and fund balances As at 30 June 2025 (contd.)

		RSPO Group		RSPO	
		2025	2024	2025	2024
	Note	RM'000	RM'000	RM'000	RM'000
Liabilities					
Non-current liabilities					
Lease liabilities	19	943	2,167	-	-
Other payables and accruals	20	319	304	-	-
		<u>1,262</u>	<u>2,471</u>	<u>-</u>	<u>-</u>
Current liabilities					
Lease liabilities	19	1,162	1,386	-	-
Contract liabilities	21	11,151	11,211	11,151	11,211
Other financial liability	26(c)	85	-	85	-
Deferred grant revenue		687	-	687	-
Other payables and accruals	20	23,190	8,990	53,534	23,913
Tax provision		295	559	-	170
		<u>36,570</u>	<u>22,146</u>	<u>65,457</u>	<u>35,294</u>
Net assets		<u>71,821</u>	<u>76,848</u>	<u>65,483</u>	<u>72,418</u>
Equity					
Members' fund		63,061	53,919	56,723	49,489
Smallholders' fund	22	8,632	10,744	8,632	10,744
Special projects fund	23	1,726	3,617	1,726	3,617
Currency translation reserves		(1,598)	8,568	(1,598)	8,568
Total equity		<u>71,821</u>	<u>76,848</u>	<u>65,483</u>	<u>72,418</u>

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Roundtable on Sustainable Palm Oil

Statements of changes in equity For the financial year ended 30 June 2025

	Members' fund RM'000	Smallholders' fund (Note 22) RM'000	Special projects fund (Note 23) RM'000	Accumulated fund RM'000	Currency translation reserves RM'000	Total equity RM'000
RSPO Group						
2025						
At 1 July 2024	53,919	10,744	3,617	68,280	8,568	76,848
Surplus of income over expenditure for the financial year	9,142	-	-	9,142	-	9,142
Other comprehensive loss - Currency translation differences	-	-	-	-	(10,166)	(10,166)
Total comprehensive income	9,142	-	-	9,142	(10,166)	(1,024)
Project disbursements for the financial year	-	(2,112)	(1,891)	(4,003)	-	(4,003)
At 30 June 2025	63,061	8,632	1,726	73,419	(1,598)	71,821

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Roundtable on Sustainable Palm Oil

Statements of changes in equity

For the financial year ended 30 June 2025 (contd.)

	Members' fund RM'000	Smallholders' fund (Note 22) RM'000	Special projects fund (Note 23) RM'000	Accumulated fund RM'000	Currency translation reserves RM'000	Total equity RM'000
RSPO Group						
2024						
At 1 July 2023	57,640	9,079	6,213	72,932	7,529	80,461
Deficit of income over expenditure for the financial year	(421)	-	-	(421)	-	(421)
Other comprehensive income:						
- Currency translation differences	-	-	-	-	1,039	1,039
Total comprehensive income	(421)	-	-	(421)	1,039	618
Project disbursements for the financial year	-	(1,635)	(2,596)	(4,231)	-	(4,231)
Transfer to Smallholders' fund	(3,300)	3,300	-	-	-	-
At 30 June 2024	53,919	10,744	3,617	68,280	8,568	76,848

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Roundtable on Sustainable Palm Oil

Statements of changes in equity

For the financial year ended 30 June 2025 (contd.)

	Members' fund RM'000	Smallholders' fund (Note 22) RM'000	Special projects fund (Note 23) RM'000	Accumulated fund RM'000	Currency translation reserves RM'000	Total equity RM'000
RSPO						
2025						
At 1 July 2024	49,489	10,744	3,617	63,850	8,568	72,418
Surplus of income over expenditure for the financial year	7,234	-	-	7,234	-	7,234
Other comprehensive loss						
- Currency translation differences	-	-	-	-	(10,166)	(10,166)
Total comprehensive income	7,234	-	-	7,234	(10,166)	(2,932)
Project disbursements for the financial year	-	(2,112)	(1,891)	(4,003)	-	(4,003)
At 30 June 2025	56,723	8,632	1,726	67,081	(1,598)	65,483

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Roundtable on Sustainable Palm Oil

Statements of changes in equity

For the financial year ended 30 June 2025 (contd.)

	Members' fund RM'000	Smallholders' fund (Note 22) RM'000	Special projects fund (Note 23) RM'000	Accumulated fund RM'000	Currency translation reserves RM'000	Total equity RM'000
RSPO						
2024						
At 1 July 2023	54,586	9,079	6,213	69,878	7,529	77,407
Deficit of income over expenditure for the financial year	(1,797)	-	-	(1,797)	-	(1,797)
Other comprehensive income						
- Currency translation differences	-	-	-	-	1,039	1,039
Total comprehensive income	(1,797)	-	-	(1,797)	1,039	(758)
Project disbursements for the financial year	-	(1,635)	(2,596)	(4,231)	-	(4,231)
Transfer to Smallholders' fund	(3,300)	3,300	-	-	-	-
At 30 June 2024	49,489	10,744	3,617	63,850	8,568	72,418

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Roundtable on Sustainable Palm Oil

Statements of cash flows

For the financial year ended 30 June 2025

		RSPO Group		RSPO	
		2025	2024	2025	2024
		RM'000	RM'000	RM'000	RM'000
Cash flows from operating activities					
Surplus/(Deficit) of income over expenditure for the financial year before taxation		11,404	1,101	7,594	(1,281)
Adjustments for:					
Depreciation of property, plant and equipment	9	999	661	-	-
Depreciation of right-of-use assets	10	1,511	1,135	-	-
Loss on disposal of property, plant and equipment		18	-	-	-
Written off of property, plant and equipment		13	-	-	-
Amortisation of intangible assets	11	473	-	473	-
Finance costs	18	171	100	-	-
Unrealised foreign exchange (gain)/loss		291	80	569	6
Net allowance for impairment on receivables		404	44	404	44
Bad debts written off		143	285	143	285
Interest income		(1,536)	(2,391)	(1,524)	(2,374)
Unrealised gain in investment		(1,819)	(638)	(1,819)	(638)
Operating surplus/(deficit) before working capital changes and fund disbursements		12,072	377	5,840	(3,958)
Smallholder fund disbursements		(2,112)	(1,635)	(2,112)	(1,635)
Special projects fund disbursements		(1,891)	(2,596)	(1,891)	(2,596)
Changes in working capital:					
Membership subscription fee receivable		(609)	(120)	(609)	(120)
Contributions and trade administration fee receivable		(8,031)	(1,118)	(8,031)	(1,118)
Other receivables, deposits and prepayments		(3,103)	83	(15,021)	(9,471)
Contract liabilities		(424)	1,028	(424)	1,028
Deferred grant revenue		687	-	687	-
Other payables and accruals		14,990	603	29,727	11,543
Cash generated from/(used in) operations		11,579	(3,378)	8,166	(6,327)

Roundtable on Sustainable Palm Oil

Statements of cash flows

For the financial year ended 30 June 2025 (contd.)

		RSPO Group		RSPO	
		2025	2024	2025	2024
		RM'000	RM'000	RM'000	RM'000
Cash flows from operating activities (contd.)					
Cash generated from/(used in) operations (contd.)		11,579	(3,378)	8,166	(6,327)
Interest received		1,614	1,838	1,602	1,821
Income tax paid		(2,781)	(2,089)	(947)	(664)
Net cash flow generated/(used in) from operating activities		10,412	(3,629)	8,821	(5,170)
Cash flows from investing activities					
Purchase of property, plant and equipment	9	(259)	(1,476)	-	-
Development cost of an integrated digital platform	11	(10,918)	(5,039)	(10,918)	(5,039)
Withdrawal of fixed deposits with tenure more than 3 months		12,473	24,333	12,473	24,333
Purchase of financial assets		(1,965)	(86,097)	(1,965)	(86,097)
Proceeds from sale of financial assets		-	40,351	-	40,351
Net cash flow generated/(used in) in investing activities		(669)	(27,928)	(410)	(26,452)
Cash flows from financing activities					
Repayment of principal portion of lease liabilities		(1,448)	(1,025)	-	-
Payment of finance costs		(171)	(100)	-	-
Net cash flow used in financing activities		(1,619)	(1,125)	-	-

Roundtable on Sustainable Palm Oil

Statements of cash flows

For the financial year ended 30 June 2025 (contd.)

	RSPO Group		RSPO	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
Net movement in cash and cash equivalents	8,124	(32,682)	8,411	(31,622)
Effect of foreign exchange rate changes	(4,669)	(1,057)	(4,729)	(482)
Cash and cash equivalents at beginning of the financial year	18,913	52,652	17,353	49,457
Cash and cash equivalents at end of the financial year	22,368	18,913	21,035	17,353

Analysis of cash and cash equivalents:

Cash and bank balances	22,368	8,647	21,035	7,087
Deposits placed with a licensed bank	-	22,739	-	22,739
Less: Deposits placed with a licensed bank with tenure more than 3 months	-	(12,473)	-	(12,473)
Cash and cash equivalents at the end of financial year	22,368	18,913	21,035	17,353

Notes to the statements of cash flows:

The changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes are as follows:

	Lease liabilities	
	2025	2024
	RM'000	RM'000
RSPO Group		
At 1 July	3,553	584
Cash flows	(1,619)	(1,125)
Non-cash items:		
- Lease addition	-	3,994
- Finance costs	171	100
At 30 June	2,105	3,553

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Roundtable on Sustainable Palm Oil

General information and material accounting policy information

A. General information

The principal activity of RSPO Group is to organise programmes which involve the promotion of growth and the use of sustainable palm oil through co-operation within the supply chain and open dialogue with its stakeholders. RSPO is a non-profit organisation. The principal activities of the subsidiary companies are shown in Note 13 to the financial statements. There have been no significant changes in the nature of these principal activities during the financial year.

The address of principal place of business of RSPO is Unit 13A-1, Menara Etiqa, No. 3, Jalan Bangsar Utama 1, 59000 Kuala Lumpur.

The financial statements were authorised for issue by the Board of Governors of RSPO Group and RSPO on 10 October 2025.

B. Material accounting policy information

(a) Basis of preparation

The financial statements of Roundtable of Sustainable Palm Oil Group ("RSPO Group") and RSPO have been prepared in accordance with the MFRS Accounting Standards and IFRS Accounting Standards.

The financial statements have been prepared under the historical cost convention except as disclosed in the summary of principal accounting policies.

The financial statements are presented in Ringgit Malaysia ("RM") and all values are rounded to the nearest thousand ("RM'000") except when otherwise indicated.

(b) Changes in accounting policies

The accounting policies adopted are consistent with those of the previous financial year except as follows:

On 1 July 2024, RSPO Group and RSPO adopted the following new and amended MFRSs mandatory for annual financial periods beginning on or after 1 January 2024.

General information and material accounting policy information (contd.)

B. Material accounting policy information (contd.)

(b) Changes in accounting policies (contd.)

The accounting policies adopted are consistent with those of the previous financial year except as follows: (contd.)

Description	Effective for annual periods beginning on or after
Amendments to MFRS 101: Presentation of Financial Statements (Classification of Liabilities as Current or Non-current)	1 January 2024
Amendments to MFRS 16: Leases (Lease Liability in a Sale and Leaseback)	1 January 2024
Amendments to MFRS 101: Presentation of Financial Statements (Non-current Liabilities with Covenants)	1 January 2024
Amendments to MFRS 107 and MFRS 7: Disclosure of Supplier Finance Arrangements	1 January 2024

The adoption of the above amended MFRSs did not have any material effect on the financial statements of RSPO Group and RSPO.

(c) Standards and interpretations issued but not yet effective

The standards that are issued but not yet effective up to the date of issuance of RSPO Group's and RSPO's financial statements are disclosed below. RSPO Group and RSPO intend to adopt these standards when they become effective. The Board of Governors do not anticipate that the application of the standards will have a significant impact on the financial statements, except for the presentation and disclosure required by MFRS 18 which introduces new categories and subtotals in the statement of profit or loss. It also requires disclosure of management-defined performance measures and includes new requirements for the location, aggregation and disaggregation of financial information.

Description	Effective for annual periods beginning on or after
Amendments to MFRS 121: Lack of exchangeability	1 January 2025
Annual Improvements to MFRS Accounting Standards - Volume 11	1 January 2026

General information and material accounting policy information (contd.)

B. Material accounting policy information (contd.)

(c) Standards and interpretations issued but not yet effective (contd.)

The standards that are issued but not yet effective up to the date of issuance of RSPO Group's and RSPO's financial statements are disclosed below. RSPO Group and RSPO intend to adopt these standards when they become effective. The Board of Governors do not anticipate that the application of the standards will have a significant impact on the financial statements, except for the presentation and disclosure required by MFRS 18 which introduces new categories and subtotals in the statement of profit or loss. It also requires disclosure of management-defined performance measures and includes new requirements for the location, aggregation and disaggregation of financial information (contd.).

Description	Effective for annual periods beginning on or after
Amendments to MFRS 9 and MFRS 7: Classification and Measurement of Financial Instruments	1 January 2026
Amendments to MFRS 9 and MFRS 7: Contracts Referencing Nature-dependent Electricity	1 January 2026
Amendments to MFRS 18: Presentation and Disclosure in Financial Statements	1 January 2027
Amendments to MFRS 19: Subsidiaries without Public Accountability (Disclosures)	1 January 2027
Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred

(d) Basis of consolidation

The consolidated financial statements comprise the financial statements of RSPO and its subsidiaries as at the reporting date. The financial statements of the subsidiaries used in the preparation of the consolidated financial statements are prepared for the same reporting date as RSPO.

All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of RSPO Group are eliminated in full on consolidation. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with RSPO Group's accounting policies.

General information and material accounting policy information (contd.)

B. Material accounting policy information (contd.)

(d) Basis of consolidation (contd.)

If RSPO Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interests and other components of equity while any resultant gain or loss is recognised in consolidated statement of income and expenditure. Any investment retained is recognised at fair value.

(e) Investment in subsidiaries

In RSPO's separate financial statements, investments in subsidiaries are accounted for at cost less impairment losses. On disposal of such investments, the difference between net disposal proceeds and their carrying amounts is included in statements of income and expenditure.

(f) Intangible asset

Intangible asset of RSPO Group and RSPO comprises the cost of development of an integrated digital platform facilitating RSPO certification, trade and traceability, namely, prisma. Costs that does not meet the capitalisation criterias are not capitalised and the related expenditure is reflected in the Statements of income and expenditure in which the expenditure is incurred.

Intangible asset is carried at cost less any accumulated amortisation and accumulated impairment losses. Work-in-progress is not amortised as the asset is not available for use and is subjected to annual impairment assessment until it is ready for use.

The annual amortisation rates are as follows:

Integrated digital platform - Core functionalities	10 years
Integrated digital platform - Non-core functionalities	5 years

(g) Property, plant and equipment and depreciation

Property, plant and equipment are depreciated on a straight-line basis to write off the cost of the assets to their residual values over their estimated useful lives, summarised as follows:

Computers and software	3 years
Furniture and fittings	5 years
Office equipment	5 years
Renovation	2 years

General information and material accounting policy information (contd.)

B. Material accounting policy information (contd.)

(h) Impairment of non-financial assets

Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

The impairment loss is charged to statement of income and expenditure.

(i) Income recognition

(i) Revenue from contracts with members

Revenue from contracts with customers is recognised by reference to each distinct performance obligation in the contract with customer. Revenue from contracts with customers is measured at its transaction price, being the amount of consideration which RSPO Group and RSPO expect to be entitled in exchange for transferring promised services to a customer, net of goods and service tax. Transaction price is allocated to each performance obligation on the basis of the relative standalone selling prices of each distinct good or services promised in the contract. 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.

Specific criteria for each of RSPO Group and RSPO activities are described below:

(a) Subscription income

RSPO Group and RSPO recognise subscription income over the duration of the respective membership period.

Subscription fees are due once membership application is approved. RSPO Group's and RSPO's obligation to render services to members for which RSPO Group and RSPO have received consideration in advance from members is presented as contract liabilities.

Subscription income from members is recognised on an accrual basis.

General information and material accounting policy information (contd.)

B. Material accounting policy information (contd.)

(i) Income recognition (contd.)

(i) Revenue from contracts with members (contd.)

(b) Contributions and trade administration fee from sustainable palm oil trade

Contributions and trade administration fee from sustainable palm oil trade is recognised when the right to receive payment is established.

(ii) Income from other sources - Interest income

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

Other operating income is recognised when the right to receive payment is established.

(j) Cash and cash equivalents

For purposes of statements of cash flows, cash and cash equivalents comprise cash on hand, bank balances and deposits held at call with banks that are readily convertible within original maturities of 3 months or less to known amount of cash and which are subject to an insignificant risk of changes in value.

(k) Contract liabilities

A contract liability is the obligation of RSPO Group and RSPO to transfer goods and services to a customer for which it has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration or RSPO Group and RSPO have a right to an amount of consideration that is unconditional before it transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as income when RSPO Group and RSPO perform its obligation under the contract. Contract liability is the excess of the billings to date to the customer over the cumulative income earned or recognised in statement of income and expenditure. Contract liabilities include advance payment and down payments received from customers and other amounts where RSPO Group and RSPO have billed before the goods are delivered or services are provided to the members.

General information and material accounting policy information (contd.)

B. Material accounting policy information (contd.)

(I) Foreign currencies

(i) Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The functional and presentation currency of RSPO Group and RSPO are US Dollar and Ringgit Malaysia respectively.

(ii) Foreign currency transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in statements of income and expenditure, except when deferred in other comprehensive income as qualifying cash flow hedges and qualifying net investment hedges.

(iii) Foreign exchange gains and losses

Foreign exchange gains and losses that relate to cash and cash equivalents are presented in statements of income and expenditure within 'finance income or cost'. All other foreign exchange gains and losses are presented in statements of income and expenditure within "net foreign exchange (gain)/loss". Changes in the fair value of monetary securities denominated in foreign currency classified as available for sale are analysed between translation differences resulting from changes in the amortised cost of the security and other changes in the carrying amount of the security. Translation differences related to changes in amortised cost are recognised in statements of income and expenditure, and other changes in carrying amount are recognised in other comprehensive income.

General information and material accounting policy information (contd.)

B. Material accounting policy information (contd.)

(l) Foreign currencies (contd.)

(iv) Group entities

The results and financial position of all RSPO Group entities that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- (a) assets and liabilities for each statement of financial position presented are translated at the closing rate at the reporting date;
- (b) income and expenses for each statements of comprehensive income are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions); and
- (c) all resulting exchange differences are recognised as a separate component of other comprehensive income.

(m) Current and deferred income tax

Tax expense for the period comprises current and deferred income tax. The income tax expense or credit for the period is the tax payable on the current period's taxable surplus of income over expenditure based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses. Tax is recognised in statements of income and expenditure, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case the tax is also recognised in other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period.

Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, unused tax losses or unused tax credits can be utilised.

Deferred and income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

Roundtable on Sustainable Palm Oil

General information and material accounting policy information (contd.)

B. Material accounting policy information (contd.)

(n) Leases

Accounting by lessee

(i) Right-of-use ("ROU") assets

ROU assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The estimated useful lives of the right-of-use assets are determined on the same basis as those of property, plant and equipment as follows:

Office buildings and office space	1-2 years
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(ii) Lease liabilities

Lease liabilities are initially measured at the present value of the lease payments that are not paid at that date.

Lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in RSPO Group, the lessee's incremental borrowing is used.

(iii) Short term leases and leases of low value assets

Short term leases are leases with a lease term of 12 months or less. Low value assets comprise small IT equipment and office furniture. Payments associated with short term leases of assets and all leases of low value assets are recognised on a straight-line basis as an expense in statements of income and expenditure.

(o) Financial assets

Financial assets are recognised in the statements of financial position when, and only when, RSPO Group or RSPO becomes a party to the contractual provisions of the financial instrument.

When financial assets are recognised initially, they are measured at fair value plus or minus, for an item not at fair value through profit or loss ("FVTPL"), transaction costs. However, receivables without a significant financing component is initially measured at the transaction price.

General information and material accounting policy information (contd.)

B. Material accounting policy information (contd.)

(o) Financial assets (contd.)

RSPO Group and RSPO determine the classification of their financial assets at initial recognition, and the categories include financial assets at amortised cost, and financial assets at FVTPL.

(i) Financial assets at amortised cost

RSPO Group and RSPO measure financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest ("EIR") method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

RSPO Group's and RSPO's financial assets at amortised cost include trade and other receivables and cash and bank balances.

(ii) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model.

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of profit or loss.

Roundtable on Sustainable Palm Oil

General information and material accounting policy information (contd.)

B. Material accounting policy information (contd.)

(o) Financial assets (contd.)

(iii) Subsequent measurement - impairment

RSPO Group and RSPO assess on a forward-looking basis the expected credit loss ("ECL") associated with its debt instruments carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Further details are disclosed in Section D Note (a).

(iv) Write-off

Trade and other receivables

Impairment losses on trade and other receivables are presented as net allowance for impairment on receivables within statements of income and expenditure. Subsequent recoveries of amounts previously written off are credited against the same line item.

(p) Financial liabilities

(i) Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by MFRS 9. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the statement of profit or loss.

(ii) Other financial liabilities

Other financial liabilities are recognised initially at fair value plus directly attributable transaction costs.

Other financial liabilities of RSPO Group comprise "Other payables and accruals" in the statements of assets, liabilities and fund balances (Note 20).

General information and material accounting policy information (contd.)

B. Material accounting policy information (contd.)

(p) Financial liabilities (contd.)

(ii) Other financial liabilities (contd.)

Other financial liabilities of RSPO comprise "Lease liabilities" (Note 19) and "Other payables and accruals" in the statements of assets, liabilities and fund balances (Note 20).

(q) Fair value measurement

RSPO Group and RSPO use valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- (i) Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities;
- (ii) Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable;
- (iii) Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements at fair value on a recurring basis, RSPO Group and RSPO determine whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

(r) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the statements of assets, liabilities and fund balances when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

General information and material accounting policy information (contd.)

B. Material accounting policy information (contd.)

(s) Employee benefits

(i) Short term employee benefits

Wages, salaries, paid annual leave and sick leave, bonuses, and non-monetary benefits are accrued in the period in which the associated services are rendered by employees of RSPO Group.

(ii) Post-employment benefits

Defined contribution plans

A defined contribution plan is a pension plan under which RSPO Group pays fixed contributions into a separate entity (a fund) and will have no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees benefits relating to employee service in the current and prior periods.

RSPO Group's contributions to defined contribution plans are charged to the statements of income and expenditure in the period to which they relate. Once the contributions have been paid, RSPO Group has no further payment obligations.

(iii) Termination benefits

Termination benefits are payable whenever an employee's employment is terminated before the normal retirement date or whenever an employee accepts voluntary redundancy in exchange for these benefits.

(t) Grants

Grants are recognised when there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant related to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed.

General information and material accounting policy information (contd.)

C. Significant accounting estimates and judgements

(a) Critical judgements made in applying accounting policies

There are no critical judgements made by management in the process of applying RSPO Group's and RSPO's accounting policies that have significant effect on the amounts recognised in the financial statements.

(b) Key sources of estimation uncertainty

There were no key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that may have significant risks of causing material adjustments to the carrying amounts of assets and liabilities within the next financial year.

General information and summary of material accounting policies (contd.)

D. Financial risk management objectives and policies

RSPO Group is exposed mainly to credit risk, liquidity and cash flow risk as well as foreign currency risk. Information on the management of the related exposures are detailed below:

(a) Credit risk

Measurement of ECL

(i) Trade receivables using simplified approach

The expected loss rates are based on the payment profiles of income over a period of 12 month before reporting date and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. No significant changes to estimation techniques or assumptions were made during the reporting period.

(ii) Non-trade receivables using general 3-stage approach

RSPO Group uses three categories for non-trade receivables which reflect their credit risk and how the loss allowance is determined for each of those categories. A summary of the assumptions underpinning RSPO Group's ECL model is as follows:

Category	Group's definition of category	Basis for recognising ECL
Performing	Debtors have a low risk of default and a strong capacity to meet contractual cash flows	12 month ECL
Under performing	Debtors for which there is a significant increase in credit risk	Lifetime ECL
Non-performing	Interest and/or- principal- repayments are 90 days past due or there is evidence indicating the asset is credit- impaired	Lifetime ECL (credit impaired)
Write-off	There is evidence indicating that there is no reasonable expectation of recovery based on unavailability of debtor's sources of income or assets to generate sufficient future cash flows to repay the amount	Asset is written off

General information and summary of material accounting policies (contd.)

D. Financial risk management objectives and policies (contd.)

(a) Credit risk (contd.)

Measurement of ECL (contd.)

(ii) Non-trade receivables using general 3-stage approach (contd.)

Based on the above, loss allowance is measured on either 12 month ECL or lifetime ECL using a PD x LGD x EAD methodology as follows:

- PD ("probability of default") - the likelihood that the debtor would not be able to repay during the contractual period;
- LGD ("loss given default") - the percentage of contractual cash flows that will not be collected if default happens; and
- EAD ("exposure at default") - the outstanding amount that is exposed to default risk.

In deriving the PD and LGD, RSPO Group considers historical data by each debtor by category and adjusts for forward-looking macroeconomic data. Loss allowance is measured at a probability-weighted amount that reflects the possibility that a credit loss occurs and the possibility that no credit loss occurs. No significant changes to estimation techniques or assumptions were made during the reporting period.

(b) Liquidity and cash flow risk

RSPO Group's exposure to liquidity and cash flow risks arises mainly from general funding and business activities.

RSPO Group practices prudent liquidity risk management by maintaining sufficient cash and bank balances.

Roundtable on Sustainable Palm Oil

General information and summary of material accounting policies (contd.)

D. Financial risk management objectives and policies (contd.)

(b) Liquidity and cash flow risk (contd.)

The table below analyses the financial liabilities into relevant maturity groupings based on the remaining period at the reporting dates to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows:

	Less than 1 year RM'000	More than 1 year RM'000	Total RM'000
2025			
RSPO Group			
Other payables and accruals	23,190	-	23,190
Lease liabilities	1,244	966	2,210
Other financial liability	85	-	85
RSPO			
Other payables and accruals	53,534	-	53,534
Other financial liability	85	-	85
2024			
RSPO Group			
Other payables and accruals	8,990	-	8,990
Lease liabilities	1,557	2,331	3,888
RSPO			
Other payables and accruals	23,913	-	23,913

(c) Foreign currency risk

RSPO Group and RSPO have transactional currency exposures arising from income or expenses that are denominated in a currency other than the respective functional currencies of RSPO Group and RSPO entities, primarily Euro ("EUR"). Foreign exchange exposures in transactional currencies other than functional currencies of the operating entities are kept to an acceptable level. RSPO Group and RSPO do not hedge these exposures. However, the Board of Governors via the Finance Committee keeps this policy under review.

General information and summary of material accounting policies (contd.)

D. Financial risk management objectives and policies (contd.)

(c) Foreign currency risk (contd.)

The net unhedged financial assets and financial liabilities of RSPO Group and RSPO that are not denominated in their functional currencies are as follows:

	RSPO Group	
	2025	2024
	RM'000	RM'000
Financial assets		
Euro ("EUR")	3,448	3,452
Financial liabilities		
Euro ("EUR")	<u>205</u>	<u>588</u>
	RSPO	
	2025	2024
	RM'000	RM'000
Financial assets		
Euro ("EUR")	3,315	3,324
Financial liabilities		
Euro ("EUR")	<u>170</u>	<u>191</u>

Sensitivity analysis for foreign currency risk

The following table demonstrates the sensitivity of RSPO Group's and RSPO's surplus of income net of tax to a reasonably possible change in the foreign exchange rates against the functional currency of RSPO Group and RSPO, with all other variables held constant.

		RSPO Group	
		Surplus/(Deficit) net of tax	
		2025	2024
		RM'000	RM'000
EUR/USD	- strengthened 1% (2024: 2%)	23	(41)
	- weakened 1% (2024: 2%)	<u>(23)</u>	<u>41</u>

Roundtable on Sustainable Palm Oil

General information and summary of material accounting policies (contd.)

D. Financial risk management objectives and policies (contd.)

(c) Foreign currency risk (contd.)

Sensitivity analysis for foreign currency risk (contd.)

The following table demonstrates the sensitivity of RSPO Group's and RSPO's surplus of income net of tax to a reasonably possible change in the foreign exchange rates against the functional currency of RSPO Group and RSPO, with all other variables held constant. (contd.)

		RSPO	
		Surplus/(Deficit) net of tax	
		2025	2024
		RM'000	RM'000
EUR/USD	- strengthened 1% (2024: 2%)	23	(45)
	- weakened 1% (2024: 2%)	<u>(23)</u>	<u>45</u>

(d) Capital risk management policies and procedures

The primary objective of RSPO Group's and RSPO's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business.

The capital structure of RSPO Group and RSPO consist of equity of RSPO Group and RSPO (comprising share capital and retained earnings as disclosed in the statements of changes in equity). RSPO Group and RSPO manage its capital structure and makes adjustments to it, in light of changes in economic conditions. RSPO Group and RSPO are not subject to any externally imposed capital requirements.

Roundtable on Sustainable Palm Oil

Notes to the financial statements

For the financial year ended 30 June 2025

1. Subscription income

	RSPO Group and RSPO	
	2025	2024
	RM'000	RM'000
<u>Revenue from contracts with customers:</u>		
Ordinary members	21,320	20,451
Affiliate members	161	150
Supply chain associate	1,788	1,698
	<u>23,269</u>	<u>22,299</u>

Subscription income from members worldwide is recognised on a straight-line basis over the subscription period.

The number of members registered as at 30 June 2025 is 6,163 (2024: 5,938), including associate members of 3,660 (2024: 3,509).

2. Contributions and trade administration fee from sustainable palm oil trade

	RSPO Group and RSPO	
	2025	2024
	RM'000	RM'000
<u>Revenue from contracts with customers:</u>		
Contributions from sustainable palm oil trade:		
Certificate trading	10,027	12,630
Segregated and mass balance trading	48,969	39,629
	<u>58,996</u>	<u>52,259</u>
Trade administration fee	5,138	-
	<u>64,134</u>	<u>52,259</u>

RSPO receives a contribution ranges from USD1 per tonne from credit trades, charged to buyer of certificates. In addition, RSPO receives a contribution of USD1 per tonne from first transactions under the segregated and mass balance supply claims.

With the launch of the integrated digital platform, prisma, during the financial year, trade administration fee is charged for the use of prisma.

Contributions and trade administration fee from sustainable palm oil trade is recognised at a point in time.

Roundtable on Sustainable Palm Oil

Notes to the financial statements

For the financial year ended 30 June 2025 (contd.)

3. Staff costs

	RSPO Group	
	2025	2024
	RM'000	RM'000
Wages, salaries and bonuses	30,291	28,455
Defined contribution plan	2,751	2,471
Other employee benefits and compensations	2,872	3,356
	<u>35,914</u>	<u>34,282</u>

4. Directors' and other key management personnels' remunerations

The details of remuneration received or receivable by 2 Executive Directors (2024:2) of RSPO Secretariat Sdn Bhd and 7 other key management personnels (2024: 5) of RSPO Group during the financial years are as follows:

	RSPO Group	
	2025	2024
	RM'000	RM'000
Executive:		
Salaries and bonus	6,693	4,888
Contributions to defined contribution plan	641	511
	<u>7,334</u>	<u>5,399</u>

The directors' remuneration of the Group are RM2,801,946 (2024: RM2,955,909).

Key management personnels are those persons having authority and responsibility for planning, directing and controlling the activities of RSPO Group, directly or indirectly, including any directors of RSPO Secretariat Sdn Bhd (whether executive or otherwise) and Chief Executive Officer of that RSPO Group.

Roundtable on Sustainable Palm Oil

Notes to the financial statements

For the financial year ended 30 June 2025 (contd.)

5. Roundtable meetings surplus

During the financial year, 1 Roundtable event was held by RSPO (2024: 2).

	RSPO Group and RSPO	
	2025	2024
	RM'000	RM'000
<u>Annual Roundtable meetings</u>		
Collections and sponsorships	3,648	3,846
Expenses	(3,331)	(3,653)
Total surplus	<u>317</u>	<u>193</u>

6. Net foreign exchange (gain)/loss

	RSPO Group		RSPO	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
Realised foreign exchange (gain)/loss	(349)	554	214	57
Unrealised foreign exchange loss	291	80	569	6
Net foreign exchange (gain)/loss	<u>(58)</u>	<u>634</u>	<u>783</u>	<u>63</u>

7. Project costs

	RSPO Group and RSPO	
	2025	2024
	RM'000	RM'000
Assurance	4,046	4,999
Standard development	2,902	3,296
Stakeholder engagement	1,531	2,990
Market transformation	4,016	3,888
Technical and membership	3,208	2,969
Strategic and secretariat projects	2,489	2,478
	<u>18,192</u>	<u>20,620</u>

Project costs relate to expenditure incurred to organise programmes for the promotion of growth and the use of sustainable palm oil.

Roundtable on Sustainable Palm Oil

Notes to the financial statements

For the financial year ended 30 June 2025 (contd.)

8. Taxation

	RSPO Group		RSPO	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
<u>Current tax:</u>				
- current financial year	1,703	1,782	129	338
- under provision in prior financial years	262	109	195	185
	<u>1,965</u>	<u>1,891</u>	<u>324</u>	<u>523</u>
<u>Deferred tax (Note 12):</u>				
- origination and reversal of temporary differences	234	(278)	24	(7)
- under/(over) provision in prior financial years	63	(91)	12	-
	<u>297</u>	<u>(369)</u>	<u>36</u>	<u>(7)</u>
Tax expense for the financial year	<u>2,262</u>	<u>1,522</u>	<u>360</u>	<u>516</u>

The explanation of the relationship between tax expense and surplus of income over expenditure before taxation:

Numerical reconciliation of effective tax expense

	RSPO Group		RSPO	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
Surplus/(Deficit) of income over expenditure before taxation	<u>11,404</u>	<u>1,101</u>	<u>7,594</u>	<u>(1,281)</u>
Tax calculated at				
Malaysian tax rate for associations of 26% (2024: 28%)	2,965	308	1,974	(359)
Income not subject to tax	(23,346)	(20,836)	(23,346)	(20,836)
Expenses not deductible for tax purposes	22,236	21,947	21,545	21,557
Foreign tax expense	213	310	-	-
Effects of scale tax rates	(131)	(225)	(20)	(31)
Under/(over) provision of deferred tax in prior financial years	63	(91)	12	-
Under provision of tax in prior financial years	262	109	195	185
Tax expense for the financial year	<u>2,262</u>	<u>1,522</u>	<u>360</u>	<u>516</u>

Domestic income tax is calculated at the Malaysian tax rate for associations of 26% (2024: 28%) of the estimated assessable profit for the financial year. The deferred tax computation is based on this rate.

Roundtable on Sustainable Palm Oil

Notes to the financial statements

For the financial year ended 30 June 2025 (contd.)

9. Property, plant and equipment

	Computers and software RM'000	Furniture and fittings RM'000	Office equipment RM'000	Renovation RM'000	Total RM'000
RSPO Group					
2025					
<u>Cost</u>					
At beginning of the financial year	1,819	456	487	1,975	4,737
Additions	173	20	21	45	259
Disposals	-	(5)	(18)	-	(23)
Write off	(63)	-	-	-	(63)
At end of the financial year	<u>1,929</u>	<u>471</u>	<u>490</u>	<u>2,020</u>	<u>4,910</u>
Less: Accumulated depreciation					
At beginning of the financial year	1,430	228	185	1,112	2,955
Charge for the financial year	265	72	76	586	999
Disposals	-	(5)	-	-	(5)
Write off	(50)	-	-	-	(50)
At end of the financial year	<u>1,645</u>	<u>295</u>	<u>261</u>	<u>1,698</u>	<u>3,899</u>
Net book value					
At 30 June 2025	<u>284</u>	<u>176</u>	<u>229</u>	<u>322</u>	<u>1,011</u>

Roundtable on Sustainable Palm Oil

Notes to the financial statements

For the financial year ended 30 June 2025 (contd.)

9. Property, plant and equipment (contd.)

	Computers and software RM'000	Furniture and fittings RM'000	Office equipment RM'000	Renovation RM'000	Total RM'000
RSPO Group					
2024					
<u>Cost</u>					
At beginning of the financial year	1,646	282	217	1,115	3,260
Additions	181	174	261	860	1,476
Disposals	(8)	-	-	-	(8)
Adjustments	-	-	9	-	9
At end of the financial year	<u>1,819</u>	<u>456</u>	<u>487</u>	<u>1,975</u>	<u>4,737</u>
Less: Accumulated depreciation					
At beginning of the financial year	1,158	173	122	840	2,293
Charge for the financial year	280	55	54	272	661
Disposals	(8)	-	-	-	(8)
Adjustments	-	-	9	-	9
At end of the financial year	<u>1,430</u>	<u>228</u>	<u>185</u>	<u>1,112</u>	<u>2,955</u>
Net book value					
At 30 June 2024	<u>389</u>	<u>228</u>	<u>302</u>	<u>863</u>	<u>1,782</u>

10. Right-of-use assets

RSPO Group as a lessee

RSPO Group leases several office buildings and office space for a period of between 1 to 2 years (2024: 1 to 3 years). The lease agreement has an extension option.

Lease terms on the rental contracts are negotiated on an individual basis and contain various terms and conditions. The rental contracts do not impose any covenants.

Roundtable on Sustainable Palm Oil

Notes to the financial statements

For the financial year ended 30 June 2025 (contd.)

10. Right-of-use assets (contd.)

RSPO Group as a lessee (contd.)

	2025 RM'000	2024 RM'000
RSPO Group - Office buildings and office space		
<u>Cost</u>		
At beginning of the financial year	8,157	3,809
Lease addition	-	4,348
At end of the financial year	<u>8,157</u>	<u>8,157</u>
 Less: Accumulated depreciation		
At beginning of the financial year	4,366	3,231
Depreciation expense	1,511	1,135
At end of the financial year	<u>5,877</u>	<u>4,366</u>
 Net book value		
At end of the financial year	<u>2,280</u>	<u>3,791</u>

Depreciation expense of right-of-use assets is recognised in statements of income and expenditure.

Roundtable on Sustainable Palm Oil

Notes to the financial statements

For the financial year ended 30 June 2025 (contd.)

11. Intangible asset

	Integrated digital platform RM'000	Work-in progress RM'000	Total RM'000
RSPO Group & RSPO			
2025			
<u>Cost</u>			
At beginning of the financial year	-	5,039	5,039
Additions	-	10,918	10,918
Reclassification	10,826	(10,826)	-
At end of the financial year	10,826	5,131	15,957
Less: Accumulated amortisation			
At beginning of the financial year	-	-	-
Charge of the financial year	473	-	473
At end of the financial year	473	-	473
Net book value			
At end of the financial year	10,353	5,131	15,484
2024			
<u>Cost</u>			
At beginning of the financial year	-	-	-
Additions	-	5,039	5,039
At end of the financial year	-	5,039	5,039
Net book value			
At end of the financial year	-	5,039	5,039

The intangible asset pertained to the development of Prisma, an integrated digital platform designed to enhance trade compliance and meet current and emerging global sustainability regulations.

The work-in-progress referred to the on-going development for the integrated digital platform as at the reporting date. Work-in-progress is not amortised as the asset is not available for use but subjected to annual impairment assessment .

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Notes to the financial statements

For the financial year ended 30 June 2025 (contd.)

12. Deferred tax assets

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 tax authority. The following amounts, determined after appropriate offsetting, are shown in the statements of assets, liabilities and fund balances:

	RSPO Group		RSPO	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
Subject to income tax				
- Deferred tax assets	702	999	223	259
At beginning of the financial year	999	630	259	252
Recognised in statements of income and expenditure (Note 8)				
- Property, plant and equipment	316	(790)	-	-
- Intangible asset	(25)	-	(25)	-
- Other payables, accruals and contract liabilities	(588)	1,159	(11)	7
	(297)	369	(36)	7
At end of the financial year	702	999	223	259
Subject to income tax:				
Deferred tax assets (before offsetting):				
- Other payables, accruals and contract liabilities	1,018	1,789	223	259
Offsetting	(316)	(790)	-	-
Deferred tax assets (after offsetting)	702	999	223	259
Deferred tax liabilities (before offsetting):				
- Property, plant and equipment	(316)	(790)	-	-
Offsetting	316	790	-	-
Deferred tax liabilities (after offsetting)	-	-	-	-

Roundtable on Sustainable Palm Oil

Notes to the financial statements

For the financial year ended 30 June 2025 (contd.)

13. Investment in subsidiaries

	RSPO	
	2025	2024
	RM'000	RM'000
Unquoted shares, at cost	500	500

The details of the subsidiaries are as follows:

Name	Country of incorporation	Group's effective ownership interest		Principal activities
		2025	2024	
		%	%	
RSPO Secretariat Sdn Bhd *	Malaysia	100	100	To provide administration, secretariat, staff secondment and other related services to RSPO.

* The subsidiary is audited by Ernst & Young PLT, Malaysia.

Subsidiary of RSPO Secretariat Sdn Bhd

RSPO Secretariat North America LLC **	United States of America	100	100	To provide administration, secretariat, staff secondment and other related services to RSPOSSB.
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** A limited liability company formed under the Limited Liability Company Law of the state of New York. There is no audit requirement for the subsidiary company in the country of incorporation.

PT RSPO Secretariat Indonesia **	Indonesia	99.6	99.6	To provide administration, secretariat, staff secondment and other related services to RSPOSSB.
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** A limited liability company formed under the Law of the Republic of Indonesia. There is no audit requirement for the subsidiary company in the country of incorporation.

Roundtable on Sustainable Palm Oil

Notes to the financial statements

For the financial year ended 30 June 2025 (contd.)

14. Membership subscription fee receivable

	RSPO Group and RSPO	
	2025	2024
	RM'000	RM'000
Membership subscription fee receivable	2,484	2,168
Less: Impairment on receivables	(466)	(485)
	<u>2,018</u>	<u>1,683</u>

Membership subscription fee receivable using simplified approach

The reconciliations of the loss allowance for membership subscription fee receivables as at reporting dates are as follows:

	RSPO Group and RSPO	
	2025	2024
	RM'000	RM'000
At beginning of the financial year	485	544
Recognised in statements of income and expenditure	258	44
Allowance written off	(277)	(103)
At end of the financial year	<u>466</u>	<u>485</u>

The following table contains an analysis of the credit risk exposure of membership subscription fee receivables for which an ECL is recognised. The gross carrying amount of membership subscription fee receivables below also represent RSPO Group's maximum credit risk.

RSPO Group and RSPO

	Expected loss rate %	Gross carrying amount RM'000	Loss allowance RM'000	Net carrying amount RM'000
2025				
Current - 30 days	-	1,052	-	1,052
31 - 60 days past due	-	511	-	511
61 - 180 days past due	12	515	60	455
181 - 365 days past due	100	340	340	-
More than 365 days past due	100	66	66	-
		<u>2,484</u>	<u>466</u>	<u>2,018</u>

Roundtable on Sustainable Palm Oil

Notes to the financial statements

For the financial year ended 30 June 2025 (contd.)

14. Membership subscription fee receivable (contd.)

The following table contains an analysis of the credit risk exposure of membership subscription fee receivables for which an ECL is recognised. The gross carrying amount of membership subscription fee receivables below also represent RSPO Group's maximum credit risk (contd.).

RSPO Group and RSPO

	Expected loss rate %	Gross carrying amount RM'000	Loss allowance RM'000	Net carrying amount RM'000
2024				
Current - 30 days	-	1,092	-	1,092
31 - 60 days past due	-	435	-	435
61 - 180 days past due	53	332	176	156
181 - 365 days past due	100	115	115	-
More than 365 days past due	100	194	194	-
		<u>2,168</u>	<u>485</u>	<u>1,683</u>

15. Contributions and trade administration fee receivable

	RSPO Group and RSPO	
	2025	2024
	RM'000	RM'000
Contributions and trade administration fee receivable	13,657	5,135
Less: Impairment on receivables	(146)	-
	<u>13,511</u>	<u>5,135</u>

Contributions and trade administration fee receivable using simplified approach

The reconciliations of the loss allowance for contributions and trade administration fee receivable as at reporting dates are as follows:

	RSPO Group and RSPO	
	2025	2024
	RM'000	RM'000
At beginning of the financial year	-	-
Recognised in statements of income and expenditure	146	-
At end of the financial year	<u>146</u>	<u>-</u>

Roundtable on Sustainable Palm Oil

Notes to the financial statements

For the financial year ended 30 June 2025 (contd.)

15. Contributions and trade administration fee receivable (contd.)

The following table contains an analysis of the credit risk exposure of contributions and trade administration fee receivable for which an ECL is recognised. The gross carrying amount of transaction fee from sustainable palm oil trade receivable below also represent RSPO Group's maximum credit risk.

RSPO Group and RSPO

	Expected loss rate %	Gross carrying amount RM'000	Loss allowance RM'000	Net carrying amount RM'000
2025				
Current - 30 days	1	10,336	105	10,231
31 - 60 days past due	1	1,041	10	1,031
61 - 180 days past due	1	2,280	31	2,249
		<u>13,657</u>	<u>146</u>	<u>13,511</u>
2024				
Current - 30 days	-	<u>5,135</u>	-	<u>5,135</u>

16. Other receivables, deposits and prepayments

	RSPO Group		RSPO	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Other receivables	623	1,052	592	275
Amount due from a subsidiary	-	-	28,570	16,824
Deposits	<u>806</u>	<u>827</u>	<u>-</u>	<u>-</u>
	1,429	1,879	29,162	17,099
Prepayments	<u>4,268</u>	<u>2,035</u>	<u>2,524</u>	<u>435</u>
	<u>5,697</u>	<u>3,914</u>	<u>31,686</u>	<u>17,534</u>

The amount due from a subsidiary is unsecured, interest free and repayable on demand.

Roundtable on Sustainable Palm Oil

Notes to the financial statements

For the financial year ended 30 June 2025 (contd.)

16. Other receivables, deposits and prepayments (contd.)

ECL assessment on other receivables using general 3-stage approach

Other receivables are assessed for ECL using general 3-stage approach. The balances are deemed recoverable and performing, as there is no indication of increase in credit risk of these balances.

As at 30 June 2025, none of the other receivables and deposits of RSPO Group and RSPO respectively were past due or impaired (2024: nil).

17. Cash and bank balances

Cash and bank balances are denominated as follows:

	RSPO Group		RSPO	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Ringgit Malaysia	1,497	613	880	171
United States Dollar	19,832	5,367	19,527	5,284
Euro	760	1,657	627	1,632
Colombian Peso	119	542	-	-
Indonesian Rupiah	89	115	-	-
Chinese Yen	25	219	-	-
Others	46	134	1	-
	<u>22,368</u>	<u>8,647</u>	<u>21,035</u>	<u>7,087</u>

Bank balances are deposits held at call with banks and bear no interest.

Notes to the financial statements

For the financial year ended 30 June 2025 (contd.)

18. Fixed deposits with a licensed bank

During previous financial year, the fixed deposits with a licensed bank were placed to earn interest income and was denominated in Ringgit Malaysia and US Dollar. The average effective interest rates of the fixed deposits were between 1.9% and 4.98% per annum and the average maturity period was between 28 days to 365 days.

19. Lease liabilities

	RSPO Group	
	2025	2024
	RM'000	RM'000
Current	1,162	1,386
Non-current	943	2,167
	<u>2,105</u>	<u>3,553</u>

Set out below are the carrying amounts of lease liabilities and the movements during the financial years:

	RSPO Group	
	2025	2024
	RM'000	RM'000
At beginning of the financial year	3,553	584
Lease addition	-	3,994
Finance costs	171	100
Repayments of principal and finance costs	(1,619)	(1,125)
At end of the financial year	<u>2,105</u>	<u>3,553</u>

Roundtable on Sustainable Palm Oil

Notes to the financial statements

For the financial year ended 30 June 2025 (contd.)

19. Lease liabilities (contd.)

Set out below are the carrying amounts of lease liabilities and the movements during the financial years: (contd.)

	RSPO Group	
	2025	2024
	RM'000	RM'000
Maturity analysis of lease liabilities:		
- not later than 1 year	1,162	1,386
- more than 1 year less than 2 years	943	1,224
- later than 2 years	-	943
	<u>2,105</u>	<u>3,553</u>

Total cash outflow for leases during financial year for RSPO Group amounted to RM1,619,000 (2024: RM1,125,000).

The weighted average lessee's incremental borrowing rate applied to the lease liabilities for the current financial year is 5.8% (2024: 5.8%).

RSPO Group have elected not to recognise a lease liability for short-term leases (leases of expected term of 12 months or less) or for leases of low-value assets. Payment made under such leases are expensed on a straight-line basis.

The expenses relating to payments not included in the measurement of the lease liabilities are disclosed in statements of income and expenditure.

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Notes to the financial statements

For the financial year ended 30 June 2025 (contd.)

20. Other payables and accruals

	RSPO Group		RSPO	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
Non-current				
Provision for restoration cost	319	304	-	-
Current				
Project costs payables	4,102	4,189	4,102	4,189
Project costs accruals	46	3	46	3
Amount due to a subsidiary	-	-	36,309	19,556
Certificate trade payables	12,503	-	12,503	-
Other payables	1,767	1,062	440	49
Other accruals	4,772	3,736	134	116
Total current other payables and accruals	23,190	8,990	53,534	23,913
Total other payables and accruals	23,509	9,294	53,534	23,913

The amount due to a subsidiary is unsecured, interest free and repayable on demand.

21. Contract liabilities

	RSPO Group and RSPO	
	2025	2024
	RM'000	RM'000
<u>Current</u>		
Deferred subscription income (a)	10,988	10,877
Prepaid membership fees (b)	163	334
	11,151	11,211

Significant changes in contract balances during the financial years are as follows:

	2025	2024
	RM'000	RM'000
At the beginning of the financial year	11,211	10,907
Income recognised that was included in the contract liability balance at the beginning of the financial year	(11,048)	(10,573)
Increase from cash received or due, excluding amounts recognised as income during the financial year	10,988	10,877
At the end of the financial year	11,151	11,211

Notes to the financial statements

For the financial year ended 30 June 2025 (contd.)

21. Contract liabilities (contd.)

- (a) Deferred subscription income represents the unrecognised income as at the end of the reporting period.
- (b) Prepaid membership represents the unrecognised income as at the end of the reporting period whereby RSPO Group and RSPO receive the advance payments from new membership applicants.

All contracts are for periods of one year or less. As permitted under MFRS 15, RSPO Group applied the practical expedient in MFRS 15 and did not disclose information about recognising performance obligations that have original expected duration of one year or less.

22. Smallholders' fund

The purpose of the Smallholders' fund is to support smallholders to be RSPO certified.

	RSPO Group and RSPO	
	2025	2024
	RM'000	RM'000
As at beginning of the financial year	10,744	9,079
Less: Project disbursements paid during the financial year	(2,112)	(1,635)
Add: Addition to fund	-	3,300
As at end of the financial year	<u>8,632</u>	<u>10,744</u>

No allocation was made to the Smallholders' Fund during the financial year (2024: RM3,300,000).

	RSPO Group and RSPO	
	2025	2024
	RM'000	RM'000
<u>Commitments due to be disbursed:</u>		
Within 1 year	3,202	3,764
Later than 1 year but not later than 3 years	987	2,301
	<u>4,189</u>	<u>6,065</u>

This relates to projects that were approved under RSPO Smallholders' Support Fund.

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Notes to the financial statements

For the financial year ended 30 June 2025 (contd.)

23. Special projects' fund

	RSPO Group and RSPO	
	2025	2024
	RM'000	RM'000
As at beginning of the financial year	3,617	6,213
Less: Project disbursements paid during the financial year		
- Outreach to Intermediary Organisations	(1,891)	(1,996)
- SEnSOR impacts project - Year 5	-	(600)
As at end of the financial year	<u>1,726</u>	<u>3,617</u>

No allocation was made to the Special Projects Fund during the financial year (2024: none). Allocation to the fund can be varied at the discretion of the Board of Governors and its utilisation is subject to the approval of the Board of Governors.

	RSPO Group and RSPO	
	2025	2024
	RM'000	RM'000
<u>Commitments due to be disbursed:</u>		
Within 1 year		
- Yayasan Setara Jambi	324	786
- Outreach to Intermediary Organisations	114	2,064
Later than 1 year not more than 3 years		
- Outreach to intermediary organisations	381	1,417
- Yayasan Setara Jambi	-	357
	<u>819</u>	<u>4,624</u>

Notes to the financial statements

For the financial year ended 30 June 2025 (contd.)

24. RSPO Secretariat Sdn Bhd overseas establishments

RSPO Secretariat Sdn Bhd ("RSPOSSB") has overseas establishments in Indonesia, United Kingdom, China, Colombia, Singapore and the Netherlands.

Operating expenses, excluding gain or loss from unrealised foreign exchange differences, incurred by the overseas establishments during the financial years are as follows:

	2025	2024
	RM'000	RM'000
Regional Representative Office (Indonesia)	-	468
UK Establishment (United Kingdom)	1,388	783
Beijing Representative Office (China)	1,684	1,675
Colombia Branch Office (Colombia)	2,223	2,450
Netherlands Branch Office (Netherlands)	2,659	2,780
	<u>7,954</u>	<u>8,156</u>

Included in the total operating expenses of RSPOSSB overseas establishments are total staff costs amounting to RM7,402,000 (2024: RM7,131,000).

25. Significant related party transactions

	RSPO	
	2025	2024
	RM'000	RM'000
Expenses for provision of services by the subsidiary:		
- Management fees	<u>55,420</u>	<u>53,500</u>

The related party transactions are in the normal course of business at the terms mutually agreed between all parties.

Notes to the financial statements

For the financial year ended 30 June 2025 (contd.)

26. Financial instruments

(a) Analysis of financial instruments recognised at amortised cost

The following table analyses the financial assets and liabilities recognised at amortised cost in the statements of assets, liabilities and fund balances.

	Financial assets at amortised cost	
	2025	2024
	RM'000	RM'000
RSPO Group		
<u>Current assets</u>		
Membership subscription fees receivables	2,018	1,683
Contributions and trade administration fee receivable	13,511	5,135
Other receivables and deposits (excludes prepayments)	1,429	1,879
Fixed deposits with a licensed bank	-	22,739
Cash and bank balances	22,368	8,647
	<u>39,326</u>	<u>40,083</u>
RSPO		
<u>Current assets</u>		
Membership subscription fees receivables	2,018	1,683
Contributions and trade administration fee receivable	13,511	5,135
Other receivables and deposits (excludes prepayments)	29,162	17,099
Fixed deposits with a licensed bank	-	22,739
Cash and bank balances	21,035	7,087
	<u>65,726</u>	<u>53,743</u>

Notes to the financial statements

For the financial year ended 30 June 2025 (contd.)

26. Financial instruments (contd.)

(a) Analysis of financial instruments recognised at amortised cost (contd.)

The following table analyses the financial assets and liabilities recognised at amortised cost in the statements of assets, liabilities and fund balances (contd).

	Financial liabilities at amortised cost	
	2025	2024
	RM'000	RM'000
RSPO Group		
<u>Non-current liability</u>		
Lease liabilities	943	2,167
<u>Current liabilities</u>		
Other payables and accruals	23,190	8,990
Lease liabilities	1,162	1,386
	<u>25,295</u>	<u>12,543</u>
RSPO		
<u>Current liability</u>		
Other payables and accruals	<u>53,534</u>	<u>23,913</u>

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Notes to the financial statements

For the financial year ended 30 June 2025 (contd.)

26. Financial instruments (contd.)

(b) Other financial assets

	2025 RM'000	2024 RM'000
RSPO Group & RSPO		
Derivatives not designated as hedging instruments		
Foreign exchange forward contracts	-	1
Financial assets at fair value through profit or loss		
Listed equity investments	4,843	5,320
Debt instruments at fair value through profit or loss		
Quoted debt instruments	41,187	42,415
Total financial assets at fair value	<u>46,030</u>	<u>47,736</u>

(c) Other financial liability

	2025 RM'000	2024 RM'000
RSPO Group & RSPO		
Derivatives not designated as hedging instruments		
Foreign exchange forward contracts, representing total financial liability recognised at fair value	<u>85</u>	<u>-</u>

(d) Fair value measurement

Fair value of the forward currency contracts, listed equity investment and quoted debt instruments are determined by reference to difference between the contracted rate and the market rate as at reporting date.

The carrying amount of cash and bank balances, trade and other receivables and payables are reasonable approximation of fair values, either due to their short-term nature or that they are floating rate instruments that are re-priced to market interest rates on or near the reporting date.

The following table provides the fair value measurement hierarchy of RSPO Group and RSPO's assets:

Notes to the financial statements

For the financial year ended 30 June 2025 (contd.)

26. Financial instruments (contd.)

(d) Fair value measurement (contd.)

The following table provides the fair value measurement hierarchy of RSPO Group and RSPO's assets: (contd.)

Fair value measurement hierarchy for assets/(liability) as at 30 June 2025

	Fair value measurement using	
	Quoted prices in active markets (Level 1)	
	Total	
	RM	RM
Assets/(liability) measured at fair value through profit or loss:		
Foreign exchange forward contracts	(85)	(85)
Listed equity investment	4,843	4,843
Quoted debt instruments	41,187	41,187
	<u>45,945</u>	<u>45,945</u>

Notes to the financial statements

For the financial year ended 30 June 2025 (contd.)

26. Financial instruments (contd.)

(d) Fair value measurement (contd.)

The following table provides the fair value measurement hierarchy of RSPO Group and RSPO's assets: (contd.)

Fair value measurement hierarchy for assets as at 30 June 2024

	Fair value measurement using	
	Quoted prices in active markets (Level 1)	
	Total	
	RM	RM
Assets measured at fair value through profit or loss:		
Foreign exchange forward contracts	1	1
Listed equity investment	5,320	5,320
Quoted debt instruments	42,415	42,415
	<u>47,736</u>	<u>47,736</u>

There were no transfers between Level 1 and Level 2 during the financial year.

Derivatives not designated as hedging instruments reflect the positive change in fair value of those foreign exchange forward contracts that are not designated in hedge relationships, but are, nevertheless, intended to reduce the level of foreign currency risk for expected sales and purchases.