



RIMBUNAN SAWIT BERHAD

(Company No. 691393-U)

No. 85 & 86, Pusat Suria Permata, Jalan Upper Lanang 12A, 96000 Sibul, Sarawak, Malaysia

Telephone No.: 084-218555

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Interim Financial Statements

For the 2nd Quarter Ended 30 June 2014

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Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the 2nd Quarter Ended 30 June 2014

	Individual Quarter 3-month Period Ended		Cumulative Quarter 6-month Period Ended	
	30.6.2014 RM'000	30.6.2013 RM'000	30.6.2014 RM'000	30.6.2013 RM'000
REVENUE	64,665	62,004	123,815	121,664
COST OF SALES	(50,304)	(70,142)	(95,746)	(135,142)
GROSS PROFIT/(LOSS)	14,361	(8,138)	28,069	(13,478)
OTHER INCOME	392	254	528	506
DISTRIBUTION COSTS	(2,068)	(3,019)	(3,599)	(5,383)
ADMINISTRATIVE AND OTHER EXPENSES	(4,797)	(4,341)	(10,226)	(8,477)
SHARE OF RESULTS IN AN ASSOCIATE, NET OF TAX	(26)	(1,036)	(71)	(1,697)
FINANCE COSTS	(2,536)	(2,711)	(5,462)	(5,479)
PROFIT/(LOSS) BEFORE TAXATION	5,326	(18,991)	9,239	(34,008)
INCOME TAX EXPENSE	(1,474)	3,593	(2,813)	4,445
PROFIT/(LOSS) AFTER TAXATION	3,852	(15,398)	6,426	(29,563)
OTHER COMPREHENSIVE INCOME				
<u>Items that may be reclassified subsequently to profit or loss</u>				
Available-for-sale financial assets:-				
- fair value changes	-	52	-	102
- transfer to profit or loss upon reinvestment	-	(52)	-	(102)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	3,852	(15,398)	6,426	(29,563)



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Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income (Cont'd)

For the 2nd Quarter Ended 30 June 2014

	Individual Quarter 3-month Period Ended		Cumulative Quarter 6-month Period Ended	
	30.6.2014 RM'000	30.6.2013 RM'000	30.6.2014 RM'000	30.6.2013 RM'000
PROFIT/(LOSS) AFTER TAXATION ATTRIBUTABLE TO:-				
- Owners of the Company	4,795	(13,305)	6,991	(24,482)
- Non-controlling interests	(943)	(2,093)	(565)	(5,081)
	<u>3,852</u>	<u>(15,398)</u>	<u>6,426</u>	<u>(29,563)</u>
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:-				
- Owners of the Company	4,795	(13,305)	6,991	(24,482)
- Non-controlling interests	(943)	(2,093)	(565)	(5,081)
	<u>3,852</u>	<u>(15,398)</u>	<u>6,426</u>	<u>(29,563)</u>
EARNINGS/(LOSS) PER SHARE (SEN):-				
- Basic	0.23	(0.65)	0.34	(1.20)
- Diluted	N/A	N/A	N/A	N/A

The Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the audited financial statements for the financial year ended 31 December 2013 and the accompanying explanatory notes attached to the interim financial statements.

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Condensed Consolidated Statement of Financial Position

As at 30 June 2014

	As at 30.6.2014 (Unaudited) RM'000	As at 31.12.2013 (Audited) RM'000
ASSETS		
NON-CURRENT ASSETS		
Investment in an associate	24,784	24,855
Property, plant and equipment	648,876	654,023
Intangible assets	24,568	24,364
Biological assets	770,181	762,247
Goodwill	64,746	64,740
Deferred tax assets	5,091	5,416
	<u>1,538,246</u>	<u>1,535,645</u>
CURRENT ASSETS		
Inventories	29,655	36,507
Trade receivables	13,883	16,186
Other receivables, deposits and prepayments	19,856	21,237
Tax refundable	2,494	2,033
Fixed deposits	100	-
Cash and bank balances	11,711	2,268
	<u>77,699</u>	<u>78,231</u>
TOTAL ASSETS	<u>1,615,945</u>	<u>1,613,876</u>



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Condensed Consolidated Statement of Financial Position (Cont'd)

As at 30 June 2014

	As at 30.6.2014 (Unaudited) RM'000	As at 31.12.2013 (Audited) RM'000
EQUITY AND LIABILITIES		
Share capital	751,239	751,239
Reserves	125,293	118,302
TOTAL EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY	876,532	869,541
NON-CONTROLLING INTERESTS	72,436	73,001
TOTAL EQUITY	948,968	942,542
NON-CURRENT LIABILITIES		
Borrowings	300,822	291,515
Deferred tax liabilities	149,835	149,709
	450,657	441,224
CURRENT LIABILITIES		
Trade payables	29,638	25,957
Other payables, deposits and accruals	36,638	39,999
Borrowings:-		
- bank overdrafts	12,872	42,555
- other borrowings	136,338	121,555
Provision for taxation	834	44
	216,320	230,110
TOTAL LIABILITIES	666,977	671,334
TOTAL EQUITY AND LIABILITIES	1,615,945	1,613,876
NET ASSETS PER SHARE (RM)	0.58	0.58

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the financial year ended 31 December 2013 and the accompanying explanatory notes attached to the interim financial statements.

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Condensed Consolidated Statement of Changes in Equity

For the Six Months Period Ended 30 June 2014

	< ----- Non-distributable ----- >					Distri- butable Retained Profits RM'000	Attri- butable to Owners of the Company RM'000	Non- controlling Interests RM'000	Total Equity RM'000
	Share Capital		Share Premium RM'000	Merger Reserve RM'000	Fair Value Reserve RM'000				
Ordinary Shares RM'000	Preference Shares RM'000								
Balance at 1.1.2014	654,252	96,987	15,447	(53,066)	-	155,921	869,541	73,001	942,542
Profit after taxation/ Total comprehensive income for the period	-	-	-	-	-	6,991	6,991	(565)	6,426
Balance at 30.6.2014	654,252	96,987	15,447	(53,066)	-	162,912	876,532	72,436	948,968



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Condensed Consolidated Statement of Changes in Equity (Cont'd)
 For the Six Months Period Ended 30 June 2014

	< ----- Non-distributable ----- >					Distri- butable Retained Profits RM'000	Attri- butable to Owners of the Company RM'000	Non- controlling Interests RM'000	Total Equity RM'000
	Share Capital		Share Premium RM'000	Merger Reserve RM'000	Fair Value Reserve RM'000				
	Ordinary Shares RM'000	Preference Shares RM'000							
Balance at 1.1.2013	654,252	96,987	15,447	(53,066)	-	168,750	882,370	77,089	959,459
Loss after taxation for the period	-	-	-	-	-	(24,482)	(24,482)	(5,081)	(29,563)
Other comprehensive income for the period:-									
- fair value changes of available-for-sale financial assets	-	-	-	-	102	-	102	-	102
- transfer to profit or loss upon reinvestment	-	-	-	-	(102)	-	(102)	-	(102)
Total comprehensive income for the period	-	-	-	-	-	(24,482)	(24,482)	(5,081)	(29,563)
Balance at 30.6.2013	654,252	96,987	15,447	(53,066)	-	144,268	857,888	72,008	929,896

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements for the financial year ended 31 December 2013 and the accompanying explanatory notes attached to the interim financial statements.



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Condensed Consolidated Statement of Cash Flows
For the Six Months Period Ended 30 June 2014

	6-month Period Ended	
	30.6.2014	30.6.2013
	RM'000	RM'000
CASH FLOWS FROM/(FOR) OPERATING ACTIVITIES		
Profit/(loss) before taxation	9,239	(34,008)
Adjustments for:-		
Amortisation of biological assets	14,709	13,546
Amortisation of intangible assets	360	279
Depreciation of property, plant and equipment	14,609	14,071
Interest expense	5,462	5,479
Interest income	(21)	(158)
Loss on disposal of property, plant and equipment	-	60
Share of results in an associate	71	1,697
Operating profit before working capital changes	44,429	966
Decrease in inventories	6,852	3,078
Decrease/(increase) in trade and other receivables	3,684	(5,451)
Increase in trade and other payables	314	3,453
CASH FROM OPERATIONS	55,279	2,046
Income tax paid	(2,033)	(3,076)
Interest paid	(2,923)	(1,460)
Interest received	21	158
NET CASH FROM/(FOR) OPERATING ACTIVITIES	50,344	(2,332)
CASH FLOWS FOR INVESTING ACTIVITIES		
Acquisition of subsidiaries, net of cash and cash equivalents acquired	*	-
Costs incurred on biological assets	(14,065)	(32,058)
Proceeds from disposal of property, plant and equipment	73	363
Purchase of intangible assets	(564)	(418)
Purchase of property, plant and equipment	(12,330)	(21,212)
NET CASH FOR INVESTING ACTIVITIES	(26,886)	(53,325)
BALANCE CARRIED FORWARD	23,458	(55,657)

* denotes RM414



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Condensed Consolidated Statement of Cash Flows (Cont'd)
 For the Six Months Period Ended 30 June 2014

	6-month Period Ended	
	30.6.2014	30.6.2013
	RM'000	RM'000
BALANCE BROUGHT FORWARD	23,458	(55,657)
CASH FLOWS FROM FINANCING ACTIVITIES		
Deposits and bank balances held on trust for Islamic securities investors	-	1,022
Drawdown of term loans	34,172	40,242
Net of drawdown/(repayment) of bankers' acceptance	(12,229)	6,060
Net of drawdown/(repayment) of revolving credit	30,000	17,991
Net of drawdown/(repayment) of unsecured loans	(18,000)	-
Payment of interest on long-term borrowings	(8,322)	(8,050)
Repayment of hire purchase obligations	(1,227)	(1,841)
Repayment of Islamic securities	-	(23,000)
Repayment of term loans	(8,626)	(4,935)
NET CASH FROM FINANCING ACTIVITIES	15,768	27,489
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	39,226	(28,168)
CASH AND CASH EQUIVALENTS AT 1 JANUARY	(40,287)	(4,047)
CASH AND CASH EQUIVALENTS AT 30 JUNE	(1,061)	(32,215)

Cash and cash equivalents included in the Condensed Consolidated Statement of Cash Flows comprise:-

	As at	
	30.6.2014	30.6.2013
	RM'000	RM'000
Cash and bank balances	11,711	1,399
Fixed deposits	100	-
Bank overdrafts	(12,872)	(33,614)
	(1,061)	(32,215)

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements for the financial year ended 31 December 2013 and the accompanying explanatory notes attached to the interim financial statements.



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Part A – Explanatory Notes Pursuant to FRS 134

A1 Basis of Preparation

The unaudited interim financial statements have been prepared in accordance with FRS 134 *Interim Financial Reporting* and Chapter 9 Appendix 9B of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

The interim financial statements should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 December 2013. These explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial year ended 31 December 2013.

The significant accounting policies and methods of computation adopted by the Group in the interim financial statements are consistent with those adopted in the audited financial statements for the financial year ended 31 December 2013, except for the adoption of the following new accounting standards and interpretations (including the consequential amendments) that are effective on 1 January 2014:-

FRSs and IC Interpretations (including the Consequential Amendments)

Amendments to FRS 10, FRS 12 and FRS 127 (2011): Investment Entities

Amendments to FRS 132: Offsetting Financial Assets and Financial Liabilities

Amendments to FRS 136: Recoverable Amount Disclosures for Non-financial Assets

Amendments to FRS 139: Novation of Derivatives and Continuation of Hedge Accounting

IC Interpretation 21 Levies

The adoption of the above accounting standards and interpretations (including the consequential amendments) did not have any material impact on the Group's financial statements.



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Part A – Explanatory Notes Pursuant to FRS 134 (Cont'd)

A1 Basis of Preparation (Cont'd)

On 19 November 2011, MASB issued a new MASB approved accounting framework, the Malaysian Financial Reporting Standards (“MFRSs”) that are equivalent to International Financial Reporting Standards (“IFRS”).

The MFRSs are to be applied by all Entities Other Than Private Entities for annual periods beginning on or after 1 January 2012, with the exception of entities that are within the scope of MFRS 141 *Agriculture* and IC Interpretation 15 *Agreements for Construction of Real Estate*, including its parent, significant investor and venturer (herein called “Transitioning Entities”). The Group falls within the definition of Transitioning Entities and has elected to present its first MFRSs financial statements when the MFRS framework becomes mandatory. Currently, the MASB has not announced as to when the Transitioning Entities are mandated to comply with the MFRS framework. This is because of the revision in the project timeline on the issuance of new IFRS on Revenue and the proposed limited amendments to IAS 41 *Agriculture* by the International Accounting Standards Board. Accordingly, the Group is unable to assess the potential financial effects of the differences between the accounting standards under FRSs and the MFRSs.

A2 Comments about Seasonality or Cyclicity of Operations

The prices for the Group’s products are not within the control of the Group but are determined by the global supply and demand situation for edible oils.

Crop production is affected by weather conditions and age of palms.

The prices obtainable for the Group’s products as well as the volume of production will determine the profits for the Group.

A3 Unusual Items Due to their Nature, Size or Incidence

There were no unusual items affecting assets, liabilities, equity, net income or cash flows for the period under review.

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Part A – Explanatory Notes Pursuant to FRS 134 (Cont'd)

A4 Changes in Estimates

There were no changes in estimates that have had a material effect on the results of the Group for the period under review.

A5 Debt and Equity Securities

There were no issuances, cancellations, repurchases, resale and repayments of debt and equity securities for the period under review.

A6 Dividends Paid

There were no dividends paid during the current quarter.

A7 Segment Information

Information about operating segment is not reported separately as the Group's profit or loss, assets and liabilities are mainly confined to a single operating segment, namely the oil palm plantation and operation of palm oil mill.

A8 Property, Plant and Equipment**(a) Acquisitions and Disposals**

During the 6-month period ended 30 June 2014, the Group acquired assets at a cost of RM12.3 million.

Assets with a carrying amount of RM73,000 were disposed of by the Group during the 6-month period ended 30 June 2014.

(b) Impairment Losses

Neither losses from impairment of property, plant and equipment nor reversal of such impairment losses were recognised for the period under review.

(c) Valuations

The Group did not have any revalued assets.

A9 Material Events Subsequent to the End of the Interim Period

There were no material events subsequent to the end of the period under review that have not been reflected in the financial statements.

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Part A – Explanatory Notes Pursuant to FRS 134 (Cont'd)**A10 Changes in the Composition of the Group**

On 23 January 2014, the Company acquired 100,000 ordinary shares of RM1.00 each in the share capital of Sibul Garden And Leisure (M) Sdn Bhd (“SGLMSB”), representing 100% of its total issued and paid-up share capital, for a total cash consideration of RM77.98.

On the same date, the Company acquired 200,000 ordinary shares of RM1.00 each in the share capital of Rajang Builders Sdn Bhd (“RBSB”), representing 100% of its total issued and paid-up share capital, for a total cash consideration of RM238.20.

The fair values of the identifiable assets and liabilities of SGLMSB and RBSB as at the date of acquisition were:-

	Carrying Amount RM'000	Fair Value Recognised RM'000
Cash and bank balances	1	1
Other payables and accruals	(7)	(7)
Net identifiable assets and liabilities	<u>(6)</u>	<u>(6)</u>
Add: Goodwill		6
Total cost of business combination		<u>*</u>

The effect of the acquisitions on cash flows is as follows:-

	RM'000
Total cost of business combination	*
Less: Cash and cash equivalents of subsidiaries acquired	(1)
Net cash inflows for acquisition of subsidiaries	<u>^</u>

* denotes RM316

^ denotes RM414

A11 Changes in Contingent Liabilities or Contingent Assets

There were no changes in contingent liabilities or contingent assets since the last reporting date as at 31 December 2013.



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Part A – Explanatory Notes Pursuant to FRS 134 (Cont'd)

A12 Capital Commitments

The amount of capital commitments not provided for in the financial statements as at 30 June 2014 was as follows:-

	RM'000
Property, plant and equipment:-	
- Contracted but not provided for	57,184
- Authorised but not contracted for	-
	57,184

A13 Significant Related Party Transactions

The Group carried out the following significant transactions with the related parties during the period under review:-

	Individual Quarter		Cumulative Quarter	
	30.6.2014	30.6.2013	30.6.2014	30.6.2013
	RM'000	RM'000	RM'000	RM'000
Administrative fee received	130	-	164	-
Contract charges	2,934	6,103	4,276	12,242
Insurance paid	320	180	669	760
Interest paid	214	227	479	502
Management fee	679	634	1,339	1,268
Purchase of fertilisers and chemicals	731	17,466	841	31,859
Purchase of fresh fruit bunches	646	3,862	3,261	7,437
Purchase of property, plant and equipment	2,253	94	2,257	168
Purchase of seedlings	3	421	3	816
Purchase of sundry stores and consumables	1,166	1,865	2,500	4,454
Recruitment charges	-	-	-	319
Rental paid	24	224	43	484
Repairs and maintenance	27	182	197	394
Sale of fertilisers and chemicals	227	-	243	-
Sale of fresh fruit bunches	18,113	15,167	34,475	28,337
Sale of seedlings	-	7	254	461
Transportation and accommodation charges	850	2,205	1,491	3,556
	850	2,205	1,491	3,556



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Part B – Explanatory Notes Pursuant to Appendix 9B of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad

B1 Review of Performance

Revenue

The Group's revenue increased by 4.3% to RM64.7 million for the current quarter from RM62.0 million in the corresponding quarter in 2013, mainly due to the increase in average selling prices for crude palm oil ("CPO") and palm kernel ("PK").

Average selling prices of CPO and PK increased by 13% and 70% respectively for the current quarter as compared to the preceding corresponding quarter. The strengthening of CPO and PK prices was attributable to the higher global market prices for oil palm products.

On a 6-month basis, the Group recorded revenue of RM123.8 million in 2014. This was compared to RM121.7 million in the corresponding period in 2013, representing an increase of 1.8%. The increase was mainly due to the improvement in average selling prices for CPO and PK.

Cost of sales

The Group's cost of sales registered a 28.3% drop to RM50.3 million for the current quarter from RM70.1 million in the preceding corresponding quarter, mainly due to the lower estate operating costs, especially manuring and general field maintenance costs.

On a 6-month basis, the Group's cost of sales was RM95.7 million in 2014, which was compared to RM135.1 million in the corresponding period in 2013. The decrease of 29.2% was mainly due to the lower operating costs of plantation estates and lower mill operating costs resulting from lower FFB processed during the period under review.



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Part B – Explanatory Notes Pursuant to Appendix 9B of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad

B1 Review of Performance

Gross Profit and Gross Profit Margin

The Group's gross profit recorded an increase of 276.5% to RM14.4 million for the current quarter from a gross loss of RM8.1 million in the corresponding quarter in 2013. The gross profit margin was 22.2% in 2014 as compared to a gross loss margin of 13.1% in the corresponding quarter in 2013. The improvement in gross profit as well as gross profit margin was mainly due to the decrease in cost of sales as set out above.

Similarly on a 6-month basis, the Group recorded a gross profit of RM28.1 million in 2014, an increase of 308.2% from gross loss of RM13.5 million in the preceding corresponding period. The gross profit margin was 22.7% in 2014 as compared to a gross loss margin of 11.1% in the corresponding period in 2013.

Profit/(Loss) Before Taxation

The Group recorded a pre-tax profit of RM5.3 million for the 3-month period ended 30 June 2014 as compared to a pre-tax loss of RM19.0 million in the preceding corresponding quarter. The improvement in pre-tax results was mainly due to the increase in gross profit as a result of favorable CPO and PK prices during the current quarter, as well as the decreased production costs.

Similarly on a 6-month basis, the RM43.2 million rise in pre-tax results to profit of RM9.2 million in 2014 from loss of RM34.0 million in the corresponding period in 2013 was in tandem with the increase in gross profit.

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Part B – Explanatory Notes Pursuant to Appendix 9B of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (Cont'd)

B2 Material Change in the Profit Before Taxation for the Current Quarter as Compared with the Immediate Preceding Quarter

	Current Quarter RM'000	Immediate Preceding Quarter RM'000	Increase/ (Decrease) RM'000
Revenue	64,665	59,150	5,515
Gross profit	14,361	13,708	653
Profit before taxation	5,326	3,913	1,413

The increase in revenue was mainly due to the higher sale volumes and the improved pricing of CPO. The improvement in gross profit and pre-tax results was mainly due to the higher volume of FFB processed and higher oil extraction rate ("OER") achieved by the mill during the quarter as compared to the immediate preceding quarter.

B3 Commentary on Prospects

The Group's prospects for the future performance are strongly dependent on the development in the world edible oil and related markets, world economic movement, the green lobby groups' movements on sustainable palm oil and their corresponding effect on CPO prices.

B4 Profit Forecasts

The Group has not issued any profit forecasts for the period under review.

**RIMBUNAN SAWIT BERHAD**

(Company No. 691393-U)

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Part B – Explanatory Notes Pursuant to Appendix 9B of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (Cont'd)

B5 Income Tax Expense

	Individual Quarter 3-month Period Ended		Cumulative Quarter 6-month Period Ended	
	30.6.2014 RM'000	30.6.2013 RM'000	30.6.2014 RM'000	30.6.2013 RM'000
Current tax	1,083	337	2,363	587
Deferred tax	391	(3,930)	450	(5,032)
	<hr/>	<hr/>	<hr/>	<hr/>
	1,474	(3,593)	2,813	(4,445)
	<hr/>	<hr/>	<hr/>	<hr/>

B6 Corporate Proposals

There were no corporate proposals announced but not completed as at 15 August 2014, being the latest practicable date.

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Part B – Explanatory Notes Pursuant to Appendix 9B of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (Cont'd)

B7 Group Borrowings

	As at	
	30.6.2014	31.12.2013
	RM'000	RM'000
Long-term borrowings:-		
Hire purchase obligations	151	490
Term loans, secured	300,671	291,025
	<hr/>	<hr/>
	300,822	291,515
	<hr/>	<hr/>
Short-term borrowings:-		
Bank overdrafts, secured	6,824	22,803
Bank overdrafts, unsecured	6,048	19,752
Bankers' acceptance, unsecured	-	12,229
Hire purchase obligations	1,079	1,967
Islamic securities and obligations under Ijarah arrangements	7,650	7,650
Revolving credit, secured	56,481	51,481
Revolving credit, unsecured	30,000	5,000
Term loans, secured	36,608	20,708
Unsecured loans	4,520	22,520
	<hr/>	<hr/>
	149,210	164,110
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Total borrowings	450,032	455,625
	<hr/>	<hr/>

The Group's borrowings were denominated in Ringgit Malaysia.

B8 Material Litigation

The Group has no outstanding material litigation which might materially and adversely affect the position or business of the Group as at 15 August 2014, being the latest practicable date.

B9 Dividends

No interim dividend has been declared for the financial year ending 31 December 2014.

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Part B – Explanatory Notes Pursuant to Appendix 9B of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (Cont'd)

B10 Earnings/(Loss) Per Share

	Individual Quarter		Cumulative Quarter	
	3-month Period Ended 30.6.2014	30.6.2013	6-month Period Ended 30.6.2014	30.6.2013
Profit/(loss) attributable to owners of the Company (RM'000)	4,795	(13,305)	6,991	(24,482)
Weighted average number of ordinary shares ('000):- Issued ordinary shares at 1 January	1,308,505	1,308,505	1,308,505	1,308,505
Effect of conversion of ICPS	733,217	733,217	733,217	733,217
Weighted average number of ordinary shares at 31 March	2,041,722	2,041,722	2,041,722	2,041,722
Basic earnings/(loss) per share (sen)	0.23	(0.65)	0.34	(1.20)

The diluted earnings per share was not applicable as there were no dilutive potential ordinary shares outstanding at the end of the reporting period.

B11 Audit Report of the Preceding Annual Financial Statements

The auditors' report on the financial statements for the financial year ended 31 December 2013 was not subject to any qualification.

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Part B – Explanatory Notes Pursuant to Appendix 9B of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (Cont'd)

B12 Profit/(Loss) Before Taxation

Profit/(loss) before taxation is arrived at after charging/(crediting):-

	Individual Quarter 3-month Period Ended		Cumulative Quarter 6-month Period Ended	
	30.6.2014 RM'000	30.6.2013 RM'000	30.6.2014 RM'000	30.6.2013 RM'000
Amortisation of biological assets	7,330	6,844	14,709	13,546
Amortisation of intangible assets	187	142	360	279
Depreciation of property, plant and equipment	7,214	7,068	14,609	14,071
Interest expense	2,536	2,711	5,462	5,479
Interest income	(9)	(68)	(21)	(158)
Loss on disposal of property, plant and equipment	-	70	-	60
Share of results in an associate	26	1,036	71	1,697

B13 Derivatives

(a) Nature of outstanding derivatives

There were no outstanding derivatives as at the end of the reporting period.

(b) Risks and Policies of Derivatives

The Group did not enter into any derivatives during the 6-month period ended 30 June 2014.

(c) Gains/losses Arising from Fair Value Changes of Financial Liabilities

The Group did not have any financial liabilities measured at fair value through profit or loss as at 30 June 2014 and 31 December 2013.

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Part B – Explanatory Notes Pursuant to Appendix 9B of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (Cont'd)

B14 Disclosure of Realised and Unrealised Profits or Losses

The breakdown of the retained profits of the Group into realised and unrealised profits or losses are analysed as follows:-

	As at	
	30.6.2014	31.12.2013
	RM'000	RM'000
Total retained profits:-		
- realised	225,499	210,489
- unrealised	(50,420)	(47,530)
	<hr/>	<hr/>
	175,079	162,959
Total share of retained profits of associate:-		
- realised	208	279
- unrealised	(561)	(561)
	<hr/>	<hr/>
	174,726	162,677
Less: Consolidation adjustments	(11,814)	(6,756)
	<hr/>	<hr/>
At 30 June/December	162,912	155,921
	<hr/>	<hr/>

B15 Authorisation for Issue

The interim financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors dated 22 August 2014.