



## RIMBUNAN SAWIT BERHAD

(Company No. 691393-U)

North Wing, Menara Rimbunan Hijau, 101, Pusat Suria Permata, Jalan Upper Lanang, 96000 Sibul, Sarawak, Malaysia

Telephone No.: 084-218555

Facsimile No.: 084-219555

Email: [rsb@rsb.com.my](mailto:rsb@rsb.com.my)

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### Interim Financial Statements

For the 1<sup>ST</sup> Quarter Ended 31 March 2020

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	<b>Page</b>
<b>Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income</b>	<b>1</b>
<b>Condensed Consolidated Statement of Financial Position</b>	<b>3</b>
<b>Condensed Consolidated Statement of Changes in Equity</b>	<b>5</b>
<b>Condensed Consolidated Statement of Cash Flows</b>	<b>7</b>
<b>Explanatory Notes</b>	
<i>Part A – Explanatory Notes Pursuant to MFRS 134</i>	<i>10</i>
<i>Part B – Explanatory Notes Pursuant to Appendix 9B of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad</i>	<i>14</i>

**RIMBUNAN SAWIT BERHAD**

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North Wing, Menara Rimbunan Hijau, 101, Pusat Suria Permata, Jalan Upper Lanang, 96000 Sibul, Sarawak, Malaysia

Telephone No.: 084-218555

Facsimile No.: 084-219555

Email: rsb@rsb.com.my

**Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income**For the 1<sup>ST</sup> Quarter Ended 31 March 2020*(the figures have not been audited)*

	Individual Quarter 3-month Period Ended		Cumulative Quarter 3-month Period Ended	
	31.03.2020 RM'000	31.03.2019 RM'000	31.03.2020 RM'000	31.03.2019 RM'000
REVENUE	80,359	61,722	80,359	61,722
COST OF SALES	(70,193)	(65,613)	(70,193)	(65,613)
GROSS PROFIT / (LOSS)	10,166	(3,891)	10,166	(3,891)
OTHER INCOME	583	3,267	583	3,267
DISTRIBUTION COSTS	(3,760)	(3,455)	(3,760)	(3,455)
OTHER OPERATING EXPENSES	(1,301)	(753)	(1,301)	(753)
ADMINISTRATIVE EXPENSES	(4,690)	(5,518)	(4,690)	(5,518)
FINANCE COSTS	(5,613)	(5,631)	(5,613)	(5,631)
LOSS BEFORE TAXATION	(4,615)	(15,981)	(4,615)	(15,981)
INCOME TAX EXPENSE	(712)	79	(712)	79
LOSS AFTER TAXATION	(5,327)	(15,902)	(5,327)	(15,902)
OTHER COMPREHENSIVE INCOME	-	-	-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	(5,327)	(15,902)	(5,327)	(15,902)

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**Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income (Cont'd)**For the 1<sup>ST</sup> Quarter Ended 31 March 2020*(the figures have not been audited)*

	Individual Quarter 3-month Period Ended		Cumulative Quarter 3-month Period Ended	
	31.03.2020 RM'000	31.03.2019 RM'000	31.03.2020 RM'000	31.03.2019 RM'000
LOSS AFTER TAXATION ATTRIBUTABLE TO:-				
- Owners of the Company	(2,504)	(12,168)	(2,504)	(12,168)
- Non-controlling interests	(2,823)	(3,734)	(2,823)	(3,734)
	<u>(5,327)</u>	<u>(15,902)</u>	<u>(5,327)</u>	<u>(15,902)</u>
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:-				
- Owners of the Company	(2,504)	(12,168)	(2,504)	(12,168)
- Non-controlling interests	(2,823)	(3,734)	(2,823)	(3,734)
	<u>(5,327)</u>	<u>(15,902)</u>	<u>(5,327)</u>	<u>(15,902)</u>
LOSS PER SHARE (SEN):-				
- Basic	(0.12)	(0.60)	(0.12)	(0.60)
- 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 2019 and the accompanying explanatory notes attached to the interim financial statements.

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**Condensed Consolidated Statement of Financial Position**

As at 31 March 2020

*(the figures have not been audited)*

	As at 31.03.2020	As at 31.12.2019
	RM'000	RM'000
<b>ASSETS</b>		
<b>NON-CURRENT ASSETS</b>		
Property, plant and equipment	956,962	971,774
Biological assets	10,512	10,453
Intangible assets	410	482
Other investment	5,000	18
Goodwill	12,546	12,546
Deposits with licensed banks	-	120
	<u>985,430</u>	<u>995,393</u>
<b>CURRENT ASSETS</b>		
Inventories	10,222	15,115
Trade receivables	5,065	8,534
Other receivables, deposits and prepayments	13,936	10,248
Current tax assets	4,012	3,778
Biological assets	2,445	3,683
Deposits with licensed banks	205	85
Cash and bank balances	3,915	776
	<u>39,800</u>	<u>42,219</u>
Assets classified as held for sale	83,308	83,308
<b>TOTAL ASSETS</b>	<u><u>1,108,538</u></u>	<u><u>1,120,920</u></u>



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 Malaysia  
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**Condensed Consolidated Statement of Financial Position (Cont'd)**

As at 31 March 2020

*(the figures have not been audited)*

	As at 31.03.2020	As at 31.12.2019
	RM'000	RM'000
<b>EQUITY AND LIABILITIES</b>		
<b>EQUITY</b>		
Share capital	807,129	807,129
Reserves	(375,916)	(373,412)
	<hr/>	<hr/>
Equity attributable to owners of the Company	431,213	433,717
Non-controlling interests	(14,038)	(11,215)
	<hr/>	<hr/>
<b>TOTAL EQUITY</b>	<b>417,175</b>	<b>422,502</b>
	<hr/>	<hr/>
<b>NON-CURRENT LIABILITIES</b>		
Borrowings	197,767	203,972
Deferred tax liabilities	48,963	49,504
	<hr/>	<hr/>
	246,730	253,476
	<hr/>	<hr/>
<b>CURRENT LIABILITIES</b>		
Trade payables	69,781	67,074
Other payables, deposits and accruals	79,740	71,499
Borrowings:-		
- bank overdrafts	15,278	17,624
- other borrowings	276,604	285,351
Current tax liabilities	3,230	3,394
	<hr/>	<hr/>
	444,633	444,942
	<hr/>	<hr/>
<b>TOTAL LIABILITIES</b>	<b>691,363</b>	<b>698,418</b>
	<hr/>	<hr/>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>1,108,538</b>	<b>1,120,920</b>
	<hr/>	<hr/>
<b>NET ASSETS PER SHARE (RM)</b>	<b>0.30</b>	<b>0.31</b>
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The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the financial year ended 31 December 2019 and the accompanying explanatory notes attached to the interim financial statements.

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Malaysia

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**Condensed Consolidated Statement of Changes in Equity**

For the Three Months Ended 31 March 2020

*(the figures have not been audited)*

	< ----- Non-distributable ----- >						
	Share Capital				Attributable to	Non-	Total
	Ordinary	Preference	Merger	Accumulated	Owners of	controlling	Equity
	Shares	Shares	Reserve	Losses	the Company	Interests	
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Balance at 1.1.2020	724,691	82,438	(53,065)	(320,347)	433,717	(11,215)	422,502
Loss after taxation/Total comprehensive income for the period	-	-	-	(2,504)	(2,504)	(2,823)	(5,327)
Balance at 31.3.2020	724,691	82,438	(53,065)	(322,851)	431,213	(14,038)	417,175

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**Condensed Consolidated Statement of Changes in Equity (Cont'd)**

For the Three Months Ended 31 March 2019

*(the figures have not been audited)*

	< ----- Non-distributable ----- >						
	Share Capital				Attributable to	Non-	Total
	Ordinary	Preference	Merger	Accumulated	Owners of	controlling	Equity
	Shares	Shares	Reserve	Losses	the Company	Interests	
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Balance at 1.1.2019	724,691	82,438	(53,065)	(268,779)	485,285	60	485,345
Loss after taxation/Total comprehensive income for the period	-	-	-	(12,168)	(12,168)	(3,734)	(15,902)
Balance at 31.3.2019	724,691	82,438	(53,065)	(280,947)	473,117	(3,674)	469,443

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 2019 and the accompanying explanatory notes attached to the interim financial statements.

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**Condensed Consolidated Statement of Cash Flows**

For the Three Months Ended 31 March 2020

*(the figures have not been audited)*

	3 Months Ended	
	31.03.2020	31.03.2019
	RM'000	RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Loss before taxation	(4,615)	(15,981)
Adjustments for:-		
Allowance for stock obsolescence no longer required	(2)	(6)
Amortisation of intangible assets	73	73
Bad debts written off	36	-
Change in fair value of biological assets	1,239	299
Change in fair value of other investment	(4,982)	-
Depreciation of property, plant and equipment	16,884	17,877
(Gain)/Loss on disposal of property, plant and equipment	79	(2,738)
Interest expense	5,613	5,631
Interest income	(1)	(2)
Property, plant and equipment written off	92	223
Operating profit before working capital changes	14,416	5,376
Change in inventories	4,895	1,799
Change in trade and other receivables	(254)	3,474
Change in trade and other payables	10,930	3,041
<b>CASH FROM OPERATIONS</b>	29,987	13,690
Income tax paid	(1,643)	(1,996)
Income tax refunded	-	1,097
Interest paid	(6,096)	(6,547)
Interest received	1	2
<b>NET CASH FROM OPERATING ACTIVITIES</b>	22,249	6,246
<b>BALANCE CARRIED FORWARD</b>	22,249	6,246



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**Condensed Consolidated Statement of Cash Flows (Cont'd)**

For the Three Months Ended 31 March 2020

*(the figures have not been audited)*

	3 Months Ended	
	31.03.2020 RM'000	31.03.2019 RM'000
BALANCE BROUGHT FORWARD	22,249	6,246
CASH FLOWS FOR INVESTING ACTIVITIES		
Costs incurred on biological assets	(59)	(93)
Proceeds from disposal of property, plant and equipment	156	4,441
Purchase of property, plant and equipment	(1,637)	(5,128)
NET CASH FOR INVESTING ACTIVITIES	(1,540)	(780)
CASH FLOWS FOR FINANCING ACTIVITIES		
Change in bankers' acceptance	(3,493)	7,250
Change in revolving credit	4,100	-
Repayment of lease liabilities	(1,197)	(1,605)
Repayment of term loans	(14,634)	(13,452)
NET CASH FOR FINANCING ACTIVITIES	(15,224)	(7,807)
NET CHANGE IN CASH AND CASH EQUIVALENTS	5,485	(2,341)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	(16,643)	(17,349)
CASH AND CASH EQUIVALENTS AT END OF PERIOD	(11,158)	(19,690)

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**Condensed Consolidated Statement of Cash Flows (Cont'd)**

For the Three Months Ended 31 March 2020

*(the figures have not been audited)*

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

	3 Months Ended	
	31.03.2020 RM'000	31.03.2019 RM'000
Cash and bank balances	3,915	1,214
Deposits with licensed banks	205	187
Bank overdrafts	(15,278)	(21,091)
	<hr/>	<hr/>
	(11,158)	(19,690)
Less: Deposits pledged to licensed banks	-	-
	<hr/>	<hr/>
	(11,158)	(19,690)
	<hr/>	<hr/>

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements for the financial year ended 31 December 2019 and the accompanying explanatory notes attached to the interim financial statements.

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**Part A – Explanatory Notes Pursuant to MFRS 134**

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**A1 Basis of Preparation**

The unaudited interim financial statements have been prepared in accordance with MFRS 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 2019. 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 2019.

The Group's financial statements for the financial period ended 31 March 2020 is prepared in accordance with the Malaysian Financial Reporting Standards ("MFRSs") Framework.

The following MFRS, IC Interpretations and Amendments to IC Interpretations have not been applied by the Group:-

<b><i>MFRSs and/or IC Interpretations (Including The Consequential Amendments)</i></b>	<b><i>Effective Date</i></b>
MFRS 17: Insurance Contracts	1 January 2021
Amendments to MFRS 3: Definition of a Business	1 January 2020
Amendments to MFRS 7, MFRS 9, and MFRS 139 – Interest Rate Benchmark Reform	1 January 2020
Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred
Amendments to MFRS 101 and MFRS 108: Definition of Material	1 January 2020
Amendments to MFRS 101 – Classification of Liabilities as Current or Non-current	1 January 2022
Amendments to References to the Conceptual Framework in MFRS Standards	1 January 2020

**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 MFRS 134 (Cont'd)**

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#### **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 3-month period ended 31 March 2020, the Group acquired assets at a cost of RM1.6million.

Assets with a carrying amount of RM235,015 were disposed of by the Group during the 3-month period ended 31 March 2020, resulting in a net loss on disposal of RM79,280 which is included in the statement of profit or loss and other comprehensive income.

##### **(b) 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 MFRS 134 (Cont'd)**

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**A10 Changes in the Composition of the Group**

There were no significant changes in the composition of the Group for the quarter under review.

**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 2019.

**A12 Capital Commitments**

The amount of capital commitments not provided for in the financial statements as at 31 March 2020 was as follows:-

	RM'000
Property, plant and equipment:-	
- Contracted but not provided for	1,150
- Authorised but not contracted for	-
	<hr/>
	1,150
	<hr/>

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**Part A – Explanatory Notes Pursuant to MFRS 134 (Cont'd)****A13 Significant Related Party Transactions**

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

	Individual Quarter 3 Months Ended		Cumulative Quarter 3 Months Ended	
	31.03.2020 RM'000	31.03.2019 RM'000	31.03.2020 RM'000	31.03.2019 RM'000
Consultancy fees paid	3	1	3	1
Contract charges	-	1,041	-	1,041
Interest paid	62	31	62	31
Management fee	-	375	-	375
Purchase of fertilisers and chemicals	1	178	1	178
Purchase of FFB	1,596	1,361	1,596	1,361
Purchase of property, plant and equipment	-	15	-	15
Purchase of stores and consumables	248	1,394	248	1,394
Recharge expense – labor service	-	-	-	-
Recharge income – labor service	-	-	-	-
Rental received	2	-	2	-
Rental paid	368	459	368	459
Repairs and maintenance	9	527	9	527
Sale of crude palm oil	15,862	10,319	15,862	10,319
Sale of empty bunch ash	1	-	1	-
Sale of FFB	7,132	4,737	7,132	4,737
Sale of property, plant and equipment	-	4,300	-	4,300
Sale of stores and consumables	21	543	21	543
Transportation and accommodation charges	1	3	1	3
Transportation and handling income	281	248	281	248
Utilities, insurance, and sundry expenses	20	27	20	27
Utilities, insurance, and sundry income	16	3	16	3


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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**
*Financial review for current quarter and financial year to date*

	Individual Quarter 3 Months Ended		Changes (%)	Cumulative Quarter 3 Months Ended		Changes (%)
	31.03.2020	31.03.2019		31.03.2020	31.03.2019	
	RM'000	RM'000		RM'000	RM'000	
Revenue	80,359	61,722	30.2%	80,359	61,722	30.2%
Gross profit / (loss)	10,166	(3,891)	-361.3%	2,166	(3,891)	-361.3%
Profit/(Loss) before interest and taxation	998	(10,350)	-109.6%	998	(10,350)	-109.6%
Loss before taxation	(4,615)	(15,981)	-71.1%	(4,615)	(15,981)	-71.1%
Loss after taxation	(5,327)	(15,902)	-66.5%	(5,327)	(15,902)	-66.5%
Loss attributable to owners of the Company	(2,504)	(12,168)	-79.4%	(2,504)	(12,168)	-79.4%

The Group's revenue for 3 months ended 31 March 2020 improved by 30.2% as compared to corresponding period in 2019 mainly due to higher CPO, PK, and FFB average selling price.

Statistic	Individual Quarter 3 Months Ended		Changes (%)	Cumulative Quarter 3 Months Ended		Changes (%)
	31.03.2020	31.03.2019		31.03.2020	31.03.2019	
<b>Production (MT)</b>						
FFB	56,249	71,317	-21.1%	56,249	71,317	-21.1%
CPO	21,250	24,096	-11.8%	21,250	24,096	-11.8%
PK	4,547	5,336	-14.8%	4,547	5,336	-14.8%
<b>Average selling price (RM per MT)</b>						
FFB	489	338	-44.6%	489	338	-44.6%
CPO	2,689	1,919	-40.1%	2,689	1,919	-40.1%
PK	1,598	1,197	-33.5%	1,598	1,197	-33.5%

CPO and PK production dropped by 11.8% and 14.8% to 21,250MT and 4,547MT respectively in current quarter ended 31 March 2020 as compared to corresponding period in 2019 mainly due to lower FFB processed.

The Group recorded gross profit of RM10.2 million for the current quarter as compared to corresponding period in 2019 of RM3.9 million gross loss mainly due to higher CPO, FFB & PK price.

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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 (cont'd)**

For the current quarter, the Group recorded lower pre-tax loss by 71.1% as compared to previous year corresponding quarter mainly due to better pricing across the board.

As for loss after taxation, the Group registered lower amount of RM5.3 million for the current quarter as compared to RM15.9 million in corresponding period of 2019.

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

	Current Quarter Ended	Immediate Preceding Quarter Ended	Changes (%)
	31.03.2020	31.12.2019	
	RM'000	RM'000	
Revenue	80,359	86,475	-7.1%
Gross (loss) / profit	10,166	5,160	97.0%
Profit/(loss) before interest and taxation	998	(21,970)	-104.5%
Loss before taxation	(4,615)	(28,605)	-83.9%
Loss after taxation	(5,327)	(24,887)	-78.6%
Loss attributable to owners of the Company	(2,504)	(23,763)	-89.5%

Revenue retracted by 7.1% mainly due to lower sales volume of CPO, PK, and FFB by 23.6%, 25.8%, and 29.4% respectively despite recovery in CPO & PK selling price.

As such, gross profit increased by RM5.0 million for the current quarter as compared to the immediate preceding quarter. Pre-tax loss shaved by 83.9% mainly because the immediate preceding quarter included provisioning of impairment losses on goodwill and property, plant, and equipment for Lumiera estate.





**RIMBUNAN SAWIT BERHAD**

(Company No. 691393-U)  
 North Wing, Menara Rimbunan Hijau, 101, Pusat Suria Permata, Jalan Upper Lanang, 96000 Sibul, Sarawak,  
 Malaysia  
 Telephone No.: 084-218555 Facsimile No.: 084-219555 Email: rsb@rsb.com.my

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

**B2 Material Change in the Profit Before Taxation for the Current Quarter as Compared with the Immediate Preceding Quarter (cont'd)**

Statistic	Current Quarter Ended	Immediate Preceding Quarter Ended	Changes (%)
	31.03.2020	31.12.2019	
<b>Production (MT)</b>			
FFB	56,249	79,678	-29.4%
CPO	21,250	28,578	-25.6%
PK	4,547	6,361	-28.5%
<b>Average selling price (RM per MT)</b>			
FFB	489	420	16.4%
CPO	2,689	2,277	18.1%
PK	1,598	1,237	29.2%

Loss after taxation reduced by 78.6% as compared to immediate preceding quarter.

**B3 Commentary on Prospects**

The CPO price is expected to remain subdued underpinned by uncertainty in global demand as the current COVID-19 pandemic has yet to indicate any convincing signs of abating. However, the CPO price is expected to firm up towards the end of 2020 on the back of resumption in business activities across the globe.

**B4 Financial Estimate, Forecast, Projection or Internal Targets**

The Group has not issued any financial estimate, forecast, projection or internal targets for the period under review.

**B5 Income Tax Expense**

	Individual Quarter 3 Months Ended		Cumulative Quarter 3 Months Ended	
	31.03.2020 RM'000	31.03.2019 RM'000	31.03.2020 RM'000	31.03.2019 RM'000
Tax expense for the year:				
Current tax	1,253	1,079	1,253	1,079
Deferred tax	(541)	(1,158)	(541)	(1,158)
	<u>712</u>	<u>(79)</u>	<u>712</u>	<u>(79)</u>

The effective tax rate for the current quarter ended 31 March 2020 were lower than the statutory tax rate mainly due to expenses not deductible for tax purposes and tax losses of certain subsidiaries where deferred tax assets have not been recognised.


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**Part B – Explanatory Notes Pursuant to Appendix 9B of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad**
**B6 Corporate Proposals Pending Completion and Status of Utilisation of Proceeds Raised from Corporate Proposals**

On 22 February 2017, Rimbunan Sawit Berhad (“RSB”) and its subsidiary had entered into agreements (collectively referred to as “Agreements”) as set out as following:

Proposal	Status	Status
(i) Simunjan Agreement	Conditional Sale and Purchase Agreement between RSB (“Vendor”) and Tiasa Mesra Sdn Bhd (“Buyer”) for the proposed disposal of the License Rights via an absolute assignment, development costs, biological assets, commercial rights and all the fixtures and fittings for a cash consideration of RM 150.0 million	Completed on 25 October 2018
(ii) Lundu Mill Agreement	Conditional Sale and Purchase Agreement between RSB Lundu Palm Oil Mill Sdn Bhd (“Company or Buyer”) and R H Lundu Palm Oil Mill Sdn Bhd (“R H Lundu or Vendor”) for the proposed acquisition of a parcel of Lundu Land with approximately 67.5 ha and together with the Lundu Oil Mill comprising workers’ quarters; and Plantation assets for a total cash consideration of RM 33.7 million	Refer Approvals / Status pending
(iii) Sastat Agreement	Conditional Share Sale Agreement for the proposed acquisition of entire SHSB Shares, for a total cash consideration of RM 17.0 million	Completed on 27 November 2018
<b>Advisers</b>	Maybank Investment Bank Berhad & Mercury Securities Sdn Bhd	

**Approvals / Status Pending (Lundu Mill Agreement)**

- (i) The completion of the subdivision of the Parent Lot 248 culminating in the issuance of a separate document of title to the Lundu Land with a term of lease of 60 years from the date of registration of the provisional lease of the Parent Lot 248 by the Land & Survey Kuching Division. The Director of Land and Survey Kuching Division’s consent for the transfer of the Lundu Land to RSB Lundu. The Superintendent of Land and Survey’ consent in writing for the transfer of the Lundu Land to RSB Lundu in accordance with Section 31 of the Sarawak Land Code; and completion of Simunjan Agreement.
- (ii) On 28 March 2017, a supplemental agreement to include 4 motor vehicles as part of the Plantation Asset without affecting the consideration. On 21 December 2019, another supplemental agreement to amend and vary certain terms of the Lundu Acquisition SPA.
- (iii) On 20 February 2019, RSB Lundu has settled the Partial Balance Sum to RH Lundu to complete the acquisition of the Lundu Oil Mill (including the workers’ quarters) and the Plantation Assets (“Partial Completion Date”). As such, the Lundu Land is the remaining asset to be completed under the Lundu Acquisition SPA, which is to be fulfilled by RH Lundu within 18 months from the Partial Completion Date or such other extended period as RH Lundu and RSB Lundu may mutually agree upon.

**Status of Utilisation of Proceeds Raised from Corporate Proposals**

No.	Purpose	Proposed Utilisation (RM’mil)	Actual Utilisation (RM’mil)	Intended Time-frame	Deviation	
					RM’mil	%
1	Lundu Acquisition (land, quarters, oil mill and plantation assets)	33.7	31.2	August 2020	-	-
2	Sastat Holdings Sdn Bhd Acquisition	17.0	17.0	November 2018	-	-
3	Repayment of Simunjan Credit Facilities	58.0	58.0	October 2018	-	-
4	Repayment of Advance	23.0	-	October 2020	-	-
5	Working capital and defray expenses relating to Corporate Proposals	18.3	18.3	December 2019	-	-
	<b>Total</b>	<b>150.0</b>	<b>124.5</b>		-	-


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Facsimile No.: 084-219555

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**B6 Corporate Proposals Pending Completion and Status of Utilisation of Proceeds Raised from Corporate Proposals (cont'd)**

Proposal	On 22 January 2020, Rimbunan Sawit Berhad (“RSB”)’s wholly-owned subsidiary, Lumiera Enterprise Sdn. Bhd. (“Lumiera”) had entered into a Sale and Purchase Agreement (“S&P”) with Biogreen Success Sdn. Bhd. (“Biogreen”) to dispose all that parcel of land situated at Along Batang Baram, Baram together with the oil palm plantation, its facilities, infrastructures, improvements, immovable assets but excluding the movable assets thereon for a total cash consideration of Ringgit Malaysia Eighty-Five Million (RM85,000,000) (“Proposed Disposal”).
Status Pending	The Proposed Disposal is condition upon obtaining Land and Survey Department’s consent to transfer the land to Biogreen Success Sdn. Bhd. and charged to its Financier and completion of due diligence review by Biogreen Success Sdn. Bhd. On 31 March 2020, Lumiera has entered into a supplementary agreement (“SA”) with Biogreen to amend and vary the payment terms and the handover of the Lumiera estate. RM8.5 million has been paid as S&P’s deposit, 10% of the purchase price shall be paid upon signing of SA, another RM8.5 million paid upon Biogreen taking possession of Lumiera estate, and remaining RM59.5 million shall be paid within 2 months upon completing the conditions precedent as stipulated in the S&P.

Save as disclosed above, there were no corporate proposals announced but not completed as at 22 May 2020, being the latest practicable date.

**B7 Group Borrowings**

	As at 31.03.2020 (RM'000)			As at 31.12.2019 (RM'000)		
	Short-term	Long-term	Total	Short-term	Long-term	Total
<b>Secured:-</b>						
Bank overdrafts	10,867	-	<b>10,867</b>	10,083	-	<b>10,083</b>
Bankers' acceptance	13,100	-	<b>13,100</b>	15,517	-	<b>15,517</b>
Lease liabilities	3,129	5,373	<b>8,502</b>	3,454	5,971	<b>9,425</b>
Revolving credit	162,291	-	<b>162,291</b>	157,291	-	<b>157,291</b>
Term loans	49,285	192,004	<b>241,289</b>	57,195	197,611	<b>254,806</b>
	<b>238,672</b>	<b>197,377</b>	<b>436,049</b>	<b>243,540</b>	<b>203,582</b>	<b>447,122</b>
<b>Unsecured:-</b>						
Bank overdrafts	4,410	-	<b>4,410</b>	7,541	-	<b>7,541</b>
Bankers' acceptance	11,580	-	<b>11,580</b>	12,656	-	<b>12,656</b>
Loans	3,020	-	<b>3,020</b>	3,020	-	<b>3,020</b>
Promissory note	4,200	-	<b>4,200</b>	4,200	-	<b>4,200</b>
Revolving credit	30,000	-	<b>30,000</b>	30,900	-	<b>30,900</b>
Term loans	-	390	<b>390</b>	1,118	390	<b>1,508</b>
	<b>53,210</b>	<b>390</b>	<b>53,600</b>	<b>59,435</b>	<b>390</b>	<b>59,825</b>
<b>Total Borrowings</b>	<b>291,882</b>	<b>197,767</b>	<b>489,649</b>	<b>302,975</b>	<b>203,972</b>	<b>506,947</b>

- The effective HP interest rates ranging from 4.8% to 5.5% per annum.
- The bank overdraft is bearing interest ranging from base lending rate +0.5% to 1.5% per annum.
- The bankers' acceptance, revolving credit and term loan bore interest ranging from cost of funds + 0.5% to 2.5% per annum.
- The promissory note bore interest at 4.00% per annum.

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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)**

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**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 22 May 2020 being the latest practicable date.

**B9 Dividends**

No interim dividend has been declared for the period ending 31 March 2020.

**B10 Loss Per Share**

	Individual Quarter 3 Months Ended		Cumulative Quarter 3 Months Ended	
	31.03.2020	31.03.2019	31.03.2020	31.03.2019
Loss attributable to owners of the Company (RM'000)	(2,504)	(12,168)	(2,504)	(12,168)
Weighted average number of ordinary shares ('000):-				
Issued ordinary shares at 1 Oct / 1 January	1,418,487	1,418,487	1,418,487	1,418,487
Effect of conversion of ICPS	623,235	623,235	623,235	623,235
Weighted average number of ordinary shares at 31 December	2,041,722	2,041,722	2,041,722	2,041,722
Basic loss per share (sen)	(0.12)	(0.60)	(0.12)	(0.60)

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 2019 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 Loss Before Taxation**

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

	Individual Quarter 3 Months Ended		Cumulative Quarter 3 Months Ended	
	31.03.2020 RM'000	31.03.2019 RM'000	31.03.2020 RM'000	31.03.2019 RM'000
Allowance for stock obsolescence no longer required	(2)	(6)	(2)	(6)
Amortisation of intangible assets	73	73	73	73
Bad debts written off	36	-	36	-
Change in fair value of biological assets	1,239	299	1,239	299
Change in fair value of other investment	(4,982)	-	(4,982)	-
Directors' remuneration	70	136	70	136
Finance costs	5,613	5,631	5,613	5,631
(Gain) / Loss on disposal of property, plant and equipment	79	(2,738)	79	(2,738)
Interest income	(1)	(2)	(1)	(2)
Management fee	-	375	-	375
Property, plant and equipment written off	92	223	92	223
Rental income	(9)	(23)	(9)	(23)
Rental on equipment	1	1	1	1
Rental on premises	378	462	378	462
Staff costs:-				
- short-term employee benefits	7,507	8,106	7,507	8,106
- defined contribution plan	786	894	786	894



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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)**

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#### **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 3-month period ended 31 March 2020.

(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 31 March 2020 and 31 December 2019.

#### **B14 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 28 May 2020.