



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

Interim Financial Statements

For the 2nd Quarter Ended 30 June 2017

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Facsimile No.: 084-219555

Email: rsb@rsb.com.my

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive IncomeFor the 2nd Quarter Ended 30 June 2017

	Individual Quarter 3-month Period Ended		Cumulative Quarter 6-month Period Ended	
	30.6.2017 RM'000	30.6.2016 RM'000	30.6.2017 RM'000	30.6.2016 RM'000
REVENUE	69,712	51,711	150,051	94,862
COST OF SALES	(69,223)	(54,349)	(141,091)	(107,396)
GROSS PROFIT/(LOSS)	489	(2,638)	8,960	(12,534)
OTHER INCOME	679	852	1,147	2,147
DISTRIBUTION COSTS	(2,306)	(1,882)	(4,809)	(3,599)
ADMINISTRATIVE AND OTHER EXPENSES	(5,263)	(5,184)	(11,877)	(11,442)
SHARE OF RESULTS IN AN ASSOCIATE, NET OF TAX	-	-	-	-
FINANCE COSTS	(5,294)	(3,894)	(10,136)	(8,078)
LOSS BEFORE TAXATION	(11,695)	(12,746)	(16,715)	(33,506)
INCOME TAX EXPENSE	3,986	2,833	3,457	6,074
LOSS AFTER TAXATION	(7,709)	(9,913)	(13,258)	(27,432)
OTHER COMPREHENSIVE INCOME	-	-	-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	(7,709)	(9,913)	(13,258)	(27,432)

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Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income (Cont'd)For the 2nd Quarter Ended 30 June 2017

	Individual Quarter 3-month Period Ended		Cumulative Quarter 6-month Period Ended	
	30.6.2017 RM'000	30.6.2016 RM'000	30.6.2017 RM'000	30.6.2016 RM'000
LOSS AFTER TAXATION ATTRIBUTABLE TO:-				
- Owners of the Company	(5,515)	(7,973)	(10,757)	(22,947)
- Non-controlling interests	(2,194)	(1,940)	(2,501)	(4,485)
	<u>(7,709)</u>	<u>(9,913)</u>	<u>(13,258)</u>	<u>(27,432)</u>
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:-				
- Owners of the Company	(5,515)	(7,973)	(10,757)	(22,947)
- Non-controlling interests	(2,194)	(1,940)	(2,501)	(4,485)
	<u>(7,709)</u>	<u>(9,913)</u>	<u>(13,258)</u>	<u>(27,432)</u>
LOSS PER SHARE (SEN):-				
- Basic	(0.26)	(0.39)	(0.53)	(1.12)
- 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 2016 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 2017

	As at 30.6.2017 (Unaudited) RM'000	As at 31.12.2016 (Audited) RM'000
ASSETS		
NON-CURRENT ASSETS		
Investment in an associate	4,397	4,397
Other investment	5,000	5,000
Property, plant and equipment	659,795	663,430
Intangible assets	20,659	21,144
Biological assets	769,323	778,926
Goodwill	60,760	60,760
Deposits with licensed banks	102	102
	<u>1,520,036</u>	<u>1,533,759</u>
CURRENT ASSETS		
Inventories	20,370	21,338
Trade receivables	17,054	20,305
Other receivables, deposits and prepayments	55,380	17,432
Tax refundable	10,087	5,689
Deposits with licensed banks	150	-
Cash and bank balances	823	1,612
	<u>103,864</u>	<u>66,376</u>
TOTAL ASSETS	<u>1,623,900</u>	<u>1,600,135</u>

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Condensed Consolidated Statement of Financial Position (Cont'd)

As at 30 June 2017

	As at 30.6.2017 (Unaudited) RM'000	As at 31.12.2016 (Audited) RM'000
EQUITY AND LIABILITIES		
Share capital	807,129	791,682
Reserves	(70,186)	(43,982)
TOTAL EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY	736,943	747,700
NON-CONTROLLING INTERESTS	39,646	42,147
TOTAL EQUITY	776,589	789,847
NON-CURRENT LIABILITIES		
Borrowings	362,539	354,094
Deferred tax liabilities	120,040	126,915
	482,579	481,009
CURRENT LIABILITIES		
Trade payables	51,952	60,737
Other payables, deposits and accruals	77,536	33,808
Borrowings:-		
- bank overdrafts	16,432	13,078
- other borrowings	213,325	218,033
Provision for taxation	5,487	3,623
	364,732	329,279
TOTAL LIABILITIES	847,311	810,288
TOTAL EQUITY AND LIABILITIES	1,623,900	1,600,135
NET ASSETS PER SHARE (RM)	0.47	0.47

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the financial year ended 31 December 2016 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 2017

	< ----- 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 Ordinary Shares RM'000	Preference Shares RM'000	Share Premium RM'000	Merger Reserve RM'000				
Balance at 1.1.2017	709,243	82,439	15,447	(53,066)	(6,363)	747,700	42,147	789,847
Loss after taxation/Total comprehensive income for the period	-	-	-	-	(10,757)	(10,757)	(2,501)	(13,258)
Transfer to share capital upon implementation of the Company Act 2016	15,447	-	(15,447)	-	-	-	-	-
Balance at 30.6.2017	724,690	82,439	-	(53,066)	(17,120)	736,943	39,646	776,589

On 31 January 2017, the concepts of authorised share capital and par value of share capital were abolished in accordance with the Companies Act 2016. Consequently, the amount standing to the credit of the Company's share premium account became part of the Company's shares capital pursuant to the transitional provisions set out in Section 618(2) of the Companies Act 2016. There is no impact on the numbers of ordinary shares and redeemable convertible preference shares in issue or the relative entitlement of any of the members as a result of this transition.

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

For the Six Months Period Ended 30 June 2017

	< ----- 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				
	Ordinary Shares RM'000	Preference Shares RM'000						
Balance at 1.1.2016	709,243	82,439	15,447	(53,066)	60,303	814,366	54,591	868,957
Loss after taxation/Total comprehensive income for the period	-	-	-	-	(22,947)	(22,947)	(4,485)	(27,432)
Balance at 30.6.2016	709,243	82,439	15,447	(53,066)	37,356	791,419	50,106	841,525

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 2016 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 2017

	6-month Period Ended	
	30.6.2017	30.6.2016
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before taxation	(16,715)	(33,506)
Adjustments for:-		
Amortisation of biological assets	20,944	20,146
Amortisation of intangible assets	443	406
Allowance for stock obsolescence no longer required	(10)	-
Biological assets written off	-	6
Depreciation of property, plant and equipment	17,652	18,886
Gain arising from the liquidation of subsidiary	(48)	-
Gain on disposal of property, plant and equipment	(73)	(9)
Goodwill written off	-	13
Interest expense	10,136	8,078
Interest income	(16)	(2)
Operating profit before working capital changes	32,313	14,018
Decrease in inventories	978	1,705
Increase in trade and other receivables	(34,696)	(4,861)
Increase in trade and other payables	34,946	10,025
CASH FROM OPERATIONS	33,541	20,887
Income tax paid	(6,085)	(1,652)
Income tax refunded	177	-
Interest paid	(4,568)	(3,866)
Interest received	16	2
NET CASH FROM OPERATING ACTIVITIES	23,081	15,371
CASH FLOWS FOR INVESTING ACTIVITIES		
Acquisition of subsidiaries, net of cash and cash equivalents acquired	-	*
Costs incurred on biological assets	(6,924)	(10,787)
Proceeds from disposal of property, plant and equipment	1,169	1,310
Purchase of intangible asset	(8)	-
Purchase of property, plant and equipment	(10,717)	(6,273)
NET CASH FOR INVESTING ACTIVITIES	(16,480)	(15,750)
BALANCE CARRIED FORWARD	6,601	(379)

* denotes RM200

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Condensed Consolidated Statement of Cash Flows (Cont'd)

For the Six Months Period Ended 30 June 2017

	6-month Period Ended	
	30.6.2017	30.6.2016
	RM'000	RM'000
BALANCE BROUGHT FORWARD	6,601	(379)
CASH FLOWS FOR FINANCING ACTIVITIES		
Drawdown of term loans	5,203	35,988
Net of repayment of bankers' acceptance	(436)	(3,712)
Net of repayment of revolving credit	19,058	4,824
Payment of interest on long-term borrowings	(9,479)	(9,781)
Repayment of hire purchase obligations	(2,651)	(1,608)
Repayment of term loans	(22,289)	(18,316)
NET CASH (FOR)/FROM FINANCING ACTIVITIES	(10,594)	7,395
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(3,993)	7,016
CASH AND CASH EQUIVALENTS AT 1 JANUARY	(11,466)	(5,719)
CASH AND CASH EQUIVALENTS AT 30 JUNE	(15,459)	1,297

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

	6-month Period Ended	
	30.6.2017	30.6.2016
	RM'000	RM'000
Cash and bank balances	823	1,620
Deposits with licensed banks	252	102
Bank overdrafts	(16,432)	(323)
	(15,357)	1,399
Less: Deposits pledged to licensed banks	(102)	(102)
	(15,459)	1,297

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements for the financial year ended 31 December 2016 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 read in conjunction with the audited financial statements of the Group for the financial year ended 31 December 2016. 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 2016.

The significant accounting policies and methods of computation adopted by Group in the interim financial statements are consistent with those adopted in the audited financial statements for the financial year ended 31 December 2016, except for the adoption of the following new accounting standards and interpretations (including the consequential amendments) that are effective on 1 January 2017:-

Effective for annual periods beginning on after 1 January 2017:

- Amendments to FRS 107: Disclosure Initiatives
- Amendments to FRS 112: Recognition of Deferred Tax Assets for Unrealised Losses
- Amendments to FRS 12: Disclosure of Interests in Other Entities (Annual Improvements to FRSs 2014 – 2016 Cycle)

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

MASB has issued a new MASB approved accounting framework, the Malaysian Financial Reporting Standards ("MFRSs"), that are to be applied by all entities other than private entities; 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").

As announced by MASB on 28 October 2015, the transitioning entities are allowed to defer the adoption of MFRSs to annual periods beginning on or after 1 January 2018. Accordingly, as a transitioning entity as defined above, the Group has chosen to defer the adoption of MFRSs and will only prepare its first set of MFRS financial statements for the financial year ending 31 December 2018. The Group is currently assessing the possible financial impacts that may arise from the adoption of MFRSs and the process is still ongoing.



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

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.

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.



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

A8 Property, Plant and Equipment

(a) Acquisitions and Disposals

During the 6-months period ended 30 June 2017, the Group acquired assets at a cost of RM17.0 million.

Assets with a carrying amount of RM1.1 million were disposed of by the Group during the 6-month period ended 30 June 2017, resulting in a gain on disposal of RM75,580 which is included in other income 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.

A10 Changes in the Composition of the Group

(a) On 29 May 2017, Midas Plantation Sdn. Bhd, ("MPSB") a wholly-owned subsidiary of the Company held its final meeting for members' voluntary winding-up.

The aforesaid member's voluntary winding-up will not have any material operational and financial impact on the net assets and earnings of the Group for the financial year ending 31 December 2017.

(b) On 3 January 2017, the Company acquired the entire issued and paid-up share capital of Topline Synergy Sdn Bhd ("TSSB") comprising 2 ordinary shares of RM1 each for a cash consideration of RM2. Subsequent to the acquisition, TSSB became a 100%-owned subsidiary of the Company. TSSB is currently a dormant company and its intended principal business activity is general trading and services.

(c) On 17 January 2017, the Company acquired the entire issued and paid-up share capital of RSB Lundu Palm Oil Mill Sdn Bhd ("RSBLPOM") comprising 2 ordinary shares of RM1 each for a cash consideration of RM2. Subsequent to the acquisition, RSBLPOM became a 100%-owned subsidiary of the Company. RSBLPOM has commenced provision of contract services and its intended principal business activity is operation of palm oil mill.

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

A10 Changes in the Composition of the Group (Cont'd)

The following summarises the major classes of consideration transferred, and the recognised amounts of assets acquired and liabilities assumed at the date of acquisition:-

	The Group 2017 At Date of Acquisition Fair Value Recognised RM
Total purchase consideration, to be settled by cash	4
Less: Cash and cash equivalents of subsidiaries acquired	(4)
	<hr/>
Net cash outflow for acquisition of subsidiary	-
	<hr/>

The acquired subsidiary had contributed the following results to the Group

	The Group RM'000
Revenue	3,174
Profit after taxation	1,649
	<hr/>

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 2016.



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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 2017 was as follows:-

	RM'000
Property, plant and equipment:-	
- Contracted but not provided for	18,101
- Authorised but not contracted for	-
	18,101
	18,101

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	
	3-month Period Ended		6-month Period Ended	
	30.6.2017	30.6.2016	30.6.2017	30.6.2016
	RM'000	RM'000	RM'000	RM'000
Consultancy fees	60	60	120	120
Contract charges	3,367	271	3,544	552
FFB margin income	1,350	-	1,350	-
Interest paid	53	38	88	75
Management fee	405	405	810	1,010
Purchase of fertilisers and chemicals	159	479	513	1,156
Purchase of fresh fruit bunches	977	1,062	2,260	1,815
Purchase of property, plant and equipment	48	433	52	1,005
Purchase of sundry stores and consumables	1,059	740	1,608	1,390
Rental paid	434	403	905	852
Rental received	147	-	147	-
Repairs and maintenance	217	177	217	428
Sale of fresh fruit bunches	15,945	12,444	38,547	24,050
Sale of seedling	125	-	125	-
Sale of property, plant and equipment	144	30	391	1130
Transportation and accommodation charges	187	128	187	534



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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

Quarter under review

Revenue chalked up by 34.8% as crude palm oil (“CPO”) selling price upped 3.1% while CPO sales volume increased 48.6% as compared to corresponding quarter in 2016. The better revenue was further underpinned by the improved palm kernel (“PK”) and fresh fruit bunches (“FFB”) sales volume of 53.0% and 4.3%. However, it was alleviated by lower PK selling price, which dropped by 27.3% as compared to corresponding quarter in 2016.

The Group recorded lower pre-tax loss of RM11.7 million compared to corresponding quarter loss of RM12.7 million, in line with gross profit margin of 0.7% compared to previous year corresponding quarter gross loss margin of 5.1%.

As such, loss after taxation contracted to RM7.7 million as compared to corresponding quarter of RM9.9 million.

6-month cumulative

The Group recorded revenue of RM150.0 million compared to RM94.9 million in 2016 as CPO, PK and FFB sales volume increased 42.7%, 52.9% and 12.1%, respectively as compared to 2016. The improved in selling price of CPO, PK and FFB by 17.6%, 10.6% and 19.9%, respectively have further contributed to the increased in revenue.

The Group recorded loss before taxation of RM16.7 million compared to 2016 of RM33.5 million, which is an improvement of 50.1%.

As such, loss after taxation confined to RM13.2 million as compared to 2016 of RM27.4 million.

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

Revenue retreated by 13.2% to RM69.7 million compared to immediate preceding as CPO and PK price stifled by 16.0% and 46.9%, despite improvement in CPO and PK sales volume by 11.4% and 9.9%.

The Group recorded higher pre-tax loss of RM11.7 million and loss after taxation of RM7.7 million compared to preceding quarter pre-tax loss of RM5.0 million and loss after taxation of RM5.5 million in line with the lower gross profit margin of 0.7% compared to the immediate preceding quarter gross profit margin of 10.5%.

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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)

B3 Commentary on Prospects

FFB production and yield are expected to further improved by 2nd half of 2017 in line with the continuous effort to enhance our operation's efficiency and productivity.

The Group will continue to improve its productivity and remain committed on improving its cost efficiency.

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		Cumulative Quarter	
	3-month Period Ended		6-month Period Ended	
	30.6.2017	30.6.2016	30.6.2017	30.6.2016
	RM'000	RM'000	RM'000	RM'000
Current tax	924	424	3,419	567
Deferred tax	(4,910)	(3,257)	(6,876)	(6,641)
	<u>(3,986)</u>	<u>(2,833)</u>	<u>(3,457)</u>	<u>(6,074)</u>

B6 Corporate Proposals Pending Completion

Midas Plantation Sdn. Bhd. ("MPSB") had held its final meeting for members' voluntary winding-up on 28 May 2017. The Return by Liquidator relating to Final Meeting was lodged on 29 May 2017 with the Companies Commission of Malaysia and Official Receiver, and on the expiration of 3 months after the said lodgement date, MPSB will be fully dissolved.

Proposed disposal of all rights, titles and interests in relation to the Simunjan Estate via an absolute assignment, development costs, biological assets, commercial rights and all the fixtures and fittings relating thereto by RSB to Tiasa Mesra Sdn Bhd, ("TMSB") a wholly-owned subsidiary of Subur Tiasa Holdings Berhad, for a cash consideration of RM150.0 million. The Company and TMSB had on 19 August 2017 extended the period to fulfill the conditions precedent set out in the Simunjan Agreement for a further 6 months from 22 August 2017 until 21 February 2018.

**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 (Cont'd)**B6 Corporate Proposals (Cont'd)**

Proposed acquisition of a parcel of land together with a palm oil mill (including workers' quarters) erected thereon and plantation assets by RSB Lundu Palm Oil Mill Sdn Bhd, a wholly-owned subsidiary of RSB, from R H Lundu Palm Oil Mill Sdn Bhd, for a total cash consideration of RM33.7 million.

Proposed acquisition of 100,000 ordinary shares in Sastat Holdings Sdn Bhd ("SHSB"), representing the entire equity interest in SHSB, by RSB from Pertumbuhan Abadi Asia Sdn Bhd, Teck Sing Lik Enterprise Sdn Bhd and Tan Sri Datuk Sir Diong Hiew King @ Tiong Hiew King, for a total cash consideration of RM17.0 million. The Company and SHSB Vendor had on 19 August 2017 extended the period to fulfill the conditions precedent set out in the Share Sale Agreement (SSA) for a further 6 months from 22 August 2017 until 21 February 2018.

Save as disclosed above, there were no corporate proposals announced but not completed as at 23 August 2017, being the latest practicable date.

B7 Group Borrowings

	As at	
	30.6.2017	31.12.2016
	RM'000	RM'000
Long-term borrowings:-		
Hire purchase obligations	6,259	4,865
Term loans, secured	352,771	345,722
Term loans, unsecured	3,509	3,507
	<u>362,539</u>	<u>354,094</u>
Short-term borrowings:-		
Bank overdrafts, secured	11,856	12,408
Bank overdrafts, unsecured	4,576	670
Bankers' acceptance, unsecured	28,259	28,696
Hire purchase obligations	5,187	4,380
Revolving credit, secured	52,991	70,991
Revolving credit, unsecured	93,258	56,200
Term loans, secured	30,145	53,834
Term loans, unsecured	465	912
Unsecured loans	3,020	3,020
	<u>229,757</u>	<u>231,111</u>
Total borrowings	<u>592,296</u>	<u>585,205</u>

The Group's borrowings were denominated in Ringgit Malaysia.

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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 (Cont'd)

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 23 August 2017 being the latest practicable date.

B9 Dividends

No interim dividend has been declared for the period ending 30 June 2017.

B10 Loss Per Share

	Individual Quarter 3-month Period Ended		Cumulative Quarter 6-month Period Ended	
	30.6.2017	30.6.2016	30.6.2017	30.6.2016
Loss attributable to owners of the Company (RM'000)	(5,515)	(7,973)	(10,757)	(22,947)
Weighted average number of ordinary shares ('000):- Issued ordinary shares at 1 April / 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 30 June	2,041,722	2,041,722	2,041,722	2,041,722
Basic loss per share (sen)	(0.27)	(0.39)	(0.53)	(1.12)

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 2016 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		Cumulative Quarter	
	3-month Period Ended	3-month Period Ended	6-month Period Ended	6-month Period Ended
	30.6.2017	30.6.2016	30.6.2017	30.6.2016
	RM'000	RM'000	RM'000	RM'000
Amortisation of biological assets	10,408	9,827	20,944	20,146
Amortisation of intangible assets	196	158	443	406
Allowance for stock obsolescence no longer required	(5)	-	(10)	-
Biological assets written off	-	6	-	6
Depreciation of property, plant and equipment	8,970	9,745	17,652	18,886
Gain arising from the liquidation of subsidiary	(48)	-	(48)	-
Goodwill written off	-	-	-	13
Loss/(Gain) on disposal of property, plant and equipment	(54)	93	(73)	(9)
Interest expense	5,294	3,894	10,136	8,078
Interest income	(16)	(2)	(16)	(2)

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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)

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 2017.

(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 2017 and 31 December 2016.

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	
	30.6.2017 RM'000	31.12.2016 RM'000
Total retained profits:-		
- realised	61,322	63,962
- unrealised	(43,993)	(48,347)
	<hr/>	<hr/>
	17,329	15,615
Total share of retained profits of associate:-		
- realised	(984)	(984)
- unrealised	(638)	(638)
	<hr/>	<hr/>
	15,707	13,993
Less: Consolidation adjustments	(32,827)	(20,356)
	<hr/>	<hr/>
At 30 June / 31 December	(17,120)	(6,363)
	<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 29 August 2017.