



RIMBUNAN SAWIT BERHAD

(Company No. 691393-U)

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

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Interim Financial Statements

For the 2ND Quarter Ended 30 June 2020

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**RIMBUNAN SAWIT BERHAD**

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Condensed Consolidated Statement of Profit or Loss and Other Comprehensive IncomeFor the 2ND Quarter Ended 30 June 2020*(the figures have not been audited)*

	Individual Quarter 3-month Period Ended		Cumulative Quarter 6-month Period Ended	
	30.06.2020 RM'000	30.06.2019 RM'000	30.06.2020 RM'000	30.06.2019 RM'000
REVENUE	82,415	55,972	162,774	117,694
COST OF SALES	(76,083)	(61,391)	(146,276)	(127,004)
GROSS PROFIT / (LOSS)	6,332	(5,419)	16,498	(9,310)
OTHER INCOME	2,199	818	2,782	3,905
DISTRIBUTION COSTS	(4,429)	(3,226)	(8,189)	(6,681)
OTHER OPERATING EXPENSES	(123)	(45)	(1,424)	(618)
ADMINISTRATIVE EXPENSES	(4,083)	(6,185)	(8,773)	(11,703)
FINANCE COSTS	(4,165)	(5,705)	(9,778)	(11,336)
LOSS BEFORE TAXATION	(4,269)	(19,762)	(8,884)	(35,743)
INCOME TAX EXPENSE	(876)	112	(1,588)	191
LOSS AFTER TAXATION	(5,145)	(19,650)	(10,472)	(35,552)
OTHER COMPREHENSIVE INCOME	-	-	-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	(5,145)	(19,650)	(10,472)	(35,552)

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Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income (Cont'd)For the 2ND Quarter Ended 30 June 2020*(the figures have not been audited)*

	Individual Quarter 3-month Period Ended		Cumulative Quarter 6-month Period Ended	
	30.06.2020 RM'000	30.06.2019 RM'000	30.06.2020 RM'000	30.06.2019 RM'000
LOSS AFTER TAXATION ATTRIBUTABLE TO:-				
- Owners of the Company	(3,197)	(15,889)	(5,701)	(28,057)
- Non-controlling interests	(1,948)	(3,761)	(4,771)	(7,495)
	<u>(5,145)</u>	<u>(19,650)</u>	<u>(10,472)</u>	<u>(35,552)</u>
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:-				
- Owners of the Company	(3,197)	(15,889)	(5,701)	(28,057)
- Non-controlling interests	(1,948)	(3,761)	(4,771)	(7,495)
	<u>(5,145)</u>	<u>(19,650)</u>	<u>(10,472)</u>	<u>(35,552)</u>
LOSS PER SHARE (SEN):-				
- Basic	(0.16)	(0.78)	(0.28)	(1.37)
- 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 30 June 2020

(the figures have not been audited)

	As at 30.06.2020	As at 31.12.2019
	RM'000	RM'000
ASSETS		
NON-CURRENT ASSETS		
Property, plant and equipment	910,257	971,774
Biological assets	10,571	10,453
Intangible assets	337	482
Other investment	5,000	18
Goodwill	12,546	12,546
Deposits with licensed banks	-	120
	<u>938,711</u>	<u>995,393</u>
CURRENT ASSETS		
Inventories	12,365	15,115
Trade receivables	9,248	8,534
Other receivables, deposits and prepayments	72,165	10,248
Current tax assets	4,230	3,778
Biological assets	2,942	3,683
Deposits with licensed banks	205	85
Cash and bank balances	1,934	776
	<u>103,089</u>	<u>42,219</u>
Assets classified as held for sale	35,732	83,308
TOTAL ASSETS	<u>1,077,532</u>	<u>1,120,920</u>

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Condensed Consolidated Statement of Financial Position (Cont'd)

As at 30 June 2020

(the figures have not been audited)

	As at 30.06.2020	As at 31.12.2019
	RM'000	RM'000
EQUITY AND LIABILITIES		
EQUITY		
Share capital	807,129	807,129
Reserves	(379,113)	(373,412)
Equity attributable to owners of the Company	428,016	433,717
Non-controlling interests	(15,986)	(11,215)
TOTAL EQUITY	412,030	422,502
NON-CURRENT LIABILITIES		
Borrowings	210,525	203,972
Deferred tax liabilities	48,412	49,504
	258,937	253,476
CURRENT LIABILITIES		
Trade payables	61,235	67,074
Other payables, deposits and accruals	72,527	71,499
Borrowings:-		
- bank overdrafts	11,535	17,624
- other borrowings	257,796	285,351
Current tax liabilities	3,472	3,394
	406,565	444,942
TOTAL LIABILITIES	665,502	698,418
TOTAL EQUITY AND LIABILITIES	1,077,532	1,120,920
NET ASSETS PER ORDINARY SHARE (RM)	0.30	0.31

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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Condensed Consolidated Statement of Changes in Equity

For the Six Months Ended 30 June 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	-	-	-	(5,701)	(5,701)	(4,771)	(10,472)
Balance at 30.6.2020	724,691	82,438	(53,065)	(326,048)	428,016	(15,986)	412,030

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

For the Six Months Ended 30 June 2019

(the figures have not been audited)

	< ----- Non-distributable ----- >						
	Share Capital		Merger	Accumulated	Attributable to	Non-	Total
	Ordinary	Preference	Reserve	Losses	Owners of	controlling	Equity
	Shares	Shares	RM'000	RM'000	the Company	Interests	RM'000
	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	-	-	-	(28,057)	(28,057)	(7,495)	(35,552)
Balance at 30.6.2019	724,691	82,438	(53,065)	(296,836)	457,228	(7,435)	449,793

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 Six Months Ended 30 June 2020

(the figures have not been audited)

	6 Months Ended	
	30.06.2020 RM'000	30.06.2019 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before taxation	(8,884)	(35,743)
Adjustments for:-		
Allowance for stock obsolescence no longer required	(3)	(11)
Amortisation of intangible assets	145	145
Bad debts written off	42	1
Change in fair value of biological assets	741	(64)
Change in fair value of other investment	(4,982)	-
Depreciation of property, plant and equipment	33,525	35,961
Gain on disposal of property, plant and equipment	(4,906)	(2,813)
Interest expense	9,778	11,336
Interest income	(1)	(2)
Property, plant and equipment written off	140	259
Operating profit before working capital changes	25,595	9,069
Change in inventories	2,752	979
Change in trade and other receivables	(2,869)	3,810
Change in trade and other payables	(4,810)	6,984
CASH FROM OPERATIONS	20,668	20,842
Income tax paid	(3,438)	(4,057)
Income tax refunded	-	2,721
Interest paid	(10,675)	(13,296)
Interest received	1	2
NET CASH FROM OPERATING ACTIVITIES	6,556	6,212
BALANCE CARRIED FORWARD	6,556	6,212

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Condensed Consolidated Statement of Cash Flows (Cont'd)

For the Six Months Ended 30 June 2020

(the figures have not been audited)

	6 Months Ended	
	30.06.2020 RM'000	30.06.2019 RM'000
BALANCE BROUGHT FORWARD	6,556	6,212
CASH FLOWS FOR INVESTING ACTIVITIES		
Costs incurred on biological assets	(118)	(201)
Proceeds from disposal of property, plant and equipment	25,693	4,691
Purchase of property, plant and equipment	(3,775)	(9,158)
NET CASH FROM/(FOR) INVESTING ACTIVITIES	21,800	(4,668)
CASH FLOWS FOR FINANCING ACTIVITIES		
Change in bankers' acceptance	(2,734)	10,096
Change in revolving credit	2,600	11,200
Drawdown of term loans	-	2,995
Repayment of lease liabilities	(2,025)	(2,943)
Repayment of term loans	(18,950)	(24,146)
NET CASH FOR FINANCING ACTIVITIES	(21,109)	(2,798)
NET CHANGE IN CASH AND CASH EQUIVALENTS	7,247	(1,254)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	(16,643)	(17,349)
CASH AND CASH EQUIVALENTS AT END OF PERIOD	(9,396)	(18,603)

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Condensed Consolidated Statement of Cash Flows (Cont'd)

For the Six Months Ended 30 June 2020

(the figures have not been audited)

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

	6 Months Ended	
	30.06.2020 RM'000	30.06.2019 RM'000
Cash and bank balances	1,934	699
Deposits with licensed banks	205	187
Bank overdrafts	(11,535)	(19,489)
	<u>(9,396)</u>	<u>(18,603)</u>
Less: Deposits pledged to licensed banks	-	-
	<u>(9,396)</u>	<u>(18,603)</u>

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

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 30 June 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:-

<i>MFRSs and/or IC Interpretations (Including The Consequential Amendments)</i>	<i>Effective Date</i>
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)

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 2020, the Group acquired assets at a cost of RM3.8million.

Assets with a carrying amount of RM80,591,341 were disposed of by the Group during the 6-month period ended 30 June 2020, resulting in a net gain on disposal of RM884,763 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)

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 30 June 2020 was as follows:-

	RM'000
Property, plant and equipment:-	
- Contracted but not provided for	882
- Authorised but not contracted for	-
	<hr/>
	882
	<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 6 Months Ended	
	30.06.2020 RM'000	30.06.2019 RM'000	30.06.2020 RM'000	30.06.2019 RM'000
Consultancy fees paid	8	16	11	17
Contract charges	-	-	-	1,041
Interest paid	74	31	136	62
Management fee	-	125	-	500
Purchase of fertilisers and chemicals	1	34	2	212
Purchase of FFB	1,109	1,236	2,705	2,597
Purchase of property, plant and equipment	6	1	6	15
Purchase of stores and consumables	344	669	592	2,063
Rental received	2	8	4	8
Rental paid	375	207	743	666
Repairs and maintenance	20	44	29	570
Sale of crude palm oil	17,297	14,082	33,159	24,401
Sale of empty bunch ash	-	-	1	-
Sale of FFB	6,393	4,414	13,525	9,151
Sale of property, plant and equipment	-	-	-	4,300
Sale of stores and consumables	17	156	38	700
Transportation and accommodation charges	3	3	4	5
Transportation and handling income	369	350	650	598
Utilities, insurance, and sundry expenses	26	34	46	60
Utilities, insurance, and sundry income	9	5	25	8


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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 6 Months Ended		Changes (%)
	30.06.2020	30.06.2019		30.06.2020	30.06.2019	
	RM'000	RM'000		RM'000	RM'000	
Revenue	82,415	55,972	47.2%	162,774	117,694	38.3%
Gross profit / (loss)	6,332	(5,419)	216.8%	16,498	(9,310)	277.2%
Loss before interest and taxation	(104)	(14,057)	99.3%	894	(24,407)	103.7%
Loss before taxation	(4,269)	(19,762)	78.4%	(8,884)	(35,743)	75.1%
Loss after taxation	(5,145)	(19,650)	73.8%	(10,472)	(35,552)	70.5%
Loss attributable to owners of the Company	(3,197)	(15,889)	79.9%	(5,701)	(28,057)	79.7%

The Group's revenue in current quarter ended 30 June 2020 improved by 47.2% 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 6 Months Ended		Changes (%)
	30.06.2020	30.06.2019		30.06.2020	30.06.2019	
Production (MT)						
FFB	62,498	68,577	-8.9%	118,747	139,894	-15.1%
CPO	28,782	23,428	22.9%	50,033	47,525	5.3%
PK	6,167	4,900	25.8%	10,714	10,237	4.7%
Average selling price (RM per MT)						
FFB	388	324	19.9%	436	331	31.7%
CPO	2,359	1,891	24.8%	2,505	1,905	31.5%
PK	1,228	1,012	21.3%	1,398	1,116	25.3%

CPO and PK production improved by 22.9% and 25.8% to 28,782MT and 6,167MT respectively in current quarter ended 30 June 2020 as compared to corresponding period in 2019 mainly due to higher FFB processed.

The Group recorded gross profit of RM6.3 million for the current quarter as compared to corresponding period in 2019 of RM5.4 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 78.4% 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 RM5.1 million for the current quarter as compared to RM19.7 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 (%)
	30.06.2020	31.03.2020	
	RM'000	RM'000	
Revenue	82,415	80,359	2.6%
Gross (loss) / profit	6,332	10,166	-37.7%
(Loss)/profit before interest and taxation	(104)	998	-110.4%
Loss before taxation	(4,269)	(4,615)	7.5%
Loss after taxation	(5,145)	(5,327)	3.4%
Loss attributable to owners of the Company	(3,197)	(2,504)	-27.7%

Revenue increased by 2.6% mainly due to higher sales volume of CPO, PK, and FFB by 26.1%, 17.2%, and 11.1% respectively despite decline in CPO & PK selling price.

As such, gross profit reduced by RM3.7 million for the current quarter as compared to the immediate preceding quarter. Pre-tax loss shaved by 7.5% mainly due to gain on disposal of Lumiera estate recognized in current quarter ended 30 June 2020.



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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 (%)
	30.06.2020	31.03.2020	
Production (MT)			
FFB	62,498	56,249	11.1%
CPO	28,782	21,250	35.4%
PK	6,167	4,547	35.6%
Average selling price (RM per MT)			
FFB	388	489	-20.7%
CPO	2,359	2,689	-12.3%
PK	1,228	1,598	-23.2%

Loss after taxation reduced by 3.4% 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 2nd half 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 6 Months Ended	
	30.06.2020 RM'000	30.06.2019 RM'000	30.06.2020 RM'000	30.06.2019 RM'000
Tax expense for the year:				
Current tax	1,427	1,045	2,680	2,124
Deferred tax	(551)	(1,157)	(1,092)	(2,315)
	<u>876</u>	<u>(112)</u>	<u>1,588</u>	<u>(191)</u>

The effective tax rate for the current quarter ended 30 June 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	
Advisers	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 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.					
(iii)	On 18 th August 2020, RSB Lundu acquisition SPA have mutually agreed to extend a period of another eighteen (18) months from 18 August 2020 until 18 February 2022 to fulfill the Conditions Subsequent.					
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	-	-
	Total	150.0	124.5		-	-



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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 (cont'd)

<p>Proposal</p>	<p>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”).</p>																																					
<p>Status Pending</p>	<p>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.</p> <p>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. 10% deposit paid upon signing S&P, another 10% shall be paid upon signing SA and the 3rd 10% will be paid upon Biogreen taking possession of Lumiera estate’s operation, and remaining RM59.5 million shall be paid within 2 months upon completing the conditions precedent as stipulated in the S&P.</p> <p>On 12th May 2020, the director’s consent to transfer was obtained. Therefore the company is required to declare RGPT within 60 days from 12th May, 2020 together with 3% purchase price.</p> <p>On 17 July 2020, the application for permission to transfer and charge the land, Lot 2 Block 11 Teraja Land District from Lumiera Enterprise Sdn Bhd (Land Owner) to Biogreen Success Sdn Bhd (Transferee) with amount of consideration of Ringgit Malaysia Eighty-Five Million (RM85,000,000) was approved by Land and Survey Department Sarawak, Miri Region.</p> <p>On 30 July 2020, a redemption sum of RM30,000,000 has been released by purchaser’s financier to fully settle the banking facilities.</p> <p>The sale proceeds and the breakdown of utilisation are tabulated as below:</p> <table border="1" data-bbox="312 1357 1417 1688"> <thead> <tr> <th rowspan="2">No.</th> <th rowspan="2">Purposes</th> <th rowspan="2">Proposed Utilisation (RM’mil)</th> <th rowspan="2">Actual Utilisation (RM’mil)</th> <th rowspan="2">Intended Time-Frame</th> <th colspan="2">Deviation</th> </tr> <tr> <th>RM’mil</th> <th>%</th> </tr> </thead> <tbody> <tr> <td>1.</td> <td>Repayment of Lumiera Credit Facilities</td> <td>30.5</td> <td>30.5</td> <td>3rd Quarter 2020</td> <td>-</td> <td>-</td> </tr> <tr> <td>2.</td> <td>Repayment of advances</td> <td>30.0</td> <td>-</td> <td>3rd Quarter 2020</td> <td>-</td> <td>-</td> </tr> <tr> <td>3.</td> <td>Working capital and defray expenses relating to Corporate Proposals</td> <td>24.5</td> <td>24.5</td> <td>3rd Quarter 2020</td> <td>-</td> <td>-</td> </tr> <tr> <td></td> <td>Total</td> <td>85.0</td> <td>55.0</td> <td></td> <td>-</td> <td>-</td> </tr> </tbody> </table>	No.	Purposes	Proposed Utilisation (RM’mil)	Actual Utilisation (RM’mil)	Intended Time-Frame	Deviation		RM’mil	%	1.	Repayment of Lumiera Credit Facilities	30.5	30.5	3 rd Quarter 2020	-	-	2.	Repayment of advances	30.0	-	3 rd Quarter 2020	-	-	3.	Working capital and defray expenses relating to Corporate Proposals	24.5	24.5	3 rd Quarter 2020	-	-		Total	85.0	55.0		-	-
No.	Purposes						Proposed Utilisation (RM’mil)	Actual Utilisation (RM’mil)	Intended Time-Frame	Deviation																												
		RM’mil	%																																			
1.	Repayment of Lumiera Credit Facilities	30.5	30.5	3 rd Quarter 2020	-	-																																
2.	Repayment of advances	30.0	-	3 rd Quarter 2020	-	-																																
3.	Working capital and defray expenses relating to Corporate Proposals	24.5	24.5	3 rd Quarter 2020	-	-																																
	Total	85.0	55.0		-	-																																



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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 (cont'd)

Proposal	<p>On 4 June 2020, Rimbunan Sawit Berhad (“RSB”) wholly-owned subsidiary namely Woodijaya Sdn. Bhd. had entered into a Sale and Purchase Agreement with Muzana Plantation JV Sdn. Bhd. to dispose one (1) parcel of land situated at between Sungai Bakong and Sungai Baram, Baram containing an area of 2,819 hectares, more or less and described as Lot 1200, Puyut Land District 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 Fifty-Three Million (RM53,000,000) only (“Proposed Disposal”).</p>																																					
Status Pending	<p>The total sale consideration of RM53 million was arrived at on a “willing buyer willing seller” basis. In addition, it is also in reference to the estate’s value in use and valuation reports on the estate dated 15 January 2020 prepared by Henry Butcher (Malaysia) Sdn. Bhd.</p> <p>The sale proceeds from the Proposed Disposal will be utilized to repay the bank borrowings and to strengthen the Group’s cash flow position. It is part of the Group rationalization plan to further streamline and to better manage its portfolio of oil palm estate.</p> <p>The Proposed Disposal is condition upon obtaining Land and Survey Department’s consent to transfer the land to Muzana Plantation JV Sdn. Bhd. and charged to its Financier.</p> <p>On 4 June 2020, 15% of purchase price has been paid as S&P deposit, and remaining RM43,460,000 shall be paid within 3 months upon completing the conditions precedent as stipulated in the S&P.</p> <p>On 15 July 2020, the application for permission to transfer and charge the land, Lot 1200 Puyut Land District from Woodijaya Sdn Bhd (Land Owner) to Muzana Plantation JV Sdn Bhd (Transferee) with amount of consideration of Ringgit Malaysia Fifty-Three Million (RM53,000,000) was approved by Land and Survey Department Sarawak, Miri Region.</p> <p>The sale proceeds and the breakdown of utilisation are as below:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th rowspan="2">No.</th> <th rowspan="2">Purposes</th> <th rowspan="2">Proposed Utilisation (RM'mil)</th> <th rowspan="2">Actual Utilisation (RM'mil)</th> <th rowspan="2">Intended Time-Frame</th> <th colspan="2">Deviation</th> </tr> <tr> <th>RM'mil</th> <th>%</th> </tr> </thead> <tbody> <tr> <td>1.</td> <td>Repayment of Woodijaya Credit Facilities</td> <td>5.0</td> <td>-</td> <td>4th Quarter 2020</td> <td>-</td> <td>-</td> </tr> <tr> <td>2.</td> <td>Repayment of Group short term borrowings</td> <td>15.0</td> <td>-</td> <td>4th Quarter 2020</td> <td>-</td> <td>-</td> </tr> <tr> <td>3.</td> <td>Working capital and defray expenses relating to Corporate Proposals</td> <td>33.0</td> <td>7.95</td> <td>4th Quarter 2020</td> <td>-</td> <td>-</td> </tr> <tr> <td></td> <td>Total</td> <td>53.0</td> <td>7.95</td> <td></td> <td>-</td> <td>-</td> </tr> </tbody> </table>	No.	Purposes	Proposed Utilisation (RM'mil)	Actual Utilisation (RM'mil)	Intended Time-Frame	Deviation		RM'mil	%	1.	Repayment of Woodijaya Credit Facilities	5.0	-	4 th Quarter 2020	-	-	2.	Repayment of Group short term borrowings	15.0	-	4 th Quarter 2020	-	-	3.	Working capital and defray expenses relating to Corporate Proposals	33.0	7.95	4 th Quarter 2020	-	-		Total	53.0	7.95		-	-
No.	Purposes						Proposed Utilisation (RM'mil)	Actual Utilisation (RM'mil)	Intended Time-Frame	Deviation																												
		RM'mil	%																																			
1.	Repayment of Woodijaya Credit Facilities	5.0	-	4 th Quarter 2020	-	-																																
2.	Repayment of Group short term borrowings	15.0	-	4 th Quarter 2020	-	-																																
3.	Working capital and defray expenses relating to Corporate Proposals	33.0	7.95	4 th Quarter 2020	-	-																																
	Total	53.0	7.95		-	-																																

Save as disclosed above, there were no corporate proposals announced but not completed as at 19 August 2020, 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
B7 Group Borrowings

	As at 30.06.2020 (RM'000)			As at 31.12.2019 (RM'000)		
	Short-term	Long-term	Total	Short-term	Long-term	Total
Secured:-						
Bank overdrafts	9,050	-	9,050	10,083	-	10,083
Bankers' acceptance	15,254	-	15,254	15,517	-	15,517
Lease liabilities	6,467	1,039	7,506	3,454	5,971	9,425
Revolving credit	162,291	-	162,291	157,291	-	157,291
Term loans	27,879	209,096	236,975	57,195	197,611	254,806
	220,941	210,135	431,076	243,540	203,582	447,122
Unsecured:-						
Bank overdrafts	2,485	-	2,485	7,541	-	7,541
Bankers' acceptance	10,185	-	10,185	12,656	-	12,656
Loans	3,020	-	3,020	3,020	-	3,020
Promissory note	4,200	-	4,200	4,200	-	4,200
Revolving credit	28,500	-	28,500	30,900	-	30,900
Term loans	-	390	390	1,118	390	1,508
	48,390	390	48,780	59,435	390	59,825
Total Borrowings	269,331	210,525	479,856	302,975	203,972	506,947

- 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 ranging from 2.9% to 4.0% 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)**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 19 August 2020 being the latest practicable date.

B9 Dividends

No interim dividend has been declared for the period ending 30 June 2020.

B10 Loss Per Share

	Individual Quarter 3 Months Ended		Cumulative Quarter 6 Months Ended	
	30.06.2020	30.06.2019	30.06.2020	30.06.2019
Loss attributable to owners of the Company (RM'000)	(3,197)	(15,889)	(5,701)	(28,057)
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)	(0.16)	(0.78)	(0.28)	(1.37)

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 6 Months Ended	
	30.06.2020 RM'000	30.06.2019 RM'000	30.06.2020 RM'000	30.06.2019 RM'000
Allowance for stock obsolescence no longer required	(1)	(5)	(3)	(11)
Amortisation of intangible assets	72	72	145	145
Bad debts written off	6	1	42	1
Change in fair value of biological assets	(498)	(363)	741	(64)
Change in fair value of other investment	-	-	(4,982)	-
Depreciation of property, plant and equipment	16,641	18,084	33,525	35,961
Directors' remuneration	70	93	140	229
Finance costs	4,165	5,705	9,778	11,336
(Gain) / Loss on disposal of property, plant and equipment	(4,985)	(75)	(4,906)	(2,813)
Interest income	-	-	(1)	(2)
Management fee	-	125	-	500
Property, plant and equipment written off	48	36	140	259
Rental income	(9)	(145)	(18)	(168)
Rental on equipment	104	233	105	234
Rental on premises	368	217	746	679
Staff costs:-				
- short-term employee benefits	6,376	6,961	13,883	15,067
- defined contribution plan	723	768	1,509	1,662



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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 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 30 June 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 25 August 2020.