RIMBUNAN SAWIT BERHAD
(Company No. 691393-U)
No. 85 & 86, Pusat Suria Permata, Jalan Upper Lanang 12A, 96000 Sibu, Sarawak, Malaysia
Telephone No.: 084-218555 Facsimile No.: 084-219555 Email: rsb@rsb.com.my

Interim Financial Statements
For the 3rd Quarter Ended 30 September 2011

Page

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Condensed Consolidated Statement of Comprehensive Income
For the 3rd Quarter Ended 30 September 2011

	Individual quarter 3 months ended		Cumulative quarter 9 months ended	
	30.09.2011 RM'000	**30.09.2010 RM'000**	**30.09.2011 RM'000**	**30.09.2010 RM'000**
Revenue	98,613	58,738	267,205	145,249
Cost of sales	(68,006)	(36,469)	(160,813)	(97,039)
Gross profit	30,607	22,269	106,392	48,210
Other income	4,197	693	5,517	1,270
Distribution costs	(3,540)	(2,310)	(9,344)	(6,658)
Administrative and other expenses	(4,556)	(2,537)	(12,630)	(6,290)
Profit from operations	26,708	18,115	89,935	36,532
Finance costs	(3,441)	(2,622)	(11,181)	(6,877)
Share of results in associate	186	-	186	-
Profit before taxation	23,453	15,493	78,940	29,655
Income tax expense	(5,432)	(3,742)	(18,523)	(7,442)
Profit after taxation	18,021	11,751	60,417	22,213
Profit attributable to:-				
Owners of the Company	17,855	10,365	57,602	20,810
Non-controlling interests	166	1,386	2,815	1,403
	18,021	11,751	60,417	22,213
Earnings per ordinary share attributable to owners of the Company (sen): -				
Basic earnings per share	10.92	8.08	36.07	16.22
Diluted earnings per share	4.99	N/A	16.29	N/A

The condensed consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the financial period ended 31 December 2010 and the accompanying explanatory notes attached to the interim financial statements.

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Condensed Consolidated Statement of Financial Position
As At 30 September 2011

	As at end of current quarter 30.09.2011 (Unaudited) RM'000	As at preceding financial period ended 31.12.2010 (Restated) RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	495,613	485,294
Biological assets	598,321	683,248
Intangible assets	23,390	23,809
Investment in associate	24,316	-
Deferred tax assets	5,746	4,655
Goodwill on consolidation	53,995	53,913
	1,201,381	1,250,919
Current assets		
Inventories	24,133	21,975
Trade and other receivables	55,018	26,253
Tax recoverable	-	58
Islamic deposits	4,091	4,868
Cash and bank balances	378	313
	83,620	53,467
TOTAL ASSETS	1,285,001	1,304,386
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the Company		
Share capital		
- Ordinary shares	81,782	78,299
- Irredeemable convertible preference shares ("ICPS")	96,987	96,987
Reserves	301,846	251,797
	480,615	427,083
Non-controlling interests	85,797	116,354
Total equity	566,412	543,437
Non-current liabilities		
Borrowings	180,065	149,920
Deferred tax liabilities	140,889	142,983
	320,954	292,903

Condensed Consolidated Statement of Financial Position (Cont'd)
As At 30 September 2011

	As at end of current quarter 30.09.2011 (Unaudited) RM'000	As at preceding financial period ended 31.12.2010 (Restated) RM'000
Current liabilities		
Trade and other payables	160,190	194,401
Bank overdraft	15,935	19,435
Borrowings	220,051	249,231
Provision for taxation	1,459	4,979
	397,635	468,046
Total liabilities	718,589	760,949
TOTAL EQUITY AND LIABILITIES	1,285,001	1,304,386
Net assets per ordinary share attributable to equity holders of the Company (RM)	2.94	2.73

The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the financial period ended 31 December 2010 and the accompanying explanatory notes attached to the interim financial statements.

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Condensed Consolidated Statement of Changes in Equity
For the Nine-Month Period Ended 30 September 2011

	<Share capital>		<Non-Distributable>		Distributable			
	Ordinary shares	ICPS	Share premium	Merger reserves	Retained profits	Total	Non controlling interests	Total equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
9 months ended 30 September 2011								
At 1 January 2011								
As previously reported	78,299	96,987	183,908	(44,631)	112,520	427,083	116,354	543,437
Effects of adopting FRS 139	-	-	-	-	233	233	41	274
As restated	78,299	96,987	183,908	(44,631)	112,753	427,316	116,395	543,711
Adjustment for common control business combinations	1,915	-	6,868	(8,776)	969	976	(1,002)	(26)
Acquisition of subsidiary	-	-	-	-	-	-	165	165
Acquisition of additional equity interests in subsidiaries	1,568	-	5,620	-	(5,487)	1,701	(14,422)	(12,721)
Disposal of subsidiary	-	-	-	-	(366)	(366)	(18,154)	(18,520)
Dividends								
-Owners of the company	-	-	-	-	(6,614)	(6,614)	-	(6,614)
Total comprehensive income for the financial period	-	-	-	-	57,602	57,602	2,815	60,417
At 30 September 2011	81,782	96,987	196,396	(53,407)	158,857	480,615	85,797	566,412

Condensed Consolidated Statement of Changes in Equity (Cont'd)
For the Nine-Month Period Ended 30 September 2011

	<Share Capital>		<Non-Distributable>		Distributable			
	Ordinary shares	ICPS	Share premium	Merger reserves	Retained profits	Total	Non controlling interests	Total equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
9 months ended 30 September 2010								
At 1 January 2010	64,133	-	6,866	(44,631)	74,765	101,133	-	101,133
Adjustment for common control business combinations	-	-	-	284	(284)	-	-	-
Dividends	-	-	-	-	(3,367)	(3,367)	-	(3,367)
Acquisition of subsidiaries	-	-	-	-	-	-	113,279	113,279
Total comprehensive income for the financial period	-	-	-	-	20,810	20,810	1,403	22,213
At 30 September 2010	64,133	-	6,866	(44,347)	91,924	118,576	114,682	233,258

The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the financial period ended 31 December 2010 and the accompanying explanatory notes attached to the interim financial statements.

Condensed Consolidated Statement of Cash Flows
For the Nine-Month Period Ended 30 September 2011

	9 months ended	
	30.09.2011 RM'000	**30.09.2010 RM'000**
Cash Flows from Operating Activities		
Profit before taxation	78,940	29,655
Adjustments for: -		
Amortisation of biological assets	15,192	3,160
Amortisation of intangible assets	92	95
Depreciation of property, plant and equipment	13,377	7,178
Interest expenses	11,181	6,877
Interest income	(150)	(232)
Profit on disposal of subsidiary	(3,210)	-
Share of results in associate	(186)	-
Loss on disposal of property, plant and equipment	42	30
Profit on disposal of property, plant and equipment	(508)	(837)
Operating profit before working capital changes	114,770	45,926
Increase in inventories	(3,848)	(4,422)
(Increase)/decrease in receivables	(29,376)	76,561
Increase in payables	2,525	43,577
Cash generated from operations	84,071	161,642
Interest received	150	232
Interest paid	(90)	(107)
Tax paid	(11,546)	(6,462)
Net cash provided by operating activities	72,585	155,305
Cash Flows for Investing Activities		
Purchase of property, plant and equipment	(54,917)	(33,268)
Purchase of intangible assets	(13)	(23,617)
Additions to biological assets	(47,571)	(20,635)
Proceed from disposal of property, plant and equipment	1,120	1,361
Proceed from disposal of subsidiary	13,091	-
Acquisition of subsidiaries (net of cash and cash equivalents)	(13,718)	(67,120)
Net cash used in investing activities	(102,008)	(143,279)

Condensed Consolidated Statement of Cash Flows (Cont'd)
For the Nine-Month Period Ended 30 September 2011

	9 months ended	
	30.09.2011	**30.09.2010**
	RM'000	**RM'000**
Cash Flows from/(for) Financing Activities		
Dividend paid	(6,614)	(3,367)
Net of repayment and drawdown of bankers' acceptance	5,349	7,574
Payment of interest on hire purchase, loan and Islamic securities	(11,091)	(6,770)
Repayment of hire purchase liabilities	(1,002)	(42)
Proceed from term loans and Islamic securities	145,770	6,340
Islamic deposits held on trust for investors	777	2,589
Repayment of term loans and Islamic securities	(100,200)	(31,250)
Net cash provided by/(used in) financing activities	32,989	(24,926)
Net increase/(decrease) in cash and cash equivalents	3,566	(12,900)
Cash and cash equivalents at beginning of financial period	(19,124)	6,407
Cash and cash equivalents at end of financial period	(15,558)	(6,493)

Cash and cash equivalents at the end of the financial period comprise the followings: -

	As at 30.09.2011 RM'000	**As at 30.09.2010 RM'000**
Cash and bank balances	378	483
Bank overdraft	(15,935)	(6,975)
Islamic deposits	4,091	4,807
	(11,466)	(1,685)
Less: Bank balances held on trust for Islamic Securities Investors	(1)	(1)
Less: Islamic deposits held on trust for Islamic Securities Investors	(4,091)	(4,807)
	(15,558)	(6,493)

The condensed consolidated statement of cash flows should be read in conjunction with the audited financial statements for the financial period ended 31 December 2010 and the accompanying explanatory notes attached to the interim financial statements.

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 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 period ended 31 December 2010. 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 period ended 31 December 2010.

The significant accounting policies and methods of computation adopted by the Group in the interim financial statements are consistent with those adopted in the audited financial statements for the financial period ended 31 December 2010 except for the adoption of new and revised FRSs, IC Interpretations and amendments to FRSs and IC Interpretations which are applicable to financial statements:-

FRSs and IC	Interpretations (including the Consequential Amendments)	Effective Date
FRS 1 (Revised)	First-time Adoption of Financial Reporting Standards	1 July 2010
FRS 3 (Revised)	Business Combinations	1 July 2010
FRS 4	Insurance Contracts	1 January 2010
FRS 7	Financial Instruments: Disclosures	1 January 2010
FRS 101 (Revised)	Presentation of Financial Statements	1 January 2010
FRS 123 (Revised)	Borrowing Costs	1 January 2010
FRS 127 (Revised)	Consolidated and Separate Financial Statements	1 July 2010
FRS 139	Financial Instruments: Recognition and Measurement	1 January 2010
Amendments to FRS 1 and FRS 127	Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate	1 January 2010
Amendments to FRS 1 (Revised)	Limited Exemption from Comparative FRS 7 Disclosure for First-time Adopters	1 January 2011
Amendments to FRS 1	Additional Exemption for First-time Adopters	1 January 2011
Amendments to FRS 2	Vesting Conditions and Cancellations	1 January 2010
Amendments to FRS 2	Scope of FRS 2 and FRS 3 (Revised)	1 July 2010
Amendments to FRS 2	Group Cash-settled Share-based Payment Transactions	1 January 2011
Amendments to FRS 5	Plan to Sell the Controlling Interest in a Subsidiary	1 January 2010
Amendments to FRS 7	Improving Disclosures about Financial Instruments	1 January 2011
Amendments to FRS 101 and FRS 132	Puttable Financial Instruments and Obligations Arising on Liquidation	1 January 2010
Amendments to FRS 117	Lease	1 January 2010
Amendments to FRS 132	Classification of Rights Issues and the Transitional Provision in Relation to Compound Instruments	1 January 2010

A1 Basis of Preparation (Cont'd)

FRSs and IC	Interpretations (including the Consequential Amendments)	Effective Date
Amendments to FRS 138	Consequential Amendments Arising from FRS 3 (Revised)	1 July 2010
IC Interpretation 4	Determining Whether an Arrangement Contains a Lease	1 January 2011
IC Interpretation 9	Reassessment of Embedded Derivatives	1 January 2010
IC Interpretation 10	Interim Financial Reporting and Impairment	1 January 2010
IC Interpretation 11 FRS 2	Group and Treasury Share Transactions	1 January 2010
IC Interpretation 12	Service Concession Arrangements	1 July 2010
IC Interpretation 13	Customer Loyalty Programmes	1 January 2010
IC Interpretation 14 FRS 119	The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction	1 January 2010
IC Interpretation 16	Hedges of a Net Investment in a Foreign Operation	1 July 2010
IC Interpretation 17	Distributions of Non-cash Assets to Owners	1 July 2010
IC Interpretation 18	Transfers of Assets from Customers	1 January 2011
Amendments to IC Interpretation 9	Scope of IC Interpretation 9 and FRS 3 (Revised)	1 July 2010
Amendments to IC Interpretation 15	Effective Date and Transition	1 January 2012
Annual Improvements to FRSs (2009)		1 January 2010
Annual Improvements to FRSs (2010)		1 January 2011

The above accounting standards and interpretations are not relevant to the Group's operations except as follows:-

FRS 3 (Revised) Business Combinations

Revised FRS 3 - Business Combinations, which is to be applied prospectively, continues to apply the acquisition method to business combinations, with some significant changes. All acquisition-related costs, other than share and debts issue costs, should be expensed as incurred. The revised standard also requires any pre-existing interest in the acquiree to be measured at fair value with the gain or loss recognized in profit or loss. The measurement of non-controlling interest (previously known as minority interest) under the revised standard will be at either fair value, or at its proportionate interest in the identified assets and liabilities of the acquiree. The Group will apply FRS 3 prospectively to all business combinations from 1 January 2011.

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

A1 Basis of Preparation (Cont'd)

FRS 101 Presentation of Financial Statements

FRS 101 (Revised) introduces the statement of comprehensive income, with all items of income and expense recognised in profit or loss, together with all other items of recognised income and expense recognised directly in equity, either in one single statement, or in two linked statements. The Group has elected to present this statement as one single statement. The revised standard also separates owner and non-owner changes in equity. The statement of changes in equity includes only details of transactions with owners, with all non-owner changes in equity presented in the statement of comprehensive income as other comprehensive income.

Amendments to FRS 117 Leases

Prior to the adoption of the Amendment to FRS 117, leasehold lands were treated as operating leases. The considerations paid were classified and presented as prepaid lease payments. This amendment removes the classification of leases of land and of buildings, and instead, requires assessment of classification based on the risks and rewards of the lease itself. With the adoption of the Amendment to FRS 117, the Group has reassessed and determined that leasehold land amounted to RM 135,882,164 of the Group are in substance finance leases and has reassessed and reclassified the leasehold land to property, plant and equipment. The change in accounting policy has been made retrospectively in accordance with the transitional provisions of the amendment. The reclassification has no effect to the profit or loss of the current financial period ended 30 September 2011 or the comparative prior financial period.

The effect of the reclassification to the comparative of the prior financial year's consolidated statement of financial position is as follows:

	As Previously stated RM'000	Effects of Reclassification RM'000	At Restated RM'000
As at 31 December 2010			
Prepaid land lease payments	135,882	(135,882)	-
Property, plant and equipment	349,412	135,882	485,294

FRS 127 (Revised) Consolidated and Separate Financial Statements

Revised FRS 127 - Consolidated and Separate Financial Statements, which applies prospectively to transactions with non-controlling interests from 1 January 2011, requires the changes in the parent's ownership interest that do not result in a loss of control of the subsidiary are accounted for as equity. The revised standard further requires the allocation of losses to non-controlling interests even if it results in non-controlling interests in the deficit position. When the parent company ceases to have a controlling financial interest in a subsidiary, the parent is required to deconsolidate the subsidiary as of the date on which its control ceased. Any remaining interest in the entity is remeasured to fair value, and a gain or loss is recognised in the income statement.

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

A1 Basis of Preparation (Cont'd)

FRS 139 Financial Instruments: Recognition and Measurement

FRS 139 establishes the principles for the recognition and measurement of financial assets and financial liabilities including circumstances under which hedge accounting is permitted. The effects arising from the adoption of this standard has been accounted for by adjusting the opening balance of the retained earnings as at 1 January 2011. The major changes and effects arising from the adoption of this Standard are as follows:

(i) Financial Assets

Under FRS 139, an entity may classify its financial assets as financial assets at fair value through profit or loss, held to maturity investments, loans and receivables or available-for-sale financial assets, as appropriate.

The Group's financial assets include loans and receivables:

• Loans and receivables

Trade receivables and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as loans and receivables financial assets. Loans and receivables financial assets are measured at amortised cost using the effective interest method, less any impairment loss. Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

(ii) Financial Liabilities

All financial liabilities are initially recognised at fair value plus direct attributable transaction costs and subsequently measured at amortised cost using the effective interest method other than those categorised as fair value through profit or loss.

Fair value through profit or loss category comprises financial liabilities that are either held for trading or are designated to eliminate or significantly reduce a measurement or recognition inconsistency that would otherwise arise.

(iii) Impact on opening balances

In accordance with the transitional provisions for the first time adoption of FRS 139, the above changes in accounting policy have been accounted for prospectively and the comparatives are not restated. The effects arising from the adoption of this standard has been accounted for by adjusting the opening balances in statement of financial position as at 1 January 2011 as follows:

	As at 31 December 2010 RM'000	Effect of Adopting FRS 139 RM'000	As at 1 January 2011 RM'000
Liabilities			
Trade and other payables	194,401	(274)	194,127

A2 Comments about Seasonality or Cyclicality 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 the 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 during the current quarter and the financial year-to-date.

A4 Changes in Estimates

There were no changes in estimates that have had a material effect in the current quarter and the financial year-to-date results.

A5 Debt and Equity Securities

Save as disclosed below, there were no issuances, cancellations, repurchases, resale and repayments of debt and equity securities during the financial period ended 30 September 2011:

<u>Sukuk Ijarah Commercial Paper (CP)</u>
The Group redeemed total borrowing of RM54.2 million in the financial period as stated below:
- RM5 million on 25 February 2011;
- RM10 million on 25 May 2011;
- RM29.20 million on 23 June 2011; and
- RM10 million on 23 September 2011.

The Group issued CP of RM10 million each on 25 February 2011, 23 June 2011 and 23 September 2011 respectively and RM19.2 million of CP on 23 June 2011.

<u>Sukuk Ijarah</u>
The Group redeemed borrowing of RM20 million on 23 June 2011.

A6 Dividends Paid

A final dividend of 2 sen per ordinary share and irredeemable convertible preference share in respect of the financial period ended 31 December 2010 was paid on 28 June 2011 as follows:-

(a) a final dividend of 2.0 sen per ordinary share consisting of:-

   (i) franked dividend of 0.6 sen per ordinary share less 25% tax amounting to RM736,034; and
   (ii) single tier dividend of 1.4 sen per ordinary share amounting to RM2,289,884;

A6 Dividends Paid (Cont'd)

(b) a final dividend of 2.0 sen per irredeemable convertible preference share consisting of:-

(i) franked dividend of 0.6 sen per irredeemable convertible preference share less 25% tax amounting to RM872,878; and

(ii) single tier dividend of 1.4 sen per irredeemable convertible preference share amounting to RM2,715,620.

A7 Segmental Information

The Group operates solely in Malaysia and the Group's predominant activities are cultivation of oil palm and milling operations, which are within a single business segment. Therefore, segmental reporting is deemed not necessary.

A8 Property, Plant and Equipment

(a) Acquisitions and Disposals

During the 3-months financial period ended 30 September 2011, the Group acquired items of property, plant and equipment with a total cost of RM30.21 million.

The Group disposed items of property, plant and equipment with a total cost of RM1.24 million during the 3-months financial period ended 30 September 2011.

(b) Impairment Losses

Neither loss from impairment of property, plant and equipment nor reversal of such impairment losses were recognised during the 3-months financial period ended 30 September 2011.

(c) Valuations

As at 30 September 2011, the Group did not have any revalued assets.

A9 Subsequent Events

Except for those disclosed as below and note in B8, there were no other material events after the period end that had not been reflected in the financial statements for the financial period ended 30 September 2011.

The proposals as below have been duly approved by the shareholders of the Company at the Extraordinary General Meeting held on 22 August 2011.

(i) Proposed renounceable rights issue ("PRRI") of up to 490,689,354 new ordinary shares of RM0.50 each in RSB on the basis of 3 rights shares for every 1 existing ordinary share of RM0.50 each held in RSB;

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

A9 Subsequent Events (Cont'd)

(ii) Proposed bonus issue ("PBI") of up to 654,252,472 new shares on the basis of 1 bonus share for every 1 share held after the ("PRRI");

(iii) Proposed increase in the authorized share capital of RSB from RM500,000,000 comprising 700,000,000 shares and 300,000,000 irredeemable convertible preference shares of RM0.50 each ("ICPS") to RM1,250,000,000 comprising 2,200,000,000 shares and 300,000,000 ICPS of RM0.50 each; and

(iv) Proposed amendment to the Memorandum of Association of RSB.

The PRRI has been completed following the listing of and quotation for 490,689,354 rights shares on 27 October 2011, whereas the PBI was completed following the listing and quotation for 654,252,472 new ordinary shares on 14 November 2011.

A10 Changes in Composition of Group

(a) During the financial period under review, RSB acquired the remaining 15% equity interest in Nescaya Palma Sdn Bhd, Novelpac-Puncakdana Plantation Sdn Bhd and Woodijaya Sdn Bhd to become wholly owned subsidiaries. RSB had also on 23 May 2011 subscribed 85% of the fully paid up capital in the share capital of Burung Tiong Helicopter Sdn Bhd, namely 1,020,000 ordinary shares at par value of RM1 each for a total consideration sum of RM1,020,000.00 and became a 85% owned subsidiary of the Company. Acquisition of additional 15% equity interest in existing subsidiary, PJP Pelita Biawak Plantation Sdn Bhd was completed on 19 September 2011 which became 85% owned subsidiary with purchase consideration of RM12,700,326.00 wholly satisfied by cash.

The cost of acquisitions comprises the followings:-

	9 months ended 30.09.2011 RM'000
Purchase consideration satisfied by cash	13,720
Purchase consideration satisfied by issuing ordinary shares	16,019
Total cost of business combination	29,739

The cash outflow on acquisitions is as follows:-

	9 months ended 30.09.2011 RM'000
Total cost of business combination	29,739
Less: Purchase consideration other than cash	(16,019)
Cash and cash equivalents of subsidiaries acquired	(2)
Net cash outflow of the Group	13,718

A10 Changes in Composition of Group (Cont'd)

(b) Disposal of 21% equity interest in total issued and paid up capital in Lubuk Tiara Sdn Bhd for a total cash consideration sum of RM13,100,723.00 was completed on 19 September 2011. Lubuk Tiara Sdn Bhd ceased to be a subsidiary and became an associate of RSB thereon. The results of the disposal of subsidiary, Lubuk Tiara Sdn Bhd on the Group's assets and liabilities are as follow:-

	Fair Value RM'000	Acquirees' Carrying amount RM'000
Property, plant and equipment	30,845	21,612
Biological assets	121,233	80,251
Intangible assets	21	21
Inventories	1,691	1,691
Trade and other receivables	1,662	1,662
Cash and bank balances	10	10
Trade and other payables	(37,151)	(37,151)
Borrowings – Others	(52,809)	(52,809)
Deferred tax liabilities	(13,973)	(1,183)
Total net assets	51,529	14,104
Less: Non-controlling interests	(18,154)	
Group share of net assets	33,375	

The sales proceed on disposal as follows:-

	9 months ended 30.09.2011 RM'000
Sales proceed satisfied by cash	13,101

The cash inflow on disposal is as follows:-

	9 months ended 30.09.2011 RM'000
Sales proceed on disposal	13,101
Cash and cash equivalents of subsidiary disposed	(10)
Net cash inflow of the Group	13,091

A11 Contingent Liabilities and Contingent Assets

As at 16 November 2011, there were no material contingent liabilities or contingent assets which, upon being enforceable, might have a material impact on the financial position or business of the Group.

A12 Capital Commitment

Save as disclosed below, as at 16 November 2011, there was no material commitment for capital expenditure contracted for or known to be contracted by the Group which might have a material impact on the financial position or business of the Group: -

	Contracted RM'000
Property, plant and equipment	8,127

A13 Related Party Transactions

	3 months ended		**9 months ended**	
	30.09.2011 RM'000	**30.09.2010 RM'000**	**30.09.2011 RM'000**	**30.09.2010 RM'000**
Purchase of fresh fruit bunches	2,040	4,442	2,790	15,319
Purchase of fertilizer and chemical	17,417	6,160	34,358	10,501
Purchase of diesel	3,586	1,332	10,244	3,121
Purchase of spare parts, harvesting and weeding tools, repair and maintenance	2,117	946	7,174	2,313
Insurance premium charged	232	155	602	346
Transportation	1,423	557	3,663	3,114
Sales of fresh fruit bunches	29,698	17,355	75,514	23,206
Sales of seedlings	307	5	307	64
Project development contract	1,460	297	3,383	579
Recruitment charges	384	92	759	217
Purchase of seedlings	544	111	1,121	208
Land development, field maintenance and management charges	7,467	6,601	23,868	14,377
Machinery and motor vehicle rental	-	303	2,163	919
Rental of premises	2	7	35	23
Repairs of plant & machineries	124	57	204	104
Repairs of motor vehicles	133	58	348	84
Interest paid	685	649	2,110	1,300
Purchase of motor vehicles	214	138	606	138
Purchases of equipments	108	21	234	44
Purchases of plant and machineries	1,613	-	1,936	-

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

B1 Review of Performance

The Group registered total revenue of RM98.61 million for the current quarter under review, representing an increase of 67.89% as compared to RM58.74 million reported in the corresponding periods of last year. The increase in revenue was mainly attributed by more favourable average crude palm oil ("CPO") and palm kernel ("PK") prices realised and higher volume of fresh fruit bunches ('FFB") production during the current quarter.

The higher FFB production for the current quarter also attributed by the addition of nine plantation estates and one commercial rights on plantation estate since September 2010. This resulted in total FFB production growth of 56.01% for the Group over the last year corresponding periods.

The Group also achieved an increase in sales volume of CPO and PK during the current quarter by 29.84% and 13.34% respectively compared to last year corresponding periods. The average selling prices also increased by 18.01% and 12.48% for CPO and PK respectively during the current quarter compared to corresponding periods of last year.

The Group registered a higher profit before taxation of RM23.45 million compared to RM15.49 million recorded in the corresponding periods of last year, principally due to higher prices on palm products and higher FFB production.

B2 Material Change in Profit Before Taxation For The Quarter Compared To Immediate Preceding Quarter

For the current quarter under review, the Group recorded a profit before taxation of RM23.45 million as compared to RM32.83 million recorded in the immediate preceding quarter. The decrease in the current quarter profit before taxation compared to the profit before taxation in the immediate preceding quarter was mainly due to higher dosage and more manuring rounds during the current quarter, resulting manuring cost increased by 94.12% compared to the immediate preceding quarter. The average selling prices for CPO and PK for the current quarter decreased by 8.01% and 23.62% respectively compared to immediate preceding quarter.

B3 Commentary on Prospects

The Group's prospects for the final quarter are strongly depending on the development in the world edible oil and related market, world economic movement and their corresponding effect on CPO prices. Based on the current market trend and demand for CPO, the Directors are of the opinion that following seasonal high FFB production in the final quarter of the year will continue to add momentum to the coming quarter results and the Group's performance will remain stable and optimistic.

B4 Actual Profit Against Profit Forecast And Profit Guarantee

The Group did not issue any profit forecast and profit guarantee for the financial year.

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

B5 Income Tax Expense

	3 months ended		9 months ended	
	30.09.2011 RM'000	30.09.2010 RM'000	30.09.2011 RM'000	30.09.2010 RM'000
Current tax	1,496	1,907	7,921	5,793
Deferred tax	3,936	1,835	10,602	1,649
Total income tax expense	5,432	3,742	18,523	7,442

B6 Sales of Unquoted Investments and Properties

Save as disclosed in note A10 (b), there were no sales of unquoted investments and properties for the financial period ended 30 September 2011.

B7 Quoted Securities

There was no purchase or disposal of quoted securities for the financial period ended 30 September 2011.

B8 Corporate Proposals

On 11 February 2011, the Company's subsidiary, R.H. Plantation Sdn Bhd had entered into a Memorandum with Sheba Resources Sdn Bhd with an intention to purchase all that parcel of land with Oil Palm Plantation thereon situate at Sungai Luai and Sungai Bawah, Niah, containing an area of 4,857 hectares, more or less and described as Lot 56, Sawai Land District for a total cash consideration sum of RM118 million. R.H. Plantation Sdn Bhd, had on 3 June 2011 entered into a conditional sale and purchase agreement with Sheba Resources Sdn Bhd for the proposed acquisition.

The proposed acquisition was duly approved by the shareholders of the Company at the Extraordinary General Meeting held on 22 August 2011.

B9 Borrowings and Debt Securities

	As at 30.09.2011 RM'000	As at 31.12.2010 RM'000
Current – Secured		
Bank overdraft	15,935	19,435
Islamic securities	57,800	67,200
Banker acceptance	10,286	4,937
Hire purchase	1,535	354
Term loan	150,430	176,740
	235,986	268,666

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

B9 Borrowings and Debt Securities (Cont'd)

	As at 30.09.2011 RM'000	As at 31.12.2010 RM'000
Non-current – Secured		
Islamic securities	41,250	82,300
Hire purchase	1,775	150
Term loan	137,040	67,470
	180,065	149,920
Total borrowings and debt securities	416,051	418,586

The Group did not have any borrowings denominated in foreign currency

B10 Derivative Financial Instruments

There were no outstanding derivative financial instruments as at 30 September 2011.

B11 Changes in Material Litigation

As at 16 November 2011, neither the Company nor any of its subsidiaries were engaged in any litigation or arbitration, either as plaintiff or defendant, which had a material effect on the financial position of the Company or any of its subsidiaries and the Board of Directors was not aware of any proceedings pending or threatened, or of any fact likely to give rise to any proceedings, which might materially and adversely affect the position or business of the Company or any of its subsidiaries.

B12 Dividend Payable

No interim dividend has been declared for the 3-month financial period ended 30 September 2011.

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

B13 Earnings per Ordinary Share

Basic earnings per share

Basic earnings per share is calculated by dividing profit for the period attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares in issue during the period.

	3 months ended		9 months ended	
	30.09.2011 RM'000	30.09.2010 RM'000	30.09.2011 RM'000	30.09.2010 RM'000
Profit for the financial period attributable to owners of the company	17,855	10,365	57,602	20,810
Weighted average number of ordinary shares in issue ('000)				
Number of ordinary shares in issue	163,563	128,267	156,598	128,267
Effect of ordinary shares issued	-	-	3,096	-
Weighted average number of ordinary shares ('000) at 30 Sept	163,563	128,267	159,694	128,267
Basic earnings per share (sen)	10.92	8.08	36.07	16.22

Diluted earnings per share

Diluted earnings per share is calculated by dividing profit for the period attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares in issue during the period plus the weighted average number of ordinary shares that will be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares.

	3 months ended		9 months ended	
	30.09.2011 RM'000	30.09.2010 RM'000	30.09.2011 RM'000	30.09.2010 RM'000
Profit for the financial period attributable to owners of the company	17,855	10,365	57,602	20,810
Weighted average number of ordinary shares in issue ('000)				
Number of ordinary shares in issue	163,563	128,267	159,694	128,267
Effect of conversion of ICPS	193,973	-	193,973	-
Weighted average number of ordinary shares ('000) at 30 Sept	357,536	128,267	353,667	128,267
Diluted earnings per share (sen)	4.99	N/A	16.29	N/A

B14 Disclosure of Realised and Unrealised Profits

The retained earnings of the Group as at 30 September 2011 contain realised and unrealised profits as below:-

	As at 30.09.2011 RM'000 (Unaudited)	As at 31.12.2010 RM'000 (Audited)
Total retained profits of Rimbunan Sawit Berhad and its subsidiaries:-		
- Realised	189,831	122,083
- Unrealised	(35,834)	(25,378)
	153,997	96,705
Total share of retained profits/(accumulated losses) from associate:-		
- Realised	248	-
- Unrealised	(62)	-
	154,183	96,705
Add: Consolidation adjustments	4,674	16,048
Total Group retained profits as per consolidated financial statements	158,857	112,753

B15 Auditors' Report on Preceding Annual Financial Statements

The auditors' report on the financial statements for the financial period ended 31 December 2010 was not subject to any qualification.

B16 Authorisation for Issue

The interim financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 21 November 2011.