

**RIMBUNAN SAWIT BERHAD**

(Company No. 691393-U)

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

Telephone No.: 084-218555

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Interim Financial StatementsFor the 4th Quarter Ended 31 December 2013

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**Condensed Consolidated Statement of Profit or Loss and
Other Comprehensive Income**

 For the 4th Quarter Ended 31 December 2013

	Individual Quarter 3-month Period Ended		Cumulative Quarter 12-month Period Ended	
	31.12.2013 RM'000	31.12.2012 RM'000	31.12.2013 RM'000	31.12.2012 RM'000
REVENUE	78,519	59,943	282,234	313,867
COST OF SALES	(49,422)	(52,380)	(244,482)	(248,510)
GROSS PROFIT	29,097	7,563	37,752	65,357
OTHER INCOME	282	1,219	994	6,038
DISTRIBUTION COSTS	(2,759)	(1,953)	(11,217)	(10,447)
ADMINISTRATIVE AND OTHER EXPENSES	(3,210)	(4,229)	(16,500)	(19,345)
SHARE OF RESULTS IN AN ASSOCIATE	(75)	166	(1,628)	598
FINANCE COSTS	(2,714)	(2,581)	(11,065)	(11,478)
PROFIT/(LOSS) BEFORE TAXATION	20,621	185	(1,664)	30,723
INCOME TAX EXPENSE	(6,161)	(2,216)	(660)	(10,741)
PROFIT/(LOSS) AFTER TAXATION	14,460	(2,031)	(2,324)	19,982
OTHER COMPREHENSIVE INCOME, NET OF TAX				
- Fair value changes of available- for-sale financial assets	-	224	102	2,197
- Transferred to profit or loss upon reinvestment of available- for-sale financial assets	-	(224)	(102)	(2,912)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	14,460	(2,031)	(2,324)	19,267

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Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income (Cont'd)For the 4th Quarter Ended 31 December 2013

	Individual Quarter		Cumulative Quarter	
	3-month Period Ended	3-month Period Ended	12-month Period Ended	12-month Period Ended
	31.12.2013	31.12.2012	31.12.2013	31.12.2012
	RM'000	RM'000	RM'000	RM'000
PROFIT/(LOSS) AFTER TAXATION ATTRIBUTABLE TO:-				
- Owners of the Company	15,680	(948)	2,301	21,327
- Non-controlling interests	(1,220)	(1,083)	(4,625)	(1,345)
	<u>14,460</u>	<u>(2,031)</u>	<u>(2,324)</u>	<u>19,982</u>
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:-				
- Owners of the Company	15,680	(948)	2,301	20,612
- Non-controlling interests	(1,220)	(1,083)	(4,625)	(1,345)
	<u>14,460</u>	<u>(2,031)</u>	<u>(2,324)</u>	<u>19,267</u>
EARNINGS/(LOSS) PER SHARE (SEN):-				
- Basic	0.77	(0.05)	0.11	1.04
- 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 2012 and the accompanying explanatory notes attached to the interim financial statements.

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Condensed Consolidated Statement of Financial Position

As at 31 December 2013

	As at 31.12.2013 (Unaudited) RM'000	As at 31.12.2012 (Audited) RM'000
ASSETS		
NON-CURRENT ASSETS		
Investment in an associate	24,760	26,388
Property, plant and equipment	652,870	647,239
Intangible assets	23,816	23,143
Biological assets	761,714	716,004
Goodwill	64,740	64,740
Deferred tax assets	5,151	4,932
	<u>1,533,051</u>	<u>1,482,446</u>
CURRENT ASSETS		
Inventories	36,224	36,032
Trade receivables	16,034	11,406
Other receivables, deposits and prepayments	21,046	12,781
Tax refundable	2,222	4,046
Short-term investments	-	17,573
Fixed deposits	-	1,021
Cash and bank balances	2,109	2,540
	<u>77,635</u>	<u>85,399</u>
TOTAL ASSETS	<u>1,610,686</u>	<u>1,567,845</u>

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Condensed Consolidated Statement of Financial Position (Cont'd)

As at 31 December 2013

	As at 31.12.2013 (Unaudited) RM'000	As at 31.12.2012 (Audited) RM'000
EQUITY AND LIABILITIES		
Share capital	751,239	751,239
Reserves	118,407	131,131
<hr/>		
TOTAL EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY	869,646	882,370
NON-CONTROLLING INTERESTS	72,464	77,089
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TOTAL EQUITY	942,110	959,459
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NON-CURRENT LIABILITIES		
Borrowings	300,157	251,383
Deferred tax liabilities	151,256	155,301
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	451,413	406,684
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CURRENT LIABILITIES		
Trade payables	22,748	46,268
Other payables, deposits and accruals	38,330	41,870
Borrowings:-		
- bank overdrafts	42,397	24,159
- other borrowings	113,606	88,156
Provision for taxation	82	1,249
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	217,163	201,702
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TOTAL LIABILITIES	668,576	608,386
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TOTAL EQUITY AND LIABILITIES	1,610,686	1,567,845
<hr/>		
NET ASSETS PER SHARE (RM)	0.58	0.59
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The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the financial year ended 31 December 2012 and the accompanying explanatory notes attached to the interim financial statements.



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Condensed Consolidated Statement of Changes in Equity
 For the Twelve Months Period Ended 31 December 2013

	< ----- Non-distributable ----- >					Distri- butable Retained Profits RM'000	Attri- butable to Owners of the Company RM'000	Non- controlling Interests RM'000	Total Equity RM'000
	Share Capital		Share Premium RM'000	Merger Reserve RM'000	Fair Value Reserve RM'000				
	Ordinary Shares RM'000	Preference Shares RM'000							
Balance at 1.1.2013	654,252	96,987	15,447	(53,066)	-	168,750	882,370	77,089	959,459
Loss after taxation	-	-	-	-	-	2,301	2,301	(4,625)	(2,324)
Other comprehensive income for the period, net of tax									
- fair value changes of available-for-sale financial assets	-	-	-	-	102	-	102	-	102
- transfer to profit or loss upon reinvestment of available-for-sale financial assets	-	-	-	-	(102)	-	(102)	-	(102)
Total comprehensive income for the period	-	-	-	-	-	2,301	2,301	(4,625)	(2,324)
Distributions to owners of the Company:-									
- dividends	-	-	-	-	-	(15,025)	(15,025)	-	(15,025)
Balance at 31.12.2013	654,252	96,987	15,447	(53,066)	-	156,026	869,646	72,464	942,110



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Condensed Consolidated Statement of Changes in Equity (Cont'd)
 For the Twelve Months Period Ended 31 December 2012

	< ----- Non-distributable ----- >					Distri- butable	Attri- butable to	Non- controlling	Total Equity
	Share Capital								
	Ordinary Shares RM'000	Preference Shares RM'000	Share Premium RM'000	Merger Reserve RM'000	Fair Value Reserve RM'000	Retained Profits RM'000	Owners of the Company RM'000	Interests RM'000	RM'000
Balance at 1.1.2012	654,252	96,987	15,447	(53,066)	715	169,960	884,295	81,234	965,529
Profit after taxation	-	-	-	-	-	21,327	21,327	(1,345)	19,982
Other comprehensive income for the period, net of tax									
- fair value changes of available-for-sale financial assets	-	-	-	-	2,197	-	2,197	-	2,197
- transfer to profit or loss upon reinvestment of available-for-sale financial assets	-	-	-	-	(2,912)	-	(2,912)	-	(2,912)
Total comprehensive income for the period	-	-	-	-	(715)	21,327	20,612	(1,345)	19,267
Distributions to owners of the Company:-									
- dividends									
- by the Company	-	-	-	-	-	(22,537)	(22,537)	-	(22,537)
- by subsidiaries to non- controlling interests	-	-	-	-	-	-	-	(2,800)	(2,800)
Balance at 31.12.2012	654,252	96,987	15,447	(53,066)	-	168,750	882,370	77,089	959,459

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 2012 and the accompanying explanatory notes attached to the interim financial statements.

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Condensed Consolidated Statement of Cash Flows
For the Twelve Months Period Ended 31 December 2013

	12-month Period Ended	
	31.12.2013	31.12.2012
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
(Loss)/profit before taxation	(1,664)	30,723
Adjustments for:-		
Amortisation of biological assets	27,093	25,940
Amortisation of intangible assets	562	128
Depreciation of property, plant and equipment	27,653	27,292
Interest expense	11,065	11,478
Interest income	(373)	(3,548)
Loss/(gain) on disposal of property, plant and equipment	434	(92)
Share of results in an associate	1,628	(598)
Operating profit before working capital changes	66,398	91,323
Increase in inventories	(192)	(10,798)
(Increase)/decrease in trade and other receivables	(12,895)	2,092
Decrease in trade and other payables	(27,060)	(31,397)
CASH FROM OPERATIONS	26,251	51,220
Income tax paid	(6,706)	(11,632)
Income tax refunded	2,439	-
Interest paid	(3,958)	(1,891)
Interest received	373	3,548
NET CASH FROM OPERATING ACTIVITIES	18,399	41,245
CASH FLOWS FOR INVESTING ACTIVITIES		
Acquisition of subsidiaries, net of cash and cash equivalents acquired	-	(35,832)
Costs incurred on biological assets	(57,179)	(57,749)
Proceeds from disposal of intangible assets	-	21
Proceeds from disposal of property, plant and equipment	2,947	890
Purchase of intangible assets	(1,234)	(437)
Purchase of property, plant and equipment	(42,015)	(72,072)
NET CASH FOR INVESTING ACTIVITIES	(97,481)	(165,179)
BALANCE CARRIED FORWARD	(79,082)	(123,934)

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Condensed Consolidated Statement of Cash Flows (Cont'd)

For the Twelve Months Period Ended 31 December 2013

	12-month Period Ended	
	31.12.2013	31.12.2012
	RM'000	RM'000
BALANCE BROUGHT FORWARD	(79,082)	(123,934)
CASH FLOWS FROM/(FOR) FINANCING ACTIVITIES		
Deposits and bank balances held on trust for Islamic securities investors	1,023	3,143
Dividend paid:-		
- by the Company	(15,025)	(22,537)
- by subsidiaries to non-controlling interests	-	(2,800)
Drawdown of term loans	70,369	82,155
Net of drawdown/(repayment) of bankers' acceptance	2,585	702
Net of drawdown/(repayment) of revolving credit	41,991	5,000
Net of drawdown/(repayment) of unsecured loans	-	(50,000)
Payment of interest on long-term borrowings	(16,688)	(15,742)
Repayment of advances from related parties	-	(1,250)
Repayment of hire purchase obligations	(3,357)	(2,586)
Repayment of Islamic securities	(30,650)	(31,950)
Repayment of term loans	(7,407)	(40,600)
NET CASH FROM/(FOR) FINANCING ACTIVITIES	42,841	(76,465)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(36,241)	(200,399)
EFFECT OF FAIR VALUE CHANGES OF SHORT-TERM INVESTMENTS	-	(715)
CASH AND CASH EQUIVALENTS AT 1 JANUARY	(4,047)	197,067
CASH AND CASH EQUIVALENTS AT 31 DECEMBER	(40,288)	(4,047)

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Condensed Consolidated Statement of Cash Flows (Cont'd)For the Twelve Months Period Ended 31 December 2013

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

	3.12.2013	As at 31.12.2012
	RM'000	RM'000
Cash and bank balances	2,109	2,540
Fixed deposits	-	1,021
Short-term investments	-	17,573
Bank overdrafts	(42,397)	(24,159)
	<hr/>	<hr/>
	(40,288)	(3,025)
Less:-		
Bank balances held on trust for Islamic securities investors	-	(2)
Islamic deposits held on trust for Islamic securities investors	-	(1,020)
	<hr/>	<hr/>
	(40,288)	(4,047)
	<hr/>	<hr/>

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements for the financial year ended 31 December 2012 and the accompanying explanatory notes attached to the interim financial statements.



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Part A – Explanatory Notes Pursuant to FRS 134

A1 Basis of Preparation

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

The interim financial statements should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 December 2012. 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 2012.

The significant accounting policies and methods of computation adopted by the Group in the interim financial statements are consistent with those adopted in the audited financial statements for the financial year ended 31 December 2012, except for the adoption of the following new accounting standards and interpretations (including the consequential amendments) that are effective on 1 January 2013:-

FRSs and IC Interpretations (including the Consequential Amendments)

FRS 10 Consolidated Financial Statements

FRS 11 Joint Arrangements

FRS 12 Disclosure of Interests in Other Entities

FRS 13 Fair Value Measurement

FRS 119 (Revised) Employee Benefits

FRS 127 (2011) Separate Financial Statements

FRS 128 (2011) Investments in Associates and Joint Ventures

Amendments to FRS 1: Government Loans

Amendments to FRS 7: Disclosures – Offsetting Financial Assets and Financial Liabilities

Amendments to FRS 10, FRS 11 and FRS 12: Transition Guidance

Amendments to FRS 101 (Revised): Presentation of Items of Other Comprehensive Income

IC Interpretation 20 Stripping Costs in the Production Phase of a Surface Mine

Annual Improvements to FRSs 2009 – 2011 Cycle

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



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

A1 Basis of Preparation (Cont'd)

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

The MFRSs are to be applied by all Entities Other Than Private Entities for annual periods beginning on or after 1 January 2012, with the exception of entities that are within the scope of MFRS 141 *Agriculture* and/or IC Interpretation 15 *Agreements for the Construction of Real Estate*, including its parent, significant investor and venturer (hereinafter referred to as “Transitioning Entities”).

On 30 June 2012, MASB announced that the Transitioning Entities are allowed to defer the adoption of the MFRSs to annual periods beginning on or after 1 January 2014 after which the MFRSs will become mandatory. On 7 August 2013, MASB allowed Transitioning Entities to defer the adoption of MFRS Framework for a further year, until annual periods beginning on or after 1 January 2015. The Group falls within the definition of Transitioning Entities and has opted to prepare its first MFRSs financial statements for the financial year ending 31 December 2015.

In representing its first MFRSs financial statements, the Group will quantify the financial effects of the differences between the current FRSs and MFRSs. The Group has commenced transitioning its accounting policies and financial reporting from the current FRSs to MFRSs. However, the Group has not completed its quantification of the financial effects of the differences between FRSs and MFRSs due to the ongoing assessment by the management. The majority of the adjustments required on transition will be made, retrospectively, against opening retained profits.

The Group expects to be in a position to fully comply with the requirements of MFRSs for the financial year ending 31 December 2015.

A2 Comments about Seasonality or Cyclicity of Operations

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

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

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

A3 Unusual Items Due to their Nature, Size or Incidence

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



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

A4 Changes in Estimates

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

A5 Debt and Equity Securities

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

A6 Dividends Paid

The following dividend was declared and paid by the Company:-

	12-month Period Ended	
	31.12.2013	31.12.2012
	RM'000	RM'000
Final single tier dividend of 1.0 sen (2012: 1.5 sen) per share	15,025	22,537

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 12-month period ended 31 December 2013, the Group acquired assets at a cost of RM42.7 million.

Assets with a carrying amount of RM3.4 million were disposed of by the Group during the 12-month period ended 31 December 2013, resulting in a loss on disposal of RM434,000, which is included in administrative and other expenses in the statement of profit or loss and other comprehensive income.

(b) Impairment Losses

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

(c) Valuations

The Group did not have any revalued assets.

A9 Material Events Subsequent to the End of the Interim Period

On 23 January 2014, the Company acquired 100,000 ordinary shares of RM1.00 each in the share capital of Sibul Garden And Leisure (M) Sdn Bhd (“SGLMSB”) for a total cash consideration of RM77.98. Subsequent to the acquisition, SGLMSB became a 100%-owned subsidiary of the Company. The principal activities of SGLMSB are wholesaling and retailing of agricultural fertilizers for operation of oil palm plantation.

On the same date, the Company acquired 200,000 ordinary shares of RM1.00 each in the share capital of Rajang Builders Sdn Bhd (“RBSB”) for a total cash consideration of RM238.20. Subsequent to the acquisition, RBSB became a 100%-owned subsidiary of the Company. The principal activities of RBSB are providing general land development contract services for oil palm plantation.

A10 Changes in the Composition of the Group

There were no changes in the composition of the Group for the period 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 2012.



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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 31 December 2013 was as follows:-

	RM'000
Property, plant and equipment:-	
- Approved and contracted for	2,414
- Approved but not contracted for	-
	2,414
	2,414

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	3-month Period Ended	12-month Period Ended	12-month Period Ended
	31.12.2013	31.12.2012	31.12.2013	31.12.2012
	RM'000	RM'000	RM'000	RM'000
Contract charges	5,070	9,365	23,779	38,252
Insurance paid	153	138	1,247	1,576
Interest paid	232	258	1,003	1,146
Management fee	510	634	2,434	2,466
Purchase of fertilisers and chemicals	4,433	16,760	46,705	73,316
Purchase of fresh fruit bunches	5,690	4,712	19,784	20,473
Purchase of property, plant and equipment	22	211	399	3,941
Purchase of seedlings	178	543	1,088	1,663
Purchase of sundry stores and consumables	886	2,829	7,235	11,470
Recruitment charges	38	460	357	1,489
Rental paid	58	249	652	1,506
Repairs and maintenance	176	310	999	904
Sale of fresh fruit bunches	24,068	19,745	76,606	93,376
Sale of seedlings	94	992	590	2,199
Transportation and accommodation charges	1,121	2,135	6,786	7,086
	1,121	2,135	6,786	7,086



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

B1 Review of Performance

Revenue

The Group's revenue increased by 31.0% to RM78.5 million for the current quarter from RM59.9 million in the corresponding quarter in 2012, mainly due to the increase in average selling prices for crude palm oil ("CPO") and palm kernel ("PK").

Average selling prices of CPO and PK increased by 7.3% and 35.4% respectively for the current quarter as compared to the preceding corresponding quarter. The strengthening of CPO and PK prices was attributable to the higher global market prices for oil palm products.

On a 12-month basis, the Group recorded revenue of RM282.2 million in 2013. This was compared to RM313.9 million in the corresponding period in 2012, representing a decrease of 10.1%. The decrease was mainly due to the decrease in average selling prices for CPO and PK at RM2,187 and RM1,228 in 2013 as compared to RM2,788 and RM1,463 in the corresponding period in 2012 respectively.

Cost of sales

The Group's cost of sales registered a 5.6% drop to RM49.4 million for the current quarter from RM52.4 million in the preceding corresponding quarter, mainly due to the reduced field maintenance and operating costs from plantation estates.

On a 12-month basis, the Group's cost of sales was RM244.5 million in 2013, which was compared to RM248.5 million in the corresponding period in 2012. The decrease was for the similar reason as stated above.



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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)

B1 Review of Performance (Cont'd)

Gross Profit and Gross Profit Margin

The Group's gross profit recorded an increase of 282.9% to RM29.1 million for the current quarter from RM7.6 million in the corresponding quarter in 2012. The gross profit margin was 37.1% in 2013 as compared to 12.6% in the corresponding quarter in 2012.

On a 12-month basis, the Group recorded a gross profit of RM37.8 million in 2013, a decrease of 42.2% from RM65.4 million in 2012. The Group recorded a gross profit margin of 13.4% for the current period, a decline of 7.4 percentage points as compared to 20.8% in the previous corresponding period. The decline in gross profit as well as gross profit margin was in line with the decrease in revenue resulting from the decline of CPO prices by 21.6% for the period under review.

Profit/(Loss) Before Taxation

The Group recorded a pre-tax profit of RM20.6 million for the 3-month period ended 31 December 2013 as compared to a pre-tax profit of RM0.2 million in the preceding corresponding quarter. The improvement in pre-tax results was mainly due to the increase in gross profit as a result of favorable CPO price.

On a 12-month basis, however, the Group recognized pre-tax loss of RM1.7 million in 2013 from profit of RM30.7 million in the corresponding period in 2012. This was in line with the drop in revenue and gross profit, especially in the first half of the year.

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

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

	Current Quarter RM'000	Immediate Preceding Quarter RM'000	Increase/ (Decrease) RM'000
Revenue	78,519	82,051	(3,532)
Gross profit/(loss)	29,097	22,133	6,964
Profit/(loss) before taxation	20,621	11,723	8,898

The decrease in revenue was mainly due to the decrease in FFB production by 3.6% and sales volume for CPO and PK by 14.6% and 3.5% respectively. The poor FFB production was alleviated by the increase in average selling prices for CPO and PK by 4.5% and 16.4% respectively, thus contributed to the improvement in gross margin and pre-tax results.

B3 Commentary on Prospects

The Group's prospects for the future performance are strongly dependent on the development in the world edible oil and related markets, world economic movement, the green lobby groups' movements on sustainable palm oil and their corresponding effect on CPO prices. Notwithstanding the volatility of the commodity prices, the Directors are in the opinion that the market ahead is still challenging but is anticipating an optimistic average price of CPO in the range between RM2,600 and RM2,700 per tonne.

Output slowing due to seasonal factors and the looming El Nino phenomenon that is likely to happen in the second half of this year is expected to push up the price of CPO. Coconut oil premium continues to widen against CPO after Typhoon Haiyan in the Philippines and the increasing palm oil demand for biodiesel production will further strengthen the prices of the palm products.

B4 Profit Forecasts

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

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

B5 Income Tax Expense

	Individual Quarter 3-month Period Ended		Cumulative Quarter 12-month Period Ended	
	31.12.2013 RM'000	31.12.2012 RM'000	31.12.2013 RM'000	31.12.2012 RM'000
Current tax	2,378	580	4,924	8,145
Deferred tax	3,783	1,636	(4,264)	2,596
	<u>6,161</u>	<u>2,216</u>	<u>660</u>	<u>10,741</u>

B6 Corporate Proposals

There were no corporate proposals announced but not completed as at 20 February 2014, being the latest practicable date.

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

B7 Group Borrowings

	31.12.2013	As at 31.12.2012
	RM'000	RM'000
Long-term borrowings:-		
Hire purchase obligations	477	1,921
Islamic securities and obligations under Ijarah arrangements	-	7,650
Term loans, secured	299,680	241,812
	<hr/> 300,157	<hr/> 251,383
Short-term borrowings:-		
Bank overdrafts, secured	22,802	12,588
Bank overdrafts, unsecured	19,595	11,571
Bankers' acceptance, unsecured	12,229	9,644
Hire purchase obligations	1,964	3,185
Islamic securities and obligations under Ijarah arrangements	7,650	30,650
Revolving credit, secured	46,991	-
Revolving credit, unsecured	-	5,000
Term loans, secured	22,252	17,157
Unsecured loans	22,520	22,520
	<hr/> 156,003	<hr/> 112,315
Total borrowings	<hr/> 456,160	<hr/> 363,698

The Group's borrowings were denominated in Ringgit Malaysia.

B8 Material Litigation

The Group has no outstanding material litigation which might materially and adversely affect the position or business of the Group as at 20 February 2014, being the latest practicable date.

B9 Dividends

Please refer to A6 for details.

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

B10 Earnings Per Share

	Individual Quarter		Cumulative Quarter	
	3-month Period Ended 31.12.2013	31.12.2012	12-month Period Ended 31.12.2013	31.12.2012
Profit/(loss) attributable to owners of the Company (RM'000)	15,680	(948)	2,301	21,327
Weighted average number of ordinary shares ('000):- Issued ordinary shares at 1 January	1,308,505	1,308,505	1,308,505	1,308,505
Effect of conversion of ICPS	733,217	733,217	733,217	733,217
Weighted average number of ordinary shares at 31 December	2,041,722	2,041,722	2,041,722	2,041,722
Basic earnings/(loss) per share (sen)	0.77	(0.05)	0.11	1.04

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 2012 was not subject to any qualification.



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

B12 Profit/(Loss) Before Taxation

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

	Individual Quarter		Cumulative Quarter	
	3-month Period Ended		12-month Period Ended	
	31.12.2013	31.12.2012	31.12.2013	31.12.2012
	RM'000	RM'000	RM'000	RM'000
Amortisation of biological assets	6,774	6,136	27,093	25,596
Amortisation of intangible assets	147	25	562	128
Depreciation of property, plant and equipment	6,729	6,848	27,653	27,131
Fair value gain on derivatives	-	-	-	(179)
Interest expense	2,715	2,581	11,065	11,468
Interest income	(161)	(222)	(373)	(3,353)
Loss/(gain) on disposal of property, plant and equipment	371	73	434	(93)
Share of results in an associate	75	(166)	1,628	(872)

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 12-month period ended 31 December 2013.

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

The Group did not have any financial liabilities measured at fair value through profit or loss as at 31 December 2013 and 31 December 2012.

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

B14 Disclosure of Realised and Unrealised Profits or Losses

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

	As at	
	31.12.2013	31.12.2012
	RM'000	RM'000
Total retained profits:-		
- realised	210,887	216,834
- unrealised	(46,437)	(46,954)
	<hr/>	<hr/>
	164,450	169,880
Total share of retained profits of associate:-		
- realised	147	1,775
- unrealised	(525)	(525)
	<hr/>	<hr/>
	164,072	171,130
Less: Consolidation adjustments	(8,046)	(2,380)
	<hr/>	<hr/>
At 31 December	156,026	168,750
	<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 27 February 2014.