

**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 Facsimile No.: 084-219555 Email: rsb@rsb.com.my

Interim Financial StatementsFor the 1st Quarter Ended 31 March 2013

	Page
Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income	1
Condensed Consolidated Statement of Financial Position	3
Condensed Consolidated Statement of Changes in Equity	5
Condensed Consolidated Statement of Cash Flows	7
Explanatory Notes	
<i>Part A – Explanatory Notes Pursuant to FRS 134</i>	<i>10</i>
<i>Part B – Explanatory Notes Pursuant to Appendix 9B of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad</i>	<i>15</i>


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Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

 For the 1st Quarter Ended 31 March 2013

	Individual Quarter 3-month Period Ended		Cumulative Quarter 3-month Period Ended	
	31.3.2013 RM'000	31.3.2012 RM'000	31.3.2013 RM'000	31.3.2012 RM'000
REVENUE	59,660	72,165	59,660	72,165
COST OF SALES	(65,000)	(58,290)	(65,000)	(58,290)
GROSS (LOSS)/PROFIT	(5,340)	13,875	(5,340)	13,875
OTHER INCOME	252	2,551	252	2,551
DISTRIBUTION COSTS	(2,364)	(2,541)	(2,364)	(2,541)
ADMINISTRATIVE AND OTHER EXPENSES	(4,136)	(4,060)	(4,136)	(4,060)
SHARE OF RESULTS IN AN ASSOCIATE	(661)	(191)	(661)	(191)
FINANCE COSTS	(2,768)	(3,328)	(2,768)	(3,328)
(LOSS)/PROFIT BEFORE TAXATION	(15,017)	6,306	(15,017)	6,306
INCOME TAX EXPENSE	852	(1,427)	852	(1,427)
(LOSS)/PROFIT AFTER TAXATION	(14,165)	4,879	(14,165)	4,879
OTHER COMPREHENSIVE INCOME, NET OF TAX				
- Fair value changes of available-for-sale financial assets	50	848	50	848
- Transferred to profit or loss upon reinvestment of available-for-sale financial assets	(50)	(1,563)	(50)	(1,563)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	(14,165)	4,164	(14,165)	4,164

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Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income (Cont'd)For the 1st Quarter Ended 31 March 2013

	Individual Quarter 3-month Period Ended		Cumulative Quarter 3-month Period Ended	
	31.3.2013 RM'000	31.3.2012 RM'000	31.3.2013 RM'000	31.3.2012 RM'000
(LOSS)/PROFIT AFTER TAXATION ATTRIBUTABLE TO:-				
- Owners of the Company	(11,177)	4,759	(11,177)	4,759
- Non-controlling interests	(2,988)	120	(2,988)	120
	<u>(14,165)</u>	<u>4,879</u>	<u>(14,165)</u>	<u>4,879</u>
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:-				
- Owners of the Company	(11,177)	4,044	(11,177)	4,044
- Non-controlling interests	(2,988)	120	(2,988)	120
	<u>(14,165)</u>	<u>4,164</u>	<u>(14,165)</u>	<u>4,164</u>
(LOSS)/EARNINGS PER SHARE (SEN):-				
- Basic	(0.55)	0.23	(0.55)	0.23
- 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 PositionAs at 31 March 2013

	As at 31.3.2013 (Unaudited) RM'000	As at 31.12.2012 (Audited) RM'000
ASSETS		
NON-CURRENT ASSETS		
Investment in an associate	25,727	26,388
Property, plant and equipment	651,062	647,239
Intangible assets	23,291	23,143
Biological assets	729,231	716,004
Goodwill	64,740	64,740
Deferred tax assets	4,930	4,932
	<hr/>	<hr/>
	1,498,981	1,482,446
CURRENT ASSETS		
Inventories	31,864	36,032
Trade receivables	16,030	11,406
Other receivables, deposits and prepayments	12,019	12,781
Tax refundable	4,518	4,046
Short-term investments	5,142	17,573
Fixed deposits	1,021	1,021
Cash and bank balances	466	2,540
	<hr/>	<hr/>
	71,060	85,399
TOTAL ASSETS	<hr/>	<hr/>
	1,570,041	1,567,845

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Condensed Consolidated Statement of Financial Position (Cont'd)

As at 31 March 2013

	As at 31.3.2013 (Unaudited) RM'000	As at 31.12.2012 (Audited) RM'000
EQUITY AND LIABILITIES		
Share capital	751,239	751,239
Reserves	119,954	131,131
TOTAL EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY	871,193	882,370
NON-CONTROLLING INTERESTS	74,101	77,089
TOTAL EQUITY	945,294	959,459
NON-CURRENT LIABILITIES		
Borrowings	263,021	251,383
Deferred tax liabilities	154,196	155,301
	417,217	406,684
CURRENT LIABILITIES		
Trade payables	42,012	46,268
Other payables, deposits and accruals	43,418	41,870
Borrowings:-		
- bank overdrafts	30,482	24,159
- other borrowings	91,024	88,156
Provision for taxation	594	1,249
	207,530	201,702
TOTAL LIABILITIES	624,747	608,386
TOTAL EQUITY AND LIABILITIES	1,570,041	1,567,845
NET ASSETS PER SHARE (RM)	0.58	0.59

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 Three Months Period Ended 31 March 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	-	-	-	-	-	(11,177)	(11,177)	(2,988)	(14,165)
Other comprehensive income for the period, net of tax									
- fair value changes of available-for-sale financial assets	-	-	-	-	50	-	50	-	50
- transfer to profit or loss upon reinvestment of available-for-sale financial assets	-	-	-	-	(50)	-	(50)	-	(50)
Total comprehensive income for the period	-	-	-	-	-	(11,177)	(11,177)	(2,988)	(14,165)
Balance at 31.3.2013	654,252	96,987	15,447	(53,066)	-	157,573	871,193	74,101	945,294



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Condensed Consolidated Statement of Changes in Equity (Cont'd)
 For the Three Months Period Ended 31 March 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 1.1.2012	654,252	96,987	15,447	(53,066)	715	169,960	884,295	81,234	965,529
Profit after taxation	-	-	-	-	-	4,759	4,759	120	4,879
Other comprehensive income for the period, net of tax									
- fair value changes of available-for-sale financial assets	-	-	-	-	848	-	848	-	848
- transfer to profit or loss upon reinvestment of available-for-sale financial assets	-	-	-	-	(1,563)	-	(1,563)	-	(1,563)
Total comprehensive income for the period	-	-	-	-	(715)	4,759	4,044	120	4,164
Balance at 31.3.2012	654,252	96,987	15,447	(53,066)	-	174,719	888,339	81,354	969,693

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 FlowsFor the Three Months Period Ended 31 March 2013

	3-month Period Ended	
	31.3.2013	31.3.2012
	RM'000	RM'000
CASH FLOWS FOR OPERATING ACTIVITIES		
(Loss)/profit before taxation	(15,017)	6,306
Adjustments for:-		
Amortisation of biological assets	6,702	5,153
Amortisation of intangible assets	137	36
Depreciation of property, plant and equipment	7,003	5,908
Gain on disposal of property, plant and equipment	(10)	(67)
Interest expense	2,768	3,328
Interest income	(90)	(1,914)
Share of results in an associate	661	191
	<hr/>	<hr/>
Operating profit before working capital changes	2,154	18,941
Decrease/(increase) in inventories	4,168	(2,009)
Increase in trade and other receivables	(3,862)	(3,358)
Decrease in trade and other payables	(2,709)	(18,808)
	<hr/>	<hr/>
CASH FOR OPERATIONS	(249)	(5,234)
Income tax paid	(1,377)	(2,423)
Interest paid	(717)	(377)
Interest received	90	1,914
	<hr/>	<hr/>
NET CASH FOR OPERATING ACTIVITIES	(2,253)	(6,120)
	<hr/>	<hr/>
CASH FLOWS FOR INVESTING ACTIVITIES		
Costs incurred on biological assets	(16,429)	(12,460)
Proceeds from disposal of property, plant and equipment	10	88
Purchase of intangible assets	(286)	-
Purchase of property, plant and equipment	(12,408)	(15,306)
	<hr/>	<hr/>
NET CASH FOR INVESTING ACTIVITIES	(29,113)	(27,678)
	<hr/>	<hr/>
BALANCE CARRIED FORWARD	(31,366)	(33,798)
	<hr/>	<hr/>

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

	3-month Period Ended	
	31.3.2013	31.3.2012
	RM'000	RM'000
BALANCE BROUGHT FORWARD	(31,366)	(33,798)
CASH FLOWS FROM/(FOR) FINANCING ACTIVITIES		
Drawdown of term loans	13,852	4,328
Net of drawdown/(repayment) of bankers' acceptance	2,958	(3,014)
Net of drawdown/(repayment) of unsecured loans	-	(25,000)
Payment of interest on long-term borrowings	(3,969)	(4,221)
Repayment of hire purchase obligations	(340)	(489)
Repayment of term loans	(1,964)	(40,600)
NET CASH FROM/(FOR) FINANCING ACTIVITIES	10,537	(68,996)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(20,829)	(102,794)
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 MARCH	(24,876)	93,558

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

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

	As at	
	31.3.2013	31.3.2012
	RM'000	RM'000
Cash and bank balances	466	802
Fixed deposits	1,021	4,165
Short-term investments	5,142	119,062
Bank overdrafts	(30,482)	(26,306)
	<hr/>	<hr/>
	(23,853)	97,723
Less:-		
Bank balances held on trust for Islamic securities investors	(2)	-
Islamic deposits held on trust for Islamic securities investors	(1,021)	(4,165)
	<hr/>	<hr/>
	(24,876)	93,558
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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. 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 2014.

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 2014.

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

There were no dividends paid during the current quarter.

A7 Segment Information

Information about operating segment is not reported separately as the Group's profit or loss, assets and liabilities are mainly confined to a single operating segment, namely the oil palm plantation and operation of palm oil mill.

A8 Property, Plant and Equipment**(a) Acquisitions and Disposals**

During the 3-month period ended 31 March 2013, the Group acquired assets at a cost of RM12.4 million.

Assets with a carrying amount of RM1 were disposed of by the Group during the 3-month period ended 31 March 2013, resulting in a gain on disposal of RM10,000, which is included in other income in the statement of 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.

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

A9 Material Events Subsequent to the End of the Interim Period

There were no material events subsequent to the end of the period under review that have not been reflected in the financial statements.

A10 Changes in the Composition of the Group

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.

A12 Capital Commitments

The amount of capital commitments not provided for in the financial statements as at 31 March 2013 was as follows:-

	RM'000
Property, plant and equipment:-	
- Approved and contracted for	4,910
- Approved but not contracted for	-
	<hr/>
	4,910
	<hr/>

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Part A – Explanatory Notes Pursuant to FRS 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		Cumulative Quarter	
	3-month Period Ended	3-month Period Ended	3-month Period Ended	3-month Period Ended
	31.3.2013	31.3.2012	31.3.2013	31.3.2012
	RM'000	RM'000	RM'000	RM'000
Contract charges	5,611	8,070	5,611	8,070
Insurance paid	578	547	578	547
Interest paid	275	307	275	307
Management fee	919	604	919	604
Purchase of fertilisers and chemicals	14,003	20,184	14,003	20,184
Purchase of fresh fruit bunches	3,101	3,085	3,101	3,085
Purchase of property, plant and equipment	314	1,468	314	1,468
Purchase of seedlings	548	194	548	194
Purchase of sundry stores and consumables	2,115	2,852	2,115	2,852
Recruitment charges	792	358	792	358
Rental paid	56	715	56	715
Repairs and maintenance	273	160	273	160
Sale of fresh fruit bunches	13,170	19,882	13,170	19,882
Sale of seedlings	269	195	269	195
Transportation and accommodation charges	1,327	1,152	1,327	1,152

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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 declined by 17.3% to RM59.7 million for the current quarter from RM72.2 million in the corresponding quarter in 2012, mainly due to the decrease in average selling prices for crude palm oil ("CPO") and palm kernel ("PK").

Average selling prices of CPO and PK fell by 33.0% and 39.8% respectively for the current quarter as compared to the preceding corresponding quarter. The weakening of CPO and PK prices was attributable to the lower global market prices for oil palm products.

Cost of sales

Despite the lower revenue recorded for the quarter, cost of sales of the Group increased by 11.5% to RM65.0 million for the current quarter as compared to RM58.3 million in the preceding corresponding quarter. The higher cost of sales was mainly due to the following:-

- (i) increased harvesting costs by 15.2%, due to higher fresh fruit bunches ("FFB") production; and
- (ii) increased upkeep and maintenance costs by 25.7%.

Gross Profit and Gross Profit Margin

The Group recorded a gross loss of RM5.3 million for the current quarter as compared to a gross profit of RM13.9 million in the preceding corresponding quarter, representing a decrease of 138.5%. The gross loss margin was 9.0% in 2013 as compared to a gross profit margin of 19.2% in the corresponding quarter in 2012. The decline in gross profit as well as gross profit margin was in line with the decrease in revenue and the increase in cost of sales as set out above.

(Loss)/Profit Before Taxation

The Group recorded a pre-tax loss of RM15.0 million for the 3-month period ended 31 March 2013 as compared to a pre-tax profit of RM6.3 million in the preceding corresponding quarter. The deterioration in pre-tax results was due to the decrease in gross profit.

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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	59,660	59,943	(283)
Gross (loss)/profit	(5,340)	7,563	(12,903)
(Loss)/profit before taxation	(15,017)	185	(15,202)

The decrease in revenue was mainly due to the continued sluggishness in the oil palm industry, resulting in the decline in both gross profit and pre-tax results. The gross profit and pre-tax results were further hampered by the decrease in FFB production while the cost of production remained relatively high. FFB production decreased by 29.2% in the current quarter as compared to the immediate preceding quarter.

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 and their corresponding effect on CPO prices. The Directors are in the opinion that the market ahead is still challenging but expect the prices to be stabilised.

B4 Profit Forecasts

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

**RIMBUNAN SAWIT BERHAD**

(Company No. 691393-U)

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

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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 3-month Period Ended	
	31.3.2013 RM'000	31.3.2012 RM'000	31.3.2013 RM'000	31.3.2012 RM'000
Current tax	250	1,307	250	1,307
Deferred tax	(1,102)	120	(1,102)	120
	<u>(852)</u>	<u>1,427</u>	<u>(852)</u>	<u>1,427</u>

B6 Corporate Proposals

There were no corporate proposals announced but not completed as at 22 May 2013, 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

	As at	
	31.3.2013	31.12.2012
	RM'000	RM'000
Long-term borrowings:-		
Hire purchase obligations	1,671	1,921
Islamic securities and obligations under Ijarah arrangements	7,650	7,650
Term loans, secured	253,700	241,812
	<hr/>	<hr/>
	263,021	251,383
Short-term borrowings:-		
Bank overdrafts, secured	15,775	12,588
Bank overdrafts, unsecured	14,707	11,571
Bankers' acceptance, unsecured	12,602	9,644
Hire purchase obligations	3,095	3,185
Islamic securities and obligations under Ijarah arrangements	30,650	30,650
Revolving credit, unsecured	5,000	5,000
Term loans, secured	17,157	17,157
Unsecured loans	22,520	22,520
	<hr/>	<hr/>
	121,506	112,315
Total borrowings	<hr/>	<hr/>
	384,527	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 22 May 2013, being the latest practicable date.

B9 Dividends

No interim dividend has been declared for the financial year ending 31 December 2013.

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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 3-month Period Ended		Cumulative Quarter 3-month Period Ended	
	31.3.2013	31.3.2012	31.3.2013	31.3.2012
(Loss)/profit attributable to owners of the Company (RM'000)	(11,177)	4,759	(11,177)	4,759
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 March	2,041,722	2,041,722	2,041,722	2,041,722
Basic (loss)/earnings per share (sen)	(0.55)	0.23	(0.55)	0.23

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 (Loss)/Profit Before Taxation

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

	Individual Quarter 3-month Period Ended		Cumulative Quarter 3-month Period Ended	
	31.3.2013 RM'000	31.3.2012 RM'000	31.3.2013 RM'000	31.3.2012 RM'000
Amortisation of biological assets	6,702	5,153	6,702	5,153
Amortisation of intangible assets	137	36	137	36
Depreciation of property, plant and equipment	7,003	5,908	7,003	5,908
Gain on disposal of property, plant and equipment	(10)	(67)	(10)	(67)
Interest expense	2,768	3,328	2,768	3,328
Interest income	(90)	(1,914)	(90)	(1,914)
Share of results in an associate	661	191	661	191

B13 Derivatives

(a) Nature of outstanding derivatives

There were no outstanding derivatives as at the end of the reporting period.

(b) Risks and Policies of Derivatives

The Group did not enter into any derivatives during the 3-month period ended 31 March 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 March 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	
	31.3.2013	31.12.2012
	RM'000	RM'000
Total retained profits:-		
- realised	206,265	216,834
- unrealised	(47,030)	(46,954)
	<hr/>	<hr/>
	159,235	169,880
Total share of retained profits of associate:-		
- realised	1,114	1,775
- unrealised	(525)	(525)
	<hr/>	<hr/>
	159,824	171,130
Less: Consolidation adjustments	(2,251)	(2,380)
	<hr/>	<hr/>
At 31 March/31 December	157,573	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 29 May 2013.