



RIMBUNAN SAWIT BERHAD

(Company No. 691393-U)

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

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Interim Financial Statements

For the 4th Quarter Ended 31 December 2016

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Condensed Consolidated Statement of Profit or Loss and Other Comprehensive IncomeFor the 4th Quarter Ended 31 December 2016

	Individual Quarter 3-month Period Ended		Cumulative Quarter 12-month Period Ended	
	31.12.2016 RM'000	31.12.2015 RM'000	31.12.2016 RM'000	31.12.2015 RM'000
REVENUE	81,341	54,465	250,573	184,209
COST OF SALES	(77,393)	(56,216)	(246,249)	(189,065)
GROSS PROFIT/(LOSS)	3,948	(1,751)	4,324	(4,856)
OTHER INCOME	1,070	(289)	4,327	2,854
DISTRIBUTION COSTS	(2,777)	(1,958)	(8,953)	(6,135)
ADMINISTRATIVE AND OTHER EXPENSES	(29,613)	(26,621)	(46,107)	(51,411)
SHARE OF RESULTS IN AN ASSOCIATE, NET OF TAX	-	1,534	-	(574)
FINANCE COSTS	(4,641)	(2,509)	(17,033)	(14,110)
LOSS BEFORE TAXATION	(32,013)	(31,594)	(63,442)	(74,232)
INCOME TAX EXPENSE	(11,152)	1,196	(5,580)	7,057
LOSS AFTER TAXATION	(43,165)	(30,398)	(69,022)	(67,175)
OTHER COMPREHENSIVE INCOME	-	-	-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	(43,165)	(30,398)	(69,022)	(67,175)

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Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income (Cont'd)For the 4th Quarter Ended 31 December 2016

	Individual Quarter 3-month Period Ended		Cumulative Quarter 12-month Period Ended	
	31.12.2016 RM'000	31.12.2015 RM'000	31.12.2016 RM'000	31.12.2015 RM'000
LOSS AFTER TAXATION ATTRIBUTABLE TO:-				
- Owners of the Company	(41,072)	(27,952)	(61,779)	(59,945)
- Non-controlling interests	(2,093)	(2,446)	(7,243)	(7,230)
	<u>(43,165)</u>	<u>(30,398)</u>	<u>(69,022)</u>	<u>(67,175)</u>
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:-				
- Owners of the Company	(41,072)	(27,952)	(61,779)	(59,945)
- Non-controlling interests	(2,093)	(2,446)	(7,243)	(7,230)
	<u>(43,165)</u>	<u>(30,398)</u>	<u>(69,022)</u>	<u>(67,175)</u>
LOSS PER SHARE (SEN):-				
- Basic	(2.01)	(1.37)	(3.03)	(2.94)
- 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 2015 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 2016

	As at 31.12.2016 (Unaudited) RM'000	As at 31.12.2015 (Audited) RM'000
ASSETS		
NON-CURRENT ASSETS		
Investment in an associate	4,397	4,397
Other investment	5,000	5,000
Property, plant and equipment	633,030	685,634
Intangible assets	1,709	23,684
Biological assets	688,139	786,004
Goodwill	64,746	64,746
Deposits with licensed banks	102	102
Deferred tax assets	119	5,158
	<u>1,397,242</u>	<u>1,574,725</u>
CURRENT ASSETS		
Inventories	23,969	31,120
Trade receivables	20,790	9,012
Other receivables, deposits and prepayments	19,700	28,252
Tax refundable	5,601	5,323
Cash and bank balances	1,612	4,382
	<u>71,672</u>	<u>78,089</u>
Assets held for sales	147,031	-
TOTAL ASSETS	<u>1,615,945</u>	<u>1,652,814</u>

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Condensed Consolidated Statement of Financial Position (Cont'd)

As at 31 December 2016

	As at 31.12.2016 (Unaudited) RM'000	As at 31.12.2015 (Audited) RM'000
EQUITY AND LIABILITIES		
Share capital	791,682	791,682
Reserves	(39,095)	22,684
TOTAL EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY	752,587	814,366
NON-CONTROLLING INTERESTS	47,348	54,591
TOTAL EQUITY	799,935	868,957
NON-CURRENT LIABILITIES		
Borrowings	334,479	333,084
Deferred tax liabilities	134,768	140,037
	469,247	473,121
CURRENT LIABILITIES		
Trade payables	60,105	49,523
Other payables, deposits and accruals	33,055	35,929
Borrowings:-		
- bank overdrafts	13,079	10,101
- other borrowings	237,781	214,145
Provision for taxation	2,743	1,038
	346,763	310,736
TOTAL LIABILITIES	816,010	783,857
TOTAL EQUITY AND LIABILITIES	1,615,945	1,652,814
NET ASSETS PER SHARE (RM)	0.48	0.51

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the financial year ended 31 December 2015 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 2016

	< ----- Non-distributable ----- >				Distri- butable Retained Profits RM'000	Attri- butable to Owners of the Company RM'000	Non- controlling Interests RM'000	Total Equity RM'000
	Share Capital	Ordinary Shares RM'000	Preference Shares RM'000	Share Premium RM'000				
Balance at 1.1.2016	709,243	82,439	15,447	(53,066)	60,303	814,366	54,591	868,957
Loss after taxation/Total comprehensive income for the period	-	-	-	-	(61,779)	(61,779)	(7,243)	(69,022)
Balance at 31.12.2016	709,243	82,439	15,447	(53,066)	(1,476)	752,587	47,348	799,935

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

For the Twelve Months Period Ended 31 December 2016

	< ----- Non-distributable ----- >				Distri- butable Retained Profits RM'000	Attri- butable to Owners of the Company RM'000	Non- controlling Interests RM'000	Total Equity RM'000
	Share Capital		Share Premium RM'000	Merger Reserve RM'000				
	Ordinary Shares RM'000	Preference Shares RM'000						
Balance at 1.1.2015	654,251	96,988	15,447	(53,066)	160,691	874,311	68,584	942,895
Loss after taxation/Total comprehensive income for the period	-	-	-	-	(59,945)	(59,945)	(7,230)	(67,175)
Contributions by and distributions to owners of the Company:-								
- conversion of preference shares to ordinary shares	54,992	(14,549)	-	-	(40,443)	-	-	-
- dividends by subsidiaries to non- controlling interests	-	-	-	-	-	-	(6,763)	(6,763)
Balance at 31.12.2015	709,243	82,439	15,447	(53,066)	60,303	814,366	54,591	868,957

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 2015 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 2016

	12-month Period Ended	
	31.12.2016	31.12.2015
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before taxation	(63,442)	(74,232)
Adjustments for:-		
Allowance for stock obsolescence	-	240
Amortisation of biological assets	39,950	35,361
Amortisation of intangible assets	794	956
Bad debts written off	-	1
Biological assets written off	6	3,801
Depreciation of property, plant and equipment	36,063	34,192
Gain on disposal of property, plant and equipment	(317)	15
Goodwill written off	13	-
Impairment loss on investment in an associate	-	19,117
Impairment loss on receivables	12,330	-
Interest expense	17,033	14,110
Interest income	(4)	(21)
Impairment loss on property, plant and equipment, biological assets, and Intangible asset	11,709	-
Property, plant and equipment written off	221	-
Share of results in an associate	-	574
Operating profit before working capital changes	54,356	34,114
Decrease/(Increase) in inventories	7,151	(3,217)
(Increase)/Decrease in trade and other receivables	(15,555)	6,096
Increase in trade and other payables	7,695	19,113
CASH FROM OPERATIONS	53,647	56,106
Income tax paid	(4,384)	(4,123)
Income tax refunded	-	125
Interest paid	(8,517)	(8,333)
Interest received	4	21
NET CASH FROM OPERATING ACTIVITIES	40,750	43,796
BALANCE CARRIED FORWARD	40,750	43,796

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Condensed Consolidated Statement of Cash Flows (Cont'd)

For the Twelve Months Period Ended 31 December 2016

	12-month Period Ended	
	31.12.2016 RM'000	31.12.2015 RM'000
BALANCE BROUGHT FORWARD	40,750	43,796
CASH FLOWS FOR INVESTING ACTIVITIES		
Acquisition of subsidiaries, net of cash and cash equivalents acquired	*	-
Costs incurred on biological assets	(24,301)	(29,584)
Proceeds from disposal of property, plant and equipment	3,008	4,172
Purchase of intangible assets		(17)
Purchase of other investment	-	(5,000)
Purchase of property, plant and equipment	(22,398)	(62,027)
NET CASH FOR INVESTING ACTIVITIES	(43,691)	(92,456)
CASH FLOWS FOR FINANCING ACTIVITIES		
Deposits with licensed banks held as security value	-	(2)
Dividend paid by subsidiaries to non-controlling interests	-	(6,763)
Drawdown of term loans	64,516	63,968
Net of drawdown of bankers' acceptance	7,634	9,769
Net of (repayment)/drawdown of revolving credit	(11,800)	33,000
Payment of interest on long-term borrowings	(19,657)	(19,333)
Repayment of hire purchase obligations	(5,098)	(1,721)
Repayment of term loans	(38,402)	(26,381)
NET CASH FOR FINANCING ACTIVITIES	(2,807)	52,537
NET DECREASE IN CASH AND CASH EQUIVALENTS	(5,748)	3,877
CASH AND CASH EQUIVALENTS AT 1 JANUARY	(5,719)	(9,596)
CASH AND CASH EQUIVALENTS AT 31 DECEMBER	(11,467)	(5,719)

* denotes RM200

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Condensed Consolidated Statement of Cash Flows (Cont'd)

For the Twelve Months Period Ended 31 December 2016

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

	As at	
	31.12.2016	31.12.2015
	RM'000	RM'000
Cash and bank balances	1,612	4,382
Deposits with licensed banks	102	102
Bank overdrafts	(13,079)	(10,101)
	<hr/>	<hr/>
	(11,365)	(5,617)
Less: Deposits pledged to licensed banks	(102)	(102)
	<hr/>	<hr/>
	(11,467)	(5,719)
	<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 2015 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 2015. 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 2015.

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 2015, except for the adoption of the following new accounting standards and interpretations (including the consequential amendments) that are effective on 1 January 2016:-

FRSs and IC Interpretations (Including the Consequential Amendments)	Effective Date
Amendments to FRS 11: Accounting for Acquisitions of Interests in Joint Operations	1 January 2016
Amendments to FRS 10, FRS 12 and FRS 128 (2011): Investment Entities – Applying the Consolidation Exception	1 January 2016
Amendments to FRS 101: Presentation of Financial Statements – Disclosure Initiative	1 January 2016
Amendments to FRS 116 and FRS 138: Clarification of Acceptable Methods of Depreciation and Amortisation	1 January 2016
Amendments to FRS 127 (2011): Equity Method in Separate Financial Statements	1 January 2016
Annual Improvements to FRSs 2012 – 2014 Cycle	1 January 2016

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.

MASB has issued a new MASB approved accounting framework, the Malaysian Financial Reporting Standards ("MFRSs"), that are to be applied by all entities other than private entities; with the exception of entities that are within the scope of MFRS 141 *Agriculture* and IC Interpretation 15 *Agreements for Construction of Real Estate*, including its parent, significant investor and venturer (herein called "transitioning entities").



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

A1 Basis of Preparation (Cont'd)

As announced by MASB on 28 October 2015, the transitioning entities are allowed to defer the adoption of MFRSs to annual periods beginning on or after 1 January 2018.

Accordingly, as a transitioning entity as defined above, the Group has chosen to defer the adoption of MFRSs and will only prepare its first set of MFRS financial statements for the financial year ending 31 December 2018. The Group is currently assessing the possible financial impact that may arise from the adoption of MFRSs and the process is still ongoing.

A2 Comments about Seasonality or Cyclicity of Operations

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

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

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

A3 Unusual Items Due to their Nature, Size or Incidence

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

A4 Changes in Estimates

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

A5 Debt and Equity Securities

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

A6 Dividends Paid

There were no dividends paid during the current quarter.



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

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 12-month period ended 31 December 2016, the Group acquired assets at a cost of RM35.1 million.

Assets with a carrying amount of RM3.2 million were disposed of by the Group during the 12-month period ended 31 December 2016, resulting in a gain on disposal of RM317,216 which is included in other income in the statement of profit or loss and other comprehensive income.

Assets with carrying amount of RM0.2 million were written off by the Group during the 12-month period ended 31 December 2016, which is included under the administrative and other expenses in the statement of profit or loss and other comprehensive income.

(b) Impairment Losses

Impairment loss of RM2.6 million was recognised for the period under review. The impairment was provided based on the latest valuation report on Simunjan Estate, which was carried out in conjunction with the proposed disposal of Simunjan Estate as announced by the Group on 22 February 2017.

(c) Valuations

The Group did not have any revalued assets.

A9 Material Events Subsequent to the End of the Interim Period

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

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Part A – Explanatory Notes Pursuant to FRS 134 (Cont'd)**A10 Changes in the Composition of the Group**

During the financial year, the Company acquired 100% equity interest in Rakantama Sdn Bhd. The fair value of identifiable assets and liabilities of the above company at the date of acquisition was:-

	At Date of Acquisition	
	Carrying Amount	Fair Value
	RM	RM
Other payables	13,218	(13,218)
Net identifiable liabilities	<u>13,218</u>	<u>(13,218)</u>
Add: Goodwill on acquisition		13,418
Net cash outflow for acquisition of subsidiary		<u>200</u>

The acquired subsidiary had contributed the following results to the Group

	The Group
	RM
Revenue	128,605
Profit after taxation	<u>97,767</u>

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 2015.

A12 Capital Commitments

The amount of capital commitments not provided for in the financial statements as at 31 December 2016 was as follows:-

	RM'000
Property, plant and equipment:-	
- Contracted but not provided for	21,500
- Authorised but not contracted for	-
	<u>21,500</u>

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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 3-month Period Ended		Cumulative Quarter 12-month Period Ended	
	31.12.2016 RM'000	31.12.2015 RM'000	31.12.2016 RM'000	31.12.2015 RM'000
Consultancy fees	60	12	240	535
Contract charges	485	777	1,696	13,039
Insurance paid	-	28	103	1,059
Interest paid	-	(2,784)	-	153
Interior design and renovation	-	44	-	3,069
Management fee	405	1,029	1,820	5,370
Purchase of fertilisers and chemicals	104	6	1,529	813
Purchase of fresh fruit bunches	1,260	887	4,603	3,310
Purchase of property, plant and equipment	-	3,893	1,005	7,934
Purchase of seedlings	-	53	-	416
Purchase of sundry stores and consumables	724	638	2,814	1,642
Rental paid	402	530	1,683	1,722
Repairs and maintenance	31	187	460	450
Sale of fertilisers and chemicals	-	-	-	31
Sale of fresh fruit bunches	28,962	18,314	80,942	63,560
Sale of seedlings	-	7	-	22
Transportation and accommodation charges	309	416	1,248	1,339
Sales of property, plant and equipment	-	282	-	282



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

B1 Review of Performance

Quarter under review

Revenue has increased by 49.3% on the back of higher crude palm oil (“CPO”) selling price by 37.5% and improvement in CPO sale volume by 15.1% as compared to corresponding quarter in 2015. The increase is also partially supported by higher selling price of palm kernel (“PK”) and fresh fruit bunches (“FFB”) by 80.5% and 49.6% respectively.

The Group recorded a pre-tax loss of RM32.0 million compared to corresponding quarter loss of RM31.6 million. The loss was mainly due to the impairment loss on property, plant and equipment, biological assets, and intangible asset amounting to RM11.7 million and impairment loss on receivables amounting to RM12.3 million.

The impairment loss on assets was provided based on the latest valuation report on Simunjan Estate, which was carried out in conjunction with the proposed disposal of Simunjan Estate as announced by the Group on 22 February 2017. The impairment loss on receivables was provided on the amount owing by an associate.

In terms of loss after taxation, the amount increased to RM43.2 million as compared to corresponding quarter of RM30.4 million mainly due to higher tax provision in the quarter under review.

12-month cumulative

The Group recorded higher revenue of RM250.6 million compared to RM184.2 million recorded in 2015, mainly attributable to increase in selling price of CPO, PK and FFB by 25.3%, 64.1% and 34.3% respectively.

The Group recorded lower loss before taxation of RM63.4 million compared to 2015’s loss before taxation of RM74.2 million.

In terms of loss after taxation, the Group posted higher loss of RM69.0 million as compared to 2015 of RM67.2 million mainly due to higher tax provision in the year under review.

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

Revenue improved 9.4% to RM81.3 million compared to immediate preceding quarter in line with higher selling price of CPO, PK and FFB by 14.0%, 8.5% and 14.1%, respectively.

Higher pre-tax loss of RM32.0 million and loss after taxation of RM43.2 million compared to preceding quarter pre-tax profit of RM2.1 million and profit after taxation of RM1.6 million mainly due to impairments on the assets and receivables.

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

B3 Commentary on Prospects

Production of FFB is expected to recover towards the second half of this year, which will provide downward pressure on the CPO price in near terms. As such, the Group is focusing on improving its productivity and remain committed on improving its cost efficiency.

B4 Financial Estimate, Forecast, Projection or Internal Targets

The Group has not issued any financial estimate, forecast, projection or internal targets for the period under review.

B5 Income Tax Expense

	Individual Quarter		Cumulative Quarter	
	3-month Period Ended		12-month Period Ended	
	31.12.2016	31.12.2015	31.12.2016	31.12.2015
	RM'000	RM'000	RM'000	RM'000
Current tax	3,480	(7)	5,812	(1,539)
Deferred tax	7,672	(1,189)	(232)	(5,518)
	<u>11,152</u>	<u>(1,196)</u>	<u>5,580</u>	<u>(7,057)</u>

B6 Corporate Proposals Pending Completion

Proposed voluntary winding up of Midas Plantation Sdn Bhd.

Proposed disposal of all rights, titles and interests in relation to the Simunjan Estate via an absolute assignment, development costs, biological assets, commercial rights and all the fixtures and fittings relating thereto by RSB to Tiasa Mesra Sdn Bhd, a wholly-owned subsidiary of Subur Tiasa Holdings Berhad, for a cash consideration of RM150.0 million.

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

**RIMBUNAN SAWIT BERHAD**

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

Proposed acquisition of 100,000 ordinary shares in Sastat Holdings Sdn Bhd (“SHSB”), representing the entire equity interest in SHSB, by RSB from Pertumbuhan Abadi Asia Sdn Bhd, Teck Sing Lik Enterprise Sdn Bhd and Tan Sri Datuk Sir Diong Hiew King @ Tiong Hiew King, for a total cash consideration of RM17.0 million.

Save as disclosed above, there were no corporate proposals announced but not completed as at 22 February 2017, being the latest practicable date.

B7 Group Borrowings

	As at	
	31.12.2016 RM'000	31.12.2015 RM'000
Long-term borrowings:-		
Hire purchase obligations	5,362	3,641
Term loans, secured	329,117	329,443
	<hr/>	<hr/>
	334,479	333,084
	<hr/>	<hr/>
Short-term borrowings:-		
Bank overdrafts, secured	6,627	9,921
Bank overdrafts, unsecured	6,452	180
Bankers' acceptance, unsecured	28,804	21,170
Hire purchase obligations	3,909	2,546
Revolving credit, secured	70,991	65,991
Revolving credit, unsecured	56,200	73,000
Term loans, secured	74,857	48,418
Unsecured loans	3,020	3,020
	<hr/>	<hr/>
	250,860	224,246
	<hr/>	<hr/>
Total borrowings	585,339	557,330
	<hr/>	<hr/>

The Group's borrowings were denominated in Ringgit 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)

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 February 2017 being the latest practicable date.

B9 Dividends

No interim dividend has been declared for the period ending 31 December 2016.

B10 Loss Per Share

	Individual Quarter 3-month Period Ended		Cumulative Quarter 12-month Period Ended	
	31.12.2016	31.12.2015	31.12.2016	31.12.2015
Loss attributable to owners of the Company (RM'000)	(41,072)	(27,952)	(61,779)	(59,945)
Weighted average number of ordinary shares ('000):- Issued ordinary shares at 1 October/1 January	1,418,487	1,418,487	1,418,487	1,308,505
Effect of conversion of ICPS	623,235	623,235	623,235	733,217
Weighted average number of ordinary shares at 31 December	2,041,722	2,041,722	2,041,722	2,041,722
Basic loss per share (sen)	(2.01)	(1.37)	(3.03)	(2.94)

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 2015 was not subject to any qualification.


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Part B – Explanatory Notes Pursuant to Appendix 9B of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (Cont'd)
B12 Loss Before Taxation

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

	Individual Quarter 3-month Period Ended		Cumulative Quarter 12-month Period Ended	
	31.12.2016 RM'000	31.12.2015 RM'000	31.12.2016 RM'000	31.12.2015 RM'000
Allowance for stock obsolescence	-	240	-	240
Amortisation of biological assets	9,902	13,008	39,950	35,361
Amortisation of intangible assets	193	451	794	956
Bad debts written off	-	1	-	1
Biological assets written off	-	3,801	6	3,801
Depreciation of property, plant and equipment	12,661	9,461	36,063	34,192
Gain on disposal of property, plant and equipment	(88)	1,532	(317)	15
Goodwill written off	13	-	13	-
Impairment loss on investment in an associate	-	19,117	-	19,117
Impairment loss on receivables	12,330	-	12,330	-
Interest expense	4,640	2,823	17,033	14,110
Interest income	(1)	(5)	(4)	(21)
Impairment loss on property, plant and equipment, biological assets, and Intangible asset	11,709	-	11,709	-
Property, plant and equipment written off	221	-	221	-
Share of results in an associate	-	(960)	-	574

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

B13 Derivatives

(a) Nature of outstanding derivatives

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

(b) Risks and Policies of Derivatives

The Group did not enter into any derivatives during the 12-month period ended 31 December 2016.

(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 2016 and 31 December 2015.

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	
	31.12.2016 RM'000	31.12.2015 RM'000
Total retained profits:-		
- realised	78,815	126,345
- unrealised	(49,799)	(50,223)
	<hr/>	<hr/>
	29,016	76,122
Total share of retained profits of associate:-		
- realised	(984)	(984)
- unrealised	(638)	(638)
	<hr/>	<hr/>
	27,394	74,500
Less: Consolidation adjustments	(25,918)	(14,197)
	<hr/>	<hr/>
At 31 December	(1,476)	60,303
	<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 28 February 2017.