



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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Interim Financial Statements

For the 1st Quarter Ended 31 March 2011

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Condensed Consolidated Statements of Comprehensive Income

For the 1st Quarter Ended 31 March 2011

	Individual quarter 3 months ended		Cumulative quarter 3 months ended	
	31.03.2011 RM'000	31.03.2010 RM'000	31.03.2011 RM'000	31.03.2010 RM'000
Revenue	74,396	46,971	74,396	46,971
Cost of sales	(41,119)	(32,609)	(41,119)	(32,609)
Gross profit	33,277	14,362	33,277	14,362
Other income	301	131	301	131
Distribution costs	(2,492)	(2,442)	(2,492)	(2,442)
Administrative and other expenses	(4,443)	(2,153)	(4,443)	(2,153)
Finance costs	(3,988)	(2,129)	(3,988)	(2,129)
Profit before taxation	22,655	7,769	22,655	7,769
Income tax expense	(5,788)	(1,921)	(5,788)	(1,921)
Profit after taxation	16,867	5,848	16,867	5,848
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	16,867	5,848	16,867	5,848
Profits attributable to:-				
Owners of the Company	15,673	5,831	15,673	5,831
Non-controlling interests	1,194	17	1,194	17
	16,867	5,848	16,867	5,848
Earnings per share attributable to owners of the Company (sen): -				
Basic earnings per share	10.01	4.55	10.01	4.55
Diluted earnings per share	4.47	N/A	4.47	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 31 March 2011

	As at end of current quarter 31.03.2011 (Unaudited) RM'000	As at preceding financial period ended 31.12.2010 (Restated) RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	489,167	485,294
Biological assets	693,718	683,248
Intangible assets	23,660	23,809
Deferred tax assets	5,656	4,655
Goodwill on consolidation	53,913	53,913
	<u>1,266,114</u>	<u>1,250,919</u>
Current assets		
Inventories	28,842	21,975
Trade and other receivables	35,574	26,253
Tax recoverable	67	58
Islamic deposits	4,868	4,868
Cash and bank balances	222	313
	<u>69,573</u>	<u>53,467</u>
TOTAL ASSETS	<u>1,335,687</u>	<u>1,304,386</u>
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the Company		
Share capital		
- Ordinary shares	78,299	78,299
- Irredeemable convertible preference shares ("ICPS")	96,987	96,987
Reserves	267,703	251,797
	<u>442,989</u>	<u>427,083</u>
Non-controlling interests	117,589	116,354
Total equity	<u>560,578</u>	<u>543,437</u>
Non-current liabilities		
Borrowings	155,906	149,920
Deferred tax liabilities	146,405	142,983
	<u>302,311</u>	<u>292,903</u>

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Condensed Consolidated Statement of Financial Position (Cont'd)As At 31 March 2011

	As at end of current quarter 31.03.2011 (Unaudited) RM'000	As at preceding financial period ended 31.12.2010 (Restated) RM'000
Current liabilities		
Trade and other payables	194,045	194,401
Bank overdraft	12,802	19,435
Borrowings	260,193	249,231
Provision for tax	5,758	4,979
	<hr/> 472,798	<hr/> 468,046
Total liabilities	<hr/> 775,109	<hr/> 760,949
TOTAL EQUITY AND LIABILITIES	<hr/> 1,335,687	<hr/> 1,304,386
Net assets per share attributable to equity holders of the Company (RM)	<hr/> <hr/> 2.83	<hr/> <hr/> 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 Three-Month Period Ended 31 March 2011

	<Share capital>		<Non-Distributable>		Distributable	Total	Non	Total
	Ordinary	ICPS	Share	Merger	Retained		controlling	equity
	share		premium	reserves	profits		interests	
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
3 months ended 31.03.2011								
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
Profit for the period	-	-	-	-	15,673	15,673	1,194	16,867
At 31 March 2011	78,299	96,987	183,908	(44,631)	128,426	442,989	117,589	560,578

3 months ended 31.03.2010

At 1 January 2010	64,133	-	6,866	(44,631)	74,765	101,133	-	101,133
Dividends	-	-	-	-	(3,367)	(3,367)	-	(3,367)
Profit for the period	-	-	-	-	5,831	5,831	17	5,848
At 31 March 2010	64,133	-	6,866	(44,631)	77,229	103,597	17	103,614

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.



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Condensed Consolidated Statement of Cash Flows
 For the Three-Month Period Ended 31 March 2011

	3 months ended	
	31.03.2011 RM'000	31.03.2010 RM'000
Cash Flows from Operating Activities		
Profit before taxation	22,655	7,769
Adjustments for: -		
Amortisation of biological assets	4,640	1,327
Amortisation of intangible assets	19	19
Depreciation of property, plant and equipment	5,085	933
Interest expenses	3,988	2,129
Interest income	(17)	(54)
Property, plant and equipment written off	2	387
Profit on disposal of property, plant and equipment	(130)	-
Operating profit before working capital changes	36,242	12,510
(Increase)/decrease in inventories	(6,867)	4,386
(Increase)/decrease in receivables	(9,321)	58,682
(Decrease)/increase in payables	(82)	620
Cash generated from operations	19,972	76,198
Interest received	17	54
Interest paid	(77)	(4)
Tax paid	(2,597)	(2,560)
Net cash provided by operating activities	17,315	73,688
Cash Flows from Investing Activities		
Purchase of property, plant and equipment	(9,346)	(2,959)
Additions to biological assets	(14,024)	(2,690)
Purchase of intangible assets	-	(1)
Proceed from disposal of property, plant and equipment	269	131
Acquisition of subsidiaries	-	(58,974)
Net cash used in investing activities	(23,101)	(64,493)



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Condensed Consolidated Statement of Cash Flows (Cont'd)

For the Three-Month Period Ended 31 March 2011

	3 months ended	
	31.03.2011	31.03.2010
	RM'000	RM'000
Cash Flows from Financing Activities		
Dividend paid	-	(3,367)
Net of repayment and drawdown of bankers' acceptance	6,208	1,367
Payment of interest on hire purchase, loan and Islamic securities	(3,911)	(2,125)
Repayment of hire purchase liabilities	(259)	-
Proceed from term loans and issuance of commercial paper/medium term note	15,790	5,630
Repayment of term loans and Islamic securities	(5,500)	(15,250)
Net cash provided by/(used in) financing activities	12,328	(13,745)
Net increase/(decrease) in cash and cash equivalents	6,542	(4,550)
Cash and cash equivalents at beginning of financial period	(19,123)	6,407
Cash and cash equivalents at end of financial period	(12,581)	1,857

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

	As at	As at
	31.03.2011	31.03.2010
	RM'000	RM'000
Cash and bank balances	222	2,791
Bank overdraft	(12,802)	(3,033)
Islamic deposits	4,868	7,396
Fixed deposits	-	2,100
	(7,712)	9,254
Less: Bank balances held on trust for Islamic Securities Investors	(1)	(1)
Less: Islamic deposits held on trust for Islamic Securities Investors	(4,868)	(7,396)
	(12,581)	1,857

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.



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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 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 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



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

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	
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
Annual Improvements to FRSs (2009)		1 January 2010
Annual Improvements to FRSs (2010)		1 January 2011

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. In addition, a statement of financial position is required at the beginning of the earliest comparative period following a change in accounting policy, the correction of an error or the classification of items in the statement. FRS 101 (Revised) also requires the Group to make new disclosures to enable users of the financial statements to evaluate the Group’s objectives, policies and processes for managing capital. Comparative information has been re-presented so that it is in conformity with the requirements of this revised standard.

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

A1 Basis of Preparation (Cont’d)***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 31 March 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 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.

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

A1 Basis of Preparation (Cont'd)***FRS 139 Financial Instruments: Recognition and Measurement (Cont'd)*****(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. Derivatives are also classified as held for trading unless they are designated as hedges.

(iii) Equity Instruments

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from proceeds.

Dividends on ordinary shares are recognised as liabilities when approved for appropriation.

(iv) 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 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 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.



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

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 3-months financial period ended 31 March 2011:

Sukuk Ijarah Commercial Paper (CP)

The Group redeemed RM5 million and issued RM10 million of CP on 25 February 2011.

A6 Dividends Paid

No interim dividend has been declared for the 3-months financial period ended 31 March 2011.

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 31 March 2011, the Group acquired items of property, plant and equipment with a total cost of RM10.16 million.

The Group disposed items of property, plant and equipment with a total cost of RM573,175 during the 3-months financial period ended 31 March 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 31 March 2011.

(c) Valuations

As at 31 March 2011, the Group did not have any revalued assets.

A9 Subsequent Events

Except for those disclosed 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 31 March 2011.



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

A10 Contingent Liabilities and Contingent Assets

As at 18 May 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.

A11 Capital Commitment

Save as disclosed below, as at 18 May 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: -

	RM’000
Approved and contracted for	6,183
Approved but not contracted for	-
	6,183

A12 Related Party Transactions

	3 months ended		3 months ended	
	31.03.2011	31.03.2010	31.03.2011	31.03.2010
	RM’000	RM’000	RM’000	RM’000
Purchase of fresh fruit bunches	304	5,294	304	5,294
Purchase of fertilizer and chemical	6,841	374	6,841	374
Purchase of diesel	2,789	998	2,789	998
Purchase of spare parts, harvesting and weeding tools, repair and maintenance	2,387	692	2,387	692
Insurance premium charged	227	109	227	109
Transportation	958	676	958	676
Sales of fresh fruit bunches	21,867	2,829	21,867	2,829
Sales of seedlings	-	59	-	59
Project development contract	799	78	799	78
Recruitment charges	152	76	152	76
Purchase of seedlings	66	31	66	31
Land development, field maintenance and management charges	6,945	3,088	6,945	3,088
Machinery and motor vehicle rental	919	457	919	457
Rental of premises	11	8	11	8
Repairs of plant & machineries	37	23	37	23
Repairs of motor vehicles	88	8	88	8
Interest paid	765	335	765	335
Purchases of motor vehicle	159	52	159	52
Purchases of equipments	69	3	69	3

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

B1 Review of Performance

The Group registered a total revenue of RM74.40 million for the current quarter, representing an increase of 58.40% as compared to RM46.97 million reported in the previous corresponding period. The increase in revenue was mainly attributed by more favourable average CPO and PK prices realised and additional volume of FFB production generated by the subsidiaries acquired in the second half of last financial period. The average CPO and PK prices increased by 45.99% and 118.35% respectively in the current quarter as compared to previous corresponding period.

In tandem with higher commodity prices and higher volume of FFB production, the Group registered a higher profit before taxation of RM22.66 million compared to RM7.77 million recorded in the last corresponding period.

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 RM22.66 million as compared to RM8.83 million recorded in the immediate preceding quarter which consists of one month only (December 2010). The slight decrease in the current quarter monthly average profit before taxation compared to the one month profit before taxation in the immediate preceding quarter was due to lower sales of CPO and PK.

B3 Commentary on Prospects

The Group's prospects for the remaining quarters 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 price of CPO maintain at RM3,000 and above per tonne, the Directors are of the opinion that the Group's performance for the next quarter is expected to remain stable and optimistic.

B4 Actual Profit Against Profit Forecast And Profit Guarantee

The Group did not issue any profit forecast and profit guarantee.

B5 Income Tax Expense

	3 months ended		3 months ended	
	31.03.2011	31.03.2010	31.03.2011	31.03.2010
	RM'000	RM'000	RM'000	RM'000
Current tax	3,367	2,156	3,367	2,156
Deferred tax	2,421	(235)	2,421	(235)
Total income tax expense	5,788	1,921	5,788	1,921

B6 Sales of Unquoted Investments and Properties

There were no sales of unquoted investments and properties for the 3-months financial period ended 31 March 2011.



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

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

B7 Quoted Securities

There was no purchase or disposal of quoted securities for the 3-months financial period ended 31 March 2011.

B8 Corporate Proposals

(a) On 19 January 2011, the Company had entered into a Share Sale Agreement (“SSA”) with a non-related party, Lembaga Amanah Kebajikan Masjid Negeri Sarawak (“LAKMNS”), to acquire 601,735 ordinary shares of RM1.00 each in the capital of PJP Pelita Biawak Plantation Sdn Bhd (“PJP”) for a total cash consideration sum of RM12,700,326.00, which represents 15% of the total issued and paid-up share capital of PJP.

The Company had also entered into another Share Sale Agreement on 19 January 2011 with LAKMNS to dispose 1,680,000 ordinary shares of RM1.00 each in the capital of Lubuk Tiara Sdn Bhd (“LTSB”) for a total cash consideration sum of RM13,100,723.00, which represents 21% of the total issued and paid-up share capital of LTSB. The sale proceeds are intended to be utilised as working capital of the Company by 31 December 2011.

(b) On 2 February 2011, the Company had entered into three separate conditional SSAs with the State Financial Secretary of Sarawak (“SFS”) for the proposed acquisition of the remaining 15% equity interests of Nescaya Palma Sdn Bhd, Novelpac-Puncakdana Plantation Sdn Bhd and Woodijaya Sdn Bhd not already held by RSB from SFS at an aggregate purchase consideration of RM16,019,312.00 to be wholly satisfied through the issuance of 6,964,918 ordinary shares of RM0.50 each in RSB at an issue price of approximately RM2.30 per RSB share (Proposed Acquisitions). The Proposed Acquisitions had been approved by the shareholders at Extraordinary General Meeting held on 9 May 2011.

(c) 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.

B9 Borrowings and Debt Securities

	As at 31.03.2011 RM’000	As at 31.12.2010 RM’000
Current – Secured		
Bank overdraft	12,802	19,435
Islamic securities	65,800	67,200
Banker acceptance	11,145	4,937
Hire purchase	608	354
Term loan	182,640	176,740
	272,995	268,666

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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 31.03.2011 RM'000	As at 31.12.2010 RM'000
Non-current – Secured		
Islamic securities	83,300	82,300
Hire purchase	346	150
Term loan	72,260	67,470
	<hr/> 155,906	<hr/> 149,920
Total borrowings and debt securities	<hr/> 428,901	<hr/> 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 31 March 2011.

B11 Changes in Material Litigation

As at 18 May 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

At the Annual General Meeting held on 9 May 2011, the dividends in respect of the financial period ended 31 December 2010 which was proposed by the Board of Directors on 24 March 2011 have been approved by shareholders and will be 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 RM704,692; and

(ii) single tier dividend of 1.4 sen per ordinary share amounting to RM2,192,375; and

(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.


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

B13 Earnings per Share (Cont'd)
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		3 months ended	
	31.03.2011	31.03.2010	31.03.2011	31.03.2010
	RM'000	RM'000	RM'000	RM'000
Profit for the period	15,673	5,831	15,673	5,831
Number of ordinary shares in issue ('000)	156,598	128,267	156,598	128,267
Basic earnings per share (sen)	10.01	4.55	10.01	4.55

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		3 months ended	
	31.03.2011	31.03.2010	31.03.2011	31.03.2010
	RM'000	RM'000	RM'000	RM'000
Profit for the period	15,673	5,831	15,673	5,831
Number of ordinary shares in issue ('000)	156,598	128,267	156,598	128,267
Effect of conversion of ICPS	193,973	-	193,973	-
Total number of ordinary shares in issue after conversion ('000)	350,571	128,267	350,571	128,267
Diluted earnings per share (sen)	4.47	N/A	4.47	N/A

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

B14 Disclosure of Unrealised Profits

The retained earnings of the Group as at 31 March 2011 contain realised and unrealised profits as below:-

	As at 31.03.2011 RM'000	As at 31.12.2010 RM'000
Total retained profits:-		
- Realised	144,217	121,850
- Unrealised	(26,849)	(25,378)
	<hr/> 117,368	<hr/> 96,472
Add: Consolidation adjustments	11,058	16,048
Total Group retained profits as per unaudited consolidated financial statements	<hr/> <hr/> 128,426	<hr/> <hr/> 112,520

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 25 May 2011.