



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 2nd Quarter Ended 30 June 2011

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(Company No. 691393-U)

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

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Condensed Consolidated Statements of Comprehensive Income

For the 2nd Quarter Ended 30 June 2011

	Individual quarter 3 months ended		Cumulative quarter 6 months ended	
	30.06.2011 RM'000	30.06.2010 RM'000	30.06.2011 RM'000	30.06.2010 RM'000
Revenue	94,196	39,540	168,592	86,511
Cost of sales	(51,688)	(27,961)	(92,807)	(60,570)
Gross profit	42,508	11,579	75,785	25,941
Other income	1,020	446	1,320	577
Distribution costs	(3,313)	(1,905)	(5,804)	(4,347)
Administrative and other expenses	(3,631)	(1,600)	(8,074)	(3,753)
Finance costs	(3,753)	(2,126)	(7,740)	(4,255)
Profit before taxation	32,831	6,394	55,487	14,163
Income tax expense	(7,303)	(1,779)	(13,091)	(3,700)
Profit after taxation	25,528	4,615	42,396	10,463
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	25,528	4,615	42,396	10,463
Profits attributable to:-				
Owners of the Company	24,073	4,615	39,746	10,446
Non-controlling interests	1,455	-	2,650	17
	25,528	4,615	42,396	10,463
Earnings per share attributable to owners of the Company (sen): -				
Basic earnings per share	15.15	3.60	25.19	8.14
Diluted earnings per share	6.82	N/A	11.30	N/A

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



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Condensed Consolidated Statement of Financial Position
 As At 30 June 2011

	As at end of current quarter 30.06.2011 (Unaudited) RM'000	As at preceding financial period ended 31.12.2010 (Restated) RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	502,366	485,294
Biological assets	705,853	683,248
Intangible assets	23,525	23,809
Deferred tax assets	6,029	4,655
Goodwill on consolidation	53,995	53,913
	1,291,768	1,250,919
Current assets		
Inventories	29,951	21,975
Trade and other receivables	49,746	26,253
Tax recoverable	-	58
Islamic deposits	4,091	4,868
Cash and bank balances	338	313
	84,126	53,467
TOTAL ASSETS	1,375,894	1,304,386
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the Company		
Share capital		
- Ordinary shares	81,782	78,299
- Irredeemable convertible preference shares ("ICPS")	96,987	96,987
Reserves	287,692	251,797
	466,461	427,083
Non-controlling interests	113,150	116,354
Total equity	579,611	543,437
Non-current liabilities		
Borrowings	148,950	149,920
Deferred tax liabilities	151,022	142,983
	299,972	292,903

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

	As at end of current quarter 30.06.2011 (Unaudited) RM'000	As at preceding financial period ended 31.12.2010 (Restated) RM'000
Current liabilities		
Trade and other payables	206,768	194,401
Bank overdraft	23,468	19,435
Borrowings	258,904	249,231
Provision for tax	7,171	4,979
	<hr/> 496,311	<hr/> 468,046
Total liabilities	796,283	760,949
TOTAL EQUITY AND LIABILITIES	<hr/> 1,375,894	<hr/> 1,304,386
Net assets per share attributable to equity holders of the Company (RM)	<hr/> <hr/> 2.85	<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 Six-Month Period Ended 30 June 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
6 months ended 30 June 2011								
At 1 January 2011								
As previously reported	78,299	96,987	183,908	(44,631)	112,520	427,083	116,354	543,437
Effects of adopting FRS 139	-	-	-	-	233	233	41	274
As restated	78,299	96,987	183,908	(44,631)	112,753	427,316	116,395	543,711
Adjustment for common control business combinations	1,915	-	6,868	(8,776)	969	976	(1,002)	(26)
Acquisition of subsidiary	-	-	-	-	-	-	165	165
Acquisition of additional interest in subsidiaries	1,568	-	5,620	-	(2,151)	5,037	(5,058)	(21)
Dividends								
-Owners of the company	-	-	-	-	(6,614)	(6,614)	-	(6,614)
Profit for the period	-	-	-	-	39,746	39,746	2,650	42,396
At 30 June 2011	81,782	96,987	196,396	(53,407)	144,703	466,461	113,150	579,611



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

	<Share Capital>		<Non-Distributable>		Distributable	Total	Non controlling interests	Total equity
	Ordinary share	ICPS	Share premium	Merger reserves	Retained profits			
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
6 months ended 30 June 2010								
At 1 January 2010	64,133	-	6,866	(44,631)	74,765	101,133	-	101,133
Adjustment for common control business combinations	-	-	-	284	(284)	-	-	-
Dividends	-	-	-	-	(3,367)	(3,367)	-	(3,367)
Profit for the period	-	-	-	-	10,446	10,446	17	10,463
At 30 June 2010	64,133	-	6,866	(44,347)	81,560	108,212	17	108,229

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 Six-Month Period Ended 30 June 2011

	6 months ended	
	30.06.2011	30.06.2010
	RM'000	RM'000
Cash Flows from Operating Activities		
Profit before taxation	55,487	14,163
Adjustments for: -		
Amortisation of biological assets	9,480	2,313
Amortisation of intangible assets	57	38
Depreciation of property, plant and equipment	9,882	5,035
Interest expenses	7,740	4,255
Interest income	(110)	(98)
Property, plant and equipment written off	8	-
Profit on disposal of property, plant and equipment	(163)	(257)
Operating profit before working capital changes	82,381	25,449
(Increase)/decrease in inventories	(7,976)	2,947
(Increase)/decrease in receivables	(22,442)	54,050
Increase in payables	12,642	4,931
Cash generated from operations	64,605	87,377
Interest received	110	98
Interest paid	(77)	(46)
Tax paid	(4,174)	(4,296)
Net cash provided by operating activities	60,464	83,133
Cash Flows for Investing Activities		
Purchase of property, plant and equipment	(27,852)	(10,179)
Additions to biological assets	(29,447)	(6,864)
Proceed from disposal of property, plant and equipment	466	584
Acquisition of subsidiaries (net of cash and cash equivalents)	(1,018)	(58,974)
Net cash used in investing activities	(57,851)	(75,433)



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

	6 months ended	
	30.06.2011 RM'000	30.06.2010 RM'000
Cash Flows for Financing Activities		
Dividend paid	(6,614)	(3,367)
Net of repayment and drawdown of bankers' acceptance	5,693	6,638
Payment of interest on hire purchase, loan and Islamic securities	(7,664)	(4,209)
Repayment of hire purchase liabilities	(583)	-
Proceed from term loans and Islamic securities	28,271	6,340
Islamic deposits held on trust for investors	777	2,589
Repayment of term loans and Islamic securities	(26,500)	(25,750)
Net cash used in financing activities	(6,620)	(17,759)
Net decrease in cash and cash equivalents	(4,007)	(10,059)
Cash and cash equivalents at beginning of financial period	(19,124)	6,407
Cash and cash equivalents at end of financial period	(23,131)	(3,652)

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

	As at 30.06.2011 RM'000	As at 30.06.2010 RM'000
Cash and bank balances	338	252
Bank overdraft	(23,468)	(3,903)
Islamic deposits	4,091	4,807
	(19,039)	1,156
Less: Bank balances held on trust for Islamic Securities Investors	(1)	(1)
Less: Islamic deposits held on trust for Islamic Securities Investors	(4,091)	(4,807)
	(23,131)	(3,652)

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 124 (Revised)	Related Party Disclosures	1 January 2012
FRS 127 (Revised)	Consolidated and Separate Financial Statements	1 July 2010
FRS 139	Financial Instruments: Recognition and Measurement	1 January 2010
Amendments to FRS 1 and FRS 127	Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate	1 January 2010
Amendments to FRS 1 (Revised)	Limited Exemption from Comparative FRS 7 Disclosure for First-time Adopters	1 January 2011
Amendments to FRS 1	Additional Exemption for First-time Adopters	1 January 2011
Amendments to FRS 2	Vesting Conditions and Cancellations	1 January 2010
Amendments to FRS 2	Scope of FRS 2 and FRS 3 (Revised)	1 July 2010
Amendments to FRS 2	Group Cash-settled Share-based Payment Transactions	1 January 2011
Amendments to FRS 5	Plan to Sell the Controlling Interest in a Subsidiary	1 January 2010
Amendments to FRS 7	Improving Disclosures about Financial Instruments	1 January 2011
Amendments to FRS 101 and FRS 132	Puttable Financial Instruments and Obligations Arising on Liquidation	1 January 2010
Amendments to FRS 117	Lease	1 January 2010
Amendments to FRS 132	Classification of Rights Issues and the Transitional Provision in Relation to Compound Instruments	1 January 2010



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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	1 January 2010
IC Interpretation 11 FRS 2	Group and Treasury Share Transactions	1 January 2010
IC Interpretation 12	Service Concession Arrangements	1 July 2010
IC Interpretation 13	Customer Loyalty Programmes	1 January 2010
IC Interpretation 14 FRS 119	The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction	1 January 2010
IC Interpretation 15	Agreement for the Construction of Real Estate	1 January 2012
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
IC Interpretation 19	Extinguishing Financial Liabilities with Equity Instruments	1 July 2011
Amendments to IC Interpretation 9	Scope of IC Interpretation 9 and FRS 3 (Revised)	1 July 2010
Amendments to IC Interpretation 14	Prepayments of a Minimum Funding Requirement	1 July 2011
Amendments to IC Interpretation 15	Effective Date and Transition	1 January 2012
Annual Improvements to FRSs (2009)		1 January 2010
Annual Improvements to FRSs (2010)		1 January 2011

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

FRS 3 (Revised) Business Combinations

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

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

A1 Basis of Preparation (Cont’d)***FRS 101 Presentation of Financial Statements***

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

Amendments to FRS 117 Leases

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

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

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

FRS 127 (Revised) Consolidated and Separate Financial Statements

Revised FRS 127 - Consolidated and separate financial statements, which applies prospectively to transactions with non-controlling interests from 1 July 2010, requires the changes in the parent’s ownership interest that do not result in a loss of control of the subsidiary are accounted for as equity. The revised standard further requires all losses attributable to minority interest to be absorbed by minority shareholders instead of by parent. When the parent company ceases to have a controlling financial interest in a subsidiary, the parent is required to deconsolidate the subsidiary as of the date on which its control ceased. Any remaining interest in the entity is remeasured to fair value, and a gain or loss is recognised in the income statement.

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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***

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

(i) Financial Assets

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

The Group’s financial assets include loans and receivables:

- Loans and receivables

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

(ii) Financial Liabilities

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

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

(iii) Impact on opening balances

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

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

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

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.

A3 Unusual Items due to Their Nature, Size or Incidence

There were no unusual items affecting assets, liabilities, equity, net income or cash flows during the current quarter and the financial year-to-date.

A4 Changes in Estimates

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

A5 Debt and Equity Securities

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

Sukuk Ijarah Commercial Paper (CP)

The Group redeemed total borrowing of RM44.2 million, namely RM5 million, RM10 million and RM29.20 million of CP on 25 February 2011, 25 May 2011 and 23 June 2011 respectively.

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

Sukuk Ijarah

The Group redeemed borrowing of RM20 million on 23 June 2011.

A6 Dividends Paid

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

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

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

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

A7 Segmental Information

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

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

During the 3-months financial period ended 30 June 2011, the Group acquired items of property, plant and equipment with a total cost of RM18.77 million.

The Group disposed items of property, plant and equipment with a total cost of RM455,868 during the 3-months financial period ended 30 June 2011.

(b) Impairment Losses

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

(c) Valuations

As at 30 June 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 30 June 2011.

A10 Changes in Composition of Group

During the financial period under review, RSB acquired the remaining 15% equity interest in Nescaya Palma Sdn Bhd, Novelpac-Puncakdana Plantation Sdn Bhd and Woodijaya Sdn Bhd, became wholly owned subsidiaries. RSB had also on 23 May 2011 subscribed 85% of the fully paid up capital in the share capital of Burung Tiong Helicopter Sdn Bhd, namely 1,020,000 ordinary shares at par value of RM1 each for a total consideration sum of RM1,020,000.00 and became a 85% owned subsidiary of the Company.

The cost of acquisition comprises the followings:-

	RM’000
Purchase consideration satisfied by cash	1,020
Purchase consideration satisfied by issuing ordinary share	16,019
	<hr/>
Total cost of business combination	17,039
	<hr/>

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

A10 Changes in Composition of Group (Cont’d)

The cash outflow on acquisitions is as follows:-

	6 months ended 30.06.2011 RM’000
Total cost of business combination	17,039
Less: Purchase consideration other than cash	(16,019)
Cash and cash equivalents of subsidiaries acquired	(2)
	<hr/>
Net cash outflow of the Group	<u>1,018</u>

A11 Contingent Liabilities and Contingent Assets

As at 20 August 2011, there were no material contingent liabilities or contingent assets which, upon being enforceable, might have a material impact on the financial position or business of the Group.

A12 Capital Commitment

Save as disclosed below, as at 20 August 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	9,437
Approved but not contracted for	-
	<hr/>
	<u>9,437</u>



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

A13 Related Party Transactions

	3 months ended		6 months ended	
	30.06.2011	30.06.2010	30.06.2011	30.06.2010
	RM'000	RM'000	RM'000	RM'000
Purchase of fresh fruit bunches	446	5,583	750	10,877
Purchase of fertilizer and chemical	10,100	3,967	16,941	4,341
Purchase of diesel	3,869	791	6,658	1,789
Purchase of spare parts, harvesting and weeding tools, repair and maintenance	2,670	675	5,057	1,367
Insurance premium charged	143	82	370	191
Transportation	1,282	1,881	2,240	2,557
Sales of fresh fruit bunches	23,949	3,022	45,816	5,851
Sales of seedlings	-	-	-	54
Project development contract	1,124	204	1,923	282
Recruitment charges	223	49	375	125
Purchase of seedlings	511	66	577	97
Land development, field maintenance and management charges	9,456	4,688	16,401	17,776
Machinery and motor vehicle rental	1,516	159	2,447	616
Rental of premises	22	8	33	16
Repairs of plant & machineries	43	24	80	47
Repairs of motor vehicles	127	18	215	26
Interest paid	660	316	1,425	651
Purchase of motor vehicles	233	-	392	-
Purchases of equipments	57	20	126	23
Purchases of plant and machineries	323	-	323	-



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

B1 Review of Performance

The Group registered a total revenue of RM94.20 million for the current quarter under review, representing an increase of 138.30% as compared to RM39.54 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 33.84% and 65.46% respectively in the current quarter under review 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 RM25.53 million compared to RM4.62 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 RM32.83 million as compared to RM22.66 million recorded in the immediate preceding quarter. The increase in the current quarter profit before taxation compared to the profit before taxation in the immediate preceding quarter was due to increase in volume of CPO, PK and FFB sold, despite of the slight decrease in CPO price.

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, the Directors are of the opinion that following seasonal high FFB production in the second half of the year will continue to add momentum to the coming quarter results and the Group’s performance will remain stable and optimistic.

B4 Actual Profit Against Profit Forecast And Profit Guarantee

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

B5 Income Tax Expense

	3 months ended		6 months ended	
	30.06.2011	30.06.2010	30.06.2011	30.06.2010
	RM’000	RM’000	RM’000	RM’000
Current tax	(3,058)	(1,730)	(6,425)	(3,886)
Deferred tax	(4,245)	(49)	(6,666)	186
Total income tax expense	(7,303)	(1,779)	(13,091)	(3,700)

B6 Sales of Unquoted Investments and Properties

There were no sales of unquoted investments and properties for the financial period ended 30 June 2011.

B7 Quoted Securities

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



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

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 (“Proposed Biawak Acquisition”).

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 (“Proposed Lubuk Tiara Disposal”).

The Proposed Biawak Acquisition and Proposed Lubuk Tiara Disposal were duly approved by the shareholders of the Company at the Extraordinary General Meeting held on 22 August 2011.

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

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

- (c) On 27 May 2011, RSB announced that the Company proposes to undertake the following proposals:-
- (i) Proposed renounceable rights issue of up to 490,689,354 new ordinary shares of RM0.50 each in RSB on the basis of 3 rights shares for every 1 existing ordinary share of RM0.50 each held in RSB (“PRRI”);
 - (ii) Proposed bonus issue of up to 654,252,472 new shares on the basis of 1 bonus share for every 1 share held after the (“PBI”);
 - (iii) Proposed increase in the authorized share capital of RSB from RM500,000,000 comprising 700,000,000 shares and 300,000,000 irredeemable convertible preference shares of RM0.50 each (“ICPS”) to RM1,250,000,000 comprising 2,200,000,000 shares and 300,000,000 ICPS of RM0.50 each; and
 - (iv) Proposed amendment to the Memorandum of Association of RSB.

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

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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

	As at 30.06.2011 RM'000	As at 31.12.2010 RM'000
Current – Secured		
Bank overdraft	23,468	19,435
Islamic securities	71,200	67,200
Banker acceptance	10,630	4,937
Hire purchase	834	354
Term loan	176,240	176,740
	<hr/> 282,372	<hr/> 268,666
Non-current – Secured		
Islamic securities	53,300	82,300
Hire purchase	909	150
Term loan	94,741	67,470
	<hr/> 148,950	<hr/> 149,920
Total borrowings and debt securities	<hr/> <hr/> 431,322	<hr/> <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 30 June 2011.

B11 Changes in Material Litigation

As at 20 August 2011, neither the Company nor any of its subsidiaries were engaged in any litigation or arbitration, either as plaintiff or defendant, which had a material effect on the financial position of the Company or any of its subsidiaries and the Board of Directors was not aware of any proceedings pending or threatened, or of any fact likely to give rise to any proceedings, which might materially and adversely affect the position or business of the Company or any of its subsidiaries.

B12 Dividend Payable

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



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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

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		6 months ended	
	30.06.2011 RM'000	30.06.2010 RM'000	30.06.2011 RM'000	30.06.2010 RM'000
Profit for the period	24,073	4,615	39,746	10,446
Weighted average number of ordinary shares in issue ('000)				
Number of ordinary shares in issue	156,598	128,267	156,598	128,267
Effect of ordinary shares issued	2,322	-	1,161	-
Weighted average number of ordinary shares ('000) at 30 June	158,920	128,267	157,759	128,267
Basic earnings per share (sen)	15.15	3.60	25.19	8.14

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		6 months ended	
	30.06.2011 RM'000	30.06.2010 RM'000	30.06.2011 RM'000	30.06.2010 RM'000
Profit for the period	24,073	4,615	39,746	10,446
Weighted average number of ordinary shares in issue ('000)				
Number of ordinary shares in issue	156,598	128,267	156,598	128,267
Effect of ordinary shares issued	2,322	-	1,161	-
Effect of conversion of ICPS	193,973	-	193,973	-
Weighted average number of ordinary shares ('000) at 30 June	352,893	128,267	351,732	128,267
Diluted earnings per share (sen)	6.82	N/A	11.30	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 Realised and Unrealised Profits

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

	As at 30.06.2011 RM'000 (Unaudited)	As at 31.12.2010 RM'000 (Audited)
Total retained profits:-		
- Realised	170,558	121,850
- Unrealised	(31,491)	(25,378)
	<hr/> 139,067	<hr/> 96,472
Add: Consolidation adjustments	5,636	16,048
Total Group retained profits as per consolidated financial statements	<hr/> <hr/> 144,703	<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 26 August 2011.