



RIMBUNAN SAWIT BERHAD

(Company No. 691393-U)

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

Telephone No.: 084-218555

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Interim Financial Statements

For the 4th Quarter Ended 31 December 2011

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**RIMBUNAN SAWIT BERHAD**

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Condensed Consolidated Statement of Comprehensive Income

For the 4th Quarter Ended 31 December 2011

	Individual quarter 3 months ended		Cumulative quarter 12 months ended	
	31.12.2011 RM'000	31.12.2010 RM'000	31.12.2011 RM'000	31.12.2010 RM'000
Revenue	92,373	82,398	359,578	227,647
Cost of sales	(65,653)	(42,548)	(226,466)	(139,587)
Gross profit	26,720	39,850	133,112	88,060
Other income	2,478	2,404	7,995	3,674
Distribution costs	(2,952)	(2,719)	(12,296)	(9,377)
Administrative and other expenses	(4,300)	(4,525)	(16,930)	(10,815)
Profit from operations	21,946	35,010	111,881	71,542
Finance costs	(7,703)	(3,807)	(18,884)	(10,684)
Share of results in associate	485	-	671	-
Profit before taxation	14,728	31,203	93,668	60,858
Income tax expense	(5,810)	(9,309)	(24,333)	(16,751)
Profit for the financial period	8,918	21,894	69,335	44,107
Profit attributable to:-				
Owners of the Company	8,373	20,312	65,975	41,122
Non-controlling interests	545	1,582	3,360	2,985
	8,918	21,894	69,335	44,107
Earnings per share attributable to owners of the Company (sen): -				
Earnings per share	0.63	2.33	7.10	7.40

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Condensed Consolidated Statement of Comprehensive Income (Cont'd)For the 4th Quarter Ended 31 December 2011

	Individual quarter 3 months ended		Cumulative quarter 12 months ended	
	31.12.2011 RM'000	31.12.2010 RM'000	31.12.2011 RM'000	31.12.2010 RM'000
Profit for the financial period	8,918	21,894	69,335	44,107
Other comprehensive income:				
Available-for-sale financial assets	714	-	714	-
Total comprehensive income for the financial period	9,632	21,894	70,049	44,107
Total comprehensive income attributable to:-				
Owners of the Company	9,087	20,312	66,689	41,122
Non-controlling interests	545	1,582	3,360	2,985
	9,632	21,894	70,049	44,107

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 December 2011

	As at end of current quarter 31.12.2011 (Unaudited) RM'000	As at preceding financial period ended 31.12.2010 (Restated) RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	569,508	485,294
Biological assets	669,644	683,248
Intangible assets	23,262	23,809
Investment in associate	24,801	-
Deferred tax assets	5,418	4,655
Goodwill on consolidation	53,995	53,913
	1,346,628	1,250,919
Current assets		
Inventories	25,210	21,975
Trade and other receivables	26,154	26,253
Tax recoverable	930	58
Available-for-sale financial assets	118,214	-
Islamic deposits	4,165	4,868
Deposits, cash and bank balances	86,332	313
	261,005	53,467
TOTAL ASSETS	1,607,633	1,304,386
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the Company		
Share capital		
- Ordinary shares	654,252	78,299
- Irredeemable convertible preference shares ("ICPS")	96,987	96,987
Reserves	130,014	251,797
	881,253	427,083
Non-controlling interests	83,705	116,354
Total equity	964,958	543,437
Non-current liabilities		
Borrowings	254,559	149,920
Deferred tax liabilities	144,750	142,983
	399,309	292,903

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Condensed Consolidated Statement of Financial Position (Cont'd)

As At 31 December 2011

	As at end of current quarter 31.12.2011 (Unaudited) RM'000	As at preceding financial period ended 31.12.2010 (Restated) RM'000
Current liabilities		
Trade and other payables	116,098	194,401
Bank overdraft	7,533	19,435
Borrowings	118,885	249,231
Provision for taxation	850	4,979
	<hr/> 243,366	<hr/> 468,046
Total liabilities	642,675	760,949
TOTAL EQUITY AND LIABILITIES	<hr/> 1,607,633	<hr/> 1,304,386
Net assets per ordinary share attributable to equity holders of the Company (RM)	<hr/> <hr/> 0.67	<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 Twelve-Month Period Ended 31 December 2011

	<Share capital>		<Non-Distributable>		Distributable	Total	Non	Total
	Ordinary	ICPS	Share	Merger	Retained		controlling	equity
	shares		premium	reserves	profits		interests	
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
12 months ended 31 December 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 equity interests in subsidiaries	1,568	-	5,620	-	(5,487)	1,701	(14,422)	(12,721)
Disposal of subsidiary	-	-	-	-	(366)	(366)	(18,154)	(18,520)
Dividends								
-Owners of the company	-	-	-	-	(6,614)	(6,614)	-	(6,614)
-Non-controlling interest	-	-	-	-	-	-	(2,637)	(2,637)
Rights issue	245,344	-	146,207	-	-	391,551	-	391,551
Bonus shares	327,126	-	(327,126)	-	-	-	-	-
Total comprehensive income for the financial period	-	-	-	-	66,689	66,689	3,360	70,049
At 31 December 2011	654,252	96,987	15,477	(53,407)	167,944	881,253	83,705	964,958



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Condensed Consolidated Statement of Changes in Equity (Cont'd)
 For the Twelve-Month Period Ended 31 December 2011

	<Share Capital>		<Non-Distributable>		Distributable	Total	Non controlling interests	Total equity
	Ordinary shares	ICPS	Share premium	Merger reserves	Retained profits			
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
12 months ended 31 December 2010								
At 1 January 2010	64,133	-	6,866	(44,631)	74,765	101,133	-	101,133
Dividends	-	-	-	-	(3,367)	(3,367)	-	(3,367)
Acquisition of subsidiaries	14,166	96,987	177,042	-	-	288,195	113,369	401,564
Total comprehensive income for the financial period	-	-	-	-	41,122	41,122	2,985	44,107
At 31 December 2010	78,299	96,987	183,908	(44,631)	112,520	427,083	116,354	543,437

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 Twelve-Month Period Ended 31 December 2011

	12 months ended	
	31.12.2011	31.12.2010
	RM'000	RM'000
Cash Flows from Operating Activities		
Profit before taxation	93,668	60,858
Adjustments for: -		
Amortisation of biological assets	22,376	8,277
Amortisation of intangible assets	139	190
Depreciation of property, plant and equipment	19,183	12,999
Gain on bargain purchase	-	(2,010)
Interest expenses	18,884	10,684
Interest income	(1,803)	(232)
Profit on disposal of subsidiary	(3,210)	-
Share of results in associate	(670)	-
Profit on disposal of property, plant and equipment	(523)	(972)
Loss on disposal of property, plant and equipment	43	50
Operating profit before working capital changes	148,087	89,844
Increase in inventories	(4,925)	(3,280)
(Increase)/decrease in receivables	(1,512)	86,123
(Decrease)/increase in payables	(41,731)	10,593
Cash generated from operations	99,919	183,280
Interest received	1,803	232
Interest paid	(140)	(198)
Tax paid	(14,544)	(7,866)
Net cash provided by operating activities	87,038	175,448
Cash Flows for Investing Activities		
Purchase of property, plant and equipment	(75,327)	(43,184)
Purchase of intangible assets	(22)	(23,644)
Additions to biological assets	(65,754)	(35,329)
Investment in available-for-sale financial assets	(117,500)	-
Proceed from disposal of property, plant and equipment	1,132	1,643
Proceed from disposal of subsidiary	13,091	-
Acquisition of estate	(23,000)	-
Acquisition of subsidiaries (net of cash and cash equivalents)	(13,718)	(67,120)
Net cash used in investing activities	(281,098)	(167,634)



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Condensed Consolidated Statement of Cash Flows (Cont'd)

For the Twelve-Month Period Ended 31 December 2011

	12 months ended	
	31.12.2011 RM'000	31.12.2010 RM'000
Cash Flows from/(for) Financing Activities		
Dividend paid	(6,614)	(3,367)
Dividend paid to non-controlling interest	(2,637)	-
Net of repayment and drawdown of bankers' acceptance	4,005	4,937
Payment of interest on hire purchase, loan and Islamic securities	(18,744)	(10,486)
Repayment of hire purchase liabilities	(1,517)	(176)
Proceed from term loans and Islamic securities	156,143	54,885
Proceed from rights issue	392,551	-
Islamic deposits held on trust for investors	704	2,528
Repayment of term loans and Islamic securities	(231,910)	(81,665)
Net cash provided by/(used in) financing activities	291,981	(33,344)
Net increase/(decrease) in cash and cash equivalents	97,921	(25,530)
Cash and cash equivalents at beginning of financial year/period	(19,123)	6,407
Cash and cash equivalents at end of financial year/period	78,798	(19,123)

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

	As at 31.12.2011 RM'000	As at 31.12.2010 RM'000
	Cash and bank balances	409
Bank overdraft	(7,533)	(19,435)
Islamic deposits	4,165	4,868
Deposits	85,923	-
	82,964	(14,254)
Less: Bank balances held on trust for Islamic Securities Investors	(1)	(1)
Less: Islamic deposits held on trust for Islamic Securities Investors	(4,165)	(4,868)
	78,798	(19,123)

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 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 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
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 recognised 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 31 December 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 January 2011, 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 the allocation of losses to non-controlling interests even if it results in non-controlling interests in the deficit position. 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.

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:

- Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are designated in this category or are not classified in any of the other categories.

After initial recognition, available-for-sale financial assets are remeasured to their fair values at end of each reporting period. Gains or losses arising from changes in fair value are recognized in other comprehensive income and accumulated in their fair value reserve, with the exception of impairment losses. On recognition, the cumulative gain or loss previously accumulated in the fair value reserve is classified from equity into profit or loss.

- 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.

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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)*****(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

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 31 December 2011:

Sukuk Ijarah Commercial Paper (CP)

The Group redeemed total borrowing of RM78.65 million in the financial period as stated below:

- RM5 million on 25 February 2011;
- RM10 million on 25 May 2011;
- RM29.20 million on 23 June 2011;
- RM10 million on 23 September 2011; and
- RM24.45 million on 23 December 2011.

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



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

A5 Debt and Equity Securities (Cont'd)

Sukuk Ijarah

The Group redeemed borrowing of RM20 million and RM4.35 million on 23 June 2011 and 23 December 2011 respectively.

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.

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 December 2011, the Group acquired items of property, plant and equipment with a total cost of RM33.31 million.

The Group disposed items of property, plant and equipment with a total cost of RM127,737 during the 3-months financial period ended 31 December 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 December 2011.

(c) Valuations

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



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

A9 Subsequent Events

There were no material events after the period end that had not been reflected in the financial statements for the financial period ended 31 December 2011.

A10 Changes in Composition of Group

(a) (i) 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 to become 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. Acquisition of additional 15% equity interest in existing subsidiary, PJP Pelita Biawak Plantation Sdn Bhd was completed on 19 September 2011 which became 85% owned subsidiary with purchase consideration of RM12,700,326.00 wholly satisfied by cash.

	12 months ended 31.12.2011 RM'000
The cost of acquisitions comprises the followings:-	
Purchase consideration satisfied by cash	13,720
Purchase consideration satisfied by issuing ordinary shares	16,019
Total cost of business combination	29,739
	12 months ended 31.12.2011 RM'000
The cash outflow on acquisitions is as follows:-	
Total cost of business combination	29,739
Less: Purchase consideration other than cash	(16,019)
Cash and cash equivalents of subsidiaries acquired	(2)
Net cash outflow of the Group	13,718

(b) (ii) Acquisition of a parcel of land with oil palm plantation situated at Sungai Luai and Sungai Bawah, Niah, Sarawak, measuring, containing an area of 4,857 hectares held under Lot 56, Sawai Land District by wholly owned subsidiary, RH Plantation Sdn Bhd from Sheba Resources Sdn Bhd was completed on 30 December 2011 with total purchase consideration of RM118,000,000.00.

	Fair Value RM'000
Property, plant and equipment	58,940
Biological assets	59,060
Total purchase consideration	118,000
Less: Term loan financing from commercial bank	(95,000)
Net cash outflow of the Group	23,000



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

A10 Changes in Composition of Group (Cont’d)

(c) Disposal of 21% equity interest in total issued and paid up capital in Lubuk Tiara Sdn Bhd for a total cash consideration sum of RM13,100,723.00 was completed on 19 September 2011. Lubuk Tiara Sdn Bhd ceased to be a subsidiary and became an associate of RSB thereon. The results of the disposal of subsidiary, Lubuk Tiara Sdn Bhd on the Group’s assets and liabilities are as follow:-

	Fair Value RM’000	Acquirees’ Carrying amount RM’000
Property, plant and equipment	30,845	21,612
Biological assets	121,233	80,251
Intangible assets	21	21
Inventories	1,691	1,691
Trade and other receivables	1,662	1,662
Cash and bank balances	10	10
Trade and other payables	(37,151)	(37,151)
Borrowings – Others	(52,809)	(52,809)
Deferred tax liabilities	(13,973)	(1,183)
Total net assets	51,529	<u>14,104</u>
Less: Non-controlling interests	<u>(18,154)</u>	
Group share of net assets	<u>33,375</u>	

	12 months ended 31.12.2011 RM’000
The sales proceed on disposal as follows:-	
Sales proceed satisfied by cash	<u>13,101</u>

	12 months ended 31.12.2011 RM’000
The cash inflow on disposal is as follows:-	
Sales proceed on disposal	13,101
Cash and cash equivalents of subsidiary disposed	(10)
Net cash inflow of the Group	<u>13,091</u>



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

A11 Contingent Liabilities and Contingent Assets

As at 22 February 2012, 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 22 February 2012, 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: -

	Contracted RM'000
Property, plant and equipment	10,997

A13 Related Party Transactions

Significant related party transactions which were entered into for the financial period ended 31 December 2011 are set out below:

	3 months ended		12 months ended	
	31.12.2011	31.12.2010	31.12.2011	31.12.2010
	RM'000	RM'000	RM'000	RM'000
Purchase of fresh fruit bunches	4,628	141	7,418	15,460
Purchase of fertilizer and chemical	15,789	10,887	50,147	21,388
Purchase of diesel	3,607	2,417	13,851	5,538
Purchase of spare parts, harvesting and weeding tools, repair and maintenance	2,883	2,233	10,057	4,546
Insurance premium charged	295	444	897	790
Transportation	1,961	1,910	5,624	5,024
Sales of fresh fruit bunches	27,819	36,414	103,333	59,620
Sales of seedlings	-	-	164	59
Recruitment charges	560	148	1,319	365
Purchase of seedlings	150	3	1,271	211
Land development, field maintenance and management charges	9,400	5,412	33,268	20,368
Machinery and motor vehicle rental	474	541	2,637	1,460
Rental of premises	17	26	52	49
Repairs of plant and machineries	104	45	308	149
Repairs of motor vehicles	124	83	472	167
Interest paid	724	1,121	2,834	2,421
Purchase of motor vehicles	379	172	985	310
Purchases of equipments	102	25	336	69
Purchases of plant and machineries	-	567	1,837	567

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

A14 Comprehensive Income Disclosures

	Individual quarter		Cumulative quarter	
	3 months ended		12 months ended	
	31.12.2011	31.12.2010	31.12.2011	31.12.2010
	RM'000	RM'000	RM'000	RM'000
Results from operating activities is arrived at after charging:				
Amortisation of biological assets	7,184	5,117	22,376	8,277
Amortisation of intangible assets	47	95	139	190
Depreciation of property, plant and equipment	5,806	5,821	19,183	12,999
Loss on disposal of property, plant and equipment	1	20	43	50
Finance cost	7,703	3,807	18,884	10,684
Results from operating activities is arrived at after crediting:				
Gain on bargain purchase	-	-	-	2,010
Profit on disposal of property, plant and equipment	15	135	523	972
Profit on disposal of subsidiary	-	-	3,210	-
Other operating income	811	287	2,460	488
Interest income	1,653	-	1,803	232



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

B1 Review of the Performance of the Company and Its Principal Subsidiaries

The Group registered total revenue of RM92.37 million for the current quarter under review, representing an increase of 12.10% as compared to RM82.40 million reported in the corresponding period of last year. The increase in revenue was mainly attributed by higher fresh fruit bunches (“FFB”) production in spite of the lower prices realised. The FFB production growth about 13.17% compared with last year corresponding period.

The Group also achieved an increase in sales volume of crude palm oil (“CPO”) and palm kernel (“PK”) during the current quarter by 8.66% and 18.45% respectively compared to last year corresponding period, whereas the selling prices of CPO and PK were decreased by 3.46% and 26.04% respectively.

		Current Quarter (3 months)		Year-To-Date (12 months)	
		2011	2010	2011	2010
Sales					
FFB sales to outsider	(metric tonnes)	65,407	46,533	198,385	96,311
Crude palm oil sales	(metric tonnes)	16,257	14,961	63,561	57,364
Palm kernel sales	(metric tonnes)	3,993	3,371	14,027	12,431

The Group registered a lower profit before taxation of RM14.73 million compared to RM31.20 million recorded in the last year corresponding period, principally due to increase of amortisation and depreciation of the newly acquired estate and new mature area, resulting in higher amortisation and depreciation cost by RM4.22 million. Rehabilitation and improvement cost on road repair and field maintenance of newly acquired estate and existing estates during the current quarter increased by RM3.61 million compared to last year corresponding period. Additional RM4.83 million of accrued loan interest incurred on the acquisition of new estate was expensed off as finance cost in the current quarter as the final quantum only confirmed at the redemption date of the outstanding loan and the transfer of the said estate was completed on 30 December 2011.

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 lower profit before taxation of RM14.73 million as compared to RM23.45 million recorded in the immediate preceding quarter. Total volume of CPO sold decreased by 12.70% during the quarter as compared to immediate preceding quarter (Q4 2011:16,257mt; Q3 2011:18,623mt) and the average CPO selling price during the current quarter decreased by 3.94% compared to immediate preceding quarter. FFB production increased by 2.16% (Q4 2011:120,985mt; Q3 2011:118,426mt) during the current quarter, whereas the average selling price decreased by 4.71% as compared to immediate preceding quarter. Besides, the amortisation and depreciation cost and loan interest incurred on new acquired estate which expensed off during the current quarter also resulted in lower profit before taxation of the current quarter.

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

B3 Commentary on Prospects

The Group's prospects for the future performance are strongly dependant 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 trend and demand for CPO, the Directors are of the opinion that the oil palm industry will continue to maintain its stable performance and we are confident that our Group will continue to perform satisfactorily in the coming financial year.

B4 Actual Profit Against Profit Forecast And Profit Guarantee

The Group did not issue any profit forecast and profit guarantee for the financial year.

B5 Income Tax Expense

	3 months ended		12 months ended	
	31.12.2011	31.12.2010	31.12.2011	31.12.2010
	RM'000	RM'000	RM'000	RM'000
Current tax	1,622	5,152	9,543	10,945
Deferred tax	4,188	4,157	14,790	5,806
Total income tax expense	5,810	9,309	24,333	16,751

B6 Sales of Unquoted Investments and Properties

Save as disclosed in note A10 (c), there were no sales of unquoted investments and properties for the financial period ended 31 December 2011.

B7 Quoted Securities

There was no purchase or disposal of quoted securities for the financial period ended 31 December 2011.

B8 Corporate Proposals**(a) Status of Corporate Proposals Announced**

There were no other corporate proposals announced as at 22 February 2012.


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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 (Cont'd)
(b) Status of Utilisation of Proceeds

As at the end of the current period, the proceeds from Rights Issue has been utilised as follows:

	Proposed Utilisation RM'000	Actual Utilisation RM'000	Intended Timeframe for Utilisation	Deviation RM'000	%	Remark
Repayment of borrowings	296,200	129,610	Within 6 months	166,590	56	
Working capital/acquisition	94,851	58,099	Within 3 years	36,752	39	
Expenses for the rights issue	1,500	1,450	Within 3 months	50	3	
Available-for-sale financial assets	-	117,500		(117,500)	-	Short term money market placement
Total	392,551	306,659		85,892		

B9 Borrowings and Debt Securities

	As at 31.12.2011 RM'000	As at 31.12.2010 RM'000
Current – Secured		
Bank overdraft	7,533	19,435
Islamic securities	31,950	67,200
Banker acceptance	8,942	4,937
Hire purchase	1,973	354
Term loan	76,020	176,740
	126,418	268,666
Non-current – Secured		
Islamic securities	38,300	82,300
Hire purchase	2,346	150
Term loan	213,913	67,470
	254,559	149,920
Total borrowings and debt securities	380,977	418,586

The Group did not have any borrowings denominated in foreign currency



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

B10 Derivative Financial Instruments

There were no outstanding derivative financial instruments as at 31 December 2011.

B11 Changes in Material Litigation

As at 22 February 2012, 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 31 December 2011.

B13 Earnings per Share

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		12 months ended	
	31.12.2011 RM'000	31.12.2010 RM'000	31.12.2011 RM'000	31.12.2010 RM'000
Profit for the financial period attributable to owners of the company	8,373	20,312	65,975	41,122
Weighted average number of ordinary shares in issue ('000)				
Number of ordinary shares in issue	618,268	591,941	591,941	484,849
Effect of ordinary shares issued	507,757	100,108	143,779	25,233
Effect of conversion of ICPS	193,973	181,323	193,973	45,703
Weighted average number of ordinary shares ('000) at 31 Dec	1,319,998	873,372	929,693	555,785
Earnings per share (sen)	0.63	2.33	7.10	7.40

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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 31 December 2011 contain realised and unrealised profits as below:-

	As at 31.12.2011 RM'000 (Unaudited)	As at 31.12.2010 RM'000 (Audited)
Total retained profits of Rimbunan Sawit Berhad and its subsidiaries:-		
- Realised	203,441	122,083
- Unrealised	(40,896)	(25,378)
	<hr/> 162,545	<hr/> 96,705
Total share of retained profits/(accumulated losses) from associate:-		
- Realised	894	-
- Unrealised	(224)	-
	<hr/> 163,215	<hr/> 96,705
Add: Consolidation adjustments	4,729	16,048
Total Group retained profits as per consolidated financial statements	<hr/> <hr/> 167,944	<hr/> <hr/> 112,753

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 28 February 2012.