

**RIMBUNAN SAWIT BERHAD**

(Company No. 691393-U)

No. 85 &amp; 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 2<sup>nd</sup> Quarter Ended 30 June 2013

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**Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income**

 For the 2<sup>nd</sup> Quarter Ended 30 June 2013

	Individual Quarter 3-month Period Ended		Cumulative Quarter 6-month Period Ended	
	30.6.2013 RM'000	30.6.2012 RM'000	30.6.2013 RM'000	30.6.2012 RM'000
REVENUE	62,004	87,324	121,664	159,489
COST OF SALES	(70,142)	(73,847)	(135,142)	(132,137)
GROSS (LOSS)/PROFIT	(8,138)	13,477	(13,478)	27,352
OTHER INCOME	254	1,317	506	3,867
DISTRIBUTION COSTS	(3,019)	(2,984)	(5,383)	(5,525)
ADMINISTRATIVE AND OTHER EXPENSES	(4,341)	(4,058)	(8,477)	(8,118)
SHARE OF RESULTS IN AN ASSOCIATE	(1,036)	280	(1,697)	90
FINANCE COSTS	(2,711)	(3,006)	(5,479)	(6,334)
(LOSS)/PROFIT BEFORE TAXATION	(18,991)	5,026	(34,008)	11,332
INCOME TAX EXPENSE	3,593	(1,458)	4,445	(2,885)
(LOSS)/PROFIT AFTER TAXATION	(15,398)	3,568	(29,563)	8,447
OTHER COMPREHENSIVE INCOME, NET OF TAX				
- Fair value changes of available-for-sale financial assets	52	732	102	1,580
- Transferred to profit or loss upon reinvestment of available-for-sale financial assets	(52)	(732)	(102)	(2,295)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	(15,398)	3,568	(29,563)	7,732



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**Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income (Cont'd)**

For the 2<sup>nd</sup> Quarter Ended 30 June 2013

	Individual Quarter 3-month Period Ended		Cumulative Quarter 6-month Period Ended	
	30.6.2013 RM'000	30.6.2012 RM'000	30.6.2013 RM'000	30.6.2012 RM'000
(LOSS)/PROFIT AFTER TAXATION ATTRIBUTABLE TO:-				
- Owners of the Company	(13,305)	4,727	(24,482)	9,485
- Non-controlling interests	(2,093)	(1,159)	(5,081)	(1,038)
	<u>(15,398)</u>	<u>3,568</u>	<u>(29,563)</u>	<u>8,447</u>
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:-				
- Owners of the Company	(13,305)	4,727	(24,482)	8,770
- Non-controlling interests	(2,093)	(1,159)	(5,081)	(1,038)
	<u>(15,398)</u>	<u>3,568</u>	<u>(29,563)</u>	<u>7,732</u>
(LOSS)/EARNINGS PER SHARE (SEN):-				
- Basic	(0.65)	0.23	(1.20)	0.46
- Diluted	N/A	N/A	N/A	N/A

The Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the audited financial statements for the financial year ended 31 December 2012 and the accompanying explanatory notes attached to the interim financial statements.

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**Condensed Consolidated Statement of Financial Position**

As at 30 June 2013

	As at 30.6.2013 (Unaudited) RM'000	As at 31.12.2012 (Audited) RM'000
<b>ASSETS</b>		
<b>NON-CURRENT ASSETS</b>		
Investment in an associate	24,690	26,388
Property, plant and equipment	651,713	647,239
Intangible assets	23,283	23,143
Biological assets	741,576	716,004
Goodwill	64,740	64,740
Deferred tax assets	5,288	4,932
	<u>1,511,290</u>	<u>1,482,446</u>
<b>CURRENT ASSETS</b>		
Inventories	32,954	36,032
Trade receivables	15,104	11,406
Other receivables, deposits and prepayments	14,533	12,781
Tax refundable	7,823	4,046
Short-term investments	-	17,573
Fixed deposits	-	1,021
Cash and bank balances	1,399	2,540
	<u>71,813</u>	<u>85,399</u>
<b>TOTAL ASSETS</b>	<u>1,583,103</u>	<u>1,567,845</u>

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**Condensed Consolidated Statement of Financial Position (Cont'd)**

As at 30 June 2013

	As at 30.6.2013 (Unaudited) RM'000	As at 31.12.2012 (Audited) RM'000
<b>EQUITY AND LIABILITIES</b>		
Share capital	751,239	751,239
Reserves	106,649	131,131
<hr/>		
TOTAL EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY	857,888	882,370
NON-CONTROLLING INTERESTS	72,008	77,089
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TOTAL EQUITY	929,896	959,459
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<b>NON-CURRENT LIABILITIES</b>		
Borrowings	285,983	251,383
Deferred tax liabilities	150,624	155,301
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	436,607	406,684
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<b>CURRENT LIABILITIES</b>		
Trade payables	46,046	46,268
Other payables, deposits and accruals	45,545	41,870
Borrowings:-		
- bank overdrafts	33,614	24,159
- other borrowings	88,858	88,156
Provision for taxation	2,537	1,249
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	216,600	201,702
<hr/>		
TOTAL LIABILITIES	653,207	608,386
<hr/>		
TOTAL EQUITY AND LIABILITIES	1,583,103	1,567,845
<hr/>		
NET ASSETS PER SHARE (RM)	0.57	0.59
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The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the financial year ended 31 December 2012 and the accompanying explanatory notes attached to the interim financial statements.



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**Condensed Consolidated Statement of Changes in Equity**  
 For the Six Months Period Ended 30 June 2013

	< ----- Non-distributable ----- >					Distri- butable Retained Profits RM'000	Attri- butable to Owners of the Company RM'000	Non- controlling Interests RM'000	Total Equity RM'000
	Share Capital Ordinary Shares RM'000	Preference Shares RM'000	Share Premium RM'000	Merger Reserve RM'000	Fair Value Reserve RM'000				
Balance at 1.1.2013	654,252	96,987	15,447	(53,066)	-	168,750	882,370	77,089	959,459
Loss after taxation	-	-	-	-	-	(24,482)	(24,482)	(5,081)	(29,563)
Other comprehensive income for the period, net of tax									
- fair value changes of available-for-sale financial assets	-	-	-	-	102	-	102	-	102
- transfer to profit or loss upon reinvestment of available-for-sale financial assets	-	-	-	-	(102)	-	(102)	-	(102)
Total comprehensive income for the period	-	-	-	-	-	(24,482)	(24,482)	(5,081)	(29,563)
Balance at 30.6.2013	654,252	96,987	15,447	(53,066)	-	144,268	857,888	72,008	929,896



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

For the Six Months Period Ended 30 June 2013

	< ----- Non-distributable ----- >					Distri- butable Retained Profits RM'000	Attri- butable to Owners of the Company RM'000	Non- controlling Interests RM'000	Total Equity RM'000
	Share Capital Ordinary Shares RM'000	Preference Shares RM'000	Share Premium RM'000	Merger Reserve RM'000	Fair Value Reserve RM'000				
Balance at 1.1.2012	654,252	96,987	15,447	(53,066)	715	169,960	884,295	81,234	965,529
Profit after taxation	-	-	-	-	-	9,485	9,485	(1,038)	8,447
Other comprehensive income for the period, net of tax									
- fair value changes of available-for-sale financial assets	-	-	-	-	1,580	-	1,580	-	1,580
- transfer to profit or loss upon reinvestment of available-for-sale financial assets	-	-	-	-	(2,295)	-	(2,295)	-	(2,295)
Total comprehensive income for the period	-	-	-	-	(715)	9,485	8,770	(1,038)	7,732
Balance at 30.6.2012	654,252	96,987	15,447	(53,066)	-	179,445	893,065	80,196	973,261

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements for the financial year ended 31 December 2012 and the accompanying explanatory notes attached to the interim financial statements.

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**Condensed Consolidated Statement of Cash Flows**

For the Six Months Period Ended 30 June 2013

	6-month Period Ended	
	30.6.2013	30.6.2012
	RM'000	RM'000
<b>CASH FLOWS (FOR)/FROM OPERATING ACTIVITIES</b>		
(Loss)/profit before taxation	(34,008)	11,332
Adjustments for:-		
Amortisation of biological assets	13,546	12,754
Amortisation of intangible assets	279	71
Depreciation of property, plant and equipment	14,071	13,429
Interest expense	5,479	6,334
Interest income	(158)	(2,706)
Loss/(gain) on disposal of property, plant and equipment	60	(99)
Share of results in an associate	1,697	(90)
Operating profit before working capital changes	966	41,025
Decrease/(increase) in inventories	3,078	(1,453)
Increase in trade and other receivables	(5,451)	(8,524)
Increase/(decrease) in trade and other payables	3,453	(13,772)
<b>CASH FROM OPERATIONS</b>	<b>2,046</b>	<b>17,276</b>
Income tax paid	(3,076)	(4,560)
Interest paid	(1,460)	(857)
Interest received	158	2,706
<b>NET CASH (FOR)/FROM OPERATING ACTIVITIES</b>	<b>(2,332)</b>	<b>14,565</b>
<b>CASH FLOWS FOR INVESTING ACTIVITIES</b>		
Costs incurred on biological assets	(32,058)	(27,239)
Proceeds from disposal of property, plant and equipment	363	213
Purchase of intangible assets	(418)	(38)
Purchase of property, plant and equipment	(21,212)	(33,808)
<b>NET CASH FOR INVESTING ACTIVITIES</b>	<b>(53,325)</b>	<b>(60,872)</b>
<b>BALANCE CARRIED FORWARD</b>	<b>(55,657)</b>	<b>(46,307)</b>



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**Condensed Consolidated Statement of Cash Flows (Cont'd)**

For the Six Months Period Ended 30 June 2013

	6-month Period Ended	
	30.6.2013	30.6.2012
	RM'000	RM'000
BALANCE BROUGHT FORWARD	(55,657)	(46,307)
<b>CASH FLOWS FROM/(FOR) FINANCING ACTIVITIES</b>		
Deposits and bank balances held on trust for Islamic securities investors	1,022	2,435
Drawdown of term loans	40,242	32,071
Net of drawdown/(repayment) of bankers' acceptance	6,060	(275)
Net of drawdown/(repayment) of revolving credit	17,991	-
Net of drawdown/(repayment) of unsecured loans	-	(40,000)
Payment of interest on long-term borrowings	(8,050)	(8,176)
Repayment of hire purchase obligations	(1,841)	(1,398)
Repayment of Islamic securities	(23,000)	(30,000)
Repayment of term loans	(4,935)	(40,600)
<b>NET CASH FROM/(FOR) FINANCING ACTIVITIES</b>	<b>27,489</b>	<b>(85,943)</b>
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(28,168)</b>	<b>(132,250)</b>
<b>EFFECT OF FAIR VALUE CHANGES OF SHORT-TERM INVESTMENTS</b>	<b>-</b>	<b>(715)</b>
<b>CASH AND CASH EQUIVALENTS AT 1 JANUARY</b>	<b>(4,047)</b>	<b>197,067</b>
<b>CASH AND CASH EQUIVALENTS AT 30 JUNE</b>	<b>(32,215)</b>	<b>64,102</b>

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**Condensed Consolidated Statement of Cash Flows (Cont'd)**For the Six Months Period Ended 30 June 2013

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

	As at	
	30.6.2013	30.6.2012
	RM'000	RM'000
Cash and bank balances	1,399	1,629
Fixed deposits	-	1,729
Short-term investments	-	81,795
Bank overdrafts	(33,614)	(19,320)
	<hr/>	<hr/>
	(32,215)	65,833
Less:-		
Bank balances held on trust for Islamic securities investors	-	(2)
Islamic deposits held on trust for Islamic securities investors	-	(1,729)
	<hr/>	<hr/>
	(32,215)	64,102
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The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements for the financial year ended 31 December 2012 and the accompanying explanatory notes attached to the interim financial statements.



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### **Part A – Explanatory Notes Pursuant to FRS 134**

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#### **A1 Basis of Preparation**

The unaudited interim financial statements have been prepared in accordance with FRS 134 *Interim Financial Reporting* and Chapter 9 Appendix 9B of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

The interim financial statements should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 December 2012. These explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial year ended 31 December 2012.

The significant accounting policies and methods of computation adopted by the Group in the interim financial statements are consistent with those adopted in the audited financial statements for the financial year ended 31 December 2012, except for the adoption of the following new accounting standards and interpretations (including the consequential amendments) that are effective on 1 January 2013:-

#### **FRSs and IC Interpretations (including the Consequential Amendments)**

FRS 10 Consolidated Financial Statements

FRS 11 Joint Arrangements

FRS 12 Disclosure of Interests in Other Entities

FRS 13 Fair Value Measurement

FRS 119 (Revised) Employee Benefits

FRS 127 (2011) Separate Financial Statements

FRS 128 (2011) Investments in Associates and Joint Ventures

Amendments to FRS 1: Government Loans

Amendments to FRS 7: Disclosures – Offsetting Financial Assets and Financial Liabilities

Amendments to FRS 10, FRS 11 and FRS 12: Transition Guidance

Amendments to FRS 101 (Revised): Presentation of Items of Other Comprehensive Income

IC Interpretation 20 Stripping Costs in the Production Phase of a Surface Mine

Annual Improvements to FRSs 2009 – 2011 Cycle

The adoption of the above accounting standards and interpretations (including the consequential amendments) did not have any material impact on the Group's financial statements.



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

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#### A1 Basis of Preparation (Cont'd)

On 19 November 2011, the Malaysian Accounting Standards Board (“MASB”) issued a new MASB approved accounting framework, Malaysian Financial Reporting Standards (“MFRSs”) that are equivalent to International Financial Reporting Standards (“IFRSs”).

The MFRSs are to be applied by all Entities Other Than Private Entities for annual periods beginning on or after 1 January 2012, with the exception of entities that are within the scope of MFRS 141 *Agriculture* and/or IC Interpretation 15 *Agreements for the Construction of Real Estate*, including its parent, significant investor and venturer (hereinafter referred to as “Transitioning Entities”).

On 30 June 2012, MASB announced that the Transitioning Entities are allowed to defer the adoption of the MFRSs to annual periods beginning on or after 1 January 2014 after which the MFRSs will become mandatory. On 7 August 2013, MASB allowed Transitioning Entities to defer the adoption of MFRS Framework for a further year, until annual periods beginning on or after 1 January 2015. The Group falls within the definition of Transitioning Entities and has opted to prepare its first MFRSs financial statements for the financial year ending 31 December 2015.

In representing its first MFRSs financial statements, the Group will quantify the financial effects of the differences between the current FRSs and MFRSs. The Group has commenced transitioning its accounting policies and financial reporting from the current FRSs to MFRSs. However, the Group has not completed its quantification of the financial effects of the differences between FRSs and MFRSs due to the ongoing assessment by the management. The majority of the adjustments required on transition will be made, retrospectively, against opening retained profits.

The Group expects to be in a position to fully comply with the requirements of MFRSs for the financial year ending 31 December 2015.

#### A2 Comments about Seasonality or Cyclicity of Operations

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

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

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

#### A3 Unusual Items Due to their Nature, Size or Incidence

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



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

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#### **A4 Changes in Estimates**

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

#### **A5 Debt and Equity Securities**

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

#### **A6 Dividends Paid**

There were no dividends paid during the current quarter.

#### **A7 Segment Information**

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

#### **A8 Property, Plant and Equipment**

##### **(a) Acquisitions and Disposals**

During the 6-month period ended 30 June 2013, the Group acquired assets at a cost of RM22.1 million.

Assets with a carrying amount of RM424,000 were disposed of by the Group during the 6-month period ended 30 June 2013, resulting in a loss on disposal of RM60,000, which is included in administrative and other expenses in the statement of profit or loss and other comprehensive income.

##### **(b) Impairment Losses**

Neither losses from impairment of property, plant and equipment nor reversal of such impairment losses were recognised for the period under review.

##### **(c) Valuations**

The Group did not have any revalued assets.

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

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**A9 Material Events Subsequent to the End of the Interim Period**

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

**A10 Changes in the Composition of the Group**

There were no changes in the composition of the Group for the period under review.

**A11 Changes in Contingent Liabilities or Contingent Assets**

There were no changes in contingent liabilities or contingent assets since the last reporting date as at 31 December 2012.

**A12 Capital Commitments**

The amount of capital commitments not provided for in the financial statements as at 30 June 2013 was as follows:-

	RM'000
Property, plant and equipment:-	
- Approved and contracted for	3,265
- Approved but not contracted for	-
	<hr/>
	3,265
	<hr/>

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

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**A13 Significant Related Party Transactions**

The Group carried out the following significant transactions with the related parties during the period under review:-

	Individual Quarter		Cumulative Quarter	
	3-month Period Ended	3-month Period Ended	6-month Period Ended	6-month Period Ended
	30.6.2013	30.6.2012	30.6.2013	30.6.2012
	RM'000	RM'000	RM'000	RM'000
Contract charges	6,103	10,259	12,242	18,331
Insurance paid	180	315	760	862
Interest paid	227	274	502	581
Management fee	634	604	1,268	1,208
Purchase of fertilisers and chemicals	17,466	15,887	31,859	36,071
Purchase of fresh fruit bunches	3,862	5,193	7,437	8,998
Purchase of property, plant and equipment	94	863	168	2,329
Purchase of seedlings	421	505	816	699
Purchase of sundry stores and consumables	1,865	3,211	4,454	5,837
Recruitment charges	-	468	319	828
Rental paid	224	373	484	1,088
Repairs and maintenance	182	221	394	381
Sale of fresh fruit bunches	15,167	23,133	28,337	43,015
Sale of seedlings	7	317	461	512
Transportation and accommodation charges	2,205	1,768	3,556	3,043



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

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#### B1 Review of Performance

##### *Revenue*

The Group's revenue declined by 29.0% to RM62.0 million for the current quarter from RM87.3 million in the corresponding quarter in 2012, mainly due to the decrease in average selling prices for crude palm oil ("CPO") and palm kernel ("PK").

Average selling prices of CPO and PK fell by 29.8% and 34.5% respectively for the current quarter as compared to the preceding corresponding quarter. The weakening of CPO and PK prices was attributable to the lower global market prices for oil palm products.

On a 6-month basis, the Group recorded revenue of RM121.7 million in 2013. This was compared to RM159.5 million in the corresponding period in 2012, representing a decrease of 23.7%. The decrease was mainly due to the decrease in average selling prices for CPO and PK.

##### *Cost of sales*

Cost of sales of the Group, however, did not decline in tandem with revenue; cost of sales registered a 5.0% drop to RM70.1 million for the current quarter from RM73.8 million in the preceding corresponding quarter, mainly due to low profit margin as a result of weaker CPO prices.

On a 6-month basis, the Group's cost of sales was RM135.1 million in 2013, which was compared to RM132.1 million in the corresponding period in 2012. The increase of 2.3% was mainly due to harvesting costs increased as a result of increase in fresh fruit bunches ("FFB") production and implementation of minimum wages at the beginning of the year.





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

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#### B1 Review of Performance (Cont'd)

##### *Gross Profit and Gross Profit Margin*

The Group recorded a gross loss of RM8.1 million for the current quarter as compared to a gross profit of RM13.5 million in the preceding corresponding quarter, representing a decrease of 160.4%. The gross loss margin was 13.1% in 2013 as compared to a gross profit margin of 15.4% in the corresponding quarter in 2012. The decline in gross profit as well as gross profit margin was in line with the decrease in revenue and the inconsonant decrease in cost of sales as set out above.

Similarly on a 6-month basis, the Group recorded a gross loss of RM13.5 million in 2013, a decrease of 149.3% from gross profit of RM27.4 million in the preceding corresponding period. The gross loss margin was 11.1% in 2013 as compared to a gross profit margin of 17.1% in the corresponding period in 2012.

##### *(Loss)/Profit Before Taxation*

The Group recorded a pre-tax loss of RM19.0 million for the 3-month period ended 30 June 2013 as compared to a pre-tax profit of RM5.0 million in the preceding corresponding quarter. The deterioration in pre-tax results was due to the decrease in gross profit.

Similarly on a 6-month basis, the RM45.3 million drop in pre-tax results to loss of RM34.0 million in 2013 from profit of RM11.3 million in the corresponding period in 2012 was in consonance with the decrease in gross profit.

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

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

	Current Quarter RM'000	Immediate Preceding Quarter RM'000	Increase/ (Decrease) RM'000
Revenue	62,004	59,660	2,344
Gross loss	(8,138)	(5,340)	2,798
Loss before taxation	(18,991)	(15,017)	3,974

The increase in revenue was mainly due to the increase in sale of FFB to outsiders by 11%. The gross margin and pre-tax results were hampered by the decrease in FFB production while the total cost of production remained high especially manuring costs increased by 17%. FFB production decreased by 0.8% in the current quarter as compared to the immediate preceding quarter.

**B3 Commentary on Prospects**

The Group's prospects for the future performance are strongly dependent on the development in the world edible oil and related markets, world economic movement and their corresponding effect on CPO prices. The Directors are in the opinion that the market ahead is still challenging. However, the management will continue improve operational efficiency and effectiveness in order to remain competitive.

**B4 Profit Forecasts**

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

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

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**B5 Income Tax Expense**

	Individual Quarter		Cumulative Quarter	
	3-month Period Ended	3-month Period Ended	6-month Period Ended	6-month Period Ended
	30.6.2013	30.6.2012	30.6.2013	30.6.2012
	RM'000	RM'000	RM'000	RM'000
Current tax	337	1,051	587	2,358
Deferred tax	(3,930)	407	(5,032)	527
	<u>(3,593)</u>	<u>1,458</u>	<u>(4,445)</u>	<u>2,885</u>

**B6 Corporate Proposals**

There were no corporate proposals announced but not completed as at 21 August 2013, being the latest practicable date.

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

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**B7 Group Borrowings**

	30.6.2013	As at 31.12.2012
	RM'000	RM'000
Long-term borrowings:-		
Hire purchase obligations	1,214	1,921
Islamic securities and obligations under Ijarah arrangements	7,650	7,650
Term loans, secured	277,119	241,812
	<hr/>	<hr/>
	285,983	251,383
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Short-term borrowings:-		
Bank overdrafts, secured	21,337	12,588
Bank overdrafts, unsecured	12,277	11,571
Bankers' acceptance, unsecured	15,704	9,644
Hire purchase obligations	2,836	3,185
Islamic securities and obligations under Ijarah arrangements	7,650	30,650
Revolving credit, secured	17,991	-
Revolving credit, unsecured	5,000	5,000
Term loans, secured	17,157	17,157
Unsecured loans	22,520	22,520
	<hr/>	<hr/>
	122,472	112,315
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Total borrowings	408,455	363,698

The Group's borrowings were denominated in Ringgit Malaysia.

**B8 Material Litigation**

The Group has no outstanding material litigation which might materially and adversely affect the position or business of the Group as at 21 August 2013, being the latest practicable date.

**B9 Dividends**

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

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

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**B10 Earnings Per Share**

	Individual Quarter		Cumulative Quarter	
	3-month Period Ended 30.6.2013	30.6.2012	6-month Period Ended 30.6.2013	30.6.2012
(Loss)/profit attributable to owners of the Company (RM'000)	(13,305)	4,727	(24,482)	9,485
Weighted average number of ordinary shares ('000):- Issued ordinary shares at 1 January	1,308,505	1,308,505	1,308,505	1,308,505
Effect of conversion of ICPS	733,217	733,217	733,217	733,217
Weighted average number of ordinary shares at 30 June	2,041,722	2,041,722	2,041,722	2,041,722
Basic (loss)/earnings per share (sen)	(0.65)	0.23	(1.20)	0.46

The diluted earnings per share was not applicable as there were no dilutive potential ordinary shares outstanding at the end of the reporting period.

**B11 Audit Report of the Preceding Annual Financial Statements**

The auditors' report on the financial statements for the financial year ended 31 December 2012 was not subject to any qualification.

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

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**B12 (Loss)/Profit Before Taxation**

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

	Individual Quarter		Cumulative Quarter	
	3-month Period Ended	3-month Period Ended	6-month Period Ended	6-month Period Ended
	30.6.2013	30.6.2012	30.6.2013	30.6.2012
	RM'000	RM'000	RM'000	RM'000
Amortisation of biological assets	6,844	7,601	13,546	12,754
Amortisation of intangible assets	142	35	279	71
Depreciation of property, plant and equipment	7,068	7,521	14,071	13,429
Interest expense	2,711	3,006	5,479	6,334
Interest income	(68)	(792)	(158)	(2,706)
Loss/(gain) on disposal of property, plant and equipment	70	(32)	60	(99)
Share of results in an associate	1,036	(281)	1,697	(90)

**B13 Derivatives**

## (a) Nature of outstanding derivatives

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

## (b) Risks and Policies of Derivatives

The Group did not enter into any derivatives during the 6-month period ended 30 June 2013.

## (c) Gains/losses Arising from Fair Value Changes of Financial Liabilities

The Group did not have any financial liabilities measured at fair value through profit or loss as at 30 June 2013 and 31 December 2012.

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

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**B14 Disclosure of Realised and Unrealised Profits or Losses**

The breakdown of the retained profits of the Group into realised and unrealised profits or losses are analysed as follows:-

	30.6.2013	As at 31.12.2012
	RM'000	RM'000
Total retained profits:-		
- realised	191,065	216,834
- unrealised	(44,062)	(46,954)
	<hr/>	<hr/>
	147,003	169,880
Total share of retained profits of associate:-		
- realised	78	1,775
- unrealised	(525)	(525)
	<hr/>	<hr/>
	146,556	171,130
Less: Consolidation adjustments	(2,288)	(2,380)
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At 30 June/31 December	144,268	168,750
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**B15 Authorisation for Issue**

The interim financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors dated 29 August 2013.