



## 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 3<sup>rd</sup> Quarter Ended 30 September 2013

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**RIMBUNAN SAWIT BERHAD**

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**Condensed Consolidated Statement of Profit or Loss and  
Other Comprehensive Income**For the 3<sup>rd</sup> Quarter Ended 30 September 2013

	Individual Quarter 3-month Period Ended		Cumulative Quarter 9-month Period Ended	
	30.9.2013 RM'000	30.9.2012 RM'000	30.9.2013 RM'000	30.9.2012 RM'000
REVENUE	82,051	94,451	203,715	253,940
COST OF SALES	(59,918)	(65,800)	(195,060)	(197,937)
GROSS PROFIT	22,133	28,651	8,655	56,003
OTHER INCOME	205	766	712	4,633
DISTRIBUTION COSTS	(3,076)	(2,969)	(8,459)	(8,494)
ADMINISTRATIVE AND OTHER EXPENSES	(4,812)	(4,500)	(13,290)	(12,618)
SHARE OF RESULTS IN AN ASSOCIATE	145	616	(1,553)	706
FINANCE COSTS	(2,872)	(2,553)	(8,350)	(8,887)
PROFIT/(LOSS) BEFORE TAXATION	11,723	20,011	(22,285)	31,343
INCOME TAX EXPENSE	1,056	(6,635)	5,501	(9,520)
PROFIT/(LOSS) AFTER TAXATION	12,779	13,376	(16,784)	21,823
OTHER COMPREHENSIVE INCOME, NET OF TAX				
- Fair value changes of available- for-sale financial assets	-	393	102	1,973
- Transferred to profit or loss upon reinvestment of available- for-sale financial assets	-	(393)	(102)	(2,688)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	12,779	13,376	(16,784)	21,108



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

For the 3<sup>rd</sup> Quarter Ended 30 September 2013

	Individual Quarter 3-month Period Ended		Cumulative Quarter 9-month Period Ended	
	30.9.2013 RM'000	30.9.2012 RM'000	30.9.2013 RM'000	30.9.2012 RM'000
<b>PROFIT/(LOSS) AFTER TAXATION ATTRIBUTABLE TO:-</b>				
- Owners of the Company	11,104	12,489	(13,379)	21,974
- Non-controlling interests	1,675	887	(3,405)	(151)
	<u>12,779</u>	<u>13,376</u>	<u>(16,784)</u>	<u>21,823</u>
<b>TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:-</b>				
- Owners of the Company	11,104	12,489	(13,379)	21,259
- Non-controlling interests	1,675	887	(3,405)	(151)
	<u>12,779</u>	<u>13,376</u>	<u>(16,784)</u>	<u>21,108</u>
<b>EARNINGS/(LOSS) PER SHARE (SEN):-</b>				
- Basic	0.54	0.61	(0.66)	1.08
- 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 September 2013

	As at 30.9.2013 (Unaudited) RM'000	As at 31.12.2012 (Audited) RM'000
<b>ASSETS</b>		
<b>NON-CURRENT ASSETS</b>		
Investment in an associate	24,835	26,388
Property, plant and equipment	652,568	647,239
Intangible assets	23,147	23,143
Biological assets	751,574	716,004
Goodwill	64,740	64,740
Deferred tax assets	5,273	4,932
	<u>1,522,137</u>	<u>1,482,446</u>
<b>CURRENT ASSETS</b>		
Inventories	34,918	36,032
Trade receivables	15,794	11,406
Other receivables, deposits and prepayments	14,336	12,781
Tax refundable	7,605	4,046
Short-term investments	-	17,573
Fixed deposits	-	1,021
Cash and bank balances	5,619	2,540
	<u>78,272</u>	<u>85,399</u>
<b>TOTAL ASSETS</b>	<u>1,600,409</u>	<u>1,567,845</u>

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

As at 30 September 2013

	As at 30.9.2013 (Unaudited) RM'000	As at 31.12.2012 (Audited) RM'000
<b>EQUITY AND LIABILITIES</b>		
Share capital	751,239	751,239
Reserves	102,727	131,131
<hr/>		
TOTAL EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY	853,966	882,370
NON-CONTROLLING INTERESTS	73,684	77,089
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TOTAL EQUITY	927,650	959,459
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<b>NON-CURRENT LIABILITIES</b>		
Borrowings	296,443	251,383
Deferred tax liabilities	147,595	155,301
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	444,038	406,684
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<b>CURRENT LIABILITIES</b>		
Trade payables	30,811	46,268
Other payables, deposits and accruals	46,524	41,870
Borrowings:-		
- bank overdrafts	38,878	24,159
- other borrowings	110,734	88,156
Provision for taxation	1,774	1,249
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	228,721	201,702
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TOTAL LIABILITIES	672,759	608,386
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TOTAL EQUITY AND LIABILITIES	1,600,409	1,567,845
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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 Nine Months Period Ended 30 September 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		Share Premium RM'000	Merger Reserve RM'000	Fair Value Reserve RM'000				
	Ordinary Shares RM'000	Preference Shares 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	-	-	-	-	-	(13,379)	(13,379)	(3,405)	(16,784)
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	-	-	-	-	-	(13,379)	(13,379)	(3,405)	(16,784)
Distributions to owners of the Company:-									
- dividends	-	-	-	-	-	(15,025)	(15,025)	-	(15,025)
Balance at 30.9.2013	654,252	96,987	15,447	(53,066)	-	140,346	853,966	73,684	927,650



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**Condensed Consolidated Statement of Changes in Equity (Cont'd)**  
 For the Nine Months Period Ended 30 September 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		Share Premium RM'000	Merger Reserve RM'000	Fair Value Reserve RM'000				
	Ordinary Shares RM'000	Preference Shares 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	-	-	-	-	-	21,974	21,974	(151)	21,823
Other comprehensive income for the period, net of tax									
- fair value changes of available-for-sale financial assets	-	-	-	-	1,973	-	1,973	-	1,973
- transfer to profit or loss upon reinvestment of available-for-sale financial assets	-	-	-	-	(2,688)	-	(2,688)	-	(2,688)
Total comprehensive income for the period	-	-	-	-	(715)	21,974	21,259	(151)	21,108
Distributions to owners of the Company:-									
- dividends	-	-	-	-	-	(22,537)	(22,537)	-	(22,537)
Balance at 30.9.2012	654,252	96,987	15,447	(53,066)	-	169,397	883,017	81,083	964,100

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 Nine Months Period Ended 30 September 2013

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	9-month Period Ended	
	30.9.2013	30.9.2012
	RM'000	RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
(Loss)/profit before taxation	(22,285)	31,343
Adjustments for:-		
Amortisation of biological assets	20,319	19,460
Amortisation of intangible assets	414	103
Depreciation of property, plant and equipment	20,924	20,283
Interest expense	8,350	8,887
Interest income	(212)	(3,131)
Loss/(gain) on disposal of property, plant and equipment	63	(166)
Share of results in an associate	1,553	(706)
Operating profit before working capital changes	29,126	76,073
Decrease/(increase) in inventories	1,113	(5,920)
Increase in trade and other receivables	(5,942)	(18,374)
Decrease in trade and other payables	(10,804)	(20,715)
<b>CASH FROM OPERATIONS</b>	13,493	31,064
Income tax paid	(6,207)	(9,018)
Income tax refunded	627	-
Interest paid	(2,733)	(1,358)
Interest received	212	3,131
<b>NET CASH FROM OPERATING ACTIVITIES</b>	5,392	23,819
<b>CASH FLOWS FOR INVESTING ACTIVITIES</b>		
Costs incurred on biological assets	(44,660)	(42,149)
Proceeds from disposal of property, plant and equipment	365	466
Purchase of intangible assets	(418)	(62)
Purchase of property, plant and equipment	(30,504)	(54,092)
<b>NET CASH FOR INVESTING ACTIVITIES</b>	(75,217)	(95,837)
<b>BALANCE CARRIED FORWARD</b>	(69,825)	(72,018)



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

For the Nine Months Period Ended 30 September 2013

	9-month Period Ended	
	30.9.2013	30.9.2012
	RM'000	RM'000
BALANCE BROUGHT FORWARD	(69,825)	(72,018)
<b>CASH FLOWS FROM/(FOR) FINANCING ACTIVITIES</b>		
Deposits and bank balances held on trust for Islamic securities investors	1,023	2,435
Dividend paid	(15,025)	(22,537)
Drawdown of term loans	55,479	52,828
Net of drawdown/(repayment) of bankers' acceptance	1,427	35
Net of drawdown/(repayment) of revolving credit	41,991	-
Net of drawdown/(repayment) of unsecured loans	-	(50,000)
Payment of interest on long-term borrowings	(12,330)	(11,895)
Repayment of hire purchase obligations	(2,625)	(1,782)
Repayment of Islamic securities	(23,000)	(30,000)
Repayment of term loans	(6,327)	(37,885)
<b>NET CASH FROM/(FOR) FINANCING ACTIVITIES</b>	<b>40,613</b>	<b>(98,801)</b>
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(29,212)</b>	<b>(170,819)</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 SEPTEMBER</b>	<b>(33,259)</b>	<b>25,533</b>

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

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

	As at	
	30.9.2013	30.9.2012
	RM'000	RM'000
Cash and bank balances	5,619	3,174
Fixed deposits	-	1,729
Short-term investments	-	52,188
Bank overdrafts	(38,878)	(29,827)
	<hr/>	<hr/>
	(33,259)	27,264
Less:-		
Bank balances held on trust for Islamic securities investors	-	(2)
Islamic deposits held on trust for Islamic securities investors	-	(1,729)
	<hr/>	<hr/>
	(33,259)	25,533
	<hr/>	<hr/>

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements for the financial year ended 31 December 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

The following dividend was declared and paid by the Company:-

	9-month Period Ended	
	30.9.2013	30.9.2012
	RM'000	RM'000
Final single tier dividend of 1.0 sen (2012: 1.5 sen) per share	15,025	22,537

#### 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.



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

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

(a) Acquisitions and Disposals

During the 9-month period ended 30 September 2013, the Group acquired assets at a cost of RM31.2 million.

Assets with a carrying amount of RM428,000 were disposed of by the Group during the 9-month period ended 30 September 2013, resulting in a loss on disposal of RM63,000, 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.

#### **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.



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

**A12 Capital Commitments**

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

	RM'000
Property, plant and equipment:-	
- Approved and contracted for	2,772
- Approved but not contracted for	-
	2,772

**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	9-month Period Ended	9-month Period Ended
	30.9.2013	30.9.2012	30.9.2013	30.9.2012
	RM'000	RM'000	RM'000	RM'000
Contract charges	6,432	10,556	18,709	28,887
Insurance paid	334	576	1,094	1,438
Interest paid	269	307	771	888
Management fee	656	624	1,924	1,832
Purchase of fertilisers and chemicals	10,486	20,585	42,272	56,656
Purchase of fresh fruit bunches	6,657	6,763	14,094	15,761
Purchase of property, plant and equipment	110	1,401	377	3,730
Purchase of seedlings	94	421	910	1,120
Purchase of sundry stores and consumables	1,895	2,804	6,349	8,641
Recruitment charges	-	201	319	1,029
Rental paid	110	149	594	1,237
Repairs and maintenance	429	232	823	613
Sale of fresh fruit bunches	24,201	30,616	52,538	73,631
Sale of seedlings	35	695	496	1,207
Transportation and accommodation charges	2,089	1,908	5,665	4,951



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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 13.1% to RM82.1 million for the current quarter from RM94.5 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 20.1% and 14.5% 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 9-month basis, the Group recorded revenue of RM203.7 million in 2013. This was compared to RM253.9 million in the corresponding period in 2012, representing a decrease of 19.8%. The decrease was mainly due to the decrease in average selling prices for CPO and PK.

##### *Cost of sales*

The Group's cost of sales registered a 8.9% drop to RM59.9 million for the current quarter from RM65.8 million in the preceding corresponding quarter, mainly due to the reduced field maintenance and operating costs.

On a 9-month basis, the Group's cost of sales was RM195.1 million in 2013, which was compared to RM197.9 million in the corresponding period in 2012. The decrease was for the similar reason as stated above.





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

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

The Group's gross profit recorded a decrease of 22.7% to RM22.1 million for the current quarter from RM28.7 million in the corresponding quarter in 2012. The gross profit margin was 27.0% in 2013 as compared to 30.3% in the corresponding quarter in 2012.

On a 9-month basis, the Group recorded a gross profit of RM8.7 million in 2013, a decrease of 84.5% from RM56.0 million in 2012. The Group recorded a gross profit margin of 4.2% for the current period, a decline of 17.9 percentage points as compared to 22.1% in the previous corresponding period. The decline in gross profit as well as gross profit margin was in line with the decrease in revenue resulting from the decline of CPO prices by 27.5% for the period under review.

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

The Group recorded a pre-tax profit of RM11.7 million for the 3-month period ended 30 September 2013 as compared to RM20.0 million in the preceding corresponding quarter. The deterioration in pre-tax results was mainly due to the decrease in gross profit.

On a 9-month basis, however, the RM53.6 million drop in pre-tax results to loss of RM22.3 million in 2013 from profit of RM31.3 million in the corresponding period in 2012 was in line with the drop in revenue and gross profit, especially in the first half 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 (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	82,051	62,004	20,047
Gross profit/(loss)	22,133	(8,138)	30,271
Profit/(loss) before taxation	11,723	(18,991)	30,714

The increase in revenue was mainly due to the increase in FFB production by 51.5% and sales volume for CPO and PK by 11.5% and 33.9% respectively. The increase in average selling prices for CPO and PK by 1.5% and 7.3% respectively also contributed to the improvement in gross margin and pre-tax results.

**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. Notwithstanding the volatility of the commodity prices, the Directors are in the opinion that the market ahead is still challenging but expect the prices to be stabilised.

The recent super typhoon Haiyan in Philippines which severely deplete the coconut oil supply in the region resulting in shifting demand to palm oil-based substitutes, which will further strengthen the prices of the palm products.

**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	9-month Period Ended	9-month Period Ended
	30.9.2013	30.9.2012	30.9.2013	30.9.2012
	RM'000	RM'000	RM'000	RM'000
Current tax	1,959	4,388	2,546	6,746
Deferred tax	(3,015)	2,247	(8,047)	2,774
	<u>(1,056)</u>	<u>6,635</u>	<u>(5,501)</u>	<u>9,520</u>

**B6 Corporate Proposals**

There were no corporate proposals announced but not completed as at 13 November 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**

	30.9.2013	As at 31.12.2012
	RM'000	RM'000
Long-term borrowings:-		
Hire purchase obligations	837	1,921
Islamic securities and obligations under Ijarah arrangements	7,650	7,650
Term loans, secured	287,956	241,812
	<hr/>	<hr/>
	296,443	251,383
	<hr/>	<hr/>
Short-term borrowings:-		
Bank overdrafts, secured	18,008	12,588
Bank overdrafts, unsecured	20,870	11,571
Bankers' acceptance, unsecured	11,071	9,644
Hire purchase obligations	2,337	3,185
Islamic securities and obligations under Ijarah arrangements	7,650	30,650
Revolving credit, secured	41,991	-
Revolving credit, unsecured	5,000	5,000
Term loans, secured	20,165	17,157
Unsecured loans	22,520	22,520
	<hr/>	<hr/>
	149,612	112,315
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Total borrowings	446,055	363,698
	<hr/>	<hr/>

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 13 November 2013, being the latest practicable date.

**B9 Dividends**

Please refer to A6 for details.

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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	3-month Period Ended	9-month Period Ended	9-month Period Ended
	30.9.2013	30.9.2012	30.9.2013	30.9.2012
Profit/(loss) attributable to owners of the Company (RM'000)	11,104	12,489	(13,379)	21,974
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 September	2,041,722	2,041,722	2,041,722	2,041,722
Basic earnings/(loss) per share (sen)	0.54	0.61	(0.66)	1.08

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 Profit/(Loss) Before Taxation**

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

	Individual Quarter		Cumulative Quarter	
	3-month Period Ended	3-month Period Ended	9-month Period Ended	9-month Period Ended
	30.9.2013	30.9.2012	30.9.2013	30.9.2012
	RM'000	RM'000	RM'000	RM'000
Amortisation of biological assets	6,773	6,706	20,319	19,460
Amortisation of intangible assets	135	32	414	103
Depreciation of property, plant and equipment	6,853	6,854	20,924	20,283
Interest expense	2,872	2,553	8,350	8,887
Interest income	(54)	(425)	(212)	(3,131)
Loss/(gain) on disposal of property, plant and equipment	3	(67)	63	(166)
Share of results in an associate	(145)	(616)	1,553	(706)

**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 9-month period ended 30 September 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 September 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:-

	30.9.2013	As at 31.12.2012
	RM'000	RM'000
Total retained profits:-		
- realised	184,523	216,834
- unrealised	(42,117)	(46,954)
	<hr/>	<hr/>
	142,406	169,880
Total share of retained profits of associate:-		
- realised	222	1,775
- unrealised	(525)	(525)
	<hr/>	<hr/>
	142,103	171,130
Less: Consolidation adjustments	(1,757)	(2,380)
	<hr/>	<hr/>
At 30 September/31 December	140,346	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 20 November 2013.