



RIMBUNAN SAWIT BERHAD

(Company No. 691393-U)

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

Telephone No.: 084-218555

Facsimile No.: 084-219555

Email: rsb@rsb.com.my

Interim Financial Statements

For the 1st Quarter Ended 31 March 2014

	Page
Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income	1
Condensed Consolidated Statement of Financial Position	3
Condensed Consolidated Statement of Changes in Equity	5
Condensed Consolidated Statement of Cash Flows	7
Explanatory Notes	
<i>Part A – Explanatory Notes Pursuant to FRS 134</i>	<i>10</i>
<i>Part B – Explanatory Notes Pursuant to Appendix 9B of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad</i>	<i>15</i>



RIMBUNAN SAWIT BERHAD

(Company No. 691393-U)
 No. 85 & 86, Pusat Suria Permata, Jalan Upper Lanang 12A, 96000 Sibul, Sarawak, Malaysia
 Telephone No.: 084-218555 Facsimile No.: 084-219555 Email: rsb@rsb.com.my

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income
 For the 1st Quarter Ended 31 March 2014

	Individual Quarter 3-month Period Ended		Cumulative Quarter 3-month Period Ended	
	31.3.2014 RM'000	31.3.2013 RM'000	31.3.2014 RM'000	31.3.2013 RM'000
REVENUE	59,150	59,660	59,150	59,660
COST OF SALES	(45,442)	(65,000)	(45,442)	(65,000)
GROSS PROFIT/(LOSS)	13,708	(5,340)	13,708	(5,340)
OTHER INCOME	136	252	136	252
DISTRIBUTION COSTS	(1,531)	(2,364)	(1,531)	(2,364)
ADMINISTRATIVE AND OTHER EXPENSES	(5,429)	(4,136)	(5,429)	(4,136)
SHARE OF RESULTS IN AN ASSOCIATE, NET OF TAX	(45)	(661)	(45)	(661)
FINANCE COSTS	(2,926)	(2,768)	(2,926)	(2,768)
PROFIT/(LOSS) BEFORE TAXATION	3,913	(15,017)	3,913	(15,017)
INCOME TAX EXPENSE	(1,339)	852	(1,339)	852
PROFIT/(LOSS) AFTER TAXATION	2,574	(14,165)	2,574	(14,165)
OTHER COMPREHENSIVE INCOME				
<u>Items that may be reclassified subsequently to profit or loss</u>				
Available-for-sale financial assets:-				
- fair value changes	-	50	-	50
- transfer to profit or loss upon reinvestment	-	(50)	-	(50)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	2,574	(14,165)	2,574	(14,165)



RIMBUNAN SAWIT BERHAD

(Company No. 691393-U)
 No. 85 & 86, Pusat Suria Permata, Jalan Upper Lanang 12A, 96000 Sibul, Sarawak, Malaysia
 Telephone No.: 084-218555 Facsimile No.: 084-219555 Email: rsb@rsb.com.my

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

For the 1st Quarter Ended 31 March 2014

	Individual Quarter 3-month Period Ended		Cumulative Quarter 3-month Period Ended	
	31.3.2014 RM'000	31.3.2013 RM'000	31.3.2014 RM'000	31.3.2013 RM'000
PROFIT/(LOSS) AFTER TAXATION ATTRIBUTABLE TO:-				
- Owners of the Company	2,196	(11,177)	2,196	(11,177)
- Non-controlling interests	378	(2,988)	378	(2,988)
	<u>2,574</u>	<u>(14,165)</u>	<u>2,574</u>	<u>(14,165)</u>
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:-				
- Owners of the Company	2,196	(11,177)	2,196	(11,177)
- Non-controlling interests	378	(2,988)	378	(2,988)
	<u>2,574</u>	<u>(14,165)</u>	<u>2,574</u>	<u>(14,165)</u>
EARNINGS/(LOSS) PER SHARE (SEN):-				
- Basic	0.11	(0.55)	0.11	(0.55)
- 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 2013 and the accompanying explanatory notes attached to the interim financial statements.

**RIMBUNAN SAWIT BERHAD**

(Company No. 691393-U)

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

Telephone No.: 084-218555

Facsimile No.: 084-219555

Email: rsb@rsb.com.my

Condensed Consolidated Statement of Financial Position

As at 31 March 2014

	As at 31.3.2014 (Unaudited) RM'000	As at 31.12.2013 (Audited) RM'000
ASSETS		
NON-CURRENT ASSETS		
Investment in an associate	24,810	24,855
Property, plant and equipment	649,347	654,023
Intangible assets	24,440	24,364
Biological assets	765,377	762,247
Goodwill	64,746	64,740
Deferred tax assets	5,313	5,416
	<u>1,534,033</u>	<u>1,535,645</u>
CURRENT ASSETS		
Inventories	34,992	36,507
Trade receivables	13,107	16,186
Other receivables, deposits and prepayments	20,881	21,237
Tax refundable	2,156	2,033
Fixed deposits	100	-
Cash and bank balances	12,039	2,268
	<u>83,275</u>	<u>78,231</u>
TOTAL ASSETS	<u>1,617,308</u>	<u>1,613,876</u>

**RIMBUNAN SAWIT BERHAD**

(Company No. 691393-U)

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

Telephone No.: 084-218555

Facsimile No.: 084-219555

Email: rsb@rsb.com.my

Condensed Consolidated Statement of Financial Position (Cont'd)

As at 31 March 2014

	As at 31.3.2014 (Unaudited) RM'000	As at 31.12.2013 (Audited) RM'000
EQUITY AND LIABILITIES		
Share capital	751,239	751,239
Reserves	120,498	118,302
<hr/>		
TOTAL EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY	871,737	869,541
NON-CONTROLLING INTERESTS	73,379	73,001
<hr/>		
TOTAL EQUITY	945,116	942,542
<hr/>		
NON-CURRENT LIABILITIES		
Borrowings	302,668	291,515
Deferred tax liabilities	149,666	149,709
<hr/>		
	452,334	441,224
<hr/>		
CURRENT LIABILITIES		
Trade payables	17,036	25,957
Other payables, deposits and accruals	38,097	39,999
Borrowings:-		
- bank overdrafts	38,879	42,555
- other borrowings	125,311	121,555
Provision for taxation	535	44
<hr/>		
	219,858	230,110
<hr/>		
TOTAL LIABILITIES	672,192	671,334
<hr/>		
TOTAL EQUITY AND LIABILITIES	1,617,308	1,613,876
<hr/>		
NET ASSETS PER SHARE (RM)	0.58	0.58
<hr/>		

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the financial year ended 31 December 2013 and the accompanying explanatory notes attached to the interim financial statements.



RIMBUNAN SAWIT BERHAD

(Company No. 691393-U)
 No. 85 & 86, Pusat Suria Permata, Jalan Upper Lanang 12A, 96000 Sibul, Sarawak, Malaysia
 Telephone No.: 084-218555 Facsimile No.: 084-219555 Email: rsb@rsb.com.my

Condensed Consolidated Statement of Changes in Equity

For the Three Months Period Ended 31 March 2014

	< ----- 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 1.1.2014	654,252	96,987	15,447	(53,066)	-	155,921	869,541	73,001	942,542
Profit after taxation/ Total comprehensive income for the period	-	-	-	-	-	2,196	2,196	378	2,574
Balance at 31.3.2014	654,252	96,987	15,447	(53,066)	-	158,117	871,737	73,379	945,116



RIMBUNAN SAWIT BERHAD

(Company No. 691393-U)
 No. 85 & 86, Pusat Suria Permata, Jalan Upper Lanang 12A, 96000 Sibul, Sarawak, Malaysia
 Telephone No.: 084-218555 Facsimile No.: 084-219555 Email: rsb@rsb.com.my

Condensed Consolidated Statement of Changes in Equity (Cont'd)
 For the Three Months Period Ended 31 March 2014

	< ----- 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 for the period	-	-	-	-	-	(11,177)	(11,177)	(2,988)	(14,165)
Other comprehensive income for the period:-									
- fair value changes of available-for-sale financial assets	-	-	-	-	50	-	50	-	50
- transfer to profit or loss upon reinvestment	-	-	-	-	(50)	-	(50)	-	(50)
Total comprehensive income for the period	-	-	-	-	-	(11,177)	(11,177)	(2,988)	(14,165)
Balance at 31.3.2013	654,252	96,987	15,447	(53,066)	-	157,573	871,193	74,101	945,294

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 2013 and the accompanying explanatory notes attached to the interim financial statements.



RIMBUNAN SAWIT BERHAD

(Company No. 691393-U)

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

Telephone No.: 084-218555

Facsimile No.: 084-219555

Email: rsb@rsb.com.my

Condensed Consolidated Statement of Cash Flows
For the Three Months Period Ended 31 March 2014

	3-month Period Ended	
	31.3.2014	31.3.2013
	RM'000	RM'000
CASH FLOWS FROM/(FOR) OPERATING ACTIVITIES		
Profit/(loss) before taxation	3,913	(15,017)
Adjustments for:-		
Amortisation of biological assets	7,379	6,702
Amortisation of intangible assets	173	137
Depreciation of property, plant and equipment	7,395	7,003
Gain on disposal of property, plant and equipment	-	(10)
Interest expense	2,926	2,768
Interest income	(11)	(90)
Share of results in an associate	45	661
Operating profit before working capital changes	21,820	2,154
Decrease in inventories	1,515	4,168
Decrease/(increase) in trade and other receivables	3,436	(3,862)
Decrease in trade and other payables	(10,830)	(2,709)
CASH FROM/(FOR) OPERATIONS	15,941	(249)
Income tax paid	(911)	(1,377)
Interest paid	(1,497)	(717)
Interest received	11	90
NET CASH FROM/(FOR) OPERATING ACTIVITIES	13,544	(2,253)
CASH FLOWS FOR INVESTING ACTIVITIES		
Acquisition of subsidiaries, net of cash and cash equivalents acquired	*	-
Costs incurred on biological assets	(6,288)	(16,429)
Proceeds from disposal of property, plant and equipment	-	10
Purchase of intangible assets	(249)	(286)
Purchase of property, plant and equipment	(4,108)	(12,408)
NET CASH FOR INVESTING ACTIVITIES	(10,645)	(29,113)
BALANCE CARRIED FORWARD	2,899	(31,366)

* denotes RM414

**RIMBUNAN SAWIT BERHAD**

(Company No. 691393-U)

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

Telephone No.: 084-218555

Facsimile No.: 084-219555

Email: rsb@rsb.com.my

Condensed Consolidated Statement of Cash Flows (Cont'd)For the Three Months Period Ended 31 March 2014

	3-month Period Ended	
	31.3.2014 RM'000	31.3.2013 RM'000
BALANCE BROUGHT FORWARD	2,899	(31,366)
CASH FLOWS FROM FINANCING ACTIVITIES		
Drawdown of term loans	25,906	13,852
Net of drawdown/(repayment) of bankers' acceptance	(12,229)	2,958
Net of drawdown/(repayment) of revolving credit	15,509	-
Payment of interest on long-term borrowings	(4,261)	(3,969)
Repayment of hire purchase obligations	(695)	(340)
Repayment of term loans	(13,582)	(1,964)
NET CASH FROM FINANCING ACTIVITIES	10,648	10,537
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	13,547	(20,829)
CASH AND CASH EQUIVALENTS AT 1 JANUARY	(40,287)	(4,047)
CASH AND CASH EQUIVALENTS AT 31 MARCH	(26,740)	(24,876)

**RIMBUNAN SAWIT BERHAD**

(Company No. 691393-U)

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

Telephone No.: 084-218555

Facsimile No.: 084-219555

Email: rsb@rsb.com.my

Condensed Consolidated Statement of Cash Flows (Cont'd)For the Three Months Period Ended 31 March 2014

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

	As at	
	31.3.2014	31.3.2013
	RM'000	RM'000
Cash and bank balances	12,039	466
Fixed deposits	100	1,021
Short-term investments	-	5,142
Bank overdrafts	(38,879)	(30,482)
	<hr/>	<hr/>
	(26,740)	(23,853)
Less:-		
Bank balances held on trust for Islamic securities investors	-	(2)
Islamic deposits held on trust for Islamic securities investors	-	(1,021)
	<hr/>	<hr/>
	(26,740)	(24,876)
	<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 2013 and the accompanying explanatory notes attached to the interim financial statements.



RIMBUNAN SAWIT BERHAD

(Company No. 691393-U)

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

Telephone No.: 084-218555

Facsimile No.: 084-219555

Email: rsb@rsb.com.my

Part 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 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 2013. 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 2013.

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 2013, except for the adoption of the following new accounting standards and interpretations (including the consequential amendments) that are effective on 1 January 2014:-

FRSs and IC Interpretations (including the Consequential Amendments)

Amendments to FRS 10, FRS 12 and FRS 127 (2011): Investment Entities

Amendments to FRS 132: Offsetting Financial Assets and Financial Liabilities

Amendments to FRS 136: Recoverable Amount Disclosures for Non-financial Assets

Amendments to FRS 139: Novation of Derivatives and Continuation of Hedge Accounting

IC Interpretation 21 Levies

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.



RIMBUNAN SAWIT BERHAD

(Company No. 691393-U)

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

Telephone No.: 084-218555

Facsimile No.: 084-219555

Email: rsb@rsb.com.my

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

A1 Basis of Preparation (Cont'd)

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

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 IC Interpretation 15 *Agreements for Construction of Real Estate*, including its parent, significant investor and venturer (herein called “Transitioning Entities”). The Group falls within the definition of Transitioning Entities and has elected to present its first MFRSs financial statements when the MFRS framework becomes mandatory. Currently, the MASB has not announced as to when the Transitioning Entities are mandated to comply with the MFRS framework. This is because of the revision in the project timeline on the issuance of new IFRS on Revenue and the proposed limited amendments to IAS 41 *Agriculture* by the International Accounting Standards Board. Accordingly, the Group is unable to assess the potential financial effects of the differences between the accounting standards under FRSs and the MFRSs.

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.



RIMBUNAN SAWIT BERHAD

(Company No. 691393-U)

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

Telephone No.: 084-218555

Facsimile No.: 084-219555

Email: rsb@rsb.com.my

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

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 3-month period ended 31 March 2014, the Group acquired assets at a cost of RM2.2 million.

No assets were disposed of during the period under review.

(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.

**RIMBUNAN SAWIT BERHAD**

(Company No. 691393-U)

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

Telephone No.: 084-218555

Facsimile No.: 084-219555

Email: rsb@rsb.com.my

Part A – Explanatory Notes Pursuant to FRS 134 (Cont'd)**A10 Changes in the Composition of the Group**

On 23 January 2014, the Company acquired 100,000 ordinary shares of RM1.00 each in the share capital of Sibul Garden And Leisure (M) Sdn Bhd (“SGLMSB”), representing 100% of its total issued and paid-up share capital, for a total cash consideration of RM77.98.

On the same date, the Company acquired 200,000 ordinary shares of RM1.00 each in the share capital of Rajang Builders Sdn Bhd (“RBSB”), representing 100% of its total issued and paid-up share capital, for a total cash consideration of RM238.20.

The fair values of the identifiable assets and liabilities of SGLMSB and RBSB as at the date of acquisition were:-

	Carrying Amount RM'000	Fair Value Recognised RM'000
Cash and bank balances	1	1
Other payables and accruals	(7)	(7)
Net identifiable assets and liabilities	<u>(6)</u>	<u>(6)</u>
Add: Goodwill		6
Total cost of business combination		<u>*</u>

The effect of the acquisitions on cash flows is as follows:-

	RM'000
Total cost of business combination	*
Less: Cash and cash equivalents of subsidiaries acquired	<u>(1)</u>
Net cash inflows for acquisition of subsidiaries	<u>^</u>

* denotes RM316

^ denotes RM414

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 2013.



RIMBUNAN SAWIT BERHAD

(Company No. 691393-U)
 No. 85 & 86, Pusat Suria Permata, Jalan Upper Lanang 12A, 96000 Sibul, Sarawak, Malaysia
 Telephone No.: 084-218555 Facsimile No.: 084-219555 Email: rsb@rsb.com.my

Part 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 31 March 2014 was as follows:-

	RM'000
Property, plant and equipment:-	
- Contracted but not provided for	2,511
- Authorised but not contracted for	-
	2,511

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	
	31.3.2014	31.3.2013	31.3.2014	31.3.2013
	RM'000	RM'000	RM'000	RM'000
Administrative fee received	34	-	34	-
Contract charges	1,342	5,611	1,342	5,611
Insurance paid	349	578	349	578
Interest paid	265	275	265	275
Management fee	660	919	660	919
Purchase of fertilisers and chemicals	110	14,003	110	14,003
Purchase of fresh fruit bunches	2,615	3,101	2,615	3,101
Purchase of property, plant and equipment	4	314	4	314
Purchase of seedlings	-	548	-	548
Purchase of sundry stores and consumables	1,334	2,115	1,334	2,115
Recruitment charges	-	792	-	792
Rental paid	19	56	19	56
Repairs and maintenance	170	273	170	273
Sale of fresh fruit bunches	16,362	13,170	16,362	13,170
Sale of seedlings	254	269	254	269
Transportation and accommodation charges	641	1,327	641	1,327



RIMBUNAN SAWIT BERHAD

(Company No. 691393-U)

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

Telephone No.: 084-218555

Facsimile No.: 084-219555

Email: rsb@rsb.com.my

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

B1 Review of Performance

Revenue

The Group's revenue decreased by 0.9% to RM59.2 million for the current quarter from RM59.7 million in the corresponding quarter in 2013, mainly due to the decrease in the production of crude palm oil ("CPO") and palm kernel ("PK"), resulting from lower volume of fresh fruit bunches ("FFB") processed. This was partially mitigated by the increase in average selling prices for CPO and PK.

Average selling prices of CPO and PK increased by 9.1% and 72.4% respectively for the current quarter as compared to the preceding corresponding quarter. The strengthening of CPO and PK prices was attributable to the higher global market prices for oil palm products.

Cost of sales

The Group's cost of sales registered a 30.1% drop to RM45.4 million for the current quarter from RM65.0 million in the preceding corresponding quarter, mainly due to the reduction in cost of manuring, field maintenance and other operating costs from plantation estates.

The decrease in the cost of sales is also due to the decrease of mill's operating costs of 10.5% resulting from the drop in the production volumes for CPO and PK as compared to the preceding corresponding quarter.

Gross Profit and Gross Profit Margin

The Group's gross profit recorded an increase of 356.7% to RM13.7 million for the current quarter from a gross loss of RM5.3 million in the corresponding quarter in 2013. The gross profit margin was 23.2% in the current quarter of 2014 as compared to a gross loss margin of 9.0% in the corresponding quarter in 2013. The improvement in gross profit as well as gross profit margin was mainly due to the decrease in cost of sales as set out above.

Profit/(Loss) Before Taxation

The Group recorded a pre-tax profit of RM3.9 million for the 3-month period ended 31 March 2014 as compared to a pre-tax loss of RM15.0 million in the preceding corresponding quarter. The improvement in pre-tax results was mainly due to the increase in gross profit as a result of favorable CPO and PK prices and also the drop in cost of sales during the current quarter compared to the preceding corresponding quarter.

**RIMBUNAN SAWIT BERHAD**

(Company No. 691393-U)

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

Telephone No.: 084-218555

Facsimile No.: 084-219555

Email: rsb@rsb.com.my

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

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	59,150	78,519	(19,369)
Gross profit	13,708	29,097	(15,389)
Profit before taxation	3,913	20,621	(16,708)

The decrease in revenue was mainly due to the decrease in FFB production by 27.6% and sales volume for CPO and PK by 36.3% and 44.5% respectively. The deterioration in gross profit and pre-tax results was mainly due to the decline in revenue.

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, the green lobby groups' movements on sustainable palm oil and their corresponding effect on CPO prices. Despite of the above factors, the Directors opine that it is still a challenging market with optimistic anticipation of an average price of around RM2,500.

B4 Profit Forecasts

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

**RIMBUNAN SAWIT BERHAD**

(Company No. 691393-U)

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

Telephone No.: 084-218555

Facsimile No.: 084-219555

Email: rsb@rsb.com.my

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

B5 Income Tax Expense

	Individual Quarter 3-month Period Ended		Cumulative Quarter 3-month Period Ended	
	31.3.2014 RM'000	31.3.2013 RM'000	31.3.2014 RM'000	31.3.2013 RM'000
Current tax	1,280	250	1,280	250
Deferred tax	59	(1,102)	59	(1,102)
	<u>1,339</u>	<u>(852)</u>	<u>1,339</u>	<u>(852)</u>

B6 Corporate Proposals

There were no corporate proposals announced but not completed as at 19 May 2014, being the latest practicable date.



RIMBUNAN SAWIT BERHAD

(Company No. 691393-U)

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

Telephone No.: 084-218555

Facsimile No.: 084-219555

Email: rsb@rsb.com.my

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

B7 Group Borrowings

	As at	
	31.3.2014 RM'000	31.12.2013 RM'000
Long-term borrowings:-		
Hire purchase obligations	281	490
Term loans, secured	302,387	291,025
	302,668	291,515
Short-term borrowings:-		
Bank overdrafts, secured	14,836	22,803
Bank overdrafts, unsecured	24,043	19,752
Bankers' acceptance, unsecured	-	12,229
Hire purchase obligations	1,480	1,967
Islamic securities and obligations under Ijarah arrangements	7,650	7,650
Revolving credit, secured	66,991	51,481
Revolving credit, unsecured	5,000	5,000
Term loans, secured	21,670	20,708
Unsecured loans	22,520	22,520
	164,190	164,110
Total borrowings	466,858	455,625

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 19 May 2014, being the latest practicable date.

B9 Dividends

No interim dividend has been declared for the financial year ending 31 December 2014.

**RIMBUNAN SAWIT BERHAD**

(Company No. 691393-U)

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

Telephone No.: 084-218555

Facsimile No.: 084-219555

Email: rsb@rsb.com.my

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

B10 Earnings/(Loss) Per Share

	Individual Quarter		Cumulative Quarter	
	3-month Period Ended 31.3.2014	3-month Period Ended 31.3.2013	3-month Period Ended 31.3.2014	3-month Period Ended 31.3.2013
Profit/(loss) attributable to owners of the Company (RM'000)	2,196	(11,177)	2,196	(11,177)
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 31 March	2,041,722	2,041,722	2,041,722	2,041,722
Basic earnings/(loss) per share (sen)	0.11	(0.55)	0.11	(0.55)

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 2013 was not subject to any qualification.

**RIMBUNAN SAWIT BERHAD**

(Company No. 691393-U)

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

Telephone No.: 084-218555

Facsimile No.: 084-219555

Email: rsb@rsb.com.my

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

B12 Profit/(Loss) Before Taxation

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

	Individual Quarter 3-month Period Ended		Cumulative Quarter 3-month Period Ended	
	31.3.2014 RM'000	31.3.2013 RM'000	31.3.2014 RM'000	31.3.2013 RM'000
Amortisation of biological assets	7,379	6,702	7,379	6,702
Amortisation of intangible assets	173	137	173	137
Depreciation of property, plant and equipment	7,395	7,003	7,395	7,003
Gain on disposal of property, plant and equipment	-	(10)	-	(10)
Interest expense	2,926	2,768	2,926	2,768
Interest income	(11)	(90)	(11)	(90)
Share of results in an associate	45	661	45	661

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 3-month period ended 31 March 2014.

(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 31 March 2014 and 31 December 2013.

**RIMBUNAN SAWIT BERHAD**

(Company No. 691393-U)

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

Telephone No.: 084-218555

Facsimile No.: 084-219555

Email: rsb@rsb.com.my

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

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:-

	As at	
	31.3.2014	31.12.2013
	RM'000	RM'000
Total retained profits:-		
- realised	216,128	210,489
- unrealised	(49,023)	(47,530)
	<hr/>	<hr/>
	167,105	162,959
Total share of retained profits of associate:-		
- realised	234	279
- unrealised	(561)	(561)
	<hr/>	<hr/>
	166,778	162,677
Less: Consolidation adjustments	(8,661)	(6,756)
	<hr/>	<hr/>
At 31 March/December	158,117	155,921
	<hr/>	<hr/>

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 26 May 2014.