



RIMBUNAN SAWIT BERHAD

(Company No. 691393-U)

North Wing, Menara Rimbunan Hijau, 101, Pusat Suria Permata, Jalan Upper Lanang, 96000 Sibul, Sarawak, Malaysia

Telephone No.: 084-218555

Facsimile No.: 084-219555

Email: rsb@rsb.com.my

Interim Financial Statements

For the 2nd Quarter Ended 30 June 2015

	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>	9
<i>Part B – Explanatory Notes Pursuant to Appendix 9B of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad</i>	14

**RIMBUNAN SAWIT BERHAD**

(Company No. 691393-U)

North Wing, Menara Rimbunan Hijau, 101, Pusat Suria Permata, Jalan Upper Lanang, 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 IncomeFor the 2nd Quarter Ended 30 June 2015

	Individual Quarter		Cumulative Quarter	
	3-month Period Ended	3-month Period Ended	6-month Period Ended	6-month Period Ended
	30.6.2015	30.6.2014	30.6.2015	30.6.2014
	RM'000	RM'000	RM'000	RM'000
REVENUE	43,351	64,665	77,382	123,815
COST OF SALES	(48,465)	(50,304)	(90,193)	(95,746)
GROSS (LOSS)/PROFIT	(5,114)	14,361	(12,811)	28,069
OTHER INCOME	1,880	392	2,836	528
DISTRIBUTION COSTS	(1,321)	(2,068)	(2,427)	(3,599)
ADMINISTRATIVE AND OTHER EXPENSES	(6,709)	(4,797)	(12,657)	(10,226)
SHARE OF RESULTS IN AN ASSOCIATE, NET OF TAX	(509)	(26)	(1,049)	(71)
FINANCE COSTS	(3,693)	(2,536)	(7,228)	(5,462)
(LOSS)/PROFIT BEFORE TAXATION	(15,466)	5,326	(33,336)	9,239
INCOME TAX EXPENSE	4,067	(1,474)	7,641	(2,813)
(LOSS)/PROFIT AFTER TAXATION	(11,399)	3,852	(25,695)	6,426
OTHER COMPREHENSIVE INCOME	-	-	-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	(11,399)	3,852	(25,695)	6,426

**RIMBUNAN SAWIT BERHAD**

(Company No. 691393-U)

North Wing, Menara Rimbunan Hijau, 101, Pusat Suria Permata, Jalan Upper Lanang, 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 2nd Quarter Ended 30 June 2015

	Individual Quarter		Cumulative Quarter	
	3-month Period Ended	3-month Period Ended	6-month Period Ended	6-month Period Ended
	30.6.2015	30.6.2014	30.6.2015	30.6.2014
	RM'000	RM'000	RM'000	RM'000
(LOSS)/PROFIT AFTER TAXATION ATTRIBUTABLE TO:-				
- Owners of the Company	(9,953)	4,795	(22,301)	6,991
- Non-controlling interests	(1,446)	(943)	(3,394)	(565)
	<u>(11,399)</u>	<u>3,852</u>	<u>(25,695)</u>	<u>6,426</u>
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:-				
- Owners of the Company	(9,953)	4,795	(22,301)	6,991
- Non-controlling interests	(1,446)	(943)	(3,394)	(565)
	<u>(11,399)</u>	<u>3,852</u>	<u>(25,695)</u>	<u>6,426</u>
(LOSS)/EARNINGS PER SHARE (SEN):-				
- Basic	(0.49)	0.23	(1.09)	0.34
- 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 2014 and the accompanying explanatory notes attached to the interim financial statements.

**RIMBUNAN SAWIT BERHAD**

(Company No. 691393-U)

North Wing, Menara Rimbunan Hijau, 101, Pusat Suria Permata, Jalan Upper Lanang, 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 30 June 2015

	As at 30.6.2015 (Unaudited) RM'000	As at 31.12.2014 (Audited) RM'000
ASSETS		
NON-CURRENT ASSETS		
Investment in an associate	23,040	24,089
Other investment	5,000	-
Property, plant and equipment	685,438	658,640
Intangible assets	24,092	24,569
Biological assets	784,558	778,349
Goodwill	64,746	64,746
Deposits with licensed banks	100	100
Deferred tax assets	5,274	4,929
	<u>1,592,248</u>	<u>1,555,422</u>
CURRENT ASSETS		
Inventories	27,591	28,142
Trade receivables	9,515	11,115
Other receivables, deposits and prepayments	35,069	32,246
Tax refundable	4,735	3,507
Deposits with licensed banks	-	1,050
Cash and bank balances	7,524	11,055
	<u>84,434</u>	<u>87,115</u>
TOTAL ASSETS	<u>1,676,682</u>	<u>1,642,537</u>

**RIMBUNAN SAWIT BERHAD**

(Company No. 691393-U)

North Wing, Menara Rimbunan Hijau, 101, Pusat Suria Permata, Jalan Upper Lanang, 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 30 June 2015

	As at 30.6.2015 (Unaudited) RM'000	As at 31.12.2014 (Audited) RM'000
EQUITY AND LIABILITIES		
Share capital	791,682	751,239
Reserves	60,328	123,072
<hr/>		
TOTAL EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY	852,010	874,311
NON-CONTROLLING INTERESTS	65,190	68,584
<hr/>		
TOTAL EQUITY	917,200	942,895
<hr/>		
NON-CURRENT LIABILITIES		
Borrowings	343,331	311,298
Deferred tax liabilities	140,758	148,405
<hr/>		
	484,089	459,703
<hr/>		
CURRENT LIABILITIES		
Trade payables	40,539	28,757
Other payables, deposits and accruals	40,461	37,583
Borrowings:-		
- bank overdrafts	34,344	21,701
- other borrowings	158,853	150,218
Provision for taxation	1,196	1,680
<hr/>		
	275,393	239,939
<hr/>		
TOTAL LIABILITIES	759,482	699,642
<hr/>		
TOTAL EQUITY AND LIABILITIES	1,676,682	1,642,537
<hr/>		
NET ASSETS PER SHARE (RM)	0.54	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 2014 and the accompanying explanatory notes attached to the interim financial statements.



RIMBUNAN SAWIT BERHAD

(Company No. 691393-U)

North Wing, Menara Rimbunan Hijau, 101, Pusat Suria Permata, Jalan Upper Lanang, 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 Six Months Period Ended 30 June 2015

	< ----- 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				
Balance at 1.1.2015	654,252	96,987	15,447	(53,066)	160,691	874,311	68,584	942,895
Loss after taxation/Total comprehensive income for the period	-	-	-	-	(22,301)	(22,301)	(3,394)	(25,695)
Contributions by and distributions to owners of the Company:- - conversion of preference shares to ordinary shares	54,992	(14,549)	-	-	(40,443)	-	-	-
Balance at 30.6.2015	709,244	82,438	15,447	(53,066)	97,947	852,010	65,190	917,200

**RIMBUNAN SAWIT BERHAD**

(Company No. 691393-U)

North Wing, Menara Rimbunan Hijau, 101, Pusat Suria Permata, Jalan Upper Lanang, 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 Six Months Period Ended 30 June 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 Ordinary Shares RM'000	Preference Shares RM'000	Share Premium RM'000	Merger Reserve 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	-	-	-	-	6,991	6,991	(565)	6,426
Balance at 30.6.2014	654,252	96,987	15,447	(53,066)	162,912	876,532	72,436	948,968

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 2014 and the accompanying explanatory notes attached to the interim financial statements.


RIMBUNAN SAWIT BERHAD

(Company No. 691393-U)

North Wing, Menara Rimbunan Hijau, 101, Pusat Suria Permata, Jalan Upper Lanang, 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 Six Months Period Ended 30 June 2015

	6-month Period Ended	
	30.6.2015 RM'000	30.6.2014 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
(Loss)/profit before taxation	(33,336)	9,239
Adjustments for:-		
Amortisation of biological assets	15,568	14,709
Amortisation of intangible assets	337	360
Depreciation of property, plant and equipment	16,724	14,609
Gain on disposal of property, plant and equipment	(1,502)	-
Interest expense	7,228	5,462
Interest income	(29)	(21)
Share of results in an associate	1,049	71
Operating profit before working capital changes	6,039	44,429
Decrease in inventories	551	6,852
(Increase)/decrease in trade and other receivables	(1,223)	3,684
Increase in trade and other payables	14,660	314
CASH FROM OPERATIONS	20,027	55,279
Income tax paid	(2,270)	(2,033)
Income tax refunded	207	-
Interest paid	(4,035)	(2,923)
Interest received	29	21
NET CASH FROM OPERATING ACTIVITIES	13,958	50,344
CASH FLOWS FOR INVESTING ACTIVITIES		
Acquisition of subsidiaries, net of cash and cash equivalents acquired	-	*
Costs incurred on biological assets	(14,316)	(14,065)
Proceeds from disposal of intangible assets	-	-
Proceeds from disposal of property, plant and equipment	2,979	73
Purchase of intangible assets	-	(564)
Purchase of investment	(5,000)	-
Purchase of property, plant and equipment	(42,235)	(12,330)
NET CASH FOR INVESTING ACTIVITIES	(58,572)	(26,886)
BALANCE CARRIED FORWARD	(44,614)	23,458

* denotes RM414



RIMBUNAN SAWIT BERHAD

(Company No. 691393-U)

North Wing, Menara Rimbunan Hijau, 101, Pusat Suria Permata, Jalan Upper Lanang, 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 Six Months Period Ended 30 June 2015

	6-month Period Ended	
	30.6.2015 RM'000	30.6.2014 RM'000
BALANCE BROUGHT FORWARD	(44,614)	23,458
CASH FLOWS FROM FINANCING ACTIVITIES		
Drawdown of term loans	40,169	34,172
Net of drawdown/(repayment) of bankers' acceptance	(1,795)	(12,229)
Net of drawdown/(repayment) of revolving credit	11,076	30,000
Net of drawdown/(repayment) of unsecured loans	-	(18,000)
Payment of interest on long-term borrowings	(8,211)	(8,322)
Repayment of hire purchase obligations	(597)	(1,227)
Repayment of term loans	(13,252)	(8,626)
NET CASH FROM FINANCING ACTIVITIES	27,390	15,768
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(17,224)	39,226
CASH AND CASH EQUIVALENTS AT 1 JANUARY	(9,596)	(40,287)
CASH AND CASH EQUIVALENTS AT 30 JUNE	(26,820)	(1,061)

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

	As at	
	30.6.2015 RM'000	30.6.2014 RM'000
Cash and bank balances	7,524	11,711
Deposits with licensed banks	100	100
Bank overdrafts	(34,344)	(12,872)
	(26,720)	(1,061)
Less: Deposits pledged to licensed banks	(100)	-
	(26,820)	(1,061)

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements for the financial year ended 31 December 2014 and the accompanying explanatory notes attached to the interim financial statements.



RIMBUNAN SAWIT BERHAD

(Company No. 691393-U)

North Wing, Menara Rimbunan Hijau, 101, Pusat Suria Permata, Jalan Upper Lanang, 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 2014. 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 2014.

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 2014, except for the adoption of the following new accounting standards and interpretations (including the consequential amendments) that are effective on 1 January 2015:-

FRSs and IC Interpretations (including the Consequential Amendments)

Amendments to FRS 119: Defined Benefit Plans – Employee Contributions

Annual Improvements to FRSs 2010 – 2012 Cycle

Annual Improvements to FRSs 2011 – 2013 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.



RIMBUNAN SAWIT BERHAD

(Company No. 691393-U)

North Wing, Menara Rimbunan Hijau, 101, Pusat Suria Permata, Jalan Upper Lanang, 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)

MASB has issued a new MASB approved accounting framework, the Malaysian Financial Reporting Standards (“MFRSs”), that are to be applied by all entities other than private entities; 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”).

As announced by MASB on 2 September 2014, the transitioning entities are allowed to defer the adoption of MFRSs to annual periods beginning on or after 1 January 2017.

Accordingly, as a transitioning entity as defined above, the Group has chosen to defer the adoption of MFRSs and will only prepare its first set of MFRS financial statements for the financial year ending 31 December 2017. The Group is currently assessing the possible financial impact that may arise from the adoption of MFRSs and the process is still ongoing.

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

Save as disclosed below, there were no unusual items affecting assets, liabilities, equity, net income or cash flows for the period under review:-

On 25 February 2015, the ICPS holders of the Company converted 28,976,880 ICPSs of RM0.50 each in the Company into 109,532,607 new ordinary shares of RM0.50 each in the Company. On 13 March 2015, they further converted 119,048 ICPSs of RM0.50 each into 450,000 new ordinary shares of RM0.50 each. After the two conversions, the numbers of ICPSs and ordinary shares in the Company, with a nominal value of RM0.50 each, are 164,876,929 and 1,418,487,551 respectively.



RIMBUNAN SAWIT BERHAD

(Company No. 691393-U)

North Wing, Menara Rimbunan Hijau, 101, Pusat Suria Permata, Jalan Upper Lanang, 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 6-month period ended 30 June 2015, the Group acquired assets at a cost of RM47.7 million.

Assets with a carrying amount of RM1.5 million were disposed of by the Group during the 6-month period ended 30 June 2015, resulting in a gain on disposal of RM1.5 million, which is included in other income 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.



RIMBUNAN SAWIT BERHAD

(Company No. 691393-U)
North Wing, Menara Rimbunan Hijau, 101, Pusat Suria Permata, Jalan Upper Lanang, 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)

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 2014.

A12 Capital Commitments

The amount of capital commitments not provided for in the financial statements as at 30 June 2015 was as follows:-

	RM'000
Property, plant and equipment:-	
- Contracted but not provided for	35,177
- Authorised but not contracted for	-
	<hr/>
	35,177
	<hr/>

**RIMBUNAN SAWIT BERHAD**

(Company No. 691393-U)

North Wing, Menara Rimbunan Hijau, 101, Pusat Suria Permata, Jalan Upper Lanang, 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)**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
	30.6.2015	30.6.2014	30.6.2015	30.6.2014
	RM'000	RM'000	RM'000	RM'000
Administrative fee received	-	130	-	164
Consultancy fees	263	-	430	-
Contract charges	6,748	2,934	10,041	4,276
Insurance paid	332	320	712	669
Interest paid	38	214	75	479
Interior design and renovation	2,183	-	2,897	-
Management fee	1,566	679	3,175	1,339
Purchase of fertilisers and chemicals	252	731	773	841
Purchase of fresh fruit bunches	845	646	1,536	3,261
Purchase of property, plant and equipment	3,271	2,253	4,041	2,257
Purchase of seedlings	126	3	237	3
Purchase of sundry stores and consumables	199	1,166	708	2,500
Recruitment charges	-	-	-	319
Rental paid	724	24	734	43
Repairs and maintenance	23	27	107	197
Sale of fertilisers and chemicals	2	227	2	243
Sale of fresh fruit bunches	14,520	18,113	26,307	34,475
Sale of seedlings	-	-	-	254
Transportation and accommodation charges	448	850	675	1,491



RIMBUNAN SAWIT BERHAD

(Company No. 691393-U)

North Wing, Menara Rimbunan Hijau, 101, Pusat Suria Permata, Jalan Upper Lanang, 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 33.0% to RM43.4 million for the current quarter from RM64.7 million in the corresponding quarter in 2014, mainly due to the lower sales volume for crude palm oil ("CPO"), palm kernel ("PK") and fresh fruit bunches ("FFB") and also the unfavorable selling prices of CPO for the quarter under review.

Sales volume of CPO and PK decreased by 29.8% and 26.2% respectively for the current quarter as compared to the preceding corresponding quarter. The drop in sales volume was mainly attributable to the lower FFB processed. Average selling prices of CPO and PK decreased by 14.2% and 22.0% 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.

FFB production decreased by 8.1% for the current quarter as compared to the preceding corresponding quarter. One of the contributing factor is due to lack of harvesters for the quarter under review.

On a 6-month basis, the Group recorded a revenue of RM77.4 million in 2015. This was compared to RM123.8 million in the corresponding period in 2014, representing a decrease in revenue of 37.5%. The decrease was mainly due to the unfavorable selling prices and the drop in production for CPO, PK and FFB.

Cost of sales

The Group's cost of sales registered a drop of 3.7% to RM48.5 million for the current quarter as compared to RM50.3 million in the preceding corresponding quarter, mainly due to the significant drop in mill processing costs resulting from lower FFB processed. However, the estate operation costs have increased due to higher manuring work done for the quarter under review.

On a 6-month basis, the Group's cost of sales was RM90.2 million in 2015, as compared to RM95.7 million in the corresponding period in 2014. The decrease of 5.8% was due to the lower mill processing costs resulting from lower FFB processed and lower FFB price.



RIMBUNAN SAWIT BERHAD

(Company No. 691393-U)

North Wing, Menara Rimbunan Hijau, 101, Pusat Suria Permata, Jalan Upper Lanang, 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 (Cont'd)

Gross Profit and Gross Profit Margin

The Group's gross profit recorded a decrease of 135.6% to a gross loss of RM5.1 million for the current quarter from a gross profit of RM14.4 million in the corresponding quarter in 2014. The gross loss margin was 11.8% in 2015 as compared to a gross profit margin of 22.2% in the corresponding quarter in 2014. The weakened gross profit as well as gross profit margin was mainly due to the lower selling price of CPO, lower FFB production, as well as lower FFB processed in the mill for the quarter under review.

On a 6-month basis, the Group recorded a gross loss of RM12.8 million in 2015, a decrease of 145.6% from a gross profit of RM28.1 million in corresponding period in 2014. The gross loss margin was 16.6% in 2015 as compared to a gross profit margin of 22.7% in the corresponding period in 2014.

Profit/(Loss) Before Taxation

The Group recorded a pre-tax loss of RM15.5 million for the 3-month period ended 30 June 2015 as compared to a pre-tax profit of RM5.3 million in the preceding corresponding quarter. The deterioration in the pre-tax results was mainly due to the decrease in gross profit as a result of lower selling prices and sales volume of CPO, PK and FFB as well as the higher finance costs during the current quarter.

On a 6-month basis, the Group recorded a pre-tax loss of RM33.3 million in 2015, from a pre-tax profit of RM9.2 million in the corresponding period in 2014.

**RIMBUNAN SAWIT BERHAD**

(Company No. 691393-U)

North Wing, Menara Rimbunan Hijau, 101, Pusat Suria Permata, Jalan Upper Lanang, 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	43,351	34,031	9,320
Gross loss	(5,114)	(7,697)	(2,583)
Loss before taxation	(15,466)	(17,870)	(2,404)

The increase in revenue was mainly due to the increase in sales volume of CPO and FFB and a little increase in CPO selling price. The increase in gross profit and pre-tax results was mainly due to the increase in production for CPO and FFB.

B3 Commentary on Prospects

The performance of the Group very much dependent on the global demand of palm oil, the price movement of palm products, global economic situation, movement of Ringgit, operation efficiency and the overall production yield.

Despite the current challenging commodity price, the Board is cautiously optimistic the Group will continue to improve the productivity.

B4 Profit Forecasts

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


RIMBUNAN SAWIT BERHAD

(Company No. 691393-U)

North Wing, Menara Rimbunan Hijau, 101, Pusat Suria Permata, Jalan Upper Lanang, 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 6-month Period Ended	
	30.6.2015 RM'000	30.6.2014 RM'000	30.6.2015 RM'000	30.6.2014 RM'000
Current tax	336	1,083	351	2,363
Deferred tax	(4,403)	391	(7,992)	450
	<u>(4,067)</u>	<u>1,474</u>	<u>(7,641)</u>	<u>2,813</u>

B6 Corporate Proposals

There were no corporate proposals announced but not completed as at 21 August 2015, being the latest practicable date.

B7 Group Borrowings

	As at	
	30.6.2015 RM'000	31.12.2014 RM'000
Long-term borrowings:-		
Hire purchase obligations	3,709	221
Term loans, secured	339,622	311,077
	<u>343,331</u>	<u>311,298</u>
Short-term borrowings:-		
Bank overdrafts, secured	11,412	5,678
Bank overdrafts, unsecured	22,932	16,023
Bankers' acceptance, unsecured	9,606	11,401
Hire purchase obligations	1,592	609
Revolving credit, secured	59,067	47,991
Revolving credit, unsecured	58,000	58,000
Term loans, secured	27,568	29,197
Unsecured loans	3,020	3,020
	<u>193,197</u>	<u>171,919</u>
Total borrowings	<u>536,528</u>	<u>483,217</u>

The Group's borrowings were denominated in Ringgit Malaysia.

**RIMBUNAN SAWIT BERHAD**

(Company No. 691393-U)

North Wing, Menara Rimbunan Hijau, 101, Pusat Suria Permata, Jalan Upper Lanang, 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)

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 2015, being the latest practicable date.

B9 Dividends

No interim dividend has been declared for the financial year ending 31 December 2015.

B10 Earnings/(Loss) Per Share

	Individual Quarter 3-month Period Ended		Cumulative Quarter 6-month Period Ended	
	30.6.2015	30.6.2014	30.6.2015	30.6.2014
(Loss)/profit attributable to owners of the Company (RM'000)	(9,953)	4,795	(22,301)	6,991
Weighted average number of ordinary shares ('000):- Issued ordinary shares at 1 April/1 January	1,418,487	1,308,505	1,308,505	1,308,505
Effect of conversion of ICPS	623,235	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)	(0.49)	0.23	(1.09)	0.34

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 2014 was not subject to any qualification.

**RIMBUNAN SAWIT BERHAD**

(Company No. 691393-U)

North Wing, Menara Rimbunan Hijau, 101, Pusat Suria Permata, Jalan Upper Lanang, 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 (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
	30.6.2015	30.6.2014	30.6.2015	30.6.2014
	RM'000	RM'000	RM'000	RM'000
Amortisation of biological assets	7,717	7,330	15,568	14,709
Amortisation of intangible assets	167	187	337	360
Depreciation of property, plant and equipment	8,234	7,214	16,724	14,609
Gain on disposal of property, plant and equipment	(1,390)	-	(1,502)	-
Interest expense	3,693	2,536	7,228	5,462
Interest income	(27)	(9)	(29)	(21)
Share of results in an associate	509	26	1,049	71

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 2015.

(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 2015 and 31 December 2014.

**RIMBUNAN SAWIT BERHAD**

(Company No. 691393-U)

North Wing, Menara Rimbunan Hijau, 101, Pusat Suria Permata, Jalan Upper Lanang, 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	
	30.6.2015	31.12.2014
	RM'000	RM'000
Total retained profits:-		
- realised	162,773	227,339
- unrealised	(45,729)	(51,620)
	<hr/>	<hr/>
	117,044	175,719
Total share of retained profits of associate:-		
- realised	(1,459)	(410)
- unrealised	(638)	(638)
	<hr/>	<hr/>
	114,947	174,671
Less: Consolidation adjustments	(17,000)	(13,980)
	<hr/>	<hr/>
At 30 June/31 December	97,947	160,691
	<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 28 August 2015.