



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

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Interim Financial Statements

For the 4th Quarter Ended 31 December 2015

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Condensed Consolidated Statement of Profit or Loss and Other Comprehensive IncomeFor the 4th Quarter Ended 31 December 2015

	Individual Quarter 3-month Period Ended		Cumulative Quarter 12-month Period Ended	
	31.12.2015 RM'000	31.12.2014 RM'000	31.12.2015 RM'000	31.12.2014 RM'000
REVENUE	54,465	53,678	184,032	239,684
COST OF SALES	(56,216)	(49,377)	(193,950)	(194,235)
GROSS (LOSS)/PROFIT	(1,751)	4,301	(9,918)	45,449
OTHER INCOME	(289)	590	3,278	3,765
DISTRIBUTION COSTS	(1,958)	(1,898)	(6,135)	(7,579)
ADMINISTRATIVE AND OTHER EXPENSES	(26,621)	(4,894)	(46,276)	(23,318)
SHARE OF RESULTS IN AN ASSOCIATE, NET OF TAX	1,534	(434)	-	(766)
FINANCE COSTS	(2,509)	(2,898)	(13,796)	(10,609)
(LOSS)/PROFIT BEFORE TAXATION	(31,594)	(5,233)	(72,847)	6,942
INCOME TAX EXPENSE	1,196	1,455	10,515	(4,189)
(LOSS)/PROFIT AFTER TAXATION	(30,398)	(3,778)	(62,332)	2,753
OTHER COMPREHENSIVE INCOME	-	-	-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	(30,398)	(3,778)	(62,332)	2,753

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Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income (Cont'd)For the 4th Quarter Ended 31 December 2015

	Individual Quarter		Cumulative Quarter	
	3-month Period Ended	3-month Period Ended	12-month Period Ended	12-month Period Ended
	31.12.2015	31.12.2014	31.12.2015	31.12.2014
	RM'000	RM'000	RM'000	RM'000
(LOSS)/PROFIT AFTER TAXATION ATTRIBUTABLE TO:-				
- Owners of the Company	(27,952)	(2,461)	(55,126)	4,770
- Non-controlling interests	(2,446)	(1,317)	(7,206)	(2,017)
	<u>(30,398)</u>	<u>(3,778)</u>	<u>(62,332)</u>	<u>2,753</u>
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:-				
- Owners of the Company	(27,952)	(2,461)	(55,126)	4,770
- Non-controlling interests	(2,446)	(1,317)	(7,206)	(2,017)
	<u>(30,398)</u>	<u>(3,778)</u>	<u>(62,332)</u>	<u>2,753</u>
(LOSS)/EARNINGS PER SHARE (SEN):-				
- Basic	(1.37)	(0.12)	(2.70)	0.23
- 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.

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Condensed Consolidated Statement of Financial Position

As at 31 December 2015

	As at 31.12.2015 (Unaudited) RM'000	As at 31.12.2014 (Audited) RM'000
ASSETS		
NON-CURRENT ASSETS		
Investment in an associate	4,397	24,089
Other investment	5,000	-
Property, plant and equipment	685,651	658,640
Intangible assets	23,684	24,569
Biological assets	785,839	778,349
Goodwill	64,746	64,746
Deposits with licensed banks	100	100
Deferred tax assets	5,136	4,929
	<u>1,574,553</u>	<u>1,555,422</u>
CURRENT ASSETS		
Inventories	31,951	28,142
Trade receivables	8,810	11,115
Other receivables, deposits and prepayments	22,973	32,246
Tax refundable	5,324	3,507
Deposits with licensed banks	-	1,050
Cash and bank balances	4,368	11,055
	<u>73,426</u>	<u>87,115</u>
TOTAL ASSETS	<u>1,647,979</u>	<u>1,642,537</u>

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Condensed Consolidated Statement of Financial Position (Cont'd)

As at 31 December 2015

	As at 31.12.2015 (Unaudited) RM'000	As at 31.12.2014 (Audited) RM'000
EQUITY AND LIABILITIES		
Share capital	791,682	751,239
Reserves	27,503	123,072
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TOTAL EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY	819,185	874,311
NON-CONTROLLING INTERESTS	54,615	68,584
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TOTAL EQUITY	873,800	942,895
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NON-CURRENT LIABILITIES		
Borrowings	344,077	311,298
Deferred tax liabilities	136,357	148,405
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	480,434	459,703
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CURRENT LIABILITIES		
Trade payables	48,225	28,757
Other payables, deposits and accruals	34,559	37,583
Borrowings:-		
- bank overdrafts	10,150	21,701
- other borrowings	199,577	150,218
Provision for taxation	1,234	1,680
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	293,745	239,939
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TOTAL LIABILITIES	774,179	699,642
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TOTAL EQUITY AND LIABILITIES	1,647,979	1,642,537
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NET ASSETS PER SHARE (RM)	0.52	0.58
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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 2014 and the accompanying explanatory notes attached to the interim financial statements.



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Condensed Consolidated Statement of Changes in Equity

For the Twelve Months Period Ended 31 December 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		Share Premium RM'000	Merger Reserve RM'000				
	Ordinary Shares RM'000	Preference Shares 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	-	-	-	-	(55,126)	(55,126)	(7,206)	(62,332)
Contributions by and distributions to owners of the Company:-								
- conversion of preference shares to ordinary shares	54,992	(14,549)	-	-	(40,443)	-	-	-
- dividends by subsidiaries to non-controlling interests	-	-	-	-	-	-	(6,763)	(6,763)
Balance at 31.12.2015	709,244	82,438	15,447	(53,066)	65,122	819,185	54,615	873,800

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

For the Twelve Months Period Ended 31 December 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
	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	-	-	-	-	4,770	4,770	(2,017)	2,753
Contributions by and distributions to owners of the Company:- - dividends by subsidiaries to non- controlling interests	-	-	-	-	-	-	(2,400)	(2,400)
Balance at 31.12.2014	654,252	96,987	15,447	(53,066)	160,691	874,311	68,584	942,895

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.

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Condensed Consolidated Statement of Cash Flows
For the Twelve Months Period Ended 31 December 2015

	12-month Period Ended	
	31.12.2015	31.12.2014
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
(Loss)/profit before taxation	(72,847)	6,942
Adjustments for:-		
Amortisation of biological assets	36,262	29,783
Amortisation of intangible assets	676	439
Biological assets written off	-	182
Depreciation of property, plant and equipment	34,984	29,813
Gain on disposal of property, plant and equipment	(449)	(1,344)
Impairment loss on investment in an associate	19,692	-
Interest expense	13,796	10,609
Interest income	(26)	(83)
Share of results in an associate	-	766
Operating profit before working capital changes	32,088	77,107
(Increase)/decrease in inventories	(3,808)	8,365
Decrease/(increase) in trade and other receivables	11,575	(5,937)
Increase in trade and other payables	16,444	5,477
CASH FROM OPERATIONS	56,299	85,012
Income tax paid	(4,209)	(4,844)
Income tax refunded	207	-
Interest paid	(10,180)	(5,822)
Interest received	26	83
NET CASH FROM OPERATING ACTIVITIES	42,143	74,429
CASH FLOWS FOR INVESTING ACTIVITIES		
Acquisition of subsidiaries, net of cash and cash equivalents acquired	-	*
Costs incurred on biological assets	(28,696)	(28,589)
Proceeds from disposal of property, plant and equipment	3,407	2,132
Purchase of intangible assets	-	(959)
Purchase of investment	(5,000)	-
Purchase of property, plant and equipment	(61,874)	(40,118)
NET CASH FOR INVESTING ACTIVITIES	(92,163)	(67,534)
BALANCE CARRIED FORWARD	(50,020)	6,895

* denotes RM414



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Condensed Consolidated Statement of Cash Flows (Cont'd)

For the Twelve Months Period Ended 31 December 2015

	12-month Period Ended	
	31.12.2015	31.12.2014
	RM'000	RM'000
BALANCE BROUGHT FORWARD	(50,020)	6,895
CASH FLOWS FROM FINANCING ACTIVITIES		
Deposits with licensed banks held as security value	-	(100)
Dividend paid by subsidiaries to non-controlling interests	(6,763)	(2,400)
Drawdown of term loans	63,517	49,700
Net of drawdown/(repayment) of bankers' acceptance	9,774	(828)
Net of drawdown/(repayment) of revolving credit	33,000	49,510
Net of drawdown/(repayment) of unsecured loans	-	(19,500)
Payment of interest on long-term borrowings	(14,463)	(16,686)
Repayment of advances from related parties	-	(5,100)
Repayment of hire purchase obligations	(1,814)	(1,991)
Repayment of Islamic securities and obligations under Ijarah arrangements	-	(7,650)
Repayment of term loans	(29,417)	(21,159)
NET CASH FROM FINANCING ACTIVITIES	53,834	23,796
NET INCREASE IN CASH AND CASH EQUIVALENTS	3,814	30,691
CASH AND CASH EQUIVALENTS AT 1 JANUARY	(9,596)	(40,287)
CASH AND CASH EQUIVALENTS AT 31 DECEMBER	(5,782)	(9,596)

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

	As at	
	31.12.2015	31.12.2014
	RM'000	RM'000
Cash and bank balances	4,368	11,055
Deposits with licensed banks	100	1,150
Bank overdrafts	(10,150)	(21,701)
	(5,682)	(9,496)
Less: Deposits pledged to licensed banks	(100)	(100)
	(5,782)	(9,596)

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.



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Part A – Explanatory Notes Pursuant to FRS 134

A1 Basis of Preparation

The unaudited interim financial statements have been prepared in accordance with FRS 134 *Interim Financial Reporting* and Chapter 9 Appendix 9B of the 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.



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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 28 October 2015, the transitioning entities are allowed to defer the adoption of MFRSs to annual periods beginning on or after 1 January 2018.

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 2018. 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.



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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 12-month period ended 31 December 2015, the Group acquired assets at a cost of RM69.3 million.

Assets with a carrying amount of RM3.0 million were disposed of by the Group during the 12-month period ended 31 December 2015, resulting in a gain on disposal of RM449,000, 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.

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

A9 Material Events Subsequent to the End of the Interim Period

On 4 February 2016, the Company acquired 200,000 ordinary shares of RM1.00 each in the share capital of Rakantama Sdn Bhd (“RTSB”) for a total cash consideration of RM200. Subsequent to the acquisition, RTSB became a 100%-owned subsidiary of the Company. RTSB is currently a dormant company and its intended activity is the provision of insurance agency services.

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 31 December 2015 was as follows:-

	RM'000
Property, plant and equipment:-	
- Contracted but not provided for	22,907
- Authorised but not contracted for	-
	<hr/>
	22,907
	<hr/>

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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 3-month Period Ended		Cumulative Quarter 12-month Period Ended	
	31.12.2015 RM'000	31.12.2014 RM'000	31.12.2015 RM'000	31.12.2014 RM'000
Administrative fee received	-	(71)	-	223
Consultancy fees	12	119	535	119
Contract charges	777	1,376	13,039	6,652
Insurance paid	28	127	1,059	1,289
Interest paid	(2,784)	243	153	957
Interior design and renovation	44	-	3,069	-
Management fee	1,029	727	5,370	2,832
Purchase of fertilisers and chemicals	6	830	813	2,538
Purchase of fresh fruit bunches	887	720	3,310	4,835
Purchase of property, plant and equipment	3,893	(435)	7,934	1,827
Purchase of seedlings	53	328	416	442
Purchase of sundry stores and consumables	638	740	1,642	4,607
Rental paid	530	17	1,722	74
Repairs and maintenance	187	113	450	428
Sale of fertilisers and chemicals	-	-	31	240
Sale of fresh fruit bunches	18,314	15,473	63,560	69,297
Sale of seedlings	7	(220)	22	34
Transportation and accommodation charges	416	594	1,339	2,822
Sales of property, plant and equipment	282	-	282	-



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B1 Review of Performance

Quarter under review

Revenue landed at RM54.5 million, a marginal improvement of RM0.8 million compared to corresponding quarter in 2014. This owing mainly to higher average selling price of crude palm oil (“CPO”), palm kernel (“PK”) and fresh fruit bunches (“FFB”), which has improved by 0.33%, 21.70% and 0.75% respectively. The improvement in revenue was also due to increase in sales volume of CPO by 2.57%, PK by 17.10%, and FFB by 0.68%.

Loss before taxation increased to RM31.6 million compared to RM5.2mil pre-tax loss recorded in 2014’s corresponding quarter. This was mainly due to higher administrative cost resulted from the provision of impairment loss amounting to RM19.69 million on investment in an associate, which was required in tandem with the low average FFB price in 2015

As such, loss after taxation stood at RM30.4 million compared to 2014’s corresponding quarter of RM3.8 million.

12-month cumulative

The Group posted lower revenue of RM184.0 million compared to RM239.5 million in 2014 mainly due to lower average CPO price by 8.85% compared to 2014 average of RM2,255 per metric tonne while CPO sales volume also reduced by 15.58%.

With plummeting average selling price of CPO, PK, and FFB by 8% - 12%, the Group recorded loss before taxation of RM72.8 million compared to 2014 pre-tax profit of RM6.9 million. The lower sales volume of CPO, PK, and FFB by 9% - 16% and the impairment loss provision have contributed to pre-tax loss.

Therefore, the Group posted loss after taxation of RM62.3 million compared to 2014’s profit after tax of RM2.8 million.

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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)

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

For the quarter, revenue improved by 4.37% to RM54.5 million compared to preceding quarter mainly due to higher CPO, PK and FFB price by 5.50%, 24.93%, and 9.78% respectively. This was also owing to higher CPO and PK sales volume by 6.39% and 57.31% respectively.

However, the quarter recorded higher pre-tax loss of RM31.6 million and loss after taxation of RM30.4 million compared to preceding quarter pre-tax loss and post-tax loss of RM7.9 million and RM6.2 million respectively mainly due to the impairment loss provision.

B3 Commentary on Prospects

The CPO price is expected to maintain its upside trend for the coming quarter in view of the El Nino impact. However, with global consumption remain soft in view of slowdown in China economy while the supply of soybean continue to increase, this may alleviate further uptrend in CPO price. As such, the Group expects its performance to be challenging for the coming financial year.

Nevertheless, the Group will remain resilient via effective cost management and operational efficiency.

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

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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)
B5 Income Tax Expense

	Individual Quarter 3-month Period Ended		Cumulative Quarter 12-month Period Ended	
	31.12.2015 RM'000	31.12.2014 RM'000	31.12.2015 RM'000	31.12.2014 RM'000
Current tax	(7)	572	1,739	5,006
Deferred tax	(1,189)	(2,027)	(12,254)	(817)
	<u>(1,196)</u>	<u>(1,455)</u>	<u>(10,515)</u>	<u>4,189</u>

B6 Corporate Proposals

There were no corporate proposals announced but not completed as at 19 February 2016, being the latest practicable date.

B7 Group Borrowings

	As at	
	31.12.2015 RM'000	31.12.2014 RM'000
Long-term borrowings:-		
Hire purchase obligations	3,686	221
Term loans, secured	340,391	311,077
	<u>344,077</u>	<u>311,298</u>
Short-term borrowings:-		
Bank overdrafts, secured	5,059	5,678
Bank overdrafts, unsecured	5,091	16,023
Bankers' acceptance, unsecured	21,175	11,401
Hire purchase obligations	2,408	609
Revolving credit, secured	80,991	47,991
Revolving credit, unsecured	58,000	58,000
Term loans, secured	33,983	29,197
Unsecured loans	3,020	3,020
	<u>209,727</u>	<u>171,919</u>
Total borrowings	<u>553,804</u>	<u>483,217</u>

The Group's borrowings were denominated in Ringgit Malaysia.

**RIMBUNAN SAWIT BERHAD**

(Company No. 691393-U)

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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)**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 February 2016, 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 12-month Period Ended	
	31.12.2015	31.12.2014	31.12.2015	31.12.2014
(Loss)/profit attributable to owners of the Company (RM'000)	(27,952)	(2,461)	(55,126)	4,770
Weighted average number of ordinary shares ('000):- Issued ordinary shares at 1 Oct / 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 December	2,041,722	2,041,722	2,041,722	2,041,722
Basic (loss)/earnings per share (sen)	(1.37)	(0.12)	(2.70)	0.23

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.

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

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

	Individual Quarter 3-month Period Ended		Cumulative Quarter 12-month Period Ended	
	31.12.2015 RM'000	31.12.2014 RM'000	31.12.2015 RM'000	31.12.2014 RM'000
Amortisation of biological assets	13,909	7,722	36,262	29,783
Amortisation of intangible assets	171	189	676	439
Biological assets written off	-	-	-	182
Depreciation of property, plant and equipment	10,253	7,332	34,984	29,813
Gain on disposal of property, plant and equipment	1,068	(8)	(449)	(1,344)
Impairment loss on investment in an associate	19,692	-	19,692	-
Interest expense	2,509	2,898	13,796	10,609
Interest income	(10)	(160)	(26)	(83)
Share of results in an associate	(1,534)	434	-	766

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 12-month period ended 31 December 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 31 December 2015 and 2014.

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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)

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	
	31.12.2015	31.12.2014
	RM'000	RM'000
Total retained profits:-		
- realised	122,312	227,339
- unrealised	(46,564)	(51,620)
	<hr/>	<hr/>
	75,748	175,719
Total share of retained profits of associate:-		
- realised	-	(410)
- unrealised	-	(638)
	<hr/>	<hr/>
	75,748	174,671
Less: Consolidation adjustments	(10,626)	(13,980)
	<hr/>	<hr/>
At 31 December	65,122	160,691
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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 26 February 2016.