



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 4TH Quarter Ended 31 December 2017

	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 4TH Quarter Ended 31 December 2017

	Individual Quarter 3-month Period Ended		Cumulative Quarter 12-month Period Ended	
	31.12.2017 RM'000	31.12.2016 RM'000	31.12.2017 RM'000	31.12.2016 RM'000
REVENUE	92,448	81,341	325,080	250,573
COST OF SALES	(91,234)	(77,393)	(304,092)	(245,429)
GROSS PROFIT	1,214	3,948	20,988	5,144
OTHER INCOME	484	1,070	2,117	4,400
DISTRIBUTION COSTS	(3,283)	(2,777)	(10,761)	(8,953)
ADMINISTRATIVE AND OTHER EXPENSES	(145,989)	(29,613)	(163,842)	(65,095)
SHARE OF RESULTS IN AN ASSOCIATE, NET OF TAX	-	-	-	-
FINANCE COSTS	(6,340)	(4,641)	(22,623)	(12,585)
LOSS BEFORE TAXATION	(153,914)	(32,013)	(174,121)	(77,089)
INCOME TAX EXPENSE	24,532	(11,152)	22,482	1,360
LOSS AFTER TAXATION	(129,382)	(43,165)	(151,639)	(75,729)
OTHER COMPREHENSIVE INCOME	-	-	-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	(129,382)	(43,165)	(151,639)	(75,729)

**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 4TH Quarter Ended 31 December 2017

	Individual Quarter 3-month Period Ended		Cumulative Quarter 12-month Period Ended	
	31.12.2017 RM'000	31.12.2016 RM'000	31.12.2017 RM'000	31.12.2016 RM'000
LOSS AFTER TAXATION ATTRIBUTABLE TO:-				
- Owners of the Company	(103,961)	(41,072)	(119,185)	(66,666)
- Non-controlling interests	(25,421)	(2,093)	(32,454)	(9,063)
	<u>(129,382)</u>	<u>(43,165)</u>	<u>(151,639)</u>	<u>(75,729)</u>
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:-				
- Owners of the Company	(103,961)	(41,072)	(119,185)	(66,666)
- Non-controlling interests	(25,421)	(2,093)	(32,454)	(9,063)
	<u>(129,382)</u>	<u>(43,165)</u>	<u>(151,639)</u>	<u>(75,729)</u>
LOSS PER SHARE (SEN):-				
- Basic	(5.09)	(2.01)	(5.84)	(3.26)
- 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 2016 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 Sibu, Sarawak, Malaysia

Telephone No.: 084-218555

Facsimile No.: 084-219555

Email: rsb@rsb.com.my

Condensed Consolidated Statement of Financial Position

As at 31 December 2017

	As at 31.12.2017 (Unaudited) RM'000	As at 31.12.2016 (Audited) RM'000
ASSETS		
NON-CURRENT ASSETS		
Investment in an associate	4,397	4,397
Other investment	5,000	5,000
Property, plant and equipment	612,572	663,430
Intangible assets	20,948	21,144
Biological assets	681,383	778,926
Goodwill	38,470	60,760
Deposits with licensed banks	102	102
	<u>1,362,872</u>	<u>1,533,759</u>
CURRENT ASSETS		
Inventories	21,988	21,338
Trade receivables	13,102	20,305
Other receivables, deposits and prepayments	55,779	17,432
Tax refundable	5,453	5,689
Deposits with licensed banks	154	-
Cash and bank balances	1,132	1,612
	<u>97,608</u>	<u>66,376</u>
TOTAL ASSETS	<u>1,460,480</u>	<u>1,600,135</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 31 December 2017

	As at 31.12.2017 (Unaudited) RM'000	As at 31.12.2016 (Audited) RM'000
EQUITY AND LIABILITIES		
Share capital	807,129	791,682
Reserves	(178,614)	(43,982)
TOTAL EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY	628,515	747,700
NON-CONTROLLING INTERESTS	9,693	42,147
TOTAL EQUITY	638,208	789,847
NON-CURRENT LIABILITIES		
Borrowings	320,373	354,094
Deferred tax liabilities	90,851	126,915
	411,224	481,009
CURRENT LIABILITIES		
Trade payables	69,505	60,737
Other payables, deposits and accruals	75,506	33,808
Borrowings:-		
- bank overdrafts	13,649	13,078
- other borrowings	250,630	218,033
Provision for taxation	1,758	3,623
	411,048	329,279
TOTAL LIABILITIES	822,272	810,288
TOTAL EQUITY AND LIABILITIES	1,460,480	1,600,135
NET ASSETS PER SHARE (RM)	0.40	0.47

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the financial year ended 31 December 2016 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 Sibu, Sarawak,

Malaysia

Telephone No.: 084-218555

Facsimile No.: 084-219555

Email: rsb@rsb.com.my

Condensed Consolidated Statement of Changes in Equity

For the Twelve Months Period Ended as at 31 December 2017

	< ----- Non-distributable ----- >					Accumulated Losses 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 1.1.2017	709,243	82,439	15,447	(53,066)	(6,363)	747,700	42,147	789,847	
Loss after taxation/Total comprehensive income for the period	-	-	-	-	(119,185)	(119,185)	(32,454)	(151,639)	
Transfer to share capital upon implementation of the Company Act 2016	15,447	-	(15,447)	-	-	-	-	-	
Balance at 31.12.2017	724,690	82,439	-	(53,066)	(125,548)	628,515	9,693	638,208	

On 31 January 2017, the concepts of authorised share capital and par value of share capital were abolished in accordance with the Companies Act 2016. Consequently, the amount standing to the credit of the Company's share premium account became part of the Company's shares capital pursuant to the transitional provisions set out in Section 618(2) of the Companies Act 2016. There is no impact on the numbers of ordinary shares and redeemable convertible preference shares in issue or the relative entitlement of any of the members as a result of this transition.

**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 Twelve Months Period Ended as at 31 December 2017

	< ----- 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 1.1.2016	709,243	82,439	15,447	(53,066)	60,303	814,366	54,591	868,957
Loss after taxation/Total comprehensive income for the period	-	-	-	-	(66,666)	(66,666)	(9,063)	(75,729)
Contributions by and distributions to owners of the Company:- - dividends by subsidiaries to non- controlling interests	-	-	-	-	-	-	(3,381)	(3,381)
Balance at 31.12.2016	709,243	82,439	15,447	(53,066)	(6,363)	747,700	42,147	789,847

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 2016 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 Twelve Months Period Ended as at 31 December 2017

	12-month Period Ended	
	31.12.2017	31.12.2016
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before taxation	(174,121)	(77,089)
Adjustments for:-		
Allowance for stock obsolescence	1,196	-
Amortisation of biological assets	41,758	39,949
Amortisation of intangible assets	949	794
Bad debts written off	235	1
Biological assets written off	-	48
Depreciation of property, plant and equipment	37,515	36,236
Impairment losses on:-		
- biological assets	86,090	17,921
- goodwill	22,290	4,000
- intangible assets	-	1,548
- property, plant and equipment	37,420	5,239
- receivables	-	12,330
Interest expense	22,623	12,585
Interest income	(24)	(15)
Inventories written down	-	401
Inventories written off	-	1,513
Gain arising from the liquidation of subsidiary	(48)	-
Gain on disposal of property, plant and equipment	(290)	(264)
Gain on disposal of Intangible asset	(20)	-
Property, plant and equipment written off	664	179
Reversal of impairment losses overprovided:		
- biological asset	(3,768)	-
- intangible assets	(766)	-
- property, plant and equipment	(1,266)	-
Reversal of obsolete stock allowance	(14)	(6)
Operating profit before working capital changes	70,423	55,370
(Increase)/Decrease in inventories	(1,832)	7,874
Increase in trade and other receivables	(31,323)	(12,804)
Increase in trade and other payables	50,520	9,079
CASH FROM OPERATIONS	87,788	59,519
Income tax paid	(15,648)	(4,384)
Income tax refunded	375	-
Interest paid	(7,881)	(7,737)
Interest received	24	15
NET CASH FROM OPERATING ACTIVITIES	64,658	47,413
BALANCE CARRIED FORWARD	64,658	47,413



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 Twelve Months Period Ended as at 31 December 2017

	12-month Period Ended	
	31.12.2017 RM'000	31.12.2016 RM'000
BALANCE BROUGHT FORWARD	64,658	47,413
CASH FLOWS FOR INVESTING ACTIVITIES		
Acquisition of subsidiaries, net of cash and cash equivalents acquired	-	*
Costs incurred on biological assets	(16,831)	(25,852)
Proceeds from disposal of intangible asset	25	-
Proceeds from disposal of property, plant and equipment	3,837	4,179
Purchase of intangible asset	(43)	-
Purchase of property, plant and equipment	(22,852)	(24,182)
NET CASH FOR INVESTING ACTIVITIES	(35,864)	(45,855)
CASH FLOWS FOR FINANCING ACTIVITIES		
Dividend paid by subsidiaries to non-controlling interests	-	(3,381)
Drawdown of term loans	10,337	64,516
Net of (repayment)/drawdown of bankers' acceptance	(7,278)	7,527
Net of drawdown/(repayment) of revolving credit	43,500	(11,800)
Payment of interest on long-term borrowings	(21,001)	(20,617)
Repayment of hire purchase obligations	(5,770)	(5,148)
Repayment of term loans	(49,479)	(38,402)
NET CASH FOR FINANCING ACTIVITIES	(29,691)	(7,305)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(897)	(5,747)
CASH AND CASH EQUIVALENTS AT 1 JANUARY	(11,466)	(5,719)
CASH AND CASH EQUIVALENTS AT 31 DECEMBER	(12,363)	(11,466)

* denotes RM200

**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 Twelve Months Period Ended as at 31 December 2017

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

	12-month Period Ended	
	31.12.2017	31.12.2016
	RM'000	RM'000
Cash and bank balances	1,132	1,612
Deposits with licensed banks	256	102
Bank overdrafts	(13,649)	(13,078)
	<u>(12,261)</u>	<u>(11,364)</u>
Less: Deposits pledged to licensed banks	(102)	(102)
	<u>(12,363)</u>	<u>(11,466)</u>

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements for the financial year ended 31 December 2016 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 2016. 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 2016.

The significant accounting policies and methods of computation adopted by Group in the interim financial statements are consistent with those adopted in the audited financial statements for the financial year ended 31 December 2016, except for the adoption of the following new accounting standards and interpretations (including the consequential amendments) that are effective on 1 January 2017:-

Effective for annual periods beginning on after 1 January 2017:

Amendments to FRS 107:	Disclosure Initiatives
Amendments to FRS 112:	Recognition of Deferred Tax Assets for Unrealised Losses
Amendments to FRS 12:	Disclosure of Interests in Other Entities (Annual Improvements to FRSs 2014 – 2016 Cycle)

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

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 impacts that may arise from the adoption of MFRSs and the process is still ongoing.



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)

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.

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.



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)

A8 Property, Plant and Equipment

(a) Acquisitions and Disposals

During the 12-months period ended 31 December 2017, the Group acquired assets at a cost of RM31.8million.

Assets with a carrying amount of RM3.5 million were disposed of by the Group during the 12-month period ended 31 December 2017, resulting in a net gain on disposal of RM290,241 which is included in the statement of profit or loss and other comprehensive income.

(b) 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

- (a) On 29 May 2017, Midas Plantation Sdn. Bhd, ("MPSB") a wholly-owned subsidiary of the Company held its final meeting for members' voluntary winding-up. The aforesaid member's voluntary winding-up will not have any material operational and financial impact on the net assets and earnings of the Group for the financial year ending 31 December 2017.
- (b) On 3 January 2017, the Company acquired the entire issued and paid-up share capital of Topline Synergy Sdn Bhd ("TSSB") comprising 2 ordinary shares of RM1 each for a cash consideration of RM2. Subsequent to the acquisition, TSSB became a 100%-owned subsidiary of the Company. TSSB is currently involve in general trading and services.
- (c) On 17 January 2017, the Company acquired the entire issued and paid-up share capital of RSB Lundu Palm Oil Mill Sdn Bhd ("RSBLPOM") comprising 2 ordinary shares of RM1 each for a cash consideration of RM2. Subsequent to the acquisition, RSBLPOM became a 100%-owned subsidiary of the Company. RSBLPOM has commenced provision of contract services and its intended principal business activity is operation of palm oil mill.

**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)

A10 Changes in the Composition of the Group (Cont'd)

The following summarises the major classes of consideration transferred, and the recognised amounts of assets acquired and liabilities assumed at the date of acquisition:-

	The Group 2017 At Date of Acquisition Fair Value Recognised RM
Total purchase consideration, to be settled by cash	4
Less: Cash and cash equivalents of subsidiaries acquired	(4)
	<hr/>
Net cash outflow for acquisition of subsidiaries	-
	<hr/>

The acquired subsidiaries had contributed the following results to the Group

	The Group RM'000
Revenue	14,323
Profit after taxation	4,480
	<hr/>

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 2016.



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)

A12 Capital Commitments

The amount of capital commitments not provided for in the financial statements as at 31 December 2017 was as follows:-

	RM'000
Property, plant and equipment:-	
- Contracted but not provided for	14,197
- Authorised but not contracted for	-
	14,197
	14,197

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		12-month Period Ended	
	31.12.2017	31.12.2016	31.12.2017	31.12.2016
	RM'000	RM'000	RM'000	RM'000
Consultancy fees paid	63	60	243	240
Contract charges	1,277	485	1,969	1,696
Contract income	4,515	-	12,099	-
FFB margin income	1,350	-	4,050	-
Interest paid	36	-	143	-
Management fee	423	405	1,640	1,820
Purchase of fertilisers and chemicals	186	104	850	1,529
Purchase of fresh fruit bunches	1,325	1,260	4,802	4,603
Purchase of property, plant and equipment	122	-	241	1,005
Purchase of sundry stores and consumables	1,696	724	6,848	2,814
Rental paid	452	402	1,808	1,683
Repairs and maintenance	197	31	658	460
Sale of crude palm oil	13,672	-	19,227	-
Sale of fresh fruit bunches	22,053	28,962	81,733	80,942
Sale of seedling	-	-	145	-
Sale of property, plant and equipment	834	-	952	-
Transportation and accommodation charges	41	309	467	1,248



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

Financial review for current quarter and financial year to date

	Individual Quarter 3-month Period Ended		Changes (%)	Cumulative Quarter 12-month Period Ended		Changes (%)
	31.12.2017	31.12.2016		31.12.2017	31.12.2016	
	RM'000	RM'000		RM'000	RM'000	
Revenue	92,448	81,341	13.7%	325,080	250,573	29.7%
Gross profit	1,214	3,948	-69.3%	20,988	5,144	308.0%
Loss before interest and taxation	(147,574)	(27,372)	439.1%	(151,498)	(64,504)	134.9%
Loss before taxation	(153,914)	(32,013)	380.8%	(174,121)	(77,089)	125.9%
Loss after taxation	(129,382)	(43,165)	199.7%	(151,639)	(75,729)	100.2%
Loss attributable to owners of the Company	(103,961)	(41,072)	153.1%	(119,185)	(66,666)	78.8%

The Group's revenue improved by 13.7% and 29.7% to RM92.4mil and RM325.1mil respectively for 3 months and 12 months ended 31 December 2017 as compared to corresponding period in 2016. The better revenue in the current quarter is mainly attributable to higher CPO and PK production while for the yearly revenue, the increment was also substantiated by better CPO price.

Statistic	Individual Quarter 3-month Period Ended		Changes (%)	Cumulative Quarter 12-month Period Ended		Changes (%)
	31.12.2017	31.12.2016		31.12.2017	31.12.2016	
Production (MT)						
FFB	98,768	97,342	1.5%	357,052	345,180	3.4%
CPO	19,965	14,309	39.5%	67,374	49,105	37.2%
PK	4,502	2,992	50.5%	15,469	10,595	46.0%
Average selling price (RM per MT)						
FFB	503	579	-13.2%	531	513	3.5%
CPO	2,540	2,867	-11.4%	2,691	2,577	4.4%
PK	2,466	2,805	-12.1%	2,319	2,439	-4.9%

Refer to the table above, CPO and PK production elevated by 39.5% and 50.5% to 19,965MT and 4,502MT respectively in current quarter ended 31 December 2017 as compared to corresponding period in 2016. For year-to-date, CPO and PK production raised by 37.2% and 46.0% to 67,374MT and 15,469MT respectively. The improvement in Group's CPO and PK production was partly attributed by the commencement of new mill and increased in FFB harvested.



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)

Current quarter gross profit dropped by 69.3% compared to corresponding period in 2016 as the GP margin retreated to 1.3% compared to corresponding period of 4.9% - mainly due to lower CPO price. For year-to-date, gross profit improved by 308.0% as compared to 2016, on the back of better GP margin from 2.1% in 2016 to 6.5% in 2017. Cost of sales increased by 17.9% and 23.9% respectively for the current quarter and year-to-date as compared to corresponding period in 2016, which is in line with higher cost of FFB purchased by mill operation and increase in manuring activities by plantation. In addition, the depreciation charges for mill operation has increased by 2.6 times in corresponding to the commencement of the new mill.

The Group's pre-tax loss expanded to RM153.9 million in the current quarter as compared to last year corresponding quarter of RM32.0 million. For 12-month ended 2017, the pre-tax loss recorded RM174.1 million as compared to 2016 of RM77.1 million. The higher pre-tax loss is mainly attributed to the impairment losses provided on our plantation estates, which is in line with Financial Reporting Standard (FRS) 136 – Impairment of Assets. The breakdown of impairment losses provided is as follows:

Estate	IMPAIRMENT LOSSES / (IMPAIRMENT WRITE-BACK)									
	2017 (RM'000)					2016 (RM'000)				
	Goodwill	Intangible Assets	Property, Plant, & Equipment	Biological Assets	Total	Goodwill	Intangible Assets	Property, Plant, & Equipment	Biological Assets	Total
Biawak	10,969	-	11,259	17,772	40,000	-	-	-	-	-
Jayamax	-	-	7,208	34,792	42,000	-	-	-	-	-
Lundu	9,805	-	4,017	13,178	27,000	4,000	-	-	-	4,000
Selangau	-	-	11,844	10,156	22,000	-	-	-	-	-
Selangor	-	-	2,442	9,558	12,000	-	-	2,590	10,410	13,000
Splendid	1,516	-	650	634	2,800	-	-	-	-	-
Simunjan	-	(766)	(1,266)	(3,768)	(5,800)	-	1,548	2,649	7,511	11,708
TOTAL	22,290	(766)	36,154	82,322	140,000	4,000	1,548	5,239	17,921	28,708

The impairment losses for Jayamax, Selangau, Selangor, and Splendid estates have to be provided considering that their FFB yield has been flattish and persistently low with subdued returns due to their ageing palm tree population as some of these estates has left with five-year economic lifespans. As for Biawak and Lundu estates, the impairment losses are provided in view that majority of their palm trees have entered into old mature stage with expectation of dwindling FFB yield in the coming years. Concurrently, the Group has write-back the impairment losses provided for Simunjan estate in 2016 by in view of changes in its carrying amount as at 31 December 2017.

The Group recorded loss after taxation of RM129.4 million as compared to corresponding quarter loss after taxation of RM43.2 million. The loss after taxation for year-to-date increased significantly by 100.2% to RM151.6 million as compared to 2016.



RIMBUNAN SAWIT BERHAD

(Company No. 691393-U)
 North Wing, Menara Rimbunan Hijau, 101, Pusat Suria Permata, Jalan Upper Lanang, 96000 Sibu, 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

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

	Current Quarter Ended	Immediate Preceding Quarter Ended	Changes (%)
	31.12.2017	30.9.2017	
	RM'000	RM'000	
Revenue	92,448	82,581	11.9%
Gross profit	1,214	10,814	-88.8%
Profit/(loss) before interest and taxation	(147,574)	2,655	-5658.3%
Loss before taxation	(153,914)	(3,492)	4307.6%
Loss after taxation	(129,382)	(8,999)	1337.7%
Loss attributable to owners of the Company	(103,961)	(4,467)	2227.3%

Statistic	Current Quarter Ended	Immediate Preceding Quarter Ended	Changes (%)
	31.12.2017	30.9.2017	
Production (MT)			
FFB	98,768	96,413	2.4%
CPO	19,965	16,944	17.8%
PK	4,502	3,935	14.4%
Average selling price (RM per MT)			
FFB	503	500	0.5%
CPO	2,540	2,584	-1.7%
PK	2,466	2,149	14.7%

Revenue increased by 11.9% compare to immediate preceding quarter as CPO, PK and FFB sales volume increased 19.9%, 9.8% and 2.4%, respectively, in correspond to the improved in their production. The improved in the selling price of PK has further contributed to the increase in revenue.

Gross profit for the current quarter reduced by 88.8% as compared to 3Q 2017 partly due to lower CPO price and depreciation provided for the new mill in line with the commencement of operation.

Pre-tax loss stood at RM153.9 million while loss after taxation recorded RM129.4 million as compared to preceding quarter pre-tax loss of RM3.5 million and loss after taxation of RM9.0 million 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 B – Explanatory Notes Pursuant to Appendix 9B of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad**B3 Commentary on Prospects**

The Group remains upbeat on its FFB yield for year 2018. In terms of CPO price, various external factors such as the strengthening of Ringgit Malaysia against the US Dollar, European Union's proposed ban on palm oil from biofuel and renewable energy mix by 2020, and imposition of higher import tax on edible oil by India may pose downward pressure on the price.

B4 Financial Estimate, Forecast, Projection or Internal Targets

The Group has not issued any financial estimate, forecast, projection or internal targets for the period under review.

B5 Income Tax Expense

	Individual Quarter		Cumulative Quarter	
	3-month Period Ended	3-month Period Ended	12-month Period Ended	12-month Period Ended
	31.12.2017	31.12.2016	31.12.2017	31.12.2016
	RM'000	RM'000	RM'000	RM'000
Tax expense for the year:				
Current tax	3,834	3,480	10,910	6,584
Real property gain tax	-	-	2,671	21
Deferred tax	(28,366)	7,672	(36,063)	(7,965)
	<u>(24,532)</u>	<u>11,152</u>	<u>(22,482)</u>	<u>(1,360)</u>

The effective tax rate for the current quarter and 12 months ended 31 December 2017 were higher than the statutory tax rate mainly due to expenses not deductible for tax purposes and tax losses of certain subsidiaries where deferred tax assets have not been recognised.



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)

B6 Corporate Proposals Pending Completion

<p>Proposal</p>	<p>On 22 February 2017, Rimbunan Sawit Berhad (“RSB”) and its subsidiary had entered into agreements (collectively referred to as “Agreements”) as set out as following:</p> <ul style="list-style-type: none"> (i) Conditional Sale and Purchase Agreement between RSB (“Vendor”) and Tiasa Mesra Sdn Bhd (“Buyer”) for the proposed disposal of the License Rights via an absolute assignment, development costs, biological assets, commercial rights and all the fixtures and fittings for a cash consideration of RM 150.0 million (“Simunjan Agreement”); (ii) Conditional Sale and Purchase Agreement between RSB Lundu Palm Oil Mill Sdn Bhd (“Company or Buyer”) and R H Lundu Palm Oil Mill Sdn Bhd (“R H Lundu or Vendor”) for the proposed acquisition of a parcel of Lundu Land with approximately 67.5 ha and together with the Lundu Oil Mill comprising workers’ quarters; and Plantation assets for a total cash consideration of RM 33.7 million (“Lundu Mill Agreement”). <p>On 28 March 2017, the Company had entered into a supplemental agreement with R H Lundu to include 4 motor vehicles as part of the Plantation Asset without affecting the consideration; and</p> <ul style="list-style-type: none"> (iii) Conditional Share Sale Agreement for the proposed acquisition of entire SHSB Shares, for a total cash consideration of RM 17.0 million (“Sastat Agreement”). <p>On 21 February 2018, the Vendors and the Buyers had agreed to further extend the Last Conditional Date of the Agreements by an additional twelve (12) months commencing from 22 February 2018 until 21 February 2019.</p>		
<p>Advisers</p>	<p>Maybank Investment Bank Berhad & Mercury Securities Sdn Bhd</p>		
<p>Approvals/ Status Pending</p>	<p style="text-align: center;">Simunjan Agreement</p> <ul style="list-style-type: none"> (i) The approval of the Director of Forests and/or the Minister for the absolute assignment of the License Rights in favour of TMSB and the execution of deed of assignment between RSB and TMSB for such assignment of the License Rights; (ii) Settling all existing liabilities owing to trade creditors for the development of the Simunjan Estate; and (iii) Procuring a redemption statement cum letter of undertaking from Hong Leong addressed to the Financier of TMSB on the redemption sum payable to settle the Simunjan Facilities. 	<p style="text-align: center;">Lundu Mill Agreement</p> <ul style="list-style-type: none"> (i) The completion of the subdivision of the Parent Lot 248 culminating in the issuance of a separate document of title to the Lundu Land with a term of lease of 60 years from the date of registration of the provisional lease of the Parent Lot 248 by the Land & Survey Kuching Division; (ii) The Director of Land and Survey Kuching Division’s consent for the transfer of the Lundu Land to RSB Lundu; (iii) The Superintendent of Land and Survey’ consent in writing for the transfer of the Lundu Land to RSB Lundu in accordance with Section 31 of the Sarawak Land Code; and (iv) The completion of the Proposed Disposal. 	<p style="text-align: center;">Sastat Agreement</p> <ul style="list-style-type: none"> (i) The completion of the Proposed Disposal.

Save as disclosed above, there were no corporate proposals announced but not completed as at 22 February 2018, being the latest practicable date.

**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)**B7 Group Borrowings**

	As at	
	31.12.2017	31.12.2016
	RM'000	RM'000
Long-term borrowings:-		
Hire purchase obligations	5,794	4,865
Term loans, secured	312,034	345,722
Term loans, unsecured	2,545	3,507
	<u>320,373</u>	<u>354,094</u>
Short-term borrowings:-		
Bank overdrafts, secured	11,041	12,408
Bank overdrafts, unsecured	2,608	670
Bankers' acceptance, unsecured	21,418	28,696
Hire purchase obligations	5,247	4,380
Revolving credit, secured	96,691	70,991
Revolving credit, unsecured	74,000	56,200
Term loans, secured	49,286	53,834
Term loans, unsecured	968	912
Unsecured loans	3,020	3,020
	<u>264,279</u>	<u>231,111</u>
Total borrowings	<u>584,652</u>	<u>585,205</u>

- The fixed effective HP interest rate at approximately 5.4% per annum.
- The bank overdraft is bearing interest ranging from base lending rate + 0.5% to 1% per annum.
- The bankers' acceptance, revolving credit and term loan bore interest ranging from cost of funds + 0.5% to 1.5% per annum.

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 22 February 2018 being the latest practicable date.

**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)

B9 Dividends

No interim dividend has been declared for the period ending 31 December 2017.

B10 Loss Per Share

	Individual Quarter		Cumulative Quarter	
	3-month Period Ended 31.12.2017	31.12.2016	12-month Period Ended 31.12.2017	31.12.2016
Loss attributable to owners of the Company (RM'000)	(103,961)	(41,072)	(119,185)	(66,666)
Weighted average number of ordinary shares ('000):-				
Issued ordinary shares at 1 Oct / 1 January	1,418,487	1,418,487	1,418,487	1,418,487
Effect of conversion of ICPS	623,235	623,235	623,235	623,235
Weighted average number of ordinary shares at 31 December	2,041,722	2,041,722	2,041,722	2,041,722
Basic loss per share (sen)	(5.09)	(2.01)	(5.84)	(3.26)

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 2016 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 Before Taxation

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

	Individual Quarter 3-month Period Ended		Cumulative Quarter 12-month Period Ended	
	31.12.2017 RM'000	31.12.2016 RM'000	31.12.2017 RM'000	31.12.2016 RM'000
Allowance for stock obsolescence	1,196	-	1,196	-
Amortisation of biological assets	10,407	9,902	41,758	39,949
Amortisation of intangible assets	262	193	949	794
Bad debts written off	235	-	235	1
Biological assets written off	-	-	-	48
Depreciation of property, plant and equipment	11,893	12,661	37,515	36,236
Impairment losses on:-				
- biological assets	86,090	7,512	86,090	17,921
- goodwill	22,290	-	22,290	4,000
- intangible assets	-	1,548	-	1,548
- property, plant and equipment	37,420	2,649	37,420	5,239
- receivables	-	12,330	-	12,330
Interest expense	6,340	4,640	22,623	12,585
Interest income	(8)	(1)	(24)	(15)
Inventories written down	-	-	-	401
Inventories written off	-	-	-	1,513
Gain arising from the liquidation of subsidiary	-	-	(48)	-
Gain on disposal of property, plant and equipment	(203)	(88)	(290)	(264)
Gain on disposal of Intangible asset	-	-	(20)	-
Property, plant and equipment written off	618	179	664	179
Reversal of impairment losses overprovided:				
- biological asset	(3,768)	-	(3,768)	-
- intangible assets	(766)	-	(766)	-
- property, plant and equipment	(1,266)	-	(1,266)	-
Reversal of obsolete stock allowance	(3)	-	(14)	(6)

**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)**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 2017.

(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 2017 and 31 December 2016.

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	
	31.12.2017 RM'000	31.12.2016 RM'000
Total retained profits:-		
- realised	47,866	63,962
- unrealised	(48,248)	(48,347)
	<hr/>	<hr/>
	(382)	15,615
Total share of retained profits of associate:-		
- realised	(984)	(984)
- unrealised	(638)	(638)
	<hr/>	<hr/>
	(2,004)	13,993
Less: Consolidation adjustments	(123,544)	(20,356)
	<hr/>	<hr/>
At 31 December	(125,548)	(6,363)
	<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 February 2018.