



## **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](mailto:rsb@rsb.com.my)

---

### **Interim Financial Statements**

For the 1<sup>ST</sup> Quarter Ended 31 March 2018

---

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

**RIMBUNAN SAWIT BERHAD**

(Company No. 691393-U)

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**For the 1<sup>ST</sup> Quarter Ended 31 March 2018*(the figures have not been audited)*

	Individual Quarter 3-month Period Ended		Cumulative Quarter 3-month Period Ended	
	31.3.2018 RM'000	(Restated) 31.3.2017 RM'000	31.3.2018 RM'000	(Restated) 31.3.2017 RM'000
REVENUE	82,655	80,339	82,655	80,339
COST OF SALES	(84,174)	(71,868)	(84,174)	(71,868)
GROSS (LOSS) / PROFIT	(1,519)	8,471	(1,519)	8,471
OTHER INCOME	1,001	859	1,001	859
DISTRIBUTION COSTS	(3,742)	(2,503)	(3,742)	(2,503)
ADMINISTRATIVE AND OTHER EXPENSES	(7,802)	(13,133)	(7,802)	(13,133)
SHARE OF RESULTS IN AN ASSOCIATE, NET OF TAX	-	-	-	-
FINANCE COSTS	(6,027)	(4,842)	(6,027)	(4,842)
LOSS BEFORE TAXATION	(18,089)	(11,148)	(18,089)	(11,148)
INCOME TAX EXPENSE	496	942	496	942
LOSS AFTER TAXATION	(17,593)	(10,206)	(17,593)	(10,206)
OTHER COMPREHENSIVE INCOME	-	-	-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	(17,593)	(10,206)	(17,593)	(10,206)

**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 1<sup>ST</sup> Quarter Ended 31 March 2018*(the figures have not been audited)*

	Individual Quarter 3-month Period Ended		Cumulative Quarter 3-month Period Ended	
	31.3.2018	(Restated) 31.3.2017	31.3.2018	(Restated) 31.3.2017
	RM'000	RM'000	RM'000	RM'000
<b>LOSS AFTER TAXATION ATTRIBUTABLE TO:-</b>				
- Owners of the Company	(14,529)	(9,440)	(14,529)	(9,440)
- Non-controlling interests	(3,064)	(766)	(3,064)	(766)
	<u>(17,593)</u>	<u>(10,206)</u>	<u>(17,593)</u>	<u>(10,206)</u>
<b>TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:-</b>				
- Owners of the Company	(14,529)	(9,440)	(14,529)	(9,440)
- Non-controlling interests	(3,064)	(766)	(3,064)	(766)
	<u>(17,593)</u>	<u>(10,206)</u>	<u>(17,593)</u>	<u>(10,206)</u>
<b>LOSS PER SHARE (SEN):-</b>				
- Basic	(0.71)	(0.46)	(0.71)	(0.46)
- 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 2017 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 31 March 2018

*(the figures have not been audited)*

	As at 31.3.2018 RM'000	As at 31.12.2017 (Restated) RM'000	As at 1.1.2017 (Restated) RM'000
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Investment in an associate	4,397	4,397	4,397
Other investment	5,000	5,000	5,000
Property, plant and equipment	1,172,832	1,179,852	1,443,527
Intangible assets	1,020	1,159	19,973
Goodwill	38,470	38,470	60,760
Deposits with licensed banks	102	102	102
	<u>1,221,821</u>	<u>1,228,980</u>	<u>1,533,759</u>
<b>CURRENT ASSETS</b>			
Inventories	20,179	22,213	21,338
Biological assets	12,885	13,619	20,060
Trade receivables	14,639	13,081	20,305
Other receivables, deposits and prepayments	62,055	54,224	17,433
Tax refundable	5,829	4,996	5,689
Deposits with licensed banks	155	154	-
Cash and bank balances	659	1,132	1,612
	<u>116,401</u>	<u>109,419</u>	<u>86,437</u>
Assets classified as held for sale	142,941	143,808	-
<b>TOTAL ASSETS</b>	<u>1,481,163</u>	<u>1,482,207</u>	<u>1,620,196</u>

**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 (Cont'd)**

As at 31 March 2018

*(the figures have not been audited)*

	As at 31.3.2018 RM'000	As at 31.12.2017 (Restated) RM'000	As at 1.1.2017 (Restated) RM'000
<b>EQUITY AND LIABILITIES</b>			
Share capital	807,129	807,129	791,682
Reserves	(195,187)	(180,658)	(30,079)
<b>TOTAL EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY</b>	<b>611,942</b>	<b>626,471</b>	<b>761,603</b>
<b>NON-CONTROLLING INTERESTS</b>	<b>12,897</b>	<b>15,961</b>	<b>43,490</b>
<b>TOTAL EQUITY</b>	<b>624,839</b>	<b>642,432</b>	<b>805,093</b>
<b>NON-CURRENT LIABILITIES</b>			
Borrowings	280,395	296,248	354,094
Deferred tax liabilities	103,208	105,698	131,729
	<b>383,603</b>	<b>401,946</b>	<b>485,823</b>
<b>CURRENT LIABILITIES</b>			
Trade payables	92,542	70,372	60,737
Other payables, deposits and accruals	84,695	75,283	33,808
Borrowings:-			
- bank overdrafts	17,976	13,649	13,078
- other borrowings	275,020	274,957	218,033
Provision for taxation	2,488	3,568	3,624
	<b>472,721</b>	<b>437,829</b>	<b>329,280</b>
<b>TOTAL LIABILITIES</b>	<b>856,324</b>	<b>839,775</b>	<b>815,103</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>1,481,163</b>	<b>1,482,207</b>	<b>1,620,196</b>
<b>NET ASSETS PER SHARE (RM)</b>	<b>0.39</b>	<b>0.40</b>	<b>0.48</b>

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the financial year ended 31 December 2017 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 Three Months Ended 31 March 2018

*(the figures have not been audited)*

	< ----- Non-distributable ----- >					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	Accumulated Losses RM'000			
	Ordinary Shares RM'000	Preference Shares RM'000						
Balance at 1.1.2018	724,690	82,439	-	(53,066)	(136,559)	617,504	14,578	632,082
Effect of MFRS adoption	-	-	-	-	8,967	8,967	1,383	10,350
At 1.1.2018 (restated)	724,690	82,439	-	(53,066)	(127,592)	626,471	15,961	642,432
Loss after taxation/Total comprehensive income for the period	-	-	-	-	(14,529)	(14,529)	(3,064)	(17,593)
Balance at 31.3.2018	724,690	82,439	-	(53,066)	(142,121)	611,942	12,897	624,839

**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 Three Months Ended 31 March 2017

*(the figures have not been audited)*

	< ----- 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
Effect of MFRS adoption	-	-	-	-	13,903	13,903	1,343	15,246
At 1.1.2017 (restated)	709,244	82,439	15,447	(53,066)	7,540	761,603	43,490	805,093
Loss after taxation/Total comprehensive income for the period	-	-	-	-	(9,440)	(9,440)	(766)	(10,206)
Transfer to share capital upon implementation of the Company Act 2016	15,447	-	(15,447)	-	-	-	-	-
Balance at 31.3.2017	724,690	82,439	-	(53,066)	(1,900)	752,163	42,724	794,887

Pursuant to Section 618(2) of the Companies Act 2016, the amount standing to the credit of the Company's share premium account became part of the Company's shares capital. 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 transfer.

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 2017 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 Three Months Ended 31 March 2018

*(the figures have not been audited)*

	3 Months Ended	
	31.3.2018	(Restated) 31.3.2017
	RM'000	RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Loss before taxation	(18,089)	(11,148)
Adjustments for:-		
Amortisation of intangible assets	228	247
Change in fair value of biological assets	734	6,128
Depreciation of property, plant and equipment	19,212	19,218
Interest expense	6,027	4,842
Loss / (Gain) on disposal of property, plant and equipment	4	(19)
Property, plant and equipment written off	6	-
Reversal of obsolete stock allowance	-	(5)
Operating profit before working capital changes	8,122	19,263
Change in inventories	2,034	3,504
Change in trade and other receivables	(9,390)	2,121
Change in trade and other payables	31,587	12,538
<b>CASH FROM OPERATIONS</b>	32,353	37,426
Income tax paid	(3,991)	(1,001)
Income tax refunded	82	-
Interest paid	(6,767)	(1,661)
<b>NET CASH FROM OPERATING ACTIVITIES</b>	21,677	34,764
<b>BALANCE CARRIED FORWARD</b>	21,677	34,764



**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 Three Months Ended 31 March 2018

*(the figures have not been audited)*

	3 Months Ended	
	31.3.2018	(Restated) 31.3.2017
	RM'000	RM'000
BALANCE BROUGHT FORWARD	21,677	34,764
CASH FLOWS FOR INVESTING ACTIVITIES		
Proceeds from disposal of property, plant and equipment	94	308
Purchase of property, plant and equipment	(10,040)	(7,299)
NET CASH FOR INVESTING ACTIVITIES	(9,946)	(6,991)
CASH FLOWS FOR FINANCING ACTIVITIES		
Drawdown of term loans	1,992	1,512
Net of repayment of bankers' acceptance	(2,895)	(1,149)
Net of repayment of revolving credit	-	(3,942)
Payment of interest on long-term borrowings	-	(5,296)
Repayment of hire purchase obligations	(1,659)	(1,173)
Repayment of term loans	(13,968)	(10,082)
NET CASH FOR FINANCING ACTIVITIES	(16,530)	(20,130)
NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS	(4,799)	7,643
CASH AND CASH EQUIVALENTS AT 1 JANUARY	(12,363)	(11,466)
CASH AND CASH EQUIVALENTS AT 31 MARCH	(17,162)	(3,823)

**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 Three Months Ended 31 March 2018

*(the figures have not been audited)*

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

	3 Months Ended	
	31.3.2018	(Restated) 31.3.2017
	RM'000	RM'000
Cash and bank balances	659	1,026
Deposits with licensed banks	257	5,262
Bank overdrafts	(17,976)	(10,009)
	<hr/>	<hr/>
	(17,060)	(3,721)
Less: Deposits pledged to licensed banks	(102)	(102)
	<hr/>	<hr/>
	(17,162)	(3,823)
	<hr/>	<hr/>

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements for the financial year ended 31 December 2017 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 MFRS 134****A1 Basis of Preparation**

The unaudited interim financial statements have been prepared in accordance with MFRS 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 2017. 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 2017.

For the financial period beginning 1 January 2018, the Group's financial statements are prepared in accordance with the Malaysian Financial Reporting Standards ("MFRSs") Framework. The date of transition to the MFRS Framework was on 1 January 2017. The same accounting policies have been applied to the Group's restated opening statement of financial position as at 1 January 2017 and across all comparable interim periods as if these policies had always been in effect. The comparative information for these interim financial statements has been restated to demonstrate the effect of these changes. The financial impact arising from the transition to MFRS Framework is stipulated as follows:

**MFRS 116 – Property, Plant, and Equipment, MFRS 141 – Agriculture, and MFRS 116 & MFRS 141 – Agriculture: Bearer Plants (Amendments to MFRS 116 and MFRS 141)**

Biological assets that fulfill the definition of bearer plants will come under the scope of MFRS 116, which at initial recognition, can be measured either at cost or revaluation model. The Group's bearer plants is measured at cost less amortization, which involve reclassification from biological assets to property, plant and equipment, while there will be no impact to comprehensive income or equity.

The biological assets within the scope of MFRS 141, such as the fresh fruit bunch ("FFB") on the bearer plants are measured at fair value less costs to sell, where the changes are recognized in profit or loss.

The effect of the changes in accounting policy on the comparatives figures of the financial statements are as follows:

**Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income**

<b>Period ended 31.3.2017 (RM'000)</b>	<b>As previously reported</b>	<b>Effect of MFRS 141</b>	<b>Restated</b>
Other income	468	391	859
Administrative and other expenses	(6,614)	(6,519)	(13,133)
Loss before taxation	(5,020)	(6,128)	(11,148)
Income tax expense	(529)	1,471	942
<b>Loss after taxation</b>	<b>(5,549)</b>	<b>(4,657)</b>	<b>(10,206)</b>
Loss after taxation attributable to:-			
- Owners of the Company	(5,242)	(4,198)	(9,440)
- Non-controlling interests	(307)	(459)	(766)
	<b>(5,549)</b>	<b>(4,657)</b>	<b>(10,206)</b>

**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 MFRS 134 (Cont'd)****A1 Basis of Preparation (Cont'd)****Condensed Consolidated Statement of Financial Position**

<b>As at 1.1.2017 (RM'000)</b>	<b>As previously reported</b>	<b>Effect of MFRS 141</b>	<b>Restated</b>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	661,057	782,470	1,443,527
Biological assets	782,470	(782,470)	-
<b>CURRENT ASSETS</b>			
Biological assets	-	20,060	20,060
<b>EQUITY AND LIABILITIES</b>			
Reserves	(43,982)	13,903	(30,079)
Total equity attributable to owners of the Company	747,700	13,903	761,603
Non-controlling interests	42,147	1,343	43,490
<b>NON-CURRENT LIABILITIES</b>			
Deferred tax liabilities	126,915	4,814	131,729
<b>As at 31.12.2017 (RM'000)</b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	584,444	595,408	1,179,852
Biological assets	595,408	(595,408)	-
<b>CURRENT ASSETS</b>			
Biological assets	-	13,619	13,619
<b>EQUITY AND LIABILITIES</b>			
Reserves	(189,625)	8,967	(180,658)
Total equity attributable to owners of the Company	617,504	8,967	626,471
Non-controlling interests	14,578	1,383	15,961
<b>NON-CURRENT LIABILITIES</b>			
Deferred tax liabilities	102,429	3,269	105,698

The following MFRS, IC Interpretations and Amendments to IC Interpretations have not been applied by the Group:-

Effective for annual periods beginning on after 1 January 2019:

MFRS 16:	Leases
MFRS 128:	Long Term Interest in Associates and Joint Ventures (Amendments to MFRS 128)
MFRS 17:	Insurance Contracts

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.



**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 MFRS 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 MFRS 134 (Cont’d)**

---

**A8 Property, Plant and Equipment**

## (a) Acquisitions and Disposals

During the 3-month period ended 31 March 2018, the Group acquired assets at a cost of RM13.2million.

Assets with a carrying amount of RM98,871 were disposed of by the Group during the 3-month period ended 31 March 2018, resulting in a net loss on disposal of RM 4,418, 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**

There were no significant changes in the composition of the Group for the quarter 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 2017.

**A12 Capital Commitments**

The amount of capital commitments not provided for in the financial statements as at 31 March 2018 was as follows:-

	RM'000
Property, plant and equipment:-	
- Contracted but not provided for	13,078
- Authorised but not contracted for	-
	<hr/>
	13,078
	<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 MFRS 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 Months Ended		Cumulative Quarter 3 Months Ended	
	31.3.2018 RM'000	31.3.2017 RM'000	31.3.2018 RM'000	31.3.2017 RM'000
Chartering income	15	-	15	-
Consultancy fees paid	60	60	60	60
Contract charges	647	177	647	177
Contract income	1,154	-	1,154	-
FFB margin income	1,350	-	1,350	-
Handling income	363	-	363	-
Interest paid	35	35	35	35
Management fee	405	405	405	405
Purchase of crude palm oil	5,116	-	5,116	-
Purchase of fertilisers and chemicals	324	354	324	354
Purchase of fresh fruit bunches	2,809	1,283	2,809	1,283
Purchase of property, plant and equipment	59	4	59	4
Purchase of palm kernel	335	-	335	-
Purchase of palm kernel shell	24	-	24	-
Purchase of sundry stores and consumables	1,155	549	1,155	549
Rental received	14	-	14	-
Rental paid	452	471	452	471
Repairs and maintenance	67	-	67	-
Sale of crude palm oil	3,364	-	3,364	-
Sale of fresh fruit bunches	7,301	22,602	7,301	22,602
Sale of property, plant and equipment	56	247	56	247
Sale of sundry stores and consumables	334	-	334	-
Transportation and accommodation charges	33	319	33	319


**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 Months Ended		Changes (%)	Cumulative Quarter 3 Months Ended		Changes (%)
	31.3.2018	31.3.2017		31.3.2018	31.3.2017	
	RM'000	RM'000		RM'000	RM'000	
Revenue	82,655	80,339	2.9%	82,655	80,339	2.9%
Gross (loss) / profit	(1,519)	8,471	-117.9%	(1,519)	8,471	-117.9%
Loss before interest and taxation	(12,062)	(6,306)	91.3%	(12,062)	(6,306)	91.3%
Loss before taxation	(18,089)	(11,148)	62.3%	(18,089)	(11,148)	62.3%
Loss after taxation	(17,593)	(10,206)	72.4%	(17,593)	(10,206)	72.4%
Loss attributable to owners of the Company	(14,529)	(9,440)	53.9%	(14,529)	(9,440)	53.9%

The Group's revenue for 3 months ended 31 March 2018 increased marginally by 2.9% as compared to corresponding period in 2017. The higher revenue is mainly attributable to higher CPO and PK sales volume by 75.3% and 71.0% respectively.

Statistic	Individual Quarter 3 Months Ended		Changes (%)	Cumulative Quarter 3 Months Ended		Changes (%)
	31.3.2018	31.3.2017		31.3.2018	31.3.2017	
	<b>Production (MT)</b>					
FFB	74,501	82,756	-10.0%	74,501	82,756	-10.0%
CPO	22,330	14,183	57.4%	22,330	14,183	57.4%
PK	5,137	3,257	57.7%	5,137	3,257	57.7%
<b>Average selling price (RM per MT)</b>						
FFB	461	624	-26.1%	461	624	-26.1%
CPO	2,357	3,111	-24.2%	2,357	3,111	-24.2%
PK	2,044	3,080	-33.6%	2,044	3,080	-33.6%

CPO and PK production surged by 57.4% and 57.7% to 22,330MT and 5,137MT respectively in current quarter ended 31 March 2018 as compared to corresponding period in 2017. The surge was mainly attributable to additional contribution from RSB Lundu Palm Oil Mill ("RSBLPOM"), which secure its MPOB license on 19 January 2018.



**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)**

The Group recorded gross loss of RM1.5 million for the current quarter as compared to gross profit of RM8.5 million registered in corresponding period of 2017. The loss is mainly due to lower CPO, PK and FFB price, which has tumbled by 24.2%, 33.6%, and 26.1% respectively. Cost of sales expanded by 17.1% for the current quarter as compared to corresponding period in 2017 underpinned by 55.1% uplift in FFB processed by our mills, which was mainly boosted by the inclusion of RSBLPOM. Administrative expenses for the current quarter is 40.6% lower compared to corresponding quarter of 2017 mainly due to higher loss arising from the fair value changes in biological assets of RM6.1 million charged in 2017.

The Group recorded pre-tax loss of RM18.1 million, an increase of 62.3% for the current quarter as compared to last year corresponding quarter of RM11.1 million mainly due to lower average selling price across the board. As for loss after taxation, the Group registered RM17.6 million for the current quarter as compared to RM10.2 million in corresponding period of 2017.

**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 (%)
	31.3.2018	31.12.2017	
	RM'000	RM'000	
Revenue	82,655	91,760	-9.9%
Gross (loss) / profit	(1,519)	3,567	-142.6%
Loss before interest and taxation	(12,062)	(137,855)	-91.3%
Loss before taxation	(18,089)	(144,195)	-87.5%
Loss after taxation	(17,593)	(133,509)	-86.8%
Loss attributable to owners of the Company	(14,529)	(114,973)	-87.4%

The Group's revenue retreated by 9.9% in the current quarter as compared to immediate preceding quarter mainly attributable to drop in selling price of CPO, PK, and FFB by 7.2%, 17.1%, and 8.4% respectively. However, the drop is alleviated by higher sales volume of CPO and PK, which has enlarged by 25.7% and 33.3% respectively after factor in the contribution from RSBLPOM.

The Group registered gross loss of RM1.5 million for the current quarter as compared to gross profit of RM3.6 million recorded in the immediate preceding quarter as average selling price of CPO, PK and FFB continued to falter.

Pre-tax loss reduced by 91% as the immediate preceding quarter was saddled with impairment losses on the bearer plants, goodwill, property, plant and equipment amounting to RM131.9 million involving seven of our plantation estates. The impairment losses have to be effected after taking into account their estimated recoverable amounts, which is less than their carrying amounts.



**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**

**B2 Material Change in the Profit Before Taxation for the Current Quarter as Compared with the Immediate Preceding Quarter (cont'd)**

Statistic	Current Quarter Ended	Immediate Preceding Quarter Ended	Changes (%)
	31.3.2018	31.12.2017	
<b>Production (MT)</b>			
FFB	74,501	98,768	-24.6%
CPO	22,330	19,965	11.9%
PK	5,137	4,502	14.1%
<b>Average selling price (RM per MT)</b>			
FFB	461	503	-8.4%
CPO	2,357	2,540	-7.2%
PK	2,044	2,466	-17.1%

Loss after taxation has reduced by 86.8% compared to immediate preceding quarter.

**B3 Commentary on Prospects**

The Group expects the CPO price to remain subdued in near terms taking into account the upcoming peak crop periods and brittle market sentiments. However, the Group remain focus on improving its productivity and operational efficiency.

**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 3 Months Ended		Cumulative Quarter 3 Months Ended	
	31.3.2018 RM'000	(Restated) 31.3.2017 RM'000	31.3.2018 RM'000	(Restated) 31.3.2017 RM'000
Tax expense for the year:				
Current tax	1,994	2,495	1,994	2,495
Deferred tax	(2,490)	(3,437)	(2,490)	(3,437)
	<u>(496)</u>	<u>(942)</u>	<u>(496)</u>	<u>(942)</u>

The effective tax rate for the current quarter and 3 months ended 31 March 2018 were lower 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**

**B6 Corporate Proposals Pending Completion**

<p>Proposal</p>	<p>On 22 February 2017, Rimbunan Sawit Berhad (“<b>RSB</b>”) and its subsidiary had entered into agreements (collectively referred to as “Agreements”) as set out as following:</p> <p>(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”);</p> <p>(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> <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> <p>(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> <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 &amp; Mercury Securities Sdn Bhd</p>		
<p>Approvals/ Status Pending</p>	<p><b>Simunjan Agreement</b></p> <p>(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;</p> <p>(ii) Settling all existing liabilities owing to trade creditors for the development of the Simunjan Estate; and</p> <p>(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>	<p><b>Lundu Mill Agreement</b></p> <p>(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 &amp; Survey Kuching Division;</p> <p>(ii) The Director of Land and Survey Kuching Division’s consent for the transfer of the Lundu Land to RSB Lundu;</p> <p>(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</p> <p>(iv) The completion of the Proposed Disposal.</p>	<p><b>Sastat Agreement</b></p> <p>(i) The completion of the Proposed Disposal.</p>

Save as disclosed above, there were no corporate proposals announced but not completed as at 19 May 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**

	31.3.2018	As at 31.12.2017
	RM'000	RM'000
Long-term borrowings:-		
Hire purchase obligations	4,763	5,118
Term loans, secured	273,087	288,596
Term loans, unsecured	2,545	2,534
	<u>280,395</u>	<u>296,248</u>
Short-term borrowings:-		
Bank overdrafts, secured	11,500	11,041
Bank overdrafts, unsecured	6,476	2,608
Bankers' acceptance, unsecured	18,579	21,474
Hire purchase obligations	5,355	5,919
Revolving credit, secured	96,691	86,691
Revolving credit, unsecured	74,000	84,000
Term loans, secured	76,645	72,874
Term loans, unsecured	730	979
Unsecured loans	3,020	3,020
	<u>292,996</u>	<u>288,606</u>
Total borrowings	<u>573,391</u>	<u>584,854</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 19 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 March 2018.

**B10 Loss Per Share**

	Individual Quarter 3 Months Ended		Cumulative Quarter 3 Months Ended	
	31.3.2018	(Restated) 31.3.2017	31.3.2018	(Restated) 31.3.2017
Loss attributable to owners of the Company (RM'000)	(14,529)	(9,440)	(14,529)	(9,440)
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)	(0.71)	(0.46)	(0.71)	(0.46)

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 2017 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 Months Ended		Cumulative Quarter 3 Months Ended	
	31.3.2018 RM'000	(Restated) 31.3.2017 RM'000	31.3.2018 RM'000	(Restated) 31.3.2017 RM'000
Amortisation of intangible assets	228	247	228	247
Change in fair value of biological assets	734	6,128	734	6,128
Depreciation of property, plant and equipment	19,212	19,218	19,212	19,218
Interest expense	6,027	4,842	6,027	4,842
Loss/ (gain) on disposal of property, plant and equipment	4	(19)	4	(19)
Property, plant and equipment written off	6	-	6	-
Reversal of obsolete stock allowance	-	(5)	-	(5)
	<hr/>	<hr/>	<hr/>	<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 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 3-month period ended 31 March 2018.

## (c) Gains/losses Arising from Fair Value Changes of Financial Liabilities

The Group did not have any financial liabilities measured at fair value through profit or loss as at 31 March 2018 and 31 December 2017.

**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:-

	31.3.2018 RM'000	As at (Restated) 31.12.2017 RM'000
Total retained profits:-		
- realised	24,357	36,426
- unrealised	(44,897)	(44,979)
	<hr/>	<hr/>
	(20,540)	(8,553)
Total share of retained profits of associate:-		
- realised	(984)	(984)
- unrealised	(638)	(638)
	<hr/>	<hr/>
	(22,162)	(10,175)
Less: Consolidation adjustments	(119,959)	(117,417)
	<hr/>	<hr/>
At 31 March / 31 December	(142,121)	(127,592)
	<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 25 May 2018.