



RIMBUNAN SAWIT BERHAD

(Company No. 691393-U)

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

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Interim Financial Statements

For the 3RD Quarter Ended 30 September 2020

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Condensed Consolidated Statement of Profit or Loss and Other Comprehensive IncomeFor the 3RD Quarter Ended 30 September 2020*(the figures have not been audited)*

	Individual Quarter 3-month Period Ended		Cumulative Quarter 9-month Period Ended	
	30.09.2020 RM'000	30.09.2019 RM'000	30.09.2020 RM'000	30.09.2019 RM'000
REVENUE	111,159	80,545	273,933	198,239
COST OF SALES	(100,997)	(72,368)	(247,273)	(199,372)
GROSS PROFIT / (LOSS)	10,162	8,177	26,660	(1,133)
OTHER INCOME	2,361	1,810	5,143	5,634
DISTRIBUTION COSTS	(5,696)	(4,171)	(13,885)	(10,852)
OTHER OPERATING EXPENSES	(59)	(60)	(1,483)	(597)
ADMINISTRATIVE EXPENSES	(4,693)	(4,720)	(13,466)	(16,423)
FINANCE COSTS	(3,283)	(5,499)	(13,061)	(16,835)
LOSS BEFORE TAXATION	(1,208)	(4,463)	(10,092)	(40,206)
INCOME TAX EXPENSE	(3,274)	2,059	(4,862)	2,250
LOSS AFTER TAXATION	(4,482)	(2,404)	(14,954)	(37,956)
OTHER COMPREHENSIVE INCOME	-	-	-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	(4,482)	(2,404)	(14,954)	(37,956)

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Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income (Cont'd)For the 3RD Quarter Ended 30 September 2020*(the figures have not been audited)*

	Individual Quarter 3-month Period Ended		Cumulative Quarter 9-month Period Ended	
	30.09.2020 RM'000	30.09.2019 RM'000	30.09.2020 RM'000	30.09.2019 RM'000
PROFIT / (LOSS) AFTER TAXATION ATTRIBUTABLE TO:-				
- Owners of the Company	(2,025)	252	(7,726)	(27,805)
- Non-controlling interests	(2,457)	(2,656)	(7,228)	(10,151)
	<u>(4,482)</u>	<u>(2,404)</u>	<u>(14,954)</u>	<u>(37,956)</u>
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:-				
- Owners of the Company	(2,025)	252	(7,726)	(27,805)
- Non-controlling interests	(2,457)	(2,656)	(7,228)	(10,151)
	<u>(4,482)</u>	<u>(2,404)</u>	<u>(14,954)</u>	<u>(37,956)</u>
PROFIT/ (LOSS) PER SHARE (SEN):-				
- Basic	(0.10)	0.01	(0.38)	(1.36)
- 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 2019 and the accompanying explanatory notes attached to the interim financial statements.

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Condensed Consolidated Statement of Financial Position

As at 30 September 2020

(the figures have not been audited)

	As at 30.09.2020	As at 31.12.2019
	RM'000	RM'000
ASSETS		
NON-CURRENT ASSETS		
Property, plant and equipment	889,332	971,774
Biological assets	10,617	10,453
Intangible assets	269	482
Other investment	5,000	18
Goodwill	12,546	12,546
Deposits with licensed banks	-	120
	<u>917,764</u>	<u>995,393</u>
CURRENT ASSETS		
Inventories	13,210	15,115
Trade receivables	14,216	8,534
Other receivables, deposits and prepayments	11,230	10,248
Current tax assets	3,998	3,778
Biological assets	4,825	3,683
Deposits with licensed banks	3,155	85
Cash and bank balances	1,597	776
	<u>52,231</u>	<u>42,219</u>
Assets classified as held for sale	40,529	83,308
TOTAL ASSETS	<u>1,010,524</u>	<u>1,120,920</u>

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Condensed Consolidated Statement of Financial Position (Cont'd)

As at 30 September 2020

(the figures have not been audited)

	As at 30.09.2020	As at 31.12.2019
	RM'000	RM'000
EQUITY AND LIABILITIES		
EQUITY		
Share capital	807,129	807,129
Reserves	(381,138)	(373,412)
Equity attributable to owners of the Company	425,991	433,717
Non-controlling interests	(18,443)	(11,215)
TOTAL EQUITY	407,548	422,502
NON-CURRENT LIABILITIES		
Borrowings	189,026	203,972
Deferred tax liabilities	47,614	49,504
	236,640	253,476
CURRENT LIABILITIES		
Trade payables	59,235	67,074
Other payables, deposits and accruals	68,397	71,499
Borrowings:-		
- bank overdrafts	-	17,624
- other borrowings	231,825	285,351
Current tax liabilities	6,879	3,394
	366,336	444,942
TOTAL LIABILITIES	602,976	698,418
TOTAL EQUITY AND LIABILITIES	1,010,524	1,120,920
NET ASSETS PER SHARE (RM)	0.21	0.31

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the financial year ended 31 December 2019 and the accompanying explanatory notes attached to the interim financial statements.

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Condensed Consolidated Statement of Changes in Equity

For the Nine Months Ended 30 September 2020

(the figures have not been audited)

	< ----- Non-distributable ----- >						
	Share Capital						
	Ordinary Shares	Irredeemable Convertible Preference Shares ("ICPS")	Merger Reserve	Accumulated Losses	Attributable to Owners of the Company	Non- controlling Interests	Total Equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Balance at 1.1.2020	724,691	82,438	(53,065)	(320,347)	433,717	(11,215)	422,502
Conversion of ICPS	82,438	(82,438)	-	-	-	-	-
Loss after taxation/Total comprehensive income for the period	-	-	-	(7,726)	(7,726)	(7,228)	(14,954)
Balance at 30.9.2020	807,129	-	(53,065)	(328,073)	425,991	(18,443)	407,548

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

For the Nine Months Ended 30 September 2019

(the figures have not been audited)

	< ----- Non-distributable ----- >				Attributable to Owners of the Company RM'000	Non- controlling Interests RM'000	Total Equity RM'000
	Share Capital Ordinary Shares RM'000	Preference Shares RM'000	Merger Reserve RM'000	Accumulated Losses RM'000			
Balance at 1.1.2019	724,691	82,438	(53,065)	(268,779)	485,285	60	485,345
Loss after taxation/Total comprehensive income for the period	-	-	-	(27,805)	(27,805)	(10,151)	(37,956)
Balance at 30.9.2019	724,691	82,438	(53,065)	(296,584)	457,480	(10,091)	447,389

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 2019 and the accompanying explanatory notes attached to the interim financial statements.

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Condensed Consolidated Statement of Cash Flows

For the Nine Months Ended 30 September 2020

(the figures have not been audited)

	9 Months Ended	
	30.09.2020	30.09.2019
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before taxation	(10,092)	(40,206)
Adjustments for:-		
Allowance for stock obsolescence no longer required	(6)	(13)
Amortisation of intangible assets	218	218
Bad debts written off	42	1
Change in fair value of biological assets	(1,142)	(813)
Change in fair value of other investment	(4,982)	-
Depreciation of property, plant and equipment	51,474	53,883
(Gain)/Loss on disposal of an associated company	-	(603)
(Gain)/Loss on disposal of property, plant and equipment	(4,609)	(2,813)
Impairment losses on receivables no longer required	(8)	-
Interest expense	13,061	16,835
Interest income	(8)	(2)
Property, plant and equipment written off	199	316
Operating profit before working capital changes	44,147	26,803
Change in inventories	1,910	(2,386)
Change in trade and other receivables	(6,698)	(2,794)
Change in trade and other payables	(10,941)	14,261
CASH FROM OPERATIONS	28,418	35,884
Income tax paid	(4,491)	(6,626)
Income tax refunded	1,005	2,721
Interest paid	(14,250)	(19,824)
Interest received	8	2
NET CASH FROM OPERATING ACTIVITIES	10,690	12,157
BALANCE CARRIED FORWARD	10,690	12,157

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Condensed Consolidated Statement of Cash Flows (Cont'd)

For the Nine Months Ended 30 September 2020

(the figures have not been audited)

	9 Months Ended	
	30.09.2020 RM'000	30.09.2019 RM'000
BALANCE BROUGHT FORWARD	10,690	12,157
CASH FLOWS FOR INVESTING ACTIVITIES		
Costs incurred on biological assets	(164)	(285)
Proceeds from disposal of an associated company	-	5,000
Proceeds from disposal of property, plant and equipment	85,738	4,938
Purchase of property, plant and equipment	(6,234)	(12,368)
NET CASH FOR INVESTING ACTIVITIES	79,340	(2,715)
CASH FLOWS FOR FINANCING ACTIVITIES		
Change in bankers' acceptance	(1,853)	10,099
Change in revolving credit	(11,775)	10,400
Drawdown of term loans	-	4,469
Proceeds from promissory note	(100)	4,200
Repayment of lease liabilities	(3,809)	(4,035)
Repayment of term loans	(51,098)	(35,779)
NET CASH FOR FINANCING ACTIVITIES	(68,635)	(10,646)
NET CHANGE IN CASH AND CASH EQUIVALENTS	21,395	(1,204)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	(16,643)	(17,349)
CASH AND CASH EQUIVALENTS AT END OF PERIOD	4,752	(18,553)

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Condensed Consolidated Statement of Cash Flows (Cont'd)

For the Nine Months Ended 30 September 2020

(the figures have not been audited)

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

	9 Months Ended	
	30.09.2020 RM'000	30.09.2019 RM'000
Cash and bank balances	1,597	762
Deposits with licensed banks	3,155	187
Bank overdrafts	-	(19,502)
	<hr/>	<hr/>
	4,752	(18,553)
Less: Deposits pledged to licensed banks	-	-
	<hr/>	<hr/>
	4,752	(18,553)
	<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 2019 and the accompanying explanatory notes attached to the interim financial statements.

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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 2019. 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 2019.

The Group's financial statements for the financial period ended 30 September 2020 is prepared in accordance with the Malaysian Financial Reporting Standards ("MFRSs") Framework.

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

<i>MFRSs and/or IC Interpretations (Including The Consequential Amendments)</i>	<i>Effective Date</i>
MFRS 17: Insurance Contracts	1 January 2021
Amendments to MFRS 3: Definition of a Business	1 January 2020
Amendments to MFRS 7, MFRS 9, and MFRS 139 – Interest Rate Benchmark Reform	1 January 2020
Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred
Amendments to MFRS 101 and MFRS 108: Definition of Material	1 January 2020
Amendments to MFRS 101 – Classification of Liabilities as Current or Non-current	1 January 2022
Amendments to References to the Conceptual Framework in MFRS Standards	1 January 2020

A2 Comments about Seasonality or Cyclicalities 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.



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Part A – Explanatory Notes Pursuant to MFRS 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 9-month period ended 30 September 2020, the Group acquired assets at a cost of RM6.2 million.

Assets with a carrying amount of RM81,128,736 were disposed of by the Group during the 9-month period ended 30 September 2020, resulting in a net gain on disposal of RM615,143, 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.

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

A10 Changes in the Composition of the Group

There were no significant changes in the composition of the Group for the quarter under review except as mentioned below:

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 2019.

A12 Capital Commitments

The amount of capital commitments not provided for in the financial statements as at 30 September 2020 was as follows:-

	RM'000
Property, plant and equipment:-	
- Contracted but not provided for	1,005
- Authorised but not contracted for	-
	<hr/>
	1,005
	<hr/>

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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 9 Months Ended	
	30.09.2020 RM'000	30.09.2019 RM'000	30.09.2020 RM'000	30.09.2019 RM'000
Consultancy fees paid	15	30	26	47
Contract charges	-	-	-	1,041
Interest paid	53	46	189	108
Management fee	-	-	-	500
Purchase of fertilisers and chemicals	12	5	14	217
Purchase of FFB	2,073	2,408	4,778	5,004
Purchase of property, plant and equipment	4	296	10	311
Purchase of stores and consumables	571	530	1,163	2,593
Rental received	2	-	6	8
Rental paid	372	439	1,115	1,105
Repairs and maintenance	53	498	82	1,069
Sale of crude palm oil	21,890	16,594	55,049	40,995
Sale of empty bunch ash	-	-	1	-
Sale of FFB	5,881	8,311	19,406	17,463
Sale of property, plant and equipment	87	60	87	4,360
Sale of stores and consumables	9	21	47	721
Transportation and accommodation charges	3	5	7	10
Transportation and handling income	390	400	1,040	998
Utilities, insurance, and sundry expenses	41	26	87	86
Utilities, insurance, and sundry income	47	14	72	22


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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 9 Months Ended		Changes (%)
	30.09.2020	30.09.2019		30.09.2020	30.09.2019	
	RM'000	RM'000		RM'000	RM'000	
Revenue	111,159	80,545	38.0%	273,933	198,239	38.2%
Gross Profit / (Loss)	10,162	8,177	24.3%	26,660	(1,133)	2453.0%
Profit / (Loss) before interest and taxation	2,075	1,036	100.3%	2,969	(23,371)	112.7%
Loss before taxation	(1,208)	(4,463)	72.9%	(10,092)	(40,206)	74.9%
Loss after taxation	(4,482)	(2,404)	-86.4%	(14,954)	(37,956)	60.6%
(Loss) / Profit attributable to owners of the Company	(2,025)	252	-903.6%	(7,726)	(27,805)	72.2%

Statistic	Individual Quarter 3 Months Ended		Changes (%)	Cumulative Quarter 9 Months Ended		Changes (%)
	30.09.2020	30.09.2019		30.09.2020	30.09.2019	
Production (MT)						
FFB	68,610	95,560	-28.2%	187,356	235,454	-20.4%
CPO	33,054	33,412	-1.1%	83,087	80,936	2.7%
PK	7,095	7,018	1.1%	17,809	17,255	3.2%
Average selling price (RM per MT)						
FFB	481	333	44.5%	453	332	36.4%
CPO	2,643	1,945	35.9%	2,560	1,921	33.2%
PK	1,349	1,040	29.7%	1,379	1,084	27.1%

3 Months Ended 30.09.2020 vs 30.09.2019

The Group achieved higher revenue of RM111.2 million, an increase of 38.0% from RM80.5 million on 30 September 2020. This was principally due to favourable growth in average selling price on FFB, CPO and PK throughout the quarter by 44.5%, 35.9% and 29.7% respectively where the average selling price for FFB, CPO and PK was at RM481, RM2,643 and RM1,349 for 3 months ended 30 September 2020 respectively.

The Group recorded gross profit of 10.2 million, 24.3% higher in the current quarter as compared to corresponding period which in line with improved revenue.

The Group reported loss after taxation expanded by RM2.1 million to RM4.5 million as compared to RM2.4 million in the corresponding period, mainly due to adjustment of income tax overprovision of RM7.0 million in Timrest Miri Estate in 2019.

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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)****9 Months Ended 30.09.2020 vs 30.09.2019**

The Group reported a total revenue of RM273.9 million which contributed 38.2% higher than corresponding period in 2019. Overall CPO and PK production achieved 2.7% and 3.2% higher to 83,087MT and 17,809MT respectively. The sales volume also accompanied with favourable growth in average selling price by an increase of 33.2% and 27.1% to RM2,560 and RM1,379 as compared to cumulative quarter in 2019. Despite of lower FFB production for cumulative quarter in 2020, the hike in FFB average selling price secured the FFB revenue towards positive trend with an increase of 36.4%.

The gross profit has reflected the impact on favourable average selling price concluded with RM26.7 million together with plantation costs being monitored and further rationalised for cumulative quarter in 2020.

The pre-tax loss narrowed by 74.9% from 40.2 million to 10.1 million which in line with the effort on rationalising plantation and administration costs, followed with lower loss after taxation by 60.6% from RM38.0 million to RM15.0 million for cumulative quarter in 2020.

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 (%)
	30.09.2020	30.06.2020	
	RM'000	RM'000	
Revenue	111,159	82,415	34.9%
Gross profit	10,162	6,332	60.5%
Loss before interest and taxation	2,075	(104)	2095.2%
Loss before taxation	(1,208)	(4,269)	71.7%
Loss after taxation	(4,482)	(5,145)	12.9%
Profit / (Loss) attributable to owners of the Company	(2,025)	(3,197)	36.7%

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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 (%)
	30.09.2020	30.06.2020	
Production (MT)			
FFB	68,610	62,498	9.8%
CPO	33,054	28,782	14.8%
PK	7,095	6,167	15.1%
Average selling price (RM per MT)			
FFB	481	388	24.1%
CPO	2,643	2,359	12.0%
PK	1,349	1,228	9.8%

3 Months Ended 30.09.2020 vs 30.06.2020

Revenue and gross profit increased by 34.9% and 60.5% to RM111.2 million and RM10.2 million, mainly attributed to higher sales volume of FFB, CPO and PK by 9.8%, 14.8% and 15.1% to 68,610MT, 33,054MT and 7,095MT respectively accompanied with increased average selling price in FFB, CPO and PK by 24.1%, 12.0% and 9.8% to hit the rate at RM481, RM2,643 and RM1,349 respectively as compared to immediate preceding quarter.

Concurrently, the Group recorded pre-tax loss of RM1.2 million and loss after taxation of RM4.5 million, both narrowed by 71.7% and 12.9% respectively.

Overall, the uptrend pricing of FFB, CPO and PK has optimised the financial performance of the Group.

B3 Commentary on Prospects

The outlook of the Group's performance for the financial year ended 31 December 2020 will continue to be impacted by the volatility of CPO and PK prices and Covid-19 pandemic. The Group will continue to monitor the implications of Covid-19 and will take swift actions to protect its employees, operations, supply chains as well as customers.

The CPO price is expected to firm up towards the end of Year 2020 on the back of resumption in business activities across the globe.

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.

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Part B – Explanatory Notes Pursuant to Appendix 9B of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad**B5 Income Tax Expense**

	Individual Quarter 3 Months Ended		Cumulative Quarter 9 Months Ended	
	30.09.2020 RM'000	30.09.2019 RM'000	30.09.2020 RM'000	30.09.2019 RM'000
Tax expense for the year:				
Current tax	4,072	(1,947)	6,752	177
Deferred tax	(798)	(112)	(1,890)	(2,427)
	<u>3,274</u>	<u>(2,059)</u>	<u>4,862</u>	<u>(2,250)</u>

The effective tax rate for the Group were higher than the statutory tax rate of 24%. This is mainly due to expenses not deductible for tax purposes and tax losses of certain subsidiaries where deferred tax assets have not been recognised.

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Part B – Explanatory Notes Pursuant to Appendix 9B of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad
B6 Corporate Proposals Pending Completion and Status of Utilisation of Proceeds Raised from Corporate Proposals

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:						
Proposal	Status				Status	
(i) Simunjan Agreement	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				Completed on 25 October 2018	
(ii) Lundu Mill Agreement	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				Refer Approvals/ Status pending	
(iii) Sastat Agreement	Conditional Share Sale Agreement for the proposed acquisition of entire SHSB Shares, for a total cash consideration of RM 17.0 million				Completed on 27 November 2018	
Advisers	Maybank Investment Bank Berhad & Mercury Securities Sdn Bhd					
Approvals / Status Pending (Lundu Mill Agreement)						
(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. The Director of Land and Survey Kuching Division’s consent for the transfer of the Lundu Land to RSB Lundu. 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 completion of Simunjan Agreement.					
(ii)	On 20 February 2019, RSB Lundu has settled the Partial Balance Sum to RH Lundu to complete the acquisition of the Lundu Oil Mill (including the workers’ quarters) and the Plantation Assets (“Partial Completion Date”). As such, the Lundu Land is the remaining asset to be completed under the Lundu Acquisition SPA, which is to be fulfilled by RH Lundu within 18 months from the Partial Completion Date or such other extended period as RH Lundu and RSB Lundu may mutually agree upon.					
(iii)	On 18 th August 2020, RSB Lundu acquisition SPA have mutually agreed to extend a period of another eighteen (18) months from 18 August 2020 until 18 February 2022 to fulfill the Conditions Subsequent.					
Status of Utilisation of Proceeds Raised from Corporate Proposals						
No.	Purpose	Proposed Utilisation (RM’mil)	Actual Utilisation (RM’mil)	Intended Time-frame	Deviation	
					RM’mil	%
1	Lundu Acquisition (quarters, oil mill and plantation assets)	31.2	31.2	August 2020	-	-
2	Lundu Acquisition (Land Lot 248)	2.5	-	February 2022	-	-
3	Sastat Holdings Sdn Bhd Acquisition	17.0	17.0	November 2018	-	-
4	Repayment of Simunjan Credit Facilities	58.0	58.0	October 2018	-	-
5	Repayment of advance	23.0	-	January 2021	-	-
6	Working capital and defray expenses relating to Corporate Proposals	18.3	18.3	December 2019	-	-
	Total	150.0	124.5		-	-



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

B6 Corporate Proposals Pending Completion and Status of Utilisation of Proceeds Raised from Corporate Proposals (cont'd)

Proposal	<p>On 22 January 2020, Rimbunan Sawit Berhad (“RSB”)’s wholly-owned subsidiary, Lumiera Enterprise Sdn. Bhd. (“Lumiera”) had entered into a Sale and Purchase Agreement (“S&P”) with Biogreen Success Sdn. Bhd. (“Biogreen”) to dispose all that parcel of land situated at Along Batang Baram, Baram together with the oil palm plantation, its facilities, infrastructures, improvements, immovable assets but excluding the movable assets thereon for a total cash consideration of Ringgit Malaysia Eighty-Five Million (RM85,000,000) (“Proposed Disposal”).</p>																																					
Status	<p>The Proposed Disposal is condition upon obtaining Land and Survey Department’s consent to transfer the land to Biogreen Success Sdn. Bhd. and charged to its Financier and completion of due diligence review by Biogreen Success Sdn. Bhd.</p> <p>On 31 March 2020, Lumiera has entered into a supplementary agreement (“SA”) with Biogreen to amend and vary the payment terms and the handover of the Lumiera estate. 10% deposit paid upon signing S&P, another 10% shall be paid upon signing SA and the 3rd 10% will be paid upon Biogreen taking possession of Lumiera estate’s operation, and remaining RM59.5 million shall be paid within 2 months upon completing the conditions precedent as stipulated in the S&P.</p> <p>On 12 May 2020, the director’s consent to transfer was obtained. Therefore the company is required to declare RGPT within 60 days from 12th May, 2020 together with 3% purchase price.</p> <p>On 17 July 2020, the application for permission to transfer and charge the land, Lot 2 Block 11 Teraja Land District from Lumiera Enterprise Sdn Bhd (Land Owner) to Biogreen Success Sdn Bhd (Transferee) with amount of consideration of Ringgit Malaysia Eighty-Five Million (RM85,000,000) was approved by Land and Survey Department Sarawak, Miri Region.</p> <p>On 30 July 2020, a redemption sum of RM30,000,000 has been released by purchaser’s financier to fully settle the banking facilities.</p> <p>On 1 September 2020, Lumiera has received the remaining balance of Purchase Price amounting to Ringgit Malaysia Twenty Nine Million One Hundred and Nineteen Thousand (RM29,119,000.00) from Biogreen. Hence, the Proposed Disposal is completed on 1 September 2020.</p> <p>The sale proceeds and the breakdown of utilisation are tabulated as below:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th rowspan="2">No.</th> <th rowspan="2">Purposes</th> <th rowspan="2">Proposed Utilisation (RM’mil)</th> <th rowspan="2">Actual Utilisation (RM’mil)</th> <th rowspan="2">Intended Time-Frame</th> <th colspan="2">Deviation</th> </tr> <tr> <th>RM’mil</th> <th>%</th> </tr> </thead> <tbody> <tr> <td>1.</td> <td>Repayment of Lumiera Credit Facilities</td> <td>30.5</td> <td>30.5</td> <td>3rd Quarter 2020</td> <td>-</td> <td>-</td> </tr> <tr> <td>2.</td> <td>Repayment of advances</td> <td>30.0</td> <td>30.0</td> <td>3rd Quarter 2020</td> <td>-</td> <td>-</td> </tr> <tr> <td>3.</td> <td>Working capital and defray expenses relating to Corporate Proposals</td> <td>24.5</td> <td>24.5</td> <td>3rd Quarter 2020</td> <td>-</td> <td>-</td> </tr> <tr> <td></td> <td>Total</td> <td>85.0</td> <td>85.0</td> <td></td> <td>-</td> <td>-</td> </tr> </tbody> </table>	No.	Purposes	Proposed Utilisation (RM’mil)	Actual Utilisation (RM’mil)	Intended Time-Frame	Deviation		RM’mil	%	1.	Repayment of Lumiera Credit Facilities	30.5	30.5	3 rd Quarter 2020	-	-	2.	Repayment of advances	30.0	30.0	3 rd Quarter 2020	-	-	3.	Working capital and defray expenses relating to Corporate Proposals	24.5	24.5	3 rd Quarter 2020	-	-		Total	85.0	85.0		-	-
No.	Purposes						Proposed Utilisation (RM’mil)	Actual Utilisation (RM’mil)	Intended Time-Frame	Deviation																												
		RM’mil	%																																			
1.	Repayment of Lumiera Credit Facilities	30.5	30.5	3 rd Quarter 2020	-	-																																
2.	Repayment of advances	30.0	30.0	3 rd Quarter 2020	-	-																																
3.	Working capital and defray expenses relating to Corporate Proposals	24.5	24.5	3 rd Quarter 2020	-	-																																
	Total	85.0	85.0		-	-																																



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

B6 Corporate Proposals Pending Completion and Status of Utilisation of Proceeds Raised from Corporate Proposals (cont'd)

<p>Proposal</p>	<p>On 4 June 2020, Rimbunan Sawit Berhad (“RSB”) wholly-owned subsidiary namely Woodijaya Sdn. Bhd. had entered into a Sale and Purchase Agreement with Muzana Plantation JV Sdn. Bhd. to dispose one (1) parcel of land situated at between Sungai Bakong and Sungai Baram, Baram containing an area of 2,819 hectares, more or less and described as Lot 1200, Puyut Land District together with the oil palm plantation, its facilities, infrastructures, improvements, immovable assets but excluding the movable assets thereon for a total cash consideration of Ringgit Malaysia Fifty-Three Million (RM53,000,000) only (“Proposed Disposal”).</p>																																					
<p>Status</p>	<p>The total sale consideration of RM53 million was arrived at on a “willing buyer willing seller” basis. In addition, it is also in reference to the estate’s value in use and valuation reports on the estate dated 15 January 2020 prepared by Henry Butcher (Malaysia) Sdn. Bhd.</p> <p>The sale proceeds from the Proposed Disposal will be utilized to repay the bank borrowings and to strengthen the Group’s cash flow position. It is part of the Group rationalization plan to further streamline and to better manage its portfolio of oil palm estate.</p> <p>The Proposed Disposal is condition upon obtaining Land and Survey Department’s consent to transfer the land to Muzana Plantation JV Sdn. Bhd. and charged to its Financier.</p> <p>On 4 June 2020, 15% of purchase price has been paid as S&P deposit, and remaining RM43,460,000 shall be paid within 3 months upon completing the conditions precedent as stipulated in the S&P.</p> <p>On 15 July 2020, the application for permission to transfer and charge the land, Lot 1200 Puyut Land District from Woodijaya Sdn Bhd (Land Owner) to Muzana Plantation JV Sdn Bhd (Transferee) with amount of consideration of Ringgit Malaysia Fifty-Three Million (RM53,000,000) was approved by Land and Survey Department Sarawak, Miri Region.</p> <p>On 3 Septmber 2020, Woodijaya Sdn Bhd has submitted RPGT tax return for amount of RM1,774,840.</p> <p>On 11 September 2020, Woodijaya Sdn Bhd has received a redemption sum of RM5.05 million.</p> <p>On 5 October 2020, Woodijaya Sdn Bhd has received the remaining balance of Purchase Price amounting to Ringgit Malaysia Thirty Eight Million Four Hundred and Ten Thousand (RM38,410,000.00) from Muzana Plantation JV Sdn Bhd. Hence, the Proposed Disposal is completed on 5 October 2020.</p> <p>The sale proceeds and the breakdown of utilisation are as below:</p> <table border="1" data-bbox="311 1559 1417 1924"> <thead> <tr> <th rowspan="2">No.</th> <th rowspan="2">Purposes</th> <th rowspan="2">Proposed Utilisation (RM’mil)</th> <th rowspan="2">Actual Utilisation (RM’mil)</th> <th rowspan="2">Intended Time-Frame</th> <th colspan="2">Deviation</th> </tr> <tr> <th>RM’mil</th> <th>%</th> </tr> </thead> <tbody> <tr> <td>1.</td> <td>Repayment of Woodijaya Credit Facilities</td> <td>5.0</td> <td>5.0</td> <td>4th Quarter 2020</td> <td>-</td> <td>-</td> </tr> <tr> <td>2.</td> <td>Repayment of Group short term borrowings</td> <td>15.0</td> <td>15.0</td> <td>4th Quarter 2020</td> <td>-</td> <td>-</td> </tr> <tr> <td>3.</td> <td>Working capital and defray expenses relating to Corporate Proposals</td> <td>33.0</td> <td>33.0</td> <td>4th Quarter 2020</td> <td>-</td> <td>-</td> </tr> <tr> <td></td> <td>Total</td> <td>53.0</td> <td>53.0</td> <td></td> <td>-</td> <td>-</td> </tr> </tbody> </table>	No.	Purposes	Proposed Utilisation (RM’mil)	Actual Utilisation (RM’mil)	Intended Time-Frame	Deviation		RM’mil	%	1.	Repayment of Woodijaya Credit Facilities	5.0	5.0	4 th Quarter 2020	-	-	2.	Repayment of Group short term borrowings	15.0	15.0	4 th Quarter 2020	-	-	3.	Working capital and defray expenses relating to Corporate Proposals	33.0	33.0	4 th Quarter 2020	-	-		Total	53.0	53.0		-	-
No.	Purposes						Proposed Utilisation (RM’mil)	Actual Utilisation (RM’mil)	Intended Time-Frame	Deviation																												
		RM’mil	%																																			
1.	Repayment of Woodijaya Credit Facilities	5.0	5.0	4 th Quarter 2020	-	-																																
2.	Repayment of Group short term borrowings	15.0	15.0	4 th Quarter 2020	-	-																																
3.	Working capital and defray expenses relating to Corporate Proposals	33.0	33.0	4 th Quarter 2020	-	-																																
	Total	53.0	53.0		-	-																																

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Part B – Explanatory Notes Pursuant to Appendix 9B of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad**B6 Corporate Proposals Pending Completion and Status of Utilisation of Proceeds Raised from Corporate Proposals (cont'd)**

Proposal	<p>On 25 August 2020, Maybank IB had, on behalf of our Board, announced that Rimbunan Sawit Berhad propose to undertake the Proposed Capital Reduction. The Proposed Capital Reduction entails the reduction of the issued share capital of the Company via the cancellation of the Company's paid up share capital which is lost or unrepresented by available assets of RM192,528,933 pursuant to Section 117 of the Act. The corresponding credit of RM192,528,933 arising from the Proposed Capital Reduction will be used to set-off against the Company's accumulated losses while the remaining balance, if any, will be credited to the retained earnings of the Company which shall be used in a manner to be determined by the Board at a later date and in the best interest of the Company as permitted by the relevant and applicable laws as well as the Main Market Listing Requirements of Bursa Securities.</p>
Status	<p>On 25 August 2020, The Board approved the Proposed Capital Reduction and the announcement of the Proposed Capital Reduction has been made on the same day.</p> <p>On 28 August 2020, submission of draft Circular to Bursa Securities.</p> <p>On 14 September 2020, Bursa Securities' clearance of the Circular.</p> <p>On 15 September 2020, Announcement of notice of Extraordinary General Meeting.</p> <p>On 17 September 2020, Despatch of Circular to shareholders.</p> <p>On 12 October 2020, The shareholders approved the Proposed Capital Reduction in EGM and the outcome of EGM was announced on the same day. Any application by a creditor of Rimbunan Sawit Berhad objecting to or to cancel the special resolution dated 12 October 2020 to effect the Proposed Capital Reduction must be made to the High Court before 23 November 2020. Otherwise, the Proposed Capital Reduction will deem as completed.</p>

Save as disclosed above, there were no corporate proposals announced but not completed as at 18 November 2020, being the latest practicable date.


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Part B – Explanatory Notes Pursuant to Appendix 9B of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad
B7 Group Borrowings

	As at 30.09.2020 (RM'000)			As at 31.12.2019 (RM'000)		
	Short-term	Long-term	Total	Short-term	Long-term	Total
Secured:-						
Bank overdrafts	-	-	-	10,083	-	10,083
Lease liabilities	5,297	482	5,779	3,454	5,971	9,425
Revolving credit	151,291	-	151,291	157,291	-	157,291
Term loans	16,671	188,544	205,215	57,195	197,611	254,806
Bankers' acceptance	15,980	-	15,980	15,517	-	15,517
	189,239	189,026	378,265	243,540	203,582	447,122
Unsecured:-						
Bank overdrafts	-	-	-	7,541	-	7,541
Bankers' acceptance	10,340	-	10,340	12,656	-	12,656
Loans	3,020	-	3,020	3,020	-	3,020
Promissory note	4,100	-	4,100	4,200	-	4,200
Revolving credit	25,125	-	25,125	30,900	-	30,900
Term loans	-	-	-	1,118	390	1,508
	42,585	-	42,585	59,435	390	59,825
Total Borrowings	231,824	189,026	420,850	302,975	203,972	506,947

- The effective HP interest rates ranging from 4.8% to 5.5% per annum.
- The bank overdraft is bearing interest ranging from base lending rate +0.5% to 1.5% per annum.
- The bankers' acceptance, revolving credit and term loan bore interest ranging from cost of funds + 0.5% to 2.5% per annum.
- The promissory note bore interest ranging from 2.9% to 4.0% per annum.


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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 18 November 2020 being the latest practicable date.

B9 Dividends

No interim dividend has been declared for the period ending 30 September 2020.

B10 (Loss) / Profit Per Share

	Individual Quarter 3 Months Ended		Cumulative Quarter 9 Months Ended	
	30.09.2020	30.09.2019	30.09.2020	30.09.2019
(Loss) / Profit attributable to owners of the Company (RM'000)	(2,025)	252	(7,726)	(27,805)
Number of ordinary shares ('000):-				
Issued ordinary shares at the beginning of period	1,418,487	1,418,487	1,418,487	1,418,487
Effect of conversion of ICPS	-	623,235	-	623,235
Conversion of ICPS during the year	623,235	-	623,235	-
Number of ordinary shares at the end of period	2,041,722	2,041,722	2,041,722	2,041,722
Basic (loss) / profit per share (sen)	(0.10)	0.01	(0.38)	(1.36)

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 2019 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 Before Taxation

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

	Individual Quarter 3 Months Ended		Cumulative Quarter 9 Months Ended	
	30.09.2020 RM'000	30.09.2019 RM'000	30.09.2020 RM'000	30.09.2019 RM'000
Allowance for stock obsolescence no longer required	(3)	(2)	(6)	(13)
Amortisation of intangible assets	73	73	218	218
Bad debts written off	-	-	42	1
Change in fair value of biological assets	(1,883)	(749)	(1,142)	(813)
Change in fair value of other investment	-	-	(4,982)	-
Depreciation of property, plant and equipment	17,949	17,922	51,474	53,883
Directors' remuneration	302	61	442	290
Finance costs	3,283	5,499	13,061	16,835
(Gain) / Loss on disposal of an associated company	-	(603)	-	(603)
(Gain) / Loss on disposal of property, plant and equipment	297	-	(4,609)	(2,813)
Interest income	(7)	-	(8)	(2)
Management fee	-	-	-	500
Property, plant and equipment written off	59	57	199	316
Rental income	(10)	99	(28)	(69)
Rental on equipment	1	15	106	249
Rental on premises	373	444	1,119	1,123
Staff costs:-				
- short-term employee benefits	6,946	6,979	20,829	22,046
- defined contribution plan	723	759	2,232	2,421



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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)

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 9-month period ended 30 September 2020.

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

The Group did not have any financial liabilities measured at fair value through profit or loss as at 30 September 2020 and 31 December 2019.

B14 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 24 November 2020.