

## RIMBUNAN SAWIT BERHAD: PROPOSED ACQUISITIONS (SFS)

### DEFINITIONS

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The following definitions shall apply throughout this announcement:-

Act	:	Companies Act, 1965
Acquirees	:	Nescaya, Novelpac and Woodijaya
Board	:	The Board of Directors of RSB
Bursa Securities	:	Bursa Malaysia Securities Berhad
Completed Acquisitions	:	(i) Acquisitions of nine (9) plantation companies and the commercial rights of a plantation estate by RSB as announced on 30 December 2009 and completed on 15 September 2010; and  (ii) Acquisitions of 100% equity interest in Lumiera Enterprise Sdn Bhd and 85% equity interest in Woodijaya Sdn Bhd by RSB, as announced on 31 July 2009 and completed on 22 December 2009.
Consideration Shares	:	The 6,964,918 new RSB Shares to be issued pursuant to the Proposed Acquisitions
Datuk Tiong	:	Datuk Tiong Thai King
EPS	:	Earnings per share
EU	:	European Union
FFB	:	Fresh fruit bunches
FPE	:	Financial period ended
FYE	:	Financial year ended/ending
Ha.	:	Hectare(s)
HB Miri	:	Henry Butcher Malaysia (Miri) Sdn Bhd, an independent registered valuer appointed by RSB in relation to the Proposed Acquisitions
ICPS	:	The irredeemable convertible preference shares of RM0.50 each in RSB
Kendaie	:	Kendaie Oil Palm Plantation Sdn Bhd
LAT	:	Loss after taxation
LBT	:	Loss before taxation
MIMB	:	MIMB Investment Bank Berhad
MMLR	:	Main Market Listing Requirements
Mn T	:	Million tonnes
mt.	:	Metric tonne
NA	:	Net assets
NBV	:	Net book value
Nescaya	:	Nescaya Palma Sdn Bhd

## RIMBUNAN SAWIT BERHAD: PROPOSED ACQUISITIONS (SFS)

### DEFINITIONS

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NL	:	Net liabilities
Novelpac	:	Novelpac-Puncakdana Plantation Sdn Bhd
NTA	:	Net tangible assets
PAA	:	Pertumbuhan Abadi Asia Sdn Bhd
PAT	:	Profit after taxation
PBT	:	Profit before taxation
PJP	:	Pemandangan Jauh Plantation Sdn Bhd
Proposed Acquisitions	:	The proposed acquisition of the Acquirees by RSB, as detailed in Section 2 herein
Rejang Height	:	Rejang Height Sdn Bhd
RHS	:	Rimbunan Hijau (Sarawak) Sdn Bhd
RHSA	:	Rimbunan Hijau Southeast Asia Sdn Bhd
RSB or Company	:	Rimbunan Sawit Berhad
RSB Group	:	RSB and its subsidiary companies
RSB Shares or Shares	:	Ordinary shares of RM0.50 each in RSB
Sale Shares	:	The equity interests held by SFS in the Acquirees to be acquired by RSB pursuant to the Proposed Acquisitions, as detailed in Section 2.1 herein
SFS or Vendor	:	The State Financial Secretary of Sarawak, the vendor of the Sale Shares
SSAs	:	The three (3) separate conditional share sale agreements dated 2 February 2011 entered into between RSB and SFS in relation to the Proposed Acquisitions
Tan Sri Tiong	:	Tan Sri Datuk Sir. Diong Hiew King @ Tiong Hiew King
TCO	:	Tiong Chiong Ong
TSL	:	Teck Sing Lik Enterprise Sdn Bhd
TTSE	:	Tiong Toh Siong Enterprises Sdn Bhd
Valuation Reports	:	The valuation report prepared by HB Miri with the material date of valuation of 30 September 2010 for the respective plantation estates
Woodijaya	:	Woodijaya Sdn Bhd
TTSH	:	Tiong Toh Siong Holdings Sdn Bhd

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## RIMBUNAN SAWIT BERHAD: PROPOSED ACQUISITIONS (SFS)

### 1. INTRODUCTION

On behalf of the Board, MIMB wishes to announce that the Company is proposing to acquire SFS's interests in the Acquirees for an aggregate purchase consideration of approximately RM16.02 million to be wholly satisfied through the issuance of 6,964,918 new RSB Shares at an issue price of approximately RM2.30 per Share.

### 2. DETAILS OF THE PROPOSED ACQUISITIONS

#### 2.1 Proposed Acquisitions

RSB had on 2 February 2011 entered into three (3) separate conditional SSAs with the Vendor for the Proposed Acquisitions, as detailed in the table below:-

Acquirees	No. of Sale Share	Interest to be Acquired from SFS	Purchase Consideration (RM)	To be satisfied by issuance of new RSB Shares
1. Nescaya	375,000	15%	8,809,988	3,830,430
2. Novelpac	187,500	15%	1,971,227	857,055
3. Woodijaya	1,800	15%	5,238,097	2,277,433
<b>Total</b>			<b>16,019,312</b>	<b>6,964,918</b>

The aforesaid equity interests in the Acquirees shall be acquired free from all claims, charges, liens, encumbrances and equities whatsoever together with all rights attached thereto and all dividends, rights and distributions declared paid or made in respect thereof.

Details of the Acquirees and Vendor are set out in Section 3 of this announcement.

#### 2.2 Basis of the Purchase Considerations

The purchase considerations of approximately RM16.02 million were arrived at between the Company and the Vendor on a "willing-buyer willing-seller" basis after taking into consideration:-

- (i) the audited NTA/NL of the Acquirees as at 30 September 2010; and
- (ii) the surplus arising from the revaluation of the underlying plantation assets owned by the Acquirees based on their market values as appraised by HB Miri.

The purchase considerations of the Acquirees are summarised below:-

Acquirees	(A) Audited NTA/(NL) as at 30 September 2010 RM	(B) * Market Value RM	(C) # NBV RM	(D) = A+B-C Adjusted NTA as at 30 September 2010 RM	(E) Interests to be Acquired %	(F) = D x E Purchase Considerations RM
Nescaya	2,718,068	113,200,000	57,184,814	58,733,254	15.0	8,809,988
Novelpac	(2,841,224)	70,600,000	54,617,261	13,141,515	15.0	1,971,227
Woodijaya	(225,772)	46,900,000	11,753,582	34,920,646	15.0	5,238,097
<b>Total</b>	<b>(348,928)</b>	<b>230,700,000</b>	<b>123,555,657</b>	<b>106,795,415</b>		<b>16,019,312</b>

Notes:-

\* The market value of the respective plantation estates as appraised by HB Miri based on the material date of valuation of 30 September 2010.

# The NBV of the underlying plantation assets owned by the Acquirees based on the audited financial statements of the respective Acquirees as at 30 September 2010.

## **RIMBUNAN SAWIT BERHAD: PROPOSED ACQUISITIONS (SFS)**

### **2.3 Basis of Arriving at the Issue Price**

The issue price for the Consideration Shares to be issued pursuant to the Proposed Acquisitions was arrived at based on a five (5) day weighted average market price of RSB Shares up to 31 January 2011 (being the market day preceding the date of this announcement) of approximately RM2.30 per RSB Share.

### **2.4 Ranking of Consideration Shares**

The Consideration Shares shall, upon allotment and issue, rank pari passu in all respects with the existing RSB Shares, save and except that they shall not be entitled to any dividends, rights, allotments and/or other distributions, the entitlement date of which is prior to the date of allotment of the said RSB Shares.

### **2.5 Listing of Consideration Shares**

The Company will make the necessary application to Bursa Securities for the listing of and quotation for the Consideration Shares to be issued pursuant to the Proposed Acquisitions on the Main Market of Bursa Securities.

### **2.6 Mode of Payment**

The aggregate purchase consideration for the Proposed Acquisitions of RM16,019,312 shall be wholly satisfied via the issuance of 6,964,918 Consideration Shares.

### **2.7 Assumption of Liabilities and Future Financial Commitments**

The Company will not assume any other liabilities, including contingent liabilities and guarantees arising from the Proposed Acquisitions. The existing trade liabilities of the Acquirees shall remain in the books of the respective companies and shall be settled in their ordinary course of business.

As the plantation estates of the Acquirees comprise both planted and unplanted areas, additional financial commitments, the quantum of which can not be ascertained at this juncture, are expected to be required from RSB for the continuing development and re-planting programme after the completion of the Proposed Acquisitions. Apart from the above, no other financial commitment is required in putting the business operations of the Acquirees on-stream.

### **2.8 Highest applicable percentage ratio**

The highest percentage ratio applicable to the Proposed Acquisitions, as prescribed in paragraph 10.02 (g) of the MMLR is 18.2 %. The said applicable percentage ratio is prescribed under section (iii) of paragraph 10.02 (g) of the MMLR, namely the purchase consideration compared with the audited net assets of RSB as at 31 August 2009.

### **2.9 Salient terms of the SSAs**

The salient terms of the SSAs include inter-alia, the following:-

#### **(i) Payment Terms**

The purchase considerations shall be wholly satisfied by RSB to SFS in respect of the Proposed Acquisitions within thirty (30) days after the completion date by issuance of the Consideration Shares to SFS subject to the Sale Shares having been transferred to and registered in the name of RSB. The Consideration Shares shall, if required, be credited into the CDS account(s) of SFS at the sole cost and expense of SFS.

The listing of and quotation for the Consideration Shares, if applicable, shall take place within thirty (30) days after the completion date or such other time frame as shall be in compliance with the then applicable laws.

## **RIMBUNAN SAWIT BERHAD: PROPOSED ACQUISITIONS (SFS)**

### **(ii) Conditions Precedent**

The sale and purchase of the Sale Shares shall be conditional upon the fulfillment of the following within the stipulated period:

- (a) The Company obtaining the approval of the Sarawak State Authority and Bursa Securities for the listing of and quotation for the Consideration Shares on the Main Market of Bursa Securities;
- (b) The Company obtaining the approval of its shareholders in a general meeting for the acquisition of the Sale Shares, the issuance of the Consideration Shares to SFS in satisfaction of the purchase considerations;
- (c) if applicable, SFS procuring the Acquirees to obtain the approval/consent from the various banks and financial institutions who have extended credit facilities to the Acquirees for the change in the shareholding and Board of Director structures and composition of the Acquirees consequential to the acquisition of the Sale Shares by the Company;
- (d) the conduct of a legal and financial due diligence by the Company on the Acquirees, its operations and its affairs, the results of which are determined by the Company in its sole and absolute discretion to be satisfactory; and
- (e) such other conditions precedent deemed necessary by the Company.

The conditions precedent are to be fulfilled within six (6) months from the date of the SSAs, or such extended period as may be mutually agreed by the parties in writing.

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**RIMBUNAN SAWIT BERHAD: PROPOSED ACQUISITIONS (SFS)**

**3. INFORMATION ON THE ACQUIREES & THE VENDOR**

**3.1 Information on the Acquirees and plantation estates under its management**

<b>Company</b>	<b>Nescaya</b>	<b>Novelpac</b>	<b>Woodijaya</b>
<b>Date of Incorporation</b>	18.5.1999	2.3.1996 <sup>1</sup>	26.9.1997
<b>Authorised Share Capital (RM/ No of shares)</b>	RM5,000,000 / 5,000,000	RM5,000,000/ 5,000,000	RM100,000/ 100,000
<b>Issued &amp; Paid up Share Capital (RM/ No of shares)</b>	RM2,500,000/ 2,500,000	RM1,250,000 / 1,250,000	RM12,000 /12,000
<b>Directors</b>	Junaidi bin Hj. Reduan, Datuk Tiong, TCO, and Wong Yiing Ngiik	Tan Sri Tiong, Datuk Tiong and TCO	Tan Sri Tiong and TCO
<b>Substantial Shareholders</b>	RSB & SFS	RSB & SFS	RSB & SFS
<b>Principal Activities</b>	Oil palm plantation	Oil palm plantation	Oil palm plantation
<b>Estate under management</b>	Nescaya Palma Plantation Estate	Novelpac-Puncakdana Plantation Estate	Woodijaya's Marudi Oil Palm Plantation Estate
<b>Title area</b>	4,100.00 Ha.	4,625.00 Ha.	5,000.00 Ha.
<b>Location</b>	Lot 13, Buloh Land District, Sarawak	Lots 11 & 12, Buloh Land District, Mukah Division, Sarawak	Lot 1200, Puyut Land District and Lot 197, Teraja Land District, Miri Division, Sarawak
<b>Title &amp; Tenure</b>	60 years lease expiring on 12.3.2060	60 years lease expiring on 27.5.2059 & 30.3.2060 <sup>2</sup>	60 years lease expiring on 24.10.2067
<b>Planted area</b>	3659.46 Ha.	2,009.82 Ha.	-
<b>Age of oil palm</b>	Approximately 1 to 7 years	Approximately 1 to 6 years	-
<b>Encumbrances</b>	Charged to a financial institution for RM35.5 million vide L.4560/2004 of 26.04.2006 (includes caveat)	Charged to Public Bank Berhad for RM44 million with 1 other title vide L.4653/2006 of 21.4.2006 (includes caveat)	Charged to Hong Leong Bank Berhad for RM42 million with 1 other title vide L.15191/2007 of 27.12.2007 (includes caveat)
<b>Market value<sup>3</sup></b>	RM113,200,000	RM70,600,000	RM46,900,000
<b>Audited NBV as at 30 September.2010</b>	RM57,184,814	RM54,617,261	RM11,753,582

Notes:-

1. Under the name of Novelpac Sdn Bhd and subsequently changed to Novelpac on 2 February 1999.
2. Provisional lease of State land.
3. As appraised by HB Miri.

None of the Acquirees has any subsidiary or associated company.

All of the land usage of the estates under management by the Acquirees are for agricultural purposes and are categorised as mixed zone land / country land.

The market values assigned to each of the estates of the Acquirees are derived based on the discounted cash flow and comparative method of valuation, as appraised by HB Miri on 30 September 2010.

## RIMBUNAN SAWIT BERHAD: PROPOSED ACQUISITIONS (SFS)

### 3.2 Profile of the Oil Palm Plantation

Acquirees	Nescaya Ha.	Novelpac Ha.	Woodijaya Ha.	Total Ha.
<b>Matured Ares</b>				
YOP 2003	96.29	-	-	96.29
YOP 2004	523.11	45.90	-	569.01
YOP 2005	1,344.66	-	-	1,344.66
YOP 2006	570.32	-	-	570.32
YOP 2007	-	-	-	-
<b>Subtotal</b>	<b>2,534.38</b>	<b>45.90</b>	-	<b>2,580.28</b>
<b>Immature Area</b>				
YOP 2007	131.89	193.99	-	325.88
YOP 2008	35.11	282.19	-	317.30
YOP 2009	882.42	375.80	-	1,258.22
YOP 2010	75.66	1,111.94	-	1,187.60
<b>Subtotal</b>	<b>1,125.08</b>	<b>1,963.92</b>	-	<b>3,089.00</b>
Total planted area	3,659.46	2,009.82	-	5,669.28
Land ready for planting	194.63	1,249.85	-	1,444.48
Unplanted area		558.75	-	558.75
Unplantable area *	83.82	-	-	83.82
Building site	10.00	12.66	-	22.66
Road reserve	152.09	249.56	-	401.65
Nursery	-	30.50	-	30.50
Court case area #	-	513.86	-	513.86
Land area for development	-	-	5,000.00	5,000.00
<b>Total Land Area</b>	<b>4,100.00</b>	<b>4,625.00</b>	<b>5,000.00</b>	<b>13,725.00</b>

Notes:-

\* The unplantable areas include buildings site, drains, roads, rivers/streams, buffer zone and etc.

# Refers to the area which is classified as unplantable area due to certain dispute against the development of an oil palm plantation. The affected area has not been assigned with any value in the market valuation as appraised by HB Miri for Novelpac.

### 3.3 FFB Production

Acquirees	2007 mt	2008 mt	2009 mt	<sup>^</sup> 2010 mt
Nescaya	28.12	39.45	58.61	67.35
Novelpac *	-	-	-	-
Woodijaya #	-	-	-	-

Notes:-

<sup>^</sup> Annualised.

\* The estate managed by Novelpac has yet to commence production of FFB as these plantations are still at infancy stage.

# Development has just started on Woodijaya and is currently under site preparation.

## RIMBUNAN SAWIT BERHAD: PROPOSED ACQUISITIONS (SFS)

### 3.4 Summary of key audited financial information of the Acquirees

#### (a) Nescaya

	<-----Audited FYE ----->			Audited FPE
	31.7.07 RM'000	1.8.07 to 31.8.08 RM'000	31.8.09 RM'000	1.9.09 to 30.9.10 RM'000
Revenue	1,178	6,906	7,208	18,341
PBT/(LBT)	(53)	262	(2,987)	6,582
PAT/(LAT)	(53)	262	(1,859)	4,918
Shareholders fund	(603)	(341)	(2,200)	2,718
Total borrowings	43,355	35,472	34,958	33,084

- (i) There were no extraordinary or exceptional items throughout the periods under review.
- (ii) There were no audit qualifications reported in the audited financial statements of Nescaya throughout the periods under review.
- (iii) Revenue has been consistently increasing over the period in review, in line with increasing FFB production.
- (iv) The company changed its financial year end from 31 July to 31 August in 2008 and subsequently to 31 December in 2010 in order to be co-terminous with RSB.

#### (b) Novelpac

	<-----Audited FYE ----->			Audited FPE
	31.3.08 RM'000	31.3.09 RM'000	31.3.10 RM'000	1.4.10 to 30.9.10 RM'000
Revenue	17	53	119	121
PBT/(LBT)	(292)	(352)	(293)	(98)
PAT/(LAT)	(292)	(352)	(293)	(98)
Shareholders fund	(2,098)	(2,450)	(2,743)	(2,841)
Total borrowings	13,515	20,508	31,012	34,657

- (i) There were no extraordinary or exceptional items throughout the periods under review.
- (ii) There were no audit qualifications reported in the audited financial statements of Novelpac throughout the periods under review.
- (iii) Novelpac has generated minimal revenue up until FYE 31 March 2009 since the plantation managed by the company has yet to yield any amount of FFB as these plantations are still at infancy stage.

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## RIMBUNAN SAWIT BERHAD: PROPOSED ACQUISITIONS (SFS)

### (c) Woodijaya

	<-----Audited FYE ----->			Audited FPE
	30.9.07	1.10.07 to 31.3.09	1.4.09 to 31.12.09	1.1.10 to 30.9.10
	RM'000	RM'000	RM'000	RM'000
Revenue	-	-	-	-
Other income	-	-	18	8
PBT/(LBT)	(1)	(242)	14	2
PAT/(LAT)	(1)	(242)	14	2
Shareholders fund	^	(242)	(228)	(226)
Total borrowings	-	-	2,367	2,470

^ *Negligible*

- (i) There were no extraordinary or exceptional items throughout the periods under review.
- (ii) There were no audit qualifications reported in the audited financial statements of Woodijaya throughout the periods under review.
- (iii) No revenue was generated throughout the periods under review as the company has yet to commence development of the oil palm plantation.
- (iv) The company changed its financial year end from 30 September to 31 March to be co-terminous with its previous holding company, Tumbuh Tiasa Enterprise Sdn Bhd. Subsequently the company changed its financial year end from 31 March to 31 December to be co-terminous with RSB.

### 3.5 Information of the Vendor

SFS is the State Financial Authority under Financial Procedure Act, 1957 and responsible for financial management in the state of Sarawak. The appointment of State Financial Secretary's Office is subject to Article 11 of the Sarawak State Constitution.

## 4. RATIONALE FOR THE PROPOSED ACQUISITIONS

The Proposed Acquisitions serve to enable the RSB group to fully consolidate all of the future income from the plantation estates held by the Acquirees whilst SFS will be able to participate in the equity of the enlarged RSB Group.

The Board is of the opinion that the new Shares are the most appropriate means to satisfy the purchase consideration for the Proposed Acquisitions, with a view to improving the public shareholding spread of the Company whilst avoiding a reduction in the cash flow or increase in the gearing of the Company should the purchase consideration for the Proposed Acquisitions be settled in cash or via bank borrowings, as the case may be.

## 5. RISK FACTORS

As the Acquirees are currently 85%-owned subsidiary companies of RSB, the Board does not foresee any additional risks that the RSB Group is not already exposed to resulting from the increase in its shareholdings in the Acquirees pursuant to the Proposed Acquisitions. Nonetheless, any risks arising from the Proposed Acquisitions will be addressed as part of the RSB Group's ordinary course of business.

## **RIMBUNAN SAWIT BERHAD: PROPOSED ACQUISITIONS (SFS)**

### **6. PROSPECTS**

#### **6.1 Industry Outlook**

World production of total vegetable oils had slightly decreased by 1.2% to 41.75 Mn T in the third quarter of 2010 from 42.26 Mn T in the previous quarter. This was mainly due to smaller production of sunflower oil, soybean oil and rapeseed oil by 25.9% to 2.27 Mn T, by 4.2% to 9.96 Mn T and by 1.9% to 5.67 Mn T respectively. However palm oil and palm kernel oil had balanced out through bigger amount of output i.e by 10.4% to 12.48 Mn T and 4.7% to 1.45 Mn T production growths respectively in this quarter.

Compared to the same quarter last year, production of major oils had increased by 4.9% from 39.81 Mn T to 41.75 Mn T. The production of soybean oil, palm oil, palm kernel oil and rapeseed oil had increased by 14%, 5%, 9.2% and 4.5% respectively. Only the production of sunflower oil had slowed down by 14.8% compared to the third quarter of 2009.

Malaysia, palm oil production had increased by 14% from 4.11 Mn T in the second quarter to 4.69 Mn T in the third quarter of 2010. Production of palm kernel and crude palm kernel oil had also increased by 19% to 1.20 Mn T and 14% to 0.54 Mn T respectively during the period.

Malaysian palm oil export had slightly increased from 4.11 Mn T in the previous quarter to 4.15 Mn T (0.9%) in this quarter. China, PR maintained its position as the biggest export market for Malaysian palm oil totalling 0.63 Mn T or 17% of total palm oil exports, followed by Pakistan 0.58 Mn T (15.6%), EU 0.51 Mn T (13.8%), India 0.38 Mn T (10.2%), USA 0.26 Mn T (7.1%) and Japan 0.13 Mn T (3.5%). Together these six countries accounted for 2.59 Mn T or 60.1% of total Malaysian palm oil exports in third quarter of 2010.

Malaysian exports of palm kernel oil and palm kernel cake had also increased by 12.3% from 0.26 Mn T in previous quarter to 0.29 Mn T in this quarter and by 11.3% from 0.51 Mn T to 0.57 Mn T respectively.

*(Source: Quarterly Report on Oils and Fats, 3rd Quarter 2010, Malaysian Palm Oil Board)*

#### **6.2 Prospects**

The Board believes that the profit contribution from the Acquirees will grow in line with higher FFB yield per Ha when the average age profiles of the oil palms near maturity. Furthermore, the Board believes that the Proposed Acquisitions, coupled with the Completed Acquisitions, would put the RSB Group on a strong footing to becoming a major player in the oil palm cultivation business in Malaysia.

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## RIMBUNAN SAWIT BERHAD: PROPOSED ACQUISITIONS (SFS)

### 7. EFFECTS OF THE PROPOSED ACQUISITIONS

#### 7.1 Share Capital

The proforma effects of the Proposed Acquisitions on the issued and paid-up share capital of the Company are as follows:-

Issued and paid-up share capital	No. of RSB Shares	Nominal value of RSB Shares (RM)	No. of ICPS	Nominal value of ICPS (RM)	Total share capital (RM)
As at 31 August 2009	128,266,800	64,133,400	-	-	64,133,400
Issued pursuant to the Completed Acquisitions	28,331,400	14,165,700	193,972,857	96,986,428	111,152,128
After the Completed Acquisitions	<b>156,598,200</b>	<b>78,299,100</b>	<b>193,972,857</b>	<b>96,986,428</b>	<b>175,285,528</b>
To be issued pursuant to the Proposed Acquisitions	6,964,918	3,482,459	-	-	3,482,459
After the Proposed Acquisitions	<b>163,563,118</b>	<b>81,781,559</b>	<b>193,972,857</b>	<b>96,986,428</b>	<b>178,767,987</b>

No adjustment shall be made to the conversion ratio of the ICPS pursuant to the Proposed Acquisitions.

#### 7.2 NA, NA per Share and Gearing

The proforma effects of the Proposed Acquisitions on the consolidated NA, NA per Share and gearing of RSB based on the consolidated audited financial statements of RSB for the FYE 31 August 2009 and the Acquirees for the FPE 31 August 2009 are as follows:-

Group Level	Audited as at 31 August 2009 RM'000	# Adjusted Audited as at 31 August 2009 RM'000	After the Proposed Acquisitions RM'000
Share capital - ordinary	64,133	78,299	81,782
Share capital – ICPS	-	96,987	96,987
Share premium	6,866	184,709	197,245
Merger reserve/(deficit)	(44,630)	(44,630)	(53,065)
Retained profits	61,448	58,948	<sup>^</sup> 55,766
Shareholders' Funds/ NA	<b>87,817</b>	<b>374,313</b>	<b>378,715</b>
No. of RSB Shares ('000)	128,267	156,598	163,563
NA per RSB Share (RM)	0.68	2.39	2.32
Total borrowings (RM'000)	154,158	451,590	451,590
Gearing (times)	1.8	1.2	1.2

#### Notes:-

# The adjusted NA of RSB Group after taking into account the effects of the Completed Acquisitions.

<sup>^</sup> After taking into consideration estimated expenses incidental to the Proposed Acquisitions of RM500,000.

## RIMBUNAN SAWIT BERHAD: PROPOSED ACQUISITIONS (SFS)

### 7.3 Earnings & Earnings per Share

The Proposed Acquisitions are not expected to have an immediate or material effect on the earnings of the RSB Group for FYE 31 December 2011, since the Proposed Acquisitions only involve the acquisitions of the remaining 15% interests in the Acquirees. Furthermore, the aggregate profits generated from the Acquirees are minimal at this point in time. Nonetheless, as the oil palm plantation of the Acquirees matures over the next few years, the Acquirees are expected to contribute positively to the earnings of the enlarged RSB Group.

However, resulting from the issuance of new RSB Shares pursuant to the Proposed Acquisitions, the EPS of the Company will be diluted accordingly.

### 7.4 Dividends

The Proposed Acquisitions are not expected to affect the dividend policy of the Company as future dividend payable by the Company would be dependent on inter-alia, the future profitability and cash flow position of the RSB Group.

### 7.5 Substantial Shareholders' Shareholdings

The effects of the Proposed Acquisitions on the substantial shareholders' shareholdings of RSB based on the Register of Depositors of RSB as at 26 January 2011 are as follows:-

	Existing as at 26 January 2011				After the Proposed Acquisitions			
	Direct		Indirect		Direct		Indirect	
	No of Shares	%	No of Shares	%	No of Shares	%	No of Shares	%
TTSH	35,124,394	22.43	<sup>a</sup> 12,264,221	7.83	35,124,394	21.47	<sup>a</sup> 12,264,221	7.50
RHSA	15,073,100	9.63	-	-	15,073,100	9.22	-	-
PAA	10,903,600	6.96	<sup>b</sup> 24,927,479	15.92	10,903,600	6.67	<sup>b</sup> 24,927,479	15.24
TSL	11,134,300	7.11	<sup>c</sup> 59,391,373	37.93	11,134,300	6.81	<sup>c</sup> 59,391,373	36.31
TTSE	1,300,300	0.83	<sup>d</sup> 22,966,679	14.67	1,300,300	0.79	<sup>d</sup> 22,966,679	14.04
Tan Sri Tiong	300,000	0.19	<sup>e</sup> 97,652,194	61.14	300,000	0.18	<sup>e</sup> 97,652,194	59.70
Rejang Height	-	-	-	-	-	-	-	-
PJP	12,264,221	7.83	-	-	12,264,221	7.50	-	-
Kendaie	7,893,579	5.04	-	-	7,893,579	4.83	-	-
SFS	-	-	-	-	6,964,918	4.26	-	-

**Notes:-**

- (a) Deemed interested by virtue of its interests in PJP.
- (b) Deemed interested by virtue of its interests in RHSA, Kendaie and RHS pursuant to Section 6A of the Act.
- (c) Deemed interested by virtue of its interests in TTSH, RHSA, TTSE and Kendaie pursuant to Section 6A of the Act.
- (d) Deemed interested by virtue of its interests in RHSA and Kendaie pursuant to Section 6A of the Act.
- (e) Deemed interested by virtue of his interests in TTSH, TSL, TTSE, PAA, RHSA, RHS, Rejang Healthcare Sdn Bhd, PJP and Kendaie pursuant to Section 6A of the Act, and his spouse's and children's interests in the Company.

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## **RIMBUNAN SAWIT BERHAD: PROPOSED ACQUISITIONS (SFS)**

### **8. APPROVALS REQUIRED FOR THE PROPOSED ACQUISITIONS**

The Proposed Acquisitions are subject to the approvals being obtained from the following authorities/parties:-

- (a) the shareholders of RSB for the issuance of the Consideration Shares at a general meeting to be convened for the Proposed Acquisitions;
- (b) Bursa Securities for the listing of and quotation for the Consideration Shares on the Main Market of Bursa Securities;
- (c) Sarawak State Authority for its consent for the Proposed Acquisitions; and
- (d) any other relevant authorities/parties (if required).

All of the three (3) SSAs pertaining to the Proposed Acquisitions are not inter-conditional upon one another, i.e. the Company may decide to proceed with the acquisition of any one or more of the equity interest in the Acquirees.

### **9. DIRECTORS' AND MAJOR SHAREHOLDERS' INTERESTS**

None of the Directors and/or major shareholders of the Company or any persons connected with them is expected to have any interest, whether direct or indirect in the Proposed Acquisitions.

### **10. DIRECTORS' STATEMENT**

After taking into consideration all aspects of the Proposed Acquisitions, the Board is of the opinion that the Proposed Acquisitions are fair and reasonable and in the best interest of the RSB Group.

### **11. PRINCIPAL ADVISER**

MIMB has been appointed as the Principal Adviser to RSB for the Proposed Acquisitions.

### **12. ESTIMATED TIME FRAME FOR COMPLETION**

Barring any unforeseen circumstances and subject to receipt of all relevant approvals, the Proposed Acquisitions are expected to be completed by the second (2<sup>nd</sup>) quarter of 2011.

### **13. SUBMISSION TO AUTHORITIES**

The submission to the relevant authorities in respect of the Proposed Acquisitions is expected to be made within two (2) months from the date of this announcement.

### **14. DOCUMENTS AVAILABLE FOR INSPECTION**

The SSAs and the Valuation Reports in relation to the Proposed Acquisitions are available for inspection at the registered office of RSB at No. 85-86, Pusat Suria Permata, Jalan Upper Lanang 12A, 96000 Sibul, Sarawak, during normal office hours from Monday to Friday (except for public holidays) for a period of at least three (3) months from the date of this announcement.

This announcement is dated 2 February 2011.