

RIMBUNAN SAWIT: PROPOSED ACQUISITIONS & PROPOSED M&A AMENDMENTS

RIMBUNAN SAWIT BERHAD (“RSB” OR THE “COMPANY”) PROPOSED ACQUISITIONS & PROPOSED M&A AMENDMENTS

Unless otherwise stated, definitions or terms used herein shall have the same meanings as that provided in the announcement of RSB dated 30 December 2009.

- We refer to RSB’s announcement on 30 December 2009 in relation to the Proposed Acquisitions and Proposed M&A Amendments.

On behalf of the Board of Directors of RSB, we wish to announce that RSB had on 16 April 2010 entered into ten (10) supplemental agreements with the Vendors for the purpose of revising the total purchase consideration of the Proposed Acquisitions (“Revisions” or “Revised Proposed Acquisitions”) in the following manner:-

Acquirees	Original Purchase Consideration (RM)	To be satisfied by issuance of		Revised Purchase Consideration (RM)	To be satisfied by issuance of	
		Shares	ICPS		Shares	ICPS
1. Jayamax	28,749,534	20,434,200	1,680,825	40,377,536	20,437,821	10,621,823
2. Novelpac	11,110,803	7,897,200	649,571	10,261,653	7,893,579	-
3. Lubuk Tiara	33,129,805	-	25,484,465	30,105,354	-	23,157,965
4. Splendid	8,374,334	-	6,441,795	9,679,133	-	7,445,487
5. Biawak	50,651,383	-	38,962,602	53,960,282	-	41,507,909
6. Ekan	8,081,886	-	6,216,835	6,935,286	-	5,334,835
7. Lundu	74,457,511	-	57,275,008	81,165,511	-	62,435,008
8. Selangau	20,492,623	-	15,763,556	12,743,022	-	9,802,325
9. Ulu Teru	28,271,437	-	21,747,259	21,982,236	-	16,909,412
10. Simunjan	22,785,521	-	17,527,323	21,785,521	-	16,758,093
	286,104,837	28,331,400	191,749,239	288,995,534	28,331,400	193,972,857

Save for the aforesaid revisions, all other terms and conditions of the Proposed Acquisitions shall remain unchanged.

- The Revisions are to reflect the revision in the market valuation of the underlying plantation assets owned by the Acquirees and Simunjan from RM804.9 million to RM802.3 million, as a result of certain adjustments made by the independent Valuers in arriving at the revised market valuation of the Plantation Estates, as follows:-

Acquirees & Simunjan	Original Market value As at 31.8.09 RM	Revised Market value As at 31.8.09 RM	Revisions RM
1. Jayamax	111,992,000	123,620,000	11,628,000
2. Novelpac	60,619,000	59,620,000	(999,000)
3. Lubuk Tiara	126,753,000	122,100,000	(4,653,000)
4. Splendid	12,686,000	14,550,000	1,864,000
5. Biawak	102,513,000	107,240,000	4,727,000
6. Ekan	16,471,000	14,560,000	(1,911,000)
7. Lundu	160,110,000	171,290,000	11,180,000
8. Selangau	97,216,000	84,300,000	(12,916,000)
9. Ulu Teru	72,522,000	62,040,000	(10,482,000)
10. Simunjan	44,000,000	43,000,000	(1,000,000)
	804,882,000	802,320,000	(2,562,000)

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As a consequence of the Revisions, the total consideration for the Revised Proposed Acquisitions is adjusted as follows:-

	(A) Audited NTA/(NL) @ 31.8.09 RM	(B) Revised Market Value RM	(C) (¹)NBV RM	(D) = A+B-C Adjusted NTA as at 31.08.09 RM	(E) Interest to be Acquired %	(F) = D x E Revised Purchase Consideration RM	Original Purchase Consideration RM
1. Jayamax	(5,222,164)	123,620,000	78,020,300	40,377,536	100%	40,377,536	28,749,534
2. Novelpac	(2,586,786)	59,620,000	44,960,681	12,072,533	85%	10,261,653	11,110,803
3. Lubuk Tiara	7,308,604	122,100,000	83,092,674	46,315,930	65%	30,105,354	33,129,805
4. Splendid	3,897,686	14,550,000	4,620,352	13,827,334	70%	9,679,133	8,374,334
5. Biawak	2,914,894	107,240,000	33,068,776	77,086,118	70%	53,960,282	50,651,383
6. E kang	923,436	14,560,000	3,924,626	11,558,810	60%	6,935,286	8,081,886
7. Lundu	5,817,866	171,290,000	41,832,014	135,275,852	60%	81,165,511	74,457,511
8. Selangau	(25,604,141)	84,300,000	37,457,488	21,238,371	60%	12,743,022	20,492,623
9. Ulu Teru	8,512,651	62,040,000	33,915,590	36,637,061	60%	21,982,236	28,271,437
10. Simunjan	N/A	43,000,000	(²)21,214,479	21,785,521	(³) 100%	21,785,521	22,785,521
	(4,037,954)	802,320,000	382,106,980	416,175,066		288,995,534	286,104,837

Notes:-

- (1) The NBV of the underlying plantation assets owned by the Acquirees based on the audited financial statements of the respective Acquirees as at 31 August 2009.
- (2) Being the identified liabilities of Rejang Height (being the vendor of Simunjan), comprising bank borrowings (of RM16.0 million) and trade creditors (of RM5.2 million) based on the unaudited management accounts of Rejang Height as at 31 August 2009 ("**Identified Liabilities**"), to be assumed by RSB (or its nominee company) pursuant to Revised Proposed Acquisitions.
- (3) In relation to the entire commercial rights of Simunjan.

3. The financial effects of the Revised Proposed Acquisitions are as follows:-

3.1 The proforma effects of the Revised 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)
Existing as at 31 August 2009	128,266,800	64,133,400	-	-	64,133,400
To be issued pursuant to the Revised Proposed Acquisitions	28,331,400	14,165,700	193,972,857	96,986,428.5	111,152,128.5
Subtotal	156,598,200	78,299,100	193,972,857	96,986,428.5	175,285,528.5
Upon full conversion of ICPS*	193,972,857	96,986,428.5	(193,972,857)	(96,986,428.5)	-
Enlarged	350,571,057	175,285,528.5	-	-	175,285,528.5

* To be issued pursuant to the Revised Proposed Acquisitions.

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3.2 The proforma effects of the Revised Proposed Acquisitions on the consolidated NA, NA per Share and gearing of the RSB based on its consolidated audited financial statements of the RSB Group and the Acquirees for the financial years/periods ended 31 August 2009 are as follows:-

Group Level	Audited	#Adjusted	After Revised	After Full
	as at	as at	Proposed	Conversion
	31.08.09	31.08.09	Acquisitions	of ICPS
	RM'000	RM'000	RM'000	RM'000
Share capital - ordinary	64,133	64,133	78,299	175,286
Share capital – ICPS	-	-	96,987	-
Share premium	6,866	6,866	184,709	184,709
Merger reserve/(deficit)	(44,630)	(77,446)	(296,228)	(296,228)
Retained profits	61,448	60,700	^14,853	^14,853
Shareholders' Funds/ NA [#]	87,817	54,253	78,620	78,620
No. of RSB Shares ('000)	128,267	128,267	156,598	350,571
NA per RSB Share (RM)	0.68	0.42	0.50	0.22
Total borrowings (RM'000)	154,158	154,172	451,590	451,590
Gearing * (times)	1.8	2.8	* 5.7	* 5.7

Notes:-

The adjusted NA of the RSB Group takes into account the effects of the recent acquisitions by RSB of 100% equity interest in Lumiera Enterprise Sdn Bhd and 85% equity interest in Woodijaya Sdn Bhd which were completed on 22 December 2009.

^ After taking into consideration estimated expenses incidental to the Proposals of RM2.0 million.

* The gearing of the proforma enlarged RSB Group appears high after the Revised Proposed Acquisitions mainly due to the recognition of the additional deficit merger reserves amounting to RM218.8 million upon the consolidation of the Acquirees by RSB using the merger accounting method. Had the purchase method of accounting been adopted, the proforma NA of the enlarged RSB Group after the Revised Proposed Acquisitions would have been higher and the proforma gearing of RSB would be lower at approximately 1.2 times.

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3.3 The effects of the Revised Proposed Acquisitions on the substantial shareholders' shareholdings of RSB based on the Register of Substantial Shareholders of RSB as at 15 April 2010 are as follows:-

	Existing as at 15 April 2010				After the Revised Proposed Acquisitions				Upon full conversion of ICPS			
	Direct		Indirect		Direct		Indirect		Direct		Indirect	
	No of Shares	%	No of Shares	%	No of Shares	%	No of Shares	%	No of Shares	%	No of Shares	%
TTSH	31,037,594	24.20	-	-	35,124,394	22.43	^a 12,264,221	7.83	35,249,523	10.63	^a 185,077,408	52.79
RHSA	15,073,100	11.75	-	-	15,073,100	9.63	-	-	15,073,100	4.30	-	-
PAA	10,903,600	8.50	^b 17,033,900	13.28	10,903,600	6.96	^b 24,927,479	15.92	10,903,600	3.11	^b 41,685,572	11.89
TSL	7,047,500	5.49	^c 47,410,994	36.96	11,134,300	7.11	^c 59,391,373	37.93	13,259,429	3.78	^c 78,274,595	22.33
TTSE	1,300,300	1.01	^d 15,073,100	11.75	1,300,300	0.83	^d 22,966,679	14.67	1,300,300	0.37	^d 39,724,772	11.33
Tan Sri Tiong	300,000	0.23	^e 69,366,794	54.08	300,000	0.19	^e 97,698,194	62.39	300,000	0.09	^e 291,519,732	83.16
Rejang Height	-	-	-	-	-	-	-	-	16,758,093	4.78	-	-
PJP	-	-	-	-	12,264,221	7.83	-	-	175,275,083	50.00	-	-
Kendaie	-	-	-	-	7,893,579	5.04	-	-	7,893,579	2.25	-	-

Notes:-

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

This announcement is dated 16 April 2010.