



RIMBUNAN SAWIT BERHAD

(Company No. 691393-U)

No. 85 & 86, Pusat Suria Permata, Jalan Upper Lanang 12A, 96000 Sibul, Sarawak, Malaysia

Telephone No.: 084-218555

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Interim Financial Statements

For the Three Months Ended 28 February 2007

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Condensed Consolidated Income Statements

For the Quarter Ended 28 February 2007

	3 months ended		6 months ended	
	28.02.2007	28.02.2006*	28.02.2007	28.02.2006*
	RM'000	RM'000	RM'000	RM'000
Revenue	33,156	5,560	68,773	5,560
Cost of sales	(24,188)	(3,977)	(50,384)	(3,977)
Gross profit	8,968	1,583	18,389	1,583
Other operating income	1,109	276	2,216	276
Distribution costs	(2,127)	(257)	(4,405)	(257)
Administrative and other expenses	(1,247)	(65)	(2,298)	(68)
Finance costs	(2,087)	(443)	(4,183)	(443)
Profit before taxation	4,616	1,094	9,719	1,091
Income tax expense	(1,217)	(291)	(2,687)	(291)
Profit for the period	3,399	803	7,032	800
Earnings per share (sen): -				
Basic earnings per share	2.65	3.12	5.48	6.25
Diluted earnings per share	N/A	N/A	N/A	N/A

* The comparative consolidated figures for the preceding year's corresponding quarter showed only the post-acquisition results from 8 February 2006 to 28 February 2006, as the Group was only formed on 8 February 2006.

The condensed consolidated income statements should be read in conjunction with the audited financial statements for the financial year ended 31 August 2006 and the accompanying explanatory notes attached to the interim financial statements.

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Condensed Consolidated Balance Sheet

As At 28 February 2007

	(Unaudited) As at 28.02.2007 RM'000	(Audited) As at 31.08.2006 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	48,315	47,697
Plantation development expenditure	70,591	71,277
Deferred tax assets	887	1,337
	<u>119,793</u>	<u>120,311</u>
Current assets		
Inventories	4,167	10,273
Trade receivables	3,410	3,185
Other receivables, deposits and prepayments	3,154	2,997
Short term investment	15,000	-
Cash and bank balances	4,302	1,323
Fixed deposits	108,486	111,994
	<u>138,519</u>	<u>129,772</u>
TOTAL ASSETS	<u><u>258,312</u></u>	<u><u>250,083</u></u>
EQUITY AND LIABILITIES		
Equity		
Share capital	64,133	64,133
Reserves	24,008	20,824
Total equity	<u>88,141</u>	<u>84,957</u>
Non-current liabilities		
Borrowings	93,000	93,000
Deferred tax liabilities	8,472	8,825
	<u>101,472</u>	<u>101,825</u>
Current liabilities		
Trade payables	8,413	9,066
Other payables and accruals	8,678	3,704
Borrowings	50,000	50,000
Provision for taxation	1,608	531
	<u>68,699</u>	<u>63,301</u>
Total liabilities	<u>170,171</u>	<u>165,126</u>
TOTAL EQUITY AND LIABILITIES	<u><u>258,312</u></u>	<u><u>250,083</u></u>
Net assets per share attributable to ordinary equity holders of the parent (RM)	<u>0.69</u>	<u>0.66</u>

The condensed consolidated balance sheet should be read in conjunction with the audited financial statements for the financial year ended 31 August 2006 and the accompanying explanatory notes attached to the interim financial statements.



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Condensed Consolidated Statement of Changes in Equity

For the Six-Month Period Ended 28 February 2007

	Share capital RM'000	< -- Non-Distributable -- > Share premium RM'000	Reserve on consolidation RM'000	Distributable Retained profits RM'000	Total RM'000
6 months ended 28.02.2007					
At 1 September 2006					
As previously stated	64,133	6,866	5,952	8,006	84,957
Prior year adjustment – effects of adopting of FRS 3	-	-	(5,952)	5,952	-
At 1 September 2006 (as restated)	64,133	6,866	-	13,958	84,957
Dividends approved in the previous financial year	-	-	-	(3,848)	(3,848)
Profit for the period	-	-	-	7,032	7,032
At 28 February 2007	64,133	6,866	-	17,142	88,141

6 months ended 28.02.2006

At 1 September 2005	#	-	-	(75)	(75)
Issue of ordinary shares:-					
Acquisition of subsidiaries	55,133	-	-	-	55,133
Arising from acquisition of subsidiaries	-	-	6,614	-	6,614
Profit for the period	-	-	-	800	800
At 28 February 2006	55,133	-	6,614	725	62,472

Denotes RM53

The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the financial year ended 31 August 2006 and the accompanying explanatory notes attached to the interim financial statements.


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Condensed Consolidated Cash Flow Statement
 For the Six-Month Period Ended 28 February 2007

	6 months ended	
	28.02.2007	28.02.2006
	RM'000	RM'000
Cash Flows from Operating Activities		
Profit before taxation	9,719	1,091
Adjustments for: -		
Interest expenses	4,184	443
Interest income	(2,084)	-
Depreciation of property, plant and equipment	3,016	360
Amortisation of plantation development expenditure	1,851	296
Operating profit before working capital changes	16,686	2,190
Decrease in inventories	6,106	-
(Increase) in receivables	(412)	(7,409)
Increase in payables	473	5,789
Cash generated from operations	22,853	570
Interest received	2,084	-
Interest paid	(37)	-
Tax paid	(2,406)	-
Tax refunded	924	-
Net cash provided by operating activities	23,418	570
Cash Flows from Investing Activities		
Acquisition of subsidiaries	-	32,195
Purchase of property, plant and equipment	(3,828)	-
Plantation development expenditure incurred (excluding depreciation capitalized)	(972)	-
Short-term investment	(15,000)	-
Net cash (used in) / provided by investing activities	(19,800)	32,195
Cash Flows from Financing Activities		
Return payments paid	(4,147)	(443)
Islamic deposits held on trust for Islamic Securities Investors	(192)	-
Net cash (used in) financing activities	(4,339)	(443)
Net (decrease) / increase in cash and cash equivalents	(721)	32,322
Cash and cash equivalents at beginning of financial period	93,722	#
Cash and cash equivalents at end of financial period	93,001	32,322

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Condensed Consolidated Cash Flow Statement (Cont'd)For the Six-Month Period Ended 28 February 2007

Cash and cash equivalents at the end of the financial period comprise the followings: -

	As at 28.02.2007 RM'000	As at 28.02.2006 RM'000
Cash and bank balances	4,302	285
Fixed deposits	108,486	51,051
	<hr/> 112,788	<hr/> 51,336
Less: Bank balances held on trust for Islamic Securities Investors	(1)	(1)
Islamic deposits held on trust for Islamic Securities Investors	(19,479)	(18,794)
Fixed deposits pledged for banking facilities	(307)	(219)
	<hr/> 93,001	<hr/> 32,322

Denotes RM53

The condensed consolidated cash flow statement should be read in conjunction with the audited financial statements for the financial year ended 31 August 2006 and the accompanying explanatory notes attached to the interim financial statements.



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Part A – Explanatory Notes Pursuant to FRS 134

1. Basis of Preparation

The unaudited interim financial statements have been prepared in accordance with *FRS 134: Interim Financial Reporting* and *Chapter 9 Appendix 9B of the 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 August 2006. 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 August 2006.

The significant accounting policies and methods of computation adopted by the Group in the interim financial statements are consistent with those adopted in the audited financial statements for the financial year ended 31 August 2006, except for the adoption of new and revised Financial Reporting Standards (“FRS”) issued by the Malaysian Accounting Standard Board (“MASB”) that are effective for the financial year beginning 1 September 2006.

Details of the changes in accounting policies resulting from the adoption of new and revised FRS are set out in Note 2.

2. Changes in Accounting Policies

The following sets out information on the changes in accounting policies for the financial year beginning 1 September 2006 which have been reflected in this interim financial report.

(a) FRS 3: *Business Combinations*

The adoption of FRS 3 has resulted in the Group ceasing annual goodwill amortisation. Goodwill, which is carried at cost less accumulated impairment losses, is now tested for annual impairment. Any impairment loss is recognised in profit and loss and subsequent reversal is not allowed. Prior to 1 September 2006, goodwill was written off in the financial year it arose. The change in accounting policy had no effect on the interim financial statements as the goodwill had been fully written off as at 1 September 2006.

In addition, under FRS 3, any excess of the Group’s interest in the net fair value of acquirees’ identifiable assets, liabilities and contingent liabilities over cost of acquisitions (previously referred to as “negative goodwill”), after reassessment, is recognised immediately in profit or loss. Prior to 1 September 2006, the Group reflected the negative goodwill as reserve on consolidation and was amortised over 10 years. In accordance with the transitional provisions of FRS 3, the reserve on consolidation as at 1 September 2006 of RM5,952,000 was derecognised with a corresponding increase in retained earnings.



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

3. Auditors' Report on Preceding Annual Financial Statements

The auditors' report on the financial statements for the financial year ended 31 August 2006 was not subject to any qualification.

4. 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 the 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.

5. Unusual Items due to Their Nature, Size or Incidence

There were no unusual items affecting assets, liabilities, equity, net income or cash flows during the current quarter and the financial period-to-date except as disclosed in Note 6.

6. Changes in Estimates

The Group revised the estimated useful lives of its oil palm plantation from 20 years to 25 years with effect from 1 September 2006. The revisions were accounted for as change in accounting estimates and as a result, the amortisation charges for the current quarter and the current financial period ended 28 February 2007 have been reduced by RM684,516.

There were no other changes in estimates that have had a material effect in the current quarter and the financial period-to-date results.

7. Debt and Equity Securities

There were no issuances, cancellations, repurchases, resale and repayments of debt and equity securities during the 3-month financial period ended 28 February 2007.

8. Dividends Paid

No dividends were paid for the 3-month financial period ended 28 February 2007.

9. Segmental Information

The Group operates solely in Malaysia and the Group's predominant activities are cultivation of oil palm and milling operations, which are within a single business segment. Therefore, segmental reporting is deemed not necessary.



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

10. Property, Plant and Equipment

(a) Acquisitions and Disposals

During the 3-month financial period ended 28 February 2007, the Group acquired items of property, plant and equipment with a cost of RM1.8 million.

There had been no major disposals of items of property, plant and equipment during the 3-month financial period ended 28 February 2007.

(b) Impairment Losses

Neither losses from impairment of property, plant and equipment nor reversal of such impairment losses were recognised during the 3-month financial period ended 28 February 2007.

(c) Valuations

As at 28 February 2007, the Group did not have any revalued assets.

11. Subsequent Events

There were no material events after the period end that had not been reflected in the financial statements for the financial period ended 28 February 2007.

12. Changes in Composition of the Group

There were no changes in the composition of the Group during the 3-month financial period ended 28 February 2007.

13. Changes in Contingent Liabilities and Contingent Assets

As at 18 April 2007, there were no material contingent liabilities or contingent assets that upon being enforceable, might have a material impact on the financial position or business of the Group.

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

14. Capital Commitment

Save as disclosed below, as at 18 April 2007, there was no material commitment for capital expenditure contracted for or known to be contracted by the Group which might have a material impact on the financial position or business of the Group: -

	RM'000
Approved and contracted for	2,047
Approved but not contracted for	234
	<hr/>
	2,281
	<hr/>

15. Related Party Transactions

	3 months ended 28.02.2007 RM'000	6 months ended 28.02.2007 RM'000
Purchase of fresh fruit bunches	4,785	10,341
Purchase of fertiliser and chemical	1,788	2,891
Purchase of diesel	848	1,815
Purchase of spare parts, harvesting and weeding tools, transportation, repair and maintenance	559	1,434
Insurance premium charged	50	177
	<hr/>	<hr/>

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

16. Review of Performance

For the current quarter, the Group recorded revenue of RM33.2 million, contributed mainly from the sales of crude palm oil and palm kernel. In line with the revenue recorded, the Group reported a profit before taxation of RM4.6 million.

17. Material Change in Profit Before Taxation For The Quarter Compared To Immediate Preceding Quarter

The Group recorded a profit before taxation of RM4.6 million for the current quarter as compared to the profit before taxation of RM5.1 million in the preceding quarter. The decrease was mainly attributable to lower production and higher administrative cost.

18. Commentary on Prospects

The Group's financial performance is mainly dependent on the demand for crude palm oil and palm kernel in the world edible oil market and their corresponding prices. Assuming that the current crude palm oil price will sustain, the Group expects its performance to be satisfactory for the financial year ending 31 August 2007 barring unforeseen circumstances.

19. Actual Profit Against Profit Forecast And Profit Guarantee

The Group did not issue any profit forecast and profit guarantee.

20. Income Tax Expense

	3 months ended		6 months ended	
	28.02.2007	28.02.2006	28.02.2007	28.02.2006
	RM'000	RM'000	RM'000	RM'000
Current tax	1,060	330	2,590	330
Deferred tax	157	(39)	97	(39)
Total income tax expense	1,217	291	2,687	291

21. Sales of Unquoted Investments and Properties

There were no sales of unquoted investments and properties for the 3-month financial period ended 28 February 2007.

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Part B – Explanatory Notes Pursuant to Appendix 9B of the Listing Requirements of Bursa Malaysia Securities Berhad (Cont'd)

22. Quoted Securities

There was no purchase or disposal of quoted securities for the 3-month financial period ended 28 February 2007.

23. Corporate Proposals**(a) Status of Corporate Proposals**

There were no corporate proposals announced as at 18 April 2007.

(b) Status of Utilisation of Proceeds

The proceeds from Public Issue were approved for the following activities and the status of utilisation of proceeds as at 18 April 2007 is summarised below: -

Purpose	Proposed Utilisation RM'000	Actual Utilisation RM'000	Intended Timeframe for Utilisation	Deviation		Remarks
				RM'000	%	
Working capital	15,500	5,315	By End of 2007	10,185	65.7	
Listing expenses	2,500	2,134	Fully utilised	366	14.6	*
	<u>18,000</u>	<u>7,449</u>		<u>10,551</u>		

* Actual expenses for the listing exercise amounted to RM2,134,000. As stated in the Company's prospectus dated 31 May 2006, the excess of RM366,000 will be utilised for working capital requirements.

24. Borrowings and Debt Securities

	As at 28.02.2007 RM'000	As at 31.08.2006 RM'000
Current		
Islamic securities, secured	50,000	50,000
Non-current		
Islamic securities, secured	93,000	93,000
	<u>143,000</u>	<u>143,000</u>

The Group did not have any borrowings denominated in foreign currency.

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Part B – Explanatory Notes Pursuant to Appendix 9B of the Listing Requirements of Bursa Malaysia Securities Berhad (Cont'd)

25. Off Balance Sheet Financial Instruments

There were no off balance sheet financial instruments as at 18 April 2007.

26. Changes in Material Litigation

As at 18 April 2007, neither the Company nor any of its subsidiary companies were engaged in any litigation or arbitration, either as plaintiff or defendant, which had a material effect on the financial position of the Company or any of its subsidiaries and the Board of Directors was not aware of any proceedings pending or threatened, or of any fact likely to give rise to any proceedings, which might materially and adversely affect the position or business of the Company or any of its subsidiaries.

27. Dividend Payable

No interim dividend has been declared for the 3-month financial period ended 28 February 2007.

On 6 December 2006, the Board of Directors proposed a first and final dividend of 3.0 sen per ordinary share, tax exempt, in respect of the financial year ended 31 August 2006, which was approved by shareholders at the Annual General Meeting on 30 January 2007.

28. Earnings per Share

Basic earnings per share is calculated by dividing profit for the period attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares in issue during the period.

	3 months ended		6 months ended	
	28.02.2007	28.02.2006	28.02.2007	28.02.2006
	RM'000	RM'000	RM'000	RM'000
Profit for the period	3,399	803	7,032	800
Weighted average number of ordinary shares in issue ('000)	128,267	12,793	128,267	25,729
Basic earnings per share (sen)	2.65	3.12	5.48	6.25

Diluted earnings per share were not computed as the Company did not have any convertible financial instruments as at 28 February 2007.

29. Authorisation for Issue

The interim financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 27 April 2007.