

PROFORMA CONSOLIDATED BALANCE SHEETS OF RSB GROUP AS AT 31 AUGUST 2009 AND REPORTING ACCOUNTANTS' LETTER THEREON



HII & LEE (AF0123)
Chartered Accountants

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|---|---------------------|-------------|-------------------|
| ■ Address | ■ Telephone | ■ Facsimile | ■ Email |
| 2nd Floor, No. 1, Lorong Pahlawan 7A2 Jalan Pahlawan P. O. Box 505 96007 Sibul, Sarawak. | 084-211777(4 lines) | 084-216622 | hii_lee@tm.net.my |

22 July 2010

The Board of Directors
Rimbunan Sawit Berhad
No. 85 & 86, Pusat Suria Permata
Jalan Upper Lanang 12A
96000 Sibul, Sarawak

Dear Sirs,

**RIMBUNAN SAWIT BERHAD (“RSB” OR “THE COMPANY”)
PROFORMA CONSOLIDATED BALANCE SHEETS AS AT 31 AUGUST 2009**

We have reviewed the presentation of Proforma Consolidated Balance Sheets of RSB and its subsidiary companies (hereinafter referred to as “RSB Group”) as at 31 August 2009 prepared for illustrative purposes, together with the notes thereon as set out in the accompanying statement, for which the Directors of RSB are solely responsible, for the purpose of inclusion in the Circular to Shareholders to be dated 27 July 2010 in connection with the following Proposals:-

- (a) the proposed acquisitions of equity interests in the following companies and the commercial rights of the licence for planted forests held by Rejang Height Sdn Bhd (“Simunjan”) for an aggregate purchase consideration of RM288,995,534 to be wholly satisfied by the issuance of 28,331,400 new ordinary shares of RM0.50 each and 193,972,857 new irredeemable convertible preference shares (“ICPSs”) of RM0.50 each in RSB at an issue price of RM1.30 per ordinary share/ICPS:-
- (i) proposed acquisition of 5,000,000 ordinary shares of RM1.00 each in Jayamax Plantation Sdn Bhd (“Jayamax”), representing 100% of its issued and paid-up share capital from Pemandangan Jauh Plantation Sdn Bhd (“PJP”), Teck Sing Lik Enterprise Sdn Bhd (“TSL”) and Tiong Toh Siong Holdings Sdn Bhd (“TTSH”), for a purchase consideration of RM40,377,536 to be satisfied by the issuance of 20,437,821 new ordinary shares of RM0.50 each and 10,621,823 new ICPSs of RM0.50 each in RSB;
 - (ii) proposed acquisition of 1,062,500 ordinary shares of RM1.00 each in Novelpac-Puncakdana Plantation Sdn Bhd (“Novelpac”), representing 85% of its issued and paid-up share capital from Kendaie Oil Palm Plantation Sdn Bhd (“Kendaie”), for a purchase consideration of RM10,261,653 to be satisfied by the issuance of 7,893,579 new ordinary shares of RM0.50 each in RSB;
 - (iii) proposed acquisition of 5,200,000 ordinary shares of RM1.00 each in Lubuk Tiara Sdn Bhd (“Lubuk Tiara”), representing 65% of its issued and paid-up share capital from PJP, for a purchase consideration of RM30,105,354 to be satisfied by the issuance of 23,157,965 new ICPSs of RM0.50 each in RSB;
 - (iv) proposed acquisition of 3,332,000 ordinary shares of RM1.00 each in Pelita-Splendid Plantation Sdn Bhd (“Splendid”), representing 70% of its issued and paid-up share capital from PJP, for a purchase consideration of RM9,679,133 to be satisfied by the issuance of 7,445,487 new ICPSs of RM0.50 each in RSB;

PROFORMA CONSOLIDATED BALANCE SHEETS OF RSB GROUP AS AT 31 AUGUST 2009 AND REPORTING ACCOUNTANTS' LETTER THEREON (Cont'd)

- (v) proposed acquisition of 2,808,098 ordinary shares of RM1.00 each in PJP Pelita Biawak Plantation Sdn Bhd ("Biawak"), representing 70% of its issued and paid-up share capital from PJP, for a purchase consideration of RM53,960,282 to be satisfied by the issuance of 41,507,909 new ICPSs of RM0.50 each in RSB;
 - (vi) proposed acquisition of 581,760 ordinary shares of RM1.00 each in PJP Pelita Ekang-Banyok Plantation Sdn Bhd ("Ekang"), representing 60% of its issued and paid-up share capital from PJP, for a purchase consideration of RM6,935,286 to be satisfied by the issuance of 5,334,835 new ICPSs of RM0.50 each in RSB;
 - (vii) proposed acquisition of 3,628,800 ordinary shares of RM1.00 each in PJP Pelita Lundu Plantation Sdn Bhd ("Lundu"), representing 60% of its issued and paid-up share capital from PJP, for a purchase consideration of RM81,165,511 to be satisfied by the issuance of 62,435,008 new ICPSs of RM0.50 each in RSB;
 - (viii) proposed acquisition of 7,200,000 ordinary shares of RM1.00 each in PJP Pelita Selangau Plantation Sdn Bhd ("Selangau"), representing 60% of its issued and paid-up share capital from Ladang Hijau (Sarawak) Sdn Bhd ("Ladang Hijau"), for a purchase consideration of RM12,743,022 to be satisfied by the issuance of 9,802,325 new ICPSs of RM0.50 each in RSB;
 - (ix) proposed acquisition of 5,184,000 ordinary shares of RM1.00 each in PJP Pelita Ulu Teru Plantation Sdn Bhd ("Ulu Teru"), representing 60% of its issued and paid-up share capital from PJP, for a purchase consideration of RM21,982,236 to be satisfied by the issuance of 16,909,412 new ICPSs of RM0.50 each in RSB; and
 - (x) proposed acquisition of the commercial rights of Simunjan from Rejang Height Sdn Bhd for a purchase consideration of RM21,785,521 to be satisfied by the issuance of 16,758,093 new ICPSs of RM0.50 each in RSB; and
- (b) the proposed amendments to the Memorandum and Articles of Association of RSB to facilitate the issuance of ICPSs.

In our opinion:-

- (a) the Proforma Consolidated Balance Sheets as at 31 August 2009 have been properly compiled on the basis as set out in the notes to the Proforma Consolidated Balance Sheets;
- (b) such basis is consistent with the accounting policies adopted by RSB Group in its audited financial statements for the financial year ended 31 August 2009; and
- (c) the adjustments made to the information used in the preparation of the Proforma Consolidated Balance Sheets as at 31 August 2009 are appropriate for the purpose of the Proforma Consolidated Balance Sheets.

We understand that this report will be used for inclusion in the Circular to Shareholders in connection with the abovementioned Proposals. As such, this report should not be used or referred to, in whole or in part, for any other purposes without our prior written consent.

Yours faithfully



WII & LEE
AF 0123
Chartered Accountants



LAU KING YUNG
1326/09/10(J)
Partner

PROFORMA CONSOLIDATED BALANCE SHEETS OF RSB GROUP AS AT 31 AUGUST 2009 AND REPORTING ACCOUNTANTS' LETTER THEREON (Cont'd)

**RIMBUNAN SAWIT BERHAD
PROFORMA CONSOLIDATED BALANCE SHEETS AS AT 31 AUGUST 2009**

The Proforma Consolidated Balance Sheets of RSB Group have been prepared solely to illustrate the proforma effects of the Proposals stated on the assumption that the Proposals had been completed as at 31 August 2009. The following results are to be read in conjunction with the notes thereon.

| | | | Proforma I After Proposed Acquisitions RM'000 | Proforma II After Proforma I and Full Conversion of ICPSs RM'000 |
|---|------|--------------------------------|---|--|
| | Note | Audited RSB Group RM'000 | Adjusted RSB Group RM'000 | |
| ASSETS | | | | |
| Non-current assets | | | | |
| Property, plant and equipment | | 81,297 | 81,404 | 203,650 |
| Prepaid lease rentals | | 13,199 | 23,031 | 51,069 |
| Intangible assets | | 3,340 | 29,102 | 70,239 |
| Biological assets | | 107,999 | 109,200 | 341,024 |
| Deferred tax assets | | 2,868 | 2,868 | 2,868 |
| | | 208,703 | 245,605 | 668,850 |
| Current assets | | | | |
| Inventories | | 5,575 | 5,575 | 14,839 |
| Trade and other receivables | | 17,284 | 9,590 | 60,539 |
| Tax refundable | | 71 | 71 | 71 |
| Deposits, cash and bank balances | | 50,903 | 4 | 85 |
| | | 73,833 | 15,240 | 75,534 |
| TOTAL ASSETS | | 282,536 | 260,845 | 744,384 |
| EQUITY AND LIABILITIES | | | | |
| Equity attributable to equity holders of the Company | | | | |
| Share capital | 3 | | | |
| - Ordinary shares | | 64,133 | 64,133 | 78,299 |
| - ICPSs | | - | - | 96,987 |
| Share premium | 4 | 6,866 | 6,866 | 184,709 |
| Merger reserves | 5 | (44,630) | (77,446) | (296,228) |
| Retained profits | | 61,448 | 60,700 | 14,853 |
| | | 87,817 | 54,253 | 78,620 |
| Minority interests | | - | - | 10,733 |
| Total equity | | 87,817 | 54,253 | 89,353 |
| Non-current liabilities | | | | |
| Borrowings | | 119,850 | 119,850 | 385,461 |
| Deferred tax liabilities | | 18,834 | 18,834 | 18,971 |
| | | 138,684 | 138,684 | 404,432 |
| Current liabilities | | | | |
| Trade and other payables | | 20,548 | 32,407 | 183,291 |
| Borrowings – bank overdrafts | | 208 | 222 | 12,075 |
| – other borrowings | | 34,100 | 34,100 | 54,054 |
| Provision for taxation | | 1,179 | 1,179 | 1,179 |
| | | 56,035 | 67,908 | 250,599 |
| Total liabilities | | 194,719 | 206,592 | 655,031 |
| TOTAL EQUITY AND LIABILITIES | | 282,536 | 260,845 | 744,384 |

PROFORMA CONSOLIDATED BALANCE SHEETS OF RSB GROUP AS AT 31 AUGUST 2009 AND REPORTING ACCOUNTANTS' LETTER THEREON (Cont'd)

**RIMBUNAN SAWIT BERHAD
PROFORMA CONSOLIDATED BALANCE SHEETS AS AT 31 AUGUST 2009 (CONTINUED)**

Notes to the Proforma Consolidated Balance Sheets

1. Basis of preparation

The Proforma Consolidated Balance Sheets have been prepared for illustrative purposes, based on the audited consolidated balance sheet of RSB Group as at 31 August 2009.

The Proforma Consolidated Balance Sheets, for which the Directors of RSB are solely responsible, have been prepared based on the accounting principles and bases consistent with those previously adopted by RSB Group in the preparation of the audited financial statements for the financial year ended 31 August 2009.

On 22 December 2009, RSB completed the following acquisitions:-

- (a) acquisition of 200,000 ordinary shares of RM1.00 each in Lumiera Enterprise Sdn Bhd ("Lumiera"), representing 100% of its issued and paid-up share capital from Kendaie, Pertumbuhan Abadi Asia Sdn Bhd and TSL, for a cash consideration of RM31,018,000; and
- (b) acquisition of 10,200 ordinary shares of RM1.00 each in Woodijaya Sdn Bhd ("Woodijaya"), representing 85% of its issued and paid-up share capital from Tumbuh Tiasa Sdn Bhd, for a cash consideration of RM27,576,000.

For the purpose of illustration, the Proforma Consolidated Balance Sheets assume RSB Group as at 31 August 2009 includes Lumiera and Woodijaya.

2. Bases and assumptions

The Proforma Consolidated Balance Sheets incorporate, on a proforma basis, the following transactions as though they have been effected on 31 August 2009:-

Proforma I: The Proposed Acquisitions

Proforma I incorporates the acquisitions of equity interests in the following companies and the commercial rights of Simunjan for an aggregate purchase consideration of RM288,995,534 to be wholly satisfied by the issuance of 28,331,400 new ordinary shares of RM0.50 each and 193,972,857 new ICPSs of RM0.50 each in RSB at an issue price of RM1.30 per ordinary share/ICPS:-

- (a) acquisition of 5,000,000 ordinary shares of RM1.00 each in Jayamax, representing 100% of its issued and paid-up share capital from PJP, TSL and TTSH, for a purchase consideration of RM40,377,536 to be satisfied by the issuance of 20,437,821 new ordinary shares of RM0.50 each and 10,621,823 new ICPSs of RM0.50 each in RSB;
- (b) acquisition of 1,062,500 ordinary shares of RM1.00 each in NoveIpac, representing 85% of its issued and paid-up share capital from Kendaie, for a purchase consideration of RM10,261,653 to be satisfied by the issuance of 7,893,579 new ordinary shares of RM0.50 each in RSB;
- (c) acquisition of 5,200,000 ordinary shares of RM1.00 each in Lubuk Tiara, representing 65% of its issued and paid-up share capital from PJP, for a purchase consideration of RM30,105,354 to be satisfied by the issuance of 23,157,965 new ICPSs of RM0.50 each in RSB;

PROFORMA CONSOLIDATED BALANCE SHEETS OF RSB GROUP AS AT 31 AUGUST 2009 AND REPORTING ACCOUNTANTS' LETTER THEREON (Cont'd)**RIMBUNAN SAWIT BERHAD****PROFORMA CONSOLIDATED BALANCE SHEETS AS AT 31 AUGUST 2009 (CONTINUED)****Notes to the Proforma Consolidated Balance Sheets (Continued)**

2. Bases and assumptions (continued)

Proforma I: The Proposed Acquisitions (continued)

- (d) acquisition of 3,332,000 ordinary shares of RM1.00 each in Splendid, representing 70% of its issued and paid-up share capital from PJP, for a purchase consideration of RM9,679,133 to be satisfied by the issuance of 7,445,487 new ICPSs of RM0.50 each in RSB;
- (e) acquisition of 2,808,098 ordinary shares of RM1.00 each in Biawak, representing 70% of its issued and paid-up share capital from PJP, for a purchase consideration of RM53,960,282 to be satisfied by the issuance of 41,507,909 new ICPSs of RM0.50 each in RSB;
- (f) acquisition of 581,760 ordinary shares of RM1.00 each in Ekang, representing 60% of its issued and paid-up share capital from PJP, for a purchase consideration of RM6,935,286 to be satisfied by the issuance of 5,334,835 new ICPSs of RM0.50 each in RSB;
- (g) acquisition of 3,628,800 ordinary shares of RM1.00 each in Lundu, representing 60% of its issued and paid-up share capital from PJP, for a purchase consideration of RM81,165,511 to be satisfied by the issuance of 62,435,008 new ICPSs of RM0.50 each in RSB;
- (h) acquisition of 7,200,000 ordinary shares of RM1.00 each in Selangau, representing 60% of its issued and paid-up share capital from Ladang Hijau, for a purchase consideration of RM12,743,022 to be satisfied by the issuance of 9,802,325 new ICPSs of RM0.50 each in RSB;
- (i) acquisition of 5,184,000 ordinary shares of RM1.00 each in Ulu Teru, representing 60% of its issued and paid-up share capital from PJP, for a purchase consideration of RM21,982,236 to be satisfied by the issuance of 16,909,412 new ICPSs of RM0.50 each in RSB; and
- (j) acquisition of the commercial rights of Simunjan from Rejang Height Sdn Bhd for a purchase consideration of RM21,785,521 to be satisfied by the issuance of 16,758,093 new ICPSs of RM0.50 each in RSB.

Proforma II: After Proforma I and Full Conversion of ICPSs

Proforma II incorporates Proforma I and assumes full conversion of ICPSs.

PROFORMA CONSOLIDATED BALANCE SHEETS OF RSB GROUP AS AT 31 AUGUST 2009 AND REPORTING ACCOUNTANTS' LETTER THEREON (Cont'd)

**RIMBUNAN SAWIT BERHAD
PROFORMA CONSOLIDATED BALANCE SHEETS AS AT 31 AUGUST 2009 (CONTINUED)**

Notes to the Proforma Consolidated Balance Sheets (Continued)

3. Share capital

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

| | < -- Ordinary shares -- > | | < ----- ICPSs ----- > | |
|--|---------------------------|---------------|-----------------------|---------------|
| | No. of shares '000 | Amount RM'000 | No. of shares '000 | Amount RM'000 |
| Per audited financial statements as at 31 August 2009 | 128,267 | 64,133 | - | - |
| Issuance of shares pursuant to the Proposed Acquisitions | 28,331 | 14,166 | 193,973 | 96,987 |
| Proforma I | 156,598 | 78,299 | 193,973 | 96,987 |
| Full conversion of ICPSs | 193,973 | 96,987 | (193,973) | (96,987) |
| Proforma II | 350,571 | 175,286 | - | - |

4. Share premium

The proforma effects of the Proposals on the share premium of the Company are as follows:-

| | RM'000 |
|--|---------|
| Per audited financial statements as at 31 August 2009 | 6,866 |
| Issuance of shares pursuant to the Proposed Acquisitions | 177,843 |
| Proforma I and II | 184,709 |

5. Merger reserves

The proforma effects of the Proposals on the merger reserves of the Company are as follows:-

| | RM'000 |
|---|---------|
| Per audited financial statements as at 31 August 2009 | 44,630 |
| Acquisitions of Lumiera and Woodijaya | 32,816 |
| Adjusted balance | 77,446 |
| Proposed Acquisitions | 218,782 |
| Proforma I and II | 296,228 |

DIRECTORS' REPORT ON THE ACQUIREES

JAYAMAX PLANTATION SDN. BHD.

(Company No. 318819-W)

No. 66-78, Pusat Suria Permata, Jalan Upper Lanang,

96000 Sibul, Sarawak.

Tel: 084-216155 Fax: 084-215217

Date : 22 July 2010

To: The Shareholders of Rimbunan Sawit Berhad

Dear Sir / Madam,

On behalf of the Board of Directors of Jayamax Plantation Sdn Bhd ("Jayamax"), I wish to report that after due enquiry during the period from 31 August 2009 (being the date to which the last audited financial statements of Jayamax have been made up to) to the date hereof (being a date not earlier than fourteen (14) days before the issuance of this Circular):-

- (a) the business of Jayamax has, in the opinion of the Directors, been satisfactorily maintained;
- (b) in the opinion of the Directors, no circumstances have arisen since the last audited financial statements of Jayamax which have adversely affected the trading or the value of the assets of Jayamax;
- (c) the current assets of Jayamax appear in the books at values which are believed to be realisable in the ordinary course of business;
- (d) there are no contingent liabilities that have arisen by reason of any guarantees or indemnities given by Jayamax;
- (e) there has been no default or any known event, since the last audited financial statements of Jayamax, that could give rise to a default situation, in respect of payments of either interest and/or principal sums in relation to any borrowings of Jayamax in which the Directors are aware of; and
- (f) there have been, since the last audited financial statements of Jayamax, no material changes in the published reserves or any unusual factors affecting the profits of Jayamax.

Yours faithfully,
For and on behalf of the Board of Directors of
JAYAMAX PLANTATION SDN BHD



TIONG KIONG KING
DIRECTOR

DIRECTORS' REPORT ON THE ACQUIREES (Cont'd)

NOVELPAC-PUNCAKDANA PLANTATION SDN. BHD.

(Company No. 378441-K)

No. 66-78, Pusat Suria Permata, Jalan Upper Lanang,

96000 Sibu, Sarawak.

Tel: 084-216155 Fax: 084-215217

Date : 22 July 2010

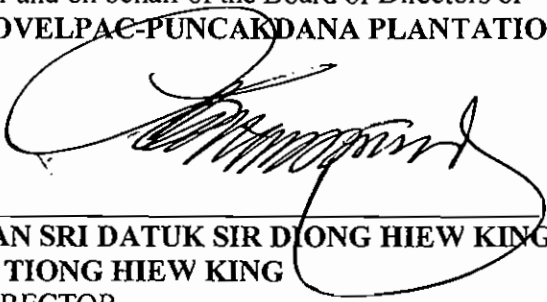
To: The Shareholders of Rimbunan Sawit Berhad

Dear Sir / Madam,

On behalf of the Board of Directors of Novelpac-Puncakdana Plantation Sdn Bhd ("Novelpac"), I wish to report that after due enquiry during the period from 31 August 2009 (being the date to which the last audited financial statements of Novelpac have been made up to) to the date hereof (being a date not earlier than fourteen (14) days before the issuance of this Circular):-

- (a) the business of Novelpac has, in the opinion of the Directors, been satisfactorily maintained;
- (b) in the opinion of the Directors, no circumstances have arisen since the last audited financial statements of Novelpac which have adversely affected the trading or the value of the assets of Novelpac;
- (c) the current assets of Novelpac appear in the books at values which are believed to be realisable in the ordinary course of business;
- (d) there are no contingent liabilities that have arisen by reason of any guarantees or indemnities given by Novelpac;
- (e) there has been no default or any known event, since the last audited financial statements of Novelpac, that could give rise to a default situation, in respect of payments of either interest and/or principal sums in relation to any borrowings of Novelpac in which the Directors are aware of; and
- (f) there have been, since the last audited financial statements of Novelpac, no material changes in the published reserves or any unusual factors affecting the profits of Novelpac.

Yours faithfully,

For and on behalf of the Board of Directors of
NOVELPAC-PUNCAKDANA PLANTATION SDN BHD
TAN SRI DATUK SIR TIONG HIEW KING
@ TIONG HIEW KING
DIRECTOR

DIRECTORS' REPORT ON THE ACQUIREES (Cont'd)

LUBUK TIARA SDN. BHD.

(Company No. 327877-U)

No. 66-78, Pusat Suria Permata, Jalan Upper Lanang,
96000 Sibul, Sarawak.

Tel: 084-216155 Fax: 084-215217

Date : 22 July 2010

To: The Shareholders of Rimbunan Sawit Berhad

Dear Sir / Madam,

On behalf of the Board of Directors of Lubuk Tiara Sdn Bhd ("Lubuk Tiara"), I wish to report that after due enquiry during the period from 31 August 2009 (being the date to which the last audited financial statements of Lubuk Tiara have been made up to) to the date hereof (being a date not earlier than fourteen (14) days before the issuance of this Circular):-

- (a) the business of Lubuk Tiara has, in the opinion of the Directors, been satisfactorily maintained;
- (b) in the opinion of the Directors, no circumstances have arisen since the last audited financial statements of Lubuk Tiara which have adversely affected the trading or the value of the assets of Lubuk Tiara;
- (c) the current assets of Lubuk Tiara appear in the books at values which are believed to be realisable in the ordinary course of business;
- (d) there are no contingent liabilities that have arisen by reason of any guarantees or indemnities given by Lubuk Tiara;
- (e) there has been no default or any known event, since the last audited financial statements of Lubuk Tiara, that could give rise to a default situation, in respect of payments of either interest and/or principal sums in relation to any borrowings of Lubuk Tiara in which the Directors are aware of; and
- (f) there have been, since the last audited financial statements of Lubuk Tiara, no material changes in the published reserves or any unusual factors affecting the profits of Lubuk Tiara.

Yours faithfully,

For and on behalf of the Board of Directors of
LUBUK TIARA SDN BHD

TIONG KHONG KING
DIRECTOR

DIRECTORS' REPORT ON THE ACQUIREES (Cont'd)

PELITA-SPLENDID PLANTATION SDN. BHD.

(Company No. 398311-P)

No. 66-78, Pusat Suria Permata, Jalan Upper Lanang,

96000 Sibul, Sarawak.

Tel: 084-216155 Fax: 084-215217

Date : 22 July 2010

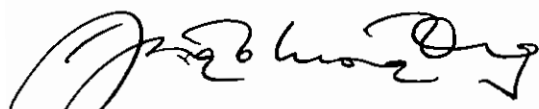
To: The Shareholders of Rimbunan Sawit Berhad

Dear Sir / Madam,

On behalf of the Board of Directors of Pelita-Splendid Plantation Sdn Bhd ("Splendid"), I wish to report that after due enquiry during the period from 31 August 2009 (being the date to which the last audited financial statements of Splendid have been made up to) to the date hereof (being a date not earlier than fourteen (14) days before the issuance of this Circular):-

- (a) the business of Splendid has, in the opinion of the Directors, been satisfactorily maintained;
- (b) in the opinion of the Directors, no circumstances have arisen since the last audited financial statements of Splendid which have adversely affected the trading or the value of the assets of Splendid;
- (c) the current assets of Splendid appear in the books at values which are believed to be realisable in the ordinary course of business;
- (d) there are no contingent liabilities that have arisen by reason of any guarantees or indemnities given by Splendid;
- (e) there has been no default or any known event, since the last audited financial statements of Splendid, that could give rise to a default situation, in respect of payments of either interest and/or principal sums in relation to any borrowings of Splendid in which the Directors are aware of; and
- (f) there have been, since the last audited financial statements of Splendid, no material changes in the published reserves or any unusual factors affecting the profits of Splendid.

Yours faithfully,
For and on behalf of the Board of Directors of
PELITA-SPLENDID PLANTATION SDN BHD



TIONG CHIONG ONG
DIRECTOR

DIRECTORS' REPORT ON THE ACQUIREES (Cont'd)

PJP PELITA BIAWAK PLANTATION SDN. BHD.

(Company No. 358147-P)

No. 66-78, Pusat Suria Permata, Jalan Upper Lanang,
96000 Sibu, Sarawak.

Tel: 084-216155 Fax: 084-215217

Date : 22 July 2010

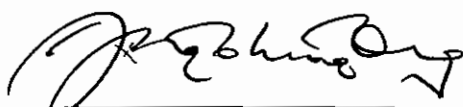
To: The Shareholders of Rimbunan Sawit Berhad

Dear Sir / Madam,

On behalf of the Board of Directors of PJP Pelita Biawak Plantation Sdn Bhd ("Biawak"), I wish to report that after due enquiry during the period from 31 August 2009 (being the date to which the last audited financial statements of Biawak have been made up to) to the date hereof (being a date not earlier than fourteen (14) days before the issuance of this Circular):-

- (a) the business of Biawak has, in the opinion of the Directors, been satisfactorily maintained;
- (b) in the opinion of the Directors, no circumstances have arisen since the last audited financial statements of Biawak which have adversely affected the trading or the value of the assets of Biawak;
- (c) the current assets of Biawak appear in the books at values which are believed to be realisable in the ordinary course of business;
- (d) there are no contingent liabilities that have arisen by reason of any guarantees or indemnities given by Biawak;
- (e) there has been no default or any known event, since the last audited financial statements of Biawak, that could give rise to a default situation, in respect of payments of either interest and/or principal sums in relation to any borrowings of Biawak in which the Directors are aware of; and
- (f) there have been, since the last audited financial statements of Biawak, no material changes in the published reserves or any unusual factors affecting the profits of Biawak.

Yours faithfully,
For and on behalf of the Board of Directors of
PJP PELITA BIAWAK PLANTATION SDN BHD


TIONG CHIONG ONG
DIRECTOR

DIRECTORS' REPORT ON THE ACQUIREES (Cont'd)

PJP PELITA EKANG-BANYOK PLANTATION SDN. BHD.

(Company No. 718679-H)

No. 66-78, Pusat Suria Permata, Jalan Upper Lanang,
96000 Sibu, Sarawak.

Tel: 084-216155 Fax: 084-215217

Date : 22 July 2010

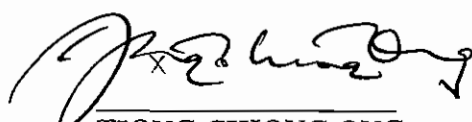
To: The Shareholders of Rimbunan Sawit Berhad

Dear Sir / Madam,

On behalf of the Board of Directors of PJP Pelita Ekang-Banyok Plantation Sdn Bhd ("Ekang"), I wish to report that after due enquiry during the period from 31 August 2009 (being the date to which the last audited financial statements of Ekang have been made up to) to the date hereof (being a date not earlier than fourteen (14) days before the issuance of this Circular):-

- (a) the business of Ekang has, in the opinion of the Directors, been satisfactorily maintained;
- (b) in the opinion of the Directors, no circumstances have arisen since the last audited financial statements of Ekang which have adversely affected the trading or the value of the assets of Ekang;
- (c) the current assets of Ekang appear in the books at values which are believed to be realisable in the ordinary course of business;
- (d) there are no contingent liabilities that have arisen by reason of any guarantees or indemnities given by Ekang;
- (e) there has been no default or any known event, since the last audited financial statements of Ekang, that could give rise to a default situation, in respect of payments of either interest and/or principal sums in relation to any borrowings of Ekang in which the Directors are aware of; and
- (f) there have been, since the last audited financial statements of Ekang, no material changes in the published reserves or any unusual factors affecting the profits of Ekang.

Yours faithfully,

For and on behalf of the Board of Directors of
PJP PELITA EKANG-BANYOK PLANTATION SDN BHD
TIONG CHIONG ONG
DIRECTOR

DIRECTORS' REPORT ON THE ACQUIREES (Cont'd)

PJP PELITA LUNDU PLANTATION SDN. BHD.

(Company No. 467277-W)

No. 66-78, Pusat Suria Permata, Jalan Upper Lanang,

96000 Sibu, Sarawak.

Tel: 084-216155 Fax: 084-215217

Date : 22 July 2010

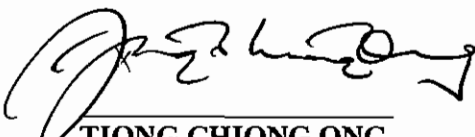
To: The Shareholders of Rimbunan Sawit Berhad

Dear Sir / Madam,

On behalf of the Board of Directors of PJP Pelita Lundu Plantation Sdn Bhd ("Lundu"), I wish to report that after due enquiry during the period from 31 August 2009 (being the date to which the last audited financial statements of Lundu have been made up to) to the date hereof (being a date not earlier than fourteen (14) days before the issuance of this Circular):-

- (a) the business of Lundu has, in the opinion of the Directors, been satisfactorily maintained;
- (b) in the opinion of the Directors, no circumstances have arisen since the last audited financial statements of Lundu which have adversely affected the trading or the value of the assets of Lundu;
- (c) the current assets of Lundu appear in the books at values which are believed to be realisable in the ordinary course of business;
- (d) there are no contingent liabilities that have arisen by reason of any guarantees or indemnities given by Lundu;
- (e) there has been no default or any known event, since the last audited financial statements of Lundu, that could give rise to a default situation, in respect of payments of either interest and/or principal sums in relation to any borrowings of Lundu in which the Directors are aware of; and
- (f) there have been, since the last audited financial statements of Lundu, no material changes in the published reserves or any unusual factors affecting the profits of Lundu.

Yours faithfully,

For and on behalf of the Board of Directors of
PJP PELITA LUNDU PLANTATION SDN BHD
TIONG CHIONG ONG
DIRECTOR

DIRECTORS' REPORT ON THE ACQUIREES (Cont'd)

PJP PELITA SELANGAU PLANTATION SDN. BHD.

(Company No. 515181-X)

No. 66-78, Pusat Suria Permata, Jalan Upper Lanang,

96000 Sibul, Sarawak.

Tel: 084-216155 Fax: 084-215217

Date : 22 July 2010

To: The Shareholders of Rimbunan Sawit Berhad

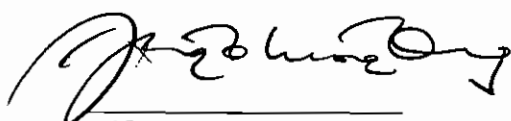
Dear Sir / Madam,

On behalf of the Board of Directors of PJP Pelita Selangau Plantation Sdn Bhd ("Selangau"), I wish to report that after due enquiry during the period from 31 August 2009 (being the date to which the last audited financial statements of Selangau have been made up to) to the date hereof (being a date not earlier than fourteen (14) days before the issuance of this Circular):-

- (a) the business of Selangau has, in the opinion of the Directors, been satisfactorily maintained;
- (b) in the opinion of the Directors, no circumstances have arisen since the last audited financial statements of Selangau which have adversely affected the trading or the value of the assets of Selangau;
- (c) the current assets of Selangau appear in the books at values which are believed to be realisable in the ordinary course of business;
- (d) there are no contingent liabilities that have arisen by reason of any guarantees or indemnities given by Selangau;
- (e) there has been no default or any known event, since the last audited financial statements of Selangau, that could give rise to a default situation, in respect of payments of either interest and/or principal sums in relation to any borrowings of Selangau in which the Directors are aware of; and
- (f) there have been, since the last audited financial statements of Selangau, no material changes in the published reserves or any unusual factors affecting the profits of Selangau.

Yours faithfully,

For and on behalf of the Board of Directors of

PJP PELITA SELANGAU PLANTATION SDN BHD

TIONG CHIONG ONG
DIRECTOR

DIRECTORS' REPORT ON THE ACQUIREES (Cont'd)

PJP PELITA ULU TERU PLANTATION SDN. BHD.

(Company No. 358153-T)

No. 66-78, Pusat Suria Permata, Jalan Upper Lanang,

96000 Sibul, Sarawak.

Tel: 084-216155 Fax: 084-215217

Date : 22 July 2010

To: The Shareholders of Rimbunan Sawit Berhad

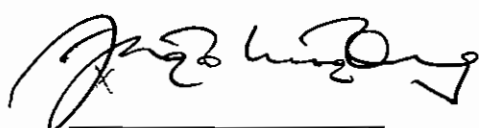
Dear Sir / Madam,

On behalf of the Board of Directors of PJP Pelita Ulu Teru Plantation Sdn Bhd ("Ulu Teru"), I wish to report that after due enquiry during the period from 31 August 2009 (being the date to which the last audited financial statements of Ulu Teru have been made up to) to the date hereof (being a date not earlier than fourteen (14) days before the issuance of this Circular):-

- (a) the business of Ulu Teru has, in the opinion of the Directors, been satisfactorily maintained;
- (b) in the opinion of the Directors, no circumstances have arisen since the last audited financial statements of Ulu Teru which have adversely affected the trading or the value of the assets of Ulu Teru;
- (c) the current assets of Ulu Teru appear in the books at values which are believed to be realisable in the ordinary course of business;
- (d) there are no contingent liabilities that have arisen by reason of any guarantees or indemnities given by Ulu Teru;
- (e) there has been no default or any known event, since the last audited financial statements of Ulu Teru, that could give rise to a default situation, in respect of payments of either interest and/or principal sums in relation to any borrowings of Ulu Teru in which the Directors are aware of; and
- (f) there have been, since the last audited financial statements of Ulu Teru, no material changes in the published reserves or any unusual factors affecting the profits of Ulu Teru.

Yours faithfully,

For and on behalf of the Board of Directors of

PJP PELITA ULU TERU PLANTATION SDN BHD

TIONG CHIONG ONG
DIRECTOR

VALUATION CERTIFICATES



HENRY BUTCHER MALAYSIA
International Asset Consultants

22 July 2010

The Board of Directors
Rimbunan Sawit Berhad
 No. 66 – 78, Pusat Suria Permata,
 Jalan Upper Lanang 12A,
 96000 Sibul, Sarawak

Dear Sir,

CERTIFICATE OF VALUATION OF PROVISIONAL LEASE OF STATE LAND DEVELOPED FOR OIL PALM PLANTATION WITH AN AREA OF 4,959.80 HECTARES KNOWN AS JAYAMAX ESTATE UNDER LOTS 4 AND 6 ALL OF BLOCK 9 DULIT LAND DISTRICT (FORMERLY KNOWN AS LOT 9 DULIT LAND DISTRICT), TINJAR, BARAM, MIRI DIVISION

This certificate has been prepared for inclusion in the circular to shareholders of Rimbunan Sawit Berhad ("RSB") dated 27 July 2010 in relation to the Proposed Acquisitions by RSB of Jayamax Estate.

In accordance with the instructions from RSB, we have valued the abovementioned property vide our valuation report bearing Reference No.: HBMM/VAL/MV/2064/2009 (Jayamax Estate) dated 27th October 2009 for the purpose of submission to the Bursa Malaysia Securities Berhad. The subject property was inspected on 20th October 2009. The material date of valuation for this exercise is at 31st August 2009.

We confirm that we have valued the property based on the valuation basis stated below. The valuation has been carried out in accordance with the Valuation Standards issued by the Board of Valuers, Appraisers and Estate Agents, Malaysia and in complies with the Securities Commission's Asset Valuation Guidelines.

The basis of the valuation is the **Market Value** which is defined as the estimated amount for which an asset should exchange on the date of valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion.

In assessing the market value of the subject property, we have adopted both the **Discounted Cash Flow (DCF) Method** and the **Comparison Method**.

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HENRY BUTCHER MALAYSIA (MIRI) SDN. BHD. (566177-X)
 Lot 1189, First Floor, Miri Waterfront Commercial Centre, 98000 Miri, Sarawak.
 P. O. Box 2214, 98000 Miri, Sarawak.
 tel : 085-442800, 442898, 442899 • fax : 085-429699 • email : hbmalmiri@yahoo.com
www.henrybutchermalaysia.com

VALUATION CERTIFICATES (Cont'd)



Brief details of the Property as extracted from the valuation report are as follows:

| Asset Identification | <p>Details of Title The subject estate, Jayamax Estate is situated at Miri Division, Sarawak and under two Provisional Lease of State Lands, hereinafter referred to as the "subject property".</p> <table border="0" style="width: 100%;"> <tr> <td style="width: 70%;">Title Particular</td> <td style="text-align: right;">Land Area (hectares)</td> </tr> <tr> <td>(a) Provisional Lease Lot 4 Block 9 Dulit Land District and</td> <td style="text-align: right;">3,025.70</td> </tr> <tr> <td>(b) Provisional Lease Lot 6 Block 9 Dulit Land District</td> <td style="text-align: right;"><u>1,934.10</u></td> </tr> <tr> <td style="text-align: center;">Total</td> <td style="text-align: right;">4,959.80</td> </tr> </table> <p>Location/Address The Property is situated at Sungai Bok, Tinjar, Baram and it is about 100 km (aerial distance) by road to the South-East of Miri Town, Sarawak.</p> <p>Accessibility The Property is accessible from Miri Town via Miri-Bintulu Road (at 45 KM), Jalan Bukit Peninjau (25 KM), Jalan Beluru/Long Teru (22 KM) and then the trunk road which branches off the Jalan Beluru/Long Teru (formerly known as Tinjar Road) to the RH Oil Palm Mill and RH Bakong Plantation Administration office and worker's quarters (3 KM). From the RH Bakong Estate (adjoining estate from the RH's Group), the internal estate road is used to reach the Property.</p> <p>Tenure Leasehold 60 years expiring on 08/04/2059, with unexpired term of about 50 years.</p> <p>Category of Land Use Agricultural purposes.</p> <p>Registered Proprietor Jayamax Plantation Sdn. Bhd.</p> | Title Particular | Land Area (hectares) | (a) Provisional Lease Lot 4 Block 9 Dulit Land District and | 3,025.70 | (b) Provisional Lease Lot 6 Block 9 Dulit Land District | <u>1,934.10</u> | Total | 4,959.80 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|---|--|-------------------------|-----------------------------|---|-------------------|---|--------------------|--------------------|------------|----|------|---|--------|--------|---|----|------|---|----------|----------|---|----|------|---|--------|--------|---|----|------|---|--------|---|--------|----|------|---|--------|---|--------|----|------|---|--------|---|--------|-------------|--|--|----------|----------|----------|----------------|--|--|--|--------|--------|
| Title Particular | Land Area (hectares) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| (a) Provisional Lease Lot 4 Block 9 Dulit Land District and | 3,025.70 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| (b) Provisional Lease Lot 6 Block 9 Dulit Land District | <u>1,934.10</u> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Total | 4,959.80 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| General Description of Asset | <p>Description The subject estate, Jayamax Estate is under two (2) parcels of Provisional Lease of State Land for oil palm plantation purposes, namely, Lots 4 & 6 Block 9 Dulit Land District, in Miri Division, with total land area of 4,959.80 hectares.</p> <p>Jayamax Estate comprises of Phase I, II & III and each phase further divided into various Blocks for easy administrative purposes.</p> <p>The following is the area statement :-</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th rowspan="2">Item</th> <th colspan="2">Year</th> <th rowspan="2">Planted Area (Ha)</th> <th rowspan="2">Mature Area (Ha)</th> <th rowspan="2">Immature Area (Ha)</th> </tr> <tr> <th>Of Planting</th> <th>Age @ 2009</th> </tr> </thead> <tbody> <tr> <td>1.</td> <td>2000</td> <td>9</td> <td>993.29</td> <td>993.29</td> <td>-</td> </tr> <tr> <td>2.</td> <td>2001</td> <td>8</td> <td>1,425.73</td> <td>1,425.73</td> <td>-</td> </tr> <tr> <td>3.</td> <td>2002</td> <td>7</td> <td>252.63</td> <td>252.63</td> <td>-</td> </tr> <tr> <td>4.</td> <td>2007</td> <td>2</td> <td>416.40</td> <td>-</td> <td>416.40</td> </tr> <tr> <td>5.</td> <td>2008</td> <td>1</td> <td>337.88</td> <td>-</td> <td>337.88</td> </tr> <tr> <td>6.</td> <td>2009</td> <td>0</td> <td>478.30</td> <td>-</td> <td>478.30</td> </tr> <tr> <td colspan="3" style="text-align: center;">Grand Total</td> <td>3,904.23</td> <td>2,671.65</td> <td>1,232.58</td> </tr> <tr> <td colspan="3" style="text-align: center;">Percentage (%)</td> <td></td> <td>68.43%</td> <td>31.57%</td> </tr> </tbody> </table> | Item | Year | | Planted Area (Ha) | Mature Area (Ha) | Immature Area (Ha) | Of Planting | Age @ 2009 | 1. | 2000 | 9 | 993.29 | 993.29 | - | 2. | 2001 | 8 | 1,425.73 | 1,425.73 | - | 3. | 2002 | 7 | 252.63 | 252.63 | - | 4. | 2007 | 2 | 416.40 | - | 416.40 | 5. | 2008 | 1 | 337.88 | - | 337.88 | 6. | 2009 | 0 | 478.30 | - | 478.30 | Grand Total | | | 3,904.23 | 2,671.65 | 1,232.58 | Percentage (%) | | | | 68.43% | 31.57% |
| Item | Year | | Planted Area (Ha) | Mature Area (Ha) | | | | Immature Area (Ha) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | Of Planting | Age @ 2009 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 1. | 2000 | 9 | 993.29 | 993.29 | - | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2. | 2001 | 8 | 1,425.73 | 1,425.73 | - | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 3. | 2002 | 7 | 252.63 | 252.63 | - | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 4. | 2007 | 2 | 416.40 | - | 416.40 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 5. | 2008 | 1 | 337.88 | - | 337.88 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 6. | 2009 | 0 | 478.30 | - | 478.30 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Grand Total | | | 3,904.23 | 2,671.65 | 1,232.58 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Percentage (%) | | | | 68.43% | 31.57% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

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VALUATION CERTIFICATES (Cont'd)



The following is the production cost analysis and OER rate for the last 3 years:-

| Year | | FY2006 | FY2007 | FY2008 |
|--------------|---|------------|------------|------------|
| OER Rate (%) | | 17% to 20% | 17% to 20% | 17% to 20% |
| Items | | | | |
| 1) | Plantation Admin Charges Cost per ha (RM/Ha) | 789.19 | 319.52 | 487.06 |
| 2) | Maintenance/Cultivation Cost per ha (RM/Ha) | 1,592.59 | 725.46 | 1,215.19 |
| 3) | Harvesting & Collecting Cost Cost per metric tonne (RM/MT) | 48.98 | 66.24 | 62.37 |
| 4) | FFB Transport To Mill Cost Cost per metric tonne (RM/MT) | 15.78 | 25.79 | 28.93 |

The following is the past three (3) years yield recorded :-

| Year | Yield ² (MU/ha) | | |
|------------------|----------------------------|------|------|
| YOP ¹ | 2006 | 2007 | 2008 |
| 2000 | 8.67 | 9.15 | 7.72 |
| 2001 | 6.17 | 8.91 | 8.67 |
| 2002 | 2.64 | 7.84 | 7.30 |
| 2007 | 0.00 | 0.00 | 0.00 |
| 2008 | 0.00 | 0.00 | 0.00 |
| 2009 | 0.00 | 0.00 | 0.00 |

Notes:-

1. Year of Planting
2. Average Yield from Year 2006 to Year 2008

Comparison Method

Our findings from various Lands and Surveys Department, Miri and Bintulu Divisions, Sarawak, revealed that there are few transactions of agricultural land planted with oil palms and are as follows:

| | Comparable 1 | Comparable 2 | Comparable 3 |
|----------------------|--|--|--|
| Titles(s) | Lot 56 Sawai Land District | Lot 2 Block 34 Kemena Land District & Lot 2 Block 4 Selezu Land District | Lot 3 Block 3 Sawai Land District (Formerly known as Lots 3 to 14 Sawai Land District) |
| Name | Selangor Plantation | Ladang Tabung Haji | BHB Plantation |
| Locality | Sungai Luai and Sungai Bawah, Niah | Jalan Sebah, Bintulu | Sungai Niah, Niah |
| Accessibility | Through Miri-Bintulu road and then by surfaced road/car truck | Jalan Miri-Bintulu, Jalan Sebah, Bintulu | Jalan Miri-Bintulu and then internal private road |
| Type of Soil | Mixture of mineral soil | Peat Soil | Mineral soil |
| Terrain | Hilly/undulating | Flat and Undulating | Hilly/undulating |
| Category | Mixed Zone Land; Country Land | Mixed Zone Land; Country Land | Mixed Zone Land; Country Land |
| Annual Rent | RM12,002.00 per annum | RM761 per annum and RM16,536 per annum | RM11,600.00 per annum |
| Land Area | 4,857.00 ha | 7,000.00 ha (net area: 4,900.00 ha) | 4,640.00 hectares (Formerly was 4607.19 hectares) |
| Tenure (Expiry date) | 21/02/2054 | 31/12/2056 | 17/07/2077 |
| Description | Lands planted with oil palm (11-13 years old) | Lands planted with oil palm (9 to 11 years old) | Lands planted with oil palm (12 to 14 years old) |
| Transaction Date | 09/11/2007 | 29/04/2008 | August 1997 |
| Term & Conditions | To be used only for agricultural purposes and purposes incidental to the production and processing of crops thereon. | To be used only for agricultural purposes and purposes incidental to the production and processing of crops thereon. | To be used only for agricultural purposes and purposes incidental to the production and processing of crops thereon. |
| Share of Transfer | Whole Share | Whole Share | Whole Share |
| Transaction Amount | RM97,000,000.00 | RM138,000,000.00 | RM90,000,000.00 |

VALUATION CERTIFICATES (Cont'd)



| | Comparable 1 | Comparable 2 | Comparable 3 |
|----------------|---|--|---|
| Transferor | Perbadanan Kemajuan Pertanian Selangor | Tabung Haji Sdn. Bhd. | Austral Enterprise Bhd. |
| Transferee | Sheba Resources Sdn. Bhd. | Semai Mekar Sdn. Bhd. | Harvest Master Sdn Bhd |
| Analysis | RM19,971.18 per hectare | RM28,163 per hectare | RM16,713 per hectare |
| Remarks | Assessment accepted. | Assessment accepted. Noted that about 1,420 ha are subject to NCR claim and about 680 ha are unplatable area. Thus, the net area is 4,900.00 ha. | Transaction prices including Palm Oil Mill (POM). Estimated Value for POM is RM13,000,000.00. |
| Adjustment | An upward adjustment made on time (to reflect the 21 months time lags) and age of the crop. | <i>We had inspected all the Comparables. However, we adopted Comparable 1 for the analysis. This is because the details information are available, such as, the YOP (year of planting), Stand per Hectare (SPH), total developed area, the terrain and the estate performance. Thus, more direct and comprehensive comparison can be made.</i> | |
| Adjusted Value | RM23,066.71 per Ha | | |

The adjusted value reflected the time lag, stand per hectare (SPH), year of planting, terrain and the locality of the property. Thus, the Market Value derived from the Comparison Method is RM114,400,000.00 (Ringgit Malaysia One Hundred Fourteen Million and Four Hundred Thousand Only).

Discounted Cashflow Method

Discounted Cashflow approach is an income based method of valuation. The market value to be derived arises from the benefits of the sales of the oil palm planted thereon. These interest and rights involve the rights to sell off the fresh fruit bunches harvested from the plantation.

In the Discounted Cashflow Method, we based on the following parameters:

- | | |
|-------------------------------|-------------------------------|
| (a) Long term FFB price | : RM410 per mt |
| (b) Yield | : 1mt to 23 mt per annum |
| (c) Field maintenance | : RM1,712.20 per ha per annum |
| (d) General Charges | : RM550 per ha per annum |
| (e) Harvesting and Collection | : RM55 per mt per annum |
| (f) Transportation to mill | : RM35 per mt |
| (g) Discount rate | : 10.50% |
| (h) Discount period | : From year 2009 to year 2034 |
| (i) Basic Land Value | : 16,513.22 per ha |

Note :

- | | |
|---|---|
| Long term FFB price | - Based on the average local FFB price over 20 years, a RM410 per MT (CPO at RM2,100 p/MT) is adopted to be the average price on a long-term sustainable price. |
| Yield | - Based on the Company's historical yield records and projection. Also, the MPOB and Porim data. |
| Field maintenance, General Charges, Harvesting and Collection & Transportation to mill | - Based on the past three (3) years historical cost of production, three (3) years Company's projection and valuer's estimate. |
| Discount rate | - The adopted discount rate of 10.5% for oil palm cultivation reflecting risk and return on investment over the long term risk free yield which is derived from Malaysian Government Securities and also the present base lending rate. |
| Discount period | - The remaining period of the economic life cycle for the palms, i.e. one cycle is about 25-27 years. |
| Basic Land Value | - The basic land value adopted is after taking into consideration the building cost, infrastructure cost analysed over 3,965.43 ha, which is about 84.37% of the total area (4,700.18 ha) to be developed. |


Market Value using DCF Method is RM123,620,000.00 (Ringgit Malaysia One Hundred Twenty-Three Million Six Hundred and Twenty Thousand Only).

VALUATION CERTIFICATES (Cont'd)

**Value Conclusion**

In arriving at the final value of subject property, we have adopted Discounted Cashflow Method over Comparison Method, because of the complexity of the mature estate, such as different year of planting, stand per hectare (SPH), different yield pattern, cost of production, etc, is unique for each of the plantation estate. DCF method needs us to consider all the above to derive the market value, which is more actual, realistic and certain. On the other hand, to find a perfect comparable sale is impossible and we need to do a lot of adjustments in order to derive the market value. As such, the Comparison Method should only be used as a guide. It is our considered opinion that the Market Value of the leasehold oil palm plantation property free from all encumbrances is **RM123,620,000.00 (Ringgit Malaysia One Hundred Twenty-Three Million Six Hundred and Twenty Thousand Only).**

**Yours faithfully,
HENRY BUTCHER MALAYSIA (MIRI) SDN. BHD.**



CHAI CHEON NYIAP
B.Sc (Hons) MIS (M) MRICS
Registered Valuer (V414)

VALUATION CERTIFICATES (Cont'd)

**HENRY BUTCHER MALAYSIA***International Asset Consultants*

22 July 2010

The Board of Directors
Rimbunan Sawit Berhad
 No. 66 – 78, Pusat Suria Permata,
 Jalan Upper Lanang 12A,
 96000 Sibul, Sarawak

Dear Sir,

CERTIFICATE OF VALUATION OF PROVISIONAL LEASE OF STATE LAND DEVELOPED FOR OIL PALM PLANTATION WITH AN AREA OF 4,265 HECTARES KNOWN AS NOVELPAC-PUNCAKDANA ESTATE UNDER LOTS 11 AND 12 BULOH LAND DISTRICT, MUKAH, SIBU DIVISION

This certificate has been prepared for inclusion in the circular to shareholders of Rimbunan Sawit Berhad ("RSB") dated 27 July 2010 in relation to the Proposed Acquisitions by RSB of Novelpac-Puncakdana Estate.

In accordance with the instructions from RSB, we have valued the abovementioned property vide our valuation report bearing Reference No.: HBMM/VAL/MV/2064/2009 (Novelpac-Puncakdana Plantation Estate) dated 27th October 2009 for the purpose of submission to the Bursa Malaysia Securities Berhad. The subject property was inspected on 20th October 2009. The material date of valuation for this exercise is at 31st August 2009.

We confirm that we have valued the property based on the valuation basis stated below. The valuation has been carried out in accordance with the Valuation Standards issued by the Board of Valuers, Appraisers and Estate Agents, Malaysia and in complies with the Securities Commission's Asset Valuation Guidelines.

The basis of the valuation is the **Market Value** which is defined as the estimated amount for which an asset should exchange on the date of valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion.

In assessing the market value of the subject property, we have adopted both the **Discounted Cash Flow (DCF) Method** and the **Comparison Method**.

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HENRY BUTCHER MALAYSIA (MIRI) SDN. BHD. (566177-X)

Lot 1189, First Floor, Miri Waterfront Commercial Centre, 98000 Miri, Sarawak.

P. O. Box 2214, 98000 Miri, Sarawak.

tel : 085-442800, 442898, 442899 • fax : 085-429699 • email : hbmalmiri@yahoo.com

www.henrybutchermalaysia.com

VALUATION CERTIFICATES (Cont'd)



Brief details of the Property as extracted from the valuation report are as follows:

| Asset Identification | <p>Details of Title The subject estate, Novelpac-Puncakdana Plantation Estate is situated at Sibul Division, Sarawak and under Provisional Lease of State Lands, hereinafter referred to as the "subject property".</p> <table border="0" style="width: 100%;"> <tr> <td style="width: 70%;">Title Particular</td> <td style="text-align: right;">Land Area (hectares)</td> </tr> <tr> <td>(a) Provisional Lease Lot 11 Buloh Land District and</td> <td style="text-align: right;">1,440.00</td> </tr> <tr> <td>(b) Provisional Lease Lot 12 Buloh Land District</td> <td style="text-align: right;"><u>3,185.00</u></td> </tr> <tr> <td style="text-align: center;">Total</td> <td style="text-align: right;">4,625.00</td> </tr> </table> <p>Location/Address The Property is situated at Sungai Basai, Mukah and Sungai Basai/Sungai Lemai Bakong Balingian, Balingian, within the area known as Selangau, Sibul Division. In direct aerial distance, it is about 58.0 kilometres to the North-East of Sibul Township, 50.00 kilometres to the South-East of Mukah Township, 5.00 kilometres to the North-East of Selangau Bazaar and also 55.00 kilometres to the South-West of Tatau Township.</p> <p>Accessibility The subject property is accessible by way of Miri-Bintulu Road, Bintulu-Sibul Road, and a private earth-gravelled road, which cuts through the adjoining estate (Nescaya Palma Plantation) and then an earth-gravelled road, which serves the subject estate. The alternate access is by way of Selangau-Mukah Road from Sibul (about 80km) and then a private access road (about 3km) leading to the Plantation office complex.</p> <p>Tenure Lot 11 Buloh Land District - Leasehold 60 years expiring on 27/05/2059, with unexpired term of about 50 years, and Lot 12 Buloh Land District - Leasehold 60 years expiring on 30/03/2060, with unexpired term of about 51 years.</p> <p>Category of Land Use Agricultural purposes.</p> <p>Registered Proprietor Novelpac-Puncakdana Plantation Sdn. Bhd.</p> | Title Particular | Land Area (hectares) | (a) Provisional Lease Lot 11 Buloh Land District and | 1,440.00 | (b) Provisional Lease Lot 12 Buloh Land District | <u>3,185.00</u> | Total | 4,625.00 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|--|---|-------------------------|-----------------------------|--|-------------------|--|--------------------|--------------------|------------|----|------|---|-------|-------|---|----|------|---|--------|---|--------|----|------|---|--------|---|--------|----|------|---|--------|---|--------|-------------|--|--|----------|-------|----------|------------|--|--|--|-------|--------|------|----------------------------|--|--|------------------|------|------|------|------|------|------|------|
| Title Particular | Land Area (hectares) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| (a) Provisional Lease Lot 11 Buloh Land District and | 1,440.00 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| (b) Provisional Lease Lot 12 Buloh Land District | <u>3,185.00</u> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Total | 4,625.00 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| General Description of Asset | <p>Description The subject estate is under two (2) parcels of Provisional Lease of State Lands for oil palm plantation purposes.</p> <p>Novelpac-Puncakdana Plantation Estate is situated on two adjoining Lots 11 and 12 all of Buloh Land District, with total land area of 4,625.00 hectares.</p> <p>Novelpac-Puncakdana Plantation Estate It is still an on-going project and is planning to develop into 2 divisions namely Division A & B and sub-divided into three (3) phases i.e. Phase I to III. Each phase will further subdivided into various sub-blocks each for easy administrative purposes.</p> <p>The following is the area statement :-</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th rowspan="2">Item</th> <th colspan="2">Year</th> <th rowspan="2">Planted Area (Ha)</th> <th rowspan="2">Mature Area (Ha)</th> <th rowspan="2">Immature Area (Ha)</th> </tr> <tr> <th>Of Planting</th> <th>Age @ 2009</th> </tr> </thead> <tbody> <tr> <td>1.</td> <td>2004</td> <td>5</td> <td>45.90</td> <td>45.90</td> <td>-</td> </tr> <tr> <td>2.</td> <td>2007</td> <td>2</td> <td>268.02</td> <td>-</td> <td>268.02</td> </tr> <tr> <td>3.</td> <td>2008</td> <td>1</td> <td>354.56</td> <td>-</td> <td>354.56</td> </tr> <tr> <td>4.</td> <td>2009</td> <td>0</td> <td>643.03</td> <td>-</td> <td>643.03</td> </tr> <tr> <td colspan="3" style="text-align: center;">Grand Total</td> <td>1,311.51</td> <td>45.90</td> <td>1,265.61</td> </tr> <tr> <td colspan="3" style="text-align: center;">Percentage</td> <td></td> <td>3.50%</td> <td>96.50%</td> </tr> </tbody> </table> <p>The following is the past three (3) years yield recorded :-</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th>Year</th> <th colspan="3">Yield² (Mt/ha)</th> </tr> <tr> <th>YOP¹</th> <th>2006</th> <th>2007</th> <th>2008</th> </tr> </thead> <tbody> <tr> <td>2004</td> <td>0.00</td> <td>0.00</td> <td>1.90</td> </tr> </tbody> </table> <p>Notes:- 1. Year of Planting 2. Yield record for Year 2008 is from July to December 2008 (still under scout harvesting). 3. The plantation is still in its immature stage as on to date there is no production cost yet.</p> | Item | Year | | Planted Area (Ha) | Mature Area (Ha) | Immature Area (Ha) | Of Planting | Age @ 2009 | 1. | 2004 | 5 | 45.90 | 45.90 | - | 2. | 2007 | 2 | 268.02 | - | 268.02 | 3. | 2008 | 1 | 354.56 | - | 354.56 | 4. | 2009 | 0 | 643.03 | - | 643.03 | Grand Total | | | 1,311.51 | 45.90 | 1,265.61 | Percentage | | | | 3.50% | 96.50% | Year | Yield ² (Mt/ha) | | | YOP ¹ | 2006 | 2007 | 2008 | 2004 | 0.00 | 0.00 | 1.90 |
| Item | Year | | Planted Area (Ha) | Mature Area (Ha) | | | | Immature Area (Ha) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | Of Planting | Age @ 2009 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 1. | 2004 | 5 | 45.90 | 45.90 | - | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2. | 2007 | 2 | 268.02 | - | 268.02 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 3. | 2008 | 1 | 354.56 | - | 354.56 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 4. | 2009 | 0 | 643.03 | - | 643.03 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Grand Total | | | 1,311.51 | 45.90 | 1,265.61 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Percentage | | | | 3.50% | 96.50% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Year | Yield ² (Mt/ha) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| YOP ¹ | 2006 | 2007 | 2008 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2004 | 0.00 | 0.00 | 1.90 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

VALUATION CERTIFICATES (Cont'd)

**Comparison Method**

Our findings from various Lands and Surveys Department, Miri and Bintulu Divisions, Sarawak, revealed that there are few transactions of agricultural land planted with oil palms and are as follows:

| Items | Comparable 1 | Comparable 2 | Comparable 3 |
|----------------------|---|--|--|
| Titles(s) | Lot 56 Sawai Land District | Lot 2 Block 34 Kemena Land District and Lot 2 Block 4 Selezu Land District | Lot 3 Block 3 Sawai Land District (Formerly known as Lots 3 to 14 Sawai Land District) |
| Name | Selangor Plantation | Ladang Tabung Haji | BHB Plantation |
| Locality | Sungai Luai and Sungai Bawah, Niah | Jalan Sebah | Sungai Niah, Niah |
| Accessibility | Through Miri-Bintulu road and then by surfaced road/car truck | Jalan Miri-Bintulu, Jalan Sebah, Bintulu | Jalan Miri-Bintulu and then internal private road |
| Type of Soil | Mixture of mineral soil | Peat Soil | Mineral soil |
| Terrain | Hilly/undulating | Flat and Undulating | Hilly/undulating |
| Category | Mixed Zone Land; Country Land | Mixed Zone Land; Country Land | Mixed Zone Land; Country Land |
| Annual Rent | RM12,002.00 per annum | Lot 2 Blk 34 KLD RM761 p.a. Lot 2 Blk 4 SLD RM16,536 p.a. | RM11,600.00 per annum |
| Land Area | 4,857.00 ha | 7,000.00 ha (net area: 4,900.00 ha) | 4,640.00 hectares (Formerly was 4607.19 hectares) |
| Tenure (Expiry date) | 21/02/2054 | 31/12/2056 | 17/07/2077 |
| Description | Lands planted with oil palm (11-13 years old) | Lands planted with oil palm (9 to 11 years old) | Lands planted with oil palm (12 to 14 years old) |
| Transaction Date | 09/11/2007 | 29/04/2008 | August 1997 |
| Term & Conditions | To be used only for agricultural purposes and purposes incidental to the production and processing of crops thereon. | To be used only for agricultural purposes and purposes incidental to the production and processing of crops thereon. | To be used only for agricultural purposes and purposes incidental to the production and processing of crops thereon. |
| Share of Transfer | Whole Share | Whole Share | Whole Share |
| Transaction Amount | RM97,000,000.00 | RM138,000,000.00 | RM90,000,000.00 |
| Transferor | Perbadanan Kemajuan Pertanian Selangor | Tabung Haji Sdn. Bhd. | Austral Enterprise Bhd. |
| Transferee | Sheba Resources Sdn. Bhd. | Semai Mekar Sdn. Bhd. | Harvest Master Sdn Bhd |
| Analysis | RM19,971.18 per hectare | RM28,163 per hectare | RM16,713 per hectare |
| Remarks | Assessment accepted by Lands and Surveys, Valuation Department. | Assessment accepted. Noted that about 1,420 ha are subject to NCR claim and about 680 ha are unplantable area. Thus, the net area is 4,900.00 ha. | Transaction prices including Palm Oil Mill (POM). Estimated Value for POM is RM13,000,000.00. |
| Adjustment | An upward adjustment made on time (to reflect the 21 months time lags) and SPH (to reflect 152 SPH and compared to 90-100 SPH for the comparable). A downward adjustment on age of the crop and total developed area. | <i>We had inspected all the Comparables. However, we adopted Comparable 1 for the analysis. This is because the details information are available, such as, the YOP (year of planting), Stand per Hectare (SPH), total developed area, the terrain and the estate performance. Thus, more direct and comprehensive comparison can be made.</i> | |
| Adjusted Value | RM15,377.81 per ha | | |

The adjusted value reflected the time lag, stand per hectare (SPH), year of planting, terrain and the locality of the property. Thus, the Market Value derived from the Comparison Method is RM63,220,000.00 (Ringgit Malaysia Sixty-Three Million Two Hundred and Twenty Thousand Only).

Discounted Cashflow Method

Discounted Cashflow approach is an income based method of valuation. The market value to be derived arises from the benefits of the sales of the oil palm planted thereon. These interest and rights involve the rights to sell off the fresh fruit bunches harvested from the plantation.

VALUATION CERTIFICATES (Cont'd)



In the Discounted Cashflow Method, we based on the following parameters:

| | | |
|-------------------------------|---|-----------------------------|
| (a) Long term FFB price | : | RM410 per mt |
| (b) Yield | : | 1mt to 26 mt per annum |
| (c) Field maintenance | : | RM1,951.95 per ha per annum |
| (d) General Charges | : | RM400 per ha per annum |
| (e) Harvesting and Collection | : | RM54 per mt per annum |
| (f) Transportation to mill | : | RM6 per mt |
| (g) Discount rate | : | 10.50% |
| (h) Discount period | : | From year 2009 to year 2034 |
| (i) Basic Land Value | : | 13,169.01 per ha |

Note :

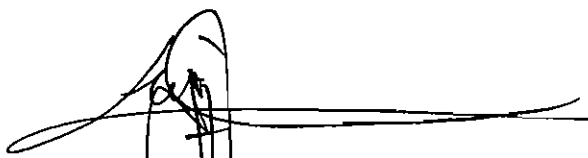
| | | |
|---|---|--|
| <i>Long term FFB price</i> | - | <i>Based on the average local FFB price over 20 years, a RM410 per MT (CPO at RM2,100 p/MT) is adopted to be the average price on a long-term sustainable price.</i> |
| <i>Yield</i> | - | <i>Based on the Company's projection, the MPOB and Porim data.</i> |
| <i>Field maintenance, General Charges, Harvesting and Collection & Transportation to mill</i> | - | <i>Based on the past one (1) years historical cost of production, three (3) years Company projection and valuer's estimate.</i> |
| <i>Discount rate</i> | - | <i>The adopted discount rate of 10.5% for oil palm cultivation reflecting risk and return on investment over the long term risk free yield which is derived from Malaysian Government Securities and also the present base lending rate.</i> |
| <i>Discount period</i> | - | <i>The remaining period of the economic life cycle for the palms, i.e. one cycle is about 25-27 years.</i> |
| <i>Basic Land Value</i> | - | <i>The basic land value adopted is after taking into consideration the building cost, infrastructure cost analysed over 1,986.28ha, which is about 57.53% of the total area (3,452.40ha) to be developed.</i> |

Market Value using DCF Method is RM59,620,000.00 (Ringgit Malaysia Fifty-Nine Million Six Hundred and Twenty Thousand Only).

Value Conclusion

In arriving at the final value of subject property, we have adopted Discounted Cashflow Method over Comparison Method, because of the complexity of the mature estate, such as different year of planting, stand per hectare (SPH), different yield pattern, cost of production, etc, is unique for each of the plantation estate. DCF method needs us to consider all the above to derive the market value, which is more actual, realistic and certain. On the other hand, to find a perfect comparable sale is impossible and we need to do a lot of adjustments in order to derive the market value. As such, the Comparison Method should only be used as a guide. It is our considered opinion that the Market Value of the leasehold oil palm plantation property free from all encumbrances is **RM59,620,000.00 (Ringgit Malaysia Fifty-Nine Million Six Hundred and Twenty Thousand Only).**

Yours faithfully,
HENRY BUTCHER MALAYSIA (MIRI) SDN. BHD.



CHAI CHEON NYIAP
B.Sc (Hons) MIS (M) MRICS
Registered Valuer (V414)

VALUATION CERTIFICATES (Cont'd)



HENRY BUTCHER MALAYSIA
International Asset Consultants

22 July 2010

The Board of Directors
Rimbunan Sawit Berhad
No. 66 – 78, Pusat Suria Permata,
Jalan Upper Lanang 12A,
96000 Sibu, Sarawak

Dear Sir,

CERTIFICATE OF VALUATION OF PROVISIONAL LEASE OF STATE LAND DEVELOPED FOR OIL PALM PLANTATION WITH AN AREA OF 6,217 HECTARES KNOWN AS LUBUK TIARA PLANTATION ESTATE UNDER LOT 6 DULIT LAND DISTRICT AND LOT 69 SAWAI LAND DISTRICT, NIAH, MIRI DIVISION

This certificate has been prepared for inclusion in the circular to shareholders of Rimbunan Sawit Berhad ("RSB") dated 27 July 2010 in relation to the Proposed Acquisitions by RSB of Lubuk Tiara Estate.

In accordance with the instructions from RSB, we have valued the abovementioned property vide our valuation report bearing Reference No.: HBMM/VAL/MV/2064/2009 (Jayamax Estate) dated 27th October 2009 for the purpose of submission to the Bursa Malaysia Securities Berhad. The subject property was inspected on 20th October 2009. The material date of valuation for this exercise is at 31st August 2009.

We confirm that we have valued the property based on the valuation basis stated below. The valuation has been carried out in accordance with the Valuation Standards issued by the Board of Valuers, Appraisers and Estate Agents, Malaysia and in complies with the Securities Commission's Asset Valuation Guidelines.

The basis of the valuation is the **Market Value** which is defined as the estimated amount for which an asset should exchange on the date of valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion.

In assessing the market value of the subject property, we have adopted both the **Discounted Cash Flow (DCF) Method** and the **Comparison Method**.

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HENRY BUTCHER MALAYSIA (MIRI) SDN. BHD. (566177-X)
Lot 1189, First Floor, Miri Waterfront Commercial Centre, 98000 Miri, Sarawak.
P. O. Box 2214, 98000 Miri, Sarawak.
tel : 085-442800, 442898, 442899 • fax : 085-429699 • email : hbmalmiri@yahoo.com
www.henrybutchermalaysia.com

VALUATION CERTIFICATES (Cont'd)



Brief details of the Property as extracted from the valuation report are as follows:

| Asset Identification | <p>Details of Title The subject estate, Lubuk Tiara Estate is situated at Miri Division, Sarawak and under two Provisional Lease of State Land, hereinafter referred to as the "subject property".</p> <table border="0"> <tr> <td>Title Particular</td> <td style="text-align: right;">Land Area (hectares)</td> </tr> <tr> <td>(a) Provisional Lease Lot 69 Sawai Land District and</td> <td style="text-align: right;">992.00</td> </tr> <tr> <td>(b) Provisional Lease Lot 6 Dulit Land District</td> <td style="text-align: right;"><u>5,225.00</u></td> </tr> <tr> <td style="text-align: center;">Total</td> <td style="text-align: right;">6,217.00</td> </tr> </table> <p>Location/Address The Property is situated at Sungai Bok, Tinjar, Baram and it is about 100 km (aerial distance) by road to the South-East of Miri Town, Sarawak.</p> <p>Accessibility The Property is accessible from Miri Town via Miri-Bintulu Road (at 45 KM), Jalan Bukit Peninjau (25 KM), Jalan Beluru/Long Teru (22 KM) and then the trunk road which branches off the Jalan Beluru/Long Teru (formerly known as Tinjar Road) to the RH Oil Palm Mill and RH Bakong Plantation Administration office and worker's quarters (3 KM). From the RH Bakong Estate (adjoining estate from the RH's Group), the internal estate road is used to reach the Property.</p> <p>Tenure Leasehold 60 years expiring on 29/12/2059, with unexpired term of about 50 years.</p> <p>Category of Land Use Agricultural purposes.</p> <p>Registered Proprietor i) For Lot 69 Sawai Land District - Lubuk Tiara Sdn. Bhd. ii) For Lot 6 Dulit Land District - Lubuk Tiara Sdn. Bhd. (4612/5225) and R.H. Plantation Sdn. Bhd. (613/5225) share</p> | Title Particular | Land Area (hectares) | (a) Provisional Lease Lot 69 Sawai Land District and | 992.00 | (b) Provisional Lease Lot 6 Dulit Land District | <u>5,225.00</u> | Total | 6,217.00 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|--|--|-------------------------|-----------------------------|--|-------------------|---|--------------------|--------------------|------------|----|------|---|--------|--------|---|----|------|---|--------|--------|---|----|------|---|-------|-------|---|----|------|---|--------|--------|---|----|------|---|-------|---|-------|----|------|---|----------|---|----------|----|------|---|----------|---|----------|----|------|---|--------|---|--------|-------------|--|--|----------|----------|----------|---------------------------------|--|--|--|--------|--------|
| Title Particular | Land Area (hectares) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| (a) Provisional Lease Lot 69 Sawai Land District and | 992.00 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| (b) Provisional Lease Lot 6 Dulit Land District | <u>5,225.00</u> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Total | 6,217.00 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| General Description of Asset | <p>Description The subject estate is under two (2) parcels of Provisional Lease of State Lands and for oil palm plantation purposes.</p> <p>Lubuk Tiara estate is situated on two (2) parcels of lands namely, Lot 6 Dulit Land District and Lot 69 Sawai Land District, with total land area of 6,217.00 hectares.</p> <p>Lubuk Tiara Estate comprises of Phase 1 to 4 and each phase further divided into various Blocks for easy administrative purposes.</p> <p>Lubuk Tiara Plantation Estate is adjoining to the Jayamax Plantation Estate (from the same Group), situated at Sungai Bok, Tinjar, Baram.</p> <p>The following is the area statement :-</p> <table border="1"> <thead> <tr> <th rowspan="2">Item</th> <th colspan="2">Year</th> <th rowspan="2">Planted Area (Ha)</th> <th rowspan="2">Mature Area (Ha)</th> <th rowspan="2">Immature Area (Ha)</th> </tr> <tr> <th>Of Planting</th> <th>Age @ 2009</th> </tr> </thead> <tbody> <tr> <td>1.</td> <td>2002</td> <td>7</td> <td>582.00</td> <td>582.00</td> <td>-</td> </tr> <tr> <td>2.</td> <td>2003</td> <td>6</td> <td>302.00</td> <td>302.00</td> <td>-</td> </tr> <tr> <td>3.</td> <td>2004</td> <td>5</td> <td>58.00</td> <td>58.00</td> <td>-</td> </tr> <tr> <td>4.</td> <td>2005</td> <td>4</td> <td>106.00</td> <td>106.00</td> <td>-</td> </tr> <tr> <td>5.</td> <td>2006</td> <td>3</td> <td>75.00</td> <td>-</td> <td>75.00</td> </tr> <tr> <td>6.</td> <td>2007</td> <td>2</td> <td>1,039.64</td> <td>-</td> <td>1,039.64</td> </tr> <tr> <td>7.</td> <td>2008</td> <td>1</td> <td>1,027.99</td> <td>-</td> <td>1,027.99</td> </tr> <tr> <td>8.</td> <td>2009</td> <td>0</td> <td>385.37</td> <td>-</td> <td>385.37</td> </tr> <tr> <td colspan="3" style="text-align: center;">Grand Total</td> <td>3,576.00</td> <td>1,048.00</td> <td>2,528.00</td> </tr> <tr> <td colspan="3" style="text-align: center;">Percentage (%) of mature plants</td> <td></td> <td>29.31%</td> <td>70.69%</td> </tr> </tbody> </table> | Item | Year | | Planted Area (Ha) | Mature Area (Ha) | Immature Area (Ha) | Of Planting | Age @ 2009 | 1. | 2002 | 7 | 582.00 | 582.00 | - | 2. | 2003 | 6 | 302.00 | 302.00 | - | 3. | 2004 | 5 | 58.00 | 58.00 | - | 4. | 2005 | 4 | 106.00 | 106.00 | - | 5. | 2006 | 3 | 75.00 | - | 75.00 | 6. | 2007 | 2 | 1,039.64 | - | 1,039.64 | 7. | 2008 | 1 | 1,027.99 | - | 1,027.99 | 8. | 2009 | 0 | 385.37 | - | 385.37 | Grand Total | | | 3,576.00 | 1,048.00 | 2,528.00 | Percentage (%) of mature plants | | | | 29.31% | 70.69% |
| Item | Year | | Planted Area (Ha) | Mature Area (Ha) | | | | Immature Area (Ha) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | Of Planting | Age @ 2009 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 1. | 2002 | 7 | 582.00 | 582.00 | - | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2. | 2003 | 6 | 302.00 | 302.00 | - | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 3. | 2004 | 5 | 58.00 | 58.00 | - | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 4. | 2005 | 4 | 106.00 | 106.00 | - | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 5. | 2006 | 3 | 75.00 | - | 75.00 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 6. | 2007 | 2 | 1,039.64 | - | 1,039.64 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 7. | 2008 | 1 | 1,027.99 | - | 1,027.99 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 8. | 2009 | 0 | 385.37 | - | 385.37 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Grand Total | | | 3,576.00 | 1,048.00 | 2,528.00 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Percentage (%) of mature plants | | | | 29.31% | 70.69% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

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VALUATION CERTIFICATES (Cont'd)



The following is the production cost analysis and OER rate for the last 3 years:-

| Year | | FY2006 | FY2007 | FY2008 |
|--------------|---|------------|------------|------------|
| OER Rate (%) | | 17% to 20% | 17% to 20% | 17% to 20% |
| Items | | | | |
| 1) | Plantation Admin Charges Cost per ha | 504.01 | 492.72 | 479.77 |
| 2) | Maintenance/Cultivation Cost per ha | 975.36 | 1,182.19 | 2,409.61 |
| 3) | Harvesting & Collecting Cost Cost per metric tonne (RM/MT) | 50.76 | 50.08 | 61.47 |
| 4) | FFB Transport To Mill Cost Cost per metric tonne (RM/MT) | 8.98 | 13.31 | 19.28 |

The following is the past three (3) years yield recorded :-

| Year | Yield ² (MU/ha) | | |
|-----------------------|----------------------------|-------|-------|
| | 2006 | 2007 | 2008 |
| YOP ¹ 2002 | 0.00 | 13.56 | 17.77 |
| 2003 | 0.00 | 4.09 | 10.94 |
| 2004 | 0.00 | 1.75 | 10.38 |
| 2005 | 0.00 | 0.51 | 7.73 |
| 2006 | 0.00 | 0.00 | 0.00 |
| 2007 | 0.00 | 0.00 | 0.00 |
| 2008 | 0.00 | 0.00 | 0.00 |
| 2009 | 0.00 | 0.00 | 0.00 |

Notes:-

1. Year of Planting

2. Average Yield from Year 2006 to Year 2008

Comparison Method

Our findings from various Lands and Surveys Department, Miri and Bintulu Divisions, Sarawak, revealed that there are few transactions of agricultural land planted with oil palms and are as follows:

| Items | Comparable 1 | Comparable 2 | Comparable 3 |
|----------------------|--|--|--|
| Titles(s) | Lot 56 Sawai Land District | Lot 2 Block 34 Kemena Land District & Lot 2 Block 4 Selezu Land District | Lot 3 Block 3 Sawai Land District (Formerly known as Lots 3 to 14 Sawai Land District) |
| Name | Selangor Plantation | Ladang Tabung Haji | BHB Plantation |
| Locality | Sungai Luai and Sungai Bawah, Niah | Jalan Sebah, Bintulu | Sungai Niah, Niah |
| Accessibility | Through Miri-Bintulu road and then by surfaced road/car truck | Jalan Miri-Bintulu, Jalan Sebah, Bintulu | Jalan Miri-Bintulu and then internal private road |
| Type of Soil | Mixture of mineral soil | Peat Soil | Mineral soil |
| Terrain | Hilly/undulating | Flat and Undulating | Hilly/undulating |
| Category | Mixed Zone Land; Country Land | Mixed Zone Land; Country Land | Mixed Zone Land; Country Land |
| Annual Rent | RM12,002.00 per annum | RM761 per annum and RM16,536 per annum | RM11,600.00 per annum |
| Land Area | 4,857.00 ha | 7,000.00 ha (net area: 4,900.00 ha) | 4,640.00 hectares (Formerly was 4607.19 hectares) |
| Tenure (Expiry date) | 21/02/2054 | 31/12/2056 | 17/07/2077 |
| Description | Lands planted with oil palm (11-13 years old) | Lands planted with oil palm (9 to 11 years old) | Lands planted with oil palm (12 to 14 years old) |
| Transaction Date | 09/11/2007 | 29/04/2008 | August 1997 |
| Term & Conditions | To be used only for agricultural purposes and purposes incidental to the production and processing of crops thereon. | To be used only for agricultural purposes and purposes incidental to the production and processing of crops thereon. | To be used only for agricultural purposes and purposes incidental to the production and processing of crops thereon. |

VALUATION CERTIFICATES (Cont'd)



| Items | Comparable 1 | Comparable 2 | Comparable 3 |
|--------------------|---|--|---|
| Share of Transfer | Whole Share | Whole Share | Whole Share |
| Transaction Amount | RM97,000,000.00 | RM138,000,000.00 | RM90,000,000.00 |
| Transferor | Perbadanan Kemajuan Pertanian Selangor | Tabung Haji Sdn. Bhd. | Austral Enterprise Bhd. |
| Transferee | Sheba Resources Sdn. Bhd. | Semai Mekar Sdn. Bhd. | Harvest Master Sdn Bhd |
| Analysis | RM19,971.18 per hectare | RM28,163 per hectare | RM16,713 per hectare |
| Remarks | Assessment accepted. | Assessment accepted. Noted that about 1,420 ha are subject to NCR claim and about 680 ha are unplanted area. Thus, the net area is 4,900.00 ha. | Transaction prices including Palm Oil Mill (POM). Estimated Value for POM is RM13,000,000.00. |
| Adjustment | An upward adjustment made on time (to reflect the 21 months time lags) and age of the crop. | <i>We had inspected all the Comparables. However, we adopted Comparable 1 for the analysis. This is because the details information are available, such as, the YOP (year of planting), Stand per Hectare (SPH), total developed area, the terrain and the estate performance. Thus, more direct and comprehensive comparison can be made.</i> | |
| Adjusted Value | RM23,066.71 per Ha | | |

The adjusted value reflected the time lag, stand per hectare (SPH), year of planting, terrain and the locality of the property. Thus, the Market Value derived from the Comparison Method is RM129,270,000.00 (Ringgit Malaysia One Hundred Twenty-Nine Million Two Hundred and Seventy Thousand Only).

Discounted Cashflow Method

Discounted Cashflow approach is an income based method of valuation. The market value to be derived arises from the benefits of the sales of the oil palm planted thereon. These interest and rights involve the rights to sell off the fresh fruit bunches harvested from the plantation.

In the Discounted Cashflow Method, we based on the following parameters:

- | | |
|-------------------------------|-------------------------------|
| (a) Long term FFB price | : RM410 per mt |
| (b) Yield | : 1mt to 24 mt per annum |
| (c) Field maintenance | : RM1,580.20 per ha per annum |
| (d) General Charges | : RM500 per ha per annum |
| (e) Harvesting and Collection | : RM55.00 per mt per annum |
| (f) Transportation to mill | : RM18 per mt |
| (g) Discount rate | : 10.50% |
| (h) Discount period | : From year 2009 to year 2034 |
| (i) Basic Land Value | : 15,586.24 per ha |

Note :

- | | |
|---|---|
| Long term FFB price | - Based on the average local FFB price over 20 years, a RM410 per MT (CPO at RM2,100 p/MT) is adopted to be the average price on a long-term sustainable price. |
| Yield | - Based on the Company's historical yield records and projection. Also, the MPOB and Porim data. |
| Field maintenance, General Charges, Harvesting and Collection & Transportation to mill | - Based on the past three (3) years historical cost of production, three (3) years Company's projection and valuer's estimate |
| Discount rate | - The adopted discount rate of 10.5% for oil palm cultivation reflecting risk and return on investment over the long term risk free yield which is derived from Malaysian Government Securities and also the present base lending rate. |
| Discount period | - The remaining period of the economic life cycle for the palms, i.e. one cycle is about 25-27 years. |
| Basic Land Value | - The basic land value adopted is after taking into consideration the building cost, infrastructure cost analysed over 4,410.00 ha, which is about 97.03% of the total area (4,545.00 ha) to be developed. |


Market Value using DCF Method is RM122,100,000.00 (Ringgit Malaysia One Hundred Twenty-Two Million and One Hundred Thousand Only).

VALUATION CERTIFICATES (Cont'd)

**Value Conclusion**

In arriving at the final value of subject property, we have adopted Discounted Cashflow Method over Comparison Method, because of the complexity of the mature estate, such as different year of planting, stand per hectare (SPH), different yield pattern, cost of production, etc, is unique for each of the plantation estate. DCF method needs us to consider all the above to derive the market value, which is more actual, realistic and certain. On the other hand, to find a perfect comparable sale is impossible and we need to do a lot of adjustments in order to derive the market value. As such, the Comparison Method should only be used as a guide. It is our considered opinion that the Market Value of the leasehold oil palm plantation property free from all encumbrances is **RM122,100,000.00 (Ringgit Malaysia One Hundred Twenty-Two Million and One Hundred Thousand Only).**

**Yours faithfully,
HENRY BUTCHER MALAYSIA (MIRI) SDN. BHD.**



CHAI CHEON NYIAP
B.Sc (Hons) MIS (M) MRICS
Registered Valuer (V414)

VALUATION CERTIFICATES (Cont'd)



HENRY BUTCHER MALAYSIA
International Asset Consultants

22 July 2010

The Board of Directors
Rimbunan Sawit Berhad
No. 66 – 78, Pusat Suria Permata,
Jalan Upper Lanang 12A,
96000 Sibu, Sarawak

Dear Sir,

CERTIFICATE OF VALUATION OF PROVISIONAL LEASE OF STATE LAND DEVELOPED UNDER JOINT VENTURE AGREEMENT FOR OIL PALM PLANTATION WITH AN AREA OF 1,176 HECTARES KNOWN AS TABIB ESTATE UNDER LOTS 18 AND 19 BLOCK 6 TELANG USANG LAND DISTRICT, MIRI DIVISION

This certificate has been prepared for inclusion in the circular to shareholders of Rimbunan Sawit Berhad ("RSB") dated 27 July 2010 in relation to the Proposed Acquisitions by RSB of Tabib Estate.

In accordance with the instructions from RSB, we have valued the abovementioned property vide our valuation report bearing Reference No.: HBMM/VAL/MV/2064/2009 (Tabib Estate) dated 27th October 2009 for the purpose of submission to the Bursa Malaysia Securities Berhad. The subject property was inspected on 19th September 2009. The material date of valuation for this exercise is at 31st August 2009.

We confirm that we have valued the property based on the valuation basis stated below. The valuation has been carried out in accordance with the Valuation Standards issued by the Board of Valuers, Appraisers and Estate Agents, Malaysia and in complies with the Securities Commission's Asset Valuation Guidelines.

The basis of the valuation is the **Market Value** which is defined as the estimated amount for which an asset should exchange on the date of valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion.

In assessing the market value of the subject property, we have adopted both the **Discounted Cash Flow (DCF) Method** and the **Comparison Method**.

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HENRY BUTCHER MALAYSIA (MIRI) SDN. BHD. (566177-X)
Lot 1189, First Floor, Miri Waterfront Commercial Centre, 98000 Miri, Sarawak.
P. O. Box 2214, 98000 Miri, Sarawak.
tel : 085-442800, 442898, 442899 • fax : 085-429699 • email : hbmalmiri@yahoo.com
www.henrybutchermalaysia.com

VALUATION CERTIFICATES (Cont'd)



Brief details of the Property as extracted from the valuation report are as follows:

| Asset Identification | <p>Details of Title The subject estate, Tabib Estate is situated at Miri Division, Sarawak and under a Provisional Lease of State Land, developed under a Joint Venture (JV) Agreement, hereinafter referred to as the "subject property".</p> <table border="0" style="width: 100%;"> <tr> <td style="width: 70%;">Title Particular</td> <td style="text-align: right;">Land Area (hectares)</td> </tr> <tr> <td>(a) Provisional Lease Lot 18 Block 6 Telang Usang Land District and</td> <td style="text-align: right;">938.00</td> </tr> <tr> <td>(b) Provisional Lease Lot 19 Block 6 Telang Usang Land District</td> <td style="text-align: right;"><u>238.00</u></td> </tr> <tr> <td style="text-align: center;">Total</td> <td style="text-align: right;">1,176.00</td> </tr> </table> <p>Location/Address The property is situated at Sungai Paong, Long Lama, Baram, Miri. The estate is about 8 kilometres (aerial measured) to the North-East of Long Lama Bazaar and is about 144 km by road to the South-East of Miri City Centre, Sarawak.</p> <p>Accessibility The Plantation Estate is accessible from Miri City Centre via Miri-Bintulu Road (at 45KM), Jalan Bukit Peninjau (25KM), Jalan Beluru/Long Teru (formerly known as Tinjar Road-about 22 KM to reach the junction to RH Oil Palm Mill and RH Bakong Estate) and then using Lapok-Long Lama Road, about 50 KM to reach Long Lama Bazaar and then following the timber logging road which branches off the Long lama Bazaar (about 24 KM) to reach the Plantation Estate.</p> <p>Tenure Leasehold 60 years expiring on 10/07/2087, with unexpired term of about 78 years.</p> <p>Category of Land Use Agricultural purposes.</p> <p>Registered Proprietor Pelita-Splendid Plantation Sdn. Bhd.</p> | Title Particular | Land Area (hectares) | (a) Provisional Lease Lot 18 Block 6 Telang Usang Land District and | 938.00 | (b) Provisional Lease Lot 19 Block 6 Telang Usang Land District | <u>238.00</u> | Total | 1,176.00 | | | | | | | | | | | | | | | | | | |
|---|--|-------------------------|-----------------------------|---|--------|---|---------------|-------|-------------------|------------------|-------------|------------|----|------|---|--------|--------|-------------|--|--|--------|--------|---------------------------------|--|--|------|--|
| Title Particular | Land Area (hectares) | | | | | | | | | | | | | | | | | | | | | | | | | | |
| (a) Provisional Lease Lot 18 Block 6 Telang Usang Land District and | 938.00 | | | | | | | | | | | | | | | | | | | | | | | | | | |
| (b) Provisional Lease Lot 19 Block 6 Telang Usang Land District | <u>238.00</u> | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Total | 1,176.00 | | | | | | | | | | | | | | | | | | | | | | | | | | |
| General Description of Asset | <p>Description The subject estate is under two (2) parcels of Provisional Lease of State Land and developed under a Joint Venture Agreement for oil palm plantation purposes, namely, Lots 18 & 19 Block 6 Telang Usang Land District, with land area of 1,176.00 hectares.</p> <p>The Joint Venture (JV) Agreement is between Land Custody And Development Authority (hereinafter referred to as "Pelita") and Splendid Standard Sdn. Bhd. (Co. No. 349316-D) dated 13th day of May, 1999. Splendid Standard Sdn. Bhd. assigned the JVA to Pemandangan Jauh Plantation Sdn. Bhd. through Deed of Assignment on 9th day of October 2000.</p> <p>The JVC was known as "Pelita Splendid Plantation Sdn. Bhd." to carry out the Joint Venture business. Under the JVC, the equity structure will be as follows:</p> <table border="0" style="margin-left: 40px;"> <tr> <td>Pelita</td> <td>- 30%</td> </tr> <tr> <td>Splendid</td> <td>- 70%</td> </tr> </table> <p>The private sector and trustee will pay cash for their shares. The landowners equity in the JVC will be paid through the land value.</p> <p>The authorized capital of the JVC shall be Ringgit Malaysia Five Million Only (RM5,000,000.00), divided into Five Million (5,000,000) ordinary shares, each having a value of Ringgit Malaysia One only (RM1.00). For the purpose of this Valuation exercise, we assumed the allotment shares payment had been fully paid.</p> <p>Tabib Estate is currently developed in one phase only and is situated at Sungai Paong, Long Lama, Baram, Miri.</p> <p>The following is the area statement :-</p> <table border="1" style="margin-left: 40px; width: 100%;"> <thead> <tr> <th rowspan="2">Item</th> <th colspan="2">Year</th> <th rowspan="2">Planted Area (Ha)</th> <th rowspan="2">Mature Area (Ha)</th> </tr> <tr> <th>Of Planting</th> <th>Age @ 2009</th> </tr> </thead> <tbody> <tr> <td>1.</td> <td>2001</td> <td>8</td> <td style="text-align: center;">359.46</td> <td style="text-align: center;">359.46</td> </tr> <tr> <td colspan="3" style="text-align: center;">Grand Total</td> <td style="text-align: center;">359.46</td> <td style="text-align: center;">359.46</td> </tr> <tr> <td colspan="3" style="text-align: center;">Percentage (%) of mature plants</td> <td colspan="2" style="text-align: center;">100%</td> </tr> </tbody> </table> | Pelita | - 30% | Splendid | - 70% | Item | Year | | Planted Area (Ha) | Mature Area (Ha) | Of Planting | Age @ 2009 | 1. | 2001 | 8 | 359.46 | 359.46 | Grand Total | | | 359.46 | 359.46 | Percentage (%) of mature plants | | | 100% | |
| Pelita | - 30% | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Splendid | - 70% | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Item | Year | | Planted Area (Ha) | Mature Area (Ha) | | | | | | | | | | | | | | | | | | | | | | | |
| | Of Planting | Age @ 2009 | | | | | | | | | | | | | | | | | | | | | | | | | |
| 1. | 2001 | 8 | 359.46 | 359.46 | | | | | | | | | | | | | | | | | | | | | | | |
| Grand Total | | | 359.46 | 359.46 | | | | | | | | | | | | | | | | | | | | | | | |
| Percentage (%) of mature plants | | | 100% | | | | | | | | | | | | | | | | | | | | | | | | |

VALUATION CERTIFICATES (Cont'd)



The following is the production cost analysis and OER rate for the last 3 years:-

| Year | | FY2006 | FY2007 | FY2008 |
|--------------|---|------------|------------|------------|
| OER Rate (%) | | 17% to 20% | 17% to 20% | 17% to 20% |
| Items | | | | |
| 1) | Plantation Admin Charges Cost per ha (RM/ha) | 1,004.40 | 547.45 | 445.90 |
| 2) | Maintenance/Cultivation Cost per ha (RM/ha) | 2,248.36 | 908.40 | 1,176.27 |
| 3) | Harvesting & Collecting Cost Cost per metric tonne (RM/MT) | 73.97 | 82.32 | 79.28 |
| 4) | FFB Transport To Mill Cost Cost per metric tonne (RM/MT) | 35.58 | 53.40 | 72.18 |

The following is the yield recorded :-

| Year | Yield ² (Mt/ha) | | |
|------------------|----------------------------|------|-------|
| YOP ¹ | 2006 | 2007 | 2008 |
| 2001 | 9.73 | 9.88 | 11.67 |

Notes:-

1. Year of Planting
2. Average Yield from Year 2006 to Year 2008

Comparison Method

Our findings from various Lands and Surveys Department, Miri and Bintulu Divisions, Sarawak, revealed that there are few transactions of agricultural land planted with oil palms and are as follows:

| Items | Comparable 1 | Comparable 2 | Comparable 3 |
|----------------------|--|--|--|
| Titles(s) | Lot 56 Sawai Land District | Lot 2 Block 34 Kemena Land District & Lot 2 Block 4 Selezu Land District | Lot 3 Block 3 Sawai Land District (Formerly known as Lots 3 to 14 Sawai Land District) |
| Name | Selangor Plantation | Ladang Tabung Haji | BHB Plantation |
| Locality | Sungai Luai and Sungai Bawah, Niah | Jalan Sebah, Bintulu | Sungai Niah, Niah |
| Accessibility | Through Miri-Bintulu road and then by surfaced road/car truck | Jalan Miri-Bintulu, Jalan Sebah, Bintulu | Jalan Miri-Bintulu and then internal private road |
| Type of Soil | Mixture of mineral soil | Peat Soil | Mineral soil |
| Terrain | Hilly/undulating | Flat and Undulating | Hilly/undulating |
| Category | Mixed Zone Land; Country Land | Mixed Zone Land; Country Land | Mixed Zone Land; Country Land |
| Annual Rent | RM12,002.00 per annum | RM761 per annum and RM16,536 per annum | RM11,600.00 per annum |
| Land Area | 4,857.00 ha | 7,000.00 ha (net area: 4,900.00 ha) | 4,640.00 hectares (Formerly was 4607.19 hectares) |
| Tenure (Expiry date) | 21/02/2054 | 31/12/2056 | 17/07/2077 |
| Description | Lands planted with oil palm (11-13 years old) | Lands planted with oil palm (9 to 11 years old) | Lands planted with oil palm (12 to 14 years old) |
| Transaction Date | 09/11/2007 | 29/04/2008 | August 1997 |
| Term & Conditions | To be used only for agricultural purposes and purposes incidental to the production and processing of crops thereon. | To be used only for agricultural purposes and purposes incidental to the production and processing of crops thereon. | To be used only for agricultural purposes and purposes incidental to the production and processing of crops thereon. |
| Share of Transfer | Whole Share | Whole Share | Whole Share |
| Transaction Amount | RM97,000,000.00 | RM138,000,000.00 | RM90,000,000.00 |
| Transferor | Perbadanan Kemajuan Pertanian Selangor | Tabung Haji Sdn. Bhd. | Austral Enterprise Bhd. |
| Transferee | Sheba Resources Sdn. Bhd. | Semai Mekar Sdn. Bhd. | Harvest Master Sdn Bhd |
| Analysis | RM19,971.18 per hectare | RM28,163 per hectare | RM16,713 per hectare |

VALUATION CERTIFICATES (Cont'd)



| | | | |
|----------------|--|--|---|
| Remarks | Assessment accepted. | Assessment accepted. Noted that about 1,420 ha are subject to NCR claim and about 680 ha are unplatable area. Thus, the net area is 4,900.00 ha. | Transaction prices including Palm Oil Mill (POM). Estimated Value for POM is RM13,000,000.00. |
| Adjustment | An upward adjustment made on time (to reflect the 21 months time lags), terrain (to reflect a flat & undulating terrain as compared to hilly/undulating terrain), SPH (to reflect 133 SPH and compared to 90-100 SPH for the comparable), and tenure/lease (to reflect the longer unexpiry lease term). A downward adjustment on location, developed area, land size and infrastructure. | <i>We had inspected all the Comparables. However, we adopted Comparable 1 for the analysis. This is because the details information are available, such as, the YOP (year of planting), Stand per Hectare (SPH), total developed area, the terrain and the estate performance. Thus, more direct and comprehensive comparison can be made.</i> | |
| Adjusted Value | RM13,180.98 per Ha | | |

The adjusted value reflected the time lag, stand per hectare (SPH), year of planting, terrain and the locality of the property. Thus, the Market Value derived from the Comparison Method is RM14,510,000.00 (Ringgit Malaysia Fourteen Million Five Hundred and Ten Thousand Only).

Discounted Cashflow Method

Discounted Cashflow approach is an income based method of valuation. The market value to be derived arises from the benefits of the sales of the oil palm planted thereon. These interest and rights involve the rights to sell off the fresh fruit brunches harvested from the plantation.

In the Discounted Cashflow Method, we based on the following parameters:

| | |
|---------------------------|-------------------------------|
| Long term FFB price | : RM410 per mt |
| Yield | : 12mt to 20 mt per annum |
| Field maintenance | : RM1,714.50 per ha per annum |
| General Charges | : RM550 per ha per annum |
| Harvesting and Collection | : RM75 per mt per annum |
| Transportation to mill | : RM74 per mt |
| Discount rate | : 11% |
| Discount period | : From year 2009 to year 2026 |
| Basic Land Value | : 15,801.41 per ha |

Note :

- Long term FFB price* - Based on the average local FFB price over 20 years, a RM410 per MT (CPO at RM2,100 p/MT) is adopted to be the average price on a long-term sustainable price.
- Yield* - Based on the Company's historical yield records and projection. Also, the MPOB and Porim data.
- Field maintenance, General Charges, Harvesting and Collection & Transportation to mill* - Based on the past three (3) years historical cost of production, three (3) years Company's projection and valuer's estimate.
- Discount rate* - The adopted discount rate of 11% for oil palm cultivation reflecting risk and return on investment over the long term risk free yield which is derived from Malaysian Government Securities and also the present base lending rate.
- Discount period* - The remaining period of the economic life cycle for the palms, i.e. one cycle is about 25-27 years.
- Basic Land Value* - The basic land value adopted is after taking into consideration the building cost, infrastructure cost analysed over 359.46 ha, which is about 33.40% of the total area (1,076.12 ha) to be developed.

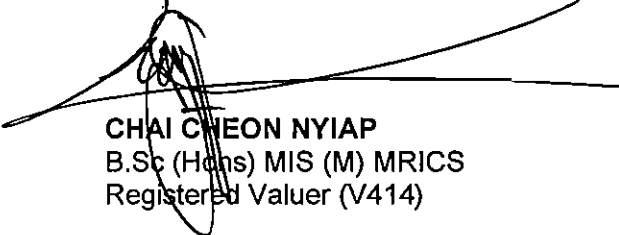
Market Value using DCF Method is RM14,550,000.00 (Ringgit Malaysia Fourteen Million Five Hundred and Fifty Thousand Only).

VALUATION CERTIFICATES (Cont'd)

**Value Conclusion**

In arriving at the final value of subject property, we have adopted Discounted Cashflow Method over Comparison Method, because of the complexity of the mature estate, such as different year of planting, stand per hectare (SPH), different yield pattern, cost of production, etc, is unique for each of the plantation estate. DCF method needs us to consider all the above to derive the market value, which is more actual, realistic and certain. On the other hand, to find a perfect comparable sale is impossible and we need to do a lot of adjustments in order to derive the market value. As such, the Comparison Method should only be used as a guide. It is our considered opinion that the Market Value of the leasehold oil palm plantation property free from all encumbrances is **RM14,550,000.00** (Ringgit Malaysia Fourteen Million Five Hundred and Fifty Thousand Only).

Yours faithfully,
HENRY BUTCHER MALAYSIA (MIRI) SDN. BHD.



CHAI CHEON NYIAP
B.Sc (Hons) MIS (M) MRICS
Registered Valuer (V414)

VALUATION CERTIFICATES (Cont'd)



HENRY BUTCHER MALAYSIA
International Asset Consultants

22 July 2010

The Board of Directors
Rimbunan Sawit Berhad
No. 66 – 78, Pusat Suria Permata,
Jalan Upper Lanang 12A,
96000 Sibul, Sarawak

Dear Sir,

CERTIFICATE OF VALUATION OF PROVISIONAL LEASE OF STATE LAND DEVELOPED UNDER JOINT VENTURE AGREEMENT FOR OIL PALM PLANTATION WITH AN AREA OF 3,933 HECTARES KNOWN AS PJP PELITA BIAWAK PLANTATION ESTATE UNDER LOTS 5 AND 7 BOTH OF BLOCK 3 STUNGKOR LAND DISTRICT, LOT 40 BLOCK 12 GADING LUNDU LAND DISTRICT, LOTS 66 AND 67 BOTH OF BLOCK 11 GADING LUNDU LAND DISTRICT, LOT 247 BLOCK 4 STUNGKOR LAND DISTRICT AND LOT 385 BLOCK 8 STUNGKOR LAND DISTRICT, LUNDU, KUCHING DIVISION

This certificate has been prepared for inclusion in the circular to shareholders of Rimbunan Sawit Berhad ("RHB") dated 27 July 2010 in relation to the Proposed Acquisitions by RSB of PJP Pelita Biawak Estate.

In accordance with the instructions from RSB, we have valued the abovementioned property vide our valuation report bearing Reference No.: HBMM/VAL/MV/2064/2009 (PJP Pelita Biawak Plantation Estate) dated 27th October 2009 for the purpose of submission to the Bursa Malaysia Securities Berhad. The subject property was inspected on 26th October 2009. The material date of valuation for this exercise is at 31st August 2009.

We confirm that we have valued the property based on the valuation basis stated below. The valuation has been carried out in accordance with the Valuation Standards issued by the Board of Valuers, Appraisers and Estate Agents, Malaysia and in complies with the Securities Commission's Asset Valuation Guidelines.

The basis of the valuation is the **Market Value** which is defined as the estimated amount for which an asset should exchange on the date of valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion.

In assessing the market value of the subject property, we have adopted both the **Discounted Cash Flow (DCF) Method** and the **Comparison Method**.

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HENRY BUTCHER MALAYSIA (MIRI) SDN. BHD. (566177-X)
Lot 1189, First Floor, Miri Waterfront Commercial Centre, 98000 Miri, Sarawak.
P. O. Box 2214, 98000 Miri, Sarawak.
tel : 085-442800, 442898, 442899 • fax : 085-429699 • email : hbmalmiri@yahoo.com
www.henrybutchermalaysia.com

VALUATION CERTIFICATES (Cont'd)



Brief details of the Property as extracted from the valuation report are as follows:

| <p>Asset Identification</p> | <p>Details of Title The subject estate, PJP Pelita Biawak Plantation is situated at Kuching Division, Sarawak and under the following Provisional Lease of State Land, developed under Joint Venture (JV) Agreement, hereinafter referred to as the "subject property".</p> <table border="0" data-bbox="370 667 1436 918"> <thead> <tr> <th style="text-align: left;">Title Particular</th> <th style="text-align: right;">Land Area (hectares)</th> </tr> </thead> <tbody> <tr> <td>(a) Provisional Lease Lot 5 Block 3 Stungkor Land District;</td> <td style="text-align: right;">716.50</td> </tr> <tr> <td>(b) Provisional Lease Lot 7 Block 3 Stungkor Land District;</td> <td style="text-align: right;">1,011.00</td> </tr> <tr> <td>(c) Provisional Lease Lot 40 Block 12 Gading Lundu Land District;</td> <td style="text-align: right;">820.00</td> </tr> <tr> <td>(d) Provisional Lease Lot 66 Block 11 Gading Lundu Land District;</td> <td style="text-align: right;">16.50</td> </tr> <tr> <td>(e) Provisional Lease Lot 67 Block 11 Gading Lundu Land District;</td> <td style="text-align: right;">553.50</td> </tr> <tr> <td>(f) Provisional Lease Lot 247 Block 4 Stungkor Land District; and</td> <td style="text-align: right;">404.50</td> </tr> <tr> <td>(g) Provisional Lease Lot 385 Block 8 Stungkor Land District.</td> <td style="text-align: right;"><u>411.00</u></td> </tr> <tr> <td style="text-align: right;">Total</td> <td style="text-align: right;">3,933.00</td> </tr> </tbody> </table> <p>Location/Address The property is situated at Sungai Kendai/Batang Kayan, Lundu, within Lundu District, in Kuching Division. The approximate location of the estate is about 12 kilometres to the South-South-West of Lundu Bazaar, in between the existing Bau-Lundu trunk road and the Malaysia-Indonesia International Border. Also, the estate is about 45 kilometres to the North-West of Bau Town and about 22 kilometres to the South-East of Sematan Bazaar. Lundu Bazaar is about 91 kilometres by road to the West of Kuching City Centre, whilst the subject land is about 75 to 80 kilometres by road to the North-West of Kuching City Centre.</p> <p>Accessibility The plantation estate is accessible by way of Kuching-Bau Road, Bau-Lundu Road (about 83 kilometres from Kuching), Serayan-Lundu Road (about 3 kilometres before reaching the Junction of Biawak Road), Biawak Sibul Road and then a private earth-gravelled road (about 29 kilometres) cut through the adjoining lands before reaching the estate.</p> <p>Tenure Leasehold 60 years expiring on 13/01/2062, with unexpired term of about 53 years.</p> <p>Category of Land Use Agricultural purposes.</p> <p>Registered Proprietor PJP Pelita Biawak Plantation Sdn. Bhd (formerly known as Pelita Cergas Sdn. Bhd.)</p> | Title Particular | Land Area (hectares) | (a) Provisional Lease Lot 5 Block 3 Stungkor Land District; | 716.50 | (b) Provisional Lease Lot 7 Block 3 Stungkor Land District; | 1,011.00 | (c) Provisional Lease Lot 40 Block 12 Gading Lundu Land District; | 820.00 | (d) Provisional Lease Lot 66 Block 11 Gading Lundu Land District; | 16.50 | (e) Provisional Lease Lot 67 Block 11 Gading Lundu Land District; | 553.50 | (f) Provisional Lease Lot 247 Block 4 Stungkor Land District; and | 404.50 | (g) Provisional Lease Lot 385 Block 8 Stungkor Land District. | <u>411.00</u> | Total | 3,933.00 |
|---|--|-------------------------|-----------------------------|---|--------|---|----------|---|--------|---|-------|---|--------|---|--------|---|---------------|-------|----------|
| Title Particular | Land Area (hectares) | | | | | | | | | | | | | | | | | | |
| (a) Provisional Lease Lot 5 Block 3 Stungkor Land District; | 716.50 | | | | | | | | | | | | | | | | | | |
| (b) Provisional Lease Lot 7 Block 3 Stungkor Land District; | 1,011.00 | | | | | | | | | | | | | | | | | | |
| (c) Provisional Lease Lot 40 Block 12 Gading Lundu Land District; | 820.00 | | | | | | | | | | | | | | | | | | |
| (d) Provisional Lease Lot 66 Block 11 Gading Lundu Land District; | 16.50 | | | | | | | | | | | | | | | | | | |
| (e) Provisional Lease Lot 67 Block 11 Gading Lundu Land District; | 553.50 | | | | | | | | | | | | | | | | | | |
| (f) Provisional Lease Lot 247 Block 4 Stungkor Land District; and | 404.50 | | | | | | | | | | | | | | | | | | |
| (g) Provisional Lease Lot 385 Block 8 Stungkor Land District. | <u>411.00</u> | | | | | | | | | | | | | | | | | | |
| Total | 3,933.00 | | | | | | | | | | | | | | | | | | |
| <p>General Description of Asset</p> | <p>Description The subject estate is under seven (7) parcels of Provisional Lease of State Lands and developed under a Joint Venture Agreement for oil palm plantation purposes. The Joint Venture (JV) Agreement is between Pemandangan Jauh Plantation Sdn. Bhd. (Co. No. 247217-W) (known as PJP) and Pelita Holdings Sdn. Bhd. (Co. No. 182028-W) (known as PHSB) and Lembaga Amanah Kebajikan Masjid Negeri Sarawak (a charitable trust board hereafter referred to as "LKMNS") dated 8th day of August, 2002.</p> <p>PHSB has on the 6th day of September, 1995 under Certificate No. 358147 P caused to be incorporated under the Company Act 1965, a company known as "Pelita Cergas Sdn. Bhd." hereinafter called "the JVC". Under the JVC, the equity structure will be as follows:</p> <table border="0" data-bbox="370 1836 1436 1926"> <tbody> <tr> <td>PJP</td> <td style="text-align: right;">- 70%</td> </tr> <tr> <td>PHSB</td> <td style="text-align: right;">- 15%</td> </tr> <tr> <td>LKMNS</td> <td style="text-align: right;">- 15%</td> </tr> </tbody> </table> <p>The private sector and trustee will pay cash for their shares. The landowners equity in the JVC will be paid through the land value. The initial authorized capital is Ringgit Malaysia One Hundred Thousand Only (RM100,000.00) and the paid-up capital is Ringgit Malaysia One Hundred Only (RM100.00). The parties have agreed that the JVC will be the vehicle for the joint venture.</p> <p>The authorized capital and paid-up capital of the JVC shall be increased to Ringgit Malaysia Ten Million only (RM10,000,000.00) and Ringgit Malaysia Six Million Seventeen Thousand Three</p> | PJP | - 70% | PHSB | - 15% | LKMNS | - 15% | | | | | | | | | | | | |
| PJP | - 70% | | | | | | | | | | | | | | | | | | |
| PHSB | - 15% | | | | | | | | | | | | | | | | | | |
| LKMNS | - 15% | | | | | | | | | | | | | | | | | | |

VALUATION CERTIFICATES (Cont'd)



Hundred and Fifty Three Only (RM6,017,353.00) respectively and will be divided into Ten Million (10,000,000) and Six Million Seventeen Thousand Three Hundred and Fifty Three (6,017,353.00) ordinary shares, each having a value of Ringgit Malaysia One only (RM1.00).

The name of the JVC, Pelita Cergas Sdn. Bhd. was subsequently changed to PJP Pelita Biawak Plantation Sdn. Bhd on 15 April 2005. For the purpose of this Valuation exercise, we assumed the allotment shares payment had been fully paid. PJP Pelita Biawak Estate comprises of 7 phases, namely, Phase 1KA & 1KB, Phase 2K, Phase 3KA & 3KB, Phase 4K and Phase 5K for easy administrative purposes.

PJP Pelita Biawak Plantation Estate is situated at Sungai Kendai/Batang Kayan, Lurdu, within Lundu District, in Kuching Division.

The following is the area statement :-

| Item | Year | | Planted Area (Ha) | Mature Area (Ha) |
|---------------------------------|-------------|------------|-------------------|------------------|
| | Of Planting | Age @ 2009 | | |
| 1. | 1996 | 13 | 75.40 | 75.40 |
| 2. | 1999 | 10 | 5.10 | 5.10 |
| 3. | 2000 | 9 | 932.15 | 932.15 |
| 4. | 2001 | 8 | 513.00 | 513.00 |
| 5. | 2002 | 7 | 514.80 | 514.80 |
| 6. | 2003 | 6 | 326.70 | 326.70 |
| 7. | 2004 | 5 | 59.30 | 59.30 |
| 8. | 2005 | 4 | 2.35 | 2.35 |
| Grand Total | | | 2,428.80 | 2,428.80 |
| Percentage (%) of mature plants | | | | 100% |

The following is the production cost analysis and OER rate for the last 3 years:-

| | | Year | FY2006 | FY2007 | FY2008 |
|--------------|---|------|------------|------------|------------|
| OER Rate (%) | | | 17% to 20% | 17% to 20% | 17% to 20% |
| Items | | | | | |
| 1) | Plantation Admin Charges Cost per ha (RM/Ha) | | 446.77 | 537.33 | 666.86 |
| 2) | Maintenance/Cultivation Cost per ha (RM/Ha) | | 930.28 | 1,507.20 | 2,183.97 |
| 3) | Harvesting & Collecting Cost Cost per metric tonne (RM/MT) | | 30.14 | 59.25 | 56.63 |
| 4) | FFB Transport To Mill Cost Cost per metric tonne (RM/MT) | | 22.09 | 23.75 | 22.41 |

The following is the past three (3) years yield recorded :-

| Year | Yield ² (Mt/ha) | | |
|------|----------------------------|-------|-------|
| | 2006 | 2007 | 2008 |
| 1996 | 21.17 | 22.68 | 23.86 |
| 1999 | 21.33 | 16.30 | 19.96 |
| 2000 | 14.47 | 15.51 | 18.23 |
| 2001 | 1.57 | 2.56 | 3.60 |
| 2002 | 6.46 | 8.34 | 11.93 |
| 2003 | 0.73 | 4.54 | 9.35 |
| 2004 | 0.00 | 0.65 | 4.71 |
| 2005 | 0.00 | 0.71 | 7.54 |

Notes:-

1. Year of Planting
2. Average Yield from Year 2006 to Year 2008

VALUATION CERTIFICATES (Cont'd)

**Comparison Method**

Our findings from various Lands and Surveys Department, Miri and Bintulu Divisions, Sarawak, revealed that there are few transactions of agricultural land planted with oil palms and are as follows:

| Items | Comparable 1 | Comparable 2 | Comparable 3 |
|----------------------|---|--|--|
| Titles(s) | Lot 56 Sawai Land District | Lot 2 Block 34 Kemena Land District & Lot 2 Block 4 Selezu Land District | Lot 3 Block 3 Sawai Land District (Formerly known as Lots 3 to 14 Sawai Land District) |
| Name | Selangor Plantation | Ladang Tabung Haji | BHB Plantation |
| Locality | Sungai Luai and Sungai Bawah, Niah | Jalan Sebah, Bintulu | Sungai Niah, Niah |
| Accessibility | Through Miri-Bintulu road and then by surfaced road/car truck | Jalan Miri-Bintulu, Jalan Sebah, Bintulu | Jalan Miri-Bintulu and then internal private road |
| Type of Soil | Mixture of mineral soil | Peat Soil | Mineral soil |
| Terrain | Hilly/undulating | Flat and Undulating | Hilly/undulating |
| Category | Mixed Zone Land; Country Land | Mixed Zone Land; Country Land | Mixed Zone Land; Country Land |
| Annual Rent | RM12,002.00 per annum | RM761 per annum and RM16,536 per annum | RM11,600.00 per annum |
| Land Area | 4,857.00 ha | 7,000.00 ha (net area: 4,900.00 ha) | 4,640.00 hectares (Formerly was 4,607.19 hectares) |
| Tenure (Expiry date) | 21/02/2054 | 31/12/2056 | 17/07/2077 |
| Description | Lands planted with oil palm (11-13 years old) | Lands planted with oil palm (9 to 11 years old) | Lands planted with oil palm (12 to 14 years old) |
| Transaction Date | 09/11/2007 | 29/04/2008 | August 1997 |
| Term & Conditions | To be used only for agricultural purposes and purposes incidental to the production and processing of crops thereon. | To be used only for agricultural purposes and purposes incidental to the production and processing of crops thereon. | To be used only for agricultural purposes and purposes incidental to the production and processing of crops thereon. |
| Share of Transfer | Whole Share | Whole Share | Whole Share |
| Transaction Amount | RM97,000,000.00 | RM138,000,000.00 | RM90,000,000.00 |
| Transferor | Perbadanan Kemajuan Pertanian Selangor | Tabung Haji Sdn. Bhd. | Austral Enterprise Bhd. |
| Transferee | Sheba Resources Sdn. Bhd. | Semai Mekar Sdn. Bhd. | Harvest Master Sdn Bhd |
| Analysis | RM19,971.18 per hectare | RM28,163 per hectare | RM16,713 per hectare |
| Remarks | Assessment accepted. | Assessment accepted. Noted that about 1,420 ha are subject to NCR claim and about 680 ha are unplatable area. Thus, the net area is 4,900.00 ha. | Transaction prices including Palm Oil Mill (POM). Estimated Value for POM is RM13,000,000.00. |
| Adjustment | An upward adjustment made on time (to reflect the 21 months time lags), age of the crop, on terrain (to reflect flat/undulating as compared to hilly/undulating terrain), and SPH (to reflect 133 SPH and compared to 90-100 SPH for the comparable). | <i>We had inspected all the Comparables. However, we adopted Comparable 1 for the analysis. This is because the details information are available, such as, the YOP (year of planting), Stand per Hectare (SPH), total developed area, the terrain and the estate performance. Thus, more direct and comprehensive comparison can be made.</i> | |
| Adjusted Value | RM26,361.95 per Ha | | |

The adjusted value reflected the time lag, stand per hectare (SPH), year of planting and terrain of the property. Thus, the Market Value derived from the Comparison Method is RM103,680,000.00 (Ringgit Malaysia One Hundred and Three Million Six Hundred and Eighty Thousand Only).

VALUATION CERTIFICATES (Cont'd)

**Discounted Cashflow Method**

Discounted Cashflow approach is an income based method of valuation. The market value to be derived arises from the benefits of the sales of the oil palm planted thereon. These interest and rights involve the rights to sell off the fresh fruit bunches harvested from the plantation.

In the Discounted Cashflow Method, we based on the following parameters:

| | |
|-------------------------------|-------------------------------|
| (a) Long term FFB price | : RM410 per mt |
| (b) Yield | : 5mt to 24 mt per annum |
| (c) Field maintenance | : RM2,092.20 per ha per annum |
| (d) General Charges | : RM550 per ha per annum |
| (e) Harvesting and Collection | : RM46 per mt per annum |
| (f) Transportation to mill | : RM24 per mt |
| (g) Discount rate | : 11% |
| (h) Discount period | : From year 2009 to year 2025 |
| (i) Basic Land Value | : 15,606.90 per ha |

Note :

| | |
|---|---|
| <i>Long term FFB price</i> | - Based on the average local FFB price over 20 years, a RM410 per MT (CPO at RM2,100 per MT) is adopted to be the average price on a long-term sustainable price. |
| <i>Yield</i> | - Based on the Company's historical yield records and projection. Also, the MPOB and Porim data. |
| <i>Field maintenance, General Charges, Harvesting and Collection & Transportation to mill</i> | - Based on the past three (3) years historical cost of production, three (3) years Company's projection and valuer's estimate. |
| <i>Discount rate</i> | - The adopted discount rate of 11% for oil palm cultivation reflecting risk and return on investment over the long term risk free yield which is derived from Malaysian Government Securities and also the present base lending rate. |
| <i>Discount period</i> | - The remaining period of the economic life cycle for the palms, i.e. one cycle is about 25-27 years. |
| <i>Basic Land Value</i> | - The basic land value adopted is after taking into consideration the building cost, infrastructure cost analysed over 2,458.80ha, which is about 63.92% of the total area (3,846.49ha) to be developed. |

Market Value using DCF Method is RM107,240,000.00 (Ringgit Malaysia One Hundred Seven Million Two Hundred and Forty Thousand Only).

Value Conclusion

In arriving at the final value of subject property, we have adopted Discounted Cashflow Method over Comparison Method, because of the complexity of the mature estate, such as different year of planting, stand per hectare (SPH), different yield pattern, cost of production, etc, is unique for each of the plantation estate. DCF method needs us to consider all the above to derive the market value, which is more actual, realistic and certain. On the other hand, to find a perfect comparable sale is impossible and we need to do a lot of adjustments in order to derive the market value. As such, the Comparison Method should only be used as a guide. It is our considered opinion that the Market Value of the leasehold oil palm plantation property free from all encumbrances is RM107,240,000.00 (Ringgit Malaysia One Hundred Seven Million Two Hundred and Forty Thousand Only).

Yours faithfully,
HENRY BUTCHER MALAYSIA (MIRI) SDN. BHD.

CHAI CHEON NYIAP
B.Sc (Hons) MIS (M) MRICS
Registered Valuer (V414)

VALUATION CERTIFICATES (Cont'd)

**HENRY BUTCHER MALAYSIA***International Asset Consultants*

22 July 2010

The Board of Directors
Rimbunan Sawit Berhad
 No. 66 – 78, Pusat Suria Permata,
 Jalan Upper Lanang 12A,
 96000 Sibu, Sarawak

Dear Sir,

CERTIFICATE OF VALUATION OF PLANTATION LAND DEVELOPED UNDER JOINT VENTURE AGREEMENT FOR OIL PALM PLANTATION WITH AN AREA OF 3,367 HECTARES KNOWN AS PJP PELITA EKANG-BANYOK PLANTATION ESTATE, BELURU-LONG LAMA, MIRI DIVISION

This certificate has been prepared for inclusion in the circular to shareholders of Rimbunan Sawit Berhad ("RSB") dated 27 July 2010 in relation to the Proposed Acquisitions by RSB of PJP Pelita Ekang-Banyok Plantation Sdn. Bhd.

In accordance with the instructions from RSB, we have valued the abovementioned property vide our valuation report bearing Reference No.: HBMM/VAL/MV/2064/2009 (PJP Pelita Ekang-Banyok Plantation Estate) dated 27th October 2009 for the purpose of submission to the Bursa Malaysia Securities Berhad. The subject property was inspected on 19th October 2009. The material date of valuation for this exercise is at 31st August 2009.

We confirm that we have valued the property based on the valuation basis stated below. The valuation has been carried out in accordance with the Valuation Standards issued by the Board of Valuers, Appraisers and Estate Agents, Malaysia and in complies with the Securities Commission's Asset Valuation Guidelines.

The basis of the valuation is the **Market Value** which is defined as the estimated amount for which an asset should exchange on the date of valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion.

In assessing the market value of the subject property, we have adopted both the **Discounted Cash Flow (DCF) Method** and the **Comparison Method**.

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HENRY BUTCHER MALAYSIA (MIRI) SDN. BHD. (566177-X)
 Lot 1189, First Floor, Miri Waterfront Commercial Centre, 98000 Miri, Sarawak.
 P. O. Box 2214, 98000 Miri, Sarawak.
 tel : 085-442800, 442898, 442899 • fax : 085-429699 • email : hbmalmiri@yahoo.com
www.henrybutchermalaysia.com

VALUATION CERTIFICATES (Cont'd)



Brief details of the Property as extracted from the valuation report are as follows:

| Asset Identification | Details of Title/Address | | | | | | | | |
|----------------------------|--|---------|-------------------|----------|----|-----------|----|----------------------------|----|
| | <p>The subject estate, Ekang-Banyok Plantation Estate is situated at Miri Division, Sarawak and developed under a Joint Venture (JV) Agreement (NCR Concept), hereinafter referred to as the "subject property".</p> <p>Land development under Joint Venture (JV) Agreements is a project initiated by the Ministry of Land Development, Sarawak, and is a new concept of development of Native Customary Rights (NCR) Land. The new concept of NCR land development is being formulated on the premise that the vast tract of such land can be turned into a "Land Bank" with new forms of land ownership to enable it to be developed on a large scale commercial basis. Such a development is the only best way of transforming the rural sector from that of a traditional and subsistence economy into a strong and sustainable and modern economy.</p> <p>In this model, the government agency will hold in trust the interests of the NCR landowners. The trustee will form a Joint Venture Company (JVC) with a well established private sector company approved by the Government. Land title will be issued to the JVC for a period of sixty (60) years (2 plantation cycles) for an agreed value. The monetary value generated by the use of land will be used for two types of investments:</p> <ul style="list-style-type: none"> (a) as 30% equity in the JVC (long term investment), and (b) as cash for investment in Unit Trusts (investment with fast return). <p>Under the JVC, the equity structure will be as follows:</p> <table border="1" data-bbox="367 1075 893 1187"> <thead> <tr> <th>Parties</th> <th>Shareholdings (%)</th> </tr> </thead> <tbody> <tr> <td>Investor</td> <td>60</td> </tr> <tr> <td>Landowner</td> <td>30</td> </tr> <tr> <td>Trustee (Management Agent)</td> <td>10</td> </tr> </tbody> </table> <p>The Sarawak Government through the Ministry of Rural and Land Development has nominated LCDA (hereinafter referred to as "PELITA") and PELITA has subsequently nominated PHSB (Pelita Holdings Sdn. Bhd.) for appointment by the NCR Owners (Sarawak Government and the natives) to act as trustee for and on their behalf for the development of the NCR land at Long Ekang and Long Banyok, Miri Division into an oil palm plantation but excluding the construction of a palm oil mill.</p> <p>The Joint Venture (JV) Agreement is between Pelita Holdings Sdn. Bhd. (Co. No. 182028-W) and Pemandangan Jauh Plantation Sdn. Bhd. (Co. No. 247217-W) dated 11th day of August, 2005 to develop the NCR land at Long Ekang-Banyok and Long Banyok, Miri division for an oil palm plantation and covering an area of about 3,367.00 hectares and the estimated net development area is about 2,806.00 hectares.</p> <p>The initial authorized capital is Ringgit Malaysia One Hundred Thousand only (RM100,000.00) and the paid-up capital is Ringgit Malaysia Two only (RM2.00). The parties have agreed that the JVC will be the vehicle for the joint venture. Both the authorized capital and paid-up capital of the JVC shall be increased to Ringgit Malaysia Four Million Eight Hundred and Forty-Eight Thousand only (RM4,848,000.00) and shall be divided into equivalent number of ordinary shares of RM1.00 each or any other sum that they may agree. Pemandangan Jauh Plantation Sdn. Bhd. (Co. No. 247217-W) hold 60% of the allotment of shares. The name of the JVC is known as PJP Pelita Ekang-Banyok Sdn. Bhd. For the purpose of this Valuation exercise, we assumed the allotment shares payment had been fully paid.</p> <p>Location/Address The property is situated in the region between Loagan Pa and Uma Akeh, along Batang Baram, Long Lama Sub-District, Miri Division, Sarawak. The estate is about 7.5 kilometres (aerial measured) to the North of Long Lama Bazaar and Long Lama Bazaar is about 3.5 to 4 hours (or 144 kilometres) drive from Miri City Centre.</p> <p>Accessibility Ekang Banyok Plantation is accessible from Miri City Centre via Miri-Bintulu Road (at 45KM), Jalan Bukit Peninjau (25KM), Jalan Beluru/Long Teru (formerly known as Tinjar Road-about 22 KM to reach the junction to RH Oil Palm Mill and RH Bakong Estate) and then using Lapok-Long Lama Road. Before reaching the Long Lama ferry point, the Sebatu Road branches off from this road and stretches in a northerly direction into the Plantation.</p> <p>Tenure 60 years leasehold interest will be issued upon full completion of the JV development.</p> | Parties | Shareholdings (%) | Investor | 60 | Landowner | 30 | Trustee (Management Agent) | 10 |
| Parties | Shareholdings (%) | | | | | | | | |
| Investor | 60 | | | | | | | | |
| Landowner | 30 | | | | | | | | |
| Trustee (Management Agent) | 10 | | | | | | | | |

VALUATION CERTIFICATES (Cont'd)



| | <p>Category of Land Use Agricultural purposes.</p> <p>Registered Proprietor PJP Pelita Ekang-Banyok Sdn. Bhd.</p> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|------------------------------|---|------------|-------------------|------------------|-------------------|------------------|--------------------|--------------------|------------|----|------|---|-------|---|-------|----|------|---|-------|---|-------|-------------|--|--|-------|---|-------|------------|--|--|--|--|------|
| General Description of Asset | <p>Description Ekang-Banyok Plantation Estate is developed under JV Agreement of about 3,367 hectares of NCR land along Batang Baram and proposed to develop in three (3) phases.</p> <p>Ekang-Banyok Plantation is situated in the region between Loagan Pa and Uma Akeh, along Batang Baram, Long Lama sib-district, Miri Division, Sarawak. Currently, only part of the Phase 1 is developed. The proposed development still in progress.</p> <p>The following is the area statement :-</p> <table border="1"> <thead> <tr> <th rowspan="2">Item</th> <th colspan="2">Year</th> <th rowspan="2">Planted Area (Ha)</th> <th rowspan="2">Mature Area (Ha)</th> <th rowspan="2">Immature Area (Ha)</th> </tr> <tr> <th>Of Planting</th> <th>Age @ 2009</th> </tr> </thead> <tbody> <tr> <td>1.</td> <td>2008</td> <td>1</td> <td>43.22</td> <td>-</td> <td>43.22</td> </tr> <tr> <td>2.</td> <td>2009</td> <td>0</td> <td>41.29</td> <td>-</td> <td>41.29</td> </tr> <tr> <td colspan="3">Grand Total</td> <td>84.51</td> <td>-</td> <td>84.51</td> </tr> <tr> <td colspan="3">Percentage</td> <td></td> <td></td> <td>100%</td> </tr> </tbody> </table> <p>The plantation commences planting in the year 2008, thus all the plants are immature as on to date there is no recorded yield and production cost yet.</p> | Item | Year | | Planted Area (Ha) | Mature Area (Ha) | Immature Area (Ha) | Of Planting | Age @ 2009 | 1. | 2008 | 1 | 43.22 | - | 43.22 | 2. | 2009 | 0 | 41.29 | - | 41.29 | Grand Total | | | 84.51 | - | 84.51 | Percentage | | | | | 100% |
| Item | Year | | Planted Area (Ha) | Mature Area (Ha) | | | | Immature Area (Ha) | | | | | | | | | | | | | | | | | | | | | | | | | |
| | Of Planting | Age @ 2009 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 1. | 2008 | 1 | 43.22 | - | 43.22 | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2. | 2009 | 0 | 41.29 | - | 41.29 | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Grand Total | | | 84.51 | - | 84.51 | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Percentage | | | | | 100% | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

Comparison Method

Our findings from various Lands and Surveys Department, Miri and Bintulu Divisions, Sarawak, revealed that there are few transactions of agricultural land planted with oil palms and are as follows:

| Items | Comparable 1 | Comparable 2 | Comparable 3 |
|----------------------|--|---|--|
| Titles(s) | Lot 56 Sawai Land District | Lot 2 Block 34 Kemena Land District and Lot 2 Block 4 Selezu Land District | Lot 3 Block 3 Sawai Land District (Formerly known as Lots 3 to 14 Sawai Land District) |
| Name | Selangor Plantation | Ladang Tabung Haji | BHB Plantation |
| Locality | Sungai Luai and Sungai Bawah, Niah | Jalan Sebah | Sungai Niah, Niah |
| Accessibility | Through Miri-Bintulu road and then by surfaced road/car truck | Jalan Miri-Bintulu, Jalan Sebah, Bintulu | Jalan Miri-Bintulu and then internal private road |
| Type of Soil | Mixture of mineral soil | Peat Soil | Mineral soil |
| Terrain | Hilly/undulating | Flat and Undulating | Hilly/undulating |
| Category | Mixed Zone Land; Country Land | Mixed Zone Land; Country Land | Mixed Zone Land; Country Land |
| Annual Rent | RM12,002.00 per annum | Lot 2 Blk 34 KLD RM761 p.a. Lot 2 Blk 4 SLD RM16,536 p.a. | RM11,600.00 per annum |
| Land Area | 4,857.00 ha | 7,000.00 ha (net area: 4,900.00 ha) | 4,640.00 hectares (Formerly was 4607.19 hectares) |
| Tenure (Expiry date) | 21/02/2054 | 31/12/2056 | 17/07/2077 |
| Description | Lands planted with oil palm (11-13 years old) | Lands planted with oil palm (9 to 11 years old) | Lands planted with oil palm (12 to 14 years old) |
| Transaction Date | 09/11/2007 | 29/04/2008 | August 1997 |
| Term & Conditions | To be used only for agricultural purposes and purposes incidental to the production and processing of crops thereon. | To be used only for agricultural purposes and purposes incidental to the production and processing of crops thereon. | To be used only for agricultural purposes and purposes incidental to the production and processing of crops thereon. |
| Share of Transfer | Whole Share | Whole Share | Whole Share |
| Transaction Amount | RM97,000,000.00 | RM138,000,000.00 | RM90,000,000.00 |
| Transferor | Perbadanan Kemajuan Pertanian Selangor | Tabung Haji Sdn. Bhd. | Austral Enterprise Bhd. |
| Transferee | Sheba Resources Sdn. Bhd. | Semai Mekar Sdn. Bhd. | Harvest Master Sdn Bhd |
| Analysis | RM19,971.18 per hectare | RM28,163 per hectare | RM16,713 per hectare |
| Remarks | Assessment accepted by Lands and Surveys, Valuation Department. | Assessment accepted. Noted that about 1,420 ha are subject to NCR claim and about 680 ha are unplantable area. Thus, the net area is 4,900.00 ha. | Transaction prices including Palm Oil Mill (POM). Estimated Value for POM is RM13,000,000.00. |

VALUATION CERTIFICATES (Cont'd)



| | | |
|----------------|---|--|
| Adjustment | An upward adjustment made on time (to reflect the 21 months time lags) and SPH (to reflect 131 SPH and compared to 90-100 SPH for the comparable). A downward adjustment on age of crop, developed area and tenure/lease (to reflect Joint Venture vs Lease of State Land). | <i>We had inspected all the Comparables. However, we adopted Comparable 1 for the analysis. This is because the details information are available, such as, the YOP (year of planting), Stand per Hectare (SPH), total developed area, the terrain and the estate performance. Thus, more direct and comprehensive comparison can be made.</i> |
| Adjusted Value | RM9,885.73 per Ha | |

The adjusted value reflected the time lag, stand per hectare (SPH), year of planting, terrain and the locality of the property. Thus, the Market Value derived from the Comparison Method is RM18,060,000.00 (Ringgit Malaysia Eighteen Million and Sixty Thousand Only).

Discounted Cashflow Method

Discounted Cashflow approach is an income based method of valuation. The market value to be derived arises from the benefits of the sales of the oil palm planted thereon. These interest and rights involve the rights to sell off the fresh fruit brunches harvested from the plantation.

In the Discounted Cashflow Method, we based on the following parameters:

- | | |
|-------------------------------|--|
| (a) Long term FFB price | : RM410 per mt |
| (b) Yield | : 3mt (3 rd year) to 23 mt (9 th year) per annum |
| (c) Field maintenance | : RM1,894.70 per ha per annum |
| (d) General Charges | : RM500 per ha per annum |
| (e) Harvesting and Collection | : RM75 per mt per annum |
| (f) Transportation to mill | : RM35 per mt |
| (g) Discount rate | : 11% |
| (h) Discount period | : From year 2010 to year 2034 |
| (i) Basic Land Value | : 16,500.49 per ha |

Note :

- | | |
|---|---|
| <i>Long term FFB price</i> | - <i>Based on the average local FFB price over 20 years, a RM410 per MT (CPO at RM2,100 p/MT) is adopted to be the average price on a long-term sustainable price.</i> |
| <i>Yield</i> | - <i>Based on the Company's projection and the MPOB and Porim data.</i> |
| <i>Field maintenance, General Charges, Harvesting and Collection & Transportation to mill</i> | - <i>Based on Company three (3) years projected production cost and valuer's estimate.</i> |
| <i>Discount rate</i> | - <i>The adopted discount rate of 11% for oil palm cultivation reflecting risk and return on investment over the long term risk free yield which is derived from Malaysian Government Securities and also the present base lending rate.</i> |
| <i>Discount period</i> | - <i>The remaining period of the economic life cycle for the palms, i.e. one cycle is about 25-27 years.</i> |
| <i>Basic Land Value</i> | - <i>The basic land value adopted is after taking into consideration the building cost, infrastructure cost analysed over 232.17ha, which is about 12.65% of the total area (1,835.00ha) to be developed. Noted that the Basic land Value is quite high is because the estate still at its initial stage of development, i.e. actual cost spends is high and only small portion of land had been developed.</i> |

Market Value using DCF Method is RM14,560,000.00 (Ringgit Malaysia Fourteen Million Five Hundred and Sixty Thousand Only).

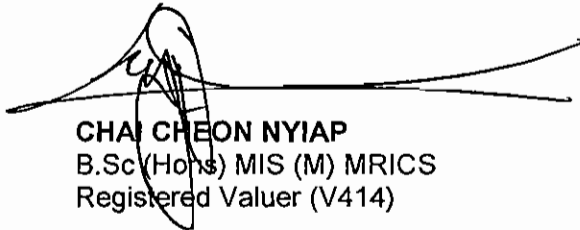
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VALUATION CERTIFICATES (Cont'd)

**Value Conclusion**

In arriving at the final value of subject property, we have adopted Discounted Cashflow Method over Comparison Method, because of the complexity of the mature estate, such as different year of planting, stand per hectare (SPH), different yield pattern, cost of production, etc. is unique for each of the plantation estate. DCF method needs us to consider all the above to derive the market value, which is more actual, realistic and certain. On the other hand, to find a perfect comparable sale is impossible and we need to do a lot of adjustments in order to derive the market value. As such, the Comparison Method should only be used as a guide. It is our considered opinion that the Market Value of the leasehold oil palm plantation property free from all encumbrances is **RM14,560,000.00 (Ringgit Malaysia Fourteen Million Five Hundred and Sixty Thousand Only).**

**Yours faithfully,
HENRY BUTCHER MALAYSIA (MIRI) SDN. BHD.**



CHAI CHEON NYIAP
B.Sc (Hons) MIS (M) MRICS
Registered Valuer (V414)

VALUATION CERTIFICATES (Cont'd)



HENRY BUTCHER MALAYSIA
International Asset Consultants

22 July 2010

The Board of Directors
Rimbunan Sawit Berhad
No. 66 – 78, Pusat Suria Permata,
Jalan Upper Lanang 12A,
96000 Sibu, Sarawak

Dear Sir,

CERTIFICATE OF VALUATION OF PLANTATION LAND DEVELOPED UNDER JOINT VENTURE AGREEMENT FOR OIL PALM PLANTATION WITH AN AREA OF 7,089.50 HECTARES KNOWN AS PJP PELITA LUNDU PLANTATION ESTATE, LUNDU, KUCHING DIVISION

This certificate has been prepared for inclusion in the circular to shareholders of Rimbunan Sawit Berhad ("RSB") dated 27 July 2010 in relation to the Proposed Acquisitions by RSB of PJP Pelita Lundu Plantation Sdn. Bhd.

In accordance with the instructions from RSB, we have valued the abovementioned property vide our valuation report bearing Reference No.: HBMM/VAL/MV/2064/2009 (PJP Pelita Lundu Plantation Estate) dated 27th October 2009 for the purpose of submission to the Bursa Malaysia Securities Berhad. The subject property was inspected on 26th October 2009. The material date of valuation for this exercise is at 31st August 2009.

We confirm that we have valued the property based on the valuation basis stated below. The valuation has been carried out in accordance with the Valuation Standards issued by the Board of Valuers, Appraisers and Estate Agents, Malaysia and in complies with the Securities Commission's Asset Valuation Guidelines.

The basis of the valuation is the **Market Value** which is defined as the estimated amount for which an asset should exchange on the date of valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion.

In assessing the market value of the subject property, we have adopted both the **Discounted Cash Flow (DCF) Method** and the **Comparison Method**.

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HENRY BUTCHER MALAYSIA (MIRI) SDN. BHD. (566177-X)
Lot 1189, First Floor, Miri Waterfront Commercial Centre, 98000 Miri, Sarawak.
P. O. Box 2214, 98000 Miri, Sarawak.
tel : 085-442800, 442898, 442899 • fax : 085-429699 • email : hbmalmiri@yahoo.com
www.henrybutchermalaysia.com

VALUATION CERTIFICATES (Cont'd)



Brief details of the Property as extracted from the valuation report are as follows:

| Asset Identification | Details of Title/Address | | | | | | | | |
|----------------------------|--|---------|-------------------|----------|----|-----------|----|----------------------------|----|
| | <p>The subject estate, PJP Pelita Lundu Plantation Estate is situated at Kuching Division, Sarawak and developed under a Joint Venture (JV) Agreement (NCR Concept), hereinafter referred to as the "subject property".</p> <p>Land development under Joint Venture (JV) Agreements is a project initiated by the Ministry of Land Development, Sarawak, and is a new concept of development of Native Customary Rights (NCR) Land. The new concept of NCR land development is being formulated on the premise that the vast tract of such land can be turned into a "Land Bank" with new forms of land ownership to enable it to be developed on a large scale commercial basis. Such a development is the only best way of transforming the rural sector from that of a traditional and subsistence economy into a strong and sustainable and modern economy.</p> <p>In this model, the government agency will hold in trust the interests of the NCR landowners. The trustee will form a Joint Venture Company (JVC) with a well established private sector company approved by the Government. Land title will be issued to the JVC for a period of sixty (60) years (2 plantation cycles) for an agreed value. The monetary value generated by the use of land will be used for two types of investments:</p> <ul style="list-style-type: none"> (a) as 30% equity in the JVC (long term investment), and (b) as cash for investment in Unit Trusts (investment with fast return). <p>Under the JVC, the equity structure will be as follows:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">Parties</th> <th style="text-align: left;">Shareholdings (%)</th> </tr> </thead> <tbody> <tr> <td>Investor</td> <td>60</td> </tr> <tr> <td>Landowner</td> <td>30</td> </tr> <tr> <td>Trustee (Management Agent)</td> <td>10</td> </tr> </tbody> </table> <p>The Sarawak Government has nominated LCDA (hereinafter referred to as "PELITA") and PELITA has subsequently nominated PHSB (Pelita Holdings Sdn. Bhd.) for appointment by the NCR Owners (Sarawak Government and the natives) to act as trustee for and on their behalf for the development of the NCR Land at Raya, Lundu into an oil palm plantation but excluding the construction of a palm oil mill.</p> <p>The Joint Venture (JV) Agreement is between Pelita Holdings Sdn. Bhd. (Co. No. 182028-W) and Sri Idaria (M) Sdn. Bhd. (Co. No. 251363-X) dated 30th day of July, 1998 and covering an area of about 4,200.00 hectares. However, Sri Idaria (M) Sdn. Bhd. subsequently enter into a Deed of Assignment dated 21st December 1999, with Pemandangan Jauh Plantation Sdn. Bhd. (CO. No. 247217-W) and where the latter Company is to accept all the interest, benefits, rights as well as all the obligations and covenants as stipulated in the JVC.</p> <p>The initial authorized capital is Ringgit Malaysia One Hundred Thousand only (RM100,000.00) and the paid-up capital is Ringgit Malaysia Two only (RM2.00). The parties have agreed that the JVC will be the vehicle for the joint venture. The authorized capital and paid-up capital of the JVC shall be increased to Ringgit Malaysia Twenty Million only (RM20,000,000.00) and Ringgit Malaysia Ten Million and Eighty Thousand only (RM10,080,000) and will be divided into Twenty Million (20,000,000) and Ten Million and Eighty Thousand (10,080,000) ordinary shares of RM1.00 each, respectively or any other sum that they may agree. Sri Idaria (M) Sdn. Bhd. (Co. No. 251363-X) hold 60% of the allotment of shares. The name of the JVC was known as Raya Ceria Oil Palm Plantation Sdn. Bhd. and subsequently changed its name to PJP Pelita Lundu Plantation Sdn Bhd on 19 April 2005. For the purpose of this Valuation exercise, we assumed the allotment shares payment had been fully paid.</p> <p>Currently, PJP Pelita Lundu Plantation Sdn. Bhd. (Formerly known as Raya Ceria Oil Palm Plantation Sdn. Bhd.) is an investor to develop the Native Customary Rights (NCR) Land at Raya, Lundu. We noted that under the Agreement, the area involved is about 4,200 hectares. However, with the subsequent approval for an additional land area of about 2,889.50 hectares. Currently the total area is 7,089.50 hectares.</p> | Parties | Shareholdings (%) | Investor | 60 | Landowner | 30 | Trustee (Management Agent) | 10 |
| Parties | Shareholdings (%) | | | | | | | | |
| Investor | 60 | | | | | | | | |
| Landowner | 30 | | | | | | | | |
| Trustee (Management Agent) | 10 | | | | | | | | |

VALUATION CERTIFICATES (Cont'd)



| | <p>Location/Address The Property is situated at Sungai Kendai/Batang Kayan, Lundu, within Lundu District, in Kuching Division. The approximate location of the estate is about 12 kilometres to the South-South-West of Lundu Bazaar, in between the existing Bau-Lundu trunk road and the Malaysia-Indonesia International Border. Also, the estate is about 45 kilometres to the North-West of Bau Town and about 22 kilometres to the South-East of Sematan Bazaar.</p> <p>Accessibility The Property is accessible by way of Kuching-Bau Road, Bau-Lundu Road (about 83 kilometres from Kuching), Serayan-Lundu Road (about 3 kilometres before reaching the Junction of Biawak Road and Biawak Sibul Road) and then a private earth-gravelled road (about 29 kilometres) cut through the adjoining lands before reaching the estate.</p> <p>Tenure 60 years leasehold interest will be issued upon full completion of the JV development.</p> <p>Category of Land Use Agricultural purposes.</p> <p>Registered Proprietor PJP Pelita Lundu Plantation Sdn. Bhd. (Formerly known as Raya Ceria Oil Palm Plantation Sdn. Bhd.).</p> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|---------------------------------|---|------------|-------------------|------------------|-------------------|------------------|-------------|------------|----|------|----|--------|--------|----|------|----|--------|--------|----|------|----|-------|-------|----|------|---|----------|----------|----|------|---|--------|--------|----|------|---|--------|--------|----|------|---|--------|--------|----|------|---|--------|--------|----|------|---|-------|-------|-------------|--|--|----------|----------|---------------------------------|--|--|--|------|
| General Description of Asset | <p>Description PJP Pelita Lundu Plantation Estate is located at Sungai Kendai/Batang Kayan, Lundu, within Lundu District, in Kuching Division, with total land area of 7,089.50 hectares.</p> <p>Currently, about 4,714.70 hectares were developed into an oil palm plantation estate, commonly known as PJP Pelita Lundu Plantation Estate under PJP Pelita Lundu Plantation Sdn. Bhd. as the ultimate investor to carry out the development. As for the balance of 2,374.80 hectares, we considered it as unsurrendered land and it is generally covered with secondary jungles. For the purpose of this valuation exercise, we would consider the value attributable to the developed area only i.e. 4,714.70 hectares.</p> <p>PJP Pelita Lundu Estate comprises of three division with 5 phases, namely, Phase 1, Phase 2, Phase 3A/B, 3C/D & 3E/F, Phase 4 & 4A and Phase 5K for easy administrative purposes. The net plantable area is 4,642.08 hectares.</p> <p>The following is the area statement :-</p> <table border="1" data-bbox="435 1552 1329 1883"> <thead> <tr> <th rowspan="2">Item</th> <th colspan="2">Year</th> <th rowspan="2">Planted Area (Ha)</th> <th rowspan="2">Mature Area (Ha)</th> </tr> <tr> <th>Of Planting</th> <th>Age @ 2009</th> </tr> </thead> <tbody> <tr> <td>1.</td> <td>1995</td> <td>14</td> <td>267.56</td> <td>267.56</td> </tr> <tr> <td>2.</td> <td>1996</td> <td>13</td> <td>456.44</td> <td>456.44</td> </tr> <tr> <td>3.</td> <td>1999</td> <td>10</td> <td>36.70</td> <td>36.70</td> </tr> <tr> <td>4.</td> <td>2000</td> <td>9</td> <td>1,621.15</td> <td>1,621.15</td> </tr> <tr> <td>5.</td> <td>2001</td> <td>8</td> <td>780.13</td> <td>780.13</td> </tr> <tr> <td>6.</td> <td>2002</td> <td>7</td> <td>423.85</td> <td>423.85</td> </tr> <tr> <td>7.</td> <td>2003</td> <td>6</td> <td>636.55</td> <td>636.55</td> </tr> <tr> <td>8.</td> <td>2004</td> <td>5</td> <td>354.92</td> <td>354.92</td> </tr> <tr> <td>9.</td> <td>2005</td> <td>4</td> <td>64.78</td> <td>64.78</td> </tr> <tr> <td colspan="3">Grand Total</td> <td>4,642.08</td> <td>4,642.08</td> </tr> <tr> <td colspan="3">Percentage (%) of mature plants</td> <td></td> <td>100%</td> </tr> </tbody> </table> | Item | Year | | Planted Area (Ha) | Mature Area (Ha) | Of Planting | Age @ 2009 | 1. | 1995 | 14 | 267.56 | 267.56 | 2. | 1996 | 13 | 456.44 | 456.44 | 3. | 1999 | 10 | 36.70 | 36.70 | 4. | 2000 | 9 | 1,621.15 | 1,621.15 | 5. | 2001 | 8 | 780.13 | 780.13 | 6. | 2002 | 7 | 423.85 | 423.85 | 7. | 2003 | 6 | 636.55 | 636.55 | 8. | 2004 | 5 | 354.92 | 354.92 | 9. | 2005 | 4 | 64.78 | 64.78 | Grand Total | | | 4,642.08 | 4,642.08 | Percentage (%) of mature plants | | | | 100% |
| Item | Year | | Planted Area (Ha) | Mature Area (Ha) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | Of Planting | Age @ 2009 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 1. | 1995 | 14 | 267.56 | 267.56 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2. | 1996 | 13 | 456.44 | 456.44 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 3. | 1999 | 10 | 36.70 | 36.70 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 4. | 2000 | 9 | 1,621.15 | 1,621.15 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 5. | 2001 | 8 | 780.13 | 780.13 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 6. | 2002 | 7 | 423.85 | 423.85 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 7. | 2003 | 6 | 636.55 | 636.55 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 8. | 2004 | 5 | 354.92 | 354.92 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 9. | 2005 | 4 | 64.78 | 64.78 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Grand Total | | | 4,642.08 | 4,642.08 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Percentage (%) of mature plants | | | | 100% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

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VALUATION CERTIFICATES (Cont'd)



The following is the production cost analysis and OER rate for the last 3 years:-

| Year | | FY2006 | FY2007 | FY2008 |
|--------------|---|------------|------------|------------|
| OER Rate (%) | | 17% to 20% | 17% to 20% | 17% to 20% |
| Items | | | | |
| 1) | Plantation Admin Charges Cost per ha (RM/ha) | 1,065.12 | 457.34 | 718.83 |
| 2) | Maintenance/Cultivation Cost per ha (RM/ha) | 2,302.04 | 1,616.41 | 2,325.56 |
| 3) | Harvesting & Collecting Cost Cost per metric tonne (RM/MT) | 43.36 | 51.77 | 55.60 |
| 4) | FFB Transport To Mill Cost Cost per metric tonne (RM/MT) | 21.83 | 22.40 | 22.41 |

The following is the past three (3) years yield recorded :-

| Year YOP ¹ | Yield ² (Mt/ha) | | |
|--------------------------|----------------------------|-------|-------|
| | 2006 | 2007 | 2008 |
| 1995 | 23.51 | 23.09 | 26.90 |
| 1996 | 21.17 | 22.68 | 24.09 |
| 1999 | 21.33 | 16.30 | 19.96 |
| 2000 | 14.56 | 16.98 | 18.86 |
| 2001 | 10.40 | 14.97 | 15.64 |
| 2002 | 3.53 | 7.26 | 8.59 |
| 2003 | 1.00 | 5.91 | 9.05 |
| 2004 | 0.33 | 1.14 | 4.80 |
| 2005 | 0.00 | 0.04 | 0.84 |

Notes:-

1. Year of Planting
2. Average Yield from Year 2006 to Year 2008

Comparison Method

Our findings from various Lands and Surveys Department, Miri and Bintulu Divisions, Sarawak, revealed that there are few transactions of agricultural land planted with oil palms and are as follows:

| Items | Comparable 1 | Comparable 2 | Comparable 3 |
|----------------------|---|--|--|
| Titles(s) | Lot 56 Sawai Land District | Lot 2 Block 34 Kemena Land District & Lot 2 Block 4 Selezu Land District | Lot 3 Block 3 Sawai Land District (Formerly known as Lots 3 to 14 Sawai Land District) |
| Name | Selangor Plantation | Ladang Tabung Haji | BHB Plantation |
| Locality | Sungai Lui and Sungai Bawah, Niah | Jalan Sebah, Bintulu | Sungai Niah, Niah |
| Accessibility | Through Miri-Bintulu road and then by surfaced road/car truck | Jalan Miri-Bintulu, Jalan Sebah, Bintulu | Jalan Miri-Bintulu and then internal private road |
| Type of Soil | Mixture of mineral soil | Peat Soil | Mineral soil |
| Terrain | Hilly/undulating | Flat and Undulating | Hilly/undulating |
| Category | Mixed Zone Land; Country Land | Mixed Zone Land; Country Land | Mixed Zone Land; Country Land |
| Annual Rent | RM12,002.00 per annum | RM761 per annum and RM16,536 per annum | RM11,600.00 per annum |
| Land Area | 4,857.00 ha | 7,000.00 ha (net area: 4,900.00 ha) | 4,640.00 hectares (Formerly was 4607.19 hectares) |
| Tenure (Expiry date) | 21/02/2054 | 31/12/2056 | 17/07/2077 |
| Description | Lands planted with oil palm (11-13 years old) | Lands planted with oil palm (9 to 11 years old) | Lands planted with oil palm (12 to 14 years old) |
| Transaction Date | 09/11/2007 | 29/04/2008 | August 1997 |

VALUATION CERTIFICATES (Cont'd)



| Items | Comparable 1 | Comparable 2 | Comparable 3 |
|--------------------|--|--|--|
| Term & Conditions | To be used only for agricultural purposes and purposes incidental to the production and processing of crops thereon. | To be used only for agricultural purposes and purposes incidental to the production and processing of crops thereon. | To be used only for agricultural purposes and purposes incidental to the production and processing of crops thereon. |
| Share of Transfer | Whole Share | Whole Share | Whole Share |
| Transaction Amount | RM97,000,000.00 | RM138,000,000.00 | RM90,000,000.00 |
| Transferor | Perbadanan Kemajuan Pertanian Selangor | Tabung Haji Sdn. Bhd. | Austral Enterprise Bhd. |
| Transferee | Sheba Resources Sdn. Bhd. | Semai Mekar Sdn. Bhd. | Harvest Master Sdn Bhd |
| Analysis | RM19,971.18 per hectare | RM28,163 per hectare | RM16,713 per hectare |
| Remarks | Assessment accepted. | Assessment accepted. Noted that about 1,420 ha are subject to NCR claim and about 680 ha are unplatable area. Thus, the net area is 4,900.00 ha. | Transaction prices including Palm Oil Mill (POM). Estimated Value for POM is RM13,000,000.00. |
| Adjustment | An upward adjustment made on time (to reflect the 21 months time lags), age of the crop, on terrain (to reflect flat/undulating as compared to hilly/undulating terrain), and SPH (to reflect 133 SPH and compared to 90-100 SPH for the comparable). A downward adjustment on tenure/lease (to reflect Joint Venture vs Lease of State Land). | <i>We had inspected all the Comparables. However, we adopted Comparable 1 for the analysis. This is because the details information are available, such as, the YOP (year of planting), Stand per Hectare (SPH), total developed area, the terrain and the estate performance. Thus, more direct and comprehensive comparison can be made.</i> | |
| Adjusted Value | RM34,050.85 per Ha | | |

The adjusted value reflected the time lag, stand per hectare (SPH), year of planting, terrain and the locality of the property. Thus, the Market Value derived from the Comparison Method is RM160,540,000.00 (Ringgit Malaysia One Hundred Sixty Million Five Hundred and Forty Thousand Only).

Discounted Cashflow Method

Discounted Cashflow approach is an income based method of valuation. The market value to be derived arises from the benefits of the sales of the oil palm planted thereon. These interest and rights involve the rights to sell off the fresh fruit branches harvested from the plantation.

In the Discounted Cashflow Method, we based on the following parameters:

- | | |
|-------------------------------|-------------------------------|
| (a) Long term FFB price | : RM410 per mt |
| (b) Yield | : 4mt to 24 mt per annum |
| (c) Field maintenance | : RM2,104.45 per ha per annum |
| (d) General Charges | : RM550 per ha per annum |
| (e) Harvesting and Collection | : RM50.00 per mt per annum |
| (f) Transportation to mill | : RM26 per mt |
| (g) Discount rate | : 11% |
| (h) Discount period | : From year 2009 to year 2030 |
| (i) Basic Land Value | : 11,798.72 per ha |

Note :

- | | |
|--|---|
| Long term FFB price | - Based on the average local FFB price over 20 years, a RM410 per MT (CPO at RM2,100 p/MT) is adopted to be the average price on a long-term sustainable price. |
| Yield | - Based on the Company's historical yield records and projection. Also, the MPOB and Porim data. |
| Field maintenance, General Charges, Harvesting and Collection & Transportation to mill | - Based on the past three (3) years historical cost of production, three (3) years Company's projection and valuer's estimate |
| Discount rate | - The adopted discount rate of 11% for oil palm cultivation reflecting risk and return on investment over the long term risk free yield which is derived from Malaysian Government Securities and also the present base lending rate. |

VALUATION CERTIFICATES (Cont'd)



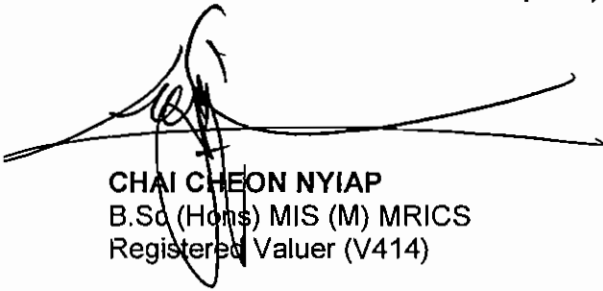
- Discount period* - The remaining period of the economic life cycle for the palms, i.e. one cycle is about 25-27 years.
- Basic Land Value* - The basic land value adopted is after taking into consideration the building cost, infrastructure cost analysed over 4,642.08 ha, which is about 99.28% of the total area (4,675.70 ha) to be developed.

Market Value using DCF Method is RM171,290,000.00 (Ringgit Malaysia One Hundred Seventy-One Million and Two Hundred and Ninety Thousand Only).

Value Conclusion

In arriving at the final value of subject property, we have adopted Discounted Cashflow Method over Comparison Method, because of the complexity of the mature estate, such as different year of planting, stand per hectare (SPH), different yield pattern, cost of production, etc, is unique for each of the plantation estate. DCF method needs us to consider all the above to derive the market value, which is more actual, realistic and certain. On the other hand, to find a perfect comparable sale is impossible and we need to do a lot of adjustments in order to derive the market value. As such, the Comparison Method should only be used as a guide. It is our considered opinion that the Market Value of the leasehold oil palm plantation property free from all encumbrances is **RM171,290,000.00 (Ringgit Malaysia One Hundred Seventy-One Million and Two Hundred and Ninety Thousand Only).**

Yours faithfully,
HENRY BUTCHER MALAYSIA (MIRI) SDN. BHD.


CHAI CHEON NYIAP
B.Sc (Hons) MIS (M) MRICS
Registered Valuer (V414)

VALUATION CERTIFICATES (Cont'd)



HENRY BUTCHER MALAYSIA
International Asset Consultants

22 July 2010

The Board of Directors
Rimbunan Sawit Berhad
 No. 66 – 78, Pusat Suria Permata,
 Jalan Upper Lanang 12A,
 96000 Sibul, Sarawak

Dear Sir,

CERTIFICATE OF VALUATION OF PLANTATION LAND DEVELOPED UNDER JOINT VENTURE AGREEMENT FOR OIL PALM PLANTATION WITH AN AREA OF 5,000 HECTARES KNOWN AS PJP PELITA SELANGAU PLANTATION ESTATE, SELANGAU, MUKAH DIVISION

This certificate has been prepared for inclusion in the circular to shareholders of Rimbunan Sawit Berhad ("RSB") dated 27 July 2010 in relation to the Proposed Acquisitions by RSB of PJP Pelita Selangau Plantation Sdn. Bhd.

In accordance with the instructions from RSB, we have valued the abovementioned property vide our valuation report bearing Reference No.: HBMM/VAL/MV/2064/2009 (PJP Pelita Selangau Plantation Estate) dated 27th October 2009 for the purpose of submission to the Bursa Malaysia Securities Berhad. The subject property was inspected on 21st October 2009. The material date of valuation for this exercise is at 31st August 2009.

We confirm that we have valued the property based on the valuation basis stated below. The valuation has been carried out in accordance with the Valuation Standards issued by the Board of Valuers, Appraisers and Estate Agents, Malaysia and in complies with the Securities Commission's Asset Valuation Guidelines.

The basis of the valuation is the **Market Value** which is defined as the estimated amount for which an asset should exchange on the date of valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion.

In assessing the market value of the subject property, we have adopted both the **Discounted Cash Flow (DCF) Method** and the **Comparison Method**.

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HENRY BUTCHER MALAYSIA (MIRI) SDN. BHD. (566177-X)
 Lot 1189, First Floor, Miri Waterfront Commercial Centre, 98000 Miri, Sarawak.
 P. O. Box 2214, 98000 Miri, Sarawak.
 tel : 085-442800, 442898, 442899 • fax : 085-429699 • email : hbmalmiri@yahoo.com
www.henrybutchermalaysia.com

VALUATION CERTIFICATES (Cont'd)



Brief details of the Property as extracted from the valuation report are as follows:

| Asset Identification | <p>Details of Title/Address</p> <p>The subject estate, PJP Pelita Selangau Plantation Estate is situated at Sibu Division, Sarawak and developed under a Joint Venture (JV) Agreement (NCR Concept), hereinafter referred to as the "subject property".</p> <p>Land development under Joint Venture (JV) Agreements is a project initiated by the Ministry of Land Development, Sarawak, and is a new concept of development of Native Customary Rights (NCR) Land. The new concept of NCR land development is being formulated on the premise that the vast tract of such land can be turned into a "Land Bank" with new forms of land ownership to enable it to be developed on a large scale commercial basis. Such a development is the only best way of transforming the rural sector from that of a traditional and subsistence economy into a strong and sustainable and modern economy.</p> <p>In this model, the government agency will hold in trust the interests of the NCR landowners. The trustee will form a Joint Venture Company (JVC) with a well established private sector company approved by the Government. Land title will be issued to the JVC for a period of sixty (60) years (2 plantation cycles) for an agreed value. The monetary value generated by the use of land will be used for two types of investments:</p> <ul style="list-style-type: none"> (a) as 30% equity in the JVC (long term investment), and (b) as cash for investment in Unit Trusts (investment with fast return). <p>Under the JVC, the equity structure will be as follows:</p> <table border="1" data-bbox="368 1151 911 1263"> <thead> <tr> <th>Parties</th> <th>Shareholdings (%)</th> </tr> </thead> <tbody> <tr> <td>Investor</td> <td>60</td> </tr> <tr> <td>Landowner</td> <td>30</td> </tr> <tr> <td>Trustee (Management Agent)</td> <td>10</td> </tr> </tbody> </table> <p>The Sarawak Government through the Ministry of Rural and Land Development has nominated LCDA (hereinafter referred to as "PELITA") and PELITA has subsequently nominated PHSB (Pelita Holdings Sdn. Bhd.) for appointment by the NCR Owners (Sarawak Government and the natives) to act as trustee for and on their behalf for the development of the NCR land at Ulu Selangau, Sibu Division into an oil palm plantation</p> <p>The Joint Venture (JV) Agreement is between Pelita Holdings Sdn. Bhd. (Co. No. 182028-W) and Ladang Hijau (S) Sdn. Bhd. (Co. No. 137475-X) dated 25th day of April, 2001 to develop the NCR land at Ulu Selangau, Sibu Division for an oil palm plantation and covering an area of about 5,000.00 hectares.</p> <p>The initial authorized capital is Ringgit Malaysia One Hundred Thousand only (RM100,000.00) and the paid-up capital is Ringgit Malaysia Two only (RM2.00). The parties have agreed that the JVC will be the vehicle for the joint venture. The authorized capital and paid-up capital of the JVC shall be increased to Ringgit Malaysia Fifteen Million only (RM15,000,000.00) and Ringgit Malaysia Twelve Million only (RM12,000,000) and will be divided into Fifteen Million (15,000,000) and Twelve Million (12,000,000) ordinary shares of RM1.00 each, respectively or any other sum that they may agree. Ladang Hijau (S) Sdn. Bhd. (Co. No. 137475-X) hold 60% of the allotment of shares. The name of the JVC is known as Ladang Metah Sdn. Bhd. and subsequently changed its name to PJP Pelita Selangau Plantation Sdn Bhd on 12 June 2006. For the purpose of this Valuation exercise, we assumed the allotment shares payment had been fully paid.</p> <p>Location/Address</p> <p>The Property is located about 3.6 kilometres to the East of Selangau Town and covers the Northern portion of lower Sungai Selangau area, Selangau, Mukah, which covers an area of about 5,000 hectares. In direct aerial distance, it is about 55.00 kilometres to the North-East of Sibu Township, 52.00 kilometres to the South-East of Mukah Township, and 3.60 kilometres to the East of Selangau Town.</p> <p>Accessibility</p> <p>The Property is accessible by way of Selangau-Mukah Road from Sibu (about 78km) and then a private access road (about 5km) leading to the Plantation office complex.</p> | Parties | Shareholdings (%) | Investor | 60 | Landowner | 30 | Trustee (Management Agent) | 10 |
|----------------------------|--|---------|-------------------|----------|----|-----------|----|----------------------------|----|
| Parties | Shareholdings (%) | | | | | | | | |
| Investor | 60 | | | | | | | | |
| Landowner | 30 | | | | | | | | |
| Trustee (Management Agent) | 10 | | | | | | | | |

VALUATION CERTIFICATES (Cont'd)



| | <p>Tenure 60 years leasehold interest will be issued upon full completion of the JV development.</p> <p>Category of Land Use Agricultural purposes.</p> <p>Registered Proprietor PJP Pelita Selangau Plantation Sdn Bhd formerly known as Ladang Metah Sdn. Bhd.</p> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|------------------------------|--|------------|-------------------|------------------|-------------------|------------------|-------------|------------|----|------|----|----------|----------|----|------|---|----------|----------|----|------|---|--------|--------|-------------|--|--|----------|----------|------------|--|--|--|------|------|--|--------|--------|--------|--------------|--|------------|------------|------------|-------|--|--|--|--|----|---|--------|--------|--------|----|--|----------|----------|----------|----|---|-------|-------|-------|----|---|-------|------|------|------|----------------------------|--|--|------|------|------|------|-------|-------|-------|------|------|------|------|------|------|------|------|
| General Description of Asset | <p>Description PJP Pelita Selangau Plantation Estate is located about 3.6 kilometres to the East of Selangau Town and covers the Northern portion of lower Sungai Selangau area, Selangau, Mukah which cover an area of about 5,000 hectares.</p> <p>Currently, the plantation are developed in 4 phases, namely, Phase I to IV (or Phase 99NP, 00Np, 01NP and on phase under KIV).</p> <p>The following is the area statement :-</p> <table border="1" data-bbox="448 994 1339 1173"> <thead> <tr> <th rowspan="2">Item</th> <th colspan="2">Year</th> <th rowspan="2">Planted Area (Ha)</th> <th rowspan="2">Mature Area (Ha)</th> </tr> <tr> <th>Of Planting</th> <th>Age @ 2009</th> </tr> </thead> <tbody> <tr> <td>1.</td> <td>1999</td> <td>10</td> <td>1,122.49</td> <td>1,122.49</td> </tr> <tr> <td>2.</td> <td>2000</td> <td>9</td> <td>1,328.84</td> <td>1,328.84</td> </tr> <tr> <td>3.</td> <td>2001</td> <td>8</td> <td>611.47</td> <td>611.47</td> </tr> <tr> <td colspan="3">Grand Total</td> <td>3,062.80</td> <td>3,062.80</td> </tr> <tr> <td colspan="3">Percentage</td> <td></td> <td>100%</td> </tr> </tbody> </table> <p>The following is the production cost analysis and OER rate for the last 3 years:-</p> <table border="1" data-bbox="448 1238 1339 1559"> <thead> <tr> <th colspan="2">Year</th> <th>FY2006</th> <th>FY2007</th> <th>FY2008</th> </tr> <tr> <th colspan="2">OER Rate (%)</th> <td>19% to 20%</td> <td>19% to 20%</td> <td>19% to 20%</td> </tr> </thead> <tbody> <tr> <td colspan="5">Items</td> </tr> <tr> <td>1)</td> <td>Plantation Admin Charges Cost per ha (RM/ha)</td> <td>497.49</td> <td>530.41</td> <td>608.05</td> </tr> <tr> <td>2)</td> <td>Maintenance/Cultivation Cost per ha (RM/ha)</td> <td>1,578.57</td> <td>1,453.43</td> <td>1,766.90</td> </tr> <tr> <td>3)</td> <td>Harvesting & Collecting Cost Cost per metric tonne (RM/MT)</td> <td>46.88</td> <td>49.64</td> <td>53.34</td> </tr> <tr> <td>4)</td> <td>FFB Transport To Mill Cost Cost per metric tonne (RM/MT)</td> <td>32.32</td> <td>7.60</td> <td>8.00</td> </tr> </tbody> </table> <p>The following is the past three (3) years yield recorded :-</p> <table border="1" data-bbox="440 1619 987 1762"> <thead> <tr> <th rowspan="2">Year</th> <th colspan="3">Yield² (Mt/ha)</th> </tr> <tr> <th>2006</th> <th>2007</th> <th>2008</th> </tr> </thead> <tbody> <tr> <td>1999</td> <td>12.97</td> <td>12.96</td> <td>11.18</td> </tr> <tr> <td>2000</td> <td>6.57</td> <td>7.03</td> <td>6.60</td> </tr> <tr> <td>2001</td> <td>3.01</td> <td>3.16</td> <td>3.87</td> </tr> </tbody> </table> <p>Notes:- 1. Year of Planting 2. Average Yield from Year 2006 to Year 2008</p> | Item | Year | | Planted Area (Ha) | Mature Area (Ha) | Of Planting | Age @ 2009 | 1. | 1999 | 10 | 1,122.49 | 1,122.49 | 2. | 2000 | 9 | 1,328.84 | 1,328.84 | 3. | 2001 | 8 | 611.47 | 611.47 | Grand Total | | | 3,062.80 | 3,062.80 | Percentage | | | | 100% | Year | | FY2006 | FY2007 | FY2008 | OER Rate (%) | | 19% to 20% | 19% to 20% | 19% to 20% | Items | | | | | 1) | Plantation Admin Charges Cost per ha (RM/ha) | 497.49 | 530.41 | 608.05 | 2) | Maintenance/Cultivation Cost per ha (RM/ha) | 1,578.57 | 1,453.43 | 1,766.90 | 3) | Harvesting & Collecting Cost Cost per metric tonne (RM/MT) | 46.88 | 49.64 | 53.34 | 4) | FFB Transport To Mill Cost Cost per metric tonne (RM/MT) | 32.32 | 7.60 | 8.00 | Year | Yield ² (Mt/ha) | | | 2006 | 2007 | 2008 | 1999 | 12.97 | 12.96 | 11.18 | 2000 | 6.57 | 7.03 | 6.60 | 2001 | 3.01 | 3.16 | 3.87 |
| Item | Year | | Planted Area (Ha) | Mature Area (Ha) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | Of Planting | Age @ 2009 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 1. | 1999 | 10 | 1,122.49 | 1,122.49 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2. | 2000 | 9 | 1,328.84 | 1,328.84 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 3. | 2001 | 8 | 611.47 | 611.47 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Grand Total | | | 3,062.80 | 3,062.80 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Percentage | | | | 100% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Year | | FY2006 | FY2007 | FY2008 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| OER Rate (%) | | 19% to 20% | 19% to 20% | 19% to 20% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Items | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 1) | Plantation Admin Charges Cost per ha (RM/ha) | 497.49 | 530.41 | 608.05 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2) | Maintenance/Cultivation Cost per ha (RM/ha) | 1,578.57 | 1,453.43 | 1,766.90 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 3) | Harvesting & Collecting Cost Cost per metric tonne (RM/MT) | 46.88 | 49.64 | 53.34 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 4) | FFB Transport To Mill Cost Cost per metric tonne (RM/MT) | 32.32 | 7.60 | 8.00 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Year | Yield ² (Mt/ha) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | 2006 | 2007 | 2008 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 1999 | 12.97 | 12.96 | 11.18 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2000 | 6.57 | 7.03 | 6.60 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2001 | 3.01 | 3.16 | 3.87 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

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VALUATION CERTIFICATES (Cont'd)

**Comparison Method**

Our findings from various Lands and Surveys Department, Miri and Bintulu Divisions, Sarawak, revealed that there are few transactions of agricultural land planted with oil palms and are as follows:

| Items | Comparable 1 | Comparable 2 | Comparable 3 |
|----------------------|--|--|--|
| Titles(s) | Lot 56 Sawai Land District | Lot 2 Block 34 Kemena Land District & Lot 2 Block 4 Selezu Land District | Lot 3 Block 3 Sawai Land District (Formerly known as Lots 3 to 14 Sawai Land District) |
| Name | Selangor Plantation | Ladang Tabung Haji | BHB Plantation |
| Locality | Sungai Luai and Sungai Bawah, Niah | Jalan Sebah, Bintulu | Sungai Niah, Niah |
| Accessibility | Through Miri-Bintulu road and then by surfaced road/car truck | Jalan Miri-Bintulu, Jalan Sebah, Bintulu | Jalan Miri-Bintulu and then internal private road |
| Type of Soil | Mixture of mineral soil | Peat Soil | Mineral soil |
| Terrain | Hilly/undulating | Flat and Undulating | Hilly/undulating |
| Category | Mixed Zone Land; Country Land | Mixed Zone Land; Country Land | Mixed Zone Land; Country Land |
| Annual Rent | RM12,002.00 per annum | RM761 per annum and RM16,536 per annum | RM11,600.00 per annum |
| Land Area | 4,857.00 ha | 7,000.00 ha (net area: 4,900.00 ha) | 4,640.00 hectares (Formerly was 4607.19 hectares) |
| Tenure (Expiry date) | 21/02/2054 | 31/12/2056 | 17/07/2077 |
| Description | Lands planted with oil palm (11-13 years old) | Lands planted with oil palm (9 to 11 years old) | Lands planted with oil palm (12 to 14 years old) |
| Transaction Date | 09/11/2007 | 29/04/2008 | August 1997 |
| Term & Conditions | To be used only for agricultural purposes and purposes incidental to the production and processing of crops thereon. | To be used only for agricultural purposes and purposes incidental to the production and processing of crops thereon. | To be used only for agricultural purposes and purposes incidental to the production and processing of crops thereon. |
| Share of Transfer | Whole Share | Whole Share | Whole Share |
| Transaction Amount | RM97,000,000.00 | RM138,000,000.00 | RM90,000,000.00 |
| Transferor | Perbadanan Kemajuan Pertanian Selangor | Tabung Haji Sdn. Bhd. | Austral Enterprise Bhd. |
| Transferee | Sheba Resources Sdn. Bhd. | Semai Mekar Sdn. Bhd. | Harvest Master Sdn Bhd |
| Analysis | RM19,971.18 per hectare | RM28,163 per hectare | RM16,713 per hectare |
| Remarks | Assessment accepted. | Assessment accepted. Noted that about 1,420 ha are subject to NCR claim and about 680 ha are unplanted area. Thus, the net area is 4,900.00 ha. | Transaction prices including Palm Oil Mill (POM). Estimated Value for POM is RM13,000,000.00. |
| Adjustment | An upward adjustment made on time (to reflect the 21 months time lags), age of the crop, location (to reflect the accessibility and vicinity to the POM facilities), developed area. A downward adjustment on tenure/ lease (to reflect Joint Venture vs Lease of State Land). | <i>We had inspected all the Comparables. However, we adopted Comparable 1 for the analysis. This is because the details information are available, such as, the YOP (year of planting), Stand per Hectare (SPH), total developed area, the terrain and the estate performance. Thus, more direct and comprehensive comparison can be made.</i> | |
| Adjusted Value | RM25,351.41 per Ha | | |

The adjusted value reflected the time lag, stand per hectare (SPH), year of planting, terrain and the locality of the property. Thus, the Market Value derived from the Comparison Method is RM97,240,000.00 (Ringgit Malaysia Ninety-Seven Million Two Hundred and Forty Thousand Only).

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VALUATION CERTIFICATES (Cont'd)

**Discounted Cashflow Method**

Discounted Cashflow approach is an income based method of valuation. The market value to be derived arises from the benefits of the sales of the oil palm planted thereon. These interest and rights involve the rights to sell off the fresh fruit bunches harvested from the plantation.

In the Discounted Cashflow Method, we based on the following parameters:

| | |
|-------------------------------|-------------------------------|
| (a) Long term FFB price | : RM410 per mt |
| (b) Yield | : 4mt to 19 mt per annum |
| (c) Field maintenance | : RM1,660 per ha per annum |
| (d) General Charges | : RM500 per ha per annum |
| (e) Harvesting and Collection | : RM65.00 per mt per annum |
| (f) Transportation to mill | : RM11 per mt |
| (g) Discount rate | : 11% |
| (h) Discount period | : From year 2009 to year 2026 |
| (i) Basic Land Value | : 16,338.31 per ha |

Note :

| | |
|---|---|
| <i>Long term FFB price</i> | - Based on the average local FFB price over 20 years, a RM410 per MT (CPO at RM2,100 p/MT) is adopted to be the average price on a long-term sustainable price. |
| <i>Yield</i> | - Based on the Company's historical yield records and projection. Also, the MPOB and Porim data. |
| <i>Field maintenance, General Charges, Harvesting and Collection & Transportation to mill</i> | - Based on the past three (3) years historical cost of production, three (3) years Company's projection and valuer's estimate. |
| <i>Discount rate</i> | - The adopted discount rate of 11% for oil palm cultivation reflecting risk and return on investment over the long term risk free yield which is derived from Malaysian Government Securities and also the present base lending rate. |
| <i>Discount period</i> | - The remaining period of the economic life cycle for the palms, i.e. one cycle is about 25-27 years. |
| <i>Basic Land Value</i> | - The basic land value adopted is after taking into consideration the building cost, infrastructure cost analysed over 3,062.80 ha, which is about 85.77% of the total area (3,571.08 ha) to be developed. |

Market Value using DCF Method is RM84,300,000.00 (Ringgit Malaysia Eighty-Four Million and Three Hundred Thousand Only).

Value Conclusion

In arriving at the final value of subject property, we have adopted Discounted Cashflow Method over Comparison Method, because of the complexity of the mature estate, such as different year of planting, stand per hectare (SPH), different yield pattern, cost of production, etc, is unique for each of the plantation estate. DCF method needs us to consider all the above to derive the market value, which is more actual, realistic and certain. On the other hand, to find a perfect comparable sale is impossible and we need to do a lot of adjustments in order to derive the market value. As such, the Comparison Method should only be used as a guide. It is our considered opinion that the Market Value of the leasehold oil palm plantation property free from all encumbrances is **RM84,300,000.00 (Ringgit Malaysia Eighty-Four Million and Three Hundred Thousand Only)**.

Yours faithfully,
HENRY BUTCHER MALAYSIA (MIRI) SDN. BHD.

CHAI CHEON NYIAP
B.Sc (Hons) MIS (M) MRICS
Registered Valuer (V414)

VALUATION CERTIFICATES (Cont'd)



HENRY BUTCHER MALAYSIA
International Asset Consultants

22 July 2010

The Board of Directors
Rimbunan Sawit Berhad
No. 66 – 78, Pusat Suria Permata,
Jalan Upper Lanang 12A,
96000 Sibul, Sarawak

Dear Sir,

CERTIFICATE OF VALUATION OF PLANTATION LAND DEVELOPED UNDER JOINT VENTURE AGREEMENT FOR OIL PALM PLANTATION WITH AN AREA OF 7,900 HECTARES KNOWN AS PJP PELITA ULU TERU PLANTATION ESTATE, LONG LAMA, MIRI DIVISION

This certificate has been prepared for inclusion in the circular to shareholders of Rimbunan Sawit Berhad ("RSB") dated 27 July 2010 in relation to the Proposed Acquisitions by RSB of PJP Pelita Ulu Teru Plantation Sdn. Bhd.

In accordance with the instructions from RSB, we have valued the abovementioned property vide our valuation report bearing Reference No.: HBMM/VAL/MV/2064/2009 (PJP Pelita Ulu Teru Plantation Estate) dated 27th October 2009 for the purpose of submission to the Bursa Malaysia Securities Berhad. The subject property was inspected on 19th October 2009. The material date of valuation for this exercise is at 31st August 2009.

We confirm that we have valued the property based on the valuation basis stated below. The valuation has been carried out in accordance with the Valuation Standards issued by the Board of Valuers, Appraisers and Estate Agents, Malaysia and in complies with the Securities Commission's Asset Valuation Guidelines.

The basis of the valuation is the **Market Value** which is defined as the estimated amount for which an asset should exchange on the date of valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion.

In assessing the market value of the subject property, we have adopted both the **Discounted Cash Flow (DCF) Method** and the **Comparison Method**.

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HENRY BUTCHER MALAYSIA (MIRI) SDN. BHD. (566177-X)
Lot 1189, First Floor, Miri Waterfront Commercial Centre, 98000 Miri, Sarawak.
P. O. Box 2214, 98000 Miri, Sarawak.
tel : 085-442800, 442898, 442899 • fax : 085-429699 • email : hbmalmiri@yahoo.com
www.henrybutchermalaysia.com

VALUATION CERTIFICATES (Cont'd)



Brief details of the Property as extracted from the valuation report are as follows:

| Asset Identification | Details of Title/Address | | | | | | | | |
|----------------------------|--|---------|-------------------|----------|----|-----------|----|----------------------------|----|
| | <p>The subject estate, PJP Pelita Ulu Teru Plantation Estate is situated at Miri Division, Sarawak and developed under a Joint Venture (JV) Agreement (NCR Concept), hereinafter referred to as the "subject property".</p> <p>Land development under Joint Venture (JV) Agreements is a project initiated by the Ministry of Land Development, Sarawak, and is a new concept of development of Native Customary Rights (NCR) Land. The new concept of NCR land development is being formulated on the premise that the vast tract of such land can be turned into a "Land Bank" with new forms of land ownership to enable it to be developed on a large scale commercial basis. Such a development is the only best way of transforming the rural sector from that of a traditional and subsistence economy into a strong and sustainable and modern economy.</p> <p>In this model, the government agency will hold in trust the interests of the NCR landowners. The trustee will form a Joint Venture Company (JVC) with a well established private sector company approved by the Government. Land title will be issued to the JVC for a period of sixty (60) years (2 plantation cycles) for an agreed value. The monetary value generated by the use of land will be used for two types of investments:</p> <ul style="list-style-type: none"> (a) as 30% equity in the JVC (long term investment), and (b) as cash for investment in Unit Trusts (investment with fast return). <p>Under the JVC, the equity structure will be as follows:</p> <table border="1" data-bbox="376 1151 906 1261"> <thead> <tr> <th>Parties</th> <th>Shareholdings (%)</th> </tr> </thead> <tbody> <tr> <td>Investor</td> <td>60</td> </tr> <tr> <td>Landowner</td> <td>30</td> </tr> <tr> <td>Trustee (Management Agent)</td> <td>10</td> </tr> </tbody> </table> <p>The Sarawak Government through the Ministry of Rural and Land Development has nominated LCDA (hereinafter referred to as "PELITA") and PELITA has subsequently nominated PHSB (Pelita Holdings Sdn. Bhd.) for appointment by the NCR Owners (Sarawak Government and the natives) to act as trustee for and on their behalf for the development of the NCR land at Ulu Teru NCR Land Development Area, Tinjar, Miri Division into an oil palm plantation but excluding the construction of a palm oil mill.</p> <p>The Joint Venture (JV) Agreement is between Pelita Holdings Sdn. Bhd. (Co. No. 182028-W) and Pemandangan Jauh Plantation Sdn. Bhd. (Co. No. 247217-W) – [PJPSB], dated 30th day of September, 2003 to develop the NCR land at Ulu Teru NCR land, Tinjar, Miri Division for an oil palm plantation and covering an area of about 7,900.00 hectares.</p> <p>The initial authorized capital is Ringgit Malaysia One Hundred Thousand only (RM100,000.00) and the paid-up capital is Ringgit Malaysia Two only (RM2.00). The parties have agreed that the JVC will be the vehicle for the joint venture. Both the authorized capital and paid-up capital of the JVC shall be increased to Ringgit Malaysia Fourteen Million and Four Hundred Thousand only (RM14,400,000.00) and shall be divided into equivalent number of ordinary shares of RM1.00 each or any other sum that they may agree. Pemandangan Jauh Plantation Sdn. Bhd. (Co. No. 247217-W) hold 60% of the allotment of shares. The name of the JVC is known as Pelita Tangkas Sdn. Bhd. and it subsequently changed its name to PJP Pelita Ulu Teru Plantation Sdn Bhd on 12 April 2005. For the purpose of this Valuation exercise, we assumed the allotment shares payment had been fully paid.</p> <p>PJP Pelita Ulu Teru Plantation Sdn. Bhd. (Formerly known as Pelita Tangkas Sdn. Bhd.), is the ultimate investor to carry out the plantation development and the plantation estate is commonly known as PJP Pelita Ulu Teru Plantation Estate, and with a gross development area of about 7,900.00 hectares.</p> | Parties | Shareholdings (%) | Investor | 60 | Landowner | 30 | Trustee (Management Agent) | 10 |
| Parties | Shareholdings (%) | | | | | | | | |
| Investor | 60 | | | | | | | | |
| Landowner | 30 | | | | | | | | |
| Trustee (Management Agent) | 10 | | | | | | | | |

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VALUATION CERTIFICATES (Cont'd)



| | <p>Location/Address The property is situated to the South of the Beluru-Long Lama road along Ulu Sungai Teru in Baram District. The estate is about 4.0 kilometres (aerial measured) to the South-West of Long Lama Bazaar and is about 140 km by road to the South-East of Miri City Centre, Sarawak.</p> <p>Accessibility The property is accessible from Miri City Centre via Min-Bintulu Road (at 45KM), Jalan Bukit Peninjau (25KM), Jalan Beluru/Long Teru (formerly known as Tinjar Road-about 22 KM to reach the junction to RH Oil Palm Mill and RH Bakong Estate) and then using Lapok-Long Lama Road, about 45 KM to reach the plantations before reaching Long Lama Bazaar.</p> <p>Tenure 60 years leasehold interest will be issued upon full completion of the JV development.</p> <p>Category of Land Use Agricultural purposes.</p> <p>Registered Proprietor PJP Pelita Ulu Teru Plantation Sdn. Bhd. (Formerly known as Pelita Tangkas Sdn. Bhd.)</p> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|------------------------------|--|------------|-------------------|------------------|-------------------|------------------|--------------------|--------------------|------------|----|------|---|--------|---|--------|----|------|---|--------|---|--------|----|------|---|--------|---|--------|----|------|---|--------|---|--------|-------------|--|--|----------|---|----------|------------|--|--|--|--|------|
| General Description of Asset | <p>Description PJP Pelita Ulu Teru Plantation is, situated to the South of the Beluru-Long Lama road along Ulu Sungai Teru in Baram District.</p> <p>PJP Pelita Ulu Teru Plantation is developed under JV Agreement of the 7,900 hectares of Ulu Teru NCR land. The plantation will be developed in 6 phases, i.e. Phase 1A, 1B, 2A, 2B, 2C and 3A for easy administrative purposes. Currently, about 1,498.48 hectares are developed and planted with oil palm trees.</p> <p>The following is the area statement :-</p> <table border="1" data-bbox="438 1205 1332 1406"> <thead> <tr> <th rowspan="2">Item</th> <th colspan="2">Year</th> <th rowspan="2">Planted Area (Ha)</th> <th rowspan="2">Mature Area (Ha)</th> <th rowspan="2">Immature Area (Ha)</th> </tr> <tr> <th>Of Planting</th> <th>Age @ 2009</th> </tr> </thead> <tbody> <tr> <td>1.</td> <td>2006</td> <td>3</td> <td>247.84</td> <td>-</td> <td>247.84</td> </tr> <tr> <td>2.</td> <td>2007</td> <td>2</td> <td>526.90</td> <td>-</td> <td>526.90</td> </tr> <tr> <td>3.</td> <td>2008</td> <td>1</td> <td>581.94</td> <td>-</td> <td>581.94</td> </tr> <tr> <td>4.</td> <td>2009</td> <td>0</td> <td>141.80</td> <td>-</td> <td>141.80</td> </tr> <tr> <td colspan="3">Grand Total</td> <td>1,498.48</td> <td>-</td> <td>1,498.48</td> </tr> <tr> <td colspan="3">Percentage</td> <td></td> <td></td> <td>100%</td> </tr> </tbody> </table> <p>The plantation commences planting in the year 2006, thus all the plants are immature as at to date there is no recorded yield and production cost yet.</p> | Item | Year | | Planted Area (Ha) | Mature Area (Ha) | Immature Area (Ha) | Of Planting | Age @ 2009 | 1. | 2006 | 3 | 247.84 | - | 247.84 | 2. | 2007 | 2 | 526.90 | - | 526.90 | 3. | 2008 | 1 | 581.94 | - | 581.94 | 4. | 2009 | 0 | 141.80 | - | 141.80 | Grand Total | | | 1,498.48 | - | 1,498.48 | Percentage | | | | | 100% |
| Item | Year | | Planted Area (Ha) | Mature Area (Ha) | | | | Immature Area (Ha) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | Of Planting | Age @ 2009 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 1. | 2006 | 3 | 247.84 | - | 247.84 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2. | 2007 | 2 | 526.90 | - | 526.90 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 3. | 2008 | 1 | 581.94 | - | 581.94 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 4. | 2009 | 0 | 141.80 | - | 141.80 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Grand Total | | | 1,498.48 | - | 1,498.48 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Percentage | | | | | 100% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

Comparison Method

Our findings from various Lands and Surveys Department, Miri and Bintulu Divisions, Sarawak, revealed that there are few transactions of agricultural land planted with oil palms and are as follows:

| Items | Comparable 1 | Comparable 2 | Comparable 3 | | | | |
|----------------------|---|--|--|------------|-----------------|---------------|-----------------------|
| Titles(s) | Lot 56 Sawai Land District | Lot 2 Block 34 Kemena Land District and Lot 2 Block 4 Selezu Land District | Lot 3 Block 3 Sawai Land District (Formerly known as Lots 3 to 14 Sawai Land District) | | | | |
| Name | Selangor Plantation | Ladang Tabung Haji | BHB Plantation | | | | |
| Locality | Sungai Luai and Sungai Bawah, Niah | Jalan Sebah | Sungai Niah, Niah | | | | |
| Accessibility | Through Miri-Bintulu road and then by surfaced road/car truck | Jalan Miri-Bintulu, Jalan Sebah, Bintulu | Jalan Miri-Bintulu and then internal private road | | | | |
| Type of Soil | Mixture of mineral soil | Peat Soil | Mineral soil | | | | |
| Terrain | Hilly/undulating | Flat and Undulating | Hilly/undulating | | | | |
| Category | Mixed Zone Land; Country Land | Mixed Zone Land; Country Land | Mixed Zone Land; Country Land | | | | |
| Annual Rent | RM12,002.00 per annum | <table border="1" data-bbox="726 1953 1093 2011"> <tr> <td>Lot 2 Blk 34 KLD</td> <td>RM761 p.a.</td> </tr> <tr> <td>Lot 2 Blk 4 SLD</td> <td>RM16,536 p.a.</td> </tr> </table> | Lot 2 Blk 34 KLD | RM761 p.a. | Lot 2 Blk 4 SLD | RM16,536 p.a. | RM11,600.00 per annum |
| Lot 2 Blk 34 KLD | RM761 p.a. | | | | | | |
| Lot 2 Blk 4 SLD | RM16,536 p.a. | | | | | | |
| Land Area | 4,857.00 ha | 7,000.00 ha (net area: 4,900.00 ha) | 4,640.00 hectares (Formerly was 4607.19 hectares) | | | | |
| Tenure (Expiry date) | 21/02/2054 | 31/12/2056 | 17/07/2077 | | | | |

VALUATION CERTIFICATES (Cont'd)



| Items | Comparable 1 | Comparable 2 | Comparable 3 |
|--------------------|--|--|--|
| Description | Lands planted with oil palm (11-13 years old) | Lands planted with oil palm (9 to 11 years old) | Lands planted with oil palm (12 to 14 years old) |
| Transaction Date | 09/11/2007 | 29/04/2008 | August 1997 |
| Term & Conditions | To be used only for agricultural purposes and purposes incidental to the production and processing of crops thereon. | To be used only for agricultural purposes and purposes incidental to the production and processing of crops thereon. | To be used only for agricultural purposes and purposes incidental to the production and processing of crops thereon. |
| Share of Transfer | Whole Share | Whole Share | Whole Share |
| Transaction Amount | RM97,000,000.00 | RM138,000,000.00 | RM90,000,000.00 |
| Transferor | Perbadanan Kemajuan Pertanian Selangor | Tabung Haji Sdn. Bhd. | Austral Enterprise Bhd. |
| Transferee | Sheba Resources Sdn. Bhd. | Semai Mekar Sdn. Bhd. | Harvest Master Sdn Bhd |
| Analysis | RM19,971.18 per hectare | RM28,163 per hectare | RM16,713 per hectare |
| Remarks | Assessment accepted by Lands and Surveys, Valuation Department. | Assessment accepted. Noted that about 1,420 ha are subject to NCR claim and about 680 ha are unplatable area. Thus, the net area is 4,900.00 ha. | Transaction prices including Palm Oil Mill (POM). Estimated Value for POM is RM13,000,000.00. |
| Adjustment | An upward adjustment made on time (to reflect the 21 months time lags) and SPH (to reflect 123 SPH and compared to 90-100 SPH for the comparable). A downward adjustment on age of the crop, developed area and tenure/lease (to reflect on terrain (to reflect Joint Venture vs Lease of State Land). | <i>We had inspected all the Comparables. However, we adopted Comparable 1 for the analysis. This is because the details information are available, such as, the YOP (year of planting), Stand per Hectare (SPH), total developed area, the terrain and the estate performance. Thus, more direct and comprehensive comparison can be made.</i> | |
| Adjusted Value | RM13,180.98 per ha | | |

The adjusted value reflected the time lag, stand per hectare (SPH), year of planting, terrain and the locality of the property. Thus, the Market Value derived from the Comparison Method is RM73,190,000.00 (Ringgit Malaysia Seventy-Three Million One Hundred and Ninety Thousand Only).

Discounted Cashflow Method

Discounted Cashflow approach is an income based method of valuation. The market value to be derived arises from the benefits of the sales of the oil palm planted thereon. These interest and rights involve the rights to the sell of the fresh fruit bunches harvested from the plantation.

In the Discounted Cashflow Method, we based on the following parameters:

- | | |
|-------------------------------|---|
| (a) Long term FFB price | : RM410 per mt |
| (b) Yield | : 2mt (3 rd year) to 23 mt (10 th year) per annum |
| (c) Field maintenance | : RM1,893.95 per ha per annum |
| (d) General Charges | : RM500 per ha per annum |
| (e) Harvesting and Collection | : RM80.96 per mt per annum |
| (f) Transportation to mill | : RM28 per mt |
| (g) Discount rate | : 11% |
| (h) Discount period | : From year 2009 to year 2034 |
| (i) Basic Land Value | : 13,707.45 per ha |

Note :

Long term FFB price - Based on the average local FFB price over 20 years, a RM410 per MT (CPO at RM2,100 p/MT) is adopted to be the average price on a long-term sustainable price.

Yield - Based on the Company's projection, the MPOB and Porim data.

Field maintenance, General Charges, Harvesting and Collection & Transportation to mill - Based on Company three (3) years projected production cost and valuer's estimate.

VALUATION CERTIFICATES (Cont'd)




- Discount rate* - The adopted discount rate of 11% for oil palm cultivation reflecting risk and return on investment over the long term risk free yield which is derived from Malaysian Government Securities and also the present base lending rate.
- Discount period* - The remaining period of the economic life cycle for the palms, i.e. one cycle is about 25-27 years.
- Basic Land Value* - The basic land value adopted is after taking into consideration the building cost, infrastructure cost analysed over 1,498.48 ha, which is about 26.99% of the total area (5,552.98 ha) to be developed.

Market Value using DCF Method is RM62,040,000.00 (Ringgit Malaysia Sixty-Two Million and Forty Thousand Only).

Value Conclusion

In arriving at the final value of subject property, we have adopted Discounted Cashflow Method over Comparison Method, because of the complexity of the mature estate, such as different year of planting, stand per hectare (SPH), different yield pattern, cost of production, etc, is unique for each of the plantation estate. DCF method needs us to consider all the above to derive the market value, which is more actual, realistic and certain. On the other hand, to find a perfect comparable sale is impossible and we need to do a lot of adjustments in order to derive the market value. As such, the Comparison Method should only be used as a guide. It is our considered opinion that the Market Value of the leasehold oil palm plantation property free from all encumbrances is **RM62,040,000.00 (Ringgit Malaysia Sixty-Two Million and Forty Thousand Only)**.

Yours faithfully,
HENRY BUTCHER MALAYSIA (MIRI) SDN. BHD.



CHAI CHEON NYIAP
B.Sc (Hons) MIS (M) MRICS
Registered Valuer (V414)

VALUATION CERTIFICATES (Cont'd)



HENRY BUTCHER MALAYSIA
International Asset Consultants

22 July 2010

The Board of Directors
MESSRS RIMBUNAN SAWIT BERHAD
No. 66-78, Pusat Suria Permata,
Jalan Upper Lanang 12A,
Sibu, Sarawak.

Dear Sirs,

CERTIFICATE OF VALUATION OF OIL PALM PLANTATION WITH AN AREA OF 15,580 HECTARES KNOWN AS SIMUNJAN PLANTATION UNDER LICENCE FOR PLANTED FOREST NO. LPF/0035, SAMARAHAN AND SRI AMAN DIVISION, SARAWAK

This certificate has been prepared for inclusion in the Circular to shareholders of Rimbunan Sawit Berhad ("RSB") to be dated 27 July 2010 in relation to the proposed acquisition of the commercial rights of Simunjan Plantation.

In accordance with the instructions from RSB, we have valued the abovementioned property vide our valuation report bearing Reference No.: A2009/V10442/cyt/w1013 dated 24th November 2009 for the purpose of submission to the Bursa Malaysia Securities Berhad. The subject property was inspected on 19th October 2009. The material date of valuation for this valuation exercise is 31st August 2009.

We confirm that we have valued the property based on the valuation basis stated below. The valuation has been carried out in accordance with the Valuation Standards issued by the Board of Valuers, Appraisers and Estate Agents Malaysia and complies with the Securities Commission's Asset Valuation Guidelines.

The basis of valuation adopted is the Market Value of an oil palm plantation which is defined as the estimated amount for which a property should exchange on the date of valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion.

Simunjan plantation is situated about 12 km to the southeast of Simunjan Town. It is sandwiched between the latitudes 1° 14.0' North and 1° 26.5'E. The block of the project is located in Samarahan Division but the northeastern corner is within Sri Aman Division.

The subject area is easily accessible by Simunjan Road which is the tar sealed main road linking Simunjan Town to Pan Borneo Highway that runs through the plantation. The Central Part of the plantation is also accessible by earth road.

RH Simunjan Estate is under Licence for planted Forest No. LPF/0035, Samarahan and Sri Aman Divisions, Sarawak for a tenure of 60 years from 22nd March 2004 and expires on 21st March 2064. It covers a grass area of 15,580 hectares with 6,700 hectares as plantable land. It is approved to be use as oil palm plantation for 25 years commencing 22nd March 2004, thereafter upon the expiry of the period, the area should be planted with trees other than oil palm. The Licensee of LPF/0035 is Messrs Rejang Heights Sdn Bhd.

HENRY BUTCHER 236250X

Malaysia (Sarawak) Sdn. Bhd. VE(1)0079/3

L4 14 & 15, DUBS Commercial / Office Centre, Lot 376, Section 54 KTLD, Jalan Petanak, 93100 Kuching, Sarawak.

tel: 082-423300 / 231032 / 231037 fax: 082-231036 email: hbswak@gmail.com / hbswak@streamyx.com / hbsarawak@gmail.com

www.henrybutcher.com.my

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VALUATION CERTIFICATES (Cont'd)



The area statement of Simunjan plantation is as follows:-

Simunjan Estate : Area statement

| Item | Particulars | Hectarage | Planting Plan (Hectares) | | |
|------|---|-----------|--------------------------|-----------|-----------|
| | | | 2009/2010 | 2010/2011 | 2011/2012 |
| 1. | LFP area | 15,580 | - | - | - |
| 2. | Planted area 2008 – 248 Ha 2009 – 533.74 Ha | 781.74 | 2,500 | 2,500 | 918.26 |
| 3. | Land under preparation | 918.26 | - | - | - |
| 4. | Cleared area | 73 | - | - | - |
| 5. | Plantable reserve | 4,927 | - | - | - |
| 6. | Building site | 20 | - | - | - |
| 7. | Nursery | 44 | - | - | - |
| 8. | Main Road Reserve | 437.60 | - | - | - |
| 9. | Unplantable area *(1) | 8,378.40 | - | - | - |
| | Total | 15,580 | 2,500 | 2,500 | 918.26 |

* (1) Comprises of shifting cultivation area, green belt and native dispute area that has been excluded from the valuation.

The plantation commences planting in the year 2008, thus all the plants are immature and as to date there is no recorded yield.

In assessing the market value of the subject property, we have adopted both the **Cost Method of Valuation** and the **Discounted Cash Flow (DCF) Method**.

The **Cost Method** is to estimate the cost of land and infrastructure thereon. It is applied to estimate the present Market Value of the Immature Oil Palms planting and lands being prepared for the oil palm cultivation on the premises that it could be reasonable to assume that a prospective purchaser would be prepared to pay for an asset would cost him to develop a similar asset. In this valuation, we note that this is a License Planted forest with permission to plant oil palm for 25 years (20 years remaining).

The **Discounted Cash Flow** approach is an income based method of valuation. The market value to be derived arises from the benefits of the sales of the oil palm planted thereon. These interest and rights involve the rights to sell off the fresh fruit bunches harvested from the plantations.

Cost Method

Our searches revealed the following transactions of vacant lands and plantations as follows:-

| Items | COMPARABLE 1 | COMPARABLE 2 | COMPARABLE 3 | COMPARABLE 4 |
|-----------|------------------------------|---|--|--------------|
| Titles(s) | Lot 196 Teraja Land District | Lot 1200 Puyut Land District & Lot 197 Tereja Land District | Lot 1 Block 3 Sabor Land District, Lot 3 Block 16 Awik-Krian Land District, Lot 410 Block 3 Awik-Krian Land District & Lot 121 Block 19 Kalaka Land District | LPF 0006 |

VALUATION CERTIFICATES (Cont'd)



| Items | COMPARABLE 1 | COMPARABLE 2 | COMPARABLE 3 | COMPARABLE 4 |
|----------------------|---|--|---|--|
| Name | Lumiera Enterprise Plantation Land | Woodijaya Plantation Estate Land | Zecon Engineering Berhad Plantation Land | Lana Plantation |
| Locality | Batang Baram, Baram | Between Sungai Bakong and Batang Baram, Baram | Between Sungai Krian and Batang Saribas, Betong District, Sarawak | Between Sungai Merit and Sungai Bah |
| Accessibility | Currently through Baram River only | By way of present plantation road (Hazardland Plantation), plus a section of a logging road | With road frontage | Logging Road / River |
| Type of Soil | Peat soil | Peat soil | Peat soil | Mineral |
| Terrain | Flat | Flat | Flat | Undulating/hilly |
| Land Area | 6,071.00 hectares | 5,000.00 hectares | 10,390 hectares (80% share only) | 40,684 hectares |
| Tenure (Expiry date) | 04/03/2061 | 24/10/2067 | 19/3/2060 | 7 th December 2058 |
| Description | Vacant | Vacant | Vacant | Vacant |
| Transaction Date | 31/07/2009 (ref: No. MM-090731-41301) | 31/07/2009 (ref: No. MM-090731-41301) | 28/12/2006 Conditional agreement | 23 rd October 2007 |
| Term & Conditions | To be used only for agricultural purposes and purposes incidental to the production and processing of crops thereon | To be used only for agricultural purposes and purposes incidental to the production and processing of crops thereon | To be used only for agricultural purposes and purposes incidental to the production and processing of crops thereon | Tree planting |
| Transaction Amount | RM37,993,000.00 Note: The transaction amount comprises of cash and liabilities assumed by the purchaser. | RM31,314,000.00 (85% share) Note: The transaction amount comprises of cash and liabilities assumed by the purchaser. | RM51.4 Million Note: The transaction amount comprises of cash and liabilities assumed by the purchaser. | RM32,230,000 Note: The transaction amount comprises of cash and cost for NCR compensation. |

VALUATION CERTIFICATES (Cont'd)



| Items | COMPARABLE 1 | COMPARABLE 2 | COMPARABLE 3 | COMPARABLE 4 |
|----------------|---|---|--|---|
| Transferor | Lumiera Sdn. Bhd. | Woodjaya Sdn. Bhd. | Zecon Engineering Berhad | Timor Enterprises Sdn Bhd |
| Transferee | Rimbunan Sawit Berhad | Rimbunan Sawit Berhad | T.H Plantation Berhad | Samling Reforestation (Bintulu Sdn BHD) |
| Analysis | RM6,258.11 per hectare | RM7,368.00 per hectare | RM6,183.83 per ha | RM792.20 per hectare |
| Remarks | Related parties, General Announcement (ref: No. MM-090731-41301) dated 31 st July 2009 | Related parties, General Announcement (ref: No. MM-090731-41301) dated 31 st July 2009 | Non-related parties, announced by TH Plantation Berhad | Related parties, Glenealy Plantation (Malaya) berhad circular dated 23 rd October 2007 |
| Adjustment | Upward adjustment for better location | Downward adjustment for poorer location | Upward adjustment for time | Upward adjustment for time, location, terrain. |
| Adjusted Value | RM6,571 per Ha | RM6,631 per Ha | RM6,802 per Ha | RM990 per ha |

Note: Lana Plantation transaction was done together with Jelalong Plantation. The Jelalong Plantation oil palm compartment has an area of 21,123 hectares. The transaction amount was RM28,060,000 (including provision for NCR compensation). It works out to be RM1,328 per hectares. In this valuation, we do not consider Jelalong Plantation's transaction as a comparable as the oil palm compartment of LPF/0007 was awarded to SRB on 12th April 1999, thus it should expire on 11 April 2024. In the proposal, SRB will apply for 25 years to commence from 1 July 2008 to 30 June 2033 which is conditional. In the proposal, the comparable value used at that time for vacant agriculture land for oil palm plantation with a tenure by 60 years is RM1,800 per hectare which is well-below the present market value of similar at RM6,500 per hectare. The risk in respect of NCR rests with the purchaser and the seller will not be under any obligation to remedy it.

Taking into consideration, the comparable sales of vacant oil palm plantation lands and license for planted forest, we deem a fair market value for oil palm plantation land is at RM6,500 per hectare which is the lower range of the comparables whereas the licence for planted forest is at RM990 per hectare.

Base on the above, we have conclude that the subject licence which is approved for oil palm plantation for 25 years (presently 20 years remaining), and thereafter as planted forest is at RM3,276.00 per hectare.

After establishing the vacant land value, we have considered the following parameters:-

- (a) Field Establishment Cost : RM14,087,647.33 (RM7,033.63 per hectare)
- (b) Field Maintenance Cost : Year 1 - RM713.1/Ha & Year 2 - RM1,740/Ha
RM566,409.00
- (c) Existing Building Cost : RM 394,000.00
- (d) Existing Vehicles at : RM825,000.00

VALUATION CERTIFICATES (Cont'd)



Machinery

- (e) General Charges : RM154,461.00 (RM150 per hectare)
- (f) Profit over oil palm : 10%
plantation
development cost

Note:

- (i) Field establishment is based on 2,002.9 hectare which is the total area covered under slashing/ underbrushing and felling.
- (ii) Field maintenance cost is for 248 Ha and 533.74 Ha planted in 2008 and 2009 respectively.
- (iii) The buildings include 5 buildings i.e, labour quarter, fertilizer store, 30% completed labour quarter, a generator house and a guard house. The cost per square foot ranges from RM50 to RM59.
- (iv) There are 9 units of various types of vehicles and machineries.

Base on cost method, we conclude that the market value of the subject licence is RM43 Million.

Discounted Cash Flow Method

In the discounted Cash Flow Method, we have base on the following parameters :

- (a) Long term FFB price : Base on the average local FFB price over 20 years, a RM410 per Mt (CPO at RM2,100 p/MT) is adopted to be the average price on a long term sustainable price
- (b) Yield : 2 Mt (year 3) to 26 Mt (year 10) per annum
- © Field maintenance : RM713 (year 1) to RM2,777 (year 4 onwards)
- (d) General Charges : RM150 to RM500 (year 5 onward) per hectare per annum
- (e) Harvesting & Collection : RM50 per Mt (year 3) to RM43 per Mt year 6 onwards
- (f) Transportation to mill : RM40 per Mt
- (g) Discount rate : (The adopted discount rate of 11% for oil palm cultivation reflecting risk and return on investment over the long term risk free yield which is derived from Malaysian Government Securities and also the present base lending rate.)
- (h) Discount Period : Year 2009 to 2029 (20 years remaining)
- (i) Basic land value : RM 7,485 per hectare, which is derived from adding infrastructure cost to raw land value.

VALUATION CERTIFICATES (Cont'd)

Note:

Yield : Based on Company's projection and Porim data.

Field maintenance, General Charges : Based on Company's projection and valuer's estimate

The market value of the plantation using discounted cashflow method is RM44,500,000.00.

Value Conclusion

In arriving at the final value of subject asset, we have adopted cost method over Discounted Cashflow Method, because the oil palm plantation has not been fully planted. In the DCF Method, we need to project the planting progress which is uncertain whereas the cost incurred and the analysis of land value using comparison method is more concrete and certain. From the above reasoning and analysis, it is our considered opinion that the current **Market Value (MV)** of the unencumbered interest in the subject asset with the benefit of vacant possession is as follows:-

Market Value (MV) – RM43,000,000.00/- (Ringgit Malaysia: Forty Three Million Only).

Yours faithfully,
HENRY BUTCHER MALAYSIA (SARAWAK) SDN BHD

CHIENG YU TANG
Designation: Director
Registered Number: V-361

UPDATE VALUATION CERTIFICATES

**HENRY BUTCHER MALAYSIA***International Asset Consultants*

22 July 2010

The Board of Directors
Rimbunan Sawit Berhad
 No. 66 – 78, Pusat Suria Permata,
 Jalan Upper Lanang 12A,
 96000 Sibul, Sarawak

Dear Sir,

CERTIFICATE OF UPDATE VALUATION OF PROVISIONAL LEASE OF STATE LAND DEVELOPED FOR OIL PALM PLANTATION WITH AN AREA OF 4,959.80 HECTARES KNOWN AS JAYAMAX ESTATE UNDER LOTS 4 AND 6 ALL OF BLOCK 9 DULIT LAND DISTRICT (FORMERLY KNOWN AS LOT 9 DULIT LAND DISTRICT), TINJAR, BARAM, MIRI DIVISION

This certificate has been prepared in relation to the Proposed Acquisitions by RSB of Jayamax Estate.

In accordance with the instructions from RSB, we have valued the abovementioned property vide our valuation report bearing Reference No.: HBMM/VAL/MV/2064/2009 (Jayamax Estate) dated 27th October 2009 for the purpose of submission to the Bursa Malaysia Securities Berhad. The subject property was inspected on 20th October 2009. The material date of valuation for this exercise is at 31st August 2009. Subsequently, we were requested to provide an update to the said valuation base on 28th February 2010 as the material date. We did not carry out any site inspection for this update, we have relied on the information provided by RSB.

We confirm that we have valued the property based on the valuation basis stated below. The valuation has been carried out in accordance with the Valuation Standards issued by the Board of Valuers, Appraisers and Estate Agents, Malaysia and in compliance with the Securities Commission's Asset Valuation Guidelines.

The basis of the valuation is the **Market Value** which is defined as the estimated amount for which an asset should exchange on the date of valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion.

In assessing the market value of the subject property, we have adopted both the **Discounted Cash Flow (DCF) Method** and the **Comparison Method**.

HENRY BUTCHER MALAYSIA (MIRI) SDN. BHD. (566177-X)
 Lot 1189, First Floor, Miri Waterfront Commercial Centre, 98000 Miri, Sarawak.
 P. O. Box 2214, 98000 Miri, Sarawak.
 tel : 085-442800, 442898, 442899 • fax : 085-429699 • email : hbmalmiri@yahoo.com
www.henrybutchermalaysia.com

UPDATE VALUATION CERTIFICATES (Cont'd)



Brief details of the Property as extracted from the valuation report are as follows:

| <p>Asset Identification</p> | <p>Details of Title The subject estate, Jayamax Estate is situated at Miri Division, Sarawak and under two Provisional Lease of State Lands, hereinafter referred to as the "subject property".</p> <table border="0" style="width: 100%;"> <tr> <td style="width: 70%;">Title Particular</td> <td style="text-align: right;">Land Area (hectares)</td> </tr> <tr> <td>(a) Provisional Lease Lot 4 Block 9 Dulit Land District and</td> <td style="text-align: right;">3,025.70</td> </tr> <tr> <td>(b) Provisional Lease Lot 6 Block 9 Dulit Land District</td> <td style="text-align: right;"><u>1,934.10</u></td> </tr> <tr> <td style="text-align: center;">Total</td> <td style="text-align: right;">4,959.80</td> </tr> </table> <p>Location/Address The Property is situated at Sungai Bok, Tinjar, Baram and it is about 100 km (aerial distance) by road to the South-East of Miri Town, Sarawak.</p> <p>Accessibility The Property is accessible from Miri Town via Miri-Bintulu Road (at 45 KM), Jalan Bukit Peninjau (25 KM), Jalan Beluru/Long Teru (22 KM) and then the trunk road which branches off the Jalan Beluru/Long Teru (formerly known as Tinjar Road) to the RH Oil Palm Mill and RH Bakong Plantation Administration office and worker's quarters (3 KM). From the RH Bakong Estate (adjoining estate from the RH's Group), the internal estate road is used to reach the Property.</p> <p>Tenure Leasehold 60 years expiring on 08/04/2059, with unexpired term of about 49 years.</p> <p>Category of Land Use Agricultural purposes.</p> <p>Registered Proprietor Jayamax Plantation Sdn. Bhd.</p> | Title Particular | Land Area (hectares) | (a) Provisional Lease Lot 4 Block 9 Dulit Land District and | 3,025.70 | (b) Provisional Lease Lot 6 Block 9 Dulit Land District | <u>1,934.10</u> | Total | 4,959.80 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|---|--|-------------------------|-----------------------------|---|-------------------|---|--------------------|--------------------|------------|----|------|----|--------|--------|---|----|------|---|----------|----------|---|----|------|---|--------|--------|---|----|------|---|--------|---|--------|----|------|---|--------|---|--------|----|------|---|--------|---|--------|----|------|---|------|---|------|-------------|--|--|----------|----------|----------|----------------|--|--|--|--------|--------|
| Title Particular | Land Area (hectares) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| (a) Provisional Lease Lot 4 Block 9 Dulit Land District and | 3,025.70 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| (b) Provisional Lease Lot 6 Block 9 Dulit Land District | <u>1,934.10</u> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Total | 4,959.80 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| <p>General Description of Asset</p> | <p>Description The subject estate, Jayamax Estate is under two (2) parcels of Provisional Lease of State Land for oil palm plantation purposes, namely, Lots 4 & 6 Block 9 Dulit Land District, in Miri Division, with total land area of 4,959.80 hectares.</p> <p>Jayamax Estate comprises of Phase I, II & III and each phase further divided into various Blocks for easy administrative purposes.</p> <p>Based on the information provided by RSB, the total hectareage planted since the last date of valuation had been increased from 3,904.23 hectares as at 31 August 2009 to 4,093.38 hectares as at 28 February 2010, which represents an increase of 189.15 hectares. Among 189.15 hectares, about 181.60 hectares and 7.55 hectares were planted in 2009 and 2010, respectively. The increment within the planted area is considered as new planting area. The updated area statement, production cost, OER rate and the yield records for the past 4 years and the additional infrastructure improvement on the Plantation Estate are as follows:-</p> <p>(a) The area statement :-</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th rowspan="2">Item</th> <th colspan="2">Year</th> <th rowspan="2">Planted Area (Ha)</th> <th rowspan="2">Mature Area (Ha)</th> <th rowspan="2">Immature Area (Ha)</th> </tr> <tr> <th>Of Planting</th> <th>Age @ 2010</th> </tr> </thead> <tbody> <tr> <td>1.</td> <td>2000</td> <td>10</td> <td>993.29</td> <td>993.29</td> <td>-</td> </tr> <tr> <td>2.</td> <td>2001</td> <td>9</td> <td>1,425.73</td> <td>1,425.73</td> <td>-</td> </tr> <tr> <td>3.</td> <td>2002</td> <td>8</td> <td>252.63</td> <td>252.63</td> <td>-</td> </tr> <tr> <td>4.</td> <td>2007</td> <td>3</td> <td>416.40</td> <td>-</td> <td>416.40</td> </tr> <tr> <td>5.</td> <td>2008</td> <td>2</td> <td>337.88</td> <td>-</td> <td>337.88</td> </tr> <tr> <td>6.</td> <td>2009</td> <td>1</td> <td>659.90</td> <td>-</td> <td>659.90</td> </tr> <tr> <td>7.</td> <td>2010</td> <td>0</td> <td>7.55</td> <td>-</td> <td>7.55</td> </tr> <tr> <td colspan="3">Grand Total</td> <td>4,093.38</td> <td>2,671.65</td> <td>1,421.73</td> </tr> <tr> <td colspan="3">Percentage (%)</td> <td></td> <td>65.27%</td> <td>34.73%</td> </tr> </tbody> </table> | Item | Year | | Planted Area (Ha) | Mature Area (Ha) | Immature Area (Ha) | Of Planting | Age @ 2010 | 1. | 2000 | 10 | 993.29 | 993.29 | - | 2. | 2001 | 9 | 1,425.73 | 1,425.73 | - | 3. | 2002 | 8 | 252.63 | 252.63 | - | 4. | 2007 | 3 | 416.40 | - | 416.40 | 5. | 2008 | 2 | 337.88 | - | 337.88 | 6. | 2009 | 1 | 659.90 | - | 659.90 | 7. | 2010 | 0 | 7.55 | - | 7.55 | Grand Total | | | 4,093.38 | 2,671.65 | 1,421.73 | Percentage (%) | | | | 65.27% | 34.73% |
| Item | Year | | Planted Area (Ha) | Mature Area (Ha) | | | | Immature Area (Ha) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | Of Planting | Age @ 2010 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 1. | 2000 | 10 | 993.29 | 993.29 | - | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2. | 2001 | 9 | 1,425.73 | 1,425.73 | - | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 3. | 2002 | 8 | 252.63 | 252.63 | - | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 4. | 2007 | 3 | 416.40 | - | 416.40 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 5. | 2008 | 2 | 337.88 | - | 337.88 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 6. | 2009 | 1 | 659.90 | - | 659.90 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 7. | 2010 | 0 | 7.55 | - | 7.55 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Grand Total | | | 4,093.38 | 2,671.65 | 1,421.73 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Percentage (%) | | | | 65.27% | 34.73% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

UPDATE VALUATION CERTIFICATES (Cont'd)



(b) The production cost analysis and OER rate for the last 4 years:-

| Year | | FY2006 | FY2007 | FY2008 | FY2009 |
|--------------|---|------------|------------|------------|------------|
| OER Rate (%) | | 17% to 20% | 17% to 20% | 17% to 20% | 17% to 20% |
| Items | | | | | |
| 1) | Plantation Admin Charges Cost per ha (RM/ha) | 789.19 | 319.52 | 487.06 | 765.02 |
| 2) | Maintenance/Cultivation Cost per ha (RM/ha) | 1,592.59 | 725.46 | 1,215.19 | 1766.12 |
| 3) | Harvesting & Collecting Cost Cost per metric tonne (RM/MT) | 48.98 | 66.24 | 62.37 | 68.56 |
| 4) | FFB Transport To Mill Cost Cost per metric tonne (RM/MT) | 15.78 | 25.79 | 28.93 | 36.76 |

(c) The past four (4) years yield recorded :-

| Year | Yield (M/ha) | | | |
|------|--------------|------|------|-------|
| | 2006 | 2007 | 2008 | 2009 |
| 2000 | 8.67 | 9.15 | 7.72 | 9.30 |
| 2001 | 6.17 | 8.91 | 8.67 | 10.13 |
| 2002 | 2.64 | 7.84 | 7.30 | 12.32 |
| 2007 | 0.00 | 0.00 | 0.00 | 0.00 |
| 2008 | 0.00 | 0.00 | 0.00 | 0.00 |
| 2009 | 0.00 | 0.00 | 0.00 | 0.00 |

Notes:-
1. Year of Planting
2. Average Yield from Year 2006 to Year 2009

(d) The additional infrastructure improvement

As informed by RSB, a new block of 10 units labour quarter had been constructed on the Plantation Estate recently.

Comparison Method

Since the last valuation, there had been some improvement to the Plantation Estate, such as new planting area, more mature oil palm trees, new labour quarter had been built and improved in market condition of the CPO price. However, there is no recent transaction which is able to show and support a higher value for the Plantation Estate. Therefore, we are of the opinion that the previous comparable properties and the adjustments are still valid and shall be maintained. The previous comparables are as follows:

| Item | Comparable 1 | Comparable 2 | Comparable 3 |
|----------------------|--|--|--|
| Titles(s) | Lot 56 Sawai Land District | Lot 2 Block 34 Kemena Land District & Lot 2 Block 4 Selezu Land District | Lot 3 Block 3 Sawai Land District (Formerly known as Lots 3 to 14 Sawai Land District) |
| Name | Selangor Plantation | Ladang Tabung Haji | BHB Plantation |
| Locality | Sungai Luai and Sungai Bawah, Niah | Jalan Sebah, Bintulu | Sungai Niah, Niah |
| Accessibility | Through Miri-Bintulu road and then by surfaced road/car truck | Jalan Miri-Bintulu, Jalan Sebah, Bintulu | Jalan Miri-Bintulu and then internal private road |
| Type of Soil | Mixture of mineral soil | Peat Soil | Mineral soil |
| Terrain | Hilly/undulating | Flat and Undulating | Hilly/undulating |
| Category | Mixed Zone Land; Country Land | Mixed Zone Land; Country Land | Mixed Zone Land; Country Land |
| Annual Rent | RM12,002.00 per annum | RM761 per annum and RM16,536 per annum | RM11,600.00 per annum |
| Land Area | 4,857.00 ha | 7,000.00 ha (net area: 4,900.00 ha) | 4,640.00 hectares (Formerly was 4607.19 hectares) |
| Tenure (Expiry date) | 21/02/2054 | 31/12/2056 | 17/07/2077 |
| Description | Lands planted with oil palm (13-15 years old) | Lands planted with oil palm (10 to 12 years old) | Lands planted with oil palm (13 to 15 years old) |
| Transaction Date | 09/11/2007 | 29/04/2008 | August 1997 |
| Term & Conditions | To be used only for agricultural purposes and purposes incidental to the production and processing of crops thereon. | To be used only for agricultural purposes and purposes incidental to the production and processing of crops thereon. | To be used only for agricultural purposes and purposes incidental to the production and processing of crops thereon. |

UPDATE VALUATION CERTIFICATES (Cont'd)



| Item | Comparable 1 | Comparable 2 | Comparable 3 |
|--------------------|--|--|---|
| Share of Transfer | Whole Share | Whole Share | Whole Share |
| Transaction Amount | RM97,000,000.00 | RM138,000,000.00 | RM90,000,000.00 |
| Transferor | Perbadanan Kemajuan Pertanian Selangor | Tabung Haji Sdn. Bhd. | Austral Enterprise Bhd. |
| Transferee | Sheba Resources Sdn. Bhd. | Semai Mekar Sdn. Bhd. | Harvest Master Sdn Bhd |
| Analysis | RM19,971.18 per hectare | RM28,163 per hectare | RM16,713 per hectare |
| Remarks | Assessment accepted. | Assessment accepted. Noted that about 1,420 ha are subject to NCR claim and about 680 ha are unplantable area. Thus, the net area is 4,900.00 ha. | Transaction prices including Palm Oil Mill (POM). Estimated Value for POM is RM13,000,000.00. |
| Adjustment | The upward adjustment made on time (to reflect the 27 months time lags) and age of the crop. | <i>We had inspected all the Comparables. However, we adopted Comparable 1 for the analysis. This is because the details information are available, such as, the YOP (year of planting), Stand per Hectare (SPH), total developed area, the terrain and the estate performance. Thus, more direct and comprehensive comparison can be made.</i> | |
| Adjusted Value | RM23,066.71 per Ha | | |

The adjusted value reflects the time lag, stand per hectare (SPH), year of planting, terrain and the locality of the property. Thus, the Market Value derived from the Comparison Method is **RM114,400,000.00** (Ringgit Malaysia: One Hundred Fourteen Million and Four Hundred Thousand Only).

Discounted Cashflow Method

Discounted Cashflow approach is an income based method of valuation. The market value to be derived arises from the benefits of the sales of the oil palm planted thereon. These interest and rights involve the rights to sell off the fresh fruit bunches harvested from the plantation.

We have reviewed our valuation and are of the opinion that the parameters, such as the projected yield and projected production, basis and assumptions adopted by us in the Valuation Report dated 27 October 2009 remain valid, except that the Update Valuation now takes into consideration the following changes :-

- (1) The average local CPO price of RM2,150/tonne has been adopted in our Update Valuation as opposed to RM2,100/tonne in the Valuation Report. This is because as at the date of the Update Valuation, the estimated new 5 years average local CPO price is about RM2,319.42/tonne. Therefore, based on market sentiments and historical information, we have taken RM420 per MT (CPO at RM2,150 per MT & with OER in the region of 21%) to be the average price on a long-term sustainable price (local delivery, ex-mill).
- (2) The total hectareage planted since the last date of valuation had been increased from 3,904.23 hectares as at 31 August 2009 to 4,093.38 hectares as at 28 February 2010, as detailed in the (a) above under the General Description of Asset.
- (3) The age of oil palm trees of the Plantation Estate are generally 6 months more mature now (except for the new planting) and the yield (FFB production) is expected to increase. Whilst we are maintaining the same cashflow period, the discounting was done based on the new date of valuation i.e. 28 February 2010.
- (4) The additional infrastructure improvement i.e. a new labour quarter to the Plantation Estate.

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UPDATE VALUATION CERTIFICATES (Cont'd)



In the Discounted Cashflow Method, we based on the following parameters for the update valuation:

| | | |
|-------------------------------|---|-----------------------------|
| (a) Long term FFB price | : | RM420 per mt |
| (b) Yield | : | 1mt to 23 mt per annum |
| (c) Field maintenance | : | RM1,712.20 per ha per annum |
| (d) General Charges | : | RM550 per ha per annum |
| (e) Harvesting and Collection | : | RM55 per mt per annum |
| (f) Transportation to mill | : | RM35 per mt |
| (g) Discount rate | : | 10.50% |
| (h) Discount period | : | From year 2010 to year 2035 |
| (i) Basic Land Value | : | 16,508.41 per ha |

Note :

- Long term FFB price* - Based on the average local FFB price over 20 years, a RM420 per MT (CPO at RM2,150 p/MT) is adopted to be the average price on a long-term sustainable price.
- Yield* - Based on the Company's historical yield records and projection. Also, the MPOB and Porim data.
- Field maintenance, General Charges, Harvesting and Collection & Transportation to mill* - Based on the past four (4) years historical cost of production, three (3) years Company's projection and valuer's estimate.
- Discount rate* - The adopted discount rate of 10.5% for oil palm cultivation reflecting risk and return on investment over the long term risk free yield which is derived from Malaysian Government Securities and also the present base lending rate.
- Discount period* - The remaining period of the economic life cycle for the palms, i.e. one cycle is about 25-27 years.
- Basic Land Value* - The basic land value adopted is after taking into consideration the building cost, infrastructure cost analysed over 4,154.58ha, which is about 88.39% of the total area (4,700.18 ha) to be developed.

Market Value using DCF Method is RM138,970,000.00 (Ringgit Malaysia One Hundred Thirty-Eight Million Nine Hundred and Seventy Thousand Only).

Value Conclusion

In arriving at the final value of subject property, we have adopted the Discounted Cashflow Method over Comparison Method, because of the complexity of the mature estate, such as different year of planting, stand per hectare (SPH), different yield pattern, cost of production, etc, which is unique for each of the plantation estate.

DCF method allows us to consider all the above to derive the market value, which is more actual, realistic and certain. On the other hand, to find a perfect comparable sale is impossible and we need to do a lot of adjustments in order to derive the market value. As such, the Comparison Method should only be used as a guide.

It is our considered opinion that the Market Value of the leasehold oil palm plantation property free from all encumbrances is RM138,970,000.00 (Ringgit Malaysia One Hundred Thirty-Eight Million Nine Hundred and Seventy Thousand Only).

Yours faithfully,
HENRY BUTCHER MALAYSIA (MIRI) SDN. BHD.

CHAI CHEON NYIAP
B.Sc (Hons) MIS (M) MRICS
Registered Valuer (V414)

UPDATE VALUATION CERTIFICATES (*Cont'd*)

HENRY BUTCHER MALAYSIA
International Asset Consultants

22 July 2010

The Board of Directors
Rimbunan Sawit Berhad
 No. 66 – 78, Pusat Suria Permata,
 Jalan Upper Lanang 12A,
 96000 Sibu, Sarawak

Dear Sir,

CERTIFICATE OF UPDATE VALUATION OF PROVISIONAL LEASE OF STATE LAND DEVELOPED FOR OIL PALM PLANTATION WITH AN AREA OF 4,265 HECTARES KNOWN AS NOVELPAC-PUNCAKDANA ESTATE UNDER LOTS 11 AND 12 BULOH LAND DISTRICT, MUKAH, SIBU DIVISION

This certificate has been prepared in relation to the Proposed Acquisitions by RSB of Novelpac-Puncakdana Estate.

In accordance with the instructions from RSB, we have valued the abovementioned property vide our valuation report bearing Reference No.: HBMM/VAL/MV/2064/2009 (Novelpac-Puncakdana Plantation Estate) dated 27th October 2009 for the purpose of submission to the Bursa Malaysia Securities Berhad. The subject property was inspected on 20th October 2009. The material date of valuation for this exercise is at 31st August 2009. Subsequently, we were requested to provide an update to the said valuation base on 28th February 2010 as the material date. The subject property was re-inspected on 18th January 2010.

We confirm that we have valued the property based on the valuation basis stated below. The valuation has been carried out in accordance with the Valuation Standards issued by the Board of Valuers, Appraisers and Estate Agents, Malaysia and in compliance with the Securities Commission's Asset Valuation Guidelines.

The basis of the valuation is the **Market Value** which is defined as the estimated amount for which an asset should exchange on the date of valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion.

In assessing the market value of the subject property, we have adopted both the **Discounted Cash Flow (DCF) Method** and the **Comparison Method**.

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UPDATE VALUATION CERTIFICATES (Cont'd)



Brief details of the Property as extracted from the valuation report are as follows:

| <p>Asset Identification</p> | <p>Details of Title The subject estate, Novelpac-Puncakdana Plantation Estate is situated at Sibul Division, Sarawak and under Provisional Lease of State Lands, hereinafter referred to as the "subject property".</p> <table border="0"> <tr> <td>Title Particular</td> <td style="text-align: right;">Land Area (hectares)</td> </tr> <tr> <td>(a) Provisional Lease Lot 11 Buloh Land District and</td> <td style="text-align: right;">1,440.00</td> </tr> <tr> <td>(b) Provisional Lease Lot 12 Buloh Land District</td> <td style="text-align: right;"><u>3,185.00</u></td> </tr> <tr> <td>Total</td> <td style="text-align: right;">4,625.00</td> </tr> </table> <p>Location/Address The Property is situated at Sungai Basai, Mukah and Sungai Basai/Sungai Lemai Bakong Balingian, Balingian, within the area known as Selangau, Sibul Division. In direct aerial distance, it is about 58.0 kilometres to the North-East of Sibul Township, 50.00 kilometres to the South-East of Mukah Township, 5.00 kilometres to the North-East of Selangau Bazaar and also 55.00 kilometres to the South-West of Tatau Township.</p> <p>Accessibility The subject property is accessible by way of Miri-Bintulu Road, Bintulu-Sibul Road, and a private earth-gravelled road, which cuts through the adjoining estate (Nescaya Palma Plantation) and then an earth-gravelled road, which serves the subject estate. The alternate access is by way of Selangau-Mukah Road from Sibul (about 80km) and then a private access road (about 3km) leading to the Plantation office complex.</p> <p>Tenure Lot 11 Buloh Land District - Leasehold 60 years expiring on 27/05/2059, with unexpired term of about 49 years, and Lot 12 Buloh Land District - Leasehold 60 years expiring on 30/03/2060, with unexpired term of about 50 years.</p> <p>Category of Land Use Agricultural purposes.</p> <p>Registered Proprietor Novelpac-Puncakdana Plantation Sdn. Bhd.</p> | Title Particular | Land Area (hectares) | (a) Provisional Lease Lot 11 Buloh Land District and | 1,440.00 | (b) Provisional Lease Lot 12 Buloh Land District | <u>3,185.00</u> | Total | 4,625.00 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|--|--|-------------------------|-----------------------------|--|-------------------|--|--------------------|--------------------|------------|----|------|---|-------|-------|---|----|------|---|--------|---|--------|----|------|---|--------|---|--------|----|------|---|--------|---|--------|----|------|---|-------|---|-------|-------------|--|--|----------|-------|----------|------------|--|--|--|-------|--------|
| Title Particular | Land Area (hectares) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| (a) Provisional Lease Lot 11 Buloh Land District and | 1,440.00 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| (b) Provisional Lease Lot 12 Buloh Land District | <u>3,185.00</u> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Total | 4,625.00 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| <p>General Description of Asset</p> | <p>Description The subject estate is under two (2) parcels of Provisional Lease of State Lands for oil palm plantation purposes.</p> <p>Novelpac-Puncakdana Plantation Estate is situated on two adjoining Lots 11 and 12 all of Buloh Land District, with total land area of 4,625.00 hectares.</p> <p>Novelpac-Puncakdana Plantation Estate is an on-going project and is planning to develop into 2 divisions namely Division A & B and sub-divided into three (3) phases i.e. Phase I to III. Each phase will further subdivided into various sub-blocks each for easy administrative purposes.</p> <p>Based on the information provided by RSB, the total hectarage planted since the last date of valuation had been increased from 1,311.51 hectares to 1,369.44 hectares. The planted area increased by 57.93 hectares and was planted in 2010. The increment within the planted area is considered as new planting area. The updated area statement, production cost, OER rate and the yield records for the past years and the additional infrastructure improvements are as follows:</p> <p>(a) The area statement :-</p> <table border="1" data-bbox="451 1818 1369 2049"> <thead> <tr> <th rowspan="2">Item</th> <th colspan="2">Year</th> <th rowspan="2">Planted Area (Ha)</th> <th rowspan="2">Mature Area (Ha)</th> <th rowspan="2">Immature Area (Ha)</th> </tr> <tr> <th>Of Planting</th> <th>Age @ 2010</th> </tr> </thead> <tbody> <tr> <td>1.</td> <td>2004</td> <td>6</td> <td>45.90</td> <td>45.90</td> <td>-</td> </tr> <tr> <td>2.</td> <td>2007</td> <td>3</td> <td>268.02</td> <td>-</td> <td>268.02</td> </tr> <tr> <td>3.</td> <td>2008</td> <td>2</td> <td>354.56</td> <td>-</td> <td>354.56</td> </tr> <tr> <td>4.</td> <td>2009</td> <td>1</td> <td>643.03</td> <td>-</td> <td>643.03</td> </tr> <tr> <td>5.</td> <td>2010</td> <td>0</td> <td>57.93</td> <td>-</td> <td>57.93</td> </tr> <tr> <td colspan="3">Grand Total</td> <td>1,369.44</td> <td>45.90</td> <td>1,323.54</td> </tr> <tr> <td colspan="3">Percentage</td> <td></td> <td>3.35%</td> <td>96.65%</td> </tr> </tbody> </table> | Item | Year | | Planted Area (Ha) | Mature Area (Ha) | Immature Area (Ha) | Of Planting | Age @ 2010 | 1. | 2004 | 6 | 45.90 | 45.90 | - | 2. | 2007 | 3 | 268.02 | - | 268.02 | 3. | 2008 | 2 | 354.56 | - | 354.56 | 4. | 2009 | 1 | 643.03 | - | 643.03 | 5. | 2010 | 0 | 57.93 | - | 57.93 | Grand Total | | | 1,369.44 | 45.90 | 1,323.54 | Percentage | | | | 3.35% | 96.65% |
| Item | Year | | Planted Area (Ha) | Mature Area (Ha) | | | | Immature Area (Ha) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | Of Planting | Age @ 2010 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 1. | 2004 | 6 | 45.90 | 45.90 | - | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2. | 2007 | 3 | 268.02 | - | 268.02 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 3. | 2008 | 2 | 354.56 | - | 354.56 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 4. | 2009 | 1 | 643.03 | - | 643.03 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 5. | 2010 | 0 | 57.93 | - | 57.93 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Grand Total | | | 1,369.44 | 45.90 | 1,323.54 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Percentage | | | | 3.35% | 96.65% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

UPDATE VALUATION CERTIFICATES (Cont'd)



(b) The production cost analysis and OER rate for the past year:-

| Year: | | EY2009* |
|--------------|---|------------|
| OER Rate (%) | | 17% to 20% |
| Items | | |
| 1) | Plantation Admin Charges Cost per ha (RM/ha) | 493.44 |
| 2) | Maintenance/Cultivation Cost per ha (RM/ha) | 2,325.28 |
| 3) | Harvesting & Collecting Cost Cost per metric tonne (RM/MT) | 75.70 |
| 4) | FFB Transport To Mill Cost Cost per metric tonne (RM/MT) | 4.02 |

(c) The past two (2) years yield recorded :-

| Year | Yield (Mt/ha) | |
|------|---------------|------|
| YOP | 2008 | 2009 |
| 2004 | 1.90 | 5.96 |

Notes:-

1. Year of Planting

2. Yield record for Year 2008 is from July to December 2008 (still under scout harvesting).

(d) The additional building and infrastructure improvements

As informed by RSB, a new block of 6 units labour quarter, canteen and new roads had been constructed on the Plantation Estate recently.

Comparison Method

Since the last valuation, there had been some improvement to the Plantation Estate, such as new planting area, more mature oil palm trees, new labour quarter, canteen and roads had been built and improved in market condition of the CPO price. However, there is no recent transaction which is able to show and support a higher value for the Plantation Estate. Therefore, we are of the opinion that the previous comparable properties and the adjustments are still valid and shall be maintained. The previous comparables are as follows:

| Items | Comparable 1 | Comparable 2 | Comparable 3 |
|----------------------|--|--|--|
| Titles(s) | Lot 56 Sawai Land District | Lot 2 Block 34 Kemena Land District and Lot 2 Block 4 Selezu Land District | Lot 3 Block 3 Sawai Land District (Formerly known as Lots 3 to 14 Sawai Land District) |
| Name | Selangor Plantation | Ladang Tabung Haji | BHB Plantation |
| Locality | Sungai Luai and Sungai Bawah, Niah | Jalan Sebah | Sungai Niah, Niah |
| Accessibility | Through Miri-Bintulu road and then by surfaced road/car truck | Jalan Miri-Bintulu, Jalan Sebah, Bintulu | Jalan Miri-Bintulu and then internal private road |
| Type of Soil | Mixture of mineral soil | Peat Soil | Mineral soil |
| Terrain | Hilly/undulating | Flat and Undulating | Hilly/undulating |
| Category | Mixed Zone Land; Country Land | Mixed Zone Land; Country Land | Mixed Zone Land; Country Land |
| Annual Rent | RM12,002.00 per annum | Lot 2 Blk 34 KLD RM761 p.a. Lot 2 Blk 4 SLD RM16,536 p.a. | RM11,600.00 per annum |
| Land Area | 4,857.00 ha | 7,000.00 ha (net area: 4,900.00 ha) | 4,640.00 hectares (Formerly was 4607.19 hectares) |
| Tenure (Expiry date) | 21/02/2054 | 31/12/2056 | 17/07/2077 |
| Description | Lands planted with oil palm (11-13 years old) | Lands planted with oil palm (9 to 11 years old) | Lands planted with oil palm (12 to 14 years old) |
| Transaction Date | 09/11/2007 | 29/04/2008 | August 1997 |
| Term & Conditions | To be used only for agricultural purposes and purposes incidental to the production and processing of crops thereon. | To be used only for agricultural purposes and purposes incidental to the production and processing of crops thereon. | To be used only for agricultural purposes and purposes incidental to the production and processing of crops thereon. |
| Share of Transfer | Whole Share | Whole Share | Whole Share |
| Transaction Amount | RM97,000,000.00 | RM138,000,000.00 | RM90,000,000.00 |

UPDATE VALUATION CERTIFICATES (Cont'd)



| Items | Comparable 1 | Comparable 2 | Comparable 3 |
|----------------|---|--|---|
| Transferor | Perbadanan Kemajuan Pertanian Selangor | Tabung Haji Sdn. Bhd. | Austral Enterprise Bhd. |
| Transferee | Sheba Resources Sdn. Bhd. | Semai Mekar Sdn. Bhd. | Harvest Master Sdn Bhd |
| Analysis | RM19,971.18 per hectare | RM28,163 per hectare | RM16,713 per hectare |
| Remarks | Assessment accepted by Lands and Surveys, Valuation Department. | Assessment accepted. Noted that about 1,420 ha are subject to NCR claim and about 680 ha are unplatable area. Thus, the net area is 4,900.00 ha. | Transaction prices including Palm Oil Mill (POM). Estimated Value for POM is RM13,000,000.00. |
| Adjustment | An upward adjustment made on time (to reflect the 21 months time lags) and SPH (to reflect 152 SPH and compared to 90-100 SPH for the comparable). A downward adjustment on age of the crop and total developed area. | <i>We had inspected all the Comparables. However, we adopted Comparable 1 for the analysis. This is because the details information are available, such as, the YOP (year of planting), Stand per Hectare (SPH), total developed area, the terrain end the estate performance. Thus, more direct and comprehensive comparison can be made.</i> | |
| Adjusted Value | RM15,377.81 per ha | | |

The adjusted value reflects the time lag, stand per hectare (SPH), year of planting, terrain and the locality of the property. Thus, the Market Value derived from the Comparison Method is RM63,220,000.00 (Ringgit Malaysia Sixty-Three Million Two Hundred and Twenty Thousand Only).

Discounted Cashflow Method

Discounted Cashflow approach is an income based method of valuation. The market value to be derived arises from the benefits of the sales of the oil palm planted thereon. These interest and rights involve the rights to sell off the fresh fruit brunches harvested from the plantation.

We have reviewed our valuation and are of the opinion that the parameters, such as the projected yield and projected production, basis and assumptions adopted by us in the Valuation Report dated 27 October 2009 remain valid, except that the Update Valuation now takes into consideration the following changes :-

- (1) The average local CPO price of RM2,150/tonne has been adopted in our Update Valuation as opposed to RM2,100/tonne in the Valuation Report. This is because as at the date of the Update Valuation, the estimated new 5 years average local CPO price is about RM2,319.42/tonne. Therefore, based on market sentiments and historical information, we have taken RM420 per MT (CPO at RM2,150 per MT & with OER in the region of 21%) to be the average price on a long-term sustainable price (local delivery, ex-mill).
- (2) The total hectareage planted since the last date of valuation had been increased from 1,311.51 hectares as at 31 August 2009 to 1,369.44 hectares as at 28 February 2010, as detailed in the (a) above under the General Description of Asset.
- (3) The age of oil palm trees of the Plantation Estate are generally 6 months more mature now (except for the new planting) and the yield (FFB production) is expected to increase. Whilst we are maintaining the same cashflow period, the discounting was done based on the new date of valuation i.e. 28 February 2010.
- (4) The additional infrastructure improvement i.e. a new labour quarter, canteen and new roads to the Plantation Estate recently.

In the Discounted Cashflow Method, we based on the following parameters:

- | | |
|-------------------------------|-------------------------------|
| (a) Long term FFB price | : RM420 per mt |
| (b) Yield | : 1mt to 26 mt per annum |
| (c) Field maintenance | : RM1,951.95 per ha per annum |
| (d) General Charges | : RM400 per ha per annum |
| (e) Harvesting and Collection | : RM54 per mt per annum |
| (f) Transportation to mill | : RM6 per mt |
| (g) Discount rate | : 10.50% |
| (h) Discount period | : From year 2010 to year 2035 |
| (i) Basic Land Value | : RM14,093.58 per ha |

Note :

- | | |
|---------------------|---|
| Long term FFB price | - Based on the average local FFB price over 20 years, a RM420 per MT (CPO at RM2,150 p/MT) is adopted to be the average price on a long-term sustainable price. |
| Yield | - Based on the Company's projection, the MPOB and Porim data. |

UPDATE VALUATION CERTIFICATES (Cont'd)



- | | |
|---|---|
| <p>Field maintenance, General Charges, Harvesting and Collection & Transportation to mill Discount rate</p> | <ul style="list-style-type: none"> - Based on the past one (1) years historical cost of production, three (3) years Company projection and valuer's estimate. - The adopted discount rate of 10.5% for oil palm cultivation reflecting risk and return on investment over the long term risk free yield which is derived from Malaysian Government Securities and also the present base lending rate. |
| <p>Discount period Basic Land Value</p> | <ul style="list-style-type: none"> - The remaining period of the economic life cycle for the palms, i.e. one cycle is about 25-27 years. - The basic land value adopted is after taking into consideration the building cost, infrastructure cost analysed over 1,986.28ha, which is about 57.53% of the total area (3,452.40ha) to be developed. |

Market Value using DCF Method is RM67,720,000.00 (Ringgit Malaysia Sixty-Seven Million Seven Hundred and Twenty Thousand Only).

Value Conclusion

In arriving at the final value of subject property, we have adopted the Discounted Cashflow Method over Comparison Method, because of the complexity of the planted estate, such as different year of planting, stand per hectare (SPH), different yield pattern, cost of production, etc, which is unique for each of the plantation estate.

DCF method allows us to consider all the above to derive the market value, which is more actual, realistic and certain. On the other hand, to find a perfect comparable sale is impossible and we need to do a lot of adjustments in order to derive the market value. As such, the Comparison Method should only be used as a guide.

It is our considered opinion that the Market Value of the leasehold oil palm plantation property free from all encumbrances is **RM67,720,000.00 (Ringgit Malaysia Sixty-Seven Million Seven Hundred and Twenty Thousand Only).**

**Yours faithfully,
HENRY BUTCHER MALAYSIA (MIRI) SDN. BHD.**

CHAI CHEON NYIAP
B.Sc(Hons) MIS (M) MRICS
Registered Valuer (V414)

UPDATE VALUATION CERTIFICATES (Cont'd)



HENRY BUTCHER MALAYSIA
International Asset Consultants

22 July 2010

The Board of Directors
Rimbunan Sawit Berhad
No. 66 – 78, Pusat Suria Permata,
Jalan Upper Lanang 12A,
96000 Sibu, Sarawak

Dear Sir,

CERTIFICATE OF UPDATE VALUATION OF PROVISIONAL LEASE OF STATE LAND DEVELOPED FOR OIL PALM PLANTATION WITH AN AREA OF 6,217 HECTARES KNOWN AS LUBUK TIARA PLANTATION ESTATE UNDER LOT 6 DULIT LAND DISTRICT AND LOT 69 SAWAI LAND DISTRICT, NIAH, MIRI DIVISION

This certificate has been prepared in relation to the Proposed Acquisitions by RSB of Lubuk Tiara Estate.

In accordance with the instructions from RSB, we have valued the abovementioned property vide our valuation report bearing Reference No.: HBMM/VAL/MV/2064/2009 (Lubuk Tiara Plantation Estate) dated 27th October 2009 for the purpose of submission to the Bursa Malaysia Securities Berhad. The subject property was inspected on 20th October 2009. The material date of valuation for this exercise is at 31st August 2009. Subsequently, we were requested to provide an update to the said valuation base on 28th February 2010 as the material date. The subject property was re-inspection on 15th March 2010.

We confirm that we have valued the property based on the valuation basis stated below. The valuation has been carried out in accordance with the Valuation Standards issued by the Board of Valuers, Appraisers and Estate Agents, Malaysia and in compliance with the Securities Commission's Asset Valuation Guidelines.

The basis of the valuation is the **Market Value** which is defined as the estimated amount for which an asset should exchange on the date of valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion.

In assessing the market value of the subject property, we have adopted both the **Discounted Cash Flow (DCF) Method** and the **Comparison Method**.

HENRY BUTCHER MALAYSIA (MIRI) SDN. BHD. (566177-X)
Lot 1189, First Floor, Miri Waterfront Commercial Centre, 98000 Miri, Sarawak.
P. O. Box 2214, 98000 Miri, Sarawak.
tel : 085-442800, 442898, 442899 • fax : 085-429699 • email : hbmalmiri@yahoo.com
www.henrybutchermalaysia.com

UPDATE VALUATION CERTIFICATES (Cont'd)



Brief details of the Property as extracted from the valuation report are as follows:

| <p>Asset Identification</p> | <p>Details of Title The subject estate, Lubuk Tiara Estate is situated at Miri Division, Sarawak and under two Provisional Lease of State Land, hereinafter referred to as the "subject property".</p> <table border="0" style="width: 100%;"> <tr> <td style="width: 70%;">Title Particular</td> <td style="text-align: right;">Land Area (hectares)</td> </tr> <tr> <td>(a) Provisional Lease Lot 69 Sawai Land District and</td> <td style="text-align: right;">992.00</td> </tr> <tr> <td>(b) Provisional Lease Lot 6 Dulit Land District</td> <td style="text-align: right;"><u>5,225.00</u></td> </tr> <tr> <td style="text-align: center;">Total</td> <td style="text-align: right;">6,217.00</td> </tr> </table> <p>Location/Address The Property is situated at Sungai Bok, Tinjar, Baram and it is about 100 km (aerial distance) by road to the South-East of Miri Town, Sarawak.</p> <p>Accessibility The Property is accessible from Miri Town via Miri-Bintulu Road (at 45 KM), Jalan Bukit Peninjau (25 KM), Jalan Beluru/Long Teru (22 KM) and then the trunk road which branches off the Jalan Beluru/Long Teru (formerly known as Tinjar Road) to the RH Oil Palm Mill and RH Bakong Plantation Administration office and worker's quarters (3 KM). From the RH Bakong Estate (adjoining estate from the RH's Group), the internal estate road is used to reach the Property.</p> <p>Tenure Leasehold 60 years expiring on 29/12/2059, with unexpired term of about 49 years.</p> <p>Category of Land Use Agricultural purposes.</p> <p>Registered Proprietor i) For Lot 69 Sawai Land District - Lubuk Tiara Sdn. Bhd. ii) For Lot 6 Dulit Land District - Lubuk Tiara Sdn. Bhd. (4612/5225) and R.H. Plantation Sdn. Bhd. (613/5225) share</p> | Title Particular | Land Area (hectares) | (a) Provisional Lease Lot 69 Sawai Land District and | 992.00 | (b) Provisional Lease Lot 6 Dulit Land District | <u>5,225.00</u> | Total | 6,217.00 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|--|--|-------------------------|-----------------------------|--|-------------------|---|--------------------|--------------------|------------|----|------|---|--------|--------|---|----|------|---|--------|--------|---|----|------|---|-------|-------|---|----|------|---|--------|--------|---|----|------|---|-------|-------|---|----|------|---|----------|------|----------|----|------|---|----------|---|----------|----|------|---|--------|---|--------|--------------------|--|--|-----------------|-----------------|-----------------|---------------------------------|--|--|--|---------------|---------------|
| Title Particular | Land Area (hectares) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| (a) Provisional Lease Lot 69 Sawai Land District and | 992.00 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| (b) Provisional Lease Lot 6 Dulit Land District | <u>5,225.00</u> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Total | 6,217.00 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| <p>General Description of Asset</p> | <p>Description The subject estate is under two (2) parcels of Provisional Lease of State Lands and for oil palm plantation purposes.</p> <p>Lubuk Tiara estate is situated on two (2) parcels of lands namely, Lot 6 Dulit Land District and Lot 69 Sawai Land District, with total land area of 6,217.00 hectares. Lubuk Tiara Plantation Estate is adjoining to the Jayamax Plantation Estate (from the same Group), situated at Sungai Bok, Tinjar, Baram.</p> <p>Lubuk Tiara Estate comprises of Phase 1 to 4 and each phase further divided into various Blocks for easy administrative purposes.</p> <p>Based on the information provided by RSB, the total hectareage planted since the last date of valuation had been increased from 3,576.00 hectares as at 31 August 2009 to 4,108.00 hectares as at 28 February 2010, which represents an increase of 532.00 hectares. Among 532.00 hectares, about 27.53 and 504.47 hectares were planted in YOP 2009 and YOP 2010 which is considered as new planting. Since the last valuation, the Company had carried out a new census, which has resulted in the re-designation of approximately 10.00 hectares of plantation planted in YOP 2003 to YOP 2002. The updated area statement, production cost, OER rate and the yield records for the past 4 years and the additional infrastructure improvement on the Plantation Estate are as follows:-</p> <p>(a) The area statement :-</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th rowspan="2">Item</th> <th colspan="2">Year</th> <th rowspan="2">Planted Area (Ha)</th> <th rowspan="2">Mature Area (Ha)</th> <th rowspan="2">Immature Area (Ha)</th> </tr> <tr> <th>Of Planting</th> <th>Age @ 2010</th> </tr> </thead> <tbody> <tr> <td>1.</td> <td>2002</td> <td>8</td> <td>725.00</td> <td>725.00</td> <td>-</td> </tr> <tr> <td>2.</td> <td>2003</td> <td>7</td> <td>440.00</td> <td>440.00</td> <td>-</td> </tr> <tr> <td>3.</td> <td>2004</td> <td>6</td> <td>83.00</td> <td>83.00</td> <td>-</td> </tr> <tr> <td>4.</td> <td>2005</td> <td>5</td> <td>106.00</td> <td>106.00</td> <td>-</td> </tr> <tr> <td>5.</td> <td>2006</td> <td>4</td> <td>78.00</td> <td>78.00</td> <td>-</td> </tr> <tr> <td>6.</td> <td>2007</td> <td>3</td> <td>1,177.76</td> <td>6.00</td> <td>1,171.76</td> </tr> <tr> <td>7.</td> <td>2008</td> <td>2</td> <td>1,064.44</td> <td>-</td> <td>1,064.44</td> </tr> <tr> <td>8.</td> <td>2009</td> <td>1</td> <td>412.90</td> <td>-</td> <td>412.90</td> </tr> <tr> <td colspan="3" style="text-align: center;">Grand Total</td> <td>4,087.10</td> <td>1,438.00</td> <td>2,649.10</td> </tr> <tr> <td colspan="3" style="text-align: center;">Percentage (%) of mature plants</td> <td></td> <td>35.18%</td> <td>64.82%</td> </tr> </tbody> </table> | Item | Year | | Planted Area (Ha) | Mature Area (Ha) | Immature Area (Ha) | Of Planting | Age @ 2010 | 1. | 2002 | 8 | 725.00 | 725.00 | - | 2. | 2003 | 7 | 440.00 | 440.00 | - | 3. | 2004 | 6 | 83.00 | 83.00 | - | 4. | 2005 | 5 | 106.00 | 106.00 | - | 5. | 2006 | 4 | 78.00 | 78.00 | - | 6. | 2007 | 3 | 1,177.76 | 6.00 | 1,171.76 | 7. | 2008 | 2 | 1,064.44 | - | 1,064.44 | 8. | 2009 | 1 | 412.90 | - | 412.90 | Grand Total | | | 4,087.10 | 1,438.00 | 2,649.10 | Percentage (%) of mature plants | | | | 35.18% | 64.82% |
| Item | Year | | Planted Area (Ha) | Mature Area (Ha) | | | | Immature Area (Ha) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | Of Planting | Age @ 2010 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 1. | 2002 | 8 | 725.00 | 725.00 | - | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2. | 2003 | 7 | 440.00 | 440.00 | - | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 3. | 2004 | 6 | 83.00 | 83.00 | - | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 4. | 2005 | 5 | 106.00 | 106.00 | - | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 5. | 2006 | 4 | 78.00 | 78.00 | - | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 6. | 2007 | 3 | 1,177.76 | 6.00 | 1,171.76 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 7. | 2008 | 2 | 1,064.44 | - | 1,064.44 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 8. | 2009 | 1 | 412.90 | - | 412.90 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Grand Total | | | 4,087.10 | 1,438.00 | 2,649.10 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Percentage (%) of mature plants | | | | 35.18% | 64.82% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

UPDATE VALUATION CERTIFICATES (Cont'd)



(b) The production cost analysis and OER rate for the last 4 years:-

| Year | | FY2006 | FY2007 | FY2008 | FY2009 |
|--------------|---|------------|------------|------------|------------|
| OER Rate (%) | | 17% to 20% | 17% to 20% | 17% to 20% | 17% to 20% |
| Items | | | | | |
| 1) | Plantation Admin Charges Cost per ha | 504.01 | 492.72 | 479.77 | 712.72 |
| 2) | Maintenance/Cultivation Cost per ha | 975.36 | 1,182.19 | 2,049.60 | 1857.96 |
| 3) | Harvesting & Collecting Cost Cost per metric tonne (RM/MT) | 50.76 | 50.08 | 61.47 | 55.30 |
| 4) | FFB Transport To Mill Cost Cost per metric tonne (RM/MT) | 8.98 | 13.31 | 19.28 | 17.89 |

(c) The past four (4) years yield recorded :-

| Year | Yield (MT/ha) | | | |
|------|---------------|------|-------|-------|
| YOP | 2006 | 2007 | 2008 | 2009 |
| 2002 | 0.00 | 8.12 | 11.50 | 15.85 |
| 2003 | 0.00 | 2.81 | 7.51 | 19.31 |
| 2004 | 0.00 | 1.22 | 7.26 | 20.67 |
| 2005 | 0.00 | 0.51 | 7.73 | 8.93 |
| 2006 | 0.00 | 0.00 | 0.00 | 5.27 |
| 2007 | 0.00 | 0.00 | 0.00 | 0.00 |
| 2008 | 0.00 | 0.00 | 0.00 | 0.00 |
| 2009 | 0.00 | 0.00 | 0.00 | 0.00 |

Notes:-

1. Year of Planting
2. Average Yield from Year 2006 to Year 2009

(d) The additional infrastructure improvement

As informed by RSB, two new ramps on the Plantation Estate recently.

Comparison Method

Since the last valuation, there had been some improvement to the Plantation Estate, such as new planting area, more mature oil palm trees, two new ramps had been built and improved in market condition of the CPO price. However, there is no recent transaction which is able to show and support a higher value for the Plantation Estate. Therefore, we are of the opinion that the previous comparable properties and the adjustments are still valid and shall be maintained. The previous comparables are as follows:

| Items | Comparable 1 | Comparable 2 | Comparable 3 |
|----------------------|---|--|--|
| Titles(s) | Lot 56 Sawai Land District | Lot 2 Block 34 Kemena Land District & Lot 2 Block 4 Selezu Land District | Lot 3 Block 3 Sawai Land District (Formerly known as Lots 3 to 14 Sawai Land District) |
| Name | Selangor Plantation | Ladang Tabung Haji | BHB Plantation |
| Locality | Sungai Luai and Sungai Bawah, Niah | Jalan Sebah, Bintulu | Sungai Niah, Niah |
| Accessibility | Through Miri-Bintulu road and then by surfaced road/car truck | Jalan Miri-Bintulu, Jalan Sebah, Bintulu | Jalan Miri-Bintulu and then internal private road |
| Type of Soil | Mixture of mineral soil | Peat Soil | Mineral soil |
| Terrain | Hilly/undulating | Flat and Undulating | Hilly/undulating |
| Category | Mixed Zone Land; Country Land | Mixed Zone Land; Country Land | Mixed Zone Land; Country Land |
| Annual Rent | RM12,002.00 per annum | RM761 per annum and RM16,536 per annum | RM11,600.00 per annum |
| Land Area | 4,857.00 ha | 7,000.00 ha (net area: 4,900.00 ha) | 4,640.00 hectares (Formerly was 4607.19 hectares) |
| Tenure (Expiry date) | 21/02/2054 | 31/12/2056 | 17/07/2077 |
| Description | Lands planted with oil palm (11-13 years old) | Lands planted with oil palm (9 to 11 years old) | Lands planted with oil palm (12 to 14 years old) |
| Transaction Date | 09/11/2007 | 29/04/2008 | August 1997 |

UPDATE VALUATION CERTIFICATES (Cont'd)



| Items | Comparable 1 | Comparable 2 | Comparable 3 |
|--------------------|--|--|--|
| Term & Conditions | To be used only for agricultural purposes and purposes incidental to the production and processing of crops thereon. | To be used only for agricultural purposes and purposes incidental to the production and processing of crops thereon. | To be used only for agricultural purposes and purposes incidental to the production and processing of crops thereon. |
| Share of Transfer | Whole Share | Whole Share | Whole Share |
| Transaction Amount | RM97,000,000.00 | RM138,000,000.00 | RM90,000,000.00 |
| Transferor | Perbadanan Kemajuan Pertanian Selangor | Tabung Haji Sdn. Bhd. | Austral Enterprise Bhd. |
| Transferee | Sheba Resources Sdn. Bhd. | Semai Mekar Sdn. Bhd. | Harvest Master Sdn Bhd |
| Analysis | RM19,971.18 per hectare | RM28,163 per hectare | RM16,713 per hectare |
| Remarks | Assessment accepted. | Assessment accepted. Noted that about 1,420 ha are subject to NCR claim and about 680 ha are unplantable area. Thus, the net area is 4,900.00 ha. | Transaction prices including Palm Oil Mill (POM). Estimated Value for POM is RM13,000,000.00. |
| Adjustment | An upward adjustment made on time (to reflect the 27 months time lags) and age of the crop. | <i>We had inspected all the Comparables. However, we adopted Comparable 1 for the analysis. This is because the details information are available, such as, the YOP (year of planting), Stand per Hectare (SPH), total developed area, the terrain and the estate performance. Thus, more direct and comprehensive comparison can be made.</i> | |
| Adjusted Value | RM23,066.71 per Ha | | |

The adjusted value reflects the time lag, stand per hectare (SPH), year of planting, terrain and the locality of the property. Thus, the Market Value derived from the Comparison Method is RM129,270,000.00 (Ringgit Malaysia One Hundred Twenty-Nine Million Two Hundred and Seventy Thousand Only).

Discounted Cashflow Method

Discounted Cashflow approach is an income based method of valuation. The market value to be derived arises from the benefits of the sales of the oil palm planted thereon. These interest and rights involve the rights to sell off the fresh fruit bunches harvested from the plantation.

We have reviewed our valuation and are of the opinion that the parameters, such as the projected yield and projected production, basis and assumptions adopted by us in the Valuation Report dated 27 October 2009 remain valid, except that the Update Valuation now takes into consideration the following changes :-

- (1) The average local CPO price of RM2,150/tonne has been adopted in our Update Valuation as opposed to RM2,100/tonne in the Valuation Report. This is because as at the date of the Update Valuation, the estimated new 5 years average local CPO price is about RM2,319.42/tonne. Therefore, based on market sentiments and historical information, we have taken RM420 per MT (CPO at RM2,150 per MT & with OER in the region of 21%) to be the average price on a long-term sustainable price (local delivery, ex-mill).
- (2) The total hectareage planted since the last date of valuation had been increased from 3,576.00 hectares as at 31 August 2009 to 4,108.00 hectares as at 28 February 2010, as detailed in the (a) above under the General Description of Asset.
- (3) The age of oil palm trees of the Plantation Estate are generally 6 months more mature now (except for the new planting) and the yield (FFB production) is expected to increase. Whilst we are maintaining the same cashflow period, the discounting was done based on the new date of valuation i.e. 28 February 2010.
- (4) The additional infrastructure improvement i.e. two new ramps to the Plantation Estate.

In the Discounted Cashflow Method, we based on the following parameters:

- | | | |
|-------------------------------|---|-----------------------------|
| (a) Long term FFB price | : | RM420 per mt |
| (b) Yield | : | 1mt to 24 mt per annum |
| (c) Field maintenance | : | RM1,580.20 per ha per annum |
| (d) General Charges | : | RM500 per ha per annum |
| (e) Harvesting and Collection | : | RM55.00 per mt per annum |
| (f) Transportation to mill | : | RM18 per mt |
| (g) Discount rate | : | 10.50% |
| (h) Discount period | : | From year 2010 to year 2035 |
| (i) Basic Land Value | : | 16,072.62 per ha |

UPDATE VALUATION CERTIFICATES (Cont'd)

**Note :**

- Long term FFB price* - Based on the average local FFB price over 20 years, a RM420 per MT (CPO at RM2,150 p/MT) is adopted to be the average price on a long-term sustainable price.
- Yield* - Based on the Company's historical yield records and projection. Also, the MPOB and Porim data.
- Field maintenance, General Charges, Harvesting and Collection & Transportation to mill* - Based on the past four (4) years historical cost of production, three (3) years Company's projection and valuer's estimate
- Discount rate* - The adopted discount rate of 10.5% for oil palm cultivation reflecting risk and return on investment over the long term risk free yield which is derived from Malaysian Government Securities and also the present base lending rate.
- Discount period* - The remaining period of the economic life cycle for the palms, i.e. one cycle is about 25-27 years.
- Basic Land Value* - The basic land value adopted is after taking into consideration the building cost, infrastructure cost analysed over 4,138.00 ha, which is about 91.05% of the total area (4,545.00 ha) to be developed.

Market Value using DCF Method is RM138,650,000.00 (Ringgit Malaysia One Hundred Thirty-Eight Million Six Hundred and Fifty Thousand Only).

Value Conclusion

In arriving at the final value of subject property, we have adopted the Discounted Cashflow Method over Comparison Method, because of the complexity of the mature estate, such as different year of planting, stand per hectare (SPH), different yield pattern, cost of production, etc, which is unique for each of the plantation estate.

DCF method allows us to consider all the above to derive the market value, which is more actual, realistic and certain. On the other hand, to find a perfect comparable sale is impossible and we need to do a lot of adjustments in order to derive the market value. As such, the Comparison Method should only be used as a guide.

It is our considered opinion that the Market Value of the leasehold oil palm plantation property free from all encumbrances is RM138,650,000.00 (Ringgit Malaysia One Hundred Thirty-Eight Million Six Hundred and Fifty Thousand Only).

Yours faithfully,
HENRY BUTCHER MALAYSIA (MIRI) SDN. BHD.

CHAI CHEON NYIAP
E.Sc (Hons) MIS (M) MRICS
Registered Valuer (V414)

UPDATE VALUATION CERTIFICATES (*Cont'd*)

HENRY BUTCHER MALAYSIA
International Asset Consultants

22 July 2010

The Board of Directors
Rimbunan Sawit Berhad
 No. 66 – 78, Pusat Suria Permata,
 Jalan Upper Lanang 12A,
 96000 Sibul, Sarawak

Dear Sir,

CERTIFICATE OF UPDATE VALUATION OF PROVISIONAL LEASE OF STATE LAND DEVELOPED UNDER JOINT VENTURE AGREEMENT FOR OIL PALM PLANTATION WITH AN AREA OF 1,176 HECTARES KNOWN AS TABIB ESTATE UNDER LOTS 18 AND 19 BLOCK 6 TELANG USANG LAND DISTRICT, MIRI DIVISION

This certificate has been prepared in relation to the Proposed Acquisitions by RSB of Tabib Estate.

In accordance with the instructions from RSB, we have valued the abovementioned property vide our valuation report bearing Reference No.: HBMM/VAL/MV/2064/2009 (Tabib Estate) dated 27th October 2009 for the purpose of submission to the Bursa Malaysia Securities Berhad. The subject property was inspected on 19th September 2009. The material date of valuation for this exercise is at 31st August 2009. Subsequently, we were requested to provide an update to the said valuation base on 28th February 2010 as the material date. We did not carry out any site inspection for this update, we have relied on the information provided by RSB.

We confirm that we have valued the property based on the valuation basis stated below. The valuation has been carried out in accordance with the Valuation Standards issued by the Board of Valuers, Appraisers and Estate Agents, Malaysia and in compliance with the Securities Commission's Asset Valuation Guidelines.

The basis of the valuation is the **Market Value** which is defined as the estimated amount for which an asset should exchange on the date of valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion.

In assessing the market value of the subject property, we have adopted both the **Discounted Cash Flow (DCF) Method** and the **Comparison Method**.

HENRY BUTCHER MALAYSIA (MIRI) SDN. BHD. (566177-X)
 Lot 1189, First Floor, Miri Waterfront Commercial Centre, 98000 Miri, Sarawak.
 P. O. Box 2214, 98000 Miri, Sarawak.
 tel : 085-442800, 442898, 442899 • fax : 085-429699 • email : hbmalmiri@yahoo.com
www.henrybutchermalaysia.com

UPDATE VALUATION CERTIFICATES (Cont'd)



Brief details of the Property as extracted from the valuation report are as follows:

| <p>Asset Identification</p> | <p>Details of Title The subject estate, Tabib Estate is situated at Miri Division, Sarawak and under a Provisional Lease of State Land, developed under a Joint Venture (JV) Agreement, hereinafter referred to as the "subject property".</p> <table border="0" data-bbox="405 645 1407 757"> <tr> <td>Title Particular</td> <td style="text-align: right;">Land Area (hectares)</td> </tr> <tr> <td>(a) Provisional Lease Lot 18 Block 6 Telang Usang Land District and</td> <td style="text-align: right;">938.00</td> </tr> <tr> <td>(b) Provisional Lease Lot 19 Block 6 Telang Usang Land District</td> <td style="text-align: right;">238.00</td> </tr> <tr> <td style="text-align: center;">Total</td> <td style="text-align: right;">1,176.00</td> </tr> </table> <p>Location/Address The property is situated at Sungai Paong, Long Lama, Baram, Miri. The estate is about 8 kilometres (aerial measured) to the North-East of Long Lama Bazaar and is about 144 km by road to the South-East of Miri City Centre, Sarawak.</p> <p>Accessibility The Plantation Estate is accessible from Miri City Centre via Miri-Bintulu Road (at 45KM), Jalan Bukit Peninjau (25KM), Jalan Beluru/Long Teru (formerly known as Tinjar Road-about 22 KM to reach the junction to RH Oil Palm Mill and RH Bakong Estate) and then using Lapok-Long Lama Road, about 50 KM to reach Long Lama Bazaar and then following the timber logging road which branches off the Long lama Bazaar (about 24 KM) to reach the Plantation Estate.</p> <p>Tenure Leasehold 60 years expiring on 10/07/2087, with unexpired term of about 77 years.</p> <p>Category of Land Use Agricultural purposes.</p> <p>Registered Proprietor Pelita-Splendid Plantation Sdn. Bhd.</p> | Title Particular | Land Area (hectares) | (a) Provisional Lease Lot 18 Block 6 Telang Usang Land District and | 938.00 | (b) Provisional Lease Lot 19 Block 6 Telang Usang Land District | 238.00 | Total | 1,176.00 | | | | | | | | | | | | | | |
|---|--|-------------------------|-----------------------------|---|-------------------|---|-------------|--------------|-----------------|------|---|--------|--------|-------------|--|--|--------|--------|---------------------------------|--|--|--|------|
| Title Particular | Land Area (hectares) | | | | | | | | | | | | | | | | | | | | | | |
| (a) Provisional Lease Lot 18 Block 6 Telang Usang Land District and | 938.00 | | | | | | | | | | | | | | | | | | | | | | |
| (b) Provisional Lease Lot 19 Block 6 Telang Usang Land District | 238.00 | | | | | | | | | | | | | | | | | | | | | | |
| Total | 1,176.00 | | | | | | | | | | | | | | | | | | | | | | |
| <p>General Description of Asset</p> | <p>Description The subject estate is under two (2) parcels of Provisional Lease of State Land and developed under a Joint Venture Agreement for oil palm plantation purposes, namely, Lots 18 & 19 Block 6 Telang Usang Land District, with land area of 1,176.00 hectares.</p> <p>The Joint Venture (JV) Agreement is between Land Custody And Development Authority (hereinafter referred to as "Pelita") and Splendid Standard Sdn. Bhd. (Co. No. 349316-D) dated 13th day of May, 1999. Splendid Standard Sdn. Bhd. assigned the JVA to Pemandangan Jauh Plantation Sdn. Bhd. through Deed of Assignment on 9th day of October 2000.</p> <p>The JVC was known as "Pelita Splendid Plantation Sdn. Bhd." to carry out the Joint Venture business. Under the JVC, the equity structure will be as follows:</p> <p style="margin-left: 40px;">Pelita – 30% Splendid – 70%</p> <p>The private sector and trustee will pay cash for their shares. The landowners equity in the JVC will be paid through the land value.</p> <p>The authorized capital of the JVC shall be Ringgit Malaysia Five Million Only (RM5,000,000.00), divided into Five Million (5,000,000) ordinary shares, each having a value of Ringgit Malaysia One only (RM1.00). For the purpose of this Valuation exercise, we assumed the allotment shares payment had been fully paid.</p> <p>Based on the information provided by RSB, the total hectarage planted since last date of valuation still remains unchanged except for the oil palm trees are generally 6 months more mature now. As such, the yield (FFB production) is expected to increase. The updated area statement, production cost and OER rate and the yield records for the past 4 years are as follows:</p> <p>(a) The area statement :-</p> <table border="1" data-bbox="469 1908 1311 2033"> <thead> <tr> <th rowspan="2">Item</th> <th colspan="2">Year</th> <th rowspan="2">Planted Area (Ha)</th> <th rowspan="2">Mature Area (Ha)</th> </tr> <tr> <th>Of Planting</th> <th>Age @ 2010</th> </tr> </thead> <tbody> <tr> <td>1.</td> <td>2001</td> <td>9</td> <td>359.46</td> <td>359.46</td> </tr> <tr> <td colspan="3" style="text-align: center;">Grand Total</td> <td>359.46</td> <td>359.46</td> </tr> <tr> <td colspan="3" style="text-align: center;">Percentage (%) of mature plants</td> <td></td> <td>100%</td> </tr> </tbody> </table> | Item | Year | | Planted Area (Ha) | Mature Area (Ha) | Of Planting | Age @ 2010 | 1. | 2001 | 9 | 359.46 | 359.46 | Grand Total | | | 359.46 | 359.46 | Percentage (%) of mature plants | | | | 100% |
| Item | Year | | Planted Area (Ha) | Mature Area (Ha) | | | | | | | | | | | | | | | | | | | |
| | Of Planting | Age @ 2010 | | | | | | | | | | | | | | | | | | | | | |
| 1. | 2001 | 9 | 359.46 | 359.46 | | | | | | | | | | | | | | | | | | | |
| Grand Total | | | 359.46 | 359.46 | | | | | | | | | | | | | | | | | | | |
| Percentage (%) of mature plants | | | | 100% | | | | | | | | | | | | | | | | | | | |

UPDATE VALUATION CERTIFICATES (Cont'd)



(b) The production cost analysis and OER rate for the last 4 years:-

| Year | | FY2006 | FY2007 | FY2008 | FY2009 |
|--------------|---|------------|------------|------------|------------|
| OER Rate (%) | | 17% to 20% | 17% to 20% | 17% to 20% | 17% to 20% |
| Items | | | | | |
| 1) | Plantation Admin Charges Cost per ha (RM/ha) | 1,004.40 | 547.45 | 445.90 | 640.08 |
| 2) | Maintenance/Cultivation Cost per ha (RM/ha) | 2,248.35 | 908.40 | 1,176.05 | 1623.19 |
| 3) | Harvesting & Collecting Cost Cost per metric tonne (RM/MT) | 73.97 | 82.32 | 79.28 | 63.81 |
| 4) | FFB Transport To Mill Cost Cost per metric tonne (RM/MT) | 35.58 | 53.40 | 72.18 | 71.21 |

(c) The past four (4) years yield recorded :-

| Year | Yield ² (Mt/ha) | | | |
|------------------|----------------------------|------|-------|-------|
| YOP ¹ | 2006 | 2007 | 2008 | 2009 |
| 2001 | 9.73 | 9.88 | 11.67 | 12.52 |

Notes:-

1. Year of Planting
2. Average Yield from Year 2006 to Year 2009

Comparison Method

Since the last valuation, there had been some improvement to the Plantation Estate, such as more mature oil palm trees and improved in market condition of the CPO price. However, there is no recent transaction which is able to show and support a higher value for the Plantation Estate. Therefore, we are of the opinion that the previous comparable properties and the adjustments are still valid and shall be maintained. The previous comparables are as follows:

| Items | Comparable 1 | Comparable 2 | Comparable 3 |
|----------------------|--|--|--|
| Titles(s) | Lot 56 Sawai Land District | Lot 2 Block 34 Kemena Land District & Lot 2 Block 4 Selezu Land District | Lot 3 Block 3 Sawai Land District (Formerly known as Lots 3 to 14 Sawai Land District) |
| Name | Selangor Plantation | Ladang Tabung Haji | BHB Plantation |
| Locality | Sungai Luai and Sungai Bawah, Niah | Jalan Sebah, Bintulu | Sungai Niah, Niah |
| Accessibility | Through Miri-Bintulu road and then by surfaced road/car truck | Jalan Miri-Bintulu, Jalan Sebah, Bintulu | Jalan Miri-Bintulu and then internal private road |
| Type of Soil | Mixture of mineral soil | Peat Soil | Mineral soil |
| Terrain | Hilly/undulating | Flat and Undulating | Hilly/undulating |
| Category | Mixed Zone Land; Country Land | Mixed Zone Land; Country Land | Mixed Zone Land; Country Land |
| Annual Rent | RM12,002.00 per annum | RM761 per annum and RM16,536 per annum | RM11,600.00 per annum |
| Land Area | 4,857.00 ha | 7,000.00 ha (net area: 4,900.00 ha) | 4,640.00 hectares (Formerly was 4607.19 hectares) |
| Tenure (Expiry date) | 21/02/2054 | 31/12/2056 | 17/07/2077 |
| Description | Lands planted with oil palm (11-13 years old) | Lands planted with oil palm (9 to 11 years old) | Lands planted with oil palm (12 to 14 years old) |
| Transaction Date | 09/11/2007 | 29/04/2008 | August 1997 |
| Term & Conditions | To be used only for agricultural purposes and purposes incidental to the production and processing of crops thereon. | To be used only for agricultural purposes and purposes incidental to the production and processing of crops thereon. | To be used only for agricultural purposes and purposes incidental to the production and processing of crops thereon. |
| Share of Transfer | Whole Share | Whole Share | Whole Share |
| Transaction Amount | RM97,000,000.00 | RM138,000,000.00 | RM90,000,000.00 |
| Transferor | Perbadanan Kemajuan Pertanian Selangor | Tabung Haji Sdn. Bhd. | Austral Enterprise Bhd. |
| Transferee | Sheba Resources Sdn. Bhd. | Semai Mekar Sdn. Bhd. | Harvest Master Sdn Bhd |

UPDATE VALUATION CERTIFICATES (Cont'd)



| Items | Comparable 1 | Comparable 2 | Comparable 3 |
|----------------|---|--|---|
| Analysis | RM19,971.18 per hectare | RM28,163 per hectare | RM16,713 per hectare |
| Remarks | Assessment accepted. | Assessment accepted. Noted that about 1,420 ha are subject to NCR claim and about 680 ha are unplatable area. Thus, the net area is 4,900.00 ha. | Transaction prices including Palm Oil Mill (POM). Estimated Value for POM is RM13,000,000.00. |
| Adjustment | An upward adjustment made on time (to reflect the 21 months time lags), terrain (to reflect a flat & undulating terrain as compared to hilly/ undulating terrain), SPH (to reflect 133 SPH and compared to 90-100 SPH for the comparable), and tenure/lease (to reflect the longer unexpiry lease term). A downward adjustment on location, developed area, land size and infrastructure. | <i>We had inspected all the Comparables. However, we adopted Comparable 1 for the analysis. This is because the details information are available, such as, the YOP (year of planting), Stand per Hectare (SPH), total developed area, the terrain and the estate performance. Thus, more direct and comprehensive comparison can be made.</i> | |
| Adjusted Value | RM13,180.98 per Ha | | |

The adjusted value reflects the time lag, stand per hectare (SPH), year of planting, terrain and the locality of the property. Thus, the Market Value derived from the Comparison Method is RM14,510,000.00 (Ringgit Malaysia Fourteen Million Five Hundred and Ten Thousand Only).

Discounted Cashflow Method

Discounted Cashflow approach is an income based method of valuation. The market value to be derived arises from the benefits of the sales of the oil palm planted thereon. These interest and rights involve the rights to sell off the fresh fruit bunches harvested from the plantation.

We have reviewed our valuation and are of the opinion that the parameters, such as the projected yield and projected production, basis and assumptions adopted by us in the Valuation Report dated 27 October 2009 remain valid, except that the Update Valuation now takes into consideration the following changes :-

- (1) The average local CPO price of RM2,150/tonne has been adopted in our Update Valuation as opposed to RM2,100/tonne in the Valuation Report. This is because as at the date of the Update Valuation, the estimated new 5 years average local CPO price is about RM2,319.42/tonne. Therefore, based on market sentiments and historical information, we have taken RM420 per MT (CPO at RM2,150 per MT & with OER in the region of 21%) to be the average price on a long-term sustainable price (local delivery, ex-mill).
- (2) The age of oil palm trees of the Plantation Estate are generally 6 months more mature now and the yield (FFB production) is expected to increase. Whilst we are maintaining the same cashflow period, the discounting was done based on the new date of valuation i.e. 28 February 2010.

In the Discounted Cashflow Method, we based on the following parameters for the update valuation:

| | |
|---------------------------|-------------------------------|
| Long term FFB price | : RM420 per mt |
| Yield | : 16mt to 22 mt per annum |
| Field maintenance | : RM1,714.50 per ha per annum |
| General Charges | : RM550 per ha per annum |
| Harvesting and Collection | : RM75 per mt per annum |
| Transportation to mill | : RM74 per mt |
| Discount rate | : 11% |
| Discount period | : From year 2010 to year 2026 |
| Basic Land Value | : 15,801.41 per ha |

Note :

- Long term FFB price - Based on the average local FFB price over 20 years, a RM420 per MT (CPO at RM2,150 p/MT) is adopted to be the average price on a long-term sustainable price.
- Yield - Based on the Company's historical yield records and projection. Also, the MPOB and Porim data.
- Field maintenance, General Charges, Harvesting and Collection & Transportation to mill - Based on the past four (4) years historical cost of production, three (3) years Company's projection and valuer's estimate.

UPDATE VALUATION CERTIFICATES (Cont'd)



- Discount rate* - The adopted discount rate of 11% for oil palm cultivation reflecting risk and return on investment over the long term risk free yield which is derived from Malaysian Government Securities and also the present base lending rate.
- Discount period* - The remaining period of the economic life cycle for the palms, i.e. one cycle is about 25-27 years.
- Basic Land Value* - The basic land value adopted is after taking into consideration the building cost, infrastructure cost analysed over 359.46 ha, which is about 33.40% of the total area (1,076.12 ha) to be developed.

Market Value using DCF Method is RM14,670,000.00 (Ringgit Malaysia Fourteen Million Six Hundred and Seventy Thousand Only).

Value Conclusion

In arriving at the final value of subject property, we have adopted the Discounted Cashflow Method over Comparison Method, because of the complexity of the mature estate, such as different year of planting, stand per hectare (SPH), different yield pattern, cost of production, etc, which is unique for each of the plantation estate.

DCF method allows us to consider all the above to derive the market value, which is more actual, realistic and certain. On the other hand, to find a perfect comparable sale is impossible and we need to do a lot of adjustments in order to derive the market value. As such, the Comparison Method should only be used as a guide.

It is our considered opinion that the Market Value of the leasehold oil palm plantation property free from all encumbrances is **RM14,670,000.00 (Ringgit Malaysia Fourteen Million Six Hundred and Seventy Thousand Only)**.

Yours faithfully,
HENRY BUTCHER MALAYSIA (MIRI) SDN. BHD.

CHAI CHEON NYIAP
B.Sc (Hons) MIS (M) MRICS
Registered Valuer (V414)

UPDATE VALUATION CERTIFICATES (Cont'd)

**HENRY BUTCHER MALAYSIA***International Asset Consultants*

22 July 2010

The Board of Directors

Rimbunan Sawit Berhad

No. 66 – 78, Pusat Suria Permata,

Jalan Upper Lanang 12A,

96000 Sibul, Sarawak

Dear Sir,

CERTIFICATE OF UPDATE VALUATION OF PROVISIONAL LEASE OF STATE LAND DEVELOPED UNDER JOINT VENTURE AGREEMENT FOR OIL PALM PLANTATION WITH AN AREA OF 3,933 HECTARES KNOWN AS PJP PELITA BIAWAK PLANTATION ESTATE UNDER LOTS 5 AND 7 BOTH OF BLOCK 3 STUNGKOR LAND DISTRICT, LOT 40 BLOCK 12 GADING LUNDU LAND DISTRICT, LOTS 66 AND 67 BOTH OF BLOCK 11 GADING LUNDU LAND DISTRICT, LOT 247 BLOCK 4 STUNGKOR LAND DISTRICT AND LOT 385 BLOCK 8 STUNGKOR LAND DISTRICT, LUNDU, KUCHING DIVISION

This certificate has been prepared in relation to the Proposed Acquisitions by RSB of PJP Pelita Biawak Estate.

In accordance with the instructions from RSB, we have valued the abovementioned property vide our valuation report bearing Reference No.: HBMM/VAL/MV/2064/2009 (PJP Pelita Biawak Plantation Estate) dated 27th October 2009 for the purpose of submission to the Bursa Malaysia Securities Berhad. The subject property was inspected on 26th October 2009. Subsequently, we were requested to provide an update to the said valuation base on 28th February 2010 as the material date. The subject property was re-inspected on 24th March 2010.

We confirm that we have valued the property based on the valuation basis stated below. The valuation has been carried out in accordance with the Valuation Standards issued by the Board of Valuers, Appraisers and Estate Agents, Malaysia and in compliance with the Securities Commission's Asset Valuation Guidelines.

The basis of the valuation is the **Market Value** which is defined as the estimated amount for which an asset should exchange on the date of valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion.

In assessing the market value of the subject property, we have adopted both the **Discounted Cash Flow (DCF) Method** and the **Comparison Method**.

HENRY BUTCHER MALAYSIA (MIRI) SDN. BHD. (566177-X)

Lot 1189, First Floor, Miri Waterfront Commercial Centre, 98000 Miri, Sarawak.

P. O. Box 2214, 98000 Miri, Sarawak.

tel : 085-442800, 442898, 442899 • fax : 085-429699 • email : hbmalmiri@yahoo.com

www.henrybutchermalaysia.com

UPDATE VALUATION CERTIFICATES (Cont'd)



Brief details of the Property as extracted from the valuation report are as follows:

| Asset Identification | <p>Details of Title The subject estate, PJP Pelita Biawak Plantation is situated at Kuching Division, Sarawak and under the following Provisional Lease of State Land, developed under Joint Venture (JV) Agreement, hereinafter referred to as the "subject property".</p> <table border="0" data-bbox="411 674 1402 907"> <thead> <tr> <th data-bbox="411 674 1102 703">Title Particular</th> <th data-bbox="1114 674 1402 703">Land Area (hectares)</th> </tr> </thead> <tbody> <tr> <td data-bbox="411 703 1102 732">(a) Provisional Lease Lot 5 Block 3 Stungkor Land District;</td> <td data-bbox="1225 703 1402 732">716.50</td> </tr> <tr> <td data-bbox="411 732 1102 761">(b) Provisional Lease Lot 7 Block 3 Stungkor Land District;</td> <td data-bbox="1209 732 1402 761">1,011.00</td> </tr> <tr> <td data-bbox="411 761 1102 790">(c) Provisional Lease Lot 40 Block 12 Gading Lundu Land District;</td> <td data-bbox="1225 761 1402 790">820.00</td> </tr> <tr> <td data-bbox="411 790 1102 819">(d) Provisional Lease Lot 66 Block 11 Gading Lundu Land District;</td> <td data-bbox="1241 790 1402 819">16.50</td> </tr> <tr> <td data-bbox="411 819 1102 848">(e) Provisional Lease Lot 67 Block 11 Gading Lundu Land District;</td> <td data-bbox="1225 819 1402 848">553.50</td> </tr> <tr> <td data-bbox="411 848 1102 878">(f) Provisional Lease Lot 247 Block 4 Stungkor Land District; and</td> <td data-bbox="1225 848 1402 878">404.50</td> </tr> <tr> <td data-bbox="411 878 1102 907">(g) Provisional Lease Lot 385 Block 8 Stungkor Land District.</td> <td data-bbox="1225 878 1402 907">411.00</td> </tr> <tr> <td data-bbox="411 907 1102 936">Total</td> <td data-bbox="1209 907 1402 936">3,933.00</td> </tr> </tbody> </table> <p>Location/Address The property is situated at Sungai Kendai/Batang Kayan, Lundu, within Lundu District, in Kuching Division. The approximate location of the estate is about 12 kilometres to the South-South-West of Lundu Bazaar, in between the existing Bau-Lundu trunk road and the Malaysia-Indonesia International Border. Also, the estate is about 45 kilometres to the North-West of Bau Town and about 22 kilometres to the South-East of Sematan Bazaar. Lundu Bazaar is about 91 kilometres by road to the West of Kuching City Centre, whilst the subject land is about 75 to 80 kilometres by road to the North-West of Kuching City Centre.</p> <p>Accessibility The plantation estate is accessible by way of Kuching-Bau Road, Bau-Lundu Road (about 83 kilometres from Kuching), Serayan-Lundu Road (about 3 kilometres before reaching the Junction of Biawak Road), Biawak Sibu Road and then a private earth-gravelled road (about 29 kilometres) cut through the adjoining lands before reaching the estate.</p> <p>Tenure Leasehold 60 years expiring on 13/01/2062, with unexpired term of about 52 years.</p> <p>Category of Land Use Agricultural purposes.</p> <p>Registered Proprietor PJP Pelita Biawak Plantation Sdn. Bhd (formerly known as Pelita Cergas Sdn. Bhd.)</p> | Title Particular | Land Area (hectares) | (a) Provisional Lease Lot 5 Block 3 Stungkor Land District; | 716.50 | (b) Provisional Lease Lot 7 Block 3 Stungkor Land District; | 1,011.00 | (c) Provisional Lease Lot 40 Block 12 Gading Lundu Land District; | 820.00 | (d) Provisional Lease Lot 66 Block 11 Gading Lundu Land District; | 16.50 | (e) Provisional Lease Lot 67 Block 11 Gading Lundu Land District; | 553.50 | (f) Provisional Lease Lot 247 Block 4 Stungkor Land District; and | 404.50 | (g) Provisional Lease Lot 385 Block 8 Stungkor Land District. | 411.00 | Total | 3,933.00 |
|---|---|------------------|----------------------|---|--------|---|----------|---|--------|---|-------|---|--------|---|--------|---|--------|-------|----------|
| Title Particular | Land Area (hectares) | | | | | | | | | | | | | | | | | | |
| (a) Provisional Lease Lot 5 Block 3 Stungkor Land District; | 716.50 | | | | | | | | | | | | | | | | | | |
| (b) Provisional Lease Lot 7 Block 3 Stungkor Land District; | 1,011.00 | | | | | | | | | | | | | | | | | | |
| (c) Provisional Lease Lot 40 Block 12 Gading Lundu Land District; | 820.00 | | | | | | | | | | | | | | | | | | |
| (d) Provisional Lease Lot 66 Block 11 Gading Lundu Land District; | 16.50 | | | | | | | | | | | | | | | | | | |
| (e) Provisional Lease Lot 67 Block 11 Gading Lundu Land District; | 553.50 | | | | | | | | | | | | | | | | | | |
| (f) Provisional Lease Lot 247 Block 4 Stungkor Land District; and | 404.50 | | | | | | | | | | | | | | | | | | |
| (g) Provisional Lease Lot 385 Block 8 Stungkor Land District. | 411.00 | | | | | | | | | | | | | | | | | | |
| Total | 3,933.00 | | | | | | | | | | | | | | | | | | |
| General Description of Asset | <p>Description The subject estate is under seven (7) parcels of Provisional Lease of State Lands and developed under a Joint Venture Agreement for oil palm plantation purposes. The Joint Venture (JV) Agreement is between Pemandangan Jauh Plantation Sdn. Bhd. (Co. No. 247217-W) (known as PJP) and Pelita Holdings Sdn. Bhd. (Co. No. 182028-W) (known as PHSB) and Lembaga Amanah Kebajikan Masjid Negeri Sarawak (a charitable trust board hereafter referred to as "LKMNS") dated 8th day of August, 2002.</p> <p>PHSB has on the 6th day of September, 1995 under Certificate No. 358147 P caused to be incorporated under the Company Act 1965, a company known as "Pelita Cergas Sdn. Bhd." hereinafter called "the JVC". Under the JVC, the equity structure will be as follows:</p> <table border="0" data-bbox="411 1771 638 1848"> <tbody> <tr> <td data-bbox="411 1771 542 1800">PJP</td> <td data-bbox="571 1771 638 1800">- 70%</td> </tr> <tr> <td data-bbox="411 1800 542 1830">PHSB</td> <td data-bbox="571 1800 638 1830">- 15%</td> </tr> <tr> <td data-bbox="411 1830 542 1859">LKMNS</td> <td data-bbox="571 1830 638 1859">- 15%</td> </tr> </tbody> </table> <p>The private sector and trustee will pay cash for their shares. The landowners equity in the JVC will be paid through the land value. The initial authorized capital is Ringgit Malaysia One Hundred Thousand Only (RM100,000.00) and the paid-up capital is Ringgit Malaysia One Hundred Only (RM100.00). The parties have agreed that the JVC will be the vehicle for the joint venture.</p> <p>The authorized capital and paid-up capital of the JVC shall be increased to Ringgit Malaysia Ten Million only (RM10,000,000.00) and Ringgit Malaysia Six Million Seventeen Thousand Three Hundred and Fifty Three Only (RM6,017,353.00) respectively and will be divided into Ten Million (10,000,000) and Six Million Seventeen Thousand Three Hundred and Fifty Three (6,017,353.00) ordinary shares, each having a value of Ringgit Malaysia One only (RM1.00).</p> | PJP | - 70% | PHSB | - 15% | LKMNS | - 15% | | | | | | | | | | | | |
| PJP | - 70% | | | | | | | | | | | | | | | | | | |
| PHSB | - 15% | | | | | | | | | | | | | | | | | | |
| LKMNS | - 15% | | | | | | | | | | | | | | | | | | |

UPDATE VALUATION CERTIFICATES (Cont'd)



The name of the JVC, Pelita Cergas Sdn. Bhd. was subsequently changed to PJP Pelita Biawak Plantation Sdn. Bhd on 15 April 2005. For the purpose of this Valuation exercise, we assumed the allotment shares payment had been fully paid. PJP Pelita Biawak Estate comprises of 7 phases, namely, Phase 1KA & 1KB, Phase 2K, Phase 3KA & 3KB, Phase 4K and Phase 5K for easy administrative purposes.

PJP Pelita Biawak Plantation Estate is situated at Sungai Kendai/Batang Kayan, Lundu, within Lundu District, in Kuching Division.

Based on the information provided by RSB, the total hectareage planted since last date of valuation still remains unchanged except for the oil palm trees are generally 6 months more mature now. As such, the yield (FFB production) is expected to increase. The updated area statement, production cost and OER rate and the yield records for the past 4 years are as follows:

(a) The following is the area statement :-

| Item | Year | | Planted Area (Ha) | Mature Area (Ha) |
|---------------------------------|-------------|------------|----------------------|---------------------|
| | Of Planting | Age @ 2010 | | |
| 1. | 1996 | 14 | 75.40 | 75.40 |
| 2. | 1999 | 11 | 5.10 | 5.10 |
| 3. | 2000 | 10 | 932.15 | 932.15 |
| 4. | 2001 | 9 | 513.00 | 513.00 |
| 5. | 2002 | 8 | 514.80 | 514.80 |
| 6. | 2003 | 7 | 326.70 | 326.70 |
| 7. | 2004 | 6 | 59.30 | 59.30 |
| 8. | 2005 | 5 | 2.35 | 2.35 |
| Grand Total | | | 2,428.80 | 2,428.80 |
| Percentage (%) of mature plants | | | | 100% |

(b) The following is the production cost analysis and OER rate for the last 4 years:-

| | | Year | FY2006 | FY2007 | FY2008 | FY2009 |
|--------------|---|------|------------|------------|------------|------------|
| OER Rate (%) | | | 17% to 20% | 17% to 20% | 17% to 20% | 17% to 20% |
| Items | | | | | | |
| 1) | Plantation Admin Charges Cost per ha (RM/Ha) | | 446.77 | 537.33 | 666.86 | 638.00 |
| 2) | Maintenance/Cultivation Cost per ha (RM/Ha) | | 930.28 | 1,507.20 | 2,183.97 | 1,566.70 |
| 3) | Harvesting & Collecting Cost Cost per metric tonne (RM/MT) | | 30.14 | 59.25 | 56.63 | 55.60 |
| 4) | FFB Transport To Mill Cost Cost per metric tonne (RM/MT) | | 22.09 | 23.75 | 22.41 | 25.84 |

(c) The following is the past four (4) years yield recorded :-

| Year YOP ¹ | Yield ² (Mt/ha) | | | |
|--------------------------|----------------------------|-------|-------|-------|
| | 2006 | 2007 | 2008 | 2009 |
| 1996 | 21.17 | 22.68 | 23.86 | 24.50 |
| 1999 | 21.33 | 16.30 | 19.96 | 20.10 |
| 2000 | 14.47 | 15.51 | 18.23 | 17.87 |
| 2001 | 1.57 | 2.56 | 3.60 | 3.39 |
| 2002 | 6.46 | 8.34 | 11.93 | 12.25 |
| 2003 | 0.73 | 4.54 | 9.35 | 9.99 |
| 2004 | 0.00 | 0.65 | 4.71 | 6.13 |
| 2005 | 0.00 | 0.71 | 7.54 | 8.30 |

Notes:-

1. Year of Planting
2. Average Yield from Year 2006 to Year 2009

UPDATE VALUATION CERTIFICATES (Cont'd)

**Comparison Method**

Since the last valuation, there had been some improvement to the Plantation Estate, such as more mature oil palm trees and improved in market condition of the CPO price. However, there is no recent transaction which is able to show and support a higher value for the Plantation Estate. Therefore, we are of the opinion that the previous comparable properties and the adjustments are still valid and shall be maintained. The previous comparables are as follows:

| Items | Comparable 1 | Comparable 2 | Comparable 3 |
|----------------------|---|--|--|
| Titles(s) | Lot 56 Sawai Land District | Lot 2 Block 34 Kemena Land District & Lot 2 Block 4 Selezu Land District | Lot 3 Block 3 Sawai Land District (Formerly known as Lots 3 to 14 Sawai Land District) |
| Name | Selangor Plantation | Ladang Tabung Haji | BHB Plantation |
| Locality | Sungai Luai and Sungai Bawah, Niah | Jalan Sebah, Bintulu | Sungai Niah, Niah |
| Accessibility | Through Miri-Bintulu road and then by surfaced road/car truck | Jalan Miri-Bintulu, Jalan Sebah, Bintulu | Jalan Miri-Bintulu and then internal private road |
| Type of Soil | Mixture of mineral soil | Peat Soil | Mineral soil |
| Terrain | Hilly/undulating | Flat and Undulating | Hilly/undulating |
| Category | Mixed Zone Land; Country Land | Mixed Zone Land; Country Land | Mixed Zone Land; Country Land |
| Annual Rent | RM12,002.00 per annum | RM761 per annum and RM16,536 per annum | RM11,600.00 per annum |
| Land Area | 4,857.00 ha | 7,000.00 ha (net area: 4,900.00 ha) | 4,640.00 hectares (Formerly was 4,607.19 hectares) |
| Tenure (Expiry date) | 21/02/2054 | 31/12/2056 | 17/07/2077 |
| Description | Lands planted with oil palm (11-13 years old) | Lands planted with oil palm (9 to 11 years old) | Lands planted with oil palm (12 to 14 years old) |
| Transaction Date | 09/11/2007 | 29/04/2008 | August 1997 |
| Term & Conditions | To be used only for agricultural purposes and purposes incidental to the production and processing of crops thereon. | To be used only for agricultural purposes and purposes incidental to the production and processing of crops thereon. | To be used only for agricultural purposes and purposes incidental to the production and processing of crops thereon. |
| Share of Transfer | Whole Share | Whole Share | Whole Share |
| Transaction Amount | RM97,000,000.00 | RM138,000,000.00 | RM90,000,000.00 |
| Transferor | Perbadanan Kemajuan Pertanian Selangor | Tabung Haji Sdn. Bhd. | Austral Enterprise Bhd. |
| Transferee | Sheba Resources Sdn. Bhd. | Semai Mekar Sdn. Bhd. | Harvest Master Sdn Bhd |
| Analysis | RM19,971.18 per hectare | RM28,163 per hectare | RM16,713 per hectare |
| Remarks | Assessment accepted. | Assessment accepted. Noted that about 1,420 ha are subject to NCR claim and about 680 ha are unplatable area. Thus, the net area is 4,900.00 ha. | Transaction prices including Palm Oil Mil (POM). Estimated Value for POM is RM13,000,000.00. |
| Adjustment | An upward adjustment made on time (to reflect the 27 months time lags), age of the crop, on terrain (to reflect flat/undulating as compared to hilly/undulating terrain), and SPH (to reflect 133 SPH and compared to 90-100 SPH for the comparable). | <i>We had inspected all the Comparables. However, we adopted Comparable 1 for the analysis. This is because the details information are available, such as, the YOP (year of planting), Stand per Hectare (SPH), total developed area, the terrain and the estate performance. Thus, more direct and comprehensive comparison can be made.</i> | |
| Adjusted Value | RM26,361.95 per Ha | | |

The adjusted value reflects the time lag, stand per hectare (SPH), year of planting and terrain of the property. Thus, the Market Value derived from the Comparison Method is RM103,680,000.00 (Ringgit Malaysia One Hundred and Three Million and Six Hundred and Eighty Thousand Only).

UPDATE VALUATION CERTIFICATES (Cont'd)

**Discounted Cashflow Method**

Discounted Cashflow approach is an income based method of valuation. The market value to be derived arises from the benefits of the sales of the oil palm planted thereon. These interest and rights involve the rights to sell off the fresh fruit bunches harvested from the plantation.

We have reviewed our valuation and are of the opinion that the parameters, such as the projected yield and projected production, basis and assumptions adopted by us in the Valuation Report dated 27 October 2009 remain valid, except that the Update Valuation now takes into consideration the following changes :-

- (1) The average local CPO price of RM2,150/tonne has been adopted in our Update Valuation as opposed to RM2,100/tonne in the Valuation Report. This is because as at the date of the Update Valuation, the estimated new 5 years average local CPO price is about RM2,319.42/tonne. Therefore, based on market sentiments and historical information, we have taken RM420 per MT (CPO at RM2,150 per MT & with OER in the region of 21%) to be the average price on a long-term sustainable price (local delivery, ex-mill).
- (2) The age of oil palm trees of the Plantation Estate are generally 6 months more mature now (except for the new planting) and the yield (FFB production) is expected to increase. Whilst we are maintaining the same cashflow period, the discounting was done based on the new date of valuation i.e. 28 February 2010.

In the Discounted Cashflow Method, we based on the following parameters:

| | | |
|-------------------------------|---|-----------------------------|
| (a) Long term FFB price | : | RM420 per mt |
| (b) Yield | : | 10mt to 24 mt per annum |
| (c) Field maintenance | : | RM2,092.20 per ha per annum |
| (d) General Charges | : | RM550 per ha per annum |
| (e) Harvesting and Collection | : | RM46 per mt per annum |
| (f) Transportation to mill | : | RM24 per mt |
| (g) Discount rate | : | 11% |
| (h) Discount period | : | From year 2010 to year 2025 |
| (i) Basic Land Value | : | 15,606.90 per ha |

Note :

| | | |
|---|---|--|
| <i>Long term FFB price</i> | - | <i>Based on the average local FFB price over 20 years, a RM420 per MT (CPO at RM2,150 per MT) is adopted to be the average price on a long-term sustainable price.</i> |
| <i>Yield</i> | - | <i>Based on the Company's historical yield records and projection. Also, the MPOB and Porim data.</i> |
| <i>Field maintenance, General Charges, Harvesting and Collection & Transportation to mill</i> | - | <i>Based on the past four (4) years historical cost of production, three (3) years Company's projection and valuer's estimate.</i> |
| <i>Discount rate</i> | - | <i>The adopted discount rate of 11% for oil palm cultivation reflecting risk and return on investment over the long term risk free yield which is derived from Malaysian Government Securities and also the present basa lending rate.</i> |
| <i>Discount period</i> | - | <i>The remaining period of the economic life cycle for the palms, i.e. one cycle is about 25-27 years.</i> |
| <i>Basic Land Value</i> | - | <i>The basic land value adopted is after taking into consideration the building cost, infrastructure cost analysed over 2,458.80ha, which is about 63.92% of the total area (3,846.49ha) to be developed.</i> |

Market Value using DCF Method is RM107,830,000.00 (Ringgit Malaysia One Hundred and Seven Million Eight Hundred and Thirty Thousand Only).

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UPDATE VALUATION CERTIFICATES (Cont'd)

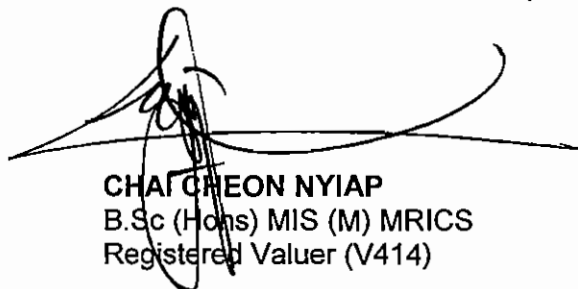
**Value Conclusion**

In arriving at the final value of subject property, we have adopted the Discounted Cashflow Method over Comparison Method, because of the complexity of the mature estate, such as different year of planting, stand per hectare (SPH), different yield pattern, cost of production, etc, which is unique for each of the plantation estate.

DCF method allows us to consider all the above to derive the market value, which is more actual, realistic and certain. On the other hand, to find a perfect comparable sale is impossible and we need to do a lot of adjustments in order to derive the market value. As such, the Comparison Method should only be used as a guide.

It is our considered opinion that the Market Value of the leasehold oil palm plantation property free from all encumbrances is **RM107,830,000.00 (Ringgit Malaysia One Hundred and Seven Million Eight Hundred and Thirty Thousand Only)**.

**Yours faithfully,
HENRY BUTCHER MALAYSIA (MIRI) SDN. BHD.**



CHAI CHEON NYIAP
B.Sc (Hons) MIS (M) MRICS
Registered Valuer (V414)

UPDATE VALUATION CERTIFICATES (Cont'd)



HENRY BUTCHER MALAYSIA
International Asset Consultants

22 July 2010

The Board of Directors
Rimbunan Sawit Berhad
No. 66 – 78, Pusat Suria Permata,
Jalan Upper Lanang 12A,
96000 Sibu, Sarawak

Dear Sir,

CERTIFICATE OF UPDATE VALUATION OF PLANTATION LAND DEVELOPED UNDER JOINT VENTURE AGREEMENT FOR OIL PALM PLANTATION WITH AN AREA OF 3,367 HECTARES KNOWN AS PJP PELITA EKANG-BANYOK PLANTATION ESTATE, BELURU-LONG LAMA, MIRI DIVISION

This certificate has been prepared in relation to the Proposed Acquisitions by RSB of PJP Pelita Ekang-Banyok Plantation Estate.

In accordance with the instructions from RSB, we have valued the abovementioned property vide our valuation report bearing Reference No.: HBMM/VAL/MV/2064/2009 (PJP Pelita Ekang-Banyok Plantation Estate) dated 27th October 2009 for the purpose of submission to the Bursa Malaysia Securities Berhad. The subject property was inspected on 19th October 2009. The material date of valuation for this exercise is at 31st August 2009. Subsequently, we were requested to provide an update to the said valuation base on 28th February 2010 as the material date. We did not carry out any site inspection for this update, we have relied on the information provided by RSB.

We confirm that we have valued the property based on the valuation basis stated below. The valuation has been carried out in accordance with the Valuation Standards issued by the Board of Valuers, Appraisers and Estate Agents, Malaysia and in compliance with the Securities Commission's Asset Valuation Guidelines.

The basis of the valuation is the **Market Value** which is defined as the estimated amount for which an asset should exchange on the date of valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion.

In assessing the market value of the subject property, we have adopted both the **Discounted Cash Flow (DCF) Method** and the **Comparison Method**.

HENRY BUTCHER MALAYSIA (MIRI) SDN. BHD. (566177-X)
Lot 1189, First Floor, Miri Waterfront Commercial Centre, 98000 Miri, Sarawak.
P. O. Box 2214, 98000 Miri, Sarawak.
tel : 085-442800, 442898, 442899 • fax : 085-429699 • email : hbmalmiri@yahoo.com
www.henrybutchermalaysia.com

UPDATE VALUATION CERTIFICATES (Cont'd)



Brief details of the Property as extracted from the valuation report are as follows:

| Asset Identification | <p>Details of Title/Address</p> <p>The subject estate, Ekang-Banyok Plantation Estate is situated at Miri Division, Sarawak and developed under a Joint Venture (JV) Agreement (NCR Concept), hereinafter referred to as the "subject property".</p> <p>Land development under Joint Venture (JV) Agreements is a project initiated by the Ministry of Land Development, Sarawak, and is a new concept of development of Native Customary Rights (NCR) Land. The new concept of NCR land development is being formulated on the premise that the vast tract of such land can be turned into a "Land Bank" with new forms of land ownership to enable it to be developed on a large scale commercial basis. Such a development is the only best way of transforming the rural sector from that of a traditional and subsistence economy into a strong and sustainable and modern economy.</p> <p>In this model, the government agency will hold in trust the interests of the NCR landowners. The trustee will form a Joint Venture Company (JVC) with a well established private sector company approved by the Government. Land title will be issued to the JVC for a period of sixty (60) years (2 plantation cycles) for an agreed value. The monetary value generated by the use of land will be used for two types of investments:</p> <ul style="list-style-type: none"> (a) as 30% equity in the JVC (long term investment), and (b) as cash for investment in Unit Trusts (investment with fast return). <p>Under the JVC, the equity structure will be as follows:</p> <table border="1"> <thead> <tr> <th>Parties</th> <th>Shareholdings (%)</th> </tr> </thead> <tbody> <tr> <td>Investor</td> <td>60</td> </tr> <tr> <td>Landowner</td> <td>30</td> </tr> <tr> <td>Trustee (Management Agent)</td> <td>10</td> </tr> </tbody> </table> <p>The Sarawak Government through the Ministry of Rural and Land Development has nominated LCDA (hereinafter referred to as "PELITA") and PELITA has subsequently nominated PHSB (Pelita Holdings Sdn. Bhd.) for appointment by the NCR Owners (Sarawak Government and the natives) to act as trustee for and on their behalf for the development of the NCR land at Long Ekang and Long Banyok, Miri Division into an oil palm plantation but excluding the construction of a palm oil mill.</p> <p>The Joint Venture (JV) Agreement is between Pelita Holdings Sdn. Bhd. (Co. No. 182028-W) and Pemandangan Jauh Plantation Sdn. Bhd. (Co. No. 247217-W) dated 11th day of August, 2005 to develop the NCR land at Long Ekang-Banyok and Long Banyok, Miri division for an oil palm plantation and covering an area of about 3,367.00 hectares and the estimated net development area is about 2,806.00 hectares.</p> <p>The initial authorized capital is Ringgit Malaysia One Hundred Thousand only (RM100,000.00) and the paid-up capital is Ringgit Malaysia Two only (RM2.00). The parties have agreed that the JVC will be the vehicle for the joint venture. Both the authorized capital and paid-up capital of the JVC shall be increased to Ringgit Malaysia Four Million Eight Hundred and Forty-Eight Thousand only (RM4,848,000.00) and shall be divided into equivalent number of ordinary shares of RM1.00 each or any other sum that they may agree. Pemandangan Jauh Plantation Sdn. Bhd. (Co. No. 247217-W) hold 60% of the allotment of shares. The name of the JVC is known as PJP Pelita Ekang-Banyok Sdn. Bhd. For the purpose of this Valuation exercise, we assumed the allotment shares payment had been fully paid.</p> <p>Location/Address</p> <p>The property is situated in the region between Loagan Pa and Uma Akeh, along Batang Baram, Long Lama Sub-District, Miri Division, Sarawak. The estate is about 7.5 kilometres (aerial measured) to the North of Long Lama Bazaar and Long Lama Bazaar is about 3.5 to 4 hours (or 144 kilometres) drive from Miri City Centre.</p> <p>Accessibility</p> <p>Ekang Banyok Plantation is accessible from Miri City Centre via Miri-Bintulu Road (at 45KM), Jalan Bukit Peninjau (25KM), Jalan Beluru/Long Teru (formerly known as Tinjar Road-about 22 KM to reach the junction to RH Oil Palm Mill and RH Bakong Estate) and then using Lapok-Long Lama Road. Before reaching the Long Lama ferry point, the Sebatu Road branches off from this road and stretches in a northerly direction into the Plantation.</p> <p>Tenure</p> <p>60 years leasehold interest will be issued upon full completion of the JV development.</p> | Parties | Shareholdings (%) | Investor | 60 | Landowner | 30 | Trustee (Management Agent) | 10 |
|----------------------------|--|---------|-------------------|----------|----|-----------|----|----------------------------|----|
| Parties | Shareholdings (%) | | | | | | | | |
| Investor | 60 | | | | | | | | |
| Landowner | 30 | | | | | | | | |
| Trustee (Management Agent) | 10 | | | | | | | | |

UPDATE VALUATION CERTIFICATES (Cont'd)



| | <p>Category of Land Use Agricultural purposes.</p> <p>Registered Proprietor PJP Pelita Ekang-Banyak Sdn. Bhd.</p> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|------------------------------|---|------------|-------------------|------------------|--------------------|------------------|--------------------|----|------|---|-------|---|-------|----|------|---|-------|---|-------|----|------|---|-------|---|-------|-------------|--|--|--------|---|--------|------------|--|--|--|--|------|
| General Description of Asset | <p>Description Ekang-Banyak Plantation Estate is developed under JV Agreement of about 3,367 hectares of NCR land along Batang Baram and proposed to develop in three (3) phases.</p> <p>Ekang-Banyak Plantation is situated in the region between Loagan Pa and Uma Akeh, along Batang Baram, Long Lama sib-district, Miri Division, Sarawak. Currently, only part of the Phase 1 is developed, The proposed development still in progress.</p> <p>Based on the information provided by RSB, the total hectareage planted since the last date of valuation had been increased from 84.51 hectares as at 31 August 2009 to 190.58 hectares as at 28 February 2010, which represents an increase of 106.07 hectares. Among 106.07 hectares, about 53.40 and 52.67 hectares were planted in YOP 2009 and YOP 2010, respectively. The increment within the planted area is considered as new planting area. The updated area statement and the additional infrastructure improvement are as follows:-</p> <p>(a) The area statement :-</p> <table border="1"> <thead> <tr> <th>Item</th> <th>Year Of Planting</th> <th>Age @ 2010</th> <th>Planted Area (Ha)</th> <th>Mature Area (Ha)</th> <th>Immature Area (Ha)</th> </tr> </thead> <tbody> <tr> <td>1.</td> <td>2008</td> <td>2</td> <td>43.22</td> <td>-</td> <td>43.22</td> </tr> <tr> <td>2.</td> <td>2009</td> <td>1</td> <td>94.69</td> <td>-</td> <td>94.69</td> </tr> <tr> <td>3.</td> <td>2010</td> <td>0</td> <td>52.67</td> <td>-</td> <td>52.67</td> </tr> <tr> <td colspan="3">Grand Total</td> <td>190.58</td> <td>-</td> <td>190.58</td> </tr> <tr> <td colspan="3">Percentage</td> <td></td> <td></td> <td>100%</td> </tr> </tbody> </table> <p>(b) The additional infrastructure improvement</p> <p>As informed by RSB, a new block of 6 units labour quarter had been constructed on the Plantation Estate recently.</p> <p>The plantation commences planting in the year 2008, thus all the plants are immature as on to date there is no recorded yield and production cost yet.</p> | Item | Year Of Planting | Age @ 2010 | Planted Area (Ha) | Mature Area (Ha) | Immature Area (Ha) | 1. | 2008 | 2 | 43.22 | - | 43.22 | 2. | 2009 | 1 | 94.69 | - | 94.69 | 3. | 2010 | 0 | 52.67 | - | 52.67 | Grand Total | | | 190.58 | - | 190.58 | Percentage | | | | | 100% |
| Item | Year Of Planting | Age @ 2010 | Planted Area (Ha) | Mature Area (Ha) | Immature Area (Ha) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 1. | 2008 | 2 | 43.22 | - | 43.22 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2. | 2009 | 1 | 94.69 | - | 94.69 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 3. | 2010 | 0 | 52.67 | - | 52.67 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Grand Total | | | 190.58 | - | 190.58 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Percentage | | | | | 100% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

Comparison Method

Since the last valuation, there had been some improvement to the Plantation Estate, such as new planting area, more mature oil palm trees, new labour quarter had been built and improved in market condition of the CPO price. However, there is no recent transaction which is able to show and support a higher value for the Plantation Estate. Therefore, we are of the opinion that the previous comparable properties and the adjustments are still valid and shall be maintained. The previous comparables are as follows:

| Items | Comparable 1 | Comparable 2 | Comparable 3 |
|----------------------|---|--|--|
| Titles(s) | Lot 56 Sawai Land District | Lot 2 Block 34 Kemena Land District and Lot 2 Block 4 Selezu Land District | Lot 3 Block 3 Sawai Land District (Formerly known as Lots 3 to 14 Sawai Land District) |
| Name | Selangor Plantation | Ladang Tabung Haji | BHB Plantation |
| Locality | Sungai Luai and Sungai Bawah, Niah | Jalan Sebah | Sungai Niah, Niah |
| Accessibility | Through Miri-Bintulu road and then by surfaced road/car truck | Jalan Miri-Bintulu, Jalan Sebah, Bintulu | Jalan Miri-Bintulu and then internal private road |
| Type of Soil | Mixture of mineral soil | Peat Soil | Mineral soil |
| Terrain | Hilly/undulating | Flat and Undulating | Hilly/undulating |
| Category | Mixed Zone Land; Country Land | Mixed Zone Land; Country Land | Mixed Zone Land; Country Land |
| Annual Rent | RM12,002.00 per annum | Lot 2 Blk 34 KLD RM761 p.a. Lot 2 Blk 4 SLD RM16,536 p.a. | RM11,600.00 per annum |
| Land Area | 4,857.00 ha | 7,000.00 ha (net area: 4,900.00 ha) | 4,640.00 hectares (Formerly was 4607.19 hectares) |
| Tenure (Expiry date) | 21/02/2054 | 31/12/2056 | 17/07/2077 |
| Description | Lands planted with oil palm (11-13 years old) | Lands planted with oil palm (9 to 11 years old) | Lands planted with oil palm (12 to 14 years old) |
| Transaction Date | 09/11/2007 | 29/04/2008 | August 1997 |

UPDATE VALUATION CERTIFICATES (Cont'd)



| Items | Comparable 1 | Comparable 2 | Comparable 3 |
|--------------------|---|--|--|
| Term & Conditions | To be used only for agricultural purposes and purposes incidental to the production and processing of crops thereon. | To be used only for agricultural purposes and purposes incidental to the production and processing of crops thereon. | To be used only for agricultural purposes and purposes incidental to the production and processing of crops thereon. |
| Share of Transfer | Whole Share | Whole Share | Whole Share |
| Transaction Amount | RM97,000,000.00 | RM138,000,000.00 | RM90,000,000.00 |
| Transferor | Perbadanan Kemajuan Pertanian Selangor | Tabung Haji Sdn. Bhd. | Austral Enterprise Bhd. |
| Transferee | Sheba Resources Sdn. Bhd. | Semai Mekar Sdn. Bhd. | Harvest Master Sdn Bhd |
| Analysis | RM19,971.18 per hectare | RM28,163 per hectare | RM16,713 per hectare |
| Remarks | Assessment accepted by Lands and Surveys, Valuation Department. | Assessment accepted. Noted that about 1,420 ha are subject to NCR claim and about 680 ha are unplantable area. Thus, the net area is 4,900.00 ha. | Transaction prices including Palm Oil Mill (POM). Estimated Value for POM is RM13,000,000.00. |
| Adjustment | An upward adjustment made on time (to reflect the 27 months time lags) and SPH (to reflect 131 SPH and compared to 90-100 SPH for the comparable). A downward adjustment on age of crop, developed area and tenure/lease (to reflect Joint Venture vs Lease of State Land). | <i>We had inspected all the Comparables. However, we adopted Comparable 1 for the analysis. This is because the details information are available, such as, the YOP (year of planting), Stand per Hectare (SPH), total developed area, the terrain and the estate performance. Thus, more direct and comprehensive comparison can be made.</i> | |
| Adjusted Value | RM9,885.73 per Ha | | |

The adjusted value reflects the time lag, stand per hectare (SPH), year of planting, terrain and the locality of the property. Thus, the Market Value derived from the Comparison Method is RM18,060,000.00 (Ringgit Malaysia Eighteen Million and Sixty Thousand Only).

Discounted Cashflow Method

Discounted Cashflow approach is an income based method of valuation. The market value to be derived arises from the benefits of the sales of the oil palm planted thereon. These interest and rights involve the rights to sell off the fresh fruit bunches harvested from the plantation.

We have reviewed our valuation and are of the opinion that the parameters, such as the projected yield and projected production, basis and assumptions adopted by us in the Valuation Report dated 27 October 2009 remain valid, except that the Update Valuation now takes into consideration the following changes :-

- (1) The average local CPO price of RM2,150/tonne has been adopted in our Update Valuation as opposed to RM2,100/tonne in the Valuation Report. This is because as at the date of the Update Valuation, the estimated new 5 years average local CPO price is about RM2,319.42/tonne. Therefore, based on market sentiments and historical information, we have taken RM420 per MT (CPO at RM2,150 per MT & with OER in the region of 21%) to be the average price on a long-term sustainable price (local delivery, ex-mill).
- (2) The total hectareage planted since the last date of valuation had been increased from 84.51 hectares as at 31 August 2009 to 190.58 hectares as at 28 February 2010, as detailed in the (a) above under the General Description of Asset.
- (3) The age of oil palm trees of the Plantation Estate are generally 6 months more mature now (except for the new planting) and FFB production is expected for this update valuation. Whilst we are maintaining the same cashflow period, the discounting was done based on the new date of valuation i.e. 28 February 2010.
- (4) The additional infrastructure improvement i.e. a new labour quarter to the Plantation Estate.

UPDATE VALUATION CERTIFICATES (Cont'd)



In the Discounted Cashflow Method, we based on the following parameters:

| | |
|-------------------------------|--|
| (a) Long term FFB price | : RM420 per mt |
| (b) Yield | : 3mt (3 rd year) to 23 mt (9 th year) per annum |
| (c) Field maintenance | : RM1,894.70 per ha per annum |
| (d) General Charges | : RM500 per ha per annum |
| (e) Harvesting and Collection | : RM75 per mt per annum |
| (f) Transportation to mill | : RM35 per mt |
| (g) Discount rate | : 11% |
| (h) Discount period | : From year 2010 to year 2035 |
| (i) Basic Land Value | : 16,838.44 per ha |

Note :

| | |
|---|---|
| <i>Long term FFB price</i> | - <i>Based on the average local FFB price over 20 years, a RM420 per MT (CPO at RM2,150 p/MT) is adopted to be the average price on a long-term sustainable price.</i> |
| <i>Yield</i> | - <i>Based on the Company's projection and the MPOB and Porim data.</i> |
| <i>Field maintenance, General Charges, Harvesting and Collection & Transportation to mill</i> | - <i>Based on Company three (3) years projected production cost and valuer's estimate.</i> |
| <i>Discount rate</i> | - <i>The adopted discount rate of 11% for oil palm cultivation reflecting risk and return on investment over the long term risk free yield which is derived from Malaysian Government Securities and also the present base lending rate.</i> |
| <i>Discount period</i> | - <i>The remaining period of the economic life cycle for the palms, i.e. one cycle is about 25-27 years.</i> |
| <i>Basic Land Value</i> | - <i>The basic land value adopted is after taking into consideration the building cost, infrastructure cost analysed over 240.11ha, which is about 13.00% of the total area (1,835.00ha) to be developed. Noted that the Basic land Value is quite high is because the estate still at its initial stage of development, i.e. actual cost spends is high and only small portion of land had been developed.</i> |

Market Value using DCF Method is RM15,470,000.00 (Ringgit Malaysia Fifteen Million Four Hundred and Seventy Thousand Only).

Value Conclusion

In arriving at the final value of subject property, we have adopted the Discounted Cashflow Method over Comparison Method, because of the complexity of the planted estate, such as different year of planting, stand per hectare (SPH), different yield pattern, cost of production, etc, which is unique for each of the plantation estate.

DCF method allows us to consider all the above to derive the market value, which is more actual, realistic and certain. On the other hand, to find a perfect comparable sale is impossible and we need to do a lot of adjustments in order to derive the market value. As such, the Comparison Method should only be used as a guide.

It is our considered opinion that the Market Value of the leasehold oil palm plantation property free from all encumbrances is RM15,470,000.00 (Ringgit Malaysia Fifteen Million Four Hundred and Seventy Thousand Only).

Yours faithfully,
HENRY BUTCHER MALAYSIA (MIRI) SDN. BHD.

CHAI CHEON NYIAP
B.Sc (Hons) MIS (M) MRICS
Registered Valuer (V414)

UPDATE VALUATION CERTIFICATES (Cont'd)

**HENRY BUTCHER MALAYSIA***International Asset Consultants*

22 July 2010

The Board of Directors
Rimbunan Sawit Berhad
 No. 66 – 78, Pusat Suria Permata,
 Jalan Upper Lanang 12A,
 96000 Sibu, Sarawak

Dear Sir,

CERTIFICATE OF UPDATE VALUATION OF PLANTATION LAND DEVELOPED UNDER JOINT VENTURE AGREEMENT FOR OIL PALM PLANTATION WITH AN AREA OF 7,089.50 HECTARES KNOWN AS PJP PELITA LUNDU PLANTATION ESTATE, LUNDU, KUCHING DIVISION

This certificate has been prepared in relation to the Proposed Acquisitions by RSB of PJP Pelita Lundu Plantation Estate.

In accordance with the instructions from RSB, we have valued the abovementioned property vide our valuation report bearing Reference No.: HBMM/VAL/MV/2064/2009 (PJP Pelita Lundu Plantation Estate) dated 27th October 2009 for the purpose of submission to the Bursa Malaysia Securities Berhad. The subject property was inspected on 26th October 2009. Subsequently, we were requested to provide an update to the said valuation base on 28th February 2010 as the material date. We did not carry out any site inspection for this update, we have relied on the information provided by RSB.

We confirm that we have valued the property based on the valuation basis stated below. The valuation has been carried out in accordance with the Valuation Standards issued by the Board of Valuers, Appraisers and Estate Agents, Malaysia and in compliance with the Securities Commission's Asset Valuation Guidelines.

The basis of the valuation is the **Market Value** which is defined as the estimated amount for which an asset should exchange on the date of valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion.

In assessing the market value of the subject property, we have adopted both the **Discounted Cash Flow (DCF) Method** and the **Comparison Method**.

HENRY BUTCHER MALAYSIA (MIRI) SDN. BHD. (566177-X)
 Lot 1189, First Floor, Miri Waterfront Commercial Centre, 98000 Miri, Sarawak.
 P. O. Box 2214, 98000 Miri, Sarawak.
 tel : 085-442800, 442898, 442899 • fax : 085-429699 • email : hbmalmiri@yahoo.com
 www.henrybutchermalaysia.com

UPDATE VALUATION CERTIFICATES (Cont'd)



Brief details of the Property as extracted from the valuation report are as follows:

| Asset Identification | Details of Title/Address | | | | | | | | |
|----------------------------|--|----------------|--------------------------|----------|----|-----------|----|----------------------------|----|
| | <p>The subject estate, PJP Pelita Lundu Plantation Estate is situated at Kuching Division, Sarawak and developed under a Joint Venture (JV) Agreement (NCR Concept), hereinafter referred to as the "subject property".</p> <p>Land development under Joint Venture (JV) Agreements is a project initiated by the Ministry of Land Development, Sarawak, and is a new concept of development of Native Customary Rights (NCR) Land. The new concept of NCR land development is being formulated on the premise that the vast tract of such land can be turned into a "Land Bank" with new forms of land ownership to enable it to be developed on a large scale commercial basis. Such a development is the only best way of transforming the rural sector from that of a traditional and subsistence economy into a strong and sustainable and modern economy.</p> <p>In this model, the government agency will hold in trust the interests of the NCR landowners. The trustee will form a Joint Venture Company (JVC) with a well established private sector company approved by the Government. Land title will be issued to the JVC for a period of sixty (60) years (2 plantation cycles) for an agreed value. The monetary value generated by the use of land will be used for two types of investments:</p> <ul style="list-style-type: none"> (a) as 30% equity in the JVC (long term investment), and (b) as cash for investment in Unit Trusts (investment with fast return). <p>Under the JVC, the equity structure will be as follows:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;"><u>Parties</u></th> <th style="text-align: left;"><u>Shareholdings (%)</u></th> </tr> </thead> <tbody> <tr> <td>Investor</td> <td style="text-align: center;">60</td> </tr> <tr> <td>Landowner</td> <td style="text-align: center;">30</td> </tr> <tr> <td>Trustee (Management Agent)</td> <td style="text-align: center;">10</td> </tr> </tbody> </table> <p>The Sarawak Government has nominated LCDA (hereinafter referred to as "PELITA") and PELITA has subsequently nominated PHSB (Pelita Holdings Sdn. Bhd.) for appointment by the NCR Owners (Sarawak Government and the natives) to act as trustee for and on their behalf for the development of the NCR Land at Raya, Lundu into an oil palm plantation but excluding the construction of a palm oil mill.</p> <p>The Joint Venture (JV) Agreement is between Pelita Holdings Sdn. Bhd. (Co. No. 182028-W) and Sri Idaria (M) Sdn. Bhd. (Co. No. 251363-X) dated 30th day of July, 1998 and covering an area of about 4,200.00 hectares. However, Sri Idaria (M) Sdn. Bhd. subsequently enter into a Deed of Assignment dated 21st December 1999, with Pemandangan Jauh Plantation Sdn. Bhd. (CO. No. 247217-W) and where the latter Company is to accept all the interest, benefits, rights as well as all the obligations and covenants as stipulated in the JVC.</p> <p>The initial authorized capital is Ringgit Malaysia One Hundred Thousand only (RM100,000.00) and the paid-up capital is Ringgit Malaysia Two only (RM2.00). The parties have agreed that the JVC will be the vehicle for the joint venture. The authorized capital and paid-up capital of the JVC shall be increased to Ringgit Malaysia Twenty Million only (RM20,000,000.00) and Ringgit Malaysia Ten Million and Eighty Thousand only (RM10,080,000) and will be divided into Twenty Million (20,000,000) and Ten Million and Eighty Thousand (10,080,000) ordinary shares of RM1.00 each, respectively or any other sum that they may agree. Sri Idaria (M) Sdn. Bhd. (Co. No. 251363-X) hold 60% of the allotment of shares. The name of the JVC was known as Raya Ceria Oil Palm Plantation Sdn. Bhd. and subsequently changed its name to PJP Pelita Lundu Plantation Sdn Bhd on 19 April 2005. For the purpose of this Valuation exercise, we assumed the allotment shares payment had been fully paid.</p> <p>Currently, PJP Pelita Lundu Plantation Sdn. Bhd. (Formerly known as Raya Ceria Oil Palm Plantation Sdn. Bhd.) is an investor to develop the Native Customary Rights (NCR) Land at Raya, Lundu. We noted that under the Agreement, the area involved is about 4,200 hectares. However, with the subsequent approval for an additional land area of about 2,889.50 hectares. Currently the total area is 7,089.50 hectares.</p> | <u>Parties</u> | <u>Shareholdings (%)</u> | Investor | 60 | Landowner | 30 | Trustee (Management Agent) | 10 |
| <u>Parties</u> | <u>Shareholdings (%)</u> | | | | | | | | |
| Investor | 60 | | | | | | | | |
| Landowner | 30 | | | | | | | | |
| Trustee (Management Agent) | 10 | | | | | | | | |

UPDATE VALUATION CERTIFICATES (Cont'd)



| | <p>Location/Address The Property is situated at Sungai Kendai/Batang Kayan, Lundu, within Lundu District, in Kuching Division. The approximate location of the estate is about 12 kilometres to the South-South-West of Lundu Bazaar, in between the existing Bau-Lundu trunk road and the Malaysia-Indonesia International Border. Also, the estate is about 45 kilometres to the North-West of Bau Town and about 22 kilometres to the South-East of Sematan Bazaar.</p> <p>Accessibility The Property is accessible by way of Kuching-Bau Road, Bau-Lundu Road (about 83 kilometres from Kuching), Serayan-Lundu Road (about 3 kilometres before reaching the Junction of Biawak Road Biawak Sibul Road and then a private earth-gravelled road (about 29 kilometres) cut through the adjoining lands before reaching the estate.</p> <p>Tenure 60 years leasehold interest will be issued upon full completion of the JV development.</p> <p>Category of Land Use Agricultural purposes.</p> <p>Registered Proprietor PJP Pelita Lundu Plantation Sdn. Bhd. (Formerly known as Raya Ceria Oil Palm Plantation Sdn. Bhd.).</p> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|---------------------------------|---|------------|-------------------|------------------|-------------------|------------------|-------------|------------|----|------|----|--------|--------|----|------|----|--------|--------|----|------|----|-------|-------|----|------|----|----------|----------|----|------|---|--------|--------|----|------|---|--------|--------|----|------|---|--------|--------|----|------|---|--------|--------|----|------|---|-------|-------|-------------|--|--|----------|----------|---------------------------------|--|--|--|------|
| General Description of Asset | <p>Description PJP Pelita Lundu Plantation Estate is located at Sungai Kendai/Batang Kayan, Lundu, within Lundu District, in Kuching Division, with total land area of 7,089.50 hectares.</p> <p>Currently, about 4,714.70 hectares were developed into an oil palm plantation estate, commonly known as PJP Pelita Lundu Plantation Estate under PJP Pelita Lundu Plantation Sdn. Bhd. as the ultimate investor to carry out the development. As for the balance of 2,374.80 hectares, we considered it as unsurrendered land and it is generally covered with secondary jungles. For the purpose of this valuation exercise, we would consider the value attributable to the developed area only i.e. 4,714.70 hectares.</p> <p>PJP Pelita Lundu Estate comprises of three division with 5 phases, namely, Phase 1, Phase 2, Phase 3A/B, 3C/D & 3E/F, Phase 4 & 4A and Phase 5K for easy administrative purposes. The net plantable area is 4,642.08 hectares.</p> <p>Based on the information provided by RSB, the total hectareage planted since last date of valuation still remains unchanged except for the oil palm trees are generally 6 months more mature now. As such, the yield (FFB production) is expected to increase. The updated area statement, production cost and OER rate and the yield records for the past 4 years are as follows:</p> <p>(a) The area statement :-</p> <table border="1" data-bbox="438 1668 1348 2016"> <thead> <tr> <th rowspan="2">Item</th> <th colspan="2">Year</th> <th rowspan="2">Planted Area (Ha)</th> <th rowspan="2">Mature Area (Ha)</th> </tr> <tr> <th>Of Planting</th> <th>Age @ 2010</th> </tr> </thead> <tbody> <tr> <td>1.</td> <td>1995</td> <td>15</td> <td>267.56</td> <td>267.56</td> </tr> <tr> <td>2.</td> <td>1996</td> <td>14</td> <td>456.44</td> <td>456.44</td> </tr> <tr> <td>3.</td> <td>1999</td> <td>11</td> <td>36.70</td> <td>36.70</td> </tr> <tr> <td>4.</td> <td>2000</td> <td>10</td> <td>1,621.15</td> <td>1,621.15</td> </tr> <tr> <td>5.</td> <td>2001</td> <td>9</td> <td>780.13</td> <td>780.13</td> </tr> <tr> <td>6.</td> <td>2002</td> <td>8</td> <td>423.85</td> <td>423.85</td> </tr> <tr> <td>7.</td> <td>2003</td> <td>7</td> <td>636.55</td> <td>636.55</td> </tr> <tr> <td>8.</td> <td>2004</td> <td>6</td> <td>354.92</td> <td>354.92</td> </tr> <tr> <td>9.</td> <td>2005</td> <td>5</td> <td>64.78</td> <td>64.78</td> </tr> <tr> <td colspan="3">Grand Total</td> <td>4,642.08</td> <td>4,642.08</td> </tr> <tr> <td colspan="3">Percentage (%) of mature plants</td> <td></td> <td>100%</td> </tr> </tbody> </table> | Item | Year | | Planted Area (Ha) | Mature Area (Ha) | Of Planting | Age @ 2010 | 1. | 1995 | 15 | 267.56 | 267.56 | 2. | 1996 | 14 | 456.44 | 456.44 | 3. | 1999 | 11 | 36.70 | 36.70 | 4. | 2000 | 10 | 1,621.15 | 1,621.15 | 5. | 2001 | 9 | 780.13 | 780.13 | 6. | 2002 | 8 | 423.85 | 423.85 | 7. | 2003 | 7 | 636.55 | 636.55 | 8. | 2004 | 6 | 354.92 | 354.92 | 9. | 2005 | 5 | 64.78 | 64.78 | Grand Total | | | 4,642.08 | 4,642.08 | Percentage (%) of mature plants | | | | 100% |
| Item | Year | | Planted Area (Ha) | Mature Area (Ha) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | Of Planting | Age @ 2010 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 1. | 1995 | 15 | 267.56 | 267.56 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2. | 1996 | 14 | 456.44 | 456.44 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 3. | 1999 | 11 | 36.70 | 36.70 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 4. | 2000 | 10 | 1,621.15 | 1,621.15 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 5. | 2001 | 9 | 780.13 | 780.13 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 6. | 2002 | 8 | 423.85 | 423.85 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 7. | 2003 | 7 | 636.55 | 636.55 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 8. | 2004 | 6 | 354.92 | 354.92 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 9. | 2005 | 5 | 64.78 | 64.78 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Grand Total | | | 4,642.08 | 4,642.08 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Percentage (%) of mature plants | | | | 100% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

UPDATE VALUATION CERTIFICATES (Cont'd)



(b) The production cost analysis and OER rate for the last 4 years:-

| Year | | FY2006 | FY2007 | FY2008 | FY2009 |
|--------------|---|------------|------------|------------|------------|
| OER Rate (%) | | 17% to 20% | 17% to 20% | 17% to 20% | 17% to 20% |
| Items | | | | | |
| 1) | Plantation Admin Charges Cost per ha (RM/Ha) | 1,065.12 | 457.34 | 718.83 | 694.96 |
| 2) | Maintenance/Cultivation Cost per ha (RM/Ha) | 2,302.04 | 1,616.41 | 2,325.56 | 1,920.69 |
| 3) | Harvesting & Collecting Cost Cost per metric tonne (RM/MT) | 43.36 | 51.77 | 55.60 | 53.75 |
| 4) | FFB Transport To Mill Cost Cost per metric tonne (RM/MT) | 21.83 | 22.40 | 22.41 | 26.15 |

(c) The past four (4) years yield recorded :-

| Year YOP ¹ | Yield ² (MT/ha) | | | |
|--------------------------|----------------------------|-------|-------|-------|
| | 2006 | 2007 | 2008 | 2009 |
| 1995 | 23.51 | 23.09 | 26.90 | 25.86 |
| 1996 | 21.17 | 22.68 | 24.09 | 22.95 |
| 1999 | 21.33 | 16.30 | 19.96 | 20.10 |
| 2000 | 14.56 | 16.98 | 18.86 | 17.79 |
| 2001 | 10.40 | 14.97 | 15.64 | 15.66 |
| 2002 | 3.53 | 7.26 | 8.59 | 9.42 |
| 2003 | 1.00 | 5.91 | 9.05 | 10.67 |
| 2004 | 0.33 | 1.14 | 4.80 | 6.96 |
| 2005 | 0.00 | 0.04 | 0.84 | 4.97 |

Notes:-

1. Year of Planting
2. Average Yield from Year 2006 to Year 2009

Comparison Method

Since the last valuation, there had been some improvement to the Plantation Estate, such as more mature oil palm trees and improved in market condition of the CPO price. However, there is no recent transaction which is able to show and support a higher value for the Plantation Estate. Therefore, we are of the opinion that the previous comparable properties and the adjustments are still valid and shall be maintained. The previous comparables are as follows:

| Items | Comparable 1 | Comparable 2 | Comparable 3 |
|----------------------|---|--|--|
| Titles(s) | Lot 56 Sawai Land District | Lot 2 Block 34 Kemena Land District & Lot 2 Block 4 Selezu Land District | Lot 3 Block 3 Sawai Land District (Formerly known as Lots 3 to 14 Sawai Land District) |
| Name | Selangor Plantation | Ladang Tabung Haji | BHB Plantation |
| Locality | Sungai Luai and Sungai Bawah, Niah | Jalan Sebah, Bintulu | Sungai Niah, Niah |
| Accessibility | Through Miri-Bintulu road and then by surfaced road/car truck | Jalan Miri-Bintulu, Jalan Sebah, Bintulu | Jalan Miri-Bintulu and then internal private road |
| Type of Soil | Mixture of mineral soil | Peat Soil | Mineral soil |
| Terrain | Hilly/undulating | Flat and Undulating | Hilly/undulating |
| Category | Mixed Zone Land; Country Land | Mixed Zone Land; Country Land | Mixed Zone Land; Country Land |
| Annual Rent | RM12,002.00 per annum | RM761 per annum and RM16,536 per annum | RM11,600.00 per annum |
| Land Area | 4,857.00 ha | 7,000.00 ha (net area: 4,900.00 ha) | 4,640.00 hectares (Formerly was 4607.19 hectares) |
| Tenure (Expiry date) | 21/02/2054 | 31/12/2056 | 17/07/2077 |
| Description | Lands planted with oil palm (11-13 years old) | Lands planted with oil palm (9 to 11 years old) | Lands planted with oil palm (12 to 14 years old) |
| Transaction Date | 09/11/2007 | 29/04/2008 | August 1997 |

UPDATE VALUATION CERTIFICATES (Cont'd)



| Items | Comparable 1 | Comparable 2 | Comparable 3 |
|--------------------|--|--|--|
| Term & Conditions | To be used only for agricultural purposes and purposes incidental to the production and processing of crops thereon. | To be used only for agricultural purposes and purposes incidental to the production and processing of crops thereon. | To be used only for agricultural purposes and purposes incidental to the production and processing of crops thereon. |
| Share of Transfer | Whole Share | Whole Share | Whole Share |
| Transaction Amount | RM97,000,000.00 | RM138,000,000.00 | RM90,000,000.00 |
| Transferor | Perbadanan Kemajuan Pertanian Selangor | Tabung Haji Sdn. Bhd. | Austral Enterprise Bhd. |
| Transferee | Sheba Resources Sdn. Bhd. | Semai Mekar Sdn. Bhd. | Harvest Master Sdn Bhd |
| Analysis | RM19,971.18 per hectare | RM28,163 per hectare | RM16,713 per hectare |
| Remarks | Assessment accepted. | Assessment accepted. Noted that about 1,420 ha are subject to NCR claim and about 680 ha are unplantable area. Thus, the net area is 4,900.00 ha. | Transaction prices including Palm Oil Mill (POM). Estimated Value for POM is RM13,000,000.00. |
| Adjustment | An upward adjustment made on time (to reflect the 27 months time lags), age of the crop, on terrain (to reflect flat/undulating as compared to hilly/undulating terrain), and SPH (to reflect 133 SPH and compared to 90-100 SPH for the comparable). A downward adjustment on tenure/lease (to reflect Joint Venture vs Lease of State Land). | <i>We had inspected all the Comparables. However, we adopted Comparable 1 for the analysis. This is because the details information are available, such as, the YOP (year of planting), Stand per Hectare (SPH), total developed area, the terrain and the estate performance. Thus, more direct and comprehensive comparison can be made.</i> | |
| Adjusted Value | RM34,050.85 per Ha | | |

The adjusted value reflects the time lag, stand per hectare (SPH), year of planting, terrain and the locality of the property. Thus, the Market Value derived from the Comparison Method is RM160,540,000.00 (Ringgit Malaysia One Hundred Sixty Million and Five Hundred and Forty Thousand Only).

Discounted Cashflow Method

Discounted Cashflow approach is an income based method of valuation. The market value to be derived arises from the benefits of the sales of the oil palm planted thereon. These interest and rights involve the rights to sell off the fresh fruit bunches harvested from the plantation.

We have reviewed our valuation and are of the opinion that the parameters, such as the projected yield and projected production, basis and assumptions adopted by us in the Valuation Report dated 27 October 2009 remain valid, except that the Update Valuation now takes into consideration the following changes :-

- (1) The average local CPO price of RM2,150/tonne has been adopted in our Update Valuation as opposed to RM2,100/tonne in the Valuation Report. This is because as at the date of the Update Valuation, the estimated new 5 years average local CPO price is about RM2,319.42/tonne. Therefore, based on market sentiments and historical information, we have taken RM420 per MT (CPO at RM2,150 per MT & with OER in the region of 21%) to be the average price on a long-term sustainable price (local delivery, ex-mill).
- (2) The age of oil palm trees of the Plantation Estate are generally 6 months more mature now (except for the new planting) and the yield (FFB production) is expected to increase. Whilst we are maintaining the same cashflow period, the discounting was done based on the new date of valuation i.e. 28 February 2010.

In the Discounted Cashflow Method, we based on the following parameters:

- | | |
|-------------------------------|-------------------------------|
| (a) Long term FFB price | : RM420 per mt |
| (b) Yield | : 8mt to 24 mt per annum |
| (c) Field maintenance | : RM2,104.45 per ha per annum |
| (d) General Charges | : RM550 per ha per annum |
| (e) Harvesting and Collection | : RM50.00 per mt per annum |
| (f) Transportation to mill | : RM26 per mt |
| (g) Discount rate | : 11% |
| (h) Discount period | : From year 2010 to year 2030 |
| (i) Basic Land Value | : 11,798.72 per ha |

UPDATE VALUATION CERTIFICATES (Cont'd)



Note :

- | | |
|---|---|
| <p>Long term FFB price</p> <p>Yield</p> <p>Field maintenance, General Charges, Harvesting and Collection & Transportation to mill</p> <p>Discount rate</p> <p>Discount period</p> <p>Basic Land Value</p> | <ul style="list-style-type: none"> - Based on the average local FFB price over 20 years, a RM420 per MT (CPO at RM2,150 p/MT) is adopted to be the average price on a long-term sustainable price. - Based on the Company's historical yield records and projection. Also, the MPOB and Porim data. - Based on the past four (4) years historical cost of production, three (3) years Company's projection and valuer's estimate - The adopted discount rate of 11% for oil palm cultivation reflecting risk and return on investment over the long term risk free yield which is derived from Malaysian Government Securities and also the present base lending rate. - The remaining period of the economic life cycle for the palms, i.e. one cycle is about 25-27 years. - The basic land value adopted is after taking into consideration the building cost, infrastructure cost analysed over 4,642.08 ha, which is about 99.28% of the total area (4,675.70 ha) to be developed. |
|---|---|

Market Value using DCF Method is RM167,920,000.00 (Ringgit Malaysia One Hundred Sixty-Seven Million Nine Hundred and Twenty Thousand Only).

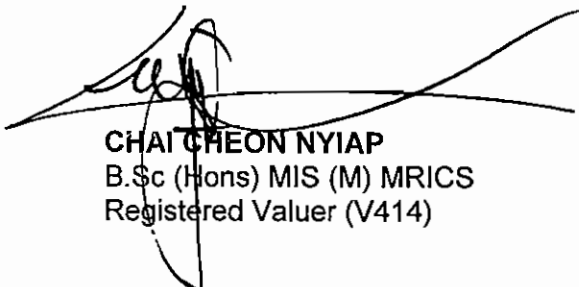
Value Conclusion

In arriving at the final value of subject property, we have adopted the Discounted Cashflow Method over Comparison Method, because of the complexity of the mature estate, such as different year of planting, stand per hectare (SPH), different yield pattern, cost of production, etc, which is unique for each of the plantation estate.

DCF method allows us to consider all the above to derive the market value, which is more actual, realistic and certain. On the other hand, to find a perfect comparable sale is impossible and we need to do a lot of adjustments in order to derive the market value. As such, the Comparison Method should only be used as a guide.

It is our considered opinion that the Market Value of the leasehold oil palm plantation property free from all encumbrances is **RM167,920,000.00 (Ringgit Malaysia One Hundred Sixty-Seven Million Nine Hundred and Twenty Thousand Only)**.

Yours faithfully,
HENRY BUTCHER MALAYSIA (MIRI) SDN. BHD.



CHAI CHEON NYIAP
B.Sc (Hons) MIS (M) MRICS
Registered Valuer (V414)

UPDATE VALUATION CERTIFICATES (Cont'd)



HENRY BUTCHER MALAYSIA
International Asset Consultants

22 July 2010

The Board of Directors
Rimbunan Sawit Berhad
 No. 66 – 78, Pusat Suria Permata,
 Jalan Upper Lanang 12A,
 96000 Sibul, Sarawak

Dear Sir,

CERTIFICATE OF UPDATE VALUATION OF PLANTATION LAND DEVELOPED UNDER JOINT VENTURE AGREEMENT FOR OIL PALM PLANTATION WITH AN AREA OF 5,000 HECTARES KNOWN AS PJP PELITA SELANGAU PLANTATION ESTATE, SELANGAU, MUKAH DIVISION

This certificate has been prepared in relation to the Proposed Acquisitions by RSB of PJP Pelita Selangau Plantation Estate.

In accordance with the instructions from RSB, we have valued the abovementioned property vide our valuation report bearing Reference No.: HBMM/VAL/MV/2064/2009 (PJP Pelita Selangau Plantation Estate) dated 27th October 2009 for the purpose of submission to the Bursa Malaysia Securities Berhad. The subject property was inspected on 21st October 2009. The material date of valuation for this exercise is at 31st August 2009. Subsequently, we were requested to provide an update to the said valuation base on 28th February 2010 as the material date. We did not carry out any site inspection for this update, we have relied on the information provided by RSB.

We confirm that we have valued the property based on the valuation basis stated below. The valuation has been carried out in accordance with the Valuation Standards issued by the Board of Valuers, Appraisers and Estate Agents, Malaysia and in compliance with the Securities Commission's Asset Valuation Guidelines.

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UPDATE VALUATION CERTIFICATES (Cont'd)



Brief details of the Property as extracted from the valuation report are as follows:

| Asset Identification | <p>Details of Title/Address</p> <p>The subject estate, PJP Pelita Selangau Plantation Estate is situated at Sibu Division, Sarawak and developed under a Joint Venture (JV) Agreement (NCR Concept), hereinafter referred to as the "subject property".</p> <p>Land development under Joint Venture (JV) Agreements is a project initiated by the Ministry of Land Development, Sarawak, and is a new concept of development of Native Customary Rights (NCR) Land. The new concept of NCR land development is being formulated on the premise that the vast tract of such land can be turned into a "Land Bank" with new forms of land ownership to enable it to be developed on a large scale commercial basis. Such a development is the only best way of transforming the rural sector from that of a traditional and subsistence economy into a strong and sustainable and modern economy.</p> <p>In this model, the government agency will hold in trust the interests of the NCR landowners. The trustee will form a Joint Venture Company (JVC) with a well established private sector company approved by the Government. Land title will be issued to the JVC for a period of sixty (60) years (2 plantation cycles) for an agreed value. The monetary value generated by the use of land will be used for two types of investments:</p> <p style="padding-left: 40px;">(a) as 30% equity in the JVC (long term investment), and (b) as cash for investment in Unit Trusts (investment with fast return).</p> <p>Under the JVC, the equity structure will be as follows:</p> <table border="1" style="margin-left: 40px;"> <thead> <tr> <th>Parties</th> <th>Shareholdings (%)</th> </tr> </thead> <tbody> <tr> <td>Investor</td> <td>60</td> </tr> <tr> <td>Landowner</td> <td>30</td> </tr> <tr> <td>Trustee (Management Agent)</td> <td>10</td> </tr> </tbody> </table> <p>The Sarawak Government through the Ministry of Rural and Land Development has nominated LCDA (hereinafter referred to as "PELITA") and PELITA has subsequently nominated PHSB (Pelita Holdings Sdn. Bhd.) for appointment by the NCR Owners (Sarawak Government and the natives) to act as trustee for and on their behalf for the development of the NCR land at Ulu Selangau, Sibu Division into an oil palm plantation</p> <p>The Joint Venture (JV) Agreement is between Pelita Holdings Sdn. Bhd. (Co. No. 182028-W) and Ladang Hijau (S) Sdn. Bhd. (Co. No. 137475-X) dated 25th day of April, 2001 to develop the NCR land at Ulu Selangau, Sibu Division for an oil palm plantation and covering an area of about 5,000.00 hectares.</p> <p>The initial authorized capital is Ringgit Malaysia One Hundred Thousand only (RM100,000.00) and the paid-up capital is Ringgit Malaysia Two only (RM2.00). The parties have agreed that the JVC will be the vehicle for the joint venture. The authorized capital and paid-up capital of the JVC shall be increased to Ringgit Malaysia Fifteen Million only (RM15,000,000.00) and Ringgit Malaysia Twelve Million only (RM12,000,000) and will be divided into Fifteen Million (15,000,000) and Twelve Million (12,000,000) ordinary shares of RM1.00 each, respectively or any other sum that they may agree. Ladang Hijau (S) Sdn. Bhd. (Co. No. 137475-X) hold 60% of the allotment of shares. The name of the JVC is known as Ladang Metah Sdn. Bhd. and subsequently changed its name to PJP Pelita Selangau Plantation Sdn Bhd on 12 June 2006. For the purpose of this Valuation exercise, we assumed the allotment shares payment had been fully paid.</p> <p>Location/Address</p> <p>The Property is located about 3.6 kilometres to the East of Selangau Town and covers the Northern portion of lower Sungai Selangau area, Selangau, Mukah, which covers an area of about 5,000 hectares. In direct aerial distance, it is about 55.00 kilometres to the North-East of Sibu Township, 52.00 kilometres to the South-East of Mukah Township, and 3.60 kilometres to the East of Selangau Town.</p> <p>Accessibility</p> <p>The Property is accessible by way of Selangau-Mukah Road from Sibu (about 78km) and then a private access road (about 5km) leading to the Plantation office complex.</p> | Parties | Shareholdings (%) | Investor | 60 | Landowner | 30 | Trustee (Management Agent) | 10 |
|-----------------------------|--|---------|-------------------|----------|----|-----------|----|----------------------------|----|
| Parties | Shareholdings (%) | | | | | | | | |
| Investor | 60 | | | | | | | | |
| Landowner | 30 | | | | | | | | |
| Trustee (Management Agent) | 10 | | | | | | | | |

UPDATE VALUATION CERTIFICATES (Cont'd)



| | <p>Tenure 60 years leasehold interest will be issued upon full completion of the JV development.</p> <p>Category of Land Use Agricultural purposes.</p> <p>Registered Proprietor PJP Pelita Selangau Plantation Sdn Bhd formerly known as Ladang Metah Sdn. Bhd.</p> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|------------------------------|---|------------|-------------------|------------------|-------------------|------------------|-------------|------------|----|------|----|----------|----------|----|------|----|----------|----------|----|------|---|--------|--------|-------------|--|--|----------|----------|------------|--|--|--|------|------|--|--------|--------|--------|--------|--------------|--|------------|------------|------------|------------|-------|--|--|--|--|--|----|---|--------|--------|--------|--------|----|--|----------|----------|----------|----------|----|---|-------|-------|-------|-------|----|---|-------|------|------|-------|------------------|------|--|--|--|------|------|------|------|------|-------|-------|-------|-------|------|------|------|------|------|------|------|------|------|------|
| General Description of Asset | <p>Description PJP Pelita Selangau Plantation Estate is located about 3.6 kilometres to the East of Selangau Town and covers the Northern portion of lower Sungai Selangau area, Selangau, Mukah which cover an area of about 5,000 hectares.</p> <p>Currently, the plantation are developed in 4 phases, namely, Phase I to IV (or Phase 99NP, 00Np, 01NP and on phase under KIV).</p> <p>Based on the information provided by RSB, the total hectarage planted since last date of valuation still remains unchanged except for the oil palm trees are generally 6 months more mature now. As such, the yield (FFB production) is expected to increase. The updated area statement, production cost and OER rate and the yield records for the past 4 years are as follows:</p> <p>(a) The area statement :-</p> <table border="1" data-bbox="432 1160 1321 1339"> <thead> <tr> <th rowspan="2">Item</th> <th colspan="2">Year</th> <th rowspan="2">Planted Area (Ha)</th> <th rowspan="2">Mature Area (Ha)</th> </tr> <tr> <th>Of Planting</th> <th>Age @ 2010</th> </tr> </thead> <tbody> <tr> <td>1.</td> <td>1999</td> <td>11</td> <td>1,122.49</td> <td>1,122.49</td> </tr> <tr> <td>2.</td> <td>2000</td> <td>10</td> <td>1,328.84</td> <td>1,328.84</td> </tr> <tr> <td>3.</td> <td>2001</td> <td>9</td> <td>611.47</td> <td>611.47</td> </tr> <tr> <td colspan="3">Grand Total</td> <td>3,062.80</td> <td>3,062.80</td> </tr> <tr> <td colspan="3">Percentage</td> <td></td> <td>100%</td> </tr> </tbody> </table> <p>(b) The production cost analysis and OER rate for the last 4 years:-</p> <table border="1" data-bbox="432 1406 1369 1727"> <thead> <tr> <th colspan="2">Year</th> <th>FY2006</th> <th>FY2007</th> <th>FY2008</th> <th>FY2009</th> </tr> </thead> <tbody> <tr> <td colspan="2">OER Rate (%)</td> <td>19% to 20%</td> <td>19% to 20%</td> <td>19% to 20%</td> <td>19% to 20%</td> </tr> <tr> <td colspan="6">Items</td> </tr> <tr> <td>1)</td> <td>Plantation Admin Charges Cost per ha (RM/ha)</td> <td>497.49</td> <td>530.41</td> <td>608.05</td> <td>637.21</td> </tr> <tr> <td>2)</td> <td>Maintenance/Cultivation Cost per ha (RM/ha)</td> <td>1,578.57</td> <td>1,453.43</td> <td>1,766.90</td> <td>1,835.72</td> </tr> <tr> <td>3)</td> <td>Harvesting & Collecting Cost Cost per metric tonne (RM/MT)</td> <td>46.88</td> <td>49.64</td> <td>53.34</td> <td>66.09</td> </tr> <tr> <td>4)</td> <td>FFB Transport To Mill Cost Cost per metric tonne (RM/MT)</td> <td>32.32</td> <td>7.60</td> <td>8.00</td> <td>10.64</td> </tr> </tbody> </table> <p>(c) The past four (4) years yield recorded :-</p> <table border="1" data-bbox="424 1787 1086 1928"> <thead> <tr> <th rowspan="2">YOP¹</th> <th colspan="4">Year</th> </tr> <tr> <th>2006</th> <th>2007</th> <th>2008</th> <th>2009</th> </tr> </thead> <tbody> <tr> <td>1999</td> <td>12.97</td> <td>12.96</td> <td>11.18</td> <td>10.56</td> </tr> <tr> <td>2000</td> <td>6.57</td> <td>7.03</td> <td>6.60</td> <td>6.85</td> </tr> <tr> <td>2001</td> <td>3.01</td> <td>3.16</td> <td>3.87</td> <td>4.10</td> </tr> </tbody> </table> <p>Notes:- 1. Year of Planting 2. Average Yield from Year 2006 to Year 2009</p> | Item | Year | | Planted Area (Ha) | Mature Area (Ha) | Of Planting | Age @ 2010 | 1. | 1999 | 11 | 1,122.49 | 1,122.49 | 2. | 2000 | 10 | 1,328.84 | 1,328.84 | 3. | 2001 | 9 | 611.47 | 611.47 | Grand Total | | | 3,062.80 | 3,062.80 | Percentage | | | | 100% | Year | | FY2006 | FY2007 | FY2008 | FY2009 | OER Rate (%) | | 19% to 20% | 19% to 20% | 19% to 20% | 19% to 20% | Items | | | | | | 1) | Plantation Admin Charges Cost per ha (RM/ha) | 497.49 | 530.41 | 608.05 | 637.21 | 2) | Maintenance/Cultivation Cost per ha (RM/ha) | 1,578.57 | 1,453.43 | 1,766.90 | 1,835.72 | 3) | Harvesting & Collecting Cost Cost per metric tonne (RM/MT) | 46.88 | 49.64 | 53.34 | 66.09 | 4) | FFB Transport To Mill Cost Cost per metric tonne (RM/MT) | 32.32 | 7.60 | 8.00 | 10.64 | YOP ¹ | Year | | | | 2006 | 2007 | 2008 | 2009 | 1999 | 12.97 | 12.96 | 11.18 | 10.56 | 2000 | 6.57 | 7.03 | 6.60 | 6.85 | 2001 | 3.01 | 3.16 | 3.87 | 4.10 |
| Item | Year | | Planted Area (Ha) | Mature Area (Ha) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | Of Planting | Age @ 2010 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 1. | 1999 | 11 | 1,122.49 | 1,122.49 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2. | 2000 | 10 | 1,328.84 | 1,328.84 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 3. | 2001 | 9 | 611.47 | 611.47 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Grand Total | | | 3,062.80 | 3,062.80 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Percentage | | | | 100% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Year | | FY2006 | FY2007 | FY2008 | FY2009 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| OER Rate (%) | | 19% to 20% | 19% to 20% | 19% to 20% | 19% to 20% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Items | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 1) | Plantation Admin Charges Cost per ha (RM/ha) | 497.49 | 530.41 | 608.05 | 637.21 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2) | Maintenance/Cultivation Cost per ha (RM/ha) | 1,578.57 | 1,453.43 | 1,766.90 | 1,835.72 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 3) | Harvesting & Collecting Cost Cost per metric tonne (RM/MT) | 46.88 | 49.64 | 53.34 | 66.09 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 4) | FFB Transport To Mill Cost Cost per metric tonne (RM/MT) | 32.32 | 7.60 | 8.00 | 10.64 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| YOP ¹ | Year | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | 2006 | 2007 | 2008 | 2009 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 1999 | 12.97 | 12.96 | 11.18 | 10.56 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2000 | 6.57 | 7.03 | 6.60 | 6.85 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2001 | 3.01 | 3.16 | 3.87 | 4.10 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

UPDATE VALUATION CERTIFICATES (Cont'd)

**Comparison Method**

Since the last valuation, there had been some improvement to the Plantation Estate, such as more mature oil palm trees and improved in market condition of the CPO price. However, there is no recent transaction which is able to show and support a higher value for the Plantation Estate. Therefore, we are of the opinion that the previous comparable properties and the adjustments are still valid and shall be maintained. The previous comparables are as follows:

| Items | Comparable 1 | Comparable 2 | Comparable 3 |
|----------------------|--|--|--|
| Titles(s) | Lot 56 Sawai Land District | Lot 2 Block 34 Kemena Land District & Lot 2 Block 4 Selezu Land District | Lot 3 Block 3 Sawai Land District (Formerly known as Lots 3 to 14 Sawai Land District) |
| Name | Selangor Plantation | Ladang Tabung Haji | BHB Plantation |
| Locality | Sungai Luai and Sungai Bawah, Niah | Jalan Sebah, Bintulu | Sungai Niah, Niah |
| Accessibility | Through Mini-Bintulu road and then by surfaced road/car truck | Jalan Mini-Bintulu, Jalan Sebah, Bintulu | Jalan Mini-Bintulu and then internal private road |
| Type of Soil | Mixture of mineral soil | Peat Soil | Mineral soil |
| Terrain | Hilly/undulating | Flat and Undulating | Hilly/undulating |
| Category | Mixed Zone Land; Country Land | Mixed Zone Land; Country Land | Mixed Zone Land; Country Land |
| Annual Rent | RM12,002.00 per annum | RM761 per annum and RM16,536 per annum | RM11,600.00 per annum |
| Land Area | 4,857.00 ha | 7,000.00 ha (net area: 4,900.00 ha) | 4,640.00 hectares (Formerly was 4607.19 hectares) |
| Tenure (Expiry date) | 21/02/2054 | 31/12/2056 | 17/07/2077 |
| Description | Lands planted with oil palm (11-13 years old) | Lands planted with oil palm (9 to 11 years old) | Lands planted with oil palm (12 to 14 years old) |
| Transaction Date | 09/11/2007 | 29/04/2008 | August 1997 |
| Term & Conditions | To be used only for agricultural purposes and purposes incidental to the production and processing of crops thereon. | To be used only for agricultural purposes and purposes incidental to the production and processing of crops thereon. | To be used only for agricultural purposes and purposes incidental to the production and processing of crops thereon. |
| Share of Transfer | Whole Share | Whole Share | Whole Share |
| Transaction Amount | RM97,000,000.00 | RM138,000,000.00 | RM90,000,000.00 |
| Transferor | Perbadanan Kemajuan Pertanian Selangor | Tabung Haji Sdn. Bhd. | Austral Enterprise Bhd. |
| Transferee | Sheba Resources Sdn. Bhd. | Semai Mekar Sdn. Bhd. | Harvest Master Sdn Bhd |
| Analysis | RM19,971.18 per hectare | RM28,163 per hectare | RM16,713 per hectare |
| Remarks | Assessment accepted. | Assessment accepted. Noted that about 1,420 ha are subject to NCR claim and about 680 ha are unplantable area. Thus, the net area is 4,900.00 ha. | Transaction prices including Palm Oil Mill (POM). Estimated Value for POM is RM13,000,000.00. |
| Adjustment | An upward adjustment made on time (to reflect the 21 months time lags), age of the crop, location (to reflect the accessibility and vicinity to the POM facilities), developed area. A downward adjustment on tenure/ lease (to reflect Joint Venture vs Lease of State Land). | <i>We had inspected all the Comparables. However, we adopted Comparable 1 for the analysis. This is because the details information are available, such as, the YOP (year of planting), Stand per Hectare (SPH), total developed area, the terrain and the estate performance. Thus, more direct and comprehensive comparison can be made.</i> | |
| Adjusted Value | RM25,351.41 per Ha | | |

The adjusted value reflects the time lag, stand per hectare (SPH), year of planting, terrain and the locality of the property. Thus, the Market Value derived from the Comparison Method is RM97,240,000.00 (Ringgit Malaysia Ninety-Seven Million Two Hundred and Forty Thousand Only).

UPDATE VALUATION CERTIFICATES (Cont'd)

**Discounted Cashflow Method**

Discounted Cashflow approach is an income based method of valuation. The market value to be derived arises from the benefits of the sales of the oil palm planted thereon. These interest and rights involve the rights to sell off the fresh fruit bunches harvested from the plantation.

We have reviewed our valuation and are of the opinion that the parameters, such as the projected yield and projected production, basis and assumptions adopted by us in the Valuation Report dated 27 October 2009 remain valid, except that the Update Valuation now takes into consideration the following changes :-

- (1) The average local CPO price of RM2,150/tonne has been adopted in our Update Valuation as opposed to RM2,100/tonne in the Valuation Report. This is because as at the date of the Update Valuation, the estimated new 5 years average local CPO price is about RM2,319.42/tonne. Therefore, based on market sentiments and historical information, we have taken RM420 per MT (CPO at RM2,150 per MT & with OER in the region of 21%) to be the average price on a long-term sustainable price (local delivery, ex-mill).
- (2) The age of oil palm trees of the Plantation Estate are generally 6 months more mature now (except for the new planting) and the yield (FFB production) is expected to increase. Whilst we are maintaining the same cashflow period, the discounting was done based on the new date of valuation i.e. 28 February 2010.

In the Discounted Cashflow Method, we based on the following parameters:

| | | |
|-------------------------------|---|-----------------------------|
| (a) Long term FFB price | : | RM420 per mt |
| (b) Yield | : | 8mt to 19 mt per annum |
| (c) Field maintenance | : | RM1,660 per ha per annum |
| (d) General Charges | : | RM500 per ha per annum |
| (e) Harvesting and Collection | : | RM65.00 per mt per annum |
| (f) Transportation to mill | : | RM11 per mt |
| (g) Discount rate | : | 11% |
| (h) Discount period | : | From year 2009 to year 2026 |
| (i) Basic Land Value | : | 16,338.31 per ha |

Note :

| | | |
|---|---|--|
| <i>Long term FFB price</i> | - | <i>Based on the average local FFB price over 20 years, a RM420 per MT (CPO at RM2,150 p/MT) is adopted to be the average price on a long-term sustainable price.</i> |
| <i>Yield</i> | - | <i>Based on the Company's historical yield records and projection. Also, the MPOB and Porim data.</i> |
| <i>Field maintenance, General Charges, Harvesting and Collection & Transportation to mill</i> | - | <i>Based on the past four (4) years historical cost of production, three (3) years Company's projection and valuer's estimate.</i> |
| <i>Discount rate</i> | - | <i>The adopted discount rate of 11% for oil palm cultivation reflecting risk and return on investment over the long term risk free yield which is derived from Malaysian Government Securities and also the present base lending rate.</i> |
| <i>Discount period</i> | - | <i>The remaining period of the economic life cycle for the palms, i.e. one cycle is about 25-27 years.</i> |
| <i>Basic Land Value</i> | - | <i>The basic land value adopted is after taking into consideration the building cost, infrastructure cost analysed over 3,062.80 ha, which is about 85.77% of the total area (3,571.08 ha) to be developed.</i> |

Market Value using DCF Method is RM88,890,000.00 (Ringgit Malaysia Eighty-Eight Million Eight Hundred and Ninety Thousand Only).

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UPDATE VALUATION CERTIFICATES (Cont'd)

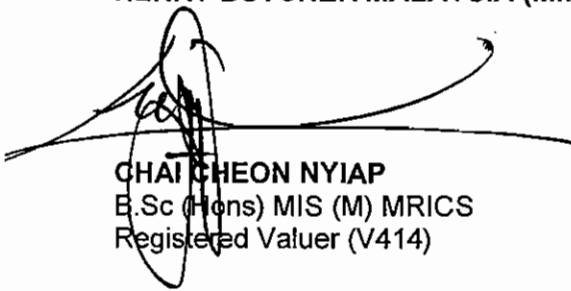
**Value Conclusion**

In arriving at the final value of subject property, we have adopted the Discounted Cashflow Method over Comparison Method, because of the complexity of the mature estate, such as different year of planting, stand per hectare (SPH), different yield pattern, cost of production, etc, which is unique for each of the plantation estate.

DCF method allows us to consider all the above to derive the market value, which is more actual, realistic and certain. On the other hand, to find a perfect comparable sale is impossible and we need to do a lot of adjustments in order to derive the market value. As such, the Comparison Method should only be used as a guide.

It is our considered opinion that the Market Value of the leasehold oil palm plantation property free from all encumbrances is **RM88,890,000.00 (Ringgit Malaysia Eighty-Eight Million Eight Hundred and Ninety Thousand Only).**

**Yours faithfully,
HENRY BUTCHER MALAYSIA (MIRI) SDN. BHD.**



CHAI CHEON NYIAP
B.Sc (Hons) MIS (M) MRICS
Registered Valuer (V414)

UPDATE VALUATION CERTIFICATES (Cont'd)

**HENRY BUTCHER MALAYSIA***International Asset Consultants*

22 July 2010

The Board of Directors
Rimbunan Sawit Berhad
 No. 66 – 78, Pusat Suria Permata,
 Jalan Upper Lanang 12A,
 96000 Sibu, Sarawak

Dear Sir,

CERTIFICATE OF UPDATE VALUATION OF PLANTATION LAND DEVELOPED UNDER JOINT VENTURE AGREEMENT FOR OIL PALM PLANTATION WITH AN AREA OF 7,900 HECTARES KNOWN AS PJP PELITA ULU TERU PLANTATION ESTATE, LONG LAMA, MIRI DIVISION

This certificate has been prepared in relation to the Proposed Acquisitions by RSB of PJP Pelita Ulu Teru Plantation Estate.

In accordance with the instructions from RSB, we have valued the abovementioned property vide our valuation report bearing Reference No.: HBMM/VAL/MV/2064/2009 (PJP Pelita Ulu Teru Plantation Estate) dated 27th October 2009 for the purpose of submission to the Bursa Malaysia Securities Berhad. The subject property was inspected on 19th October 2009. The material date of valuation for this exercise is at 31st August 2009. Subsequently, we were requested to provide an update to the said valuation base on 28th February 2010 as the material date. We did not carry out any site inspection for this update, we have relied on the information provided by RSB.

We confirm that we have valued the property based on the valuation basis stated below. The valuation has been carried out in accordance with the Valuation Standards issued by the Board of Valuers, Appraisers and Estate Agents, Malaysia and in complies with the Securities Commission's Asset Valuation Guidelines.

The basis of the valuation is the **Market Value** which is defined as the estimated amount for which an asset should exchange on the date of valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion.

In assessing the market value of the subject property, we have adopted both the **Discounted Cash Flow (DCF) Method** and the **Comparison Method**.

HENRY BUTCHER MALAYSIA (MIRI) SDN. BHD. (566177-X)
 Lot 1189, First Floor, Miri Waterfront Commercial Centre, 98000 Miri, Sarawak.
 P. O. Box 2214, 98000 Miri, Sarawak.
 tel : 085-442800, 442898, 442899 • fax : 085-429699 • email : hbmalmiri@yahoo.com
www.henrybutchermalaysia.com

UPDATE VALUATION CERTIFICATES (Cont'd)



Brief details of the Property as extracted from the valuation report are as follows:

| Asset Identification | Details of Title/Address | | | | | | | | |
|----------------------------|--|---------|-------------------|----------|----|-----------|----|----------------------------|----|
| | <p>The subject estate, PJP Pelita Ulu Teru Plantation Estate is situated at Miri Division, Sarawak and developed under a Joint Venture (JV) Agreement (NCR Concept), hereinafter referred to as the "subject property".</p> <p>Land development under Joint Venture (JV) Agreements is a project initiated by the Ministry of Land Development, Sarawak, and is a new concept of development of Native Customary Rights (NCR) Land. The new concept of NCR land development is being formulated on the premise that the vast tract of such land can be turned into a "Land Bank" with new forms of land ownership to enable it to be developed on a large scale commercial basis. Such a development is the only best way of transforming the rural sector from that of a traditional and subsistence economy into a strong and sustainable and modern economy.</p> <p>In this model, the government agency will hold in trust the interests of the NCR landowners. The trustee will form a Joint Venture Company (JVC) with a well established private sector company approved by the Government. Land title will be issued to the JVC for a period of sixty (60) years (2 plantation cycles) for an agreed value. The monetary value generated by the use of land will be used for two types of investments:</p> <ul style="list-style-type: none"> (a) as 30% equity in the JVC (long term investment), and (b) as cash for investment in Unit Trusts (investment with fast return). <p>Under the JVC, the equity structure will be as follows:</p> <table border="1" data-bbox="379 1182 922 1294"> <thead> <tr> <th>Parties</th> <th>Shareholdings (%)</th> </tr> </thead> <tbody> <tr> <td>Investor</td> <td>60</td> </tr> <tr> <td>Landowner</td> <td>30</td> </tr> <tr> <td>Trustee (Management Agent)</td> <td>10</td> </tr> </tbody> </table> <p>The Sarawak Government through the Ministry of Rural and Land Development has nominated LCDA (hereinafter referred to as "PELITA") and PELITA has subsequently nominated PHSB (Pelita Holdings Sdn. Bhd.) for appointment by the NCR Owners (Sarawak Government and the natives) to act as trustee for and on their behalf for the development of the NCR land at Ulu Teru NCR Land Development Area, Tinjar, Miri Division into an oil palm plantation but excluding the construction of a palm oil mill.</p> <p>The Joint Venture (JV) Agreement is between Pelita Holdings Sdn. Bhd. (Co. No. 182028-W) and Pemandangan Jauh Plantation Sdn. Bhd. (Co. No. 247217-W) – [PJPSB], dated 30th day of September, 2003 to develop the NCR land at Ulu Teru NCR land, Tinjar, Miri Division for an oil palm plantation and covering an area of about 7,900.00 hectares.</p> <p>The initial authorized capital is Ringgit Malaysia One Hundred Thousand only (RM100,000.00) and the paid-up capital is Ringgit Malaysia Two only (RM2.00). The parties have agreed that the JVC will be the vehicle for the joint venture. Both the authorized capital and paid-up capital of the JVC shall be increased to Ringgit Malaysia Fourteen Million and Four Hundred Thousand only (RM14,400,000.00) and shall be divided into equivalent number of ordinary shares of RM1.00 each or any other sum that they may agree. Pemandangan Jauh Plantation Sdn. Bhd. (Co. No. 247217-W) hold 60% of the allotment of shares. The name of the JVC is known as Pelita Tangkas Sdn. Bhd. and it subsequently changed its name to PJP Pelita Ulu Teru Plantation Sdn Bhd on 12 April 2005. For the purpose of this Valuation exercise, we assumed the allotment shares payment had been fully paid.</p> <p>PJP Pelita Ulu Teru Plantation Sdn. Bhd. (Formerly known as Pelita Tangkas Sdn. Bhd.), is the ultimate investor to carry out the plantation development and the plantation estate is commonly known as PJP Pelita Ulu Teru Plantation Estate, and with a gross development area of about 7,900.00 hectares.</p> | Parties | Shareholdings (%) | Investor | 60 | Landowner | 30 | Trustee (Management Agent) | 10 |
| Parties | Shareholdings (%) | | | | | | | | |
| Investor | 60 | | | | | | | | |
| Landowner | 30 | | | | | | | | |
| Trustee (Management Agent) | 10 | | | | | | | | |

UPDATE VALUATION CERTIFICATES (Cont'd)



| | <p>Location/Address The property is situated to the South of the Beluru-Long Lama road along Ulu Sungai Teru in Baram District. The estate is about 4.0 kilometres (aerial measured) to the South-West of Long Lama Bazaar and is about 140 km by road to the South-East of Miri City Centre, Sarawak.</p> <p>Accessibility The property is accessible from Miri City Centre via Miri-Bintulu Road (at 45KM), Jalan Bukit Peninjau (25KM), Jalan Beluru/Long Teru (formerly known as Tinjar Road-about 22 KM to reach the junction to RH Oil Palm Mill and RH Bakong Estate) and then using Lapok-Long Lama Road, about 45 KM to reach the plantations before reaching Long Lama Bazaar.</p> <p>Tenure 60 years leasehold interest will be issued upon full completion of the JV development.</p> <p>Category of Land Use Agricultural purposes.</p> <p>Registered Proprietor PJP Pelita Ulu Teru Plantation Sdn. Bhd. (Formerly known as Pelita Tangkas Sdn. Bhd.)</p> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|------------------------------|--|------------|-------------------|------------------|-------------------|------------------|--------------------|--------------------|------------|----|------|---|--------|--------|---|----|------|---|--------|---|--------|----|------|---|--------|---|--------|----|------|---|--------|---|--------|----|------|---|-------|---|-------|-------------|--|--|----------|--------|----------|------------|--|--|--|--------|--------|------|--|----------|----------|--------------|--|------------|--|-------|--|--|--|----|---|--------|--|----|--|--------|--|----|---|-------|--|----|---|-------|--|
| General Description of Asset | <p>Description PJP Pelita Ulu Teru Plantation is, situated to the South of the Beluru-Long Lama road along Ulu Sungai Teru in Baram District.</p> <p>PJP Pelita Ulu Teru Plantation is developed under JV Agreement of the 7,900 hectares of Ulu Teru NCR land. The plantation will be developed in 6 phases, i.e. Phase 1A, 1B, 2A, 2B, 2C and 3A for easy administrative purposes. Currently, about 1,524.71 hectares are developed and planted with oil palm trees.</p> <p>Based on the information provided by RSB, the total hectareage planted since the last date of valuation had been increased from 1,498.48 hectares as at 31 August 2009 to 1,524.71 hectares as at 28 February 2010, which represents an increase of 26.23 hectares. Since the last valuation, the Company had carried out a new census, which has resulted in the re-designation of certain planted and unplanted area in the Plantation Estate. The re-designation has resulted in a net increment within the planted area of approximately 26.23 hectares. The updated area statement, production cost, OER rate and the yield records for the past year and the additional infrastructure improvement are as follows:</p> <p>(a) The area statement :-</p> <table border="1" data-bbox="456 1458 1342 1688"> <thead> <tr> <th rowspan="2">Item</th> <th colspan="2">Year</th> <th rowspan="2">Planted Area (Ha)</th> <th rowspan="2">Mature Area (Ha)</th> <th rowspan="2">Immature Area (Ha)</th> </tr> <tr> <th>Of Planting</th> <th>Age @ 2010</th> </tr> </thead> <tbody> <tr> <td>1.</td> <td>2006</td> <td>4</td> <td>236.75</td> <td>236.75</td> <td>-</td> </tr> <tr> <td>2.</td> <td>2007</td> <td>3</td> <td>470.23</td> <td>-</td> <td>470.23</td> </tr> <tr> <td>3.</td> <td>2008</td> <td>2</td> <td>571.93</td> <td>-</td> <td>571.93</td> </tr> <tr> <td>4.</td> <td>2009</td> <td>1</td> <td>229.68</td> <td>-</td> <td>229.68</td> </tr> <tr> <td>5.</td> <td>2010</td> <td>0</td> <td>16.12</td> <td>-</td> <td>16.12</td> </tr> <tr> <td colspan="3">Grand Total</td> <td>1,524.71</td> <td>236.75</td> <td>1,287.96</td> </tr> <tr> <td colspan="3">Percentage</td> <td></td> <td>15.53%</td> <td>84.47%</td> </tr> </tbody> </table> <p>(b) The production cost analysis and OER rate for the past year:-</p> <table border="1" data-bbox="456 1738 1062 2063"> <thead> <tr> <th colspan="2">Year</th> <th>Aug 2009</th> <th>Feb 2010</th> </tr> </thead> <tbody> <tr> <td colspan="2">OER Rate (%)</td> <td colspan="2">17% to 18%</td> </tr> <tr> <td colspan="4">Items</td> </tr> <tr> <td>1)</td> <td>Plantation Admin Charges Cost per ha (RM/Ha)</td> <td colspan="2">496.54</td> </tr> <tr> <td>2)</td> <td>Maintenance/Cultivation Cost per ha (RM/Ha)</td> <td colspan="2">581.09</td> </tr> <tr> <td>3)</td> <td>Harvesting & Collecting Cost Cost per metric tonne (RM/MT)</td> <td colspan="2">73.17</td> </tr> <tr> <td>4)</td> <td>FFB Transport To Mill Cost Cost per metric tonne (RM/MT)</td> <td colspan="2">32.11</td> </tr> </tbody> </table> | Item | Year | | Planted Area (Ha) | Mature Area (Ha) | Immature Area (Ha) | Of Planting | Age @ 2010 | 1. | 2006 | 4 | 236.75 | 236.75 | - | 2. | 2007 | 3 | 470.23 | - | 470.23 | 3. | 2008 | 2 | 571.93 | - | 571.93 | 4. | 2009 | 1 | 229.68 | - | 229.68 | 5. | 2010 | 0 | 16.12 | - | 16.12 | Grand Total | | | 1,524.71 | 236.75 | 1,287.96 | Percentage | | | | 15.53% | 84.47% | Year | | Aug 2009 | Feb 2010 | OER Rate (%) | | 17% to 18% | | Items | | | | 1) | Plantation Admin Charges Cost per ha (RM/Ha) | 496.54 | | 2) | Maintenance/Cultivation Cost per ha (RM/Ha) | 581.09 | | 3) | Harvesting & Collecting Cost Cost per metric tonne (RM/MT) | 73.17 | | 4) | FFB Transport To Mill Cost Cost per metric tonne (RM/MT) | 32.11 | |
| Item | Year | | Planted Area (Ha) | Mature Area (Ha) | | | | Immature Area (Ha) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | Of Planting | Age @ 2010 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 1. | 2006 | 4 | 236.75 | 236.75 | - | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2. | 2007 | 3 | 470.23 | - | 470.23 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 3. | 2008 | 2 | 571.93 | - | 571.93 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 4. | 2009 | 1 | 229.68 | - | 229.68 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 5. | 2010 | 0 | 16.12 | - | 16.12 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Grand Total | | | 1,524.71 | 236.75 | 1,287.96 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Percentage | | | | 15.53% | 84.47% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Year | | Aug 2009 | Feb 2010 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| OER Rate (%) | | 17% to 18% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Items | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 1) | Plantation Admin Charges Cost per ha (RM/Ha) | 496.54 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2) | Maintenance/Cultivation Cost per ha (RM/Ha) | 581.09 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 3) | Harvesting & Collecting Cost Cost per metric tonne (RM/MT) | 73.17 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 4) | FFB Transport To Mill Cost Cost per metric tonne (RM/MT) | 32.11 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

UPDATE VALUATION CERTIFICATES (Cont'd)



| (c) The past year yield recorded :- | | | | | | | | | | | | | |
|---|----------------------------|----------------------------|------------------|----------------|------|------|------|------|------|------|------|------|--|
| <table border="1"> <thead> <tr> <th>Year</th> <th>Yield² (Mt/ha)</th> </tr> <tr> <th>YOP¹</th> <th>2009 (Aug-Dec)</th> </tr> </thead> <tbody> <tr> <td>2006</td> <td>0.84</td> </tr> <tr> <td>2007</td> <td>0.02</td> </tr> <tr> <td>2008</td> <td>0.00</td> </tr> <tr> <td>2009</td> <td>0.00</td> </tr> </tbody> </table> | Year | Yield ² (Mt/ha) | YOP ¹ | 2009 (Aug-Dec) | 2006 | 0.84 | 2007 | 0.02 | 2008 | 0.00 | 2009 | 0.00 | |
| Year | Yield ² (Mt/ha) | | | | | | | | | | | | |
| YOP ¹ | 2009 (Aug-Dec) | | | | | | | | | | | | |
| 2006 | 0.84 | | | | | | | | | | | | |
| 2007 | 0.02 | | | | | | | | | | | | |
| 2008 | 0.00 | | | | | | | | | | | | |
| 2009 | 0.00 | | | | | | | | | | | | |
| (d) The additional infrastructure improvement | | | | | | | | | | | | | |
| As informed by RSB, about 2km of the main road had been upgraded to gravel road on the Plantation Estate recently. | | | | | | | | | | | | | |
| The plantation commences planting in the year 2006, thus all the plants are immature as at to date there is limited recorded yield and production cost. | | | | | | | | | | | | | |

Comparison Method

Since the last valuation, there had been some improvement to the Plantation Estate, such as new planting area, more mature oil palm trees, improved in infrastructure and improved in market condition of the CPO price. However, there is no recent transaction which is able to show and support a higher value for the Plantation Estate. Therefore, we are of the opinion that the previous comparable properties and the adjustments are still valid and shall be maintained. The previous comparables are as follows:

| Items | Comparable 1 | Comparable 2 | Comparable 3 |
|----------------------|--|---|--|
| Titles(s) | Lot 56 Sawai Land District | Lot 2 Block 34 Kemena Land District and Lot 2 Block 4 Selezu Land District | Lot 3 Block 3 Sawai Land District (Formerly known as Lots 3 to 14 Sawai Land District) |
| Name | Selangor Plantation | Ladang Tabung Haji | BHB Plantation |
| Locality | Sungai Luai and Sungai Bawah, Niah | Jalan Sebah | Sungai Niah, Niah |
| Accessibility | Through Miri-Bintulu road and then by surfaced road/car truck | Jalan Miri-Bintulu, Jalan Sebah, Bintulu | Jalan Miri-Bintulu and then internal private road |
| Type of Soil | Mixture of mineral soil | Peat Soil | Mineral soil |
| Terrain | Hilly/undulating | Flat and Undulating | Hilly/undulating |
| Category | Mixed Zone Land; Country Land | Mixed Zone Land; Country Land | Mixed Zone Land; Country Land |
| Annual Rent | RM12,002.00 per annum | Lot 2 Blk 34 KLD RM761 p.a. Lot 2 Blk 4 SLD RM16,536 p.a. | RM11,600.00 per annum |
| Land Area | 4,857.00 ha | 7,000.00 ha (net area: 4,900.00 ha) | 4,640.00 hectares (Formerly was 4607.19 hectares) |
| Tenure (Expiry date) | 21/02/2054 | 31/12/2056 | 17/07/2077 |
| Description | Lands planted with oil palm (11-13 years old) | Lands planted with oil palm (9 to 11 years old) | Lands planted with oil palm (12 to 14 years old) |
| Transaction Date | 09/11/2007 | 29/04/2008 | August 1997 |
| Term & Conditions | To be used only for agricultural purposes and purposes incidental to the production and processing of crops thereon. | To be used only for agricultural purposes and purposes incidental to the production and processing of crops thereon. | To be used only for agricultural purposes and purposes incidental to the production and processing of crops thereon. |
| Share of Transfer | Whole Share | Whole Share | Whole Share |
| Transaction Amount | RM97,000,000.00 | RM138,000,000.00 | RM90,000,000.00 |
| Transferor | Perbadanan Kemajuan Pertanian Selangor | Tabung Haji Sdn. Bhd. | Austral Enterprise Bhd. |
| Transferee | Sheba Resources Sdn. Bhd. | Semai Mekar Sdn. Bhd. | Harvest Master Sdn Bhd |
| Analysis | RM19,971.18 per hectare | RM28,163 per hectare | RM16,713 per hectare |
| Remarks | Assessment accepted by Lands and Surveys, Valuation Department. | Assessment accepted. Noted that about 1,420 ha are subject to NCR claim and about 680 ha are unplantable area. Thus, the net area is 4,900.00 ha. | Transaction prices including Palm Oil Mill (POM). Estimated Value for POM is RM13,000,000.00. |

UPDATE VALUATION CERTIFICATES (Cont'd)



| | | |
|----------------|--|--|
| Adjustment | An upward adjustment made on time (to reflect the 21 months time lags) and SPH (to reflect 123 SPH and compared to 90-100 SPH for the comparable). A downward adjustment on age of the crop, developed area and tenure/lease (to reflect on terrain (to reflect Joint Venture vs Lease of State Land). | <i>We had inspected all the Comparables. However, we adopted Comparable 1 for the analysis. This is because the details information are available, such as, the YOP (year of planting), Stand per Hectare (SPH), total developed area, the terrain and the estate performance. Thus, more direct and comprehensive comparison can be made.</i> |
| Adjusted Value | RM13,180.98 per ha | |

The adjusted value reflects the time lag, stand per hectare (SPH), year of planting, terrain and the locality of the property. Thus, the Market Value derived from the Comparison Method is RM73,190,000.00 (Ringgit Malaysia Seventy-Three Million One Hundred and Ninety Thousand Only).

Discounted Cashflow Method

Discounted Cashflow approach is an income based method of valuation. The market value to be derived arises from the benefits of the sales of the oil palm planted thereon. These interest and rights involve the rights to sell off the fresh fruit bunches harvested from the plantation.

We have reviewed our valuation and are of the opinion that the parameters, such as the projected yield and projected production, basis and assumptions adopted by us in the Valuation Report dated 27 October 2009 remain valid, except that the Update Valuation now takes into consideration the following changes :-

- (1) The average local CPO price of RM2,150/tonne has been adopted in our Update Valuation as opposed to RM2,100/tonne in the Valuation Report. This is because as at the date of the Update Valuation, the estimated new 5 years average local CPO price is about RM2,319.42/tonne. Therefore, based on market sentiments and historical information, we have taken RM420 per MT (CPO at RM2,150 per MT & with OER in the region of 21%) to be the average price on a long-term sustainable price (local delivery, ex-mill).
- (2) The total hectareage planted since the last date of valuation had been increased from 1,498.48 hectares as at 31 August 2009 to 1,524.71 hectares as at 28 February 2010, as detailed in the (a) above under the General Description of Asset.
- (3) The age of oil palm trees of the Plantation Estate are generally 6 months more mature now (except for the new planting) and the yield (FFB production) is expected to increase. Whilst we are maintaining the same cashflow period, the discounting was done based on the new date of valuation i.e. 28 February 2010.
- (4) The additional infrastructure improvement i.e. about 2km graveled main road to the Plantation Estate.

In the Discounted Cashflow Method, we based on the following parameters:

| | |
|-------------------------------|---|
| (a) Long term FFB price | : RM420 per mt |
| (b) Yield | : 1mt (3 rd year) to 23 mt (10 th year) per annum |
| (c) Field maintenance | : RM1,893.95 per ha per annum |
| (d) General Charges | : RM500 per ha per annum |
| (e) Harvesting and Collection | : RM80.96 per mt per annum |
| (f) Transportation to mill | : RM28 per mt |
| (g) Discount rate | : 11% |
| (h) Discount period | : From year 2010 to year 2035 |
| (i) Basic Land Value | : 13,573.24 per ha |

Note :

| | |
|---|---|
| Long term FFB price | - Based on the average local FFB price over 20 years, a RM420 per MT (CPO at RM2,150 p/MT) is adopted to be the average price on a long-term sustainable price. |
| Yield | - Based on the Company's projection, the MPOB and Porim data. |
| Field maintenance, General Charges, Harvesting and Collection & Transportation to mill | - Based on Company three (3) years projected production cost and valuer's estimate. |
| Discount rate | - The adopted discount rate of 11% for oil palm cultivation reflecting risk and return on investment over the long term risk free yield which is derived from Malaysian Government Securities and also the present base lending rate. |
| Discount period | - The remaining period of the economic life cycle for the palms, i.e. one cycle is about 25-27 years. |
| Basic Land Value | - The basic land value adopted is after taking into consideration the building cost, infrastructure cost analysed over 1,498.48 ha, which is about 26.99% of the total area (5,552.98 ha) to be developed. |

UPDATE VALUATION CERTIFICATES (Cont'd)



Market Value using DCF Method is RM68,940,000.00 (Ringgit Malaysia Sixty-Eight Million Nine Hundred and Forty Thousand Only).

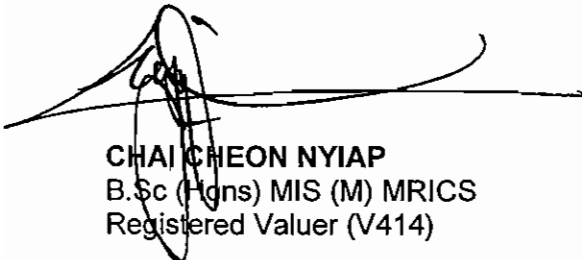
Value Conclusion

In arriving at the final value of subject property, we have adopted the Discounted Cashflow Method over Comparison Method, because of the complexity of the planted estate, such as different year of planting, stand per hectare (SPH), different yield pattern, cost of production, etc, which is unique for each of the plantation estate.

DCF method allows us to consider all the above to derive the market value, which is more actual, realistic and certain. On the other hand, to find a perfect comparable sale is impossible and we need to do a lot of adjustments in order to derive the market value. As such, the Comparison Method should only be used as a guide.

It is our considered opinion that the Market Value of the leasehold oil palm plantation property free from all encumbrances is RM68,940,000.00 (Ringgit Malaysia Sixty-Eight Million Nine Hundred and Forty Thousand Only).

Yours faithfully,
HENRY BUTCHER MALAYSIA (MIRI) SDN. BHD.



CHAI CHEON NYIAP
B.Sc (Hons) MIS (M) MRICS
Registered Valuer (V414)

UPDATE VALUATION CERTIFICATES (Cont'd)



HENRY BUTCHER MALAYSIA
International Asset Consultants

22 July 2010

The Board of Directors
MESSRS RIMBUNAN SAWIT BERHAD
No. 66-78, Pusat Suria Permata,
Jalan Upper Lanong 12A,
Sibu, Sarawak.

Dear Sirs,

CERTIFICATE OF UPDATE VALUATION OF OIL PALM PLANTATION WITH AN AREA OF 15,580 HECTARES KNOWN AS SIMUNJAN PLANTATION UNDER LICENCE FOR PLANTED FOREST NO. LPF/0035, SAMARAHAN AND SRI AMAN DIVISION, SARAWAK

This certificate has been prepared in relation to the proposed acquisition by Rimbunan Sawit Berhad (RSB) of Simunjan plantation.

In accordance with the instructions from RSB, we have valued the abovementioned property vide our valuation report bearing Reference No.: A2009/V10442/cyt/w1013 dated 24th November 2009 for the purpose of submission to the Bursa Malaysia Securities Berhad. The subject property was inspected on 19th October 2009. The material date of valuation for the valuation exercise is 31st August 2009. Subsequently, we are requested to provide an update of the said valuation to 28th February 2010 as material date. We did not carry out any site inspection for this update. We have relied on the information provided by RSB.

We confirm that we have valued the property based on the valuation basis stated below. The valuation has been carried out in accordance with the Valuation Standards issued by the Board of Valuers, Appraisers and Estate Agents Malaysia and in compliance with the Securities Commission's Asset Valuation Guidelines.

The basis of valuation adopted is the Market Value as oil palm plantation which is defined as the estimated amount for which a property should exchange on the date of valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion.

In assessing the market value of the subject property, we have adopted both the **Cost Method** and the **Discounted Cash Flow (DCF) Method**.

Brief details of the property as extracted from the Valuation Report as follows:-

| | | | | |
|---|---|---|------------------------------------|----------|
| Asset Identification | <u>Detail of Licence</u> The Subject plantation, Simunjan plantation is situated at Samarahan and Sri Aman Division, Sarawak and under Licence for planted forest for 60 years with the permission to plant oil palm for 25 years (19 years remaining), herein after referred to as the "subject property". | | | |
| | <table border="0"> <tr> <td><u>Licensee for planted forest particulars</u></td> <td><u>Land area (hectares)</u></td> </tr> <tr> <td>LPF/0035</td> <td>15,580</td> </tr> </table> | <u>Licensee for planted forest particulars</u> | <u>Land area (hectares)</u> | LPF/0035 |
| <u>Licensee for planted forest particulars</u> | <u>Land area (hectares)</u> | | | |
| LPF/0035 | 15,580 | | | |
| | <u>Location / Address</u> The subject property is situated between latitudes 1°14'ON and 1°26.5'N and longitudes 110°50.0'E and 110°56.5'E. The bulk of the property is in Samarahan Division, but the northeastern corner extends into the Sri Aman Division. It is about 12 KM to the southeast of Simunjan Town. | | | |

HENRY BUTCHER 236250X

Malaysia (Sarawak) Sdn. Bhd. VE(1)0079/3

L4 14 & 15, DUBS Commercial / Office Centre, Lot 376, Section 54 KTLD, Jalan Petanak, 93100 Kuching, Sarawak.

tel: 082-423300 / 231032 / 231037 fax: 082-231036 email: hbswak@gmail.com / hbswak@streamyx.com / hbsarawak@gmail.com

www.henrybutcher.com.my

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UPDATE VALUATION CERTIFICATES (Cont'd)



| Asset Identification | <p>Accessibility The subject property is accessible by road. Simunjan Road which is the main road linking Simunjan Town to Pan Borneo Highway runs through the subject property. The central part of the subject property is accessible from Simunjan Road by earth road. Simunjan Road is a tar-sealed road.</p> <p>Tenure LPF/0035, Samarahan and Sri Aman Division, Sarawak has a tenure of 60 years from 22th March 2040 and expires on 21st March 2064.</p> <p>Category of Land use Licence planted forest for 60 years with permission for oil palm planting for 25 years (19 years remaining). Upon the expiry of the permit for oil palm planting, the area should be planted with trees other than oil palm.</p> <p>Registered Licensee Rejang Height Sdn Bhd (A Deed of Assignment has been signed between Rejang Height Sdn Bhd (Licensee) and RSB (Assignee) on 30th December 2009 affecting LPF/0035. The subject deed has duly been acknowledged receipt by the Director of Forest, Sarawak dated 15th January 2010 with reference WPO/P/102(Simunjan)-21, in anticipation of the completion of the proposed acquisition of the commercial rights of Simunjan Plantation by RSB.)</p> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|-------------------------------------|--|----------|-------------|----------|-------------------------|-------------------------|--|------|------|------|----|----------|----------|---|---|---|----|---|----------|----------|----------|--------|----|----------------------------------|----------|---|---|---|----|-------------------|----------|---|---|---|----|---------------|------|---|---|---|----|--------------|------|---|---|---|----|-------------------|-------|---|---|---|----|-------------------|----------|---|---|---|
| General Description of asset | <p>Simunjan plantation is an on-going project. It commences planting in 2008, thus all the plants are immature and as on todate there is no recorded yield. The area statement of asset as on 28th February 2010 is as follows:-</p> <table border="1" data-bbox="464 1379 1331 1644"> <thead> <tr> <th rowspan="2">Items</th> <th rowspan="2">Particulars</th> <th rowspan="2">Hectare</th> <th colspan="3">Planting Plan (Hectare)</th> </tr> <tr> <th>2010</th> <th>2011</th> <th>2012</th> </tr> </thead> <tbody> <tr> <td>1.</td> <td>LPF area</td> <td>15,580.0</td> <td>-</td> <td>-</td> <td>-</td> </tr> <tr> <td>2.</td> <td>Plantation Area: Immature 2008 – 248.00 ha. 2009 – 985.49 ha.</td> <td>1,233.49</td> <td>2,500.00</td> <td>2,500.00</td> <td>466.51</td> </tr> <tr> <td>3.</td> <td>Land under preparation – cleared</td> <td>1,257.71</td> <td>-</td> <td>-</td> <td>-</td> </tr> <tr> <td>4.</td> <td>Plantable Reserve</td> <td>4,208.80</td> <td>-</td> <td>-</td> <td>-</td> </tr> <tr> <td>5.</td> <td>Building Site</td> <td>20.0</td> <td>-</td> <td>-</td> <td>-</td> </tr> <tr> <td>6.</td> <td>Nursery Site</td> <td>44.0</td> <td>-</td> <td>-</td> <td>-</td> </tr> <tr> <td>7.</td> <td>Main Road Reserve</td> <td>437.6</td> <td>-</td> <td>-</td> <td>-</td> </tr> <tr> <td>8.</td> <td>Unplantable area*</td> <td>8,378.40</td> <td>-</td> <td>-</td> <td>-</td> </tr> </tbody> </table> <p>* - comprises of shifting cultivation area, green belt and native dispute area that has been excluded from the valuation.</p> <p>There are various field establishment and planting carried out on the plantation for the last 6 months. It includes increase in nursery palms, block survey, slashing/felling/underbrushing, stacking, compaction, main roads, field roads, main drains, field drains, collection drains, culvat/bridges and planting. The planting increases from 781.74 hectares as on 31st August 2009 to 1,233.49 hectares as at 28th February 2010, which represents an increase of 451.75 hectares. The increment within the planted area is considered as new planting area and were planted in 2009.</p> | Items | Particulars | Hectare | Planting Plan (Hectare) | | | 2010 | 2011 | 2012 | 1. | LPF area | 15,580.0 | - | - | - | 2. | Plantation Area: Immature 2008 – 248.00 ha. 2009 – 985.49 ha. | 1,233.49 | 2,500.00 | 2,500.00 | 466.51 | 3. | Land under preparation – cleared | 1,257.71 | - | - | - | 4. | Plantable Reserve | 4,208.80 | - | - | - | 5. | Building Site | 20.0 | - | - | - | 6. | Nursery Site | 44.0 | - | - | - | 7. | Main Road Reserve | 437.6 | - | - | - | 8. | Unplantable area* | 8,378.40 | - | - | - |
| Items | Particulars | | | | Hectare | Planting Plan (Hectare) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | 2010 | 2011 | 2012 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 1. | LPF area | 15,580.0 | - | - | - | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2. | Plantation Area: Immature 2008 – 248.00 ha. 2009 – 985.49 ha. | 1,233.49 | 2,500.00 | 2,500.00 | 466.51 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 3. | Land under preparation – cleared | 1,257.71 | - | - | - | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 4. | Plantable Reserve | 4,208.80 | - | - | - | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 5. | Building Site | 20.0 | - | - | - | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 6. | Nursery Site | 44.0 | - | - | - | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 7. | Main Road Reserve | 437.6 | - | - | - | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 8. | Unplantable area* | 8,378.40 | - | - | - | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

UPDATE VALUATION CERTIFICATES (Cont'd)



RSB confirm that since 31st August 2009 up to date of valuation, the plantation was not subject to floods, fire or any occurrence of extra circumstances which would reduce the market value. Besides, RSB also confirmed that the plantation is neither subject to any claim by third party or any compulsory acquisitions by the state government, save for unplantable area as disclosed in the previous report.

Cost Method

The **Cost Method** is to estimate the cost of land and infrastructure thereon. It is applied to estimate the present Market Value of the Immature Oil Palms planting and lands being prepared for the oil palm cultivation on the premises that is could be reasonable to assume that a prospective purchaser would be prepared to pay for an asset what it would cost him to develop a similar asset. In this valuation, we note that this is a License Planted forest with permission to plant oil palm for 25 years (19 years remaining).

Since the last valuation, there is no recent transaction which is able to show and support a higher value for the oil palm plantation land and license for planted forest. Therefore we are of the opinion that the previous comparables in the report and the adjustments are still valid and shall be maintained. The previous comparables are as follows:-

| Items | COMPARABLE 1 | COMPARABLE 2 | COMPARABLE 3 | COMPARABLE 4 |
|----------------------|------------------------------------|---|---|-------------------------------------|
| Titles(s) | Lot 196 Teraja Land District | Lot 1200 Puyut Land District & Lot 197 Tereja Land District | Lot 1 Block 3 Sablor Land District, Lot 3 Block 16 Awik-Krian Land District, Lot 410 Block 3 Awik-Krian Land District & Lot 121 Block 19 Kalaka Land District | LPF 0006 |
| Name | Lumiera Enterprise Plantation Land | Woodjaya Plantation Estate Land | Zecon Engineering Berhad Plantation Land | Lana Plantation |
| Locality | Batang Baram, Baram | Between Sungai Bakong and Botang Baram, Baram | Between Sungai Krian and Batang Saribas, Betong District, Sarawak | Between Sungai Merit and Sungai Bah |
| Accessibility | Currently through Baram River only | By way of present plantation road (Hazardland Plantation), plus a section of a logging road | With road frontage | Logging Road / River |
| Type of Soil | Peat soil | Peat soil | Peat soil | Mineral |
| Terrain | Flat | Flat | Flat | Undulating/hilly |
| Land Area | 6,071.00 hectares | 5,000.00 hectares | 10,390 hectares (80% share only) | 40,684 hectares |
| Tenure (Expiry date) | 04/03/2061 | 24/10/2067 | 19/3/2060 | 7 th December 2058 |
| Description | Vacant | Vacant | Vacant | Vacant |

UPDATE VALUATION CERTIFICATES (Cont'd)



| Items | COMPARABLE 1 | COMPARABLE 2 | COMPARABLE 3 | COMPARABLE 4 |
|--------------------|---|---|---|--|
| Transaction Date | 31/07/2009 (ref: No. MM-090731-41301) | 31/07/2009 (ref: No. MM-090731-41301) | 28/12/2006 Conditional agreement | 23rd October 2007 |
| Term & Conditions | To be used only for agricultural purposes and purposes incidental to the production and processing of crops thereon | To be used only for agricultural purposes and purposes incidental to the production and processing of crops thereon | To be used only for agricultural purposes and purposes incidental to the production and processing of crops thereon | Tree planting |
| Transaction Amount | RM37,993,000.00 Note: The transaction amount comprises of cash and liabilities assumed by the purchaser | RM31,314,000.00 (85% share) Note: The transaction amount comprises of cash and liabilities assumed by the purchaser | RM51.4 Million Note: The transaction amount comprises of cash and liabilities assumed by the purchaser | RM32,230,000 Note: The transaction amount comprises of cash and cost for NCR compensation. |
| Transferor | Lumiera Sdn. Bhd. | Woodjaya Sdn. Bhd. | Zecon Engineering Berhad | Timor Enterprises Sdn Bhd |
| Transferee | Rimbunan Sawit Berhad | Rimbunan Sawit Berhad | T.H Plantation Berhad | Samling Reforestation (Bintulu Sdn Bhd) |
| Analysis | RM6,258.11 per hectare | RM7,368.00 per hectare | RM6,183.83 per ha | RM792.20 per hectare |
| Remarks | General Announcement (ref: No. MM-090731-41301) dated 31 st July 2009 | General Announcement (ref: No. MM-090731-41301) dated 31 st July 2009 | Non-related parties, announced by TH Plantation Berhad | Glenealy Plantation (Malaya) berhad circular dated 23 rd October 2007 |
| Adjustment | Upward adjustment for (better location) | Downward adjustment for (poorer location) | Upward adjustment for time | Upward adjustment for time, location, terrain. |
| Adjusted Value | RM6,571 per Ha | RM6,631.2 per Ha | RM6,802 per Ha | RM990 per ha |

Note: Lano Plantation transaction was done together with Jelalong Plantation. The Jelalong Plantation oil palm compartment under LPF/0007 has an area of 21,123 hectares. The transaction amount for Jelalong Plantation was RM28,060,000 (including provision for NCR compensation, therefore the risk of NCR rest with purchaser). It works out to be RM1,328 per hectares. In this valuation, we do not consider Jelalong Plantation's transaction as a comparable due to the following reasons:-

- (i) Jelalong Plantation's transaction was conditional upon the seller(SRB) to apply for 25 years to commence from 1 July 2008 to 30 June 2033 as LPF/0007 was awarded to SRB on 12th April 1999 and thus expire on 11th April 2024.
- (ii) The basis used to determine the transaction price was RM1,800 per hectare which is well below the present market value of similar land at RM6,500 per hectare as shown above.

UPDATE VALUATION CERTIFICATES (Cont'd)



Taking into consideration the comparable sales of vacant oil palm plantation lands and license for planted forest, we deem a fair market value for oil palm plantation land is at RM6,500 per hectare which is the lower range of the comparables whereas the licence for the planted forest is at RM990 per hectare.

As there is no exact comparable for license for planted forest which is permitted to be used for oil palm plantation for 25 years (presently 19 years remaining), we relied on the transactions of oil palm plantation land and the license planted forest. Due adjustments have to be made in order to arrive at the market value of subject license.

Base on the above, we have conclude that the subject licence which is approved for oil palm plantation for 25 years (presently 19 years remaining), and thereafter as planted forest is at RM3,171.72.00 per hectare. It shows a drop in value of RM104.28 per hectare as compare with last valuation due to shorter period for oil palm cultivation.

After establishing the vacant land value, we have considered the following parameters:-

| Items | Component | Cost as at on 28 th February 2010 (RM) |
|-------|---|--|
| a. | Field Establishment | 18,764,807.85 (RM7,939.75/ha) |
| b. | Field Maintenance | 799,056.21 (Year 1 = RM713/ha) (Year 2 = RM1,740/ha) |
| c. | Existing Buildings | 386,120.00 |
| d. | Existing Vehicles & Machinery | 804,375.00 |
| e. | General Charges | 185,359.20 (RM150/ha for year 1 & 2) |
| f. | Profit over oil palm plantation development cost | 10% |

Note:

- (i) Field establishment is based on 2,363.4 hectare which is the total area covered under slashing/ underbrushing and felling. The increase in field establishment cost of RM4,677,160.52 is due to the physical improvements on site.
- (ii) Field maintenance cost is for 248 Ha and 985.49 Ha planted in 2008 and 2009 respectively. The increase in field maintenance cost of RM232,646.81 is due to longer maintenance period coupled with increase in hecterage.
- (iii) The buildings include 5 buildings i.e, labour quarter, fertilizer store, 30% completed labour quarter, a generator house and a guard house. The cost per square foot ranges from RM50 to RM59. As most of the buildings are of timber construction and thus the economic life is assumed at 25 years. We thus adopted a straight line depreciation of 4% per annum. We depreciate 2% for 6 months period as compare with previous valuation. It resulted in a reduction of RM7,880.00
- (iv) There are 9 units of various types of vehicles and machineries. The economic life of vehicles and machinery is assumed at 20 years with proper and regular upkeep and maintenance. We thus adopted a straight line depreciation rate of 5% per annum. We depreciate 2½% for 6 months period as compare with previous valuation. It resulted in a reduction in value of RM20,625.00
- (v) The increase in general charges of RM30,898.92 is due to longer establishment period.

UPDATE VALUATION CERTIFICATES (Cont'd)



Base on cost method, we conclude that the market value of the subject licence is RM48,600,000.00 (Ringgit Malaysia: Forty-Eight Million and Six Hundred Thousand Only).

Discounted Cashflow Method

Discounted Cashflow approach is an income based method of valuation. The market value to be derived arises from the benefits of the sales of the oil palm planted thereon. These interest and rights involve the rights to sell off the fresh fruit bunches harvested from the plantation.

We have reviewed our valuation and are of the opinion that the parameters, such as the projected yield and projected production cost, basis and assumptions adopted by us in the Valuation Report dated 24th November 2009 remain valid, except that the Update Valuation now takes into consideration the following changes:-

- (1) The average local CPO price of RM2,150/tonne has been adopted in our Update Valuation as opposed to RM2,100/tonne in the Valuation Report. This is because as at the date of the Update Valuation, the estimated new 5 years average local CPO price is about RM2,319.42/tonne. Therefore, based on market sentiments and historical information, we have taken RM420 per MT (CPO at RM2,150 per MT & with OER in the region of 21%) to be the average price on a long-term sustainable price (local delivery, ex-mill).
- (2) The total hectareage planted since the last date of valuation had been increased from 781.74 hectares as at 31 August 2009 to 1,233.49 hectares as at 28 February 2010, as detailed in area statement above.
- (3) The additional field establishment costs cover the whole of additional 451.75 hectares planted in 2009 and certain part of 2010 planting.

In the discounted Cash Flow Method, we have base on the following parameters :

- | | | |
|-------------------------|---|--|
| (a) Long term FFB price | : | Base on the average local FFB price over 20 years, a RM420 per Mt (CPO at RM2,150 p/MT) is adopted to be the average price on a long term sustainable price |
| (b) Yield | : | 2 Mt (year 3) to 26 Mt (year 10) per annum |
| (c) Field maintenance | : | RM713 (year 1) to RM2,777 (year 4 onwards) |
| (d) General Charges | : | RM150 to RM500 (year 5 onward) per hectare per annum. This is because during the initial stage of development, most of the works are carried out by contractors. The company is mainly involved in the supervision/invigilation works only. Therefore, only a few personnels are involved in the development process. However, as the development proceeds, the role of the company will change from supervision to management work. Thus, more staffs will be employed, expenses is expected to increase. |

UPDATE VALUATION CERTIFICATES (Cont'd)



- (e) Harvesting & Collection : RM50 per Mt (year 3) to RM43 per Mt year 6 onwards
- (f) Transportation to mill : RM40 per Mt
- (g) Discount rate : (The adopted discount rate of 11% for oil palm cultivation reflecting risk and return on investment over the long term risk free yield which is derived from Malaysian Government Securities and also the present base lending rate.)
- (h) Discount Period : Year 2010 to 2029 (19 years remaining)
- (i) Basic land value : RM 7,485 per hectare, which is derived from adding infrastructure cost to raw land value. There is no recent transaction which is able to show and support the increase in value for raw land for license planted forest. We also note that all unit establishment cost remain constant for the last 6 months. From the comparable used, We conclude that the market value for licence for planted forest is at RM990.00 per hectare. The infrastructure cost is derived by adding the development cost of roads, drains, culvert & water drainage system. It works out to be RM6,495.00 per hectares.

Note:

- Yield : Based on Company's projection and Porim data.
- Field maintenance, General Charges : Based on Company's projection and valuer's estimate

The market value of the plantation using discounted cashflow method is RM50,600,000.00. (Ringgit Malaysia : Fifty Million and Six Hundred Thousand Only)

Value Conclusion

In arriving at the final value of subject asset, we have adopted cost method over Discounted Cashflow Method, because the oil palm plantation has not been fully planted. In the DCF Method, we need to project the planting progress which is uncertain whereas the cost incurred and the analysis of land value using comparison method is more concrete and certain. From the above reasoning and analysis, it is our considered opinion that the current **Market Value (MV)** of the unencumbered interest in the subject asset with the benefit of vacant possession is as follows:-

Market Value (MV) - RM48,600,000.00/- (Ringgit Malaysia: Forty-Eight Million and Six Hundred Thousand Only).

Yours faithfully,
HENRY BUTCHER MALAYSIA (SARAWAK) SDN BHD


CHIENG YU TANG
Designation: Director
Registered Number: V-361

DETAILS OF THE PROPOSED M&A AMENDMENTS

The existing and proposed Clause 6 of the Memorandum of Association is as follows:-

| Existing Clause 6 | Proposed Clause 6 |
|--|---|
| The share capital of the Company is RM500,000,000.00 divided into 1,000,000,000 shares of RM0.50 each, with power for the Company to increase, sub-divide, consolidate or reduce such capital and to divide the shares forming the capital (original increased or reduced) into several classes and to attach thereto respectively and preferential, special or qualified rights, privileges or conditions as regard dividends, repayment of capital, voting or otherwise. | The share capital of the Company is RM500,000,000.00 divided into <u>700,000,000.00 shares of RM0.50 each and 300,000,000.00 irredeemable convertible preference shares of RM0.50 each to which shall be attached the special rights, privileges and restrictions contained in Article 12A,</u> with power for the Company to increase, sub-divide, consolidate or reduce such capital and to divide the shares forming the capital (original increased or reduced) into several classes and to attach thereto respectively preferential, special or qualified rights, privileges or conditions as regard dividends, repayment of capital, voting or otherwise. |

Definition and Interpretation

To add in further definition and interpretation to Article 2 of the Articles and Association of RSB:-

| Words | Meanings |
|------------------------|---|
| Conversion | the conversion of the ICPS into Ordinary Shares pursuant to Article 12A1 (c). |
| Conversion Date | the date on which the ICPS Holder converts any or all of his issued and fully paid up ICPS pursuant to Article 12A1(c); |
| Conversion Ratio | one (1) ICPS shall be converted into one (1) new Ordinary Share subject to such adjustment as prescribed in Article 12A2 |
| General Meeting | the meeting of the Members of the Company |
| Issue Date | the date of the issue of the ICPS |
| ICPS Holder | A person whose name is for the time being entered as the holder of a ICPS in the Company's Record of Depositors, and "Holders" shall be construed accordingly; |
| ICPS | irredeemable convertible preference share of RM 0.50 each in the capital of the Company, issued and allotted upon the terms and subject to the conditions of this Article 12A |
| Maturity Date | the Market Day immediately before the tenth (10 th) anniversary of the Issue Date |
| Ordinary Shares | fully paid ordinary shares of RM0.50 each in the capital of the Company or, if all the Ordinary Shares are replaced by other securities (all of which are identical), the expression "Ordinary Shares" shall thereafter refer to those other securities |
| RM or Ringgit Malaysia | Ringgit Malaysia, the lawful currency of Malaysia |

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DETAILS OF THE PROPOSED M&A AMENDMENTS (*Cont'd*)

To insert the following new Article 12A immediately after the Article 12 in the Articles of Association of RSB:

12A ICPS

The ICPS shall confer upon the ICPS Holders thereof the following rights and be subjected to the following restrictions and provisions:-

12A1 TERMS OF THE ICPS

The ICPS shall rank equally in all respects amongst all ICPS and shall confer on their ICPS Holders the following rights and be subjected to the following restrictions:-

(a) Dividend

Each ICPS Holder shall, in respect of each ICPS registered in his name, be entitled to any dividend declared or paid ranking *pari passu* with Ordinary Shares. The dividends on the ICPS shall be payable on the date dividends are paid on the Ordinary Shares. Apart from dividends, the ICPS Holders shall not be entitled to any other rights, allotments, and/or other distributions that may be declared by the Company.

(b) Priority on Winding-up and Return of Capital

In the event of any form of winding up of, or return of capital by the Company, the ICPS Holders shall be entitled to receive payment (after payment to creditors of the Company, whether secured or unsecured) in priority to the holders of any other classes of shares in the capital of the Company, of the nominal amount of the ICPS held by them but shall be on a *pari passu* basis amongst the other holders of the ICPS.

(c) Conversion

(i) The ICPS Holder shall, at any time on any day between Monday to Friday that is not a public holiday, from the Issue Date up to and including the Maturity Date, be entitled to convert its ICPS or any part thereof into new Ordinary Shares at the Conversion Ratio provided that a Conversion Notice (as defined in Section 12A1(d)) has been given to the Company in a prescribed form as approved by the Company. The Conversion shall be fully satisfied by surrendering the ICPS for cancellation.

(ii) The Conversion Notice once submitted, shall not be withdrawn without the consent in writing of the Company.

(iii) Subject always to the prevailing applicable laws, rules and regulations, within fourteen (14) days of receipt of the Conversion Notice or on the Conversion Date, whichever is the later, the Company shall allot and issue to the ICPS Holder the number of new Ordinary Share to which the ICPS Holder is entitled to pursuant to the terms of the ICPS and such allotment and issuance shall be in full satisfaction and discharge of the amount of the ICPS stated in the Conversion Notice.

(iv) All new Ordinary Shares issued in respect of the ICPS or part thereof so converted shall be credited as fully paid up and shall rank *pari passu* with all existing Ordinary Shares of the Company save that such new Ordinary Shares shall not be entitled to any dividends, rights, allotments, and/or other distributions that may be declared, the entitlement date of which is prior to the date of allotment of the said new Ordinary Shares.

(v) As the ICPS are not redeemable for cash, the Company shall mandatorily convert all unconverted ICPS into new Ordinary Shares on the Maturity Date.

DETAILS OF THE PROPOSED M&A AMENDMENTS (*Cont'd*)(d) **Conversion Notice**

An ICPS Holder shall give not less than seven (7) days' prior notice in writing ("Conversion Notice") before the Conversion Date to the Company of its intention to convert all or a portion of the ICPS then outstanding held by such ICPS Holders, which have been issued and are fully paid up. The applicable Conversion Date shall be specified in the said Conversion Notice, which shall substantially be in the following form:-

To: **RIMBUNAN SAWIT BERHAD**

Particulars of the ICPS Holder:-

Name:

Company No.:

NRIC No.:

Address:

Take Notice that I/We....., hereby:-

1. *Exercise my/our conversion rights in respect of Ringgit Malaysia..... nominal amount of irredeemable convertible preference shares pursuant to the provision of Article I2A1 of the Articles of Association of the Company;*
2. *Authorise you to instruct the Bursa Malaysia Depository Sdn Bhd to credit the shares in my/our Securities Account as specified below:-*

Quantity:

A/C No.:

.....
Name

Date

Once the Conversion Notice has been submitted to the Company, the ICPS Holders shall not sell, transfer, dispose or otherwise encumber the ICPS the conversion rights of which have been exercised under the Conversion Notice. The Conversion Notice shall not be withdrawn without written consent from the Company.

Subject always to all applicable prevailing laws, rules and regulations, the Company shall within fourteen (14) days from its receipt of the Conversion Notice or the Conversion Date, whichever is the later, take all such steps as may be necessary or requisite to credit the allotted ordinary shares into the securities accounts of the ICPS Holders.

(e) **Further Participation**

The ICPS Holder shall not be entitled to participate in the profit or assets of the Company beyond such rights as are expressly set out in this Article I2A.

(f) **Voting**

- (i) The ICPS Holders shall have the same rights as Members as regards to receiving notices, reports and balance sheets and attending General Meetings of the Company.
- (ii) Notwithstanding anything to the contrary in these Articles, The ICPS Holders shall have no right to vote at any General Meeting of the Company except with regard to the following proposal or resolution:-
 - (aa) any proposal to wind up the Company or during the winding-up of the Company;

DETAILS OF THE PROPOSED M&A AMENDMENTS *(Cont'd)*

- (bb) any resolution involving an abrogation or variation of the special rights and privileges attached to the ICPS
 - (cc) any resolution to reduce the share capital of the Company
 - (dd) any resolution for the purposes of sanctioning the disposal of the whole or a substantial part of the property, business, or undertaking of the Company; or
 - (ee) when the dividend on the ICPS or part of any such dividend is in arrears for more than six (6) months.
- (iii) With respect to matters to which the ICPS Holders have the right to vote, the ICPS Holders shall be entitled to vote together with the Members. If voting by way of a show of hand, each ICPS Holder shall have one (1) vote and if voting by way of a poll, the ICPS Holder shall have one (1) vote for each ICPS held by him.
- (g) **Redemption**
- The ICPS is not redeemable for cash.
- (h) **Further Issues of Preference Shares**
- Subject to the Act, the Company is authorised to issue preference shares which;-
- (i) carry terms or a conversion ratio less favourable than the terms or the Conversion Ratio of the ICPS; or
 - (ii) rank pari passu with the ICPS.
- The rights attached to the ICPS shall not be deemed to be varied by the creation or issue of any of the aforesaid preference shares.
- (i) **Undertakings**
- The Company undertakes that so long as any ICPS remains outstanding, the Company shall procure that there shall be sufficient authorised but unissued share capital available and free from pre-emptive rights for the purposes of effecting the conversion of the ICPS and any other securities for the time being in issue which are convertible into or give the holder a right to subscribe for shares in the Company.
- (j) **Fractional Entitlements**
- Any fraction of an Ordinary Share arising on Conversion in favour of a holder of the ICPS otherwise entitled thereto shall be disregarded.
- (k) **Transferability**
- (i) The ICPS shall be transferable by way of a transfer of title on the ICPS certificate;
 - (ii) The Company shall be precluded from registering any transfer of ICPS and issuing any ICPS certificate save as permitted under and in accordance with Division 6 of the Act or under any other written law for the time being in force.

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DETAILS OF THE PROPOSED M&A AMENDMENTS (Cont'd)

12A2 ADJUSTMENT IN RELATION TO THE CONVERSION OF THE ICPS

- (a) Adjustments in relation to the Conversion Ratio of the ICPS may be made from time to time by the Company upon consultation with its advisers (auditors, investment banks or universal brokers) to account for including but not limited to the following circumstances:-
- (i) capitalisation of reserves;
 - (ii) rights issues of Ordinary Shares;
 - (iii) capital distribution (except for cancellation of capital that is lost and unrepresented by available assets); or
 - (iv) any circumstances which in the opinion of the Directors would have the effect of diluting the interests of the ICPS Holders

In any event, no adjustment to the Conversion Ratio shall be made unless it has been duly certified by an investment bank/universal broker or the auditors of the Company.

- (b) Whenever there is an adjustment as herein provided, the Company shall make available for inspection at the registered office of the Company, a copy of the certificate from the Auditors certifying the adjustment and setting forth brief particulars of the events giving rise to the adjustment, and the period during which the adjustment shall apply.
- (c) In giving any certificate or making any adjustment hereunder, the Auditors shall be deemed to be acting as experts and not as arbitrators (to the intent that the Arbitration Act 2005 shall not apply) and in the absence of manifest error, their decision shall be conclusive and binding on all ICPS Holders and any other person having interest in any Security of the Company.
- (d) In the event of conflict between the provisions in the Article 12A and the provision of Articles 5 and 152, the provisions of the Article 12A will prevail.

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FURTHER INFORMATION

1. RESPONSIBILITY STATEMENT

This Circular has been seen and approved by the Board and the Directors individually and collectively accept full responsibility for the accuracy of the information given in this Circular and confirm that after making all reasonable enquiries, and to the best of their knowledge and belief, there are no other facts the omission of which would make any statement/information herein misleading.

All information relating to the Vendors was obtained from their respective managements and the responsibility of the Board of RSB is limited to ensuring that the relevant information is accurately reproduced in this Circular.

2. CONSENTS

The written consents of MIMB, PIVB, Messrs. Hii & Lee, HB Miri and HB Sarawak to the inclusion in this Circular of their names, letters, certificate(s) and all references thereto where relevant, in the form and context in which they appear have been given and have not subsequently been withdrawn.

3. CONFLICT OF INTERESTS

3.1 Principal Adviser

MIMB wishes to highlight that certain substantial shareholders of RSB namely, Tan Sri Tiong and TSL, and Directors of RSB namely, Tan Sri Tiong, TKK and TCO, have an indirect substantial shareholdings of approximately 17.1% as at LPD in EON Capital Berhad (“EON Capital”), a public company listed on the Main Board of Bursa Securities. MIMB is a wholly-owned subsidiary of EON Bank Berhad (“EBB”), which in turn is wholly-owned by EON Capital (“collectively referred to as the “EON Capital Group”).

In addition, Dato’ Sri Tiong, who has substantial interests in the Acquirees, is a Non-Independent Non-Executive Director of EON Capital, whilst Dato’ Tiong Ing, who is the daughter of Tan Sri Tiong, is also a Non-Independent Non-Executive Director of EBB. Tan Sri Tiong, Dato’ Sri Tiong, TSL, TKK, TCO and Dato’ Tiong Ing are collectively referred to as the “Relevant Persons”.

As at LPD, EBB has granted credit facilities of up to approximately RM587.91 million to following parties:-

- (a) RM100.00 million to the Acquirees; and
- (b) RM487.91 million to the related companies of the Relevant Persons.

Notwithstanding the above, the relationship between the Relevant Persons and the EON Capital Group is not likely to give rise to any conflict of interest situation in relation to MIMB’s role as the Principal Adviser for the Proposals due to the following reasons:-

- (i) MIMB operates autonomously from the Relevant Persons. The Relevant Persons do not interfere with the daily operational matters of MIMB as the day-to-day operations of MIMB are guided by policy decisions emanated from its Senior Management and approved by its Board of Directors. At present, other than Dato’ Sri Tiong and Dato’ Tiong Ing, who are Non-independent Non-executive Directors of EON Capital and EBB respectively, the Relevant Persons do not have any representative on the Boards of the EON Capital Group nor MIMB. Dato’ Sri Tiong and Dato’ Tiong Ing are not involved in the day-to-day operations of the EON Capital Group as their appointments as Directors are on a “Non-executive” basis. In this regard, MIMB would reasonably be expected to be independent of the Relevant Persons and free from any business or other relationship which could interfere with its exercise of judgement.

FURTHER INFORMATION (Cont'd)

- (ii) MIMB's role as the Principal Adviser for the Proposals has been carried out professionally and objectively in accordance with the relevant terms of the due diligence planning memorandum. The due diligence processes and the verification exercises (which were participated by the Directors and senior management of RSB, Messrs. Hii & Lee as the reporting accountants, the solicitors for the Proposals, HB Miri and HB Sarawak as independent valuers, MIMB and other relevant advisers) have been duly undertaken and performed in relation to the preparation of relevant documents relating to the Proposals. In addition, the Board has appointed PIVB as the independent adviser to comment as to whether the Proposals are fair and reasonable and whether the Proposals are to the detriment of the non-interested shareholders of RSB.
- (iii) MIMB does not receive or derive any financial interest or benefit from the Proposals other than the normal advisory fees charged.

3.2 Other Advisers

PIVB, Messrs. Hii & Lee, HB Miri and HB Sarawak have confirmed that no conflicts of interest exist or likely to exist in their capacities as the independent adviser, reporting accountants and independent valuers respectively.

4. MATERIAL CONTRACTS**4.1 RSB Group**

Save as disclosed below and the SSAs, the Agreement and the Supplemental Agreements in relation to the Proposed Acquisitions, there are no other material contracts (not being contracts entered into in the ordinary course of business) which have been entered into by the Company and its subsidiaries, within the past two (2) years preceding the date of this Circular:

- (a) A conditional sale and purchase agreement for shares dated 31 July 2009 and a supplemental agreement dated 30 October 2009 entered into between the Company, Kendaie Oil Palm Plantation Sdn Bhd, TSL and PAA in relation to the acquisition of 200,000 ordinary shares of RM1.00 each in Lumiera Enterprise Sdn Bhd, representing 100% of its issued and paid up share capital for a cash consideration of RM31,018,000;
- (b) A conditional sale and purchase agreement for shares dated 31 July 2009 and a supplemental agreement dated 30 October 2009 entered into between the Company and Tumbuh Tiasa Enterprises Sdn Bhd ("TTESB") in relation to the acquisition of 10,200 ordinary shares of RM1.00 each in Woodijaya Sdn Bhd ("Woodijaya") representing 85% of its issued and paid up share capital for a cash consideration of RM27,576,000.
- (c) A deed of adherence dated 14 May 2010 signed by RSB, SFS and Woodijaya whereby RSB covenanted to observe, perform and be bound by all the terms of the shareholders' agreement dated 20 March 2006 which are capable of applying to RSB and which have not been performed at the date of the deed of adherence, to the intent and effect that RSB is registered as a member of Woodijaya, a party to the said shareholders' agreement and a shareholder as defined in the said shareholders' agreement. RSB further undertook that it will enter into such guarantees and/or indemnities with third parties in connection with Woodijaya and/or Woodijaya's business and affairs and will endeavour to obtain TTESB's release therefrom. Until such release is obtained, RSB undertook to indemnify TTESB against all liabilities which TTESB may incur in respect of such guarantees or indemnities.

4.2 Acquirees

There is no material contracts (not being contracts entered into in the ordinary course of business) which have been entered into by the Acquirees within the past two (2) years preceding the date of this Circular.

FURTHER INFORMATION (Cont'd)**5. MATERIAL LITIGATION****5.1 RSB Group**

Neither RSB nor its subsidiaries are engaged in any material litigation, claim or arbitration either as plaintiff or defendant, and the Directors of RSB are not aware of any proceedings pending or threatened against RSB and/or its subsidiaries, or of any facts likely to give rise to any proceedings which might materially or adversely affect the position or business of the Company and/or its subsidiaries.

5.2 Acquirees

Save for the following, the Acquirees are not engaged in any material litigation, claim or arbitration either as plaintiff or defendant, and the Directors of RSB are not aware of any proceedings pending or threatened against any of the Acquirees or of any facts likely to give rise to any proceedings which might materially or adversely affect the position or business of the Acquirees:-

Novelpac has been served with a Writ of Summons and Statement of Claim on 10 November 2009 (“Claim”) by five (5) individuals namely (a) Andi anak Mangui, (b) Anggang anak Puan, (c) Buda anak Merindang, (d) Bugis anak Kana and (e) Bajing anak Belakok suing on behalf of themselves and as representatives for another 96 persons (collectively referred to as “Plaintiffs”). In the Claim, the Plaintiffs are claiming that they have alleged NCR rights over certain portion of land held by Novelpac measuring approximately 500 ha. within Lot 12 Buloh Land District (“Disputed Land”).

Novelpac had subsequently made an application with the rest of the defendants to transfer this suit from Bintulu Court to Sibul Court. The said application had been granted by the High Court of Bintulu on 4 March 2010. The next mention date for this matter has yet to be fixed.

According to the solicitors representing Novelpac, if the plaintiffs succeed in this suit, Novelpac will lose ownership of the Disputed Land and will have to return possession of the Disputed Land to the plaintiffs. Nonetheless, Novelpac may seek for a refund of the premium paid on the Disputed Land or apply for another land as a replacement for the Disputed Land. The Solicitors further opined that Novelpac’s chances of success in this matter are good.

RSB is of the opinion that the Claim may not have a material adverse affect on the position and business of Novelpac, after taking into consideration that the Disputed Land covers only a relatively small portion of the total land bank held by Novelpac. Furthermore, the Disputed Land has been excluded from the market valuation appraised by HB Miri on the plantation estates managed by Novelpac. As at the LPD, Novelpac has not commenced any land clearance or cultivation activities at the Disputed Land.

6. MATERIAL COMMITMENTS AND CONTINGENT LIABILITIES**6.1 RSB Group**

As at LPD, save for the following, the Directors of RSB are not aware of any material commitments and contingent liabilities incurred or known to be incurred by the RSB Group which upon being enforced may materially and adversely affect the financial position the RSB Group:-

- (i) Capital commitment amounting to RM1.2 million for the acquisition of property plant and equipment; and
- (ii) Corporate guarantees amounting to RM113.1 million given by the RSB to financial institutions for credit facilities granted to the subsidiaries of RSB.

FURTHER INFORMATION (Cont'd)**6.2 The Acquirees and Simunjan**

As at LPD, our Directors are not aware of any material commitments and contingent liabilities incurred or known to be incurred by the Acquirees and Simunjan which upon being enforced may materially and adversely affect the financial position of the Acquirees and Simunjan.

7. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at the registered office of the Company at No. 85-86, Pusat Suria Permata, Jalan Upper Lanang 12A, 96000 Sibul, Sarawak during normal business hours on any working day from the date of this Circular up to and including the date of the EGM:-

- (a) Memoranda and Articles of Association of RSB and the Acquirees;
- (b) Letters of consent as referred to in Section 2 in this Appendix;
- (c) The material contracts as referred to in Section 4 in this Appendix;
- (d) The relevant cause paper as referred to in Section 5.2 in this Appendix;
- (e) Accountants' Report on the Acquirees as set out to in Appendix II herein;
- (f) The Proforma Consolidated Balance Sheets of the RSB Group as at 31 August 2009 and the reporting accountants' letter as set out in Appendix III herein;
- (g) The Directors' Reports on the Acquirees as included in Appendix IV herein;
- (h) Update Valuation Certificates as set out to in Appendix VI herein and the Valuation certificates as set out to in Appendix V herein together with the respective Valuation Reports for the Plantation Estates;
- (i) The audited financial statements of RSB for the past two (2) financial years ended 31 August 2009 and the latest unaudited results for the FPE 28 February 2010;
- (j) The audited financial statements of Jayamax, Lubuk Tiara, Splendid, Biawak, Ehang, Lundu and Ulu Teru for the past two (2) financial years ended 31 July 2009 and for the FPE 31 August 2009;
- (k) The audited financial statements of Novelpac for the past two (2) financial years ended 31 March 2009 and for the FPE 31 August 2009;
- (l) The audited financial statements of Selangau for the past two (2) financial years ended 30 April 2009 and for the FPE 31 August 2009; and
- (m) The nine (9) SSAs, the Agreement and the ten (10) Supplemental Agreements in relation to the Proposed Acquisitions.

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Rimbunan Sawit

RIMBUNAN SAWIT BERHAD (691393-U)
(Incorporated in Malaysia under the Companies Act, 1965)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an Extraordinary General Meeting of Rimbunan Sawit Berhad (“RSB” or “Company”) will be held at Conference Room, 3rd Floor, No. 85 & 86, Pusat Suria Permata, Jalan Upper Lanang 12A, 96000 Sibul, Sarawak on Friday, 20 August 2010 at 11.30 a.m, for the purpose of considering and, if thought fit, passing with or without modification, the following resolutions:-

SPECIAL RESOLUTION

PROPOSED AMENDMENTS TO THE COMPANY’S MEMORANDUM AND ARTICLES OF ASSOCIATION

“**THAT** the alterations, modifications, deletions and/or additions to the Memorandum and Articles of Association of the Company as set out in Appendix VI of the Circular to Shareholders dated 27 July 2010 (“**Proposed M&A Amendments**”) be and hereby approved;

AND THAT the Board of Directors of the Company and/or the Secretary of the Company be and is/are hereby authorised to carry out all necessary formalities, take all steps and to do all such acts and things deemed necessary or expedient or relevant to give effect to, and implement the Proposed M&A Amendments with full power to assent to any conditions, modifications, variations and/or amendments as they may deem to be in the best interest of the Company or as may be imposed or permitted by the relevant authorities.”

ORDINARY RESOLUTION

PROPOSED ACQUISITIONS

“**THAT**, subject to the passing of the Special Resolution relating to the Proposed M&A Amendments and approvals of the relevant authorities being obtained, approval be and is hereby given to the Company to undertake the following:-

- (a) to acquire 5,000,000 ordinary shares of RM1.00 each in Jayamax Plantation Sdn Bhd, representing 100% of its issued and paid-up share capital from Pemandangan Jauh Plantation Sdn Bhd (“**PJP**”), Teck Sing Lik Enterprise Sdn Bhd and Tiong Toh Siong Holdings Sdn Bhd, for a purchase consideration of RM40,377,536 to be satisfied entirely by the issuance by the Company of 20,437,821 new ordinary shares of RM0.50 each in RSB (“**Shares**”) and 10,621,823 new irredeemable convertible preference shares of RM0.50 each in RSB (“**ICPS**”), at an issue price of RM1.30 per Share/ICPS subject to the terms and conditions of the conditional share sale agreement dated 30 December 2009 (“**SSA**”), the supplemental agreement dated 16 April 2010 (“**Supplemental Agreement**”) and any other supplements thereof entered into between RSB and PJP, Teck Sing Lik Enterprise Sdn Bhd and Tiong Toh Siong Holdings Sdn Bhd;
- (b) to acquire 1,062,500 ordinary shares of RM1.00 each in Novelpac-Puncakdana Plantation Sdn Bhd, representing 85% of its issued and paid-up share capital from Kendaie Oil Palm Plantation Sdn Bhd, for a purchase consideration of RM10,261,653 to be satisfied entirely by the issuance by the Company of 7,893,579 new Shares, at an issue price of RM1.30 per Share subject to the terms and conditions of the SSA and the Supplemental Agreement entered into between RSB and Kendaie Oil Palm Plantation Sdn Bhd;

- (c) to acquire 5,200,000 ordinary shares of RM1.00 each in Lubuk Tiara Sdn Bhd, representing 65% of its issued and paid-up share capital from PJP, for a purchase consideration of RM30,105,354 to be satisfied entirely by the issuance by the Company of 23,157,965 new ICPS at an issue price of RM1.30 per ICPS subject to the terms and conditions of the SSA and Supplemental Agreement entered into between RSB and PJP;
- (d) to acquire 3,332,000 ordinary shares of RM1.00 each in Pelita-Splendid Plantation Sdn Bhd, representing 70% of its issued and paid-up share capital from PJP, for a purchase consideration of RM9,679,133 to be satisfied entirely by the issuance by the Company of 7,445,487 new ICPS at an issue price of RM1.30 per ICPS subject to the terms and conditions of the SSA and the Supplemental Agreement entered into between RSB and PJP;
- (e) to acquire 2,808,098 ordinary shares of RM1.00 each in PJP Pelita Biawak Plantation Sdn Bhd, representing 70% of its issued and paid-up share capital from PJP, for a purchase consideration of RM53,960,282 to be satisfied entirely by the issuance by the Company of 41,507,909 new ICPS at an issue price of RM1.30 per ICPS subject to the terms and conditions of the SSA and the Supplemental Agreement entered into between RSB and PJP;
- (f) to acquire 581,760 ordinary shares of RM1.00 each in PJP Pelita Ekang-Banyok Plantation Sdn Bhd, representing 60% of its issued and paid-up share capital from PJP, for a purchase consideration of RM6,935,286 to be satisfied entirely by the issuance by the Company of 5,334,835 new ICPS at an issue price of RM1.30 per ICPS subject to the terms and conditions of the SSA and Supplemental the Agreement entered into between RSB and PJP;
- (g) to acquire 3,628,800 ordinary shares of RM1.00 each in PJP Pelita Lundu Plantation Sdn Bhd, representing 60% of its issued and paid-up share capital from PJP, for a purchase consideration of RM81,165,511 to be satisfied entirely by the issuance by the Company of 62,435,008 new ICPS at an issue price of RM1.30 per ICPS subject to the terms and conditions of the SSA and the Supplemental Agreement entered into between RSB and PJP;
- (h) to acquire 7,200,000 ordinary shares of RM1.00 each in PJP Pelita Selangau Plantation Sdn Bhd, representing 60% of its issued and paid-up share capital from Ladang Hijau (Sarawak) Sdn Bhd, for a purchase consideration of RM12,743,022 to be satisfied entirely by the issuance by the Company of 9,802,325 new ICPS at an issue price of RM1.30 per ICPS subject to the terms and conditions of the SSA and the Supplemental Agreement entered into between RSB and Ladang Hijau (Sarawak) Sdn Bhd;
- (i) to acquire 5,184,000 ordinary shares of RM1.00 each in PJP Pelita Ulu Teru Plantation Sdn Bhd, representing 60% of its issued and paid-up share capital from PJP, for a purchase consideration of RM21,982,236 to be satisfied entirely by the issuance by the Company of 16,909,412 new ICPS at an issue price of RM1.30 per ICPS subject to the terms and conditions of the SSA and the Supplemental Agreement entered into between RSB and PJP; and/or
- (j) to acquire the rights relating to the licence for planted forests for the Simunjan estate issued by the Director of Forests (“Simunjan”) from Rejang Height Sdn Bhd for a purchase consideration of RM21,785,521 to be satisfied by the issuance by the Company of 16,758,093 new ICPS at an issue price of RM1.30 per ICPS subject to the terms and conditions of the deed of assignment dated 30 December 2009 and the Supplemental Agreement entered into between RSB and Rejang Height Sdn Bhd for the assignment of rights relating to Simunjan by Rejang Height to RSB (or its nominees) (“Deed”),

collectively referred to as the “Proposed Acquisitions”;

- (k) to issue and allot up to 28,331,400 new Shares pursuant to the Proposed Acquisitions and that the new Shares so issued shall, upon allotment, rank pari passu in all respects with the then existing Shares of the Company except that they shall not be entitled to any dividends rights, allotment and/or other distributions, the entitlement date of which is before the date of allotment of the new Shares to be issued pursuant to the Proposed Acquisitions;

- (l) to issue and allot up to 193,972,857 new ICPS as consideration pursuant to the Proposed Acquisitions subject to the provisions under the Company's Articles of Association and that the new ICPS so issued shall, upon allotment and issue, rank equally in all respects amongst all ICPS, except that they will not be entitled to any dividends, rights, allotments and/or other distributions, the entitlement date of which is before the date of allotment of the ICPS;
- (m) to issue and allot up to 193,972,857 new Shares pursuant to the conversion of any ICPS and the new Shares so issued upon the conversion of the ICPS shall upon allotment, rank pari passu in all respects with the then existing Shares of the Company except that they shall not be entitled to any dividends, rights, allotment and/or other distributions, the entitlement date of which is before the date of allotment of such new Shares;
- (n) to issue and allot any further ICPS as may be required or permitted to be issued as a consequence of the adjustment(s) pursuant to the provisions of the Articles of Association of the Company ("Further ICPS") and which shall be treated as equal in all respects and form part of the same series of the ICPS, and such number of new Shares credited as fully paid up arising from the conversion of the Further ICPS (subject to any further adjustments to the conversion rights attached to the ICPS and to the number of the ICPS made in accordance with the Articles and Association of the Company, and that such Shares so issued and allotted will rank pari passu in all respects with the then existing Shares of the Company except that they shall not be entitled to any dividends, rights, allotment and/or other distributions, the entitlement date of which is before the date of allotment of such new Shares;

AND THAT each of the proposed acquisitions as mentioned in sub-paragraphs (a) to (j) are not inter-conditional upon one another such that the Directors has the discretion to proceed with one or more of the said proposed acquisitions, subject to the terms and conditions as set out in the SSAs and the Supplemental Agreements relating to the proposed acquisitions as mentioned in sub-paragraphs (a) to (i) and Deed and the Supplemental Agreement relating to the proposed acquisition as mentioned in sub-paragraph (j) above;

AND THAT all the SSAs and the Supplemental Agreements relating to the proposed acquisitions as mentioned in sub-paragraphs (a) to (i) above and the Deed and the Supplemental Agreement relating to the proposed acquisition as mentioned in sub-paragraph (j) above be and are hereby approved, ratified and confirmed **AND FURTHER THAT** the Directors of RSB be and are hereby authorised to take all steps and do all such acts and matters as they may consider necessary or expedient to give effect to the Proposed Acquisitions with full power to give all notices, directions, consents and authorisations in respect of any matter arising under or in connection with the aforesaid Proposed Acquisitions and to assent to any conditions, modifications, variations and/or amendments relating to the Proposed Acquisitions as may be approved/required by the relevant regulatory authorities and to do all such things as they may consider necessary or expedient in the best interests of the Company."

By Order of the Board

Voon Jan Moi (MAICSA 7021367)
Toh Ka Soon (MAICSA 7031153)
Joint Company Secretaries

Sibu
27 July 2010

Notes:-

1. *A proxy may but need not be a member of the Company and the provisions of Section 149(1)(b) of the Companies Act, 1965 shall not apply.*
2. *To be valid, the form of proxy, duly completed must be deposited at the registered office of the Company at No. 85 & 86, Pusat Suria Permata, Jalan Upper Lanang 12A, 96000 Sibu, Sarawak, not less than 48 hours before the time for holding the meeting or any adjournment thereof.*
3. *A member shall be entitled to appoint more than one (1) proxy to attend and vote at the same meeting provided that the provisions of Section 149(1)(c) of the Companies Act, 1965 are complied with.*
4. *Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy.*
5. *If the appointor is a corporation the form of proxy must be executed under its common seal or under the hand of an officer or attorney duly authorised.*



Rimbunan Sawit

RIMBUNAN SAWIT BERHAD (691393-U)
(Incorporated in Malaysia under the Companies Act, 1965)

FORM OF PROXY

Number of ordinary shares held

*I/We (full name in capital letters)

of (full address)

being a *member/members of RIMBUNAN SAWIT BERHAD (the "Company"), hereby appoint (full name in capital letters)NRIC/Company Registration No.....

of (full address)

or failing *him/her, (full name in capital letters)

.....NRIC/Company Registration No.

of (full address)

or failing *him/her, the CHAIRMAN OF THE MEETING as *my/our proxy to vote for *me/us and on *my/our behalf at the Extraordinary General Meeting of the Company to be held at Conferenee Room, 3rd Floor, No. 85 & 86, Pusat Suria Permata, Jalan Upper Lanang 12A, 96000 Sibul, Sarawak on Friday, 20 August 2010 at 11.30 a.m.

Please indicate with an "X" in the space provided below as to how you wish your vote to be casted. If no specific direction as to voting is given, the proxy will vote or abstain from voting at *his/her discretion.

| | | |
|---------------------------|------------|----------------|
| SPECIAL RESOLUTION | FOR | AGAINST |
| PROPOSED M&A AMENDMENTS | | |

| | | |
|----------------------------|------------|----------------|
| ORDINARY RESOLUTION | FOR | AGAINST |
| PROPOSED ACQUISITIONS | | |

* Strike out whichever not applicable

As witness my/our hand(s) thisday of2010

.....
Signature of member / Common seal

Notes:-

1. A proxy may but need not be a member of the Company and the provisions of Section 149(1)(b) of the Companies Act, 1965 shall not apply.
2. To be valid, the form of proxy, duly completed must be deposited at the registered office of the Company at No. 85 & 86, Pusat Suria Permata, Jalan Upper Lanang 12A, 96000 Sibul, Sarawak, not less than 48 hours before the time for holding the meeting or any adjournment thereof.
3. A member shall be entitled to appoint more than one (1) proxy to attend and vote at the same meeting provided that the provisions of Section 149(1)(c) of the Companies Act, 1965 are complied with.
4. Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy.
5. If the appointor is a corporation the form of proxy must be executed under its common seal or under the hand of an officer or attorney duly authorised.



Fold this flap for sealing

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AFFIX
STAMP

THE COMPANY SECRETARIES
RIMBUNAN SAWIT BERHAD (691393-U)
No. 85 & 86, Pusat Suria Permata,
Jalan Upper Lanang 12A,
96000 Sibu, Sarawak
Malaysia

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