



**Rimbunan Sawit**

**RIMBUNAN SAWIT BERHAD**

*(Formerly known as Rimbunan Sawit Sdn Bhd and  
prior to that known as Real Harvest Enterprise Sdn Bhd)*  
(Company No. 691393-U)

(Incorporated in Malaysia under the Companies Act, 1965)

OFFER FOR SALE OF OUR 33,500,000 ORDINARY SHARES OF RM0.50 EACH BY WAY OF PRIVATE PLACEMENT TO BUMIPUTERA INVESTORS APPROVED BY THE MINISTRY OF INTERNATIONAL TRADE AND INDUSTRY

AND

PUBLIC ISSUE OF OUR 18,000,000 NEW ORDINARY SHARES OF RM0.50 EACH COMPRISING:-

- 8,000,000 NEW ORDINARY SHARES OF RM0.50 EACH BY WAY OF PRIVATE PLACEMENT TO THE IDENTIFIED INVESTORS, INCLUDING 5,000,000 NEW ORDINARY SHARES OF RM0.50 EACH TO BUMIPUTERA INVESTORS APPROVED BY THE MINISTRY OF INTERNATIONAL TRADE AND INDUSTRY;
- 7,000,000 NEW ORDINARY SHARES OF RM0.50 EACH AVAILABLE FOR APPLICATION BY THE MALAYSIAN PUBLIC; AND
- 3,000,000 NEW ORDINARY SHARES OF RM0.50 EACH AVAILABLE FOR APPLICATION BY OUR ELIGIBLE DIRECTORS AND EMPLOYEES

AT AN ISSUE/OFFER PRICE OF RM1.00 PER ORDINARY SHARE PAYABLE IN FULL ON APPLICATION IN CONJUNCTION WITH OUR LISTING ON THE MAIN BOARD OF BURSA MALAYSIA SECURITIES BERHAD

FOR INFORMATION CONCERNING CERTAIN RISK FACTORS WHICH YOU SHOULD CONSIDER, SEE "RISK FACTORS" IN SECTION 4 HEREIN

Adviser, Underwriter and Placement Agent



MIMB

**MALAYSIAN INTERNATIONAL  
MERCHANT BANKERS BERHAD**

(Company No. 10209-W)  
A member of EON Bank Group

This Prospectus is dated **31 May 2006**

THIS PROSPECTUS HAS BEEN SEEN AND APPROVED BY OUR DIRECTORS, THE PROMOTERS AND THE OFFERORS (AS DEFINED HEREIN), AND THEY COLLECTIVELY AND INDIVIDUALLY ACCEPT FULL RESPONSIBILITY FOR THE ACCURACY OF THE INFORMATION CONTAINED HEREIN, AND CONFIRM THAT AFTER MAKING ALL REASONABLE ENQUIRIES AND TO THE BEST OF THEIR KNOWLEDGE AND BELIEF, THERE ARE NO FALSE OR MISLEADING STATEMENT OR OTHER FACTS THE OMISSION OF WHICH WOULD MAKE ANY STATEMENT HEREIN FALSE OR MISLEADING. OUR DIRECTORS HEREBY ACCEPT FULL RESPONSIBILITY FOR THE CONSOLIDATED PROFIT FORECAST INCLUDED IN THIS PROSPECTUS AND CONFIRM THAT IT HAS BEEN PREPARED BASED ON THE ASSUMPTIONS MADE.

MALAYSIAN INTERNATIONAL MERCHANT BANKERS BERHAD, BEING THE ADVISER, UNDERWRITER AND PLACEMENT AGENT ACKNOWLEDGES THAT, BASED ON ALL AVAILABLE INFORMATION AND TO THE BEST OF ITS KNOWLEDGE AND BELIEF, THIS PROSPECTUS CONSTITUTES A FULL AND TRUE DISCLOSURE OF ALL MATERIAL FACTS CONCERNING THE PUBLIC ISSUE AND OFFER FOR SALE (AS DEFINED HEREIN), AND IS SATISFIED THAT THE CONSOLIDATED PROFIT FORECAST (FOR WHICH OUR DIRECTORS ARE FULLY RESPONSIBLE) PREPARED FOR INCLUSION IN THE PROSPECTUS HAS BEEN STATED BY OUR DIRECTORS AFTER DUE AND CAREFUL ENQUIRY AND HAS BEEN DULY REVIEWED BY OUR REPORTING ACCOUNTANTS.

THE SECURITIES COMMISSION ("SC") HAS APPROVED THE PUBLIC ISSUE AND OFFER FOR SALE, AND THAT THE APPROVAL SHALL NOT BE TAKEN TO INDICATE THAT THE SC RECOMMENDS THE PUBLIC ISSUE AND OFFER FOR SALE, WHICH ARE THE SUBJECTS OF THIS PROSPECTUS.

THE SC AND BURSA MALAYSIA SECURITIES BERHAD ("BURSA SECURITIES") SHALL NOT BE LIABLE FOR ANY NON-DISCLOSURE ON THE PART OF OUR COMPANY AND TAKE NO RESPONSIBILITY FOR THE CONTENTS OF THIS DOCUMENT, MAKE NO REPRESENTATION AS TO ITS ACCURACY OR COMPLETENESS AND EXPRESSLY DISCLAIM ANY LIABILITY WHATSOEVER FOR ANY LOSS HOWSOEVER ARISING FROM OR IN RELIANCE UPON THE WHOLE OR ANY PART OF THE CONTENTS OF THIS PROSPECTUS. **YOU SHOULD RELY ON YOUR OWN EVALUATION TO ASSESS THE MERITS AND RISKS OF AN INVESTMENT IN OUR SHARES. IN CONSIDERING THE INVESTMENT, IF YOU ARE IN ANY DOUBT AS TO THE ACTION TO BE TAKEN, YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISER IMMEDIATELY.**

ADMISSION TO THE OFFICIAL LIST OF THE MAIN BOARD OF BURSA SECURITIES IS NOT TO BE TAKEN AS AN INDICATION OF THE MERITS OF THE PUBLIC ISSUE AND OFFER FOR SALE, OUR COMPANY OR OUR SHARES.

A COPY OF THIS PROSPECTUS HAS BEEN REGISTERED WITH THE SC. A COPY OF THIS PROSPECTUS, TOGETHER WITH THE FORM OF APPLICATION, HAS ALSO BEEN LODGED WITH THE REGISTRAR OF COMPANIES WHO TAKES NO RESPONSIBILITY FOR ITS CONTENTS.

YOU ARE ADVISED TO NOTE THAT RECOURSE FOR FALSE OR MISLEADING STATEMENTS OR ACTS MADE IN CONNECTION WITH THE PROSPECTUS IS DIRECTLY AVAILABLE THROUGH SECTIONS 57, 58 AND 153 OF THE SECURITIES COMMISSION ACT, 1993.

THIS PROSPECTUS CAN ALSO BE VIEWED OR DOWNLOADED FROM BURSA SECURITIES' WEBSITE AT [WWW.BURSAMALAYSIA.COM](http://WWW.BURSAMALAYSIA.COM).

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**INDICATIVE TIMETABLE**

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The indicative timing of events leading to the listing of and quotation for our entire enlarged issued and paid-up share capital on the Main Board of Bursa Securities is set out below:

<b>Event</b>		<b>Date</b>
Opening of Application for the IPO Shares	:	31 May 2006
Closing of Application for the IPO Shares	:	*14 June 2006
Tentative Balloting Date	:	*16 June 2006
Tentative Allotment Date	:	*26 June 2006
Tentative Listing Date	:	*28 June 2006

*Note:-*

- \* *These dates are tentative and are subject to changes which may be necessary to facilitate implementation procedures. Our Directors and the Underwriter may, in their absolute discretion, mutually decide to extend the closing date of the application to a further date or dates. Should the closing date of the application be extended, the dates for the balloting, despatch of notices of allotment, and the listing of and quotation for our entire enlarged issued and paid-up share capital on the Main Board of Bursa Securities would be extended accordingly. Any change to the closing date of the application will be advertised in a widely circulated English, Bahasa Malaysia and Chinese newspaper in Malaysia.*

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## DEFINITIONS

Unless otherwise indicated, the following definitions shall apply throughout this Prospectus:-

“Acquisitions”	:	Comprising collectively the Acquisition of RHP, Acquisition of RSHB and Acquisition of TR
“Acquisition of RHP”	:	Acquisition by our Company of the entire issued and paid-up share capital of RHP comprising 9,999,000 ordinary shares of RM1.00 each for a purchase consideration of RM43,467,904 satisfied by the issuance of 86,935,808 RSB Shares at an issue price of RM0.50 per share
“Acquisition of RSHB”	:	Acquisition by our Company of the entire issued and paid-up share capital of RSHB comprising 2 ordinary shares of RM1.00 each for a purchase consideration of RM2.00 satisfied in cash
“Acquisition of TR”	:	Acquisition by our Company of the entire issued and paid-up share capital of TR comprising 12,500,000 ordinary shares of RM1.00 each for a purchase consideration of RM11,665,443 satisfied by the issuance of 23,330,886 RSB Shares at an issue price of RM0.50 per share
“Act”	:	Companies Act, 1965
“ADA”	:	Authorised Depository Agent
“Application Form”	:	The printed application form for the application of the IPO Shares accompanying this Prospectus
“ATM”	:	Automated Teller Machine
“BEO”	:	Bintulu Edible Oils Sdn Bhd (188264-X)
“Bursa Depository”	:	Bursa Malaysia Depository Sdn Bhd (165570-W)
“Bursa Securities”	:	Bursa Malaysia Securities Berhad (635998-W)
“CDS”	:	Central Depository System
“Central Depositories Act”	:	The Securities Industry (Central Depositories) Act, 1991 and every statutory amendment, modification or re-enactment thereof for the time being in force
“CPO”	:	Crude palm oil
“Electronic Share Application”	:	Application for the Public Issue Shares through a participating financial institution’s ATM
“EPS”	:	Earnings per share
“EU”	:	European Union
“FFB”	:	Fresh fruit bunch(es)

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**DEFINITIONS**


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“FIC”	:	Foreign Investment Committee
“FY”	:	Financial year ended or ending 31 August
“Ha”	:	Hectare(s)
“IPO”	:	Comprising collectively, the Public Issue and Offer for Sale
“IPO Shares”	:	Comprising collectively, the Public Issue Shares and Offer Shares
“Islamic Securities”	:	A total of RM143 million raised from the issuance of Islamic debt instruments by MP pursuant to a sale and leaseback arrangement involving some of the assets of RHP and TR
“Issue / Offer Price”	:	The issue / offer price per RSB Share of RM1.00 each pursuant to the Public Issue and Offer for Sale
“Latest Practicable Date”	:	2 May 2006, being the latest practicable date prior to the registration of this Prospectus or as otherwise stated
“Listing”	:	Listing of and quotation for our entire issued and paid-up share capital of 128,266,800 RSB Shares on the Main Board of Bursa Securities
“Listing Requirements”	:	The Listing Requirements of Bursa Securities
“Listing Scheme”	:	Comprising collectively the Acquisitions, IPO and Listing
“MI”	:	Minority interests
“MIDFCCS”	:	MIDF Consultancy and Corporate Services Sdn Bhd (11324-H)
“MIMB”	:	Malaysian International Merchant Bankers Berhad (10209-W)
“MITI”	:	Ministry of International Trade and Industry, Malaysia
“MP”	:	Midas Plantation Sdn Bhd (671956-A)
“MPOB”	:	Malaysian Palm Oil Board
“Mt”	:	Metric tonne(s)
“NTA”	:	Net tangible assets
“NL”	:	Net liabilities
“OER”	:	Oil extraction rate
“Offer for Sale”	:	Offer for sale by way of private placement by the Offerors of an aggregate of 33,500,000 RSB Shares at the Offer Price to Bumiputera investors approved by the MITI

**DEFINITIONS**

“Offerors” : The offerors of the Offer Shares and the number of RSB Shares to be offered pursuant to the Offer for Sale are as follows:-

<b>Name</b>	<b>Offer Shares</b>
RHSA	6,576,081
Lau Hung Ing	130,623
TSTHK	546,081
TC Blessed Holdings Sdn Bhd	391,972
Biru-Hijau Enterprise Sdn Bhd	1,319,925
Fatherland Enterprise Sdn Bhd	1,604,661
Jumah Emas Sdn Bhd	174,161
Priharta Development Sdn Bhd	1,075,371
TSL	3,078,699
TTSH	13,547,260
Wong Yiing Ngiik	308,183
Dr Tiong Ik King	1,604,660
Tiong Kiu King	961,476
ETI Blessed Holdings Sdn Bhd	56,947
Hoojin Holding Sdn Bhd	113,894
Law Cheng King Enterprise Sdn Bhd	56,947
Rimbunan Hijau (Sarawak) Sdn Bhd	857,571
Tiong Chiew	56,947
Tiong Ching	56,947
Tiong Chiong Ong	113,894
Tiong Kiong King	284,735
TTSE	566,171
Wong Lin Kiong	16,794
	<u>33,500,000</u>

“Offer Shares” : 33,500,000 RSB Shares to be offered for sale pursuant to the Offer for Sale

“PAA” : Pertumbuhan Abadi Asia Sdn Bhd (067069-X)

“PAT” : Profit after taxation

“PBT” : Profit before taxation

“PE Multiple” : Price-earnings multiple

“Pink Form Allocations” : The allocation of 3,000,000 Public Issue Shares to our eligible Directors and employees pursuant to the Public Issue

“PK” : Palm kernel

“PK Rate” : PK recovery rate

“PL” : Provisional lease

“Promoters” : Comprising collectively, TSTHK, TTSH and TSL

“Public Issue Shares” : 18,000,000 new RSB Shares to be issued pursuant to the Public Issue

## DEFINITIONS

“Public Issue”	:	Public issue by our Company of 18,000,000 new RSB Shares at the Issue Price comprising the following:-  (a) 7,000,000 new RSB Shares available for application by the Malaysian public;  (b) 3,000,000 new RSB Shares available for application by our eligible Directors and employees; and  (c) 8,000,000 new RSB Shares by way of private placement to the identified investors, including 5,000,000 new RSB Shares to Bumiputera investors approved by the MITI
“RCPS”	:	Cumulative redeemable convertible preference shares of RM1.00 each in RHP
“RHP”	:	R.H. Plantation Sdn Bhd (153619-A)
“RHSA”	:	Rimbunan Hijau Southeast Asia Sdn Bhd (487223-W)
“RM” and “sen”	:	Ringgit Malaysia and sen respectively
“ROC”	:	Registrar of Companies
“RSB” or “Company”	:	Rimbunan Sawit Berhad ( <i>formerly known as Rimbunan Sawit Sdn Bhd and prior to that known as Real Harvest Enterprise Sdn Bhd</i> ) (691393-U)
“RSB Group” or “Group”	:	RSB and its subsidiaries, MP, RHP, RSHB and TR
“RSHB”	:	Rimbunan Sawit Holdings Berhad (667071-H)
“SC”	:	Securities Commission
“SC Guidelines”	:	Policies and Guidelines on Issue/Offer of Securities issued by the SC, as amended by the SC from time to time up to the date of this Prospectus
“Shares”	:	Ordinary shares of RM0.50 each
“TR”	:	Timrest Sdn Bhd (168720-D)
“TSL”	:	Teck Sing Lik Enterprise Sdn Bhd (057850-M)
“TSTHK”	:	Tan Sri Datuk Diong Hiew King @ Tiong Hiew King
“TTSE”	:	Tiong Toh Siong Enterprises Sdn Bhd (178305-K)
“TTSH”	:	Tiong Toh Siong Holdings Sdn Bhd (105159-U)
“Underwriting Agreement”	:	The underwriting agreement dated 13 March 2006 entered into between RSB and MIMB for the underwriting of 10,000,000 RSB Shares

## **DEFINITIONS**

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Words importing the singular include the plural and vice versa. Words importing a gender include any gender. References to persons include a corporation.

Any reference to any statute and legislation in this Prospectus shall be a reference to the statute or legislation of Malaysia and includes any statutory modification, amendment or re-enactment thereof, unless otherwise indicated.

Any reference to a time of day in this Prospectus shall be a reference to Malaysian time, unless otherwise stated.

Any reference to words such as “we”, “us”, “our” and “ourselves” in this Prospectus shall be a reference to our Company, our Group or any member company of our Group as the context requires, unless otherwise stated.

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## 1. CORPORATE DIRECTORY

### BOARD OF DIRECTORS

Name	Address	Occupation	Nationality
Tan Sri Datuk Diong Hiew King @ Tiong Hiew King (Executive Chairman)	No. 70, Brooke Drive 96000 Sibul, Sarawak	Company Director	Malaysian
Tiong Kiong King (Non-Independent Non-Executive Vice Chairman)	No. 9, Lorong 8 Au Yong Selatan 96000 Sibul, Sarawak	Company Director	Malaysian
Tiong Chiong Ong (Managing Director)	No. 17B, Lorong Pulau Li Hua 1 96000 Sibul, Sarawak	Company Director	Malaysian
Tiong Chiong Ie (Non-Independent Non-Executive Director)	Lot 2659 Desa Seri 98000 Miri, Sarawak	Company Director	Malaysian
Bong Wei Leong (Independent Director)	No. 5A, Lorong 1, Jalan Gelama 96000 Sibul, Sarawak	Company Director	Malaysian
Tiong Ing Ming (Independent Director)	No. 10B, Lorong 1, Jalan Gelama 96000 Sibul, Sarawak	Company Director	Malaysian

### AUDIT COMMITTEE

Name	Designation	Directorship
Bong Wei Leong	Chairman of the committee	Independent Director
Tiong Chiong Ong	Member of the committee	Managing Director
Tiong Ing Ming	Member of the committee	Independent Director

### REMUNERATION COMMITTEE

Name	Designation	Directorship
Tiong Kiong King	Chairman of the committee	Non-Independent Non-Executive Vice Chairman
Tiong Chiong Ie	Member of the committee	Non-Independent Non-Executive Director
Bong Wei Leong	Member of the committee	Independent Director

### NOMINATION COMMITTEE

Name	Designation	Directorship
Tiong Kiong King	Chairman of the committee	Non-Independent Non-Executive Vice Chairman
Bong Wei Leong	Member of the committee	Independent Director
Tiong Ing Ming	Member of the committee	Independent Director

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## 1. CORPORATE DIRECTORY

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- REGISTERED OFFICE** : No. 66-78, Pusat Suria Permata  
Jalan Upper Lanang 12A  
96000 Sibul  
Sarawak  
Telephone number: 084 216155  
Facsimile number: 084 215217
- HEAD OFFICE** : No. 85 & 86, Pusat Suria Permata  
Jalan Upper Lanang 12A  
96000 Sibul  
Sarawak  
Telephone number: 084 218555  
Facsimile number: 084 219555  
E-mail address: rsb@rhg.com.my
- COMPANY SECRETARIES** : Voon Jan Moi  
MAICSA No.: 7021367  
No. 810, Lorong Song 3C1A  
Tabuan Heights, Jalan Song  
93350 Kuching  
Sarawak  
Telephone number: 082 230203
- Toh Ka Soon  
MAICSA No.: 7031153  
7A, Jalan Indah  
Off Jalan Teku  
96000 Sibul  
Sarawak  
Telephone number: 084 216155
- REGISTRAR** : Symphony Share Registrars Sdn Bhd  
Level 26, Menara Multi-Purpose  
Capital Square  
8 Jalan Munshi Abdullah  
50100 Kuala Lumpur  
Telephone number: 03 2721 2222
- AUDITORS/  
REPORTING  
ACCOUNTANTS** : Hii & Lee (AF No.: 0123)  
No 1, 2<sup>nd</sup> Floor, Lorong Pahlawan 7A2  
Jalan Pahlawan  
96000 Sibul  
Sarawak  
Telephone number: 084 211777
- SOLICITORS FOR THE  
LISTING** : Reddi & Co.  
Lane Building, 29, Kai Joo Lane  
93000 Kuching  
Sarawak  
Telephone number: 082 248866

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## 1. CORPORATE DIRECTORY

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- PRINCIPAL BANKERS** : RHB Bank Berhad  
No. 31, Jalan Tuanku Osman  
96007 Sibul  
Sarawak  
Telephone number: 084 314455
- Malayan Banking Berhad  
35, 37 & 39 Jalan Kampong Nyabor  
96007 Sibul  
Sarawak  
Telephone number: 084 332081
- OCBC Bank (Malaysia) Berhad  
Level 15, Menara OCBC  
18 Jalan Tun Perak  
50050 Kuala Lumpur  
Telephone number: 03-27833177
- INDEPENDENT VALUERS** : Henry Butcher Malaysia (Miri) Sdn Bhd  
1<sup>st</sup> Floor, Lot 624  
Jalan Sim Chieng Kay  
Off Jalan North Yu Seng  
98000 Miri  
Sarawak  
Telephone number: 085 442800
- : Henry Butcher Malaysia Sdn Bhd  
Unit 7-3A, 7th Floor, Heritage House  
Jalan Yap Ah Shak,  
50300 Kuala Lumpur  
Telephone number: 03 2691 7704
- ADVISER, UNDERWRITER  
AND PLACEMENT AGENT** : Malaysian International Merchant Bankers Berhad  
21<sup>st</sup> Floor, Menara EON Bank  
288, Jalan Raja Laut  
50350 Kuala Lumpur  
Telephone number: 03 2691 0200
- ISSUING HOUSE** : MIDF Consultancy and Corporate Services Sdn Bhd  
12<sup>th</sup> Floor, MIDF Building  
195A, Jalan Tun Razak  
50400 Kuala Lumpur  
Telephone number: 03 2161 3355
- LISTING SOUGHT** : Main Board of Bursa Securities

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## 2. INFORMATION SUMMARY

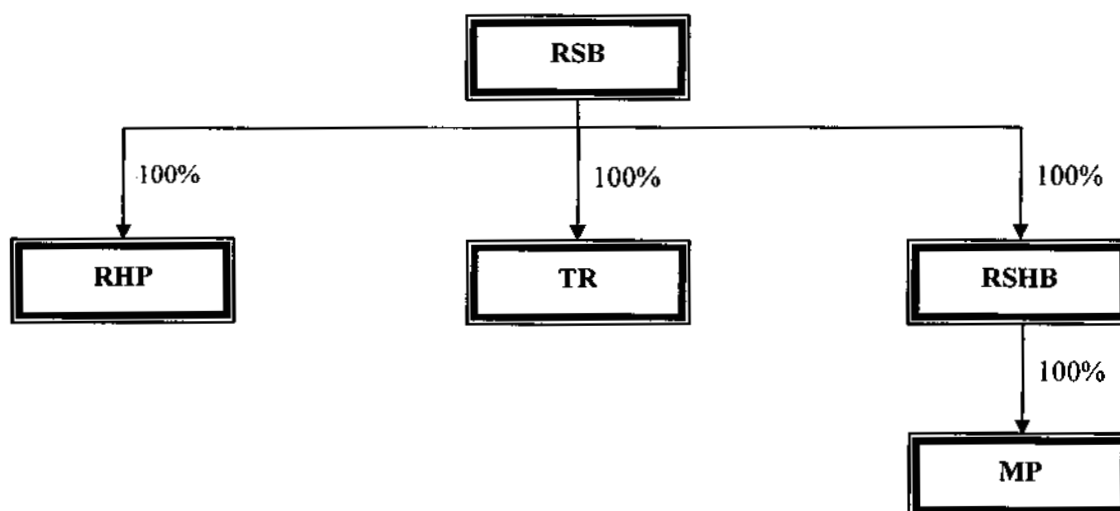
The information contained in this section is intended only to be a summary of some salient information relating to our Group and the IPO, and the information concerned is derived from and should be read in conjunction with the full text of this Prospectus. You should read and understand the whole Prospectus prior to deciding whether to invest in our Shares.

### 2.1 HISTORY AND BUSINESS

Our Company was incorporated in Malaysia under the Act on 12 May 2005 as a private limited company under the name of Real Harvest Enterprise Sdn Bhd. On 3 June 2005, we changed our name to Rimbunan Sawit Sdn Bhd and on 9 June 2005, we were converted to a public limited company and assumed our current name.

Our Company is principally an investment holding company whilst our subsidiaries are mainly involved in the cultivation of oil palm, processing of palm oil and other ancillary activities. Our Group owns approximately 13,663 Ha of plantation land together with a palm oil mill in Miri, Sarawak which has an installed capacity of 80 Mt of FFB per hour and a storage capacity of 10,000 Mt of CPO.

The structure of our Group and the principal activities of our subsidiaries are as set out below:-



Subsidiaries	Principal activities
RHP	Cultivation of oil palm and processing of palm oil, and began its business operations in 1989. It owns approximately 6,172 Ha of plantation land with an average FFB yield of 12.97 Mt per Ha and operates a palm oil mill with an average OER of 21.96% for the production of CPO
TR	Cultivation of oil palm and began its business operations in 1993. It owns approximately 7,491 Ha of plantation land with an average FFB yield of 14.76 Mt per Ha
RSHB	Investment holding
MP	A special purpose vehicle set up to facilitate the issuance of the Islamic Securities

As at the date of this Prospectus, we do not have any associated company.

Further details on the history and business of our Group are set out in Section 5 of this Prospectus.

## 2. INFORMATION SUMMARY

### 2.2 PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT PERSONNEL

Some relevant information relating to our Promoters, substantial shareholders, Directors and key management personnel (as summarised from Section 7 of this Prospectus) is set out below.

#### 2.2.1 Promoters and Substantial Shareholders

Some relevant details of our Promoters and substantial shareholders are as follows:-

Name	Principal Activities/ Designation	No. of Shares held after the IPO			
		Direct '000	%	Indirect '000	%
TSTHK	Executive Chairman	1,557 <sup>5</sup>	1.21	54,459 <sup>1</sup>	42.46
TTSH	Renting of properties and investment holding	31,038	24.20	-	-
TSL	Investment in corporate securities and cultivation of oil palm	7,048	5.49	47,411 <sup>2</sup>	36.96
RHSA <sup>4</sup>	Investment holding and timber merchant	15,073	11.75	-	-
TTSE <sup>4</sup>	Investment holding and cultivation of oil palm	1,300	1.01	15,073 <sup>3</sup>	11.75
PAA <sup>4</sup>	Investment holding	-	-	15,073 <sup>3</sup>	11.75

Notes:-

1. Deemed interested by virtue of his interests in TTSH, TSL, TTSE, PAA and RHSA pursuant to Section 6A of the Act.
2. Deemed interested by virtue of its interests in TTSH, TTSE and RHSA pursuant to Section 6A of the Act.
3. Deemed interested by virtue of its interest in RHSA pursuant to Section 6A of the Act.
4. RHSA, TTSE and PAA are only our substantial shareholders but not the promoters of our Company.
5. Assuming that the allocation of the Public Issue Shares to TSTHK will be subscribed in full based on his entitlement under the Pink Form Allocations.

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## 2. INFORMATION SUMMARY

### 2.2.2 Directors

Some relevant details of our Directors are as follows:-

Name	Designation	No. of Shares held after the IPO			
		Direct '000	%	Indirect '000	%
TSTHK	Executive Chairman	1,557 <sup>4</sup>	1.21	54,459 <sup>1</sup>	42.46
Tiong Kiong King	Non-Independent Non-Executive Vice Chairman	949 <sup>4</sup>	0.74	3,027 <sup>2</sup>	2.36
Tiong Chiong Ong	Managing Director	559 <sup>4</sup>	0.44	-	-
Tiong Chiong Ie	Non-Independent Non-Executive Director	300 <sup>4</sup>	0.23	2,466 <sup>3</sup>	1.92
Bong Wei Leong	Independent Director	25 <sup>4</sup>	0.02	-	-
Tiong Ing Ming	Independent Director	25 <sup>4</sup>	0.02	-	-

Notes:-

1. Deemed interested by virtue of his interests in TTSH, TSL, TTSE, PAA and RHSA pursuant to Section 6A of the Act.
2. Deemed interested by virtue of his interest in Biru-Hijau Enterprise Sdn Bhd pursuant to Section 6A of the Act.
3. Deemed interested by virtue of his interest in Priharta Development Sdn Bhd pursuant to Section 6A of the Act.
4. Assuming that the allocations of the Public Issue Shares to our eligible Directors will be subscribed in full based on their respective entitlements under the Pink Form Allocations.

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## 2. INFORMATION SUMMARY

### 2.2.3 Key Management Personnel

Some relevant details of our key management personnel are as follows:-

Name	Designation	No. of Shares held after the IPO			
		Direct '000	%	Indirect '000	%
Khoo Lian Hong	Chief Operating Officer	5	0.01	-	-
Pang Seng Nam	General Manager, Plantation	-	-	-	-
Robert Ling Tong Ung	Chief Accountant	41	0.03	-	-
Lee Che Poh	Acting Estate Manager, RHP Bakong I & II estates	46	0.04	-	-
Philip Ngieng Hok Mui	Acting Estate Manager, RHP Bakong I & II estates	46	0.04	-	-
Jeffrey Leong Heng Tak	Senior Plantation Manager, TR estate	50	0.04	-	-
Sang Jiong Tion	Mill Manager, RHP Oil Mill	20	0.02	-	-

Assuming that the allocations of the Public Issue Shares to our key management personnel will be subscribed in full based on their respective entitlements under the Public Issue.

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## 2. INFORMATION SUMMARY

### 2.3 FINANCIAL HIGHLIGHTS

#### 2.3.1 Proforma Consolidated Income Statements

The table below sets out selected items from our proforma consolidated income statements for the past 3 financial years ended 31 August 2005 and 3-month financial periods ended 30 November 2004 and 2005. These figures are provided for illustrative purpose only on the assumption that we have been in existence throughout the periods under review.

	FY2003 RM'000	FY2004 RM'000	FY2005 RM'000	3-month financial periods ended 30 November	
				2004 RM'000	2005 RM'000
Revenue	73,133	97,589	92,481	24,449	24,238
Gross profit	25,374	34,432	27,905	7,702	7,806
Earnings before interest, taxation, depreciation and amortisation	27,163	35,779	32,057	8,600	9,869
PBT	18,140	22,467	17,222	5,054	5,150
PAT	12,931	20,312	13,111	3,760	3,766
No. of Shares assumed to be in issue ('000)*	110,267	110,267	110,267	110,267	110,267
Gross EPS (sen)	16.45	20.38	15.62	4.58	4.67
Net EPS (sen)	11.73	18.42	11.89	3.41	3.42

Note:-

\* Based on our issued and paid-up share capital after the Acquisitions but before the Public Issue.

There were no exceptional or extraordinary items throughout the periods under review.

Detailed information on our proforma consolidated income statements is set out in Section 10.1 of this Prospectus.

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**2. INFORMATION SUMMARY**


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**2.3.2 Proforma Consolidated Cashflow Statements**

The summary of our proforma consolidated cashflow statements for the 3-month financial periods ended 30 November 2004 and 2005 as set out below is provided for illustrative purpose only to show the effects of the Listing Scheme on the assumption that it had been completed on 30 November 2005 and that we have been in existence throughout the periods under review.

	<b>&lt; -- Proforma Group --- &gt;</b>	
	<b>3-month financial periods</b>	
	<b>ended 30 November</b>	
	<b>2004</b>	<b>2005</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Net cashflows from operating activities</b>	6,581	39,612
<b>Net cashflows used in investing activities</b>	(1,146)	(4,116)
<b>Net cashflows (used in) / from financing activities</b>	(9,441)	12,439
<b>Net (decrease) / increase in cash and cash equivalents</b>	(4,006)	47,935
<b>Cash and cash equivalents at the beginning of the period</b>	(2,604)	43,900
<b>Cash and cash equivalents at the end of the period</b>	(6,610)	91,835

Detailed information on our proforma consolidated cashflow statement is set out in Section 10.2 of this Prospectus.

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## 2. INFORMATION SUMMARY

### 2.3.3 Proforma Consolidated Balance Sheets / Statement of Assets and Liabilities

The summary of our proforma consolidated balance sheets / statement of assets and liabilities as at 31 August 2005 and 30 November 2005 as set out below is provided for illustrative purpose only to show the effects of the Listing Scheme on the assumption that it had been completed on 31 August 2005 and 30 November 2005 and that we have been in existence throughout the periods under review.

	<----- Proforma Group ----->	
	As at 31 August 2005	As at 30 November 2005
	RM'000	RM'000
<b>Non-Current Assets</b>	123,099	122,425
<b>Current Assets</b>	120,634	123,225
<b>Current Liabilities</b>	37,358	35,675
<b>Net Current Assets</b>	83,276	87,550
<b>Deferred / Long-Term Liabilities</b>	135,629	135,466
	<u>70,746</u>	<u>74,509</u>
<b>Capital and Reserves</b>	<u>70,746</u>	<u>74,509</u>
<b>NTA</b>	70,746	74,509
<b>NTA per Share (RM)</b>	0.55	0.58

Detailed information on our proforma consolidated balance sheets / statement of assets and liabilities is set out in Section 10.3 of this Prospectus.

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## 2. INFORMATION SUMMARY

### 2.3.4 Audit Qualifications

The auditors of RSB, RHP, TR, RSHB and MP have reported on the respective audited financial statements of the said companies for the past 3 financial years ended 31 August 2005 and 3-month financial period ended 30 November 2005 without any audit qualifications.

## 2.4 PROFIT AND DIVIDEND FORECASTS

### 2.4.1 Consolidated Profit Forecast

<b>Financial year ending 31 August 2006</b>	<b>RM'000</b>
Revenue	110,495
Consolidated PBT	21,375
Less: Taxation	(6,198)
Consolidated PAT	15,177
Less: Pre-acquisition profit	(6,653)
Consolidated PAT attributable to shareholders	8,524
Weighted average number of RSB Shares in issue after Listing ('000)	*64,988
Net EPS (sen)	13.12
Net PE Multiple based on the Issue/Offer Price (times)	7.62

\* The weighted average number of RSB Shares in issue is computed on the basis that the Acquisitions were completed on 8 February 2006 and on the assumption that the Public Issue is completed on 30 June 2006.

Detailed information on our consolidated profit forecast is set out in Section 10.6 of this Prospectus.

### 2.4.2 Dividend Forecast

<b>Financial year ending 31 August 2006</b>	
Tax-exempt dividend per Share <sup>1</sup> (sen)	2.50
Dividend yield based on the Issue/Offer Price (%)	2.50
Net dividend cover <sup>2</sup> (times)	4.73

Notes:-

1. Based on our enlarged issued and paid-up share capital upon Listing comprising 128,266,800 Shares.
2. Computed based on our consolidated forecast PAT over the net dividend.

Detailed information on our dividend forecast is set out in Section 10.10 of this Prospectus.

## 2. INFORMATION SUMMARY

### 2.5 PRINCIPAL STATISTICS RELATING TO THE IPO

#### 2.5.1 Share Capital

	<b>RM</b>
<b>Authorised:</b>	
1,000,000,000 ordinary shares of RM0.50 each	<u>500,000,000</u>
<b>Issued and fully paid-up as at the date of this Prospectus:</b>	
110,266,800 ordinary shares of RM0.50 each	55,133,400
<b>To be issued pursuant to the Public Issue</b>	
18,000,000 ordinary shares of RM0.50 each	9,000,000
<b>Enlarged issued and paid-up share capital upon Listing</b>	
128,266,800 ordinary shares of RM0.50 each	<u>64,133,400</u>
<b>To be offered pursuant to the Offer for Sale</b>	
33,500,000 ordinary shares of RM0.50 each	<u>16,750,000</u>

There is only one class of shares in our Company, being ordinary shares of RM0.50 each, all of which rank pari-passu with one another. The IPO Shares will rank pari-passu in all respects with our existing issued and paid-up ordinary shares including voting rights and rights to all dividends and other distributions that may be declared subsequent to the date of this Prospectus.

Detailed information on our share capital is set out in Section 3.5 of this Prospectus.

#### 2.5.2 Issue/Offer Price per ordinary share **RM1.00**

The Issue/Offer Price was determined and agreed upon after taking into consideration the factors as set out in Section 3.7 of this Prospectus.

#### 2.5.3 Proforma consolidated NTA as at 30 November 2005

Proforma consolidated NTA (RM'000) <i>(after taking into account the Public Issue and deducting estimated listing expenses amounting to RM2.5 million)</i>	<b>74,509</b>
Proforma consolidated NTA per share (RM) <i>(based on our enlarged issued and paid-up share capital of 128,266,800 Shares)</i>	<b>0.58</b>

Detailed information on our proforma consolidated NTA is set out in Section 10.3 of this Prospectus.

#### 2.5.4 Total market capitalisation upon Listing **RM128,266,800** (Based on the issue price of RM1.00 per Share)

Detailed information on our total market capitalisation upon Listing is set out in Section 3.8 of this Prospectus.

## 2. INFORMATION SUMMARY

### 2.6 PLANNED UTILISATION OF PROCEEDS

The total gross proceeds to be raised by our Company from the Public Issue of RM18,000,000 shall be utilised in the following manner:-

<b>Planned Utilisation of Proceeds</b>	<b>RM'000</b>
1. Working capital requirements for our Group	15,500
2. Estimated listing expenses	2,500
	<u>18,000</u>

The total gross proceeds from the Offer for Sale amounting to RM33,500,000 shall accrue entirely to the Offerors. The Offerors shall bear all incidental expenses relating to the Offer for Sale.

Detailed information on our proposed utilisation of proceeds is set out in Section 3.9 of this Prospectus.

### 2.7 MATERIAL RISK FACTORS

Before applying for our IPO Shares, you should carefully consider the following material risk factors as summarised from Section 4 of this Prospectus (which may not be exhaustive), in addition to the other information contained elsewhere in this Prospectus.

**(a) Risks relating to our Group:-**

- Business risk.
- Competition / Threat of substitutes.
- Fluctuations in CPO and PK prices.
- Labour force.
- Weather conditions.
- Pests and diseases.
- Reliance on single customer and major suppliers.
- Dependence on key management personnel.
- Political, economic and regulatory factors.
- Insurance coverage.
- Financial risk.
- Future capital / funding needs.
- Restrictive covenants under the Group's borrowings.
- Investment and acquisition risks.
- Land related issues.
- Potential conflict of interests.
- Foreign exchange fluctuations.

**(b) Risks relating to the investment in our Shares:-**

- No prior market for our Shares.
- Failure / Delay in or abortion of the Listing.
- Dividend payment.
- Continued control by existing shareholders.

## 2. INFORMATION SUMMARY

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(c) **Other risks:-**

- Achievability of profit forecast.
- Forward-looking / Prospective statements.

For a more detailed commentary, please refer to Section 4 of this Prospectus.

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### 3. DETAILS OF THE IPO

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#### 3.1 INTRODUCTION

This Prospectus is dated 31 May 2006.

A copy of this Prospectus has been registered and lodged with the SC and the ROC respectively, and neither the SC nor the ROC takes any responsibility for its contents.

The approvals obtained from the SC via its letters dated 28 October 2005 and 27 March 2006 for the Listing shall not be taken to indicate that the SC recommends the IPO. You are advised to make your own independent assessment of our Group and should rely on your own evaluation to assess the merits and risks of our IPO and an investment in us.

Pursuant to Section 14(1) of the Central Depositories Act, Bursa Securities has prescribed our Shares as a prescribed security. In consequence thereof, the IPO Shares issued or offered through this Prospectus will be deposited directly with Bursa Depository and any dealings in these shares will be carried out in accordance with the aforesaid Act and the Rules of Bursa Depository.

An application shall be made to Bursa Securities within 3 market days of the issuance of this Prospectus for our admission to the Official List of the Main Board of Bursa Securities and for dealing in and quotation of our entire issued and fully paid-up shares including the IPO Shares, which are the subjects of this Prospectus. Our Shares will be admitted to the Official List of the Main Board of Bursa Securities and official quotation will commence after the receipt of confirmation from Bursa Depository that all CDS accounts of the successful applicants have been duly credited and notices of allotment have been despatched to all successful applicants.

Acceptance of applications for the IPO Shares will be conditional upon permission being granted by Bursa Securities to deal in and quotation for our entire enlarged issued and fully paid-up share capital on the Main Board of Bursa Securities. Accordingly, monies paid in respect of any application accepted will be returned without interest if the said permission for listing is not granted within 6 weeks from the date of this Prospectus (or such longer period as may be specified by the SC) provided that we are notified by or on behalf of Bursa Securities within the aforesaid time frame. If any such monies are not repaid within 14 days after we have become liable to repay it, the provision of sub-section 52(2) of the Securities Commission Act 1993 shall apply accordingly.

Pursuant to the Listing Requirements, we must have at least 25% of our total number of Shares for which listing is sought in the hands of a minimum of 1,000 public shareholders holding not less than 100 Shares each at the point of listing. In the event that the above requirements are not met pursuant to the IPO, we may not be allowed to proceed with the Listing. In the event thereof, we will return in full without interest, monies paid in respect of all applications.

You must have a CDS account when applying for the IPO Shares. In the case of an application by way of Application Form, you must state your CDS account number in the space provided in the Application Form. If you do not presently have a CDS account, you should open a CDS account at an ADA prior to making an application for our IPO Shares. In the case of an application by way of Electronic Share Application, you shall furnish your CDS account number if the instructions on the ATM screen at which you enter your Electronic Share Application require you to do so. A corporation or institution cannot apply for the IPO Shares by way of Electronic Share Application.

### 3. DETAILS OF THE IPO

No person is authorised to give any information or to make any representation not contained herein in connection with the IPO, and if given or made, such information or representation must not be relied upon as having been authorised by us. Neither the delivery of this Prospectus nor any offer made in connection with this Prospectus shall, under any circumstances, constitute a representation or create any implication that there has been no change in our affairs since the date hereof.

The distribution of this Prospectus and the sale of the IPO Shares in certain other jurisdictions may be restricted by law. Persons who may come into possession of this Prospectus are required to inform themselves of and to observe such restrictions. This Prospectus does not constitute and may not be used for the purpose of an offer to sell or an invitation to buy any IPO Share in any jurisdiction in which such offer or invitation is not authorised or lawful or to any person to whom it is unlawful to make such offer or invitation.

**You should rely on your own evaluation to assess the merits and risks of our IPO and an investment in us. If you are in doubt about this Prospectus, you should consult your stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.**

#### 3.2 OPENING AND CLOSING OF APPLICATION

Applications will be opened from 10.00 a.m. on 31 May 2006 and will close at 5.00 p.m. on 14 June 2006 or for such further period or periods as our Directors and the Underwriter may in their absolute discretion mutually decide.

#### 3.3 TENTATIVE TIMETABLE

Event	Date
Opening of application for the IPO Shares	: 31 May 2006
Closing of application for the IPO Shares*	: 14 June 2006
Tentative Balloting Date*	: 16 June 2006
Tentative Allotment Date*	: 26 June 2006
Tentative Listing Date*	: 28 June 2006

\* *These dates are tentative and are subject to changes which may be necessary to facilitate implementation procedures. Our Directors and the Underwriter may, in their absolute discretion, mutually decide to extend the closing date of the application to a further date or dates. Should the closing date of the application be extended, the dates for the balloting, despatch of notices of allotment, and the listing of and quotation for our entire enlarged issued and paid-up share capital on the Main Board of Bursa Securities would be extended accordingly. Any change to the closing date of the application will be advertised in a widely circulated English, Bahasa Malaysia and Chinese newspaper in Malaysia.*

### 3. DETAILS OF THE IPO

#### 3.4 DETAILS OF THE IPO

The IPO is subject to the terms and conditions of this Prospectus and upon acceptance, the IPO Shares shall be allocated in the following manner:-

##### 3.4.1 Offer for Sale

33,500,000 RSB Shares will be placed out by way of private placement by the Offerors at the Offer Price to Bumiputera investors approved by the MITI.

##### 3.4.2 Public Issue

Public issue by our Company of 18,000,000 new RSB Shares at the Issue Price comprising the following:-

- (a) 8,000,000 new RSB Shares, representing 6.2% of our enlarged issued and paid-up share capital, will be placed out by way of private placement to the identified investors, including 5,000,000 new RSB Shares to Bumiputera investors approved by the MITI.
- (b) 7,000,000 new RSB Shares, representing 5.5% of our enlarged issued and paid-up share capital, will be made available for application by Malaysian citizens, companies, co-operatives, societies and institutions, of which at least 30% is to be set aside strictly for Bumiputera individuals, companies, co-operatives, societies and institutions, to the extent possible.
- (c) 3,000,000 new RSB Shares, representing 2.3% of our enlarged issued and paid-up share capital, will be made available for application by our eligible Directors and employees under the Pink Form Allocations. The Public Issue Shares have been allocated to eligible Directors and employees of our Group based on their contributions to our Group, years of service and designation. In addition, the employee must be a confirmed full time employee on a permanent basis. A brief description on the Pink Form Allocations as approved by our Board is set out below:-

Category	No. of person	No. of RSB Shares
Directors	6	1,250,000
Managers	11	493,000
Supervisors	29	822,000
Administrative staff	19	248,000
Non-administrative staff	16	187,000
<b>Total</b>	<b>81</b>	<b>3,000,000</b>

Name of Directors	No. of RSB Shares
TSTHK	300,000
Tiong Kiong King	300,000
Tiong Chiong Ong	300,000
Tiong Chiong Ie	300,000
Bong Wei Leong	25,000
Tiong Ing Ming	25,000
<b>Total</b>	<b>1,250,000</b>

### 3. DETAILS OF THE IPO

The 8,000,000 Public Issue Shares under paragraph (a) above, which are not underwritten by the Underwriter, would be subscribed by the identified investors pursuant to their respective written irrevocable undertakings.

The entire 10,000,000 Public Issue Shares under paragraphs (b) and (c) above have been fully underwritten. In the event that any of the Pink Form Allocations is not taken up by eligible Directors and employees of our Group, such number of unsubscribed shares will first be re-allocated to those eligible Directors and employees who apply for excess Public Issue Shares on top of their pre-determined allocation on a proportionate basis (subject to rounding of odd lots). In the event that there are still Public Issue Shares not taken up after the above re-allocation, such Public Issue Shares will be made available for application by Malaysian citizens, companies, co-operatives, societies and institutions.

Any unsubscribed Public Issue Shares thereafter, including any unsubscribed Pink Form Allocation, shall be taken up by the Underwriter in accordance with the terms and conditions of the Underwriting Agreement.

There is no minimum subscription amount to be raised from the Public Issue.

#### 3.5 SHARE CAPITAL

	RM
<b>Authorised:</b>	
1,000,000,000 ordinary shares of RM0.50 each	<u>500,000,000</u>
<b>Issued and fully paid-up as at the date of this Prospectus:</b>	
110,266,800 ordinary shares of RM0.50 each	55,133,400
<b>To be issued pursuant to the Public Issue</b>	
18,000,000 ordinary shares of RM0.50 each	9,000,000
<b>Total enlarged issued and paid-up share capital upon Listing</b>	<u>64,133,400</u>
<b>To be offered pursuant to the Offer for Sale</b>	
33,500,000 ordinary shares of RM0.50 each	<u>16,750,000</u>

**The Issue/Offer Price is payable in full upon application.**

We only have 1 class of shares, being ordinary shares of RM0.50 each, all of which rank pari-passu with one another. The IPO Shares will rank pari-passu in all respects with our existing issued and paid-up ordinary shares including voting rights and rights to all dividends and other distributions that may be declared subsequent to the date of this Prospectus.

Subject to any special rights attaching to any shares which may be issued by us in the future, our shareholders shall, in proportion to the amount paid-up on the Shares held by them, be entitled to share in the whole of the profits paid out by us as dividends and other distributions and the whole of any surplus in the event of the liquidation of our Company, such surplus to be distributed amongst the shareholders in proportion to the capital paid-up at the commencement of the liquidation, in accordance with our Articles of Association.

### **3. DETAILS OF THE IPO**

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Each shareholder shall be entitled to vote at any of our general meeting in person or by proxy or by attorney or by other duly authorised representative. On a show of hands, every person present who is a shareholder or representative or proxy or attorney of a shareholder shall have 1 vote, and in the case of a poll, every shareholder present in person or by proxy or by attorney or other duly authorised representative shall have 1 vote for each ordinary share held. A proxy may but need not be a member of the Company and the provisions of Section 149(1)(b) of the Act shall not apply to the Company.

#### **3.6 PURPOSES OF THE IPO**

The purposes of the IPO are as follows:-

- (a) to obtain the listing of and quotation for our entire enlarged issued and paid-up share capital on the Main Board of Bursa Securities;
- (b) to enable us to gain access to the capital market to raise funds for our future expansion and growth;
- (c) to raise funds for our continued operation and expansion as elaborated in Section 6.5 below;
- (d) to provide an opportunity for the Malaysian investing public, and eligible Directors and employees of our Group to participate in our equity and continuing growth; and
- (e) to increase the Bumiputera equity participation in our Company in line with the objectives of the National Development Policy.

#### **3.7 BASIS OF ARRIVING AT THE ISSUE / OFFER PRICE**

The Issue/Offer Price was determined and agreed upon by us and MIMB, as the Adviser, Underwriter and Placement Agent, after taking into consideration the following factors:-

- (a) Our proforma consolidated NTA per Share as at 30 November 2005 of RM0.58 based on our proforma consolidated NTA as at 30 November 2005 of approximately RM74.5 million and our enlarged issued and paid-up share capital upon Listing comprising 128,266,800 Shares as set out in Section 10.3 of this Prospectus;
- (b) The forecast net PE Multiple of approximately 7.62 times based on our forecast net EPS of approximately 13.12 sen for FY2006 and our weighted average number of Shares in issue of 64,988,249 Shares as set out in Section 10.6 of this Prospectus;
- (c) Our financial and operating history as elaborated in Sections 10 and 5 of this Prospectus. Based on our net EPS for FY2005 of approximately 11.89 sen and our weighted average number of Shares in issue of 64,988,249 Shares, the historical net PE Multiple is approximately 8.4 times;
- (d) The prospects of the industry in which we operate in. As stated in the Ninth Malaysian Plan 2006 – 2010, the production of palm oil is expected to increase at an average rate of 5.5% per annum with higher OER. In addition, the palm oil industry is also expected to benefit from greater downstream product diversification;

### 3. DETAILS OF THE IPO

- (e) Our prospects and future plans as outlined in Section 6.5 of this Prospectus where, amongst others, we plan to develop and commence cultivation of oil palm on our existing plantable land bank in the second half of 2006 and at the same time actively sourcing for suitable land bank in Malaysia to increase our plantation land bank for oil palm cultivation;
- (f) The market value of our landed properties and plant and machinery, as appraised by the Independent Valuers, Henry Butcher Malaysia (Miri) Sdn Bhd and Henry Butcher Malaysia Sdn Bhd, on 3 May 2005 of approximately RM213 million (further details are set out in Section 12 of this Prospectus). Kindly note that such valuations are included in this Prospectus for information only and no surplus arising from the revaluation of our landed properties and plant and machinery has been incorporated into our audited accounts for the 3-month financial period ended 30 November 2005; and
- (g) The general prevailing market conditions particularly on the Main Board of Bursa Securities which appear to be improving.

However, you should note that our market price upon Listing is subject to the vagaries of market forces and other uncertainties that may affect the price of our Shares being traded. You should form your own views on the valuation of the IPO Shares before deciding to invest in them.

#### 3.8 TOTAL MARKET CAPITALISATION

Based on the Issue Price and our enlarged issued and paid-up share capital comprising 128,266,800 Shares upon Listing, our total market capitalisation is estimated to be RM128,266,800.

#### 3.9 PLANNED UTILISATION OF PROCEEDS

The gross proceeds arising from the Public Issue of RM18,000,000 shall accrue entirely to us and are planned to be utilised within 18 months from the date of the Listing in the following manner:-

Planned Utilisation of Proceeds		Time frame	Notes	RM'000
1.	Working capital requirements for our Group	18 months	(i)	15,500
2.	Estimated listing expenses	6 months	(ii)	2,500
				18,000

Notes:-

- (i) RM15.5 million of the gross proceeds will be utilised for our working capital requirements to support our existing day-to-day business operations. These include plantation expenditure for our existing planted as well as undeveloped land areas, cost of general upgrading and maintenance of plant and machinery in our mill and cost of upkeep and maintenance of staff quarters, canteens and offices in our mill.

### 3. DETAILS OF THE IPO

- (ii) The estimated expenses incidental to the Listing which would be borne by us are as follows:-

<b>Estimated listing expenses</b>	<b>RM'000</b>
Professional fees	1,000
Fees payable to the authorities	150
Underwriting, placement and brokerage fees	400
Printing and advertising fees	450
Contingencies	500
<b>Total</b>	<b>2,500</b>

The amount allocated of RM2.5 million is based on the estimated cost for the Listing exercise. If the actual Listing expenses are higher than the amount budgeted, the deficit will be funded out of the portion allocated for our working capital requirements. Conversely, if the actual Listing expenses are lower than the amount budgeted, the excess will be utilised for our working capital requirements.

The total gross proceeds from the Offer for Sale amounting to RM33,500,000 shall accrue entirely to the Offerors. The Offerors shall bear all incidental expenses relating to the Offer for Sale.

The proforma impact of the proposed utilisation of proceeds on the estimated listing expenses has been reflected in our proforma consolidated balance sheet in Section 10.3 of this Prospectus.

#### 3.10 BROKERAGE, PLACEMENT AND UNDERWRITING COMMISSION

Brokerage is payable by us in respect of the Public Issue Shares made available to the Malaysian public at the rate of 1.0% of the Issue Price in respect of successful applications which bear the stamp of either MIMB, participating organisations of Bursa Securities, members of the Association of Banks in Malaysia, members of the Malaysian Investment Banking Association or MIDFCCS.

The placement fee is payable by the Company/Offerors to the Placement Agent at a rate of 1.25% of the Issue/Offer Price in respect of the number of RSB Shares successfully placed out.

The Underwriter has agreed to underwrite 10,000,000 Public Issue Shares, the details of which are set out in Section 3.4.2 of this Prospectus. The underwriting commission is payable by us at the rate of 1.25% of the Issue Price in respect of the 10,000,000 Public Issue Shares.

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#### 3.11 SALIENT TERMS OF THE UNDERWRITING AGREEMENT

We have entered into the Underwriting Agreement with MIMB, as the Underwriter, to underwrite 10,000,000 Public Issue Shares as mentioned in Section 3.4.2 of this Prospectus.

The following salient terms are reproduced from the Underwriting Agreement. The capitalised terms and numbering references used in this section shall have the respective meanings and numbering references as ascribed thereto in the Underwriting Agreement.

##### *Clause 3 (Conditions precedent)*

*"3.1 The obligations of the Underwriter hereunder are conditional upon:-*

- (a) the listing of and quotation for the enlarged issued and paid-up capital of the Company on the Main Board of Bursa Securities having been approved in principle by Bursa Securities prior to the Listing Date;*
- (b) the registration with the SC and the lodgement with the ROC of the Prospectus in its final form in accordance with the requirements of the Act;*
- (c) the offering of the IPO Shares in accordance with the provisions of the Prospectus not being prohibited by statute, order, rule, regulation, directive or guideline (whether or not having the force of law) promulgated or issued by any legislative, executive or regulatory body or authority of Malaysia (including SC and Bursa Securities);*
- (d) all necessary approvals and consents required from the relevant authorities in relation to the IPO having been obtained and all conditions of approvals required to be fulfilled or obtained (as may be applicable) before the listing of and quotation for the entire issued and paid-up capital of the Company have been fulfilled or obtained (as may be applicable);*
- (e) there have not been on or prior to Closing Date, any adverse changes or any development likely to result in any prospective adverse change in the condition (financial or otherwise) of the RSB Group, which is material in the context of the IPO from that set forth in the Prospectus, nor the occurrence of any event which makes any of the warranties and undertaking contained in Clause 4 below [Representations, Warranties and Undertakings of the Company] in the opinion of the Underwriter (which opinion is final and binding) untrue and incorrect in any material respect as they have been given and made on such date with reference to the facts and circumstances then subsisting, nor the occurrence of any breach of undertaking and covenants contained in Clause 4 below [Representations, Warranties and Undertakings of the Company];*
- (f) the delivery to the Underwriter prior to the date of the registration of the Prospectus, a copy certified as true copy by an authorised officer of the Company, of all the Company's resolutions of Directors and shareholders in general meeting approving this Agreement, the Prospectus, the Public Issue and authorising the execution of this Agreement and the issuance of the Prospectus;*



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### 3. DETAILS OF THE IPO

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- (g) *the proceeds from the identified investors/placees for the 8,000,000 Shares under the Public Issue which shall be issued by way of private placement as described in Recital B, having been received prior to the Closing Date;*
- (h) *the proceeds from the identified investors/placees for the 33,500,000 Shares under the Offer for Sale which shall be issued by way of private placement as described in Recital B, having been received prior to the Closing Date;*
- (i) *the registration of the Prospectus with the SC should be no more than 2 months from the date of this Agreement ("Deadline") (unless any extension thereof is approved by the Underwriter at its absolute discretion, subject to the approval of the appropriate authorities); and*
- (j) *the Composite Index of Bursa Securities is at no less than 800 points, on or prior to the Closing Date."*

Pursuant to the clause 3.1(i) of the Underwriting Agreement, the Underwriter had via its letter dated 5 May 2006 extended the Deadline for another month.

#### **Clause 8 (Termination)**

"8.1 Notwithstanding anything contained in this Agreement, if in the reasonable opinion of the Underwriter:-

- (a) *there shall have occurred, happened or come into effect any event or series of events beyond the reasonable control of the Underwriter or the Company by reason of Force Majeure (as defined in Clause 1.1 [Definitions] above) which would have or can reasonably be expected to have, a material adverse effect on the financials, business or the operations of RSB Group or the success of the offering of the IPO Shares or which is likely to have the effect of making any material part of this Agreement incapable of performance in accordance with its terms;*
- (b) *there is any breach by the Company of any of its covenants, representations, warranties, undertakings or material obligations under this Agreement or which is contained in any certificate, statement or notice provided under or in connection with this Agreement which is not capable of remedy or, if capable of remedy, is not remedied within such number of days as stipulated in the notice given to the Company;*
- (c) *the Company has withheld any information from the Underwriter, or any statement given or representation made to the Underwriter is inaccurate or untrue which would have or can reasonably be expected to have, a material and adverse effect on the business, operations or prospect of the RSB Group or the success of the offering of the IPO Shares;*
- (d) *there shall have been any government requisition or other occurrence of any nature whatsoever which would have or can reasonably be expected to have, a material and adverse effect on the business, operations financial condition or prospect of the RSB Group or the success of the offering of the IPO Shares;*

### 3. DETAILS OF THE IPO

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- (e) *there shall have been any change in law, regulation, directive, policy or ruling in any jurisdiction which would have or can reasonably be expected to have, a material and adverse effect on the success of the offering of the IPO Shares or which has or likely to have the effect of making any material obligation under this Agreement incapable of performance in accordance with its terms;*
- (f) *the IPO is stopped or delayed for any reasons whatsoever; or*
- (g) *the listing of and quotation for the entire issued and paid-up share capital of the Company on Bursa Securities do not take place within two (2) months from the date of the Prospectus,*

*then the Underwriter may terminate this Agreement and terminate, cancel and withdraw their commitment to underwrite the Underwritten Shares by giving written notice to the Company before the Listing Date and thereupon the parties hereto shall (except for the liability of the Company in the payment of costs and expenses referred to in Clause 7 [Costs and Expenses] incurred and subject to Clause 6 [Underwriting Commission] prior to or in connection with such termination and/or any antecedent breaches) be released and discharged from their respective obligations hereunder and the Company shall pay or return to the Underwriter all monies paid by it, if any, under this Agreement."*

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