



RIMBUNAN SAWIT BERHAD

(Company No. 691393-U)

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

Telephone No.: 084-218555 Facsimile No.: 084-219555 Email: rsb@rsb.com.my

Interim Financial Statements

For the 2nd Quarter Ended 29 February 2008

	Page
Condensed Consolidated Income Statements	1
Condensed Consolidated Balance Sheet	2
Condensed Consolidated Statement of Changes in Equity	4
Condensed Consolidated Cash Flow Statement	5
Explanatory Notes	7
<i>Part A – Explanatory Notes Pursuant to FRS 134</i>	<i>7</i>
<i>Part B – Explanatory Notes Pursuant to Appendix 9B of the Listing Requirements of Bursa Malaysia Securities Berhad</i>	<i>10</i>

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Condensed Consolidated Income Statements

For the 2nd Quarter Ended 29 February 2008

	3 months ended		6 months ended	
	29.02.2008	28.02.2007	29.02.2008	28.02.2007
	RM'000	RM'000	RM'000	RM'000
Revenue	44,045	33,156	91,073	68,773
Cost of sales	(25,682)	(24,188)	(50,586)	(50,384)
Gross profit	18,363	8,968	40,487	18,389
Other operating income	745	1,109	1,387	2,216
Distribution costs	(2,210)	(2,127)	(4,688)	(4,405)
Administrative and other expenses	(1,835)	(1,247)	(3,059)	(2,298)
Finance costs	(1,555)	(2,087)	(3,137)	(4,183)
Profit before taxation	13,508	4,616	30,990	9,719
Income tax expense	(3,702)	(1,217)	(8,362)	(2,687)
Profit for the period	9,806	3,399	22,628	7,032
Earnings per share (sen): -				
Basic earnings per share	7.64	2.65	17.64	5.48
Diluted earnings per share	N/A	N/A	N/A	N/A

The condensed consolidated income statements should be read in conjunction with the audited financial statements for the financial year ended 31 August 2007 and the accompanying explanatory notes attached to the interim financial statements.

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Condensed Consolidated Balance Sheet

As At 29 February 2008

	(Unaudited)	(Audited)
	As at	As at
	29.02.2008	31.08.2007
	RM'000	RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	50,438	50,880
Biological assets	55,127	55,023
Prepaid lease rentals	10,883	10,968
Deferred tax assets	-	691
	<u>116,448</u>	<u>117,562</u>
Current assets		
Inventories	13,107	8,013
Trade receivables	4,416	3,075
Other receivables, deposits and prepayments	66,860	1,747
Tax refundable	173	47
Fixed deposits with licensed banks	31,458	70,727
Islamic deposits	20,348	19,785
Cash and bank balances	279	353
	<u>136,641</u>	<u>103,747</u>
TOTAL ASSETS	<u><u>253,089</u></u>	<u><u>221,309</u></u>
EQUITY AND LIABILITIES		
Equity		
Share capital	64,133	64,133
Reserves	54,393	36,447
Total equity	<u>118,526</u>	<u>100,580</u>
Non-current liabilities		
Borrowings	88,000	88,000
Deferred tax liabilities	13,920	10,242
	<u>101,920</u>	<u>98,242</u>
Current liabilities		
Trade payables	10,418	9,075
Other payables and accruals	14,093	7,130
Borrowings	5,000	5,000
Taxation	3,132	1,282
	<u>32,643</u>	<u>22,487</u>
Total liabilities	<u>134,563</u>	<u>120,729</u>
TOTAL EQUITY AND LIABILITIES	<u><u>253,089</u></u>	<u><u>221,309</u></u>



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Condensed Consolidated Balance Sheet (Cont'd)

As At 29 February 2008

Net assets per share attributable to ordinary equity holders of the parent (RM)	0.92	0.78
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The condensed consolidated balance sheet should be read in conjunction with the audited financial statements for the financial year ended 31 August 2007 and the accompanying explanatory notes attached to the interim financial statements.



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Condensed Consolidated Statement of Changes in Equity

For the Six-Month Period Ended 29 February 2008

	Share capital RM'000	< -- Non-Distributable -- > Share premium RM'000	Reserve on consolidation RM'000	Distributable Retained profits RM'000	Total RM'000
6 months ended 29.02.2008					
At 1 September 2007	64,133	6,866	-	29,581	100,580
Dividends	-	-	-	(4,682)	(4,682)
Profit for the period	-	-	-	22,628	22,628
At 29 February 2008	<u>64,133</u>	<u>6,866</u>	<u>-</u>	<u>47,527</u>	<u>118,526</u>
6 months ended 28.02.2007					
At 1 September 2006					
As previously stated	64,133	6,866	5,952	8,006	84,957
Prior year adjustment - effects of adopting of FRS 3	-	-	(5,952)	5,952	-
At 1 September 2006 (as restated)	64,133	6,866	-	13,958	84,957
Dividends	-	-	-	(3,848)	(3,848)
Profit for the period	-	-	-	7,032	7,032
At 28 February 2007	<u>64,133</u>	<u>6,866</u>	<u>-</u>	<u>17,142</u>	<u>88,141</u>

The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the financial year ended 31 August 2007 and the accompanying explanatory notes attached to the interim financial statements.


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Condensed Consolidated Cash Flow Statement
 For the Six-Month Period Ended 29 February 2008

	6 months ended	
	29.02.2008	28.02.2007
	RM'000	RM'000
Cash Flows from Operating Activities		
Profit before taxation	30,990	9,719
Adjustments for: -		
Interest expenses	3,137	4,183
Interest income	(1,385)	(2,084)
Amortisation and depreciation	5,231	4,316
Land lease rental	85	83
Operating profit before working capital changes	38,058	16,217
(Increase)/decrease in inventories	(5,094)	6,106
(Increase) in receivables	(19,297)	(412)
Increase in payables	3,624	473
Cash generated from operations	17,291	22,384
Interest received	1,385	2,084
Interest paid	(3)	(36)
Tax paid	(2,268)	(2,406)
Tax refunded	-	924
Net cash provided by operating activities	16,405	22,950
Cash Flows from Investing Activities		
Purchase of property, plant and equipment	(3,346)	(2,926)
Additions to prepaid lease rentals	-	(266)
Additions to biological assets	(1,547)	(1,140)
Deposit paid for proposed acquisitions of subsidiaries	(47,157)	-
Short-term investment	-	(15,000)
Net cash used in investing activities	(52,050)	(19,332)
Cash Flows from Financing Activities		
Decrease in fixed deposits pledged for banking facilities	49	-
Return payments paid	(3,134)	(4,147)
Islamic deposits held on trust for Islamic Securities Investors	(564)	(192)
Net cash used in financing activities	(3,649)	(4,339)
Net decrease in cash and cash equivalents	(39,294)	(721)
Cash and cash equivalents at beginning of financial period	71,022	93,722
Cash and cash equivalents at end of financial period	31,728	93,001

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Condensed Consolidated Cash Flow Statement (Cont'd)For the Six-Month Period Ended 29 February 2008

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

	As at 29.02.2008 RM'000	As at 29.02.2007 RM'000
Cash and bank balances	279	4,302
Fixed deposits	51,806	108,486
	<hr/> 52,085	<hr/> 112,788
Less: Bank balances held on trust for Islamic Securities Investors	(1)	(1)
Islamic deposits held on trust for Islamic Securities Investors	(20,348)	(19,479)
Fixed deposits pledged for banking facilities	(8)	(307)
	<hr/> 31,728	<hr/> 93,001

The condensed consolidated cash flow statement should be read in conjunction with the audited financial statements for the financial year ended 31 August 2007 and the accompanying explanatory notes attached to the interim financial statements.



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Part A – Explanatory Notes Pursuant to FRS 134

1. Basis of Preparation

The unaudited interim financial statements have been prepared in accordance with *FRS 134: Interim Financial Reporting* and *Chapter 9 Appendix 9B of the Listing Requirements of Bursa Malaysia Securities Berhad*.

The interim financial statements should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 August 2007. These explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial year ended 31 August 2007.

The significant accounting policies and methods of computation adopted by the Group in the interim financial statements are consistent with those adopted in the audited financial statements for the financial year ended 31 August 2007.

2. Comments about Seasonality or Cyclicalities of Operations

The prices for the Group's products are not within the control of the Group but are determined by the global supply and demand situation for edible oils.

Crop production is affected by weather conditions and the age of palms.

The prices obtainable for the Group's products as well as the volume of production will determine the profits for the Group.

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

The Group had paid a deposit of RM47,156,988 as at period ended 29 February 2008 for the proposed acquisitions mentioned in Note 9. The deposit is included in other receivables, deposits and prepayments.

4. Changes in Estimates

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

5. Debt and Equity Securities

There were no issuances, cancellations, repurchases, resale and repayments of debt and equity securities during the 3-month financial period ended 29 February 2008.

6. Dividends Paid

No dividend was paid for the 3-month financial period ended 29 February 2008.



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

7. Segmental Information

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

8. Property, Plant and Equipment

(a) Acquisitions and Disposals

During the 3-month financial period ended 29 February 2008, the Group acquired items of property, plant and equipment with a total cost of RM1.5 million.

There had been no major disposals of items of property, plant and equipment during the 3-month financial period ended 29 February 2008.

(b) Impairment Losses

Neither loss from impairment of property, plant and equipment nor reversal of such impairment losses were recognised during the 3-month financial period ended 29 February 2008.

(c) Valuations

As at 29 February 2008, the Group did not have any revalued assets.

9. Subsequent Events

On 12 October 2007, the Company announced the following proposed acquisitions by the Company: -

- (i) acquisition of 85% equity interest in Baram Trading Sdn Bhd ("BTSB") comprising 4,250,000 ordinary shares of RM1.00 each from Pemandangan Jauh Plantation Sdn Bhd ("PJP"), Rimbunan Hijau (Sarawak) Sdn Bhd ("RHS"), Tiong Toh Siong Holdings Sdn Bhd ("TTSH") and Telang Usan Resources Sdn Bhd ("TUR") for an indicative purchase consideration of RM18,417,000 to be satisfied in cash; and
- (ii) acquisition of 85% equity interest in Nescaya Palma Sdn Bhd ("NPSB") comprising 2,125,000 ordinary shares of RM1.00 each from PJP and Desa Nuri Sdn Bhd ("DN") for an indicative purchase consideration of RM32,250,000 to be satisfied in cash.

The above proposed acquisitions have been approved by Foreign Investment Committee vide its letter dated 23 November 2007 and the shareholders of the Company at the extraordinary general meeting held on 21 December 2007. Those acquisitions have been completed on 19 March 2008.

Other than the above, there were no other material events after the period end that had not been reflected in the financial statements for the financial period ended 29 February 2008.

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

10. Changes in Composition of the Group

There were no changes in the composition of the Group during the 3-month financial period ended 29 February 2008.

11. Changes in Contingent Liabilities and Contingent Assets

As at 15 April 2008, there were no material contingent liabilities or contingent assets that upon being enforceable, might have a material impact on the financial position or business of the Group.

12. Capital Commitment

Save as disclosed below, as at 15 April 2008, there was no material commitment for capital expenditure contracted for or known to be contracted by the Group which might have a material impact on the financial position or business of the Group: -

	RM'000
Approved and contracted for	1,800
Approved but not contracted for	-
	<hr/> 1,800

13. Related Party Transactions

	3 months ended		6 months ended	
	29.02.2008	28.02.2007	29.02.2008	28.02.2007
	RM'000	RM'000	RM'000	RM'000
Purchase of fresh fruit bunches	6,149	4,785	15,355	10,341
Purchase of fertiliser and chemical	1,941	1,788	3,371	2,891
Purchase of diesel	1,588	848	2,389	1,815
Purchase of spare parts, harvesting and weeding tools, repair and maintenance	1,014	559	2,108	1,434
Insurance premium charged	61	50	96	177
Transportation and accommodation	287	-	461	-
Purchases of vehicles and machineries	-	-	239	-

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

14. Review of Performance

For the current quarter, the Group recorded an increase of 32.8% in revenue to RM44 million from RM33.2 million reported in the previous corresponding period. Profit before taxation also increased by 192.6% to RM13.5 million as compared to RM4.6 million in the previous corresponding period. The favourable result is mainly attributed to the higher selling prices of crude palm oil and palm kernel recorded during the quarter.

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

The Group reported a profit before taxation of RM13.5 million for the current quarter as compared to the profit before taxation of RM17.5 million in the preceding quarter. The unfavourable result is mainly due to decrease in production of fresh fruit bunches by 22% despite a favourable variance of increase in CPO price of 7.6% during the quarter.

16. Commentary on Prospects

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

17. Actual Profit Against Profit Forecast And Profit Guarantee

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

18. Income Tax Expense

	3 months ended		6 months ended	
	29.02.2008	28.02.2007	29.02.2008	28.02.2007
	RM'000	RM'000	RM'000	RM'000
Current tax	2,203	1,060	3,993	2,590
Deferred tax	1,499	157	4,369	97
Total income tax expense	3,702	1,217	8,362	2,687

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

19. Sales of Unquoted Investments and Properties

There were no sales of unquoted investments and properties for the 3-month financial period ended 29 February 2008.

20. Quoted Securities

There was no purchase or disposal of quoted securities for the 3-month financial period ended 29 February 2008.

21. Corporate Proposals

Other than the corporate proposals mention in Note 9, there were no other corporate proposals announced as at 15 April 2008.

22. Borrowings and Debt Securities

	As at 29.02.2008 RM'000	As at 31.08.2007 RM'000
Current		
Islamic securities, secured	5,000	5,000
Non-current		
Islamic securities, secured	88,000	88,000
	<u>93,000</u>	<u>93,000</u>

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

23. Off Balance Sheet Financial Instruments

There were no off balance sheet financial instruments as at 15 April 2008.

24. Changes in Material Litigation

As at 15 April 2008, neither the Company nor any of its subsidiary companies were engaged in any litigation or arbitration, either as plaintiff or defendant, which had a material effect on the financial position of the Company or any of its subsidiaries and the Board of Directors was not aware of any proceedings pending or threatened, or of any fact likely to give rise to any proceedings, which might materially and adversely affect the position or business of the Company or any of its subsidiaries.

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

25. Dividend Payable

No interim dividend has been declared for the 3-month financial period ended 29 February 2008.

On 5 December 2007, the Board of Directors proposed a first and final dividend of 5 sen per ordinary share, less 27% corporate tax, in respect of the financial year ended 31 August 2007, which was approved by shareholders at the Annual General Meeting on 25 January 2008.

26. Earnings per Share

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

	3 months ended		6 months ended	
	29.02.2008	28.02.2007	29.02.2008	28.02.2007
	RM'000	RM'000	RM'000	RM'000
Profit for the period	9,806	3,399	22,628	7,032
Weighted average number of ordinary shares in issue ('000)	128,267	128,267	128,267	128,267
Basic earnings per share (sen)	7.64	2.65	17.64	5.48

Diluted earnings per share were not computed as the Company did not have any convertible financial instruments as at 29 February 2008.

27. Auditors' Report on Preceding Annual Financial Statements

The auditors' report on the financial statements for the financial year ended 31 August 2007 was not subject to any qualification.

28. Authorisation for Issue

The interim financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 22 April 2008.