



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 3rd Quarter Ended 31 May 2008

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Condensed Consolidated Income Statements
 For the 3rd Quarter Ended 31 May 2008

	3 months ended		9 months ended	
	31.05.2008	31.05.2007	31.05.2008	31.05.2007
	RM'000	RM'000	RM'000	RM'000
Revenue	51,981	34,191	143,055	102,964
Cost of sales	(35,158)	(24,201)	(85,744)	(74,585)
Gross profit	16,823	9,990	57,311	28,379
Other operating income	429	873	1,816	3,090
Distribution costs	(2,587)	(1,934)	(7,275)	(6,339)
Administrative and other expenses	(1,604)	(1,254)	(4,663)	(3,552)
Finance costs	(2,213)	(2,109)	(5,350)	(6,292)
Profit before taxation	10,848	5,566	41,839	15,286
Income tax expense	(2,760)	(1,430)	(11,123)	(4,117)
Profit after taxation	8,088	4,136	30,716	11,169
Attribute to:				
Equity holders of the Company	8,024	4,136	30,652	11,169
Minority interests	64	-	64	-
	8,088	4,136	30,716	11,169
Earnings per share attributable to equity holders of the Company (sen): -				
Basic earnings per share	6.26	3.22	23.90	8.71
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 31 May 2008

	(Unaudited)	(Audited)
	As at	As at
	31.05.2008	31.08.2007
	RM'000	RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	84,468	50,880
Biological assets	140,370	55,023
Prepaid lease rentals	32,369	10,968
Deferred tax assets	-	691
Goodwill on consolidation	12,803	-
	<u>270,010</u>	<u>117,562</u>
Current assets		
Inventories	12,434	8,013
Trade receivables	4,604	3,075
Other receivables, deposits and prepayments	4,720	1,747
Tax refundable	208	47
Fixed deposits with licensed banks	32,560	70,727
Islamic deposits	20,349	19,785
Cash and bank balances	202	353
	<u>75,077</u>	<u>103,747</u>
TOTAL ASSETS	<u><u>345,087</u></u>	<u><u>221,309</u></u>
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the Company		
Share capital	64,133	64,133
Share premium	6,866	6,866
Retained profits	55,551	29,581
	<u>126,550</u>	<u>100,580</u>
Minority interests	6,664	-
Total equity	<u>133,214</u>	<u>100,580</u>
Non-current liabilities		
Borrowings	137,200	88,000
Deferred tax liabilities	27,869	10,242
	<u>165,069</u>	<u>98,242</u>

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Condensed Consolidated Balance Sheet (Cont'd)As At 31 May 2008

Current liabilities

Trade payables	16,707	9,075
Other payables and accruals	14,721	7,130
Borrowings	12,391	5,000
Taxation	2,985	1,282
	<hr/>	<hr/>
	46,804	22,487

Total liabilities

	211,873	120,729
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TOTAL EQUITY AND LIABILITIES

	345,087	221,309
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Net assets per share attributable to ordinary equity holders of the Company (RM)

0.99

0.78

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 Nine-Month Period Ended 31 May 2008

	Share capital RM'000	< -- Non-Distributable -- > Share premium RM'000	Reserve on consolidation RM'000	Distributable Retained profits RM'000	Minority interests RM'000	Total RM'000
9 months ended 31.05.2008						
At 1 September 2007	64,133	6,866	-	29,581	-	100,580
Acquisition of subsidiaries	-	-	-	-	6,600	6,600
Dividends	-	-	-	(4,682)	-	(4,682)
Profit for the period	-	-	-	30,652	64	30,716
At 31 May 2008	<u>64,133</u>	<u>6,866</u>	<u>-</u>	<u>55,551</u>	<u>6,664</u>	<u>133,214</u>
9 months ended 31.05.2007						
At 1 September 2006						
As previously stated	64,133	6,866	5,952	8,007	-	84,958
Prior year adjustment - effects of adopting of FRS 3	-	-	(5,952)	5,952	-	-
At 1 September 2006 (as restated)	64,133	6,866	-	13,959	-	84,958
Dividends	-	-	-	(3,848)	-	(3,848)
Profit for the period	-	-	-	11,169	-	11,169
At 31 May 2007	<u>64,133</u>	<u>6,866</u>	<u>-</u>	<u>21,280</u>	<u>-</u>	<u>92,279</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 Nine-Month Period Ended 31 May 2008

	9 months ended	
	31.05.2008	31.05.2007
	RM'000	RM'000
Cash Flows from Operating Activities		
Profit before taxation	41,839	15,286
Adjustments for: -		
Amortisation of biological assets	2,696	2,178
Depreciation of property, plant and equipment	6,220	5,324
Land lease rentals	204	126
Interest expenses	5,350	6,292
Interest income	(1,798)	(2,749)
Profit on disposal of property, plant and equipment	-	(170)
Property, plant and equipment written off	-	4
Operating profit before working capital changes	54,511	26,291
(Increase)/decrease in inventories	(3,156)	6,427
(Increase) in receivables	(934)	(3,038)
(Decrease)/Increase in payables	(14,453)	2,123
Cash generated from operations	35,968	31,803
Interest received	1,798	2,749
Interest paid	(284)	(37)
Tax paid	(4,285)	(4,376)
Tax refunded	-	924
Net cash provided by operating activities	33,197	31,063
Cash Flows from Investing Activities		
Purchase of property, plant and equipment	(7,381)	(5,730)
Additions to prepaid lease rentals	-	(294)
Additions to biological assets	(3,434)	(1,495)
Acquisition of subsidiaries	(50,595)	-
Proceed from disposal of property, plant and equipment	-	671
Short-term investment	-	(15,000)
Net cash used in investing activities	(61,410)	(21,848)



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Condensed Consolidated Cash Flow Statement (Cont'd)
 For the Nine-Month Period Ended 31 May 2008

	9 months ended	
	31.05.2008	31.05.2007
	RM'000	RM'000
Cash Flows from Financing Activities		
Decrease in fixed deposits pledged for banking facilities	57	-
Dividend paid	(4,682)	(3,848)
Interest paid	(5,066)	(6,255)
Repayment of hire purchase liabilities	(121)	-
Islamic deposits held on trust for Islamic Securities Investors	(564)	(363)
Net cash used in financing activities	<u>(10,376)</u>	<u>(10,466)</u>
Net decrease in cash and cash equivalents	(38,589)	(1,251)
Cash and cash equivalents at beginning of financial period	71,022	93,722
Cash and cash equivalents at end of financial period	<u><u>32,433</u></u>	<u><u>92,471</u></u>

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

	As at	As at
	31.05.2008	31.05.2007
	RM'000	RM'000
Cash and bank balances	202	4,271
Bank overdraft	(328)	-
Islamic deposits	20,349	19,650
Fixed deposits	32,560	88,507
	<u>52,783</u>	<u>112,428</u>
Less: Bank balances held on trust for Investors	(1)	(1)
Islamic deposits held on trust for Investors	(20,349)	(19,649)
Fixed deposits pledged to licensed bank	-	(307)
	<u><u>32,433</u></u>	<u><u>92,471</u></u>

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 Cyclicity of Operations

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

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

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

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

There were no unusual items affecting assets, liabilities, equity, net income or cash flows during the current quarter and the financial period-to-date, except as disclosed in Note 10.

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 31 May 2008.



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

6. Dividends Paid

A first and final dividend of 5 sen per ordinary share less tax at 27% totalling RM 4,681,738 in respect of the financial year ended 31 August 2007 was paid on 19 March 2008.

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 31 May 2008, the Group acquired items of property, plant and equipment with a total cost of RM4.0 million.

There had been no major disposals of items of property, plant and equipment during the 3-month financial period ended 31 May 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 31 May 2008.

(c) Valuations

As at 31 May 2008, the Group did not have any revalued assets.

9. Subsequent Events

There were no other material events after the period end that had not been reflected in the financial statements for the financial period ended 31 May 2008.

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

10. Changes in Composition of the Group (Con't)*Acquisition of Subsidiaries*

On 19 March 2008, the Group acquired 85% equity interest in Baram Trading Sdn Bhd and Nescaya Palma Sdn Bhd, companies incorporated in Malaysia which are involved in oil palm plantation.

The cost of acquisition comprises the followings: -

	RM'000
Purchase consideration satisfied by cash	49,778
Costs attributable to the acquisition, paid in cash	426
Total cost of acquisition	<u>50,204</u>

The acquired subsidiaries have contributed the following results to the Group:-

	3 months ended 31.05.2008 RM'000	9 months ended 31.05.2008 RM'000
Revenue	3,717	3,717
Profit for the period	426	426
Minority interests	64	64



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

10. Changes in Composition of the Group (Con’t)

The assets and liabilities arising from the acquisitions are as follows:-

	Fair value RM’000	Acquirees’ carrying amount RM’000
Property, plant and equipment	32,427	20,994
Prepaid lease rentals	21,605	5,737
Biological assets	84,608	47,892
Inventories	1,265	1,265
Trade and other receivables	3,570	3,570
Cash and bank balances	101	101
Trade and other payables	(29,676)	(29,676)
Borrowings – Overdraft	(493)	(493)
– Others	(56,383)	(56,383)
Deferred tax liabilities	(13,023)	-
Total net assets/liabilities	44,001	(6,993)
Less: Minority interests	(6,600)	
Group’s share of net assets	37,401	
Goodwill arising on acquisitions	12,803	
	50,204	

The cash outflow on acquisitions is as follows:-

	9 months ended 31.05.2008 RM’000
Purchase consideration satisfied by cash	49,778
Costs attributable to the acquisitions, paid in cash	426
Total cash outflow of the Company	50,204
Cash and cash equivalents of subsidiaries acquired	391
Net cash outflow of the Group	50,595

11. Changes in Contingent Liabilities and Contingent Assets

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



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

12. Capital Commitment

Save as disclosed below, as at 15 July 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	1,455
Approved but not contracted for	-
	1,455

13. Related Party Transactions

	3 months ended		9 months ended	
	31.05.2008	31.05.2007	31.05.2008	31.05.2007
	RM’000	RM’000	RM’000	RM’000
Purchase of fresh fruit bunches	4,627	7,082	19,983	17,423
Purchase of fertilizer and chemical	5,068	2,293	8,439	5,184
Purchase of diesel	1,056	1,052	3,445	2,867
Purchase of spare parts, harvesting and weeding tools, repair and maintenance	1,567	398	3,675	1,832
Insurance premium charged	138	61	234	237
Transportation and accommodation	475	-	936	-
Sales of fresh fruit bunches	1,757	-	1,757	-
Purchases of vehicles and machineries	224	1,155	463	1,155



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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 52% in revenue to RM52 million from RM34.2 million reported in the previous corresponding period. Profit before taxation also increased by 96% to RM10.8 million as compared to RM5.6 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 RM10.8 million for the current quarter as compared to the profit before taxation of RM13.5 million in the preceding quarter. This is mainly due to the tremendous increase in the production cost, especially manuring cost and finance cost associated with acquisition of two new subsidiaries.

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		9 months ended	
	31.05.2008	31.05.2007	31.05.2008	31.05.2007
	RM’000	RM’000	RM’000	RM’000
Current tax	1,835	1,099	5,828	3,689
Deferred tax	925	331	5,295	428
Total income tax expense	2,760	1,430	11,123	4,117

19. Sales of Unquoted Investments and Properties

There were no sales of unquoted investments and properties for the 3-month financial period ended 31 May 2008.

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

20. Quoted Securities

There was no purchase or disposal of quoted securities for the 3-month financial period ended 31 May 2008.

21. Corporate Proposals

There were no other corporate proposals announced as at 15 July 2008.

22. Borrowings and Debt Securities

	As at 31.05.2008 RM'000	As at 31.08.2007 RM'000
Current -Secured		
Bank overdraft	328	-
Islamic securities	12,000	5,000
Hire purchase creditor	63	-
	<hr/> 12,391	<hr/> 5,000
Non-current – Secured		
Islamic securities	102,200	88,000
Term loan	35,000	-
	<hr/> 137,200	<hr/> 88,000
	<hr/> <hr/> 149,591	<hr/> <hr/> 93,000

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 July 2008.

24. Changes in Material Litigation

As at 15 July 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 31 May 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. The dividend was paid to shareholders on 19 March 2008.

26. Earnings per Share

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

	3 months ended		9 months ended	
	31.05.2008	31.05.2007	31.05.2008	31.05.2007
	RM'000	RM'000	RM'000	RM'000
Profit for the period	8,024	4,136	30,652	11,169
Weighted average number of ordinary shares in issue ('000)	128,267	128,267	128,267	128,267
Basic earnings per share (sen)	6.26	3.22	23.90	8.71

Diluted earnings per share were not computed as the Company did not have any convertible financial instruments as at 31 May 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 28 July 2008.