RIMBUNAN SAWIT BERHAD ("RSB" OR THE "COMPANY")

RESCISSION AGREEMENT FOR THE TERMINATION OF JOINT VENTURE AGREEMENT WITH LCDA HOLDINGS SDN BHD

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1. INTRODUCTION

The Board of Directors of RSB ("**Board**") wishes to announce that RSB had on 24th July 2025, entered into a rescission agreement ("**Rescission Agreement**") with LCDA Holdings Sdn Bhd (formerly known as Pelita Holdings Sdn Bhd ("**LHSB**") to mutually rescind the Joint Venture Agreement dated 25 April 2001 ("**JV Agreement**") involving the development of a parcel of land known as Ulu Selangau NCR Land Development Area located in Sibu division, Sarawak ("**Land**") into an oil palm plantation through the joint venture company, PJP Pelita Selangau Plantation Sdn Bhd (Registration No. 200001012575 (515181-X)) (formerly known as Ladang Metah Sdn Bhd) ("**JV Company**"). The rescission effectively terminates the joint venture arrangement between LHSB and RSB under the JV Agreement.

2. DETAILS OF THE RESCISSION

2.1 Details of the Rescission

Pursuant to the Rescission Agreement, LHSB and RSB have mutually agreed to rescind the JV Agreement in its entirety, with effect from the completion date of the Rescission Agreement which will take place within 14 days from the date of the Rescission Agreement ("**Completion Date**"), thereby releasing and discharging each other from all past and future claims, demands, actions, liabilities, and obligations related to the JV Agreement.

In connection with the rescission, the 4,800,000 ordinary shares held by LHSB in the JV Company will be transferred to RSB for a total consideration sum of RM1,200,000 ("**Consideration Sum**") payable on the Completion Date, and the name of the JV Company will be changed. The share transfer forms part of the mutual arrangement to terminate the joint venture arrangement between LHSB and RSB, and upon completion of the transfer, there will be no further claims or obligations between LHSB and RSB under the JV Agreement.

Upon completion of the share transfer, the JV Company shall become the wholly owned subsidiary of RSB, and RSB will have full discretion in its administration, operations and management.

2.2 Background information on JV Agreement

LHSB was nominated by the Land Custody Development Authority to act as the trustee to undertake and develop the Land for the benefit of the natives who are in occupation of and having native customary rights ("**NCR Owners**") over the Land.

LHSB and Ladang Hijau (Sarawak) Sdn Bhd had entered into the JV Agreement for the purpose of developing the Land into an oil palm plantation ("**Project**").

Under the JV Agreement, the Project was to be undertaken by the JV Company, with the agreed shareholding and equity participation in the JV Company comprising LHSB holding 10% in its own capacity and another 30% as trustee for the NCR Owners, and Ladang Hijau (Sarawak) Sdn Bhd holding 60%.

Subsequently, by virtue of a Share Sale Agreement dated 30 December 2009 ("**SSA**"), RSB had acquired from Ladang Hijau (Sarawak) Sdn Bhd, all of the 7,200,000 ordinary shares in representing 60% of the issued share capital in the JV Company. Following the completion of the SSA, the JV Company became a subsidiary of RSB, and RSB agreed to be bound by the terms of the JV Agreement and to perform the obligations in the JV Agreement to the extent applicable to RSB in place of Ladang Hijau (Sarawak) Sdn Bhd.

2.3 Information on JV Company

The JV Company was incorporated as a private company limited by shares in Malaysia under the Companies Act 1965 on 26 May 2000, and is registered under the Companies Act 2016.

As at the date of this Announcement, the JV Company has an issued share capital of RM12,000,000 comprising 12,000,000 ordinary shares.

Shareholder	No. of Shares in PJP Pelita Selangau Sdn Bhd	%
LHSB	4,800,000[(1)]	40
RSB	7,200,000	60
	12,000,000	**100.0**

Note:

(1) Holding 3,600,000 ordinary shares in trust for the NCR Owners

As at the date of this Announcement, the directors of the JV Company are Datu Sr Zaidi bin Haji Mahdi and George Lentton anak Indang representing LHSB, and Tiong Chiong Ie, Wong Ing Seng and Ronald Tiong Chiong Kai representing RSB.

As at the date of this Announcement, the JV Company is an existing subsidiary of RSB, and does not have any subsidiary or associated company.

2.4 Source of funding

The Consideration Sum will be entirely satisfied in cash on the Completion Date, via internally generated funds of RSB and its group of companies.

2.5 Liabilities to be assumed

There are no liabilities, including contingent liabilities and guarantees, to be assumed by RSB pursuant to the termination of the JV Agreement under the Rescission Agreement.

The existing liabilities of the JV Company, as and when due, will be settled by the JV Company in its ordinary course of business.

2.6 Additional financial commitments

Other than the costs to effect the share transfer and the change of name, RSB does not expect to incur any additional financial commitments to put the JV Company into operation as the JV Company is already in operation.

3. Rationale For The Rescission

After careful deliberation and mutual consultation, both parties have agreed to discontinue the Project and accordingly, to terminate the JV Agreement. This decision was made in light of the challenges encountered by the JV Company in relation to the Project and in fulfilling the intended objectives under the JV Agreement despite concerted efforts made by the parties. Given the extended timeline and substantial resources that would be required to carry on with the Project, the parties have determined that discontinuing the Project is the most pragmatic and strategic course of action.

This decision will enable RSB to reallocate resources more effectively and to refocus on its core business and long-term strategic priorities.

4. INTERESTS OF DIRECTORS, MAJOR SHAREHOLDERS AND/OR PERSONS CONNECTED WITH THEM

None of the Directors and/or major shareholders of RSB as well as persons connected to them have any interest, direct or indirect, in the termination of the JV Agreement under the Rescission Agreement.

This Announcement is dated 24th July 2025.

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