

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

PROPOSED DISPOSAL OF A PARCEL OF LAND SITUATED AT BATANG BARAM, BARAM IN SARAWAK FOR A CASH CONSIDERATION OF RM28,000,000.00 BY SASTAT HOLDINGS SDN. BHD., A WHOLLY OWNED SUBSIDIARY OF RSB, TO TRINITY CAPITAL RESOURCES SDN. BHD. ("PROPOSED DISPOSAL")

1. INTRODUCTION

The Board of Directors of RSB ("**Board**") wishes to announce that Sastat Holdings Sdn. Bhd. ("**SHSB**"), a wholly owned subsidiary of RSB, had on 13th January 2026 entered into a conditional sale and purchase agreement with Trinity Capital Resources Sdn. Bhd. ("**TRCSB**"), to dispose of a parcel of land situated at Batang Baram, Baram in the Miri division of Sarawak measuring approximately 1504 hectares and described as Lot 205 Teraja Land District ("**Sastat Estate**") for a cash consideration of RM28.0 million ("**Disposal Consideration**").

Further details of the Proposed Disposal are set out in the ensuing sections of this Announcement.

2. DETAILS OF THE PROPOSED DISPOSAL

2.1 Proposed Disposal

2.1.1 Background information on the Proposed Disposal

The Proposed Disposal entails the disposal of Sastat Estate by SHSB to TRCSB at the Disposal Consideration subject to the terms and conditions of the sale and purchase agreement dated 13th January 2026 between SHSB and TRCSB ("**Disposal SPA**").

2.1.2 Information on SHSB

SHSB was incorporated as a private company limited by shares in Malaysia under the Companies Act 1965 on 23 July 2007, and is deemed registered under the Companies Act 2016.

SHSB has an issued share capital of RM10,000,000 comprising 10,000,000 ordinary shares. It is a wholly owned subsidiary of RSB.

As at the date of this Announcement, SHSB is principally involved in oil palm plantation.

The directors of SHSB are Datuk Tiong Chiong Ie, Mr. Tiong Chiong Ong, Mr. Ronald Tiong Chiong Kai and Mr. Wong Ing Seng.

2.1.3 Information on TRCSB

TRCSB was incorporated as a private company limited by shares in Malaysia under the Companies Act 2016 on 9 September 2025 under its present name.

As at the date of this Announcement, TRCSB is principally engaged in growing oil palm estate and activities of holding companies.

TRCSB has an issued share capital of RM10,000,000.00 comprising 10,000,000 ordinary shares, and its shareholders are as follows:

Shareholder	No. of Shares in TRCSB	%
Agie Sally Lau Sie Sieung	1,000,000	10.0
Dato' Lee Chee Kiang	1,000,000	10.0
Dato' Sri Lau Hieng Su @ Lau Hieng Sii	1,000,000	10.0
Dato' Sri' Lee Sie Tong @ Lee Ah Tong	1,000,000	10.0
Lau Sie Nguong	1,000,000	10.0
Tung Huat Plantations Group Sdn Bhd	5,000,000	50.0
	5,000,000	100.0

The directors of TRCSB are Dato' Sri Lau Hieng Su @ Lau Hieng Sii, Dato' Sri Lee Sie Tong @ Lee Ah Tong, Dato' Lee Chee Kiang, Agie Sally Lau Sie Sieung and Lau Sie Nguong.

2.1.4 Details of Sastat Estate

Sastat Estate is an oil palm plantation located along Batang Baram, Baram, near to Marudi. The western boundary largely follows the eastern bank of Batang Baram situated at Batang Baram, Baram, Miri Division, Sarawak.

Further details of Sastat Estate are set out in Appendix I of this Announcement.

2.1.5 Salient terms of the Disposal SPA

The Proposed Disposal is subject to the terms and conditions of the Disposal SPA. The salient terms of the Disposal SPA are set out in Appendix II of this Announcement.

2.1.6 Basis of and justification for the Disposal Consideration

The Disposal Consideration was arrived at on a willing-buyer willing-seller basis and after taking into consideration the following:

- market value of the Sastat Estate of RM29.0 million, as appraised by Henry Butcher Malaysia (Sarawak) Sdn Bhd, being the independent valuer appointed by SHSB, in its valuation report dated 2nd December 2025 ("**Valuation Report**"), which was derived based on discounted cash flow method; and
- the rationale for the Proposed Disposal, further details of which are set out in Section 3 of this Announcement.

2.1.7 Mode of settlement

The Disposal Consideration shall be satisfied wholly in cash, at the time and in the manner as prescribed below:

Payment terms	Timing of settlement	Disposal consideration	
		RM	%
• Deposit	Payable to SHSB by TCRSB upon execution of Disposal SSA	1,800,000	10.00
• Balance of Disposal Consideration	Within 3 months from Unconditional Date ⁽¹⁾	25,200,000	90.00
Total		28,000,000	100.00

Note:

- (1) *The Unconditional Date shall be the date of fulfilment of all the conditions precedent under the Disposal SPA.*

2.1.8 Original cost and date of investment

The original cost and date of investment by SHSB in the Sastat Estate is set out below:

	Original date of investment	Original cost of investment RM'000
Sastat Estate	6 th August 2008 ⁽¹⁾	30,769 ⁽²⁾

Notes:

- (1) *Being the date upon which SHSB was registered as the proprietor of Sastat Estate in the provisional lease issued by the Land and Survey Department, Miri division pursuant to the alienation of the Sastat Estate to SHSB by the State Government of Sarawak*
- (2) *Comprising the premium paid to the Land and Survey Department, Miri division in connection with the alienation of the Sastat Estate to SHSB*

The net book value of Sastat Estate based on the latest audited financial statements of SHSB as at 31 December 2024 is RM18,075,512.

2.1.9 Liabilities and guarantees

There are no liabilities, including contingent liabilities, in relation to the Proposed Disposal which will remain with SHSB or otherwise to be assumed by RSB upon completion of the Proposed Disposal. In addition, there are no guarantees given by SHSB to TCRSB pursuant to the Proposed Disposal.

2.1.10 Utilisation of proceeds

The Disposal Consideration is intended to be utilised for working capital purposes, including defraying expenses in connection with the Proposed Disposal, and for investment and development of viable potential estate within 12 months from the date of receiving the Disposal Consideration.

2.1.11 Cash company or Practice Note ("PN") 17 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") ("Listing Requirements")

The Proposed Disposal is not expected to result in RSB becoming a cash company or a PN17 company as defined under the Listing Requirements.

3. RATIONALE FOR AND BENEFITS OF THE PROPOSED DISPOSAL

The Proposed Disposal will enable RSB to discontinue incurring high transportation costs associated with the remote location of Sastat Estate which lacks integration with other existing estates and mills within RSB and its group of companies, and avoids RSB from making further investment into Sastat Estate to render it profitable. The Proposed Disposal will in turn, allow RSB to concentrate resources on more profitable and better integrated estates and mills, thereby enhancing overall efficiency.

4. RISK FACTORS

The risk factors relating to the Proposed Disposal are set out below:

(i) Delay or non-completion risk

Despite the execution of the Disposal SPA, there can be no assurance that all the terms and conditions as set out in the Disposal SPA will be able to be fulfilled, and therefore, the Proposed Disposal may not be able to complete.

In addition, there can also be no assurance that the Proposed Disposal can be completed within the timeframe set. Any delay or non-completion of the Proposed Disposal will delay or preclude SHSB from receiving the Disposal Consideration and consequently affect the utilisation of proceeds in accordance with the manner as set out in Section 2.1.11 of this Announcement, as well as depriving RSB from attaining the resultant benefits from the Proposed Disposal as set out in Section 3 of this Announcement.

Notwithstanding the above, the management and the Board will endeavour to take all reasonable steps to ensure that the terms and conditions of the Disposal SPA which are within SHSB's control are fulfilled and met on a timely basis to facilitate the Proposed Disposal. Nonetheless, there can be no assurance that the Disposal SPA will not be terminated as a result of any breach or default attributable to any of the parties.

(ii) Consent not granted

There can be no assurance that the consent in writing of the Director of Lands and Surveys of Sarawak could be obtained for the transfer of legal ownership of the Sastat Estate by SHSB to TRCSB.

The management and the Board will endeavour to take all reasonable steps to ensure that consent is granted on a timely basis to facilitate the Proposed Disposal.

(iii) Compulsory land acquisition

The State Government of Sarawak is empowered under the Sarawak Land Code to compulsorily acquire any land in Sarawak. In the event that the State Government of Sarawak compulsorily acquires the Sastat Estate, the risk to SHSB and RSB may be mitigated by the compensation awarded by the State Government of Sarawak for such compulsory acquisition. Pursuant to the Sarawak Land Code, the market value of the land shall be taken into consideration in determining the amount of compensation to be awarded for any land resumed by the State of Government of Sarawak. The risk of compulsory acquisition of the Sastat Estate is mitigated by the fact that presently, there are no compulsory acquisition notifications issued under the Sarawak Land Code against the Sastat Estate.

(iv) General economic, social, political and regulatory risks in Malaysia

The future growth and financial performance of RSB Group could be affected by changes in among others, economic growth, taxation, accounting policies and standards, regulations, government policies and political stability. Any adverse developments in these conditions could negatively affect the oil palm plantation industry and affect the financial performance and growth of RSB Group.

Although measures will be taken to address and/or mitigate such developments, no assurance can be given that such measures will be sufficient or effective in the circumstances.

5. EFFECTS OF THE PROPOSED DISPOSAL

5.1 Issued share capital and substantial shareholders' shareholdings

The Proposed Disposal will not have any effect on the issued share capital and the substantial shareholders' shareholdings of RSB as the Proposed Disposal does not involve the issuance of any new ordinary shares in RSB.

5.2 Net assets ("NA"), NA per Share and gearing

The Proposed Disposal will not have any material effect on the NA per share and gearing of RSB for the financial year ending 31 December 2024.

5.3 Profit and Profit per Share ("PPS")

For illustrative purposes, the pro forma effects of the Proposed Disposal on the consolidated profit and PPS of RSB assuming the Proposed Disposal had been effected at the beginning of FYE 31 December 2024, are as follows:

	Audited for the FYE 31 December 2024 RM'000	I After the Proposed Disposal RM'000	II After (I) and the Proposed Disposal RM'000
Profit after tax attributable to the equity holders of RSB	28,553	0	28,553
Add: Pro forma gain on the Proposed Disposal	0	(3,575)	(3,575)
Pro forma loss attributable to owners of RSB	28,553	(3,575)	24,978
Weighted average number of RSB Shares in issue ('000)	2,041,722	2,041,722	2,041,722
Basic earnings per Share/(LPS) (sen)	1.40	(0.18)	1.22

Note:

- The estimated loss on disposal arising from the Proposed Disposal is RM3,575,026.

5.4 Convertible securities

As at the date of this Announcement, RSB does not have any convertible securities in issue.

6. APPROVALS REQUIRED

The Proposed Disposal does not require approval from the shareholders of RSB, but is subject to the consent in writing of the Director of Lands and Surveys of Sarawak in light of the special title condition of Sastat Estate.

The Proposed Disposal is not conditional upon any other corporate exercise undertaken or to be undertaken by RSB.

7. HIGHEST PERCENTAGE RATIO

The highest percentage ratio applicable to the Proposed Disposal pursuant to Paragraph 10.02(g) of the Listing Requirements is approximately 7.3% *computed based on the Disposal Consideration of RM28,000,000 as compared to the latest audited consolidated net assets of RSB as at 31 December 2024 of RM381,071,879.*

8. 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 Proposed Disposal.

9. DIRECTORS' STATEMENT

The Board having considered all aspects of the Proposed Disposal including, amongst others, the rationale and benefits of the Proposed Disposal, basis of and justification for the Disposal Consideration, the salient terms of the Disposal SPA, is of the opinion that the Proposed Disposal is in the best interest of the Company.

10. ESTIMATED TIMEFRAME FOR COMPLETION

Barring any unforeseen circumstances and subject to all requisite approvals/consents being obtained, the Proposed Disposal is expected to be completed by the second half of 2026.

11. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the Disposal SPA and the Valuation Report are available for inspection at the registered office of RSB at North Wing, Menara Rimbunan Hijau, 101, Pusat Suria Permata, Jalan Upper Lanang, 96000 Sibu, Sarawak during normal office hours from Mondays to Fridays (except public holidays) for a period of 3 months from the date of this Announcement.

This Announcement is dated 13th January 2026.

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DETAILS OF SASTAT ESTATE

1. The details of Sastat Estate being disposed pursuant to the Proposed Disposal are as follows:

Location	Sastat Estate is located along Batang Baram, Baram, near to Marudi. The western boundary largely follows the eastern bank of Batang Baram situated at Batang Baram, Baram, Miri Division, Sarawak.
Type of land	Agricultural land
Existing use / Future use	Oil palm plantation / Oil palm plantation
Land description	Lot 205 Teraja Land District
Details of title	04-LCPLS-017-000-00205
Type of title	Provisional lease under the Sarawak Land Code. Upon the completion of a proper survey of the land, the holder of the provisional lease will be given a lease in accordance with the provisions of the Sarawak Land Code, and subject to the express conditions and restrictions set out in the provisional lease
Tenure	Leasehold of 60 years, expiring on 5 August 2068
Classification of land	Mixed zone land
Category of land	Country land
Land area	1504 hectares, more or less
Planted area	1,055.45 hectares
Age of oil palms (years)	9 – 13 years
Net book value	RM18,075,512 (based on the latest audited financial statements of SHSB as at 31 December 2024)
Encumbrances	None
Restriction in interest	No transfer affecting this land may be effected without the consent in writing of the Director of Lands and Surveys
Annual rent	RM45,120.00
Registered and beneficial owner	Sastat Holdings Sdn Bhd (“SHSB”)
Original cost of investment by SHSB	RM30,769,319
Date of acquisition by SHSB	6 th August 2008
Independent valuer	Henry Butcher Malaysia (Sarawak) Sdn Bhd
Date of valuation	2 nd December 2025
Method of valuation	Comparison Method & Discounted Cash Flow Method
Market value as appraised by valuer	RM29,000,000 (based on Discounted Cash Flow method)

DETAILS OF SASTAT ESTATE

2. Age profile of Sastat Estate as at the date of this Announcement

	Sastat Estate (hectares)
Immature (below 4 years old)	0
Young (4-10 years old)	114.93
Prime (11-20 years old)	940.52
Old (above 20 years old)	0
Planted area	1,055.45
Plantable but not planted area	0
Unplanted area	448.55
Total land area	1,504.00

3. Production of fresh fruit bunches of Sastat Estate for past financial years

	Sastat Estate		
Year	2023 (audited)	2024 (audited)	30th September 2025 (unaudited)
Mature area (ha)	1,055.45	1,055.45	1,055.45
FFP production (MT)	9,132.53	7,879.11	7,281.22
Yield (MT/ha)	8.65	7.47	6.90
Net profits attributable (RM)	(329,773)	(1,920,244)	(1,317,679)

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SALIENT TERMS OF THE DISPOSAL SPA

The salient terms of the Disposal SPA include the following:

1. Agreement for sale and purchase

- 1.1 SHSB has agreed to sell and TRCSB has agreed to purchase the Sastat Estate on an “as is where is” basis and free from all claims, charges, liens, encumbrances and equities of which TRCSB has or is deemed to have notice but subject to all conditions and restrictions, expressed or implied in the Provisional Lease issued to the Sastat Estate imposed by the relevant authorities.

2. Conditions Precedent

- 2.1 The sale and purchase of the Sastat Estate shall be conditional upon the following conditions precedent being fulfilled:
- (a) the consent in writing of the Director of Lands and Surveys for the transfer of Sastat Estate to TRCSB in compliance with the restriction in interest expressed in the Provisional Lease of Sastat Estate;
 - (b) the consent in writing of the Superintendent of Lands and Surveys for the transfer of Sastat Estate to TRCSB in accordance with section 31 of the Sarawak Land Code;
 - (c) the consent in writing of the Director of Lands and Surveys for the charge of Sastat Estate to the bank or financial institution granting a loan to TRCSB to part finance the purchase of Sastat Estate, in compliance with the restriction in interest expressed in the Provisional Lease of Sastat Estate;
 - (d) all such other approvals, consents or authorisations from the relevant authorities or parties.
- 2.2 The conditions precedent shall be fulfilled within 6 months from the date of the Disposal SPA, or such other extended period as SHSB and TRCSB may mutually agree upon in writing.
- 2.3 SHSB shall at its own costs and expenses, use its best endeavours to do all things including taking all steps necessary to fulfil or procure the fulfilment of the conditions precedent in paragraph 2.1(a) and (b) above.
- 2.4 TRCSB shall at its own costs and expenses, use its best endeavours to do all things including taking all steps necessary to fulfil or procure the fulfilment of the condition precedent in paragraph 2.1(c) above. TRCSB may waive the fulfilment of such condition precedent if it is not required or applicable, including where TRCSB is not obtaining, or does not intend to obtain, a loan to part finance its purchase of Sastat Estate.
- 2.5 The date upon which all of the conditions precedent have been fulfilled shall be the “Unconditional Date” and the Disposal SPA shall become unconditional on the Unconditional Date.
- 2.6 If the conditions precedent are not fulfilled within the Conditional Period or the Extended Conditional Period, as the case may be, the following will take place:
- (a) SHSB shall refund all monies paid by TRCSB, including the Deposit, free of interest; and

SALIENT TERMS OF THE DISPOSAL SPA

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- (b) the Disposal SPA shall be deemed to be terminated and of no further force or effect and neither SHSB nor TRCSB shall have any further rights under the Disposal SPA except for any obligation which is expressed to apply after the termination of the Disposal SPA and any rights or obligations which were accrued arising from any breach of the Disposal SPA prior to such termination.
 - 2.7 If the conditions precedent have been fulfilled or obtained but SHSB decides not to proceed to complete the Disposal SPA, SHSB shall refund the Deposit and pay a like sum to TRCSB as agreed liquidated damages and the Disposal SPA shall be terminated.
 - 3. **Payment of Disposal Consideration**
 - 3.1 The Disposal Consideration shall be paid by TRCSB to SHSB at the time and in the manner prescribed below:
 - (a) upon the execution of the Disposal SPA, a sum of RM2,800,000 representing 10% of the Disposal Consideration ("Deposit") shall be payable as deposit and part payment towards the Disposal Consideration; and
 - (b) within 3 months from the Unconditional Date, the balance sum of RM25,200,000.00 representing the final ninety per centum (90%) of the Disposal Consideration shall be paid to the solicitors of SHSB as stakeholder who shall be authorised by SHSB and TRCSB to retain such sum in a non-interest bearing account and thereafter, release to SHSB less the apportioned lawful outgoings accrued in respect of the Sastat Estate upon the registration of the Memorandum of Transfer at the Land and Survey Department of Sarawak, Miri division.
 - 3.2 From the deposit sum of RM2,800,000.00 TRCSB shall deduct and retain a sum of RM840,000.00 for remittance to the Director General of Inland Revenue for contingent real property gains tax in accordance with Section 21B of the Real Property Gains Tax Act, 1976 (as amended by the Finance (No. 2) Act, 2014). Such remittance shall be deemed to be payment towards the Disposal Consideration by TRCSB to SHSB.
 - 4. **Completion**
 - 4.1 Prior to the Disposal SPA, TRCSB has entered upon Sastat Estate to carry out, provide and render contract works as a contractor and has physical possession of Sastat Estate since then.
 - 4.2 SHSB shall part with the legal possession of Sastat Estate, and hand over the plantation activities TRCSB who shall assume all risks to Sastat Estate upon completion of the Disposal SPA. The Disposal SPA shall be deemed to be completed on the date of registration of the memorandum of transfer affecting Sastat Estate at the Land and Survey Department of Sarawak, Miri division ("Registration Date").
 - 4.3 All quit rent, rates, assessments and other outgoings payable in respect of Sastat Estate shall be borne by SHSB up to the Registration Date, and TRCSB shall be solely responsible for the same after the Registration Date. All quit rent, rates, assessments and other outgoings payable in respect of Sastat Estate shall be apportioned between SHSB and TRCSB as at the Registration Date.
 - 5. **Termination**
 - 5.1 SHSB shall be entitled to terminate the Disposal SPA if after the execution but before the completion of the Disposal SPA:
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SALIENT TERMS OF THE DISPOSAL SPA

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- (a) TRCSB shall fail refuse or be unwilling or unable to pay the Disposal Consideration; or
 - (b) TRCSB shall be unable to complete the purchase of Sastat Estate through no fault of SHSB; or
 - (c) there is a breach of warranty or failure to perform or observe any undertaking by TRCSB which cannot be remedied to the satisfaction of SHSB within the period given.
- 5.2 TRCSB shall be entitled to terminate the Disposal SPA if after the execution but before the completion of the Disposal SPA:
- (a) SHSB shall refuse or be unwilling or unable to complete the sale and transfer of Sastat Estate through no fault of TRCSB;
 - (b) there is a breach of warranty or failure to perform or observe any undertaking by SHSB which cannot be remedied to the satisfaction of TRCSB within the period given.
 - (d) there is an order made or resolution passed or analogous proceeding taken for the winding up or dissolution of SHSB or if the Vendor is deemed unable to pay its debts under section 218(2) of the Companies Act 1965 or section 466(1) of the Companies Act 2016 (whichever applicable) or has a receiver and manager appointed over all or a substantial part of its undertakings and assets.
- 5.3 In the event of termination of the Disposal SPA due to the fault of TRCSB:
- (a) the Deposit shall be forfeited to SHSB as agreed pre-estimated liquidated damages, and all other monies received by SHSB as part payment towards the Disposal Consideration shall be returned free of interest to TRCSB by SHSB;
 - (c) TRCSB shall return all documents pertaining to Sastat Estate to SHSB for cancellation; and
 - (d) TRCSB shall withdraw the caveat lodged against Sastat Estate at its own cost and expense.
- 5.4 In the event of termination of the Disposal SPA due to the fault of TRCSB:
- (a) SHSB shall refund the Deposit and all other monies received as part payment towards the Disposal Consideration to TRCSB free of interest;
 - (b) SHSB shall pay a sum equivalent to the Deposit to TRCSB as agreed pre-estimated liquidated damages;
 - (c) TRCSB shall return all documents pertaining to Sastat Estate to SHSB for cancellation; and
 - (d) TRCSB shall withdraw the caveat lodged against Sastat Estate at the cost and expense of SHSB.