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If you are in any doubt as to the action you should take, you should consult your stockbroker, bank manager, solicitor, accountant or other independent adviser immediately.

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**RIMBUNAN SAWIT BERHAD**

(Company No. 691393-U)  
(Incorporated in Malaysia)

**CIRCULAR TO SHAREHOLDERS**

*in relation to the*

**PROPOSED RENEWAL OF SHAREHOLDER MANDATE FOR RECURRENT  
RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE**

**IMPORTANT DATES AND TIMES:**

Last date and time for lodgement of form of proxy	:	Saturday, 22 May 2021 at 12.00 noon
Date and time of annual general meeting	:	Monday, 24 May 2021 at 12.00 noon
Place of annual general meeting	:	Level 2, North Wing Menara Rimbunan Hijau 101, Pusat Suria Permata Jalan Upper Lanang 96000 Sibu, Sarawak

This circular is dated 30 April 2021

# DEFINITIONS

Except where the context otherwise requires, the following definitions and terms apply throughout this circular / statement:

“AGM”	Annual general meeting
“Board”	The Board of Directors of RSB
“Bursa Securities”	Bursa Malaysia Securities Berhad
“Companies Act”	The Malaysian Companies Act, 2016, as amended from time to time and any enactment thereof
“Directors”	The directors for the time being of RSB, and shall have the same meaning given in Section 2(1) of the Capital Markets and Services Act, 2007 and includes any person who is or was within the preceding six (6) months of the date on which the terms of the transactions were agreed upon, a director or chief executive of RSB, its subsidiary or holding company
“FFB”	Fresh fruit bunches
“Group” or “RSB Group”	RSB and its subsidiaries
“Listing Requirements”	The Main Market Listing Requirements of Bursa Securities, as amended from time to time and any enactment thereof
“LPD”	06 April 2021, being the latest practicable date
“Major Shareholder”	Means a person who has an interest or interests in one or more voting shares in a corporation and the number or aggregate number of those shares, is:  (a) 10% or more of the total number of voting shares in the corporation; or  (b) 5% or more of the total number of voting shares in the corporation where such person is the largest shareholder of the corporation.  Includes any person who is or was within the preceding six (6) months of the date on which the terms of the transactions were agreed upon, a major shareholder of RSB or any other corporation which is its subsidiary or holding company  For the purpose of this definition, “interest in shares” shall have the same meaning given in Section 8 of the Companies Act
“Net Assets”	Net assets attributable to ordinary equity holders of RSB
“Persons Connected”	This shall have the same meaning as in Paragraph 1.01 of the Listing Requirements
“Proposed Shareholder Mandate”	Proposed Shareholders Mandate for the new RRPT
“Related Party”	A director, major shareholder or person connected with such director or major shareholder. For the purpose of this definition, “director”, “major shareholder” and their person connected shall have the same meanings given as above
“Related Party Transaction”	A transaction entered into by the listed issuer or its subsidiaries which involves the interest, direct or indirect, of a related party
“RM”	Ringgit Malaysia

“RRPT”	A related party transaction which is recurrent, of a revenue or trading nature and which is necessary for day-to-day operations of RSB Group and which has been made or will be made by RSB Group at least once in three (3) years in the ordinary course of business of RSB Group
“RSB” or “the Company”	Rimbunan Sawit Berhad
“Shares”	Ordinary shares
“Shareholder Mandate”	Shareholder mandate pursuant to Paragraph 10.09 of the Listing Requirements

*Words importing the singular shall, where applicable, include the plural and vice versa, and words importing the masculine gender shall, where applicable, include the feminine and neuter genders. Words importing persons include corporations.*

*Any reference to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any word defined under the Companies Act and used in this circular/statement shall have the meaning assigned to it under the Companies Act.*

*Any reference to a time of day shall be a reference to Malaysian time.*

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# RIMBUNAN SAWIT BERHAD

(Company No. 691393-U)

(Incorporated in Malaysia)

*Registered office:*

North Wing, Menara Rimbunan Hijau  
101, Pusat Suria Permata  
Jalan Upper Lanang  
96000 Sibul, Sarawak

30 April 2021

## Board of Directors:

Mr. Tiong Chiong Ie	-	Non-Independent Non-Executive Director/Chairman
Mr. Tiong Kiong King	-	Executive Director / Vice Chairman
Mr. Tiong Chiong Ong	-	Executive Director
Mr. Bong Wei Leong	-	Independent Director
Mr. Tiong Ing Ming	-	Independent Director

## To : The Shareholders of Rimbunan Sawit Berhad

Dear Sir/Madam

## PROPOSED RENEWAL OF AND NEW SHAREHOLDER MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE

### 1. INTRODUCTION

At the Company's AGM held on 30 July 2020, your Board obtained Shareholder Mandate for RSB Group to enter into RRPT. The existing Shareholder Mandate shall, in accordance with the Listing Requirements, lapse at the conclusion of the forthcoming AGM, which has been scheduled for 24 May 2021, unless it is renewed.

On 05 April 2020, the Company announced through Bursa Securities that the Board proposes to seek Shareholder Mandate for the new RRPT at the AGM.

The purpose of this circular is to provide shareholders with details, effects and rationale pertaining to this proposal and to seek shareholders' approval for the resolution, which is to be tabled as ordinary resolution at the forthcoming AGM scheduled to be held on 24 May 2021.

### 2. BACKGROUND INFORMATION OF PROVISIONS IN THE LISTING REQUIREMENTS

Paragraph 10.09(2) of the Listing Requirements states that with regard to related party transactions which are recurrent, of a revenue or trading nature and which are necessary for day-to-day operations, the Company may seek a mandate from its shareholders, subject to the following:

- (a) the transactions are in the ordinary course of business and are on terms not more favourable to the related party than those generally available to the public;
- (b) the Shareholder Mandate is subject to annual renewal and disclosure is made in the annual report of the aggregate value of transactions conducted pursuant to the Shareholder Mandate during the financial year where the aggregate value is equal to or more than the threshold prescribed under Paragraph 10.09(1) of the Listing Requirements;

- (c) the Company's circular to shareholders for the Shareholder Mandate includes the information as may be prescribed by Bursa Securities. The draft circular must be submitted to Bursa Securities together with a checklist showing compliance with such information;
- (d) in a meeting to obtain Shareholder Mandate, the relevant related party must comply with the requirements set out in Paragraph 10.08(7) of the Listing Requirements; and
- (e) the Company must immediately announce to Bursa Securities when the actual value of a RRPT entered into by the Company, exceeds the estimated value of the RRPT disclosed in the circular by ten percent (10%) or more and the Company must include the information as may be prescribed by Bursa Securities in its announcement.

### 3. FEATURES OF THE PROPOSED SHAREHOLDER MANDATE

#### (a) Principal activities of RSB Group

RSB is principally an investment holding company whilst the subsidiaries are mainly involved in the cultivation of oil palm, processing of palm oil and other ancillary activities.

The subsidiaries of RSB as at LPD, with principal activities are as follows:

	Name of subsidiary	Effective equity interest held (%)	Principal activities
1.	R. H. Plantation Sdn Bhd ("RHP")	100	Cultivation of oil palm and operation of palm oil mill
2.	Timrest Sdn Bhd ("TR")	100	Cultivation of oil palm
3.	Rimbunan Sawit Management Services Sdn Bhd ("RSMS")	100	Investment holding and provision of management services
4.	Nescaya Palma Sdn Bhd ("NP")	100	Cultivation of oil palm
5.	Formasi Abadi Sdn Bhd ("FA") - subsidiary of NP	100	Cultivation of oil palm
6.	Woodijaya Sdn Bhd ("WJ")	100	Cultivation of oil palm
7.	Jayamax Plantation Sdn Bhd ("JYX")	100	Cultivation of oil palm
8.	Novelpac-Puncakdana Plantation Sdn Bhd ("NVP")	100	Cultivation of oil palm
9.	Sastat Holdings Sdn Bhd ("SH")	100	Cultivation of oil palm
10.	RSB Palm Oil Mill Sdn Bhd ("RSBPOM")	100	Operation of palm oil mill
11.	RSB Lundu Palm Oil Mill Sdn Bhd ("RSB Lundu")	100	Operation of palm oil mill
12.	Rajang Builders Sdn Bhd ("RB")	100	Plantation contract work and provision of transportation service
13.	Rajang Agrisupplies Sdn Bhd ("RAS")	100	Wholesaling and retailing of agricultural fertilisers
14.	Topline Synergy Sdn Bhd ("TS")	100	Provision of management services
15.	Rakantama Sdn Bhd ("RT")	100	Insurance agency services
16.	Burung Tiong Helicopter Sdn Bhd ("BTH")	85	Aircraft operations and services
17.	Baram Trading Sdn Bhd ("BT")	85	Cultivation of oil palm

	<b>Name of subsidiary</b>	<b>Effective equity interest held (%)</b>	<b>Principal activities</b>
18.	PJP Pelita Biawak Plantation Sdn Bhd (“PBW”)	85	Cultivation of oil palm
19.	Pelita-Splendid Plantation Sdn Bhd (“PSP”)	70	Cultivation of oil palm
20.	PJP Pelita Ekang-Banyok Plantation Sdn Bhd (“PEB”)	60	Cultivation of oil palm
21.	PJP Pelita Lundu Plantation Sdn Bhd (“PLD”)	60	Cultivation of oil palm
22.	PJP Pelita Selangau Plantation Sdn Bhd (“PSG”)	60	Cultivation of oil palm
23.	PJP Pelita Ulu Teru Plantation Sdn Bhd (“PUT”)	60	Cultivation of oil palm
24.	Lumiera Enterprise Sdn Bhd (“LME”)	100	Dormant

**(b) RRPT**

In accordance to the Listing Requirements and the directive of Bursa Securities, RSB needs to seek Shareholder Mandate on RRPT.

These RRPT are all incurred in the Group’s normal course of business and the names of the companies (hereinafter referred as “Related Parties”), details of the RRPT, the names of Directors, Major Shareholders and Persons Connected with them who are interested in these RRPT are outlined on pages 4 to 12 of this circular.

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Name of Related Parties	Nature of RRPT	Names of Interested Directors, Interested Major Shareholders of RSB Group and Interested Persons Connected	Manner of relationship with the Related Parties as at LPD		Estimated value from 24 May 2021 to the date of next AGM of next AGM (RM)	Estimated value as disclosed in the preceding year's Circular to Shareholders dated 30 June 2020 (RM)	Actual value transacted from 30 July 2020 to LPD (RM)
			Director	Shareholder			
Borneo Affluence Sdn. Bhd.	<ul style="list-style-type: none"> <li>FFB purchase by RSB Lundu</li> </ul>	Tan Sri Datuk Sir Diong Hiew King @ Tiong Hiew King <sup>1</sup> Tiong Chiong Ong <sup>2</sup> Tiong Choon <sup>1c</sup> Pertumbuhan Abadi Asia Sdn Bhd <sup>1k</sup>	<ul style="list-style-type: none"> <li>✓</li> <li>✓</li> <li>X</li> <li>X</li> </ul>	<ul style="list-style-type: none"> <li>✓</li> <li>✓</li> <li>✓</li> <li>✓</li> </ul>	2,000,000.00	2,000,000.00	101,695.56
Mighty Roar Sdn. Bhd.	<ul style="list-style-type: none"> <li>FFB purchase by RSB Lundu</li> </ul>	Tan Sri Datuk Sir Diong Hiew King @ Tiong Hiew King <sup>1</sup> Tiong Chiong Ong <sup>2</sup> Tiong Choon <sup>1c</sup> Pertumbuhan Abadi Asia Sdn Bhd <sup>1k</sup> Tiong Kiong King <sup>3</sup>	<ul style="list-style-type: none"> <li>X</li> <li>✓</li> <li>X</li> <li>X</li> <li>✓</li> </ul>	<ul style="list-style-type: none"> <li>✓</li> <li>✓</li> <li>✓</li> <li>✓</li> <li>X</li> </ul>	2,000,000.00	2,000,000.00	112,876.74
Wealth Ezy Sdn. Bhd.	<ul style="list-style-type: none"> <li>FFB purchase by RSB Lundu</li> </ul>	Tan Sri Datuk Sir Diong Hiew King @ Tiong Hiew King <sup>1</sup> Tiong Chiong Ong <sup>2</sup> Tiong Choon <sup>1c</sup> Pertumbuhan Abadi Asia Sdn Bhd <sup>1k</sup>	<ul style="list-style-type: none"> <li>✓</li> <li>✓</li> <li>X</li> <li>X</li> </ul>	<ul style="list-style-type: none"> <li>✓</li> <li>✓</li> <li>✓</li> <li>✓</li> </ul>	2,000,000.00	2,000,000.00	51,007.37
Rona Hijau Sdn. Bhd.	<ul style="list-style-type: none"> <li>FFB purchase by RSB Lundu</li> </ul>	Tiong Chiong Ong <sup>2</sup> Timothy Tiong Ing Zun <sup>2b</sup>	<ul style="list-style-type: none"> <li>✓</li> <li>✓</li> </ul>	<ul style="list-style-type: none"> <li>✓</li> <li>X</li> </ul>	8,000,000.00	8,000,000.00	1,282,892.02
Seamless Bounty Sdn. Bhd.	<ul style="list-style-type: none"> <li>FFB purchase by RSB Lundu</li> </ul>	Tiong Chiong Ong <sup>2</sup> Tiong Choon <sup>1c</sup> Pertumbuhan Abadi Asia Sdn Bhd <sup>1k</sup> Wong Yieing Ngrit <sup>6</sup>	<ul style="list-style-type: none"> <li>✓</li> <li>X</li> <li>X</li> <li>✓</li> </ul>	<ul style="list-style-type: none"> <li>✓</li> <li>✓</li> <li>✓</li> <li>X</li> </ul>	1,000,000.00	2,000,000.00	46,004.54
Ezy Saga Sdn. Bhd.	<ul style="list-style-type: none"> <li>FFB purchase by RSB Lundu</li> </ul>	Tiong Chiong Ong <sup>2</sup> Timothy Tiong Ing Zun <sup>2b</sup> Pertumbuhan Abadi Asia Sdn Bhd <sup>1k</sup> Tan Sri Datuk Sir Diong Hiew King @ Tiong Hiew King <sup>1</sup> Tiong Choon <sup>1c</sup>	<ul style="list-style-type: none"> <li>✓</li> <li>✓</li> <li>X</li> <li>X</li> <li>X</li> </ul>	<ul style="list-style-type: none"> <li>X</li> <li>X</li> <li>✓</li> <li>✓</li> <li>✓</li> </ul>	1,000,000.00	1,000,000.00	-
Masian Jaya Sdn. Bhd.	<ul style="list-style-type: none"> <li>FFB purchase by RSB Lundu</li> </ul>	Tiong Chiong Ong <sup>2</sup> Timothy Tiong Ing Zun <sup>2b</sup> Pertumbuhan Abadi Asia Sdn Bhd <sup>1k</sup> Tan Sri Datuk Sir Diong Hiew King @ Tiong Hiew King <sup>1</sup> Tiong Choon <sup>1c</sup>	<ul style="list-style-type: none"> <li>✓</li> <li>✓</li> <li>X</li> <li>X</li> <li>X</li> </ul>	<ul style="list-style-type: none"> <li>X</li> <li>X</li> <li>✓</li> <li>✓</li> <li>✓</li> </ul>	1,000,000.00	1,000,000.00	120,542.80





Name of Related Parties	Nature of RRPT	Names of Interested Directors, Interested Major Shareholders of RSB Group and Interested Persons Connected	Manner of relationship with the Related Parties as at LPD		Estimated value from 24 May 2021 to the date of next AGM (RM)	Estimated value as disclosed in the preceding year's Circular to Shareholders dated 30 June 2020 (RM)	Actual value transacted from 30 July 2020 to LPD (RM)
			Director	Shareholder			
Real Time Yield Sdn. Bhd.	<ul style="list-style-type: none"> <li>FFB purchase by RSB Lundu</li> </ul>	Tiong Chiong Ong <sup>2</sup> Timothy Tiong Ing Zun <sup>2b</sup> Pertumbuhan Abadi Asia Sdn Bhd <sup>1k</sup> Tan Sri Datuk Sir Diong Hiew King @ Tiong Hiew King <sup>1</sup> Tiong Choon <sup>1c</sup>	√ √ X X X	X X √ √ √	1,000,000.00	1,000,000.00	-
Wangreen Sdn. Bhd.	<ul style="list-style-type: none"> <li>FFB purchase by RSB Lundu</li> </ul>	Tiong Chiong Ong <sup>2</sup> Leong Soon May <sup>2a</sup>	√ √	√ √	1,000,000.00	1,000,000.00	-
Serin Plantation Sdn. Bhd.	<ul style="list-style-type: none"> <li>FFB purchase by RSB Lundu</li> </ul>	Tiong Chiong Ong <sup>2</sup> Tan Sri Datuk Sir Diong Hiew King @ Tiong Hiew King <sup>1</sup>	√ √	√ √	1,000,000.00	1,000,000.00	254,358.38

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Name of Related Parties	Nature of RRPT	Names of Interested Directors, Interested Major Shareholders of RSB Group and Interested Persons Connected	Manner of relationship with the Related Parties as at LPD		Estimated value from 24 May 2021 to the date of next AGM (RM)	Estimated value as disclosed in the preceding year's Circular to Shareholders dated 30 June 2020 (RM)	Actual value transacted from 30 July 2020 to LPD (RM)
			Director	Shareholder			
Hahn Fert Sdn. Bhd.	<ul style="list-style-type: none"> <li>Purchase of Fertilizer by RSB Group</li> </ul>	Tan Sri Datuk Sir Diong Hiew King @ Tiong Hiew King <sup>1</sup> Teck Sing Lik Enterprise Sdn Bhd <sup>1i</sup> Tiong Kiong King <sup>3</sup> Datuk Tiong Thai King <sup>5</sup> Tiong Chiong Ong <sup>2</sup> Dato' Tiong Ing <sup>1c</sup> Puan Sri Datin Ngu Yii Chuo <sup>1a</sup> ETI Blessed Holdings Sdn Bhd <sup>1p</sup> Tiong Toh Siong Holdings Sdn Bhd <sup>1h</sup> Tiong Toh Siong Enterprises Sdn Bhd <sup>1j</sup>	X X X X X ✓ X X X X	✓ ✓ ✓ ✓ ✓ ✓ ✓ ✓ ✓ ✓	10,000,000.00	20,000,000.00	232,383.60

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**Notes :**

1 - 7 - Please refer to the table shown on page 14 of this circular.



**3. (c) Amount due and owing by related parties pursuant to RRPT**

There is no outstanding amount due under the RRPT which exceeded the credit term as at LPD

**(d) Deviation between the actual value of the RRPT transacted pursuant to the existing Shareholder Mandate and the estimated value of the RRPT as disclosed in the preceding year's Circular to Shareholders dated 30 June 2020 ("Previous Circular")**

The actual value of the RRPTs transacted pursuant to the existing Shareholder Mandate obtained on 30 July 2020 up to LPD does not exceed the estimated value of the respective RRPTs as disclosed in the Previous Circular, by ten percent (10%) or more.

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**(f) Review method or procedures for RRPT**

The Board has in place an internal control system, which includes review procedures and guidelines to ensure that transactions with Related Parties are undertaken on normal commercial terms not prejudicial to the interests of the minority shareholders. These procedures are in place to ensure that each major Related Party transactions is approved and reviewed by the Directors or authorized personnel, based on the prices and terms not more favourable to the Related Parties than those generally available to the public, on arms length basis and are not to the detriment of the minority shareholders, giving due consideration to all circumstances of each transaction.

These procedures include the following:

- (i) Major Shareholders, Directors and key management personnel and their person connected shall promptly notify and declare the list of interested companies or of any interest by filing in the notification form before entering the transaction and pass to Company Secretary;
- (ii) Company Secretary will inform and pass a copy of duplicated notification form to Account Department;
- (iii) Accounts Department and Company Secretary to update the list of interested Major shareholders, Directors, key management personnel and their person connected as and when necessary to facilitate the identification of related party identity and relationship;
- (iv) The records are to be kept by Company Secretary to keep track of changes in the composition of the Directors and the Major Shareholders in RSB group. The shareholding of Related Parties in RSB group and pertaining to their interests in any corporation / partnership will be continuously monitored;
- (v) Conduct company search for new customer / supplier for information e.g. shareholders and directors;
- (vi) The details of the related parties mandated pursuant to the Shareholder Mandate will be circulated within RSB Group, including all the Major Shareholders and Directors of RSB Group, with notification that all Recurrent Transactions are required to be undertaken on terms which are not more favourable to the Related Parties than those generally available to the public and are not to the detriment of the minority shareholders;
- (vii) To determine the competitive market price, fee or charges of materials, goods and services, market surveys will be conducted to gather information to make compare the prices, fees or charges quoted by third parties and Related Parties. It is the normal practice of RSB to purchase materials, goods or services from related parties when the prices, fees or charges are competitive with prices, fees or charges obtained from third parties. Other factors such as availability of raw material or resources, reliability of supply, delivery, services and quality of material or goods will also be taken into consideration for evaluation purposes;
- (viii) At least two (2) other contemporaneous quotations from unrelated third parties for similar products/services and/or quantities shall be used as comparison, wherever possible, to determine whether the price and terms offered to/by the Related Parties are fair and reasonable and comparable to those offered to/by other unrelated third parties for the same or substantially similar type of products/services and/or quantities.  
In the event that quotations or comparative pricing from unrelated third parties cannot be obtained, the transaction price shall be determined basing on the normal margin for similar or comparable products but such that the transaction is not detrimental to the Company and its subsidiaries;
- (ix) Records shall be maintained by the Accounts Department to capture all RRPT to ensure that relevant approvals have been obtained and review procedures in respect of such transactions are adhered to;
- (x) All RRPT will be captured within the Group's accounting system;
- (xi) All RRPT will be compiled at Group level on a quarterly basis;
- (xii) Details of RRPT made during the quarter and cumulative period shall be reviewed by management on a quarterly basis and to be tabled to Audit Committee on a quarterly basis for consideration and information;
- (xiii) The Audit Committee shall review, at least on a quarterly basis, all the RRPT. Audit Committee shall have the right to access information on the related parties and is entitled to the services of an independent advisor, if required, in the discharge of their duties;

- (xiv) Any conflict of interests situation that may arise within RSB and the Group, including any transaction, procedure or course of conduct that raises questions of management integrity shall be reported by the Audit Committee;
- (xv) Where any member of the Audit Committee is interested in any RRPT, that member shall abstain from deliberation and voting on any matter relating to any decisions to be taken by the Audit Committee with respect to such transactions; and
- (xvi) Where the transaction requires Audit Committee's approval, the notification form and all relevant information pertaining to their RRPT must be reviewed by the Chief Executive Officer or any person authorized by him. Thereafter, Company Secretary must be informed of the proposed transaction and such transaction will be tabled and deliberated by the Audit Committee and recommended to the Board of Director for approval. Interested parties must be abstained from deliberation and decision making at the Audit Committee meeting, Board of Director meeting and general meetings, where applicable.

**(g) Threshold of Authority**

The thresholds for the approval of RRPT within RSB Group are as follows:

<b>Approving authority</b>	<b>Limit of authority per transaction</b>
Purchasing unit	up to RM3,000
Senior Management	up to RM50,000
Executive Director	up to RM10 million
Audit Committee	Above RM10 million

**(h) Statement by Audit Committee**

The Audit Committee comprises the following Directors:

	<b>Name of Members</b>	<b>Designation</b>
1.	Bong Wei Leong	Chairman
2.	Tiong Ing Ming	Member
3.	Tiong Chiong Ie	Member

The Audit Committee of RSB has seen and reviewed the method and/or procedures stated in point 3(f) on pages 15 to 16 of this circular and is of the view that the existing procedures, processes and guidelines are adequate and sufficient to monitor, track and identify RRPT in a timely and orderly manner. The Audit Committee also viewed that the method and/or procedures as stated in point 3(f) on pages 15 to 16 of this circular are sufficient to ensure that the RRPT are not more favourable to the Related Parties than those generally available to the public and are not to the detriment of the minority shareholders of RSB.

The Audit Committee will review these processes, procedures and guidelines as and when needs arise to ensure all RRPT will be carried out on normal commercial terms which are not prejudicial to the interests of shareholders and on terms not more favourable to the related party than those generally available to the public and are not to the detriment of the minority shareholders of RSB.

**4. EFFECTS OF THE PROPOSED SHAREHOLDER MANDATE**

The Proposed Shareholder Mandate will not have any effect on the Net Assets per share, earnings per share, gearing of the Group, and share capital and substantial shareholders' shareholdings of RSB.

**5. RATIONALE AND BENEFIT OF THE PROPOSED SHAREHOLDER MANDATE**

The RRPT entered and to be entered into by RSB and the Group are all in the ordinary course of business. They are recurring transactions of a revenue or trading nature which are likely to occur with some degree of frequency and arise at any time and from time to time. These transactions may be constrained by the time-sensitive nature and confidentiality of such transactions, and it may be impractical to seek shareholders' approval on a case by case basis before entering into such RRPT described herein to allow the Group to enter into such recurrent transactions made on an arm's length basis and on normal commercial terms not prejudicial to the interest of the shareholders and not more favourable to the Related Parties than those generally available to the public and are not detrimental to the minority shareholders.

RSB and the Group enter into RRPT to take advantage of efficiencies in business dealings, in particular competitive prices, shorter delivery time and reliability in source of materials, goods and services. These Related Parties have long-standing business relationships with RSB Group and the quality of the products have proven to meet the stringent requirements imposed by the Group.

By obtaining the Shareholder Mandate, and the renewal of the same on an annual basis, the need to convene separate general meetings from time to time to seek shareholders' approval for the entry by the Group into such RRPT will be eliminated. This will substantially reduce administrative time, inconvenience and expenses associated with the convening of such general meetings without compromising the corporate objectives of the Group or adversely affecting the business opportunities available to the Group.

The RRPT are intended to meet the business needs of RSB Group at the best possible terms. By transacting with the Related Parties, RSB Group would have an advantage of familiarity with the background, financial well-being and management of the Related Parties, thus enabling more informed commercial decisions to be made. In most dealings with the Related Parties, RSB Group and the Related Parties have a good understanding of each other's business needs thus providing a platform where all parties can benefit from conducting the RRPT.

The benefit derived from RRPT pertaining to rental of premises would be the attractive location and reasonable rates of rental charged by the Related Parties, which are not more unfavourable than the market rates.

These would ultimately benefit the Group and the shareholders by enhancing profitability and returns on shareholders' funds.

## **6. CONDITIONS OF THE PROPOSED SHAREHOLDER MANDATE**

The Proposed Shareholder Mandate is conditional upon approval being obtained from the shareholders of the Company at the forthcoming AGM. The Proposed Shareholder Mandate is subject to annual renewal and will continue to be in force until:

- a. the conclusion of the next AGM of RSB at which the Proposed Shareholder Mandate was passed, at which time it will lapse, unless by a resolution passed at the meeting, the authority is renewed;
- b. the expiration of the period within which the next AGM after that date is required to be held pursuant to Section 340(2) of the Companies Act [but must not extend to such extension as may be allowed pursuant to Section 340(4) of Companies Act]; or
- c. revoked or varied by resolution passed by the shareholders in general meeting,

whichever is the earlier.

A disclosure of a breakdown of the aggregate value of the RRPT conducted pursuant to the Proposed Shareholder Mandate during the financial year shall be made in the annual report where the aggregate value is equal to or more than the threshold prescribed under Paragraph 10.09(1)(a) of the Listing Requirements, amongst others, based on the following information:

- the type of the RRPT made; and
- the names of the related parties involved in each type of the RRPT made and their relationship with RSB.

In addition, RSB is required to immediately announce to Bursa Securities when the actual value of a RRPT entered into by the Group exceeds the estimated value of the RRPT as outlined on pages 4 to 12 of this circular by ten percent (10%) or more.

## **7. DIRECTORS' AND MAJOR SHAREHOLDERS' INTERESTS**

The interested Directors, namely Tiong Kiong King, Tiong Chiong Ong and Tiong Chiong Ie have abstained, and will continue to abstain from all board deliberations and voting in the board resolutions pertaining to the Proposed Shareholder Mandate.

These interested Directors, as named in immediate paragraph above, and the interested Major Shareholders namely, Tan Sri Datuk Sir Diong Hiew King @ Tiong Hiew King, Pemandangan Jauh Plantation Sdn Bhd, Tiong Toh Siong Holdings Sdn Bhd, Tiong Toh Siong Enterprises Sdn Bhd, Teck Sing Lik Enterprise Sdn Bhd and Pertumbuhan Abadi Asia Sdn Bhd, and all Persons Connected with them, as mentioned on page 18 of this circular, will abstain from voting in respect of their direct and indirect shareholdings, on the resolution deliberating and approving the Proposed Shareholder Mandate at the AGM.

All the interested Directors and the interested Major Shareholders as named in the paragraphs above have undertaken to ensure that the Persons Connected with them shall also abstain from voting in respect of their direct and indirect shareholdings on the resolution deliberating and approving the Proposed Shareholder Mandate at the AGM.

Based on the Record of Depositors as at LPD, the direct and indirect interests in the Company of the interested Directors, interested Major Shareholders and Persons Connected with them are outlined below:

Name	Direct		Indirect	
	No. of Shares	%	No. of Shares	%
<b>Interested Directors of RSB:</b>				
Tiong Kiong King - <i>Directors of RSB, RSMS, TR, JYX, PBW, PEB, PLD, PSG, PUT, TS, RSB Lundu, BT, LME, FFA and PSP</i> <i>FA, PSP, WJ and SH</i>	-	-	-	-
Tiong Chiong Ong - <i>Directors of RSB, RSMS, RHP, TR, LME, NP, WJ, JYX, NVP, PSP, PBW, PEB, PLD, PSG, FA, RPOM, RB, RAS, PUT, RSB Lundu and SH</i>	6,073,108	0.03	326,714 <sup>(a)</sup>	0.02
Tiong Chiong Ie - <i>Directors of RSB, PEB, PLB, PSG and BT</i>	-	-	-	-
<b>Interested Directors of subsidiaries:</b>				
Datuk Tiong Thai King - <i>Directors of TR, JYX, NVP and RHP</i>	-	-	-	-
<b>Interested Major Shareholders of RSB:</b>				
Tiong Toh Siong Holdings Sdn Bhd	264,429,560	12.95	633,508,332 <sup>(b)</sup>	31.03
Tiong Toh Siong Enterprises Sdn Bhd	10,402,400	0.51	226,568,891 <sup>(c)</sup>	11.10
Pertumbuhan Abadi Asia Sdn Bhd	114,187,400	5.59	119,271,200 <sup>(d)</sup>	5.84
Tan Sri Datuk Sir Diong Hiew King @ Tiong Hiew King	2,400,000	0.12	1,351,203,971 <sup>(e)</sup>	66.18
Teck Sing Lik Enterprise Sdn Bhd	102,107,388	5.00	157,939,300 <sup>(f)</sup>	7.74
Pemandangan Jauh Plantation Sdn Bhd	526,955,544	25.81	-	-
<b>Persons Connected:</b>				
Puan Sri Datin Ngu Yii Chuo*	2,400,000	0.10	-	-
Tiong Choon*	1,470,000	0.10	7,214,400 <sup>(g)</sup>	0.35
Dato' Sri Dr. Tiong Ik King*	-	-	-	-
Ko Yeu Ying*	-	-	-	-
Rimbunan Hijau (Sarawak) Sdn Bhd*	15,686,400	0.80	-	-
Leong Soon May*	280,714	0.00	-	-
Timothy Tiong Ing Zun*	40,000	0.00	-	-
Sarah Tiong Pei Xin*	6,000	0.00	-	-
Priharta Development Sdn Bhd*	-	-	-	-
Tiong Chiong Siong*	-	-	-	-
Tiong Jin Choo*	-	-	-	-
Fatherland Enterprise Sdn Bhd*	-	-	-	-
Tiong Chiong Hee*	-	-	-	-
Tiong Chiong Yong*	-	-	-	-
Dato' Tiong Ing - <i>daughter of Tan Sri Datuk Sir Diong Hiew King @ Tiong Hiew King</i>	-	-	-	-
Tiong Chew - <i>daughter of Tan Sri Datuk Sir Diong Hiew King @ Tiong Hiew King</i>	1,355,800	0.06	-	-
Tiong Ching - <i>daughter of Tan Sri Datuk Sir Diong Hiew King @ Tiong Hiew King</i>	459,400	0.02	-	-
Rimbunan Hijau General Trading Sdn Bhd - <i>connected with Tan Sri Datuk Sir Diong Hiew King @ Tiong Hiew King</i>	-	-	-	-
TC Blessed Holdings Sdn Bhd - <i>connected with Tan Sri Datuk Sir Diong Hiew King @ Tiong Hiew King</i>	7,214,400	0.35	-	-
ETI Blessed Holdings Sdn Bhd - <i>connected with Tan Sri Datuk Sir Diong Hiew King @ Tiong Hiew King</i>	-	-	-	-
Ladang Hijau (Sarawak) Sdn Bhd - <i>connected with Tan Sri Datuk Sir Diong Hiew King @ Tiong Hiew King</i>	37,052,788	1.81	-	-
Rejang Height Sdn Bhd - <i>connected with Tan Sri Datuk Sir Diong Hiew King @ Tiong Hiew King</i>	63,345,591	3.10	-	-

\* Please refer to table shown on page 16 of this circular for their relationships.

# Less than 0.01%

- (a) *Deemed interested by virtue of the interest of his spouse and son in the Company.*
- (b) *Deemed interested by virtue of its interests in Pemandangan Jauh Plantation Sdn Bhd, Ladang Hijau (Sarawak) Sdn Bhd and Multi Greenview Sdn Bhd pursuant to Section 8 of the Companies Act.*
- (c) *Deemed interested by virtue of his interests in Rimbunan Hijau Southeast Asia Sdn Bhd, Kendaie Oil Palm Plantation Sdn Bhd, Rejang Height Sdn Bhd, Kinta Hijau Sdn Bhd and Rimbunan Hijau (Sarawak) Sdn Bhd pursuant to Section 8 of the Companies Act.*
- (d) *Deemed interested by virtue of its interests in Rimbunan Hijau Southeast Asia Sdn Bhd, Rimbunan Hijau (Sarawak) Sdn Bhd and Kendaie Oil Palm Plantation Sdn Bhd pursuant to Section 8 of the Companies Act.*
- (e) *Deemed interested by virtue of his interests in Tiong Toh Siong Holdings Sdn Bhd, Teck Sing Lik Enterprise Sdn Bhd, Tiong Toh Siong Enterprises Sdn Bhd, Pertumbuhan Abadi Asia Sdn Bhd, Rimbunan Hijau Southeast Asia Sdn Bhd, Rimbunan Hijau (Sarawak) Sdn Bhd, Kendaie Oil Palm Plantation Sdn Bhd, Pemandangan Jauh Plantation Sdn Bhd, Ladang Hijau (Sarawak) Sdn Bhd, Rejang Height Sdn Bhd, Multi Greenview Sdn Bhd and Kinta Hijau Sdn Bhd pursuant to Section 8 of the Companies Act.*
- (f) *Deemed interested by virtue of its interests Tiong Toh Siong Enterprises Sdn Bhd, Rimbunan Hijau Southeast Asia Sdn Bhd and Kinta Hijau Sdn Bhd pursuant to Section 8 of the Companies Act.*
- (g) *Deemed interested by virtue of her interest in TC Blessed Holdings Sdn Bhd pursuant to Section 8 of the Companies Act.*

Save as disclosed above, none of the other Directors, Major Shareholders and/or Persons Connected with them have any interest, direct or indirect, in the Proposed Shareholder Mandate.

## **8. RECOMMENDATION BY DIRECTORS**

Your Directors, namely Bong Wei Leong and Tiong Ing Ming (being other than the named Directors who are interested in the Proposed Shareholder Mandate as disclosed on page 17 of this circular) having considered all aspects of the Proposed Shareholder Mandate, are of the opinion that it is in the best interests of the Company and hereby recommend that shareholders vote in favour of the ordinary resolution at the AGM.

## **9. ANNUAL GENERAL MEETING**

The AGM will be held at Level 2, North Wing, Menara Rimbunan Hijau, 101, Pusat Suria Permata, Jalan Upper Lanang, 96000 Sibu, Sarawak on 24 May 2021 at 12.00 noon and any adjournment thereof for the purpose of considering and, if thought fit, passing the ordinary resolution set out in the notice of AGM, a copy of which is enclosed in the Annual Report 2020.

## **10. ACTION TO BE TAKEN BY SHAREHOLDERS**

If a shareholder is unable to attend the AGM and wishes to appoint a proxy to attend and vote on his behalf, he should complete, sign and return the form of proxy in accordance with the instructions printed thereon as soon as possible and, in any event, so as to reach the registered office of RSB at North Wing, Menara Rimbunan Hijau, 101, Pusat Suria Permata, Jalan Upper Lanang, 96000 Sibu, Sarawak not later than 12.00 noon on 22 May 2021. The completion and return of the form of proxy by a shareholder will not prevent him from attending and voting at the AGM in person, if he so wishes.

## **11. FURTHER INFORMATION**

Shareholders are requested to refer to the attached Appendix A for further information.

Yours faithfully

**FOR AND ON BEHALF OF THE BOARD**

**BONG WEI LEONG**

Independent Director

## **FURTHER INFORMATION**

### **APPENDIX A**

#### **1. Responsibility Statement**

This circular has been seen and approved by the Directors of RSB and they collectively and individually accept full responsibility for the accuracy of the information given and confirm that after making all reasonable enquiries and to the best of their knowledge and belief, there are no other facts, the omission of which would make any statement herein misleading.

#### **2. Material Contracts**

Save as disclosed below, RSB or its subsidiaries has not entered into any material contracts (not being contracts entered into in the ordinary course of business) during the two (2) years immediately preceding the date of this circular:

- (1) Conditional sale and purchase agreement and supplemental agreement dated 22 February 2017 and 28 February 2017 respectively between RSB Lundu Palm Oil Mill Sdn Bhd, a wholly-owned subsidiary of RSB and R H Lundu Palm Oil Mill Sdn Bhd to acquire a parcel of land together with a palm oil mill (“**Lundu Oil Mill**”) (including workers’ quarters) erected thereon and plant and machinery used for the operation of the Lundu Oil Mill for a total cash consideration of RM33.7 million. The Company had on 21 February 2018 extended the period to fulfill the conditions precedent set out in the agreement for a further 12 months from 22 February 2017 until 21 February 2019. However the Company had on 20 February 2019 further extended for another 18 months or some other extended period as RSB Lundu and RH Lundu may mutually agree upon and the Company had on 16 August 2020 further extended for another 18 months to fulfill the condition subsequent.
- (2) Sales and purchase agreement and supplemental agreement dated 22 January 2020 and 31 March 2020 respectively between Lumiera Enterprise Sdn Bhd, a wholly-owned subsidiary of RSB and Biogreen Success Sdn Bhd to dispose a parcel of land together with the oil palm plantation (biological assets), its facilities, infrastructures, improvements, immovable assets but excluding the movable assets thereon for a total consideration sum of Ringgit Malaysia Eighty Five Million (RM85,000,000.00).
- (3) Sales and purchase agreement dated 04 June 2020 between Woodijaya Sdn Bhd, a wholly-owned subsidiary of RSB and Muzana Plantation JV Sdn Bhd to dispose a parcel of land together with the oil palm plantation (biological assets), its facilities, infrastructures, improvements, immovable assets but excluding the movable assets thereon for a total consideration sum of Ringgit Malaysia Fifty Three Million (RM53,000,000.00).

#### **3. Material Litigation**

Neither the Company nor its subsidiaries are engaged in any litigation, claims or arbitration, either as plaintiff or defendant which has a material effect on the financial position of the Company or its subsidiaries, and the Directors do not know of any proceedings pending or threatened or of any fact likely to give rise to any proceeding which might materially and adversely affect the position or business of the Company or its subsidiaries.

#### **4. Documents for Inspection**

Copies of the following documents are available for inspection at the registered office of the Company at North Wing, Menara Rimbunan Hijau, 101, Pusat Suria Permata, Jalan Upper Lanang, 96000 Sibul, Sarawak following the publication of this circular from Mondays to Fridays (except public holidays) during business hours up to and including the date of the AGM :

- (a) the Constitution of RSB;
- (b) the audited financial statements of RSB and Group, for the financial year ended 31 December 2019 and 31 December 2020;
- (c) the material contracts referred to in Section 2 above.



