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RIMBUNAN SAWIT BERHAD

(Company No. 691393-U)

(Incorporated in Malaysia)

CIRCULAR TO SHAREHOLDERS

in relation to

**PROPOSED RENEWAL OF AND NEW SHAREHOLDERS' MANDATES
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	:	Wednesday, 23 January 2008 at 11.30 am
Date and time of annual general meeting	:	Friday, 25 January 2008 at 11.30 am
Place of annual general meeting	:	The Auditorium Room, Ground Floor No. 66-78, Pusat Suria Permata Jalan Upper Lanang, C.D.T. 123 96000 Sibul, Sarawak

This circular is dated 3 January 2008.

DEFINITIONS

In this circular, the following definitions apply throughout unless otherwise stated :-

“AGM”	Annual general meeting
“Board”	The Board of Directors of RSB
“Bursa Securities”	Bursa Malaysia Securities Berhad
“Companies Act”	The Malaysian Companies Act, 1965, as amended from time to time and any enactment thereof.
“CPO”	Crude palm oil
“Directors”	<p>The directors for the time being of RSB, and shall have the same meaning as in Section 4 of the Companies Act.</p> <p>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 of RSB or any other company which is its subsidiary or holding company or a chief executive officer of RSB, its subsidiary or holding company.</p>
“FFB”	Fresh fruit bunches
“Group” or “RSB Group”	RSB and its subsidiaries
“Listing Requirements”	Bursa Malaysia Securities Listing Requirements, as amended from time to time and any enactment thereof.
“Major Shareholder”	<p>A person who has an interest or interests in one or more voting shares in a company and the nominal amount of that share, or the aggregate of the nominal amounts of those shares, is :-</p> <p>(a) equal to or more than 10% of the aggregate of the nominal amounts of all the voting shares in the company; or</p> <p>(b) equal to or more than 5% of the aggregate of the nominal amounts of all the voting shares in the company where such person is the largest shareholder of the company.</p> <p>For the purpose of this definition, “interest in shares” shall have the same meaning given in Section 6A of the Companies Act.</p> <p>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 company which is its subsidiary or holding company.</p>
“Persons Connected”	This shall have the same meaning as in Paragraph 1.01 of the Listing Requirements.
“PK”	Palm kernel
“PLCs”	Public listed company(ies)
“Proposed Shareholders’ Mandate”	Proposed Shareholders’ Mandates for both the existing and new RRPT

“related party”	A director, major shareholder or person connected with such director or major shareholder. For the purpose of this definition, “director” and “major shareholder” shall have the same meanings 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”	Recurrent related party transaction of a revenue or trading nature, which is necessary for the 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 of RM0.50 each.
“Shareholders’ Mandate”	Shareholders’ 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 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:

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

3 January 2008

Board of Directors :-

Tan Sri Datuk Diong Hiew King @ Tiong Hiew King	- Executive Chairman
Tiong Kiong King	- Non-Independent Non-Executive Vice Chairman
Tiong Chiong Ong	- Managing Director
Tiong Chiong Ie	- Non-Independent Non-Executive Director
Bong Wei Leong	- Independent Director
Tiong Ing Ming	- Independent Director

To : The Shareholders of Rimbunan Sawit Berhad

Dear Sir/Madam

PROPOSED RENEWAL OF AND NEW SHAREHOLDERS' MANDATES FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE

1. INTRODUCTION

At the Company's AGM held on 30 January 2007, your Board obtained shareholders' approval to undertake Shareholders' Mandate on RRPT. The approval to undertake RRPT shall, in accordance with the Listing Requirements, lapse at the conclusion of the forthcoming AGM, which has been scheduled for 25 January 2008, unless the approval is renewed.

Subsequently on 5 December 2007, the Company announced through Bursa Securities that the Board proposes to seek Shareholders' Mandate from the shareholders for both the existing and new RRPT.

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 an ordinary resolution at the forthcoming AGM scheduled to be held on 25 January 2008.

2. BACKGROUND INFORMATION OF PROVISIONS IN THE LISTING REQUIREMENTS

Paragraph 10.09 of the Listing Requirements states that with regard to related party transactions involving recurrent transactions of a revenue or a trading nature which are necessary for its day-to-day operations, the PLC may seek a Shareholders' Mandate, 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 Shareholders' Mandate is subject to annual renewal and disclosure is made in the annual report of the aggregate value of transactions conducted pursuant to the Shareholders' Mandate during the financial year where the aggregate value is equal to or exceeds the applicable prescribed threshold under Paragraph 2.1 of the Practice Note No. 12/2001;
- (c) the PLC's circular to shareholders for the Shareholders' Mandate shall include the information as set out in Part B of Appendix 10D of the Listing Requirements and Appendix PN12/2001-A of the Practice Note No. 12/2001. The draft circular must be submitted to Bursa Securities together with a checklist showing compliance with the abovementioned appendices; and

- (d) in a meeting to obtain Shareholders' Mandate, the interested director, interested major shareholder or interested person connected with a director or major shareholder; and where it involves the interest of an interested person connected with a director or major shareholder, such director or major shareholder, must not vote on the resolution approving the transactions. An interested director or interested major shareholder must ensure that persons connected with him abstain from voting on the resolution approving the transactions.

3. FEATURES OF THE PROPOSED SHAREHOLDERS' 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 subsidiary companies of RSB as at 5 December 2007, 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 processing of palm oil
2. Timrest Sdn Bhd ("TR")	100	Cultivation of oil palm
3. Rimbunan Sawit Holdings Berhad ("RSHB")	100	Investment holding
4. Midas Plantation Sdn Bhd ("MP") - subsidiary of RSHB	100	Special purpose vehicle incorporated to facilitate the issuance of the Islamic debt instruments pursuant to a sale and leaseback arrangement involving some of the assets of RHP and TR

(b) RRPT of Revenue or Trading Nature

In accordance to the Listing Requirements, RSB needs to seek Shareholders' 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 "Mandated 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 in pages 3 to 11 herewith.

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The existing RRPT which require the renewal of Shareholders' Mandate are outlined in pages 3 to 6 as follows :-

Name of Mandated Related Parties	Nature of Transactions	Names of Interested Directors, Interested Major Shareholders of RSB Group and Interested Persons Connected	Manner of relationship with the Mandated Related Parties as at 5 December 2007		Estimated Value of Transactions from 25 January 2008 to the date of next AGM (RM'000)
			Director	Major Shareholder	
Rimbunan Hijau Academy Sdn Bhd	<ul style="list-style-type: none"> Provision of staff training and seminars to RHP and TR 	<p>Tan Sri Datuk Diong Hiew King @ Tiong Hiew King¹ Tiong Toh Siong Holdings Sdn Bhd¹ⁱ Teck Sing Lik Enterprise Sdn Bhd¹ i)Datuk Tiong Thai King⁵ Tiong Toh Siong Enterprises Sdn Bhd^{1k} Pertumbuhan Abadi Asia Sdn Bhd^{1l} Priharti Development Sdn Bhd^{4a} Tiong Chiong Ie⁴ Tiong Chiong Siong^{4b} Tiong Jin Choo^{4c} Fatherland Sdn Bhd^{5a} Tiong Chiong Hee^{5b} Tiong Chiong Yong^{5c} Tiong Kiong King³ Tiong Ik King^{1f} Tiong Kiu King^{1g} Binu-Hijau Enterprise Sdn Bhd^{3a}</p>	<p>✓ x x ✓ x x x x x x x x x x x x x x</p>	<p>✓ ✓ ✓ x ✓ ✓ ✓ ✓ ✓ ✓ ✓ ✓ ✓ ✓ ✓ ✓ ✓ ✓</p>	30
Rimbunan Hijau General Trading Sdn Bhd	<ul style="list-style-type: none"> Purchase of spare parts, tools and repair and maintenance by RHP and TR 	<p>Tan Sri Datuk Diong Hiew King @ Tiong Hiew King¹ Tiong Toh Siong Holdings Sdn Bhd¹ⁱ Teck Sing Lik Enterprise Sdn Bhd^{1j} Datuk Tiong Thai King⁵</p>	<p>✓ x x x ✓</p>	<p>✓ ✓ ✓ x</p>	4,500
Rimbunan Hijau Holdings Sdn Bhd	<ul style="list-style-type: none"> Repair and maintenance for office equipment by RHP and TR 	<p>Fatherland Sdn Bhd^{5a} Priharti Development Sdn Bhd^{4a} Tan Sri Datuk Diong Hiew King @ Tiong Hiew King¹ Teck Sing Lik Enterprise Sdn Bhd^{1j} Tiong Kiong King³ Tiong Ik King^{1f} Datuk Tiong Thai King⁵ Tiong Chiong Hee^{5b} Tiong Chiong Yong^{5c} Tiong Chiong Ie⁴ Tiong Chiong Siong^{4b} Tiong Jin Choo^{4c}</p>	<p>x x ✓ x x x x x x x x x x x x x x</p>	<p>✓ ✓ ✓ ✓ ✓ ✓ ✓ ✓ ✓ ✓ ✓ ✓ ✓ ✓ ✓ ✓ ✓</p>	56
Simalau Plantation Sdn Bhd	<ul style="list-style-type: none"> Purchase of FFB by RHP 	<p>Tan Sri Datuk Diong Hiew King @ Tiong Hiew King¹ Tiong Toh Siong Holdings Sdn Bhd¹ⁱ Teck Sing Lik Enterprise Sdn Bhd^{1j} Dato' Sri Tiong Chiong Hoo^{1b} Tiong Choon^{1c}</p>	<p>✓ x x x ✓</p>	<p>✓ ✓ ✓ x x x x x</p>	27,000

The existing RRPT which require the renewal of Shareholders' Mandate are outlined in pages 3 to 6 as follows :-

Name of Mandated Related Parties	Nature of Transactions	Names of Interested Directors, Interested Major Shareholders of RSB Group and Interested Persons Connected	Manner of relationship with the Mandated Related Parties as at 5 December 2007		Estimated Value of Transactions from 25 January 2008 to the date of next AGM (RM'000)
			Director	Major Shareholder	
Sin Hong Guan Co Sdn Bhd	<ul style="list-style-type: none"> Purchase of spare parts by RHP and TR 	Tan Sri Datuk Diong Hiew King @ Tiong Hiew King ¹ Tiong Toh Siong Holdings Sdn Bhd ¹ⁱ Teck Sing Lik Enterprise Sdn Bhd ^{1j} Datuk Tiong Thai King ⁵	✓ x x ✓	✓ ✓ ✓ x	400
Tiong Toh Siong & Sons Sdn Bhd	<ul style="list-style-type: none"> Purchase of diesel by RHP and TR 	Tan Sri Datuk Diong Hiew King @ Tiong Hiew King ¹ Tiong Toh Siong Holdings Sdn Bhd ¹ⁱ Teck Sing Lik Enterprise Sdn Bhd ^{1j} Tiong Chiong Ong ² Datuk Tiong Thai King ⁵ Tiong Choon ^{1c} Priharta Development Sdn Bhd ^{4a} Tiong Chiong Ie ⁴ Tiong Chiong Siong ^{4b} Tiong Jin Choo ^{4c} Tiong Ik King ^{1f} Tiong Kiong King ³	✓ x x ✓ ✓ ✓ x x x x x x	✓ ✓ ✓ x x x ✓ ✓ ✓ ✓ ✓ ✓ ✓	6,600
Tiong Toh Siong Holdings Sdn Bhd	<ul style="list-style-type: none"> Payment for rental of premises by RHP and TR^a 	Tan Sri Datuk Diong Hiew King @ Tiong Hiew King ¹ Teck Sing Lik Enterprise Sdn Bhd ^{1j} Priharta Development Sdn Bhd ^{4a} Tiong Kiong King ³ Datuk Tiong Thai King ⁵ Tiong Choon ^{1c} Tiong Ik King ^{1f} Tiong Chiong Ie ⁴ Tiong Chiong Siong ^{4b} Tiong Jin Choo ^{4c}	✓ x x ✓ ✓ ✓ x x x x	✓ ✓ ✓ ✓ ✓ x ✓ ✓ ✓ ✓ ✓	25

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The details of the new RRPT are outlined in pages 7 to 11 as follows :-

Name of Mandated Related Parties	Nature of Transactions	Names of Interested Directors, Interested Major Shareholders of RSB Group and Interested Persons Connected	Manner of relationship with the Mandated Related Parties as at 5 December 2007		Estimated Value of Transactions from 25 January 2008 to the date of next AGM (RM'000)
			Director	Major Shareholder	
All-Round Tyres Sdn Bhd	<ul style="list-style-type: none"> Purchase of tyres by Nescaya Palma Sdn Bhd ("Nescaya")[#] 	Tan Sri Datuk Diong Hiew King @ Tiong Hiew King ¹ Tiong Toh Siong Holdings Sdn Bhd ¹ⁱ Teck Sing Lik Enterprise Sdn Bhd ^{1j} Datuk Tiong Thai King ⁵	<ul style="list-style-type: none"> ✓ ✓ ✓ ✓ 	<ul style="list-style-type: none"> ✓ ✓ ✓ ✓ 	20
Caiyuan Corporate Sdn Bhd	<ul style="list-style-type: none"> Rental of plant & machinery by Baram⁷ 	Ko Yeu Ying ^{1h} Datuk Tiong Thai King ⁵ Tiong Toh Siong Enterprises Sdn Bhd ^{1k} Prihartta Development Sdn Bhd ^{4a} Tiong Chiong Ie ⁴ Tiong Chiong Siong ^{4b} Tiong Jin Choo ^{4c} Fatherland Sdn Bhd ^{5a} Tiong Chiong Hee ^{5b} Tiong Chiong Yong ^{5c} Tiong Kiong King ³ Tiong Ik King ^{1f} Tiong Kiu King ^{1g} Biru-Hijau Enterprise Sdn Bhd ^{3a}	<ul style="list-style-type: none"> ✓ ✓ ✓ ✓ ✓ ✓ ✓ ✓ ✓ ✓ ✓ ✓ ✓ ✓ ✓ ✓ ✓ 	<ul style="list-style-type: none"> ✓ ✓ ✓ ✓ ✓ ✓ ✓ ✓ ✓ ✓ ✓ ✓ ✓ ✓ ✓ ✓ ✓ 	50
Cityvine Systems Sdn Bhd	<ul style="list-style-type: none"> Repair and maintenance of office equipment by RSB, Baram and Nescaya 	Tiong Chiong Ong ² Leong Soon May ^{2a}	<ul style="list-style-type: none"> ✓ ✓ 	<ul style="list-style-type: none"> ✓ ✓ 	160
Deruan Sinar Sdn Bhd	<ul style="list-style-type: none"> Workshop management fee by RHP, TR, Baram and Nescaya 	Rimbunan Hijau General Trading Sdn Bhd ¹ⁿ Tan Sri Datuk Diong Hiew King @ Tiong Hiew King ¹ Tiong Toh Siong Holdings Sdn Bhd ¹ⁱ Teck Sing Lik Enterprise Sdn Bhd ^{1j}	<ul style="list-style-type: none"> ✓ ✓ ✓ ✓ 	<ul style="list-style-type: none"> ✓ ✓ ✓ ✓ 	3,600
Global Learning Network Sdn Bhd	<ul style="list-style-type: none"> Staff training by Baram, Nescaya, RHP, RSB and TR 	Tiong Toh Siong Enterprises Sdn Bhd ^{1k} Prihartta Development Sdn Bhd ^{4a} Tiong Chiong Ie ⁴ Tiong Chiong Siong ^{4b} Tiong Jin Choo ^{4c} Fatherland Sdn Bhd ^{5a} Tiong Chiong Hee ^{5b} Tiong Chiong Yong ^{5c} Tiong Kiong King ³ Tiong Ik King ^{1f} Tiong Kiu King ^{1g} Biru-Hijau Enterprise Sdn Bhd ^{3a}	<ul style="list-style-type: none"> ✓ ✓ ✓ ✓ ✓ ✓ ✓ ✓ ✓ ✓ ✓ ✓ ✓ ✓ ✓ ✓ ✓ 	<ul style="list-style-type: none"> ✓ ✓ ✓ ✓ ✓ ✓ ✓ ✓ ✓ ✓ ✓ ✓ ✓ ✓ ✓ ✓ ✓ 	150

The details of the new RRPT are outlined in pages 7 to 11 as follows :-

Name of Mandated Related Parties	Nature of Transactions	Names of Interested Directors, Interested Major Shareholders of RSB Group and Interested Persons Connected	Manner of relationship with the Mandated Related Parties as at 5 December 2007		Estimated Value of Transactions from 25 January 2008 to the date of next AGM (RM'000)
			Director	Major Shareholder	
Jayamax Plantation Sdn Bhd	<ul style="list-style-type: none"> Rental of open bins and hooklift system for collection of FFB in estates by Baram 	Tan Sri Datuk Diong Hiew King @ Tiong Hiew King ¹ Tiong Toh Siong Holdings Sdn Bhd ¹ⁱ Teck Sing Lik Enterprise Sdn Bhd ^{1j} Tiong Kiong King ³ Datuk Tiong Thai King ⁵	X X X ✓ ✓	✓ ✓ ✓ X X	30
Jaya Tiasa Aviation Sdn Bhd	<ul style="list-style-type: none"> Transportation charges by RHP 	Tan Sri Datuk Diong Hiew King @ Tiong Hiew King ¹ Datuk Tiong Thai King ⁵ Tiong Toh Siong Holdings Sdn Bhd ¹ⁱ Teck Sing Lik Enterprise Sdn Bhd ^{1j} Dato ' Sri Tiong Chiong Hoo ^b Tiong Chiong Hee ^{5b}	✓ ✓ X X ✓ ✓	✓ X ✓ ✓ X X	100
Kejuruteraan Utama Sentiasa Sdn Bhd	<ul style="list-style-type: none"> Repairs of machineries by Nescaya 	Tan Sri Datuk Diong Hiew King @ Tiong Hiew King ¹ Tiong Toh Siong Holdings Sdn Bhd ¹ⁱ Teck Sing Lik Enterprise Sdn Bhd ^{1j} Datuk Tiong Thai King ⁵	X X X ✓	✓ ✓ ✓ X	30
Ladang Hijau (Sarawak) Sdn Bhd	<ul style="list-style-type: none"> Rental of hydraulic excavator and lorry by Nescaya 	Tan Sri Datuk Diong Hiew King @ Tiong Hiew King ¹ Tiong Toh Siong Holdings Sdn Bhd ¹ⁱ Teck Sing Lik Enterprise Sdn Bhd ^{1j} Datuk Tiong Thai King ⁵ Tiong Ik King ¹ⁱ Tiong Kiong King ³ Fatherland Sdn Bhd ^{5a} Tiong Chiong Hee ^{5b} Tiong Chiong Yong ^{5c}	✓ X X ✓ ✓ X X X X X	✓ ✓ ✓ ✓ ✓ ✓ ✓ ✓ ✓ ✓	100
Pelita-Splendid Plantation Sdn Bhd	<ul style="list-style-type: none"> Machinery rental received by Baram Supply of spare parts, chemical, fertilisers and diesel by Baram 	Tan Sri Datuk Diong Hiew King @ Tiong Hiew King ¹ Tiong Toh Siong Holdings Sdn Bhd ¹ⁱ Teck Sing Lik Enterprise Sdn Bhd ^{1j} Datuk Tiong Thai King ⁵	X X X ✓	✓ ✓ ✓ X	200 1,000
Pemandangan Jauh Plantation Sdn Bhd	<ul style="list-style-type: none"> Rental of premises by RSB^b 	Tan Sri Datuk Diong Hiew King @ Tiong Hiew King ¹ Tiong Toh Siong Holdings Sdn Bhd ¹ⁱ Teck Sing Lik Enterprise Sdn Bhd ^{1j} Tiong Kiong King ³	✓ X X ✓	✓ ✓ ✓ X	10

The details of the new RRPT are outlined in pages 7 to 11 as follows :-

Name of Mandated Related Parties	Nature of Transactions	Names of Interested Directors, Interested Major Shareholders of RSB Group and Interested Persons Connected	Manner of relationship with the Mandated Related Parties as at 5 December 2007		Estimated Value of Transactions from 25 January 2008 to the date of next AGM (RM'000)
			Director	Major Shareholder	
RH Corporate Services Sdn Bhd	• Secretarial services by Baram, Nescaya, RHP and TR	Tan Sri Datuk Diong Hiew King @ Tiong Hiew King ¹ Tiong Toh Siong Holdings Sdn Bhd ¹ⁱ Teck Sing Lik Enterprise Sdn Bhd ^{1j} Datuk Tiong Thai King ⁵	✓ X X ✓	✓ ✓ ✓ ✓	19
RH Selangau Palm Oil Mill Sdn Bhd	• Sales of FFB by Nescaya	Tan Sri Datuk Diong Hiew King @ Tiong Hiew King ¹ Tiong Toh Siong Holdings Sdn Bhd ¹ⁱ Teck Sing Lik Enterprise Sdn Bhd ^{1j} Tiong Toh Siong Enterprises Sdn Bhd ^{1k}	✓ X X X	✓ ✓ ✓ ✓	10,000
Rimbunan Hijau Academy Sdn Bhd	• Provision of staff training and seminars to Baram and Nescaya	Tan Sri Datuk Diong Hiew King @ Tiong Hiew King ¹ Tiong Toh Siong Holdings Sdn Bhd ¹ⁱ Teck Sing Lik Enterprise Sdn Bhd ^{1j} Datuk Tiong Thai King ⁵ Tiong Toh Siong Enterprises Sdn Bhd ^{1k} Pertumbuhan Abadi Asia Sdn Bhd ^{1l} Priharta Development Sdn Bhd ^{4a} Tiong Chiong Ie ⁴ Tiong Chiong Siong ^{4b} Tiong Jin Choo ^{4c} Fatherland Sdn Bhd ^{5a} Tiong Chiong Hee ^{5b} Tiong Chiong Yong ^{5c} Tiong Kiong King ³ Tiong Ik King ¹ⁱ Tiong Kiu King ^{1g} Binu-Hijau Enterprise Sdn Bhd ^{3a}	✓ X X ✓ X X X X X X X X X X X X X X X X	✓ ✓ ✓ X ✓	20
Rimbunan Hijau General Trading Sdn Bhd	• Purchase of spare parts, tools and repair and maintenance by Baram and Nescaya	Tan Sri Datuk Diong Hiew King @ Tiong Hiew King ¹ Tiong Toh Siong Holdings Sdn Bhd ¹ⁱ Teck Sing Lik Enterprise Sdn Bhd ^{1j} Datuk Tiong Thai King ⁵	✓ X X ✓	✓ ✓ ✓ X	1,500
Rimbunan Hijau Global Training Sdn Bhd	• Staff training expenses by Baram, Nescaya, RHP and TR	Tan Sri Datuk Diong Hiew King @ Tiong Hiew King ¹ Tiong Toh Siong Holdings Sdn Bhd ¹ⁱ Teck Sing Lik Enterprise Sdn Bhd ^{1j}	✓ X X	✓ ✓ ✓	180

The details of the new RRPT are outlined in pages 7 to 11 as follows :-

Name of Mandated Related Parties	Nature of Transactions	Names of Interested Directors, Interested Major Shareholders of RSB Group and Interested Persons Connected	Manner of Relationship with the Mandated Related Parties as at 5 December 2007		Estimated Value of Transactions from 25 January 2008 to the date of next AGM (RM'000)
			Director	Major Shareholder	
Rimbunan Hijau Holdings Sdn Bhd	<ul style="list-style-type: none"> Repair and maintenance for office equipment by RSB, Baram and Nescaya 	Fatherland Sdn Bhd ^{3a} Prihartta Development Sdn Bhd ^{4a} Tan Sri Datuk Diong Hiew King @ Tiong Hiew King ¹ Teck Sing Lik Enterprise Sdn Bhd ^{1j} Tiong Kiong King ³ Tiong Ik King ^{1f} Datuk Tiong Thai King ⁵ Tiong Chiong Hee ^{3b} Tiong Chiong Yong ^{5c} Tiong Chiong Ie ⁴ Tiong Chiong Siong ^{4b} Tiong Jin Choo ^{4c}	<ul style="list-style-type: none"> X X ✓ X X X ✓ X X X X 	<ul style="list-style-type: none"> ✓ ✓ ✓ ✓ ✓ ✓ ✓ ✓ ✓ ✓ ✓ 	44
Sin Hong Guan Co Sdn Bhd	<ul style="list-style-type: none"> Purchase of spare parts by Baram 	Tan Sri Datuk Diong Hiew King @ Tiong Hiew King ¹ Tiong Toh Siong Holdings Sdn Bhd ¹ⁱ Teck Sing Lik Enterprise Sdn Bhd ^{1j} Datuk Tiong Thai King ⁵	<ul style="list-style-type: none"> ✓ X X ✓ 	<ul style="list-style-type: none"> ✓ ✓ ✓ X 	100
Tiong Toh Siong & Sons Sdn Bhd	<ul style="list-style-type: none"> Rental of motor grader by Baram Purchase of diesel by Nescaya 	Tan Sri Datuk Diong Hiew King @ Tiong Hiew King ¹ Tiong Toh Siong Holdings Sdn Bhd ¹ⁱ Teck Sing Lik Enterprise Sdn Bhd ^{1j} Tiong Chiong Ong ² Datuk Tiong Thai King ⁵ Tiong Choon ^{1c} Prihartta Development Sdn Bhd ^{4a} Tiong Chiong Ie ⁴ Tiong Chiong Siong ^{4b} Tiong Jin Choo ^{4c} Tiong Ik King ^{1f} Tiong Kiong King ³	<ul style="list-style-type: none"> ✓ X X ✓ ✓ ✓ X X X X ✓ ✓ ✓ ✓ ✓ ✓ 	<ul style="list-style-type: none"> ✓ ✓ ✓ X X X X ✓ ✓ ✓ ✓ ✓ ✓ ✓ ✓ ✓ 	500 1,400

Notes :-

1 - 5 - Please refer to the table shown in page 12 of this circular.

- At the extraordinary general meeting of RSB held on 21 December 2007, the shareholders of RSB had approved the proposed acquisition of 85% of the equity interests each in Baram and Nescaya. Please refer to the Circular to Shareholders dated 6 December 2007 in relation to the said proposed acquisitions for further information.

	Location	Size	Purpose	Rental per month (RM)
a.	Lot 134, 136 & 138, Jalan Permaisuri, Miri, Sarawak	144m ²	Miri regional office	1,300
b.	No. 8B, Lane 6, Old Oya Road, Sibul, Sarawak	Semi-detached house	Residential house for Chief Operating Officer	800

3. (c) The Related Parties

Name of Director and Major Shareholder of RSB Group	Persons/Companies connected	Relationship
1 Tan Sri Datuk Diong Hiew King @ Tiong Hiew King - <i>Directors of RSB, RHP and TR and Major Shareholder of RSB</i>	1a Tiong Chiong Ong ² ; and 1b Dato' Sri Tiong Chiong Hoo 1c Tiong Choon 1d Tiong Kiong King ³ ; 1e Datuk Tiong Thai King ⁵ ; 1f Tiong Ik King; and 1g Tiong Kiu King 1h Ko Yeu Ying 1i Tiong Toh Siong Holdings Sdn Bhd - <i>Major Shareholder of RSB</i> ; 1j Teck Sing Lik Enterprise Sdn Bhd - <i>Major Shareholder of RSB</i> ; 1k Tiong Toh Siong Enterprises Sdn Bhd - <i>Major Shareholder of RSB</i> ; and 1l Pertumbuhan Abadi Asia Sdn Bhd - <i>Major Shareholder of RSB</i> 1m Rimbunan Hijau (Sarawak) Sdn Bhd 1n Rimbunan Hijau General Trading Sdn Bhd	} Son } } Daughter } } Brothers } } } Son-in-law } } } } } Substantial } interests in } shareholdings } } } }
2 Tiong Chiong Ong - <i>Directors of RSB and MP</i>	2a Leong Soon May	} Spouse
3 Tiong Kiong King - <i>Directors of RSB and TR</i>	3a Biru-Hijau Enterprise Sdn Bhd	} Substantial } interests in } shareholdings
4 Tiong Chiong Ie - <i>Director of RSB</i>	4a Prihartta Development Sdn Bhd 4b Tiong Chiong Siong 4c Tiong Jin Choo	} Substantial } interest in } shareholdings } Brother } Sister
5 Datuk Tiong Thai King - <i>Directors of TR and RHP</i>	5a Fatherland Sdn Bhd 5b Tiong Chiong Hee; and 5c Tiong Chiong Yong	} Substantial } interest in } shareholdings } Son }

(d) Conditions of Shareholders' Mandate

The Shareholders' Mandate is subject to annual renewal and shall continue to be in force until :-

- (i) the conclusion of the next AGM of RSB at which the Shareholders' Mandate was passed, at which time it will lapse, unless by a resolution passed at the meeting, the authority is renewed;

- (ii) the expiration of the period within which the next AGM after that date is required to be held pursuant to Section 143(1) of the Companies Act [but shall not extend to such extension as may be allowed pursuant to Section 143(2) of Companies Act]; or
- (iii) 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 Shareholders' Mandate during the financial year shall be made in the annual report where the aggregate value is equal to or exceeds the applicable prescribed threshold under Paragraph 2.1 of the Practice Note 12/2001, and 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.

(e) Procedures and guidelines for determination of prices for RRPT

The Board has in place an internal control system, which includes review procedures and guidelines to ensure that transactions with Mandated Related Parties are made on normal commercial terms and are not prejudicial to the interests of the minority shareholders. These procedures are in place to ensure that each major Mandated Related Party transactions is approved and reviewed by the Directors or authorized personnel, based on terms not more favourable to the Mandated 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) surveys will be undertaken to gather information to compare the prices, fees or charges quoted by third parties and Mandated Related Parties for the purpose of determining the competitive market price, fee or charges of materials, goods and services. It is a policy 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.
- (ii) market prices will be used to determine the transaction price for sales to Mandated Related Parties.
- (iii) market value will be used to determine the rental sum in respect of renting of premises.
- (iv) on a periodic basis, the procedures and guidelines pertaining to Mandated Related Party transactions will be reviewed by senior management of RSB and the Audit Committee to ensure that the terms of the transactions are not more favourable to the Mandated Related Parties than those generally available to the public, and are not to the detriment of the minority shareholders.
- (v) the annual internal audit plan shall incorporate a review of all related party transactions to ensure that the relevant approvals have been obtained and the review procedures in respect of such transactions are adhered to. Should any discrepancies arise relating to the procedures and guidelines, proper steps would be taken to rectify them accordingly.
- (vi) the Audit Committee shall, amongst others, review these internal audit plan and reports on RRPT and any conflict of interest situation that may arise within RSB and the Group, including any transaction, procedure or course of conduct that raises questions of management integrity.

(f) Statement by Audit Committee

The Audit Committee comprises the following Directors :-

	Name of Members	Designation
1.	Bong Wei Leong	Chairman
2.	Tiong Chiong Ong	Member
3.	Tiong Ing Ming	Member

The Audit Committee of RSB has seen and reviewed the procedures stated in point 3(e) above and is of the view that the existing procedures and guidelines are sufficient to ensure that such 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.

4. EFFECTS OF THE PROPOSED SHAREHOLDERS' MANDATE

The Proposed Shareholders' 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 SHAREHOLDERS' 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 Shareholders' 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.

Renting of office space to the Related Parties provides RSB Group and the Related Parties with an effective and efficient support to their operational needs whereby they are located in the same location. This will also maximise the utilisation of empty office space and enabling RSB Group to generate more income.

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

6. CONDITIONS OF THE PROPOSED SHAREHOLDERS' MANDATE

The Proposed Shareholders' Mandate is conditional upon approval being obtained from the shareholders of RSB at the forthcoming AGM. The Proposed Shareholders' Mandate is subject to annual review and a breakdown of the aggregate value of the RRPT conducted pursuant to the Shareholders' Mandate during the financial year, shall be disclosed in RSB's annual report.

7. DIRECTORS' AND MAJOR SHAREHOLDERS' INTERESTS

The interested Directors, namely Tan Sri Datuk Diong Hiew King @ Tiong Hiew King, 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 Shareholders' Mandate.

These interested Directors, as named in immediate paragraph above, and the interested Major Shareholders namely, Tiong Toh Siong Holdings Sdn Bhd, Teck Sing Lik Enterprise Sdn Bhd, Tiong Toh Siong Enterprises Sdn Bhd and Pertumbuhan Abadi Asia Sdn Bhd, and all Persons Connected with them, as mentioned in page 15 of this circular, will abstain from voting on the resolution, in respect of their direct and indirect shareholdings, approving the Proposed Shareholders' 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 approving the Proposed Shareholders' Mandate at the AGM.

The direct and indirect interests in the Company of the interested Directors, interested Major Shareholders and Persons Connected with them as at 5 December 2007 are outlined below :-

Name	Direct		Indirect	
	No. of Shares	%	No. of Shares	%
Interested Directors of RSB :-				
Tan Sri Datuk Diong Hiew King @ Tiong Hiew King - <i>Directors of RSB, RHP and TR and Major Shareholder of RSB</i>	300,000	0.23	70,196,794 ^(a)	54.73
Tiong Kiong King - <i>Directors of RSB and TR</i>	813,600 ^(b)	0.63	3,027,300 ^(c)	2.36
Tiong Chiong Ong - <i>Directors of RSB and MP</i>	478,400	0.37	1,000 ^(d)	0.00 [#]
Tiong Chiong Ie - <i>Director of RSB</i>	300,000	0.23	2,466,200 ^(e)	1.92
Interested Directors of subsidiaries :-				
Datuk Tiong Thai King - <i>Directors of TR and RHP</i>	-	-	-	-
Interested Major Shareholders of RSB :-				
Tiong Toh Siong Holdings Sdn Bhd	31,037,594	24.20	-	-
Teck Sing Lik Enterprise Sdn Bhd	7,047,500	5.49	47,410,994 ^(f)	36.96
Pertumbuhan Abadi Asia Sdn Bhd	11,856,600	9.24	17,033,900 ^(g)	13.28
Tiong Toh Siong Enterprises Sdn Bhd	1,300,300	1.01	15,073,100 ^(h)	11.75
Tan Sri Datuk Diong Hiew King @ Tiong Hiew King	300,000	0.23	68,375,894 ⁽ⁱ⁾	53.31
Persons Connected :-				
Dato' Sri Tiong Chiong Hoo*	-	-	-	-
Tiong Choon*	226,000	0.18	901,800 ^(j)	0.70
Tiong Ik King*	3,675,800 ^(b)	2.87	-	-
Tiong Kiu King*	2,206,800 ^(k)	1.72	-	-
Ko Yeu Ying*	40,000	0.03	-	-
Rimbunan Hijau (Sarawak) Sdn Bhd*	1,960,800	1.53	-	-
Rimbunan Hijau General Trading Sdn Bhd*	-	-	-	-

Name	Direct		Indirect	
	No. of Shares	%	No. of Shares	%
Persons Connected :-				
Leong Soon May*	1,000	0.00 [#]	-	-
Biru-Hijau Enterprise Sdn Bhd*	3,027,300 ^(b)	2.36	-	-
Priharta Development Sdn Bhd*	2,466,200	1.92	-	-
Tiong Chiong Siong*	-	-	-	-
Tiong Jin Choo*	-	-	-	-
Fatherland Sdn Bhd*	-	-	-	-
Tiong Chiong Hee*	-	-	-	-
Tiong Chiong Yong*	-	-	-	-
Rimbunan Hijau Southeast Asia Sdn Bhd - <i>connected with Tan Sri Datuk Diong Hiew King @ Tiong Hiew King</i>	15,073,100	11.75	-	-
Rejang Healthcare Corporation Sdn Bhd - <i>connected with Tan Sri Datuk Diong Hiew King @ Tiong Hiew King</i>	100,000	0.08	-	-
TC Blessed Holdings Sdn Bhd - <i>connected with Tan Sri Datuk Diong Hiew King @ Tiong Hiew King by virtue of his child's interest</i>	901,800	0.07	-	-
Puan Sri Datin Ngu Yii Chuo - <i>wife of Tan Sri Datuk Diong Hiew King @ Tiong Hiew King</i>	200,000	0.16	-	-
Tiong Chiew - <i>daughter of Tan Sri Datuk Diong Hiew King @ Tiong Hiew King</i>	229,700	0.18	-	-
Tiong Ching - <i>daughter of Tan Sri Datuk Diong Hiew King @ Tiong Hiew King</i>	229,700	0.18	-	-
ETI Blessed Holdings Sdn Bhd - <i>connected with Tan Sri Datuk Diong Hiew King @ Tiong Hiew King by virtue of his child's interest</i>	33,700	0.03	-	-
Dato' Tiong Ing - <i>daughter of Tan Sri Datuk Diong Hiew King @ Tiong Hiew King</i>	-	-	33,700 ^(d)	0.03

* Please refer to table shown in page 12 of this circular for their relationships.

Less than 0.01%.

(a) 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, Rejang Healthcare Corporation Sdn Bhd pursuant to Section 6A of the Companies Act, and the interests of his spouse and children in the Company.

(b) Shares held through Mayban Nominees (Tempatan) Sdn Bhd.

(c) Deemed interested by virtue of his interest in Biru-Hijau Enterprise Sdn Bhd pursuant to Section 6A of the Companies Act.

(d) Deemed interested by virtue of the interest of his spouse in the Company.

(e) Deemed interested by virtue of his interest in Priharta Development Sdn Bhd pursuant to Section 6A of the Companies Act.

(f) Deemed interested by virtue of its interests in Tiong Toh Siong Holdings Sdn Bhd, Tiong Toh Siong Enterprises Sdn Bhd and Rimbunan Hijau Southeast Asia Sdn Bhd pursuant to Section 6A of the Companies Act.

(g) Deemed interested by virtue of its interests in Rimbunan Hijau Southeast Asia Sdn Bhd and Rimbunan Hijau (Sarawak) Sdn Bhd pursuant to Section 6A of the Companies Act.

(h) Deemed interested by virtue of its interest in Rimbunan Hijau Southeast Asia Sdn Bhd pursuant to Section 6A of the Companies Act.

- (i) *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 and Rejang Healthcare Corporation Sdn Bhd pursuant to Section 6A of the Companies Act.*
- (j) *Deemed interested by virtue of her interest in TC Blessed Holdings Sdn Bhd pursuant to Section 6A of the Companies Act.*
- (k) *Shares held through Kenanga Nominees (Asing) Sdn Bhd.*
- (l) *Deemed interested by virtue of her interest in ETI Blessed Holdings Sdn Bhd pursuant to Section 6A 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 Shareholders' 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 Shareholders' Mandate as disclosed in page 12 of this circular) having considered all aspects of the Proposed Shareholders' Mandate, are of the opinion that it is in the best interest of the Company and hereby recommend that shareholders vote in favour of this ordinary resolution at the AGM.

9. 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 No. 85 & 86, Pusat Suria Permata, Jalan Upper Lanang 12A, 96000 Sibul, Sarawak not later than 11.30 am on Wednesday, 23 January 2008. 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.

10. ANNUAL GENERAL MEETING

The AGM will be held at the Auditorium Room, Ground Floor, No. 66-78, Pusat Suria Permata, Jalan Upper Lanang, C.D.T. 123, 96000 Sibul, Sarawak on Friday, 25 January 2008 at 11.30 am and any adjournment thereof for the purpose of considering and, if thought fit, passing the ordinary resolution set out in the notice of AGM.

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 OF DIRECTORS

BONG WEI LEONG

Senior Independent Director

ADDITIONAL INFORMATION**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, there are no contracts which are or may be material (not being contracts entered into in the ordinary course of business) which have been entered into by RSB Group during the two (2) years immediately preceding the date of this circular :-

- (a) A conditional share sale agreement dated 25 January 2006 entered into between RSB and the existing shareholders of RHP in relation to the Acquisition of RHP.
- (b) A conditional share sale agreement dated 25 January 2006 entered into between RSB and the existing shareholders of RSHB in relation to the Acquisition of RSHB.
- (c) A conditional share sale agreement dated 6 February 2006 entered into between RSB and the existing shareholders of TR in relation to the Acquisition of TR.
- (d) Underwriting Agreement dated 13 March 2006 between RSB and Malaysian International Merchant Bankers Berhad for the underwriting of 10,000,000 public issue shares to be offered to the Malaysian Public and eligible Directors and employees of RSB Group for an underwriting commission of 1.25% of the issue price in respect of the 10,000,000 public issue shares.
- (e) Separate conditional sale and purchase agreements for shares dated 12 October 2007 between RSB and Pemandangan Jauh Plantation Sdn Bhd (“PJP”), Rimbunan Hijau (Sarawak) Sdn Bhd., Tiong Toh Siong Holdings Sdn Bhd and Telang Usan Resources Sdn Bhd in relation to the proposed acquisitions of 4,250,000 ordinary shares of RM1.00 each in Baram Trading Sdn Bhd for an indicative purchase consideration of RM18,417,000 to be satisfied in cash.
- (f) Separate conditional sale and purchase agreements for shares dated 12 October 2007 between RSB and PJP and Desa Nuri Sdn Bhd in relation to the proposed acquisitions of 2,125,000 ordinary shares of RM1.00 each in Nescaya Palma Sdn Bhd for an indicative purchase consideration of RM32,250,000 to be satisfied in cash.

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 No. 85 & 86, Pusat Suria Permata, Jalan Upper Lanang 12A, 96000 Sibu, 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 Memorandum and Articles of Association of RSB;
- (b) the audited financial statements of RSB and Group, for the two (2) financial years ended 31 August 2006 and 31 August 2007; and
- (c) all material contracts as outlined in point (2) above.

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