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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.

Bursa Malaysia Securities Berhad has pursuant to Practice Note 18 of the Listing Requirements (as herein defined) prescribed Circular to Shareholders on share buy-back and amendments to Articles of Association as exempt circulars. As such, Bursa Malaysia Securities Berhad has not perused the contents of this circular pertaining to the Proposed Share Buy-Back and Proposed Amendments (as respectively defined herein) prior to its issuance.

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**RIMBUNAN SAWIT BERHAD**

(Company No. 691393-U)

(Incorporated in Malaysia)

**CIRCULAR TO SHAREHOLDERS**

*in relation to*

**PART A**

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

**PART B**

**PROPOSED PURCHASE OF OWN SHARES BY THE COMPANY OF UP TO TEN PERCENT (10%) OF THE TOTAL ISSUED AND PAID-UP SHARE CAPITAL OF THE COMPANY**

**PART C**

**PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION OF THE COMPANY**

**IMPORTANT DATES AND TIMES:**

Last date and time for lodgement of form of proxy	:	Wednesday, 6 June 2012 at 11.30 a.m.
Date and time of annual general meeting	:	Friday, 8 June 2012 at 11.30 a.m.
Place of annual general meeting	:	Function Room, 1st Floor No. 41 & 42, Pusat Suria Permata Jalan Upper Lanang 96000 Sibu, Sarawak

This circular is dated 17 May 2012

## DEFINITIONS

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

“AGM”	Annual general meeting
“Board”	The Board of Directors of RSB
“Bursa Securities”	Bursa Malaysia Securities Berhad
“Code”	The Malaysian Code on Take-Overs & Mergers 2010, as amended from time to time and any enactment thereof.
“Companies Act”	The Malaysian Companies Act, 1965, as amended from time to time and any enactment thereof
“CPO”	Crude palm oil
“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”	24 April 2012, being the latest practicable date
“Major Shareholder”	<p>A person who has an interest or interests in one (1) or more voting shares in RSB or any other corporation which is its subsidiary or holding company and the nominal amount of that share, or the aggregate of the nominal amounts of those shares, is:</p> <ul style="list-style-type: none"><li>(a) 10% or more of the aggregate of the nominal amounts of all the voting shares in RSB or any other corporation which is its subsidiary or holding company; or</li><li>(b) 5% or more of the aggregate of the nominal amounts of all the voting shares in RSB or any other corporation which is its subsidiary or holding company where such person is the largest shareholder of RSB or any other corporation which is its subsidiary or holding company</li></ul> <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 corporation which is its subsidiary or holding 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>
“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
“PK”	Palm kernel

“Proposed Amendments”	Proposed amendments to the Articles of Association of the Company
“Proposed Share Buy-Back”	Proposed purchase and/or hold own shares by the Company of up to ten percent (10%) of the total issued and paid-up ordinary share capital of the Company
“Proposed Shareholder Mandate”	Proposed Shareholders Mandate 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”, “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 of RM0.50 each
“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 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.*

**PART A**

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

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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 Sibu  
Sarawak

17 May 2012

## **Board of Directors:**

Tan Sri Datuk Sir 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 SHAREHOLDER MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE**

### **1. INTRODUCTION**

At the Company's AGM held on 9 May 2011, 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 8 June 2012, unless it is renewed.

On 19 April 2012, the Company announced through Bursa Securities that the Board proposes to seek Shareholder Mandate for both the existing and 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 8 June 2012.

### **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 shall include 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 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 to approve 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; 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 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
5. Nescaya Palma Sdn Bhd ("NP")	100	Cultivation of oil palm
6. Lumiera Enterprise Sdn Bhd ("LME")	100	Cultivation of oil palm (under development)
7. Woodijaya Sdn Bhd ("WJ")	100	Cultivation of oil palm (under development)
8. Jayamax Plantation Sdn Bhd ("JYX")	100	Cultivation of oil palm
9. Novelpac-Puncakdana Plantation Sdn Bhd ("NVP")	100	Cultivation of oil palm
10. Burung Tiong Helicopter Sdn Bhd ("BTH")	85	Aircraft operations, services and agency
11. Baram Trading Sdn Bhd ("BT")	85	Cultivation of oil palm

Name of subsidiary	Effective equity interest held (%)	Principal activities
12. PJP Pelita Biawak Plantation Sdn Bhd (“PBW”)	85	Cultivation of oil palm
13. Pelita-Splendid Plantation Sdn Bhd (“PSP”)	70	Cultivation of oil palm
14. PJP Pelita Ekang-Banyok Plantation Sdn Bhd (“PEB”)	60	Cultivation of oil palm
15. PJP Pelita Lundu Plantation Sdn Bhd (“PLD”)	60	Cultivation of oil palm
16. PJP Pelita Selangau Plantation Sdn Bhd (“PSG”)	60	Cultivation of oil palm
17. PJP Pelita Ulu Teru Plantation Sdn Bhd (“PUT”)	60	Cultivation of oil palm

**(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 27 of this circular.

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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) market surveys will be conducted to gather information to compare the prices, fees or charges quoted by third parties and Related Parties for the purpose of determining the competitive market price, fee or charges of materials, goods and services. 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;
- (ii) the terms and conditions on purchases and sales are determined by market force, under similar commercial terms for transaction with third parties which depend on the demand and supply of the products and subject to the availability of the products in the market;
- (iii) market value will be used to determine the rental sum in respect of renting of premises;
- (iv) all RRPTs are reviewed by the Audit Committee of the Company periodically;
- (v) the cost plus method will be used where appropriate in the determination of fair price or contract rates. This method determines the arm's length price or rate by adding an appropriate handling charges;
- (vi) a list of the Related Parties mandated pursuant to the Proposed Shareholder Mandate will be circulated within the Group with notification that all RRPTs are required to be undertaken on arm's length basis and on normal commercial 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) records are maintained by our Company on all RRPTs which are entered into pursuant to the Shareholder Mandate;
- (viii) on a periodic basis, the procedures and guidelines pertaining to Related Party transactions will be reviewed by senior management of RSB and the Audit Committee to ensure that the prices and terms of the transactions 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;
- (ix) 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;
- (x) the Audit Committee shall, amongst others, review these internal audit plan and reports on RRPT and 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; and
- (xi) at least two (2) other contemporaneous transactions with unrelated third parties for similar products/services and/or quantities will be used as comparison, wherever possible, to determine whether the price and terms offered by the Related Parties are fair and reasonable and comparable to those offered by other unrelated third parties for the same or substantially similar type of products/services and/or quantities.

In the event that quotation or comparative pricing from unrelated third parties cannot be obtained, the transaction price will be based on prevailing market rates/prices that are agreed upon under similar commercial terms for transactions with third parties, business practices and policies and on terms which are generally in line with industry norms and that the RRPT is not detrimental to the Company or the Group.

**(g) Threshold of Authority**

There are no specific thresholds for approval of RRPTs within the Group. However, all RRPTs are subject to the approval of the appropriate levels of authority as determined by the senior management and/or the Board from time to time, subject to the provisions in the Listing Requirements and/or the Act, where necessary. Where any Director has an interest (direct or indirect) in any RRPT, such Director shall abstain from deliberation and decision making.

**(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 Kiong King	Member
3.	Tiong Ing Ming	Member

The Audit Committee of RSB has seen and reviewed the method and/or procedures stated in point 3(f) on pages 29 to 30 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 29 to 30 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:

- (i) 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;
- (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 must 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 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 27 of this circular by ten percent (10%) or more.

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

The interested Directors, namely Tan Sri Datuk Sir 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 Shareholder 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, Pertumbuhan Abadi Asia Sdn Bhd, Rimbunan Hijau Southeast Asia Sdn Bhd and Pemandangan Jauh Plantation Sdn Bhd and Kendaie Oil Palm Plantation Sdn Bhd, and all Persons Connected with them, as mentioned on page 32 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 24 April 2012, 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>				
Tan Sri Datuk Sir Diong Hiew King @ Tiong Hiew King - <i>Directors of RSB, RHP, TR, LME, NVP and WJ, and Major Shareholder of RSB</i>	2,400,000	0.18	757,441,072 <sup>(a)</sup>	57.89
Tiong Kiong King - <i>Directors of RSB, RSHB, TR, JYX, PBW, PEB, PLD, PSG, PUT and PSP.</i>	13,803,800 <sup>(b)</sup>	1.05	16,218,400 <sup>(c)</sup>	1.24
Tiong Chiong Ong - <i>Directors of RSB, RSHB, RHP, TR, MP, LME, NP, WJ, JYX, NVP, PSP, PBW, PEB, PLD, PSG and PUT.</i>	6,871,608	0.53	270,714 <sup>(d)</sup>	0.02
Tiong Chiong Ie - <i>Directors of RSB, and BT</i>	1,600,000	0.12	3,872,000 <sup>(e)</sup>	0.3
<b>Interested Directors of subsidiaries:</b>				
Datuk Tiong Thai King - <i>Directors of TR, NP, JYX, NVP and RHP</i>	-	-	-	-
<b>Interested Major Shareholders of RSB:</b>				
Pemandangan Jauh Plantation Sdn Bhd	93,231,500	7.12	-	-
Kendaie Oil Palm Plantation Sdn Bhd	43,000,000	3.29	-	-
Tiong Toh Siong Holdings Sdn Bhd	281,041,172	21.48	93,213,500 <sup>(f)</sup>	7.12
Rimbunan Hijau Southeast Asia Sdn Bhd	120,584,800	9.22	-	-
Teck Sing Lik Enterprise Sdn Bhd	89,074,400	6.81	505,241,872 <sup>(g)</sup>	38.61
Pertumbuhan Abadi Asia Sdn Bhd	87,228,800	6.67	179,271,200 <sup>(h)</sup>	13.70
Tiong Toh Siong Enterprises Sdn Bhd	10,402,400	0.79	163,584,800 <sup>(i)</sup>	12.50
Tan Sri Datuk Sir Diong Hiew King @ Tiong Hiew King	2,400,000	0.18	740,231,472 <sup>(j)</sup>	56.57
<b>Persons Connected:</b>				
Puan Sri Datin Ngu Yii Chuo*	2,400,000	0.18	-	-
Tiong Choon*	1,440,000	0.11	7,214,400 <sup>(k)</sup>	0.55
Dato' Sri Dr. Tiong Ik King*	-	-	-	-
Ko Yeu Ying*	1,168,000	0.09	-	-
Rimbunan Hijau (Sarawak) Sdn Bhd*	15,686,400	1.20	-	-
Leong Soon May*	270,714	0.02	-	-
Biru-Hijau Enterprise Sdn Bhd*	16,218,400 <sup>(b)</sup>	1.24	-	-
Priharta Development Sdn Bhd*	3,872,000	0.30	-	-
Tiong Chiong Siong*	-	-	-	-
Tiong Jin Choo*	-	-	-	-
Fatherland Enterprise Sdn Bhd*	-	-	-	-
Tiong Chiong Hee*	-	-	-	-
Tiong Chiong Yong*	-	-	-	-
Dato' Sri Tiong Chiong Hoo - <i>son of Tan Sri Datuk Sir Diong Hiew King @ Tiong Hiew King</i>	-	-	-	-
Dato' Tiong Ing - <i>daughter of Tan Sri Datuk Sir Diong Hiew King @ Tiong Hiew King</i>	4,507,400	0.34	269,600 <sup>(m)</sup>	0.02
Tiong Chiew - <i>daughter of Tan Sri Datuk Sir Diong Hiew King @ Tiong Hiew King</i>	918,800	0.07	-	-
Tiong Ching - <i>daughter of Tan Sri Datuk Sir Diong Hiew King @ Tiong Hiew King</i>	459,400	0.04	-	-
Rimbunan Hijau General Trading Sdn Bhd - <i>connected with Tan Sri Datuk Sir Diong Hiew King @ Tiong Hiew King</i>	-	-	-	-
Rejang Healthcare Corporation Sdn Bhd - <i>connected with Datuk Tiong Thai King</i>	500,000	0.04	-	-
TC Blessed Holdings Sdn Bhd - <i>connected with Tan Sri Datuk Sir Diong Hiew King @ Tiong Hiew King</i>	7,214,400	0.55	-	-
ETI Blessed Holdings Sdn Bhd - <i>connected with Tan Sri Datuk Sir Diong Hiew King @ Tiong Hiew King</i>	269,600	0.02	-	-

\* Please refer to table shown on page 28 of this circular for their relationships.

- (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, Kendaie Oil Palm Plantation Sdn Bhd and Pemandangan Jauh Plantation 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 Pemandangan Jauh Plantation 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, Tiong Toh Siong Holdings Sdn Bhd, Pemandangan Jauh Plantation Sdn Bhd and Tiong Toh Siong Enterprises 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, Rimbunan Hijau (Sarawak) Sdn Bhd and Kendaie Oil Palm Plantation Sdn Bhd pursuant to Section 6A of the Companies Act.*
- (i) *Deemed interested by virtue of his interests in Rimbunan Hijau Southeast Asia Sdn Bhd and Kendaie Oil Palm Plantation Sdn Bhd pursuant to Section 6A of the Companies Act.*
- (j) *Deemed interested by virtue of his interest 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 and Pemandangan Jauh Plantation Sdn Bhd pursuant to Section 6A of the Companies Act.*
- (k) *Deemed interested by virtue of her interest in TC Blessed Holdings Sdn Bhd pursuant to Section 6A of the Companies Act.*
- (l) *25,000 shares held through AllianceGroup Nominees (Tempatan) Sdn Bhd.*
- (m) *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 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 28 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 resolutions at the AGM.

## **9. ANNUAL GENERAL MEETING**

The AGM will be held at Function Room, 1st Floor, No. 41 & 42, Pusat Suria Permata, Jalan Upper Lanang, 96000 Sibu, Sarawak on Friday, 8 June 2012 at 11.30 a.m. and any adjournment thereof for the purpose of considering and, if thought fit, passing the ordinary resolutions set out in the notice of AGM, a copy of which is enclosed in the Annual Report 2011.

## **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 No. 85 & 86, Pusat Suria Permata, Jalan Upper Lanang 12A, 96000 Sibu, Sarawak not later than 11.30 a.m. on Wednesday, 6 June 2012. 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 OF DIRECTORS**

**BONG WEI LEONG**

Senior Independent Director

**PART B**

**PROPOSED PURCHASE OF OWN SHARES BY THE COMPANY OF UP TO TEN PERCENT (10%) OF THE TOTAL ISSUED AND PAID-UP ORDINARY SHARE CAPITAL OF THE COMPANY**

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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 Sibu  
Sarawak

17 May 2012

### **Board of Directors:**

Tan Sri Datuk Sir 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 PURCHASE OF OWN SHARES BY THE COMPANY OF UP TO TEN PERCENT (10%) OF THE TOTAL ISSUED AND PAID-UP ORDINARY SHARE CAPITAL OF THE COMPANY**

#### **1. INTRODUCTION**

On 19 April 2012, RSB announced that the Board proposed to seek authority from the shareholders for the Company to purchase its own Shares up to 10% of the total issued and paid-up ordinary share capital of the Company.

The purpose of this circular is to provide shareholders with details, effects and rationale pertaining to the Proposed Share Buy-Back, which is to be tabled as an ordinary resolution at the forthcoming AGM schedule to be held on 8 June 2012.

#### **2. BACKGROUND INFORMATION ON THE PROPOSED SHARE BUY-BACK**

Chapter 12 of the Listing Requirements sets out the requirements that must be complied with by a listed company in respect of purchase of the company's own shares, in particular it indicated that a listed company must not purchase its own shares unless its shareholders has given an authorisation to the directors, subject to the provisions of Section 67A of the Companies Act and Part III of the Companies Regulations, 1966. Such authorisation may only continue to be in force until:

- (a) the conclusion of the first AGM of the listed company following the general meeting at which such resolution was passed at which time it shall lapse unless by ordinary resolution passed at that meeting, the authority is renewed, either unconditionally or subject to conditions; or
- (b) the expiration of the period within which the next AGM after that date is required by law to be held; or
- (c) revoked or varied by ordinary resolution passed by the shareholders in general meeting;

whichever occurs first.

### **3. FEATURES OF THE PROPOSED SHARE BUY-BACK**

The Proposed Share Buy-Back is subject to compliance with Section 67A of the Companies Act, Part IIIA of the Companies Regulations, 1966 and Chapter 12 of the Listing Requirements (as may be amended, modified or re-enacted from time to time) and any prevailing laws and relevant regulations, rules and guidelines as may be issued by the relevant authorities at the time of purchase(s). The purchase of own shares and/or resale of treasury shares will be conducted in accordance with laws prevailing at the time of the purchase and/or resale and will not engage in speculative trading activities. An immediate announcement will be made upon each purchase, resale and cancel of its shares or treasury shares.

#### **(a) Quantum**

RSB is proposing to purchase and hold on Bursa Securities, up to 130,850,494 Shares, representing approximately 10% of the total issued and paid-up ordinary share capital of 1,308,504,944 Shares as at LPD, through stockbroker(s) to be appointed at a later date.

The amount to be allocated for the Proposed Share Buy-Back shall not exceed the reserves of the Company. The audited reserves of the Company as at 31 December 2011 stood at RM133,056,276.

However, the actual number of Shares to be purchased, the total amount of funds involved for each purchase and the timing of the purchase(s) will depend on inter-alia, the market conditions and sentiments of the stock market as well as the availability of financial resources of the Company and the availability of the reserves of the Company.

The Directors of the Company will ensure that when purchasing the Company's own Shares, the amount to be utilised for the Proposed Share Buy-Back will not exceed the reserves of RSB based on the Company's latest management accounts at that point in time.

#### **(b) Duration and source of funds**

The Proposed Share Buy-Back shall be effective immediately upon the passing of the ordinary resolution pertaining to the Proposed Share Buy-Back in the forthcoming AGM and shall expire at the conclusion of the Company's next AGM (unless earlier revoked or varied by ordinary resolution by the shareholders of the Company in general meeting).

The purchase of these Shares will be sourced wholly from internally generated funds of the Company and will reduce the working capital of the RSB Group. The impact would however depend on the purchase price and quantum of Shares purchased.

#### **(c) Pricing**

RSB shall purchase its own shares or resell its treasury shares (if applicable) only on the market of Bursa Securities. The price for the purchase shall not be more than 15% above the weighted average market price of Shares for the five (5) market days immediately preceding the date of purchase. RSB may only resell its treasury share on the market of Bursa Securities at:

- (i) a price which is not less than the weighted average market price for the Shares for the five (5) market days immediately prior to the resale; or
- (ii) a discounted price of not more than 5% to the weighted average market price for the Shares for the five (5) market days immediately prior to the resale provided that:
  - (1) the resale takes place no earlier than thirty (30) days from the date of the purchase; and
  - (2) the resale price is not less than the cost of purchase of the Shares being resold.

**(d) Treatment of Shares Purchased**

In accordance with the Companies Act, the Directors will deal with the Shares that may be purchased pursuant to the Proposed Share Buy-Back (hereinafter known as “Purchased Shares”) in the following manner:

- (i) to cancel the Purchased Shares; or
- (ii) to retain the Purchased Shares as treasury shares for distribution as share dividends to the shareholders and/or resell on Bursa Securities or subsequently cancel the Purchased Shares; or
- (iii) to retain part of the Purchased Shares as treasury shares and cancel the remainder.

RSB intends to retain the Purchased Shares as treasury shares, or cancel the Purchased Shares or a combination of both.

The Board may decide to cancel the Purchased Shares if the cancellation of the shares is expected to enhance the earnings per share of RSB as a result of the reduction in issued and paid-up capital of the Company and thereby in the long term, have a positive impact on the market price of the Shares.

If the Board decides to retain the Purchased Shares as treasury shares, it may distribute the treasury shares as dividend to the shareholders and/or resell the Purchased Shares on Bursa Securities and utilise the proceeds for any feasible investment opportunity arising in the future, or as working capital.

In the event:

- (i) the Company decides to resell the Company’s treasury shares, the Company will make an announcement on the day of the resale is made providing details of the description of the shares resold, the number of shares resold, the resale price of each share resold or, where relevant, the highest and lowest resale price and the total consideration received.
- (ii) the Company decides to cancel the Company’s treasury shares, RSB will make an announcement on the day the cancellation is made providing details of the number of the treasury shares cancelled, the date of the cancellation and the outstanding paid-up share capital after the cancellation.
- (iii) the Purchased Shares are held as treasury shares, the rights attached to them as to voting, dividends and participation in other distributions and otherwise are suspended and the Purchased Shares shall not be taken into account in calculating the number of percentage or of a class of shares in RSB for any purpose including substantial shareholdings, take-overs, notices, the requisitioning of meetings, the quorum for meetings and the result of votes on resolutions at a meeting.

**4. REGULATORY REQUIREMENTS**

Based on the Listing Requirements, the Proposed Share Buy-Back is subject to, inter-alia, the following:

- (a) the Company must not purchase its own shares on Bursa Securities if the purchase(s) will result in RSB not complying with the public shareholding spread requirement of at least 25% of its total listed Shares (excluding treasury shares) are in the hands of public shareholders;
- (b) as mentioned in Section 3(c) in Part B of this circular, the purchase price of Shares cannot be more than 15% above the weighted average market price of Shares for the five (5) market days immediately preceding the date of purchase whilst the selling price cannot be:
  - (i) a price which is less than the weighted average market price for the Shares for the five (5) market days immediately prior to the resale; or

- (ii) a discounted price more than 5% to the weighted average market price for the Shares for the five (5) market days immediately prior to the resale provided that:
  - (1) the resale takes place no earlier than thirty (30) days from the date of the purchase; and
  - (2) the resale price is not less than the cost of purchase of the Shares being resold.
- (c) the maximum funds to be utilised for the purchase of the Company's own Shares cannot exceed the level of retained profit reserve of the Company; and
- (d) the Proposed Share Buy-Back shall only be effected on the market of Bursa Securities. Consequently, the Proposed Share Buy-Back shall be transacted through stockbroker(s) to be appointed at a later date.

## **5. REASON AND RATIONALE OF THE PROPOSED SHARE BUY-BACK**

The Proposed Share Buy-Back has the potential of benefiting RSB and its shareholders in the following manner:

- (a) RSB will have the avenue of stabilising the supply and demand of its Shares in the open market and thereby supporting the fundamental values of the Shares, in particular to ensure, where possible, that the market share price is fair reflection of the value of the Company;
- (b) RSB may also utilise the treasury shares as future dividend payout to the Company's shareholders and/or resell the Shares in the open market to profit from future price appreciation of the Shares; and
- (c) The Proposed Share Buy-Back is expected to enhance the value for Shareholders from the resultant reduction in the number of Shares in the open market, all things remaining equal. The Proposed Share Buy-Back also signals the focus of the Board and management of RSB on returns to Shareholders.

## **6. POTENTIAL ADVANTAGES AND DISADVANTAGES OF THE PROPOSED SHARE BUY-BACK**

The Proposed Share Buy-Back, if implemented, may enable the Company to stabilise the supply and demand of Shares on Bursa Securities, thereby potentially supporting the Company's fundamental value. Any cancellation of Shares so purchased will increase the earnings per share of the RSB Group if the income foregone on the Shares purchased is less than the earnings per share before the share buy-back. Additionally, shareholders may receive treasury shares as share dividends if the Board recommends a distribution of the said shares.

The Board would have the opportunity to utilise its financial resources not immediately required for other uses to purchase the Company's Shares.

The Proposed Share Buy-Back, if implemented would, however, reduce the financial resources of the RSB Group. This may result in the RSB Group having to forego any investment opportunities that may emerge, and/or any income that may be derived from alternative uses of such funds. The Proposed Share Buy-Back may also reduce the amount of resources available for cash dividends to the shareholders of the Company.

On the other hand, the financial resources of the RSB Group may increase if Shares so purchased and held as treasury shares are resold at price(s) higher than the purchase price(s). In this regard, the share buy-back will be pursued after due consideration has been given to the potential impact on the RSB Group's earnings and financial position.

Nevertheless, the Board will be mindful of the interest of the Company, the RSB Group and the shareholders in implementing the Proposed Share Buy-Back.

## 7. EFFECTS OF THE PROPOSED SHARE BUY-BACK

On the assumption that the Proposed Share Buy-Back is carried out in full at any time during the proposed authorised period, the effects of the Proposed Share Buy-Back on the share capital, earnings, net assets, working capital and cash flow, and the dividend payments of RSB as compared with the financial position as disclosed in the most recent published audited financial statements as at 31 December 2011, are as set out below:

### (a) Share Capital

The Proposed Share Buy-Back will have no effect on the issued and paid-up share capital of RSB if all of the RSB Shares purchased are held as treasury shares. The Proposed Share Buy-Back will reduce the issued and paid-up ordinary share capital of the Company to RM588,827,225 as follows if all of the RSB Shares purchased are subsequently cancelled:

Number of issued and paid-up ordinary shares of RM0.50 each	
Existing issued and paid-up ordinary share capital as at LPD	Upon completion of the Proposed Share Buy-Back
RM654,252,472	RM588,827,225

### (b) Earnings

Depending on the timing, actual purchase and purchase price to be paid for the Shares to be bought back, the Proposed Share Buy-Back is not expected to have any immediate material effect on the consolidated earnings of the RSB Group for the financial year ending 31 December 2012.

### (c) Net Assets

The Net Assets per share of the RSB Group may be increased or decreased, depending on the purchase prices of the RSB Shares to be bought back by the Company. Should the purchase prices exceed the existing Net Assets per share, the Net Assets of the remaining shares should decrease accordingly. And conversely, should the purchase price be lower than the existing Net Assets per share unit, the resultant Net Assets per share should increase accordingly.

### (d) Working Capital and cash flow

Although the Proposed Share Buy-Back will reduce the working capital of the RSB Group to the extent of the amount of funds utilised for the purchase of the Company's Shares, it is not expected to have a material effect on the working capital of the RSB Group.

The cash flow of the Company and of the RSB Group will be reduced and the extent of the cash flow reduction will depend on the number of RSB Shares purchased and the purchase prices of the RSB Shares.

### (e) Dividend Payments

Assuming the Proposed Share Buy-Back is implemented in full, it may reduce the amount of distributable reserves available for payment of dividend as the funds to be allocated for the purchase of the RSB Shares are utilised from the Company's reserves account. The Board has recommended a first and final single tier dividend of 1.5 sen per ordinary share and 1.5 sen per irredeemable convertible preference shares, in respect of the financial year ended 31 December 2011. These proposed dividends are subject to shareholders' approval at the forthcoming AGM.

## 8. DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' INTERESTS

The effect before and after the Proposed Share Buy-Back on the shareholdings of the Directors and the Substantial Shareholders based on the Register of Directors and the Register of Substantial Shareholders respectively as at LPD, will for the purpose of illustration be as follows :

Substantial Shareholders and Directors	No. of Shares held			
	Before the Proposed Share Buy-Back		After the Proposed Share Buy-Back	
	Direct (%)	Indirect (%)	Direct (%)	Indirect (%)
<b>Substantial shareholders:</b>				
Tan Sri Datuk Sir Diong Hiew King @ Tiong Hiew King	2,400,000 (0.18%)	739,220,472 (56.49%) <sup>(a)</sup>	2,400,000 (0.20%)	739,220,472 (62.77%)
Tiong Toh Siong Holdings Sdn Bhd	281,041,172 (21.48%)	92,202,500 (7.05%) <sup>(b)</sup>	281,041,172 (23.86%)	92,202,500 (7.83%)
Rimbunan Hijau Southeast Asia Sdn Bhd	120,584,800 (9.22%)	-	120,584,800 (10.24%)	-
Pertumbuhan Abadi Asia Sdn Bhd	87,228,800 (6.67%)	179,271,200 (13.70%) <sup>(c)</sup>	87,228,800 (7.41%)	179,271,200 (15.22%)
Teck Sing Lik Enterprise Sdn Bhd	89,074,400 (6.81%)	504,230,872 (38.54%) <sup>(d)</sup>	89,074,400 (7.56%)	504,230,872 (42.82%)
Tiong Toh Siong Enterprises Sdn Bhd	10,402,400 (0.79%)	163,584,800 (12.50%) <sup>(e)</sup>	10,402,400 (0.88%)	163,584,800 (13.89%)
Pemandangan Jauh Plantation Sdn Bhd	92,202,500 (7.05%)	-	92,202,500 (7.83%)	-
State Financial Secretary	76,034,272 (5.81%)	-	76,034,272 (6.46%)	-
<b>Directors:</b>				
Tan Sri Datuk Sir Diong Hiew King @ Tiong Hiew King	2,400,000 (0.18%)	756,430,072 (57.81%) <sup>(f)</sup>	2,400,000 (0.20)	756,430,072 (64.23%)
Tiong Kiong King	13,803,800 (1.05%)	16,218,400 (1.24%) <sup>(g)</sup>	13,803,800 (1.17)	16,218,400 (1.38%)
Tiong Chiong Ong	6,871,608 (0.53%)	270,714 (0.02%) <sup>(h)</sup>	6,871,608 (0.58)	270,714 (0.02%)
Tiong Chiong Ie	1,600,000 (0.12%)	3,872,000 (0.30%) <sup>(i)</sup>	1,600,000 (0.14)	3,872,000 (0.33%)
Tiong Ing Ming	200,000 (0.02%)	-	200,000 (0.02)	-
Bong Wei Ling	-	-	-	-

- (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, Kendaie Oil Palm Plantation Sdn Bhd and Pemandangan Jauh Plantation Sdn Bhd pursuant to Section 6A of the Companies Act.
- (b) Deemed interested by virtue of its interest in Pemandangan Jauh Plantation Sdn Bhd pursuant to Section 6A of the Companies Act.
- (c) Deemed interested by virtue of its interest in Rimbunan Hijau Southeast Asia Sdn Bhd, Rimbunan Hijau (Sarawak) Sdn Bhd and Kendaie Oil Palm Plantation Sdn Bhd pursuant to Section 6A of the Companies Act.
- (d) 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 and Pemandangan Jauh Plantation Sdn Bhd pursuant to Section 6A of the Companies Act.
- (e) Deemed interested by virtue of its interest in Rimbunan Hijau Southeast Asia Sdn Bhd and Kendaie Oil Palm Plantation Sdn Bhd pursuant to Section 6A of the Companies Act.
- (f) 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 and Pemandangan Jauh Plantation Sdn Bhd pursuant to Section 6A of the Companies Act, and the interests of his spouse and children in the Company pursuant to Section 134(12)(c) of the Companies Act
- (g) Deemed interested by virtue of his interest in Biru-Hijau Enterprise Sdn Bhd pursuant to Section 6A of the Companies Act.
- (h) Deemed interested by virtue of the interest of his spouse in the Company pursuant to Section 134(12)(c) of the Companies Act
- (i) Deemed interested by virtue of his interest in Prihartu Development Sdn Bhd pursuant to Section 6A of the Companies Act.

## 9. IMPLICATION RELATING TO THE CODE

Based on the Company's issued and paid-up ordinary share capital of RM654,252,472 divided into 1,308,504,944 Shares and the equity interests of the Directors and Substantial Shareholders as at LPD, should the Company buy-back the maximum number of Shares of up to 130,850,494 on the assumption that its issued and paid-up ordinary share capital remain unchanged, the Proposed Share Buy-Back will not trigger any obligation by any of the Director, Substantial Shareholder and any person acting in concert with them to undertake a mandatory general offer under the Code as a result of the Proposed Share Buy-Back.

However, in the event an obligation to undertake a mandatory general offer should arise with respect to any parties resulting from the Proposed Share Buy-Back, the relevant parties shall make the necessary application to the Securities Commission for a waiver from having to undertake a mandatory general offer pursuant to the Code.

## 10. PURCHASES, RESALE OF SHARES AND CANCELLATION OF SHARES IN THE PREVIOUS TWELVE (12) MONTHS

RSB has not purchased or resold any of its own Shares and no Shares were cancelled in the previous twelve (12) months and no Shares are held as treasury shares.

## 11. SHARE PRICES

The details of the highest and lowest prices at which the relevant Shares were traded on Bursa Securities for the preceding twelve (12) months and the last transacted price on the LPD as follows:

	Highest (RM)	Lowest (RM)
<b><u>Year 2011</u></b>		
May	0.618	0.509
June	0.688	0.575
July	0.639	0.603
August	0.636	0.513
September	0.598	0.482
October	0.720	0.465
November	1.040	0.680
December	0.945	0.840
<b><u>Year 2012</u></b>		
January	1.030	0.910
February	1.220	1.000
March	1.150	0.995
April	1.160	1.000

(Source : Bloomberg)

Based on the last traded price of Shares on 18 April 2012, being the last practicable date prior to the announcement of the Proposed Share Buy-Back, the closing price of the Shares was RM1.13. The closing price of Shares on 7 May 2012, being the latest practicable date prior to the printing of this circular, was RM1.11.

## 12. PUBLIC SHAREHOLDING SPREAD

As at LPD, the public shareholding spread of the Company was 31.23%.

The Directors will ensure that the Company complies with the public shareholding spread requirement and will not buy-back the Shares if the purchase would result in the public shareholding spread requirement not being met.

### **13. CONDITIONS OF THE PROPOSED SHARE BUY-BACK**

The Proposed Share Buy-Back is conditional upon approval being obtained from the shareholders of RSB at the forthcoming AGM.

### **14. DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' INTERESTS**

None of the Directors or Substantial Shareholders of the Company or Persons Connected with them has any interest, direct or indirect, in the Proposed Share Buy-Back and resale of treasury shares.

### **15. DIRECTORS' RECOMMENDATIONS**

The Board, having considered all aspects of the Proposed Share Buy-Back, is of the opinion that it is in the best interest of the Company.

Our Board therefore recommends that shareholders vote in favour of the ordinary resolution pertaining to the Proposed Share Buy-Back to be tabled at the forthcoming AGM.

### **16. ANNUAL GENERAL MEETING**

The AGM will be held at Function Room, 1st Floor, No. 41 & 42, Pusat Suria Permata, Jalan Upper Lanang, 96000 Sibu, Sarawak on Friday, 8 June 2012 at 11.30 a.m. and any adjournment thereof for the purpose of considering and, if thought fit, passing the ordinary resolutions set out in the notice of AGM, a copy of which is enclosed in the Annual Report 2011.

### **17. 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 Sibu, Sarawak not later than 11.30 a.m. on Wednesday, 6 June 2012. 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.

### **18. 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



**PART C**

**PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION OF THE  
COMPANY**

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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 Sibu  
Sarawak

17 May 2012

## **Board of Directors:**

Tan Sri Datuk Sir 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 AMENDMENTS TO THE ARTICLES OF ASSOCIATION OF THE COMPANY**

#### **1. INTRODUCTION**

On 19 April 2012, RSB announced that the Company proposes to seek the shareholders' approval for the Proposed Amendments.

The purpose of this circular is to provide you with information on the Proposed Amendments together with the Board recommendation thereto and to seek your approval for the special resolution relating to the Proposed Amendments under special business as set out in the notice of the forthcoming AGM, a copy of which is enclosed together with the Company's Annual Report 2011.

#### **2. DETAILS OF THE PROPOSED AMENDMENTS**

Details of the Proposed Amendments are set out in Appendix B of this circular for shareholders information and approval.

#### **3. RATIONALE FOR THE PROPOSED AMENDMENTS**

The Proposed Amendments are intended to update the Articles of Association of the Company, where relevant in order to be in line with the Listing Requirements and to render clarity and consistency throughout the Articles of Association of the Company. The Proposed Amendments are also primarily to ensure that shareholders have access to Articles of Association which are updated and comprehensive.

#### **4. EFFECT OF THE PROPOSED AMENDMENTS**

The Proposed Amendments are administrative in nature and will not have any effect on the share capital, Net Assets, earnings per share, dividends or the shareholdings of the substantial shareholders of RSB.

#### **5. APPROVAL OF THE PROPOSED AMENDMENTS**

The Proposed Amendments are subject to approval to be obtained from the shareholders of the Company at the forthcoming AGM.

**6. INTEREST OF DIRECTORS AND MAJOR SHAREHOLDERS**

None of the Directors and/or Major Shareholders of RSB or any persons connected with them (as defined in the Listing Requirements) has any interest, direct or indirect, in the Proposed Amendments.

**7. RECOMMENDATION BY DIRECTORS**

The Board, having considered all aspects of the Proposed Amendments, is of the opinion that the Proposed Amendments are in the best interest of the RSB and its shareholders. Accordingly, the Board recommends that you vote in favour of the special resolution in relation to the Proposed Amendments to be tabled at the forthcoming AGM.

**8. ANNUAL GENERAL MEETING**

The AGM will be held at Function Room, 1st Floor, No. 41 & 42, Pusat Suria Permata, Jalan Upper Lanang, 96000 Sibul, Sarawak on Friday, 8 June 2012 at 11.30 a.m. and any adjournment thereof for the purpose of considering and, if thought fit, passing the special resolution set out in the notice of AGM, a copy of which is enclosed in the Company's Annual Report 2011.

**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 a.m. on Wednesday, 6 June 2012. 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. 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

**FURTHER 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) On 19 January 2011, RSB entered into a share sale agreement with Lembaga Amanah Kebajikan Masjid Negeri Sarawak ("LAKMNS") to dispose 1,680,000 ordinary shares of RM1.00 each in the capital of Lubuk Tiara Sdn Bhd for a total cash consideration sum of RM13,100,723.00 ("Proposed Lubuk Disposal");
- (b) On 19 January 2011, RSB entered into a share sale agreement with Lembaga Amanah Kebajikan Masjid Negeri Sarawak to acquire 601,735 ordinary shares of RM1.00 each in the capital of PJP Pelita Biawak Plantation Sdn Bhd for a total cash consideration sum of RM12,700,326.00 ("Proposed Biawak Acquisition");
- (c) On 2 February 2011, RSB entered into three (3) conditional share sale agreements with The State Financial Secretary of Sarawak ("SFS") to acquire SFS's interest in the following companies for an aggregate purchase consideration of approximately RM16.02 million to be wholly satisfied through the issuance of 6,964,918 new RSB Shares at an issue price of approximately RM2.30 per Share:
  - i) Nescaya Palma Sdn Bhd
  - ii) Novelpac-Puncakdana Plantation Sdn Bhd
  - iii) Woodijaya Sdn Bhd.
- (d) On 11 February 2011, RSB entered into a Memorandum with Sheba Resources Sendirian Berhad ("Sheba Resources") with the intention to purchase a parcel of land with Oil Palm Plantation thereon situate at Sungai Luai and Sungai Bawah, Niah for a total consideration sum of RM118,000,000.00, free from all encumbrances; and
- (e) On 28 February 2011, RSB entered into an agreement for extension of time with Sheba Resources to extend the time to enter into a sale and purchase agreement up to 4 April 2011.
- (f) On 3 June 2011, R.H. Plantation Sendirian Berhad, a wholly owned subsidiary of RSB, entered into a conditional sale and purchase agreement ("SPA") with Sheba Resources for the proposed acquisition of a parcel of land with oil palm plantation situated at Sungai Luai and Sungai Bawah, Niah, Sarawak for a total cash consideration of RM118,000,000.
- (g) On 10 June 2011, the Company entered into two (2) supplemental agreements with LAKMNS to incorporate/amend certain terms of the Share Sale Agreements dated 19 January 2011 relating to the Proposed Biawak Acquisition and Proposed Lubuk Disposal.
- (h) On 26 July 2011, RSB's 85% owned subsidiary, Burung Tiong Helicopter Sdn. Bhd. ("BTH") entered into a Memorandum of Understanding ("MOU") with Helitech Aviation Services Sdn. Bhd. ("HAS") with an intention to appoint and engage HAS to fly, maintain and provide management and administrative services in respect of one (1) brand new EC 120 B Helicopter together with optional equipment and documentation, for and behalf of BTH for a consideration sum of RM201,400.00 plus two (2) free flight hours for HAS's personal/commercial usage of the said Helicopter per month.
- (i) On 16 April 2012, RSB's wholly-owned subsidiary, Nescaya Palma Sdn Bhd ("NPSB") entered into an Agreement with Bong Hon Voo and Yaw Chee Weng to acquire the entire 2,400 issued and paid-up ordinary shares of RM1.00 each in the capital of Formasi Abadi Sdn Bhd ("FASB") and FASB's undertaking's, properties and assets, present and future, at the purchase consideration of RM35,832,561.

**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 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 Memorandum and Articles of Association of RSB;
- (b) the audited financial statements of RSB and Group, for the financial period ended 31 December 2010 and financial year ended 31 December 2011; and
- (c) all material contracts as outlined in point (2) above.

## PROPOSED AMENDMENTS TO THE COMPANY'S ARTICLES OF ASSOCIATION

Article	Existing Provisions	Proposed Amendments
<b>Article 4(e)</b> <b>(Issue and allotment of shares)</b>	every issue of shares or options to employees and/or the Directors shall be approved by the Members in general meeting and no Director shall participate in a share scheme for employees UNLESS the Members in general meeting have approved of the specific allotment to be made to such Directors;	Every issue of shares or options to employees and/or the Directors shall be approved by the Members in general meeting and no Director shall participate in a scheme involving a new issuance of shares to the employees (“Share Issuance Scheme”) unless the Members in general meeting have approved the specific allotment to be made to such Director.
<b>Article 14(a)</b> <b>(Allotment and despatch notices of allotment)</b>	within fifteen (15) Market Days of the final applications date for an issue of Securities or such other period as may be prescribed by the Exchange for issues of Securities to the public;	within eight (8) market days of the final application date for an issue of securities or such other period as may be prescribed by the Exchange for issues of securities to the public;
<b>Article 29</b> <b>(Suspension of registration)</b>	The transfer books and the Record of Depositors and debentures holders may be closed for such period as the Directors think fit PROVIDED THAT it shall not be closed for more than thirty (30) Market Days in any year. Any notice of intention to fix a Books Closing Date and the reason therefor shall be published in a daily newspaper circulating in Malaysia and shall also be given to the Exchange. Such notice shall state the Books Closing Date, which shall be at least ten (10) Market Days after the date of notification to the Exchange. The transfer books and Record of Depositors may be closed for the purpose of determining persons entitled to dividends, interest, or new Securities, or rights to a priority of application for issue of Securities. The Company shall request the Depository in accordance with the Rules to issue a Record of Depositors as at the latest date which is reasonably practicable which shall in any event be not less than three (3) Market Days before the occurrence of the related event.	The transfer books and the Record of Depositors and debentures holders may be closed for such period as the Directors think fit PROVIDED THAT it shall not be closed for more than thirty (30) days in any year. Any notice of intention to fix a Books Closing Date and the reason therefor shall be published in a daily newspaper circulating in Malaysia and shall also be given to the Exchange. Such notice shall state the Books Closing Date, which shall be at least ten (10) Market Days after the date of notification to the Exchange. The transfer books and Record of Depositors may be closed for the purpose of determining persons entitled to dividends, interest, or new Securities, or rights to a priority of application for issue of Securities. The Company shall request the Depository in accordance with the Rules to issue a Record of Depositors as at a date not less than three (3) Market Days before the occurrence of the related event.
<b>Article 58</b> <b>(Business at meetings)</b>	Subject always to the provision of Section 151 of the Act, no business shall be transacted at any extraordinary general meeting except business of which notice has been given in the notice convening the meeting and no business shall be transacted at an annual general meeting other than business of which notice has been given aforesaid, with the exception of declaring a dividend, the consideration of the accounts, balance sheets, and the report of the Directors and auditors, the fixing of the remuneration of Directors, the election of Directors in the place of those retiring, and the appointment and fixing of the remuneration of the auditors.	Subject always to the provision of Section 151 of the Act, no business shall be transacted at any extraordinary general meeting except business of which notice has been given in the notice convening the meeting and no business shall be transacted at an annual general meeting other than business of which notice has been given aforesaid, with the exception of the following: <ul style="list-style-type: none"> <li>(a) Receive the Audited Financial Statements, the reports of the Directors and Auditors and other financial statements and documents required to be annexed thereto;</li> <li>(b) Declaring dividends</li> <li>(c) Fixing and payment of the fees of the Directors;</li> <li>(d) Re-election of Directors who are retiring by rotation and appointing Directors in the place of those retiring by rotation or otherwise;</li> <li>(e) Appointment or re-appointment of Directors pursuant to the Act, and</li> <li>(f) Appointing Auditors and fixing the remuneration of the Auditors or determining the manner in which such remuneration is to be fixed.</li> </ul>

<p><b>Article 74 (Instrument appointing Proxy to be in writing)</b></p>	<p>The instrument appointing a Proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, either under the corporation’s common seal or under the hand of an officer or attorney duly authorised. The Directors may but shall not be bound to require evidence of the authority of any such attorney or officer. A Proxy may but need not be a Member and the provisions of Section 149(1)(b) of the Act shall not apply to the Company. The instrument appointing a Proxy shall be deemed to confer authority to demand or join in demanding a poll. A Proxy shall be entitled to vote on a show of hands on any question at any general meeting. Where a Member is an authorised nominee as defined under the Central Depositories Act, it may appoint at least one Proxy in respect of each Securities Account it holds with ordinary shares of the Company standing to the credit of the said Securities Account.</p>	<p>(a) The instrument appointing a Proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, either under the corporation’s common seal or under the hand of an officer or attorney duly authorised. The Directors may but shall not be bound to require evidence of the authority of any such attorney or officer. The instrument appointing a Proxy shall be deemed to confer authority to demand or join in demanding a poll.</p> <p>(b) A proxy may but need not be a Member of the Company. A Member of the Company entitled to attend and vote at a meeting of the Company, or at a meeting of any class of members of the Company, shall be entitled to appoint any person as his proxy to attend and vote instead of the Member at the meeting. There shall be no restriction as to the qualification of the proxy and the provisions of Section 149(1)(b) of the Act shall not apply to the Company.</p> <p>(c) A proxy appointed to attend and vote at a meeting of a company shall have the same rights as the Member to speak at the meeting.</p> <p>(d) Where a Member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account (“omnibus account”), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds. An exempt authorised nominee refers to an authorised nominee defined under the Securities Industry (Central Depositories) Act 1991 (“SICDA”) which is exempted from compliance with the provisions of subsection 25A(1) of SICDA.</p>
<p><b>Article 75 (Form of Proxy)</b></p>	<p>None.</p>	<p>The following new note be added to the existing notes as appear in the Article 75:</p> <p><i>Where a Member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account (“omnibus account”), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds. An exempt authorised nominee refers to an authorised nominee defined under the Securities Industry (Central Depositories) Act 1991 (“SICDA”) which is exempted from compliance with the provisions of subsection 25A(1) of SICDA.</i></p>

