

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

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

Bursa Malaysia Securities Berhad takes no responsibility for the contents of this circular, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this circular.



Rimbunan Sawit

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	:	Monday, 8 February 2010 at 11.30 am
Date and time of annual general meeting	:	Wednesday, 10 February 2010 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 19 January 2010.

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”	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.
“Major Shareholder”	<p>A person who has an interest or interests in one (1) or more voting shares in a corporation 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">(a) 10% or more of the aggregate of the nominal amounts of all the voting shares in the corporation; or(b) 5% or more of the aggregate of the nominal amounts of all the voting shares in the corporation where such person is the largest shareholder of the corporation. <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>
“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”, “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.
“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.

CONTENTS

	Page
1. INTRODUCTION	1
2. BACKGROUND INFORMATION OF PROVISIONS IN THE LISTING REQUIREMENTS	1 - 2
3. FEATURES OF THE PROPOSED SHAREHOLDERS' MANDATE	2 - 19
4. EFFECTS OF THE PROPOSED SHAREHOLDERS' MANDATE	19
5. RATIONALE AND BENEFIT OF THE PROPOSED SHAREHOLDERS' MANDATE	20
6. CONDITIONS OF THE PROPOSED SHAREHOLDERS' MANDATE.....	20
7. DIRECTORS' AND MAJOR SHAREHOLDERS' INTERESTS	20 - 22
8. RECOMMENDATION BY DIRECTORS.....	22
9. ACTION TO BE TAKEN BY SHAREHOLDERS	22
10. ANNUAL GENERAL MEETING	22
11. FURTHER INFORMATION	22
APPENDIX A - ADDITIONAL INFORMATION	23 - 24

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

19 January 2010

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 SHAREHOLDERS' MANDATES FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE

1. INTRODUCTION

At the Company's AGM held on 5 February 2009, your Board obtained Shareholders' Mandate for RSB Group to enter into RRPT. The existing Shareholders' Mandate shall, in accordance with the Listing Requirements, lapse at the conclusion of the forthcoming AGM, which has been scheduled for 10 February 2010, unless it is renewed.

Subsequently on 4 December 2009, 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 10 February 2010.

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 PLC 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 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 more than the threshold prescribed under Paragraph 10.09(1) of the Listing Requirements;
- (c) the PLC's circular to shareholders for the Shareholders' 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 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 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 PLC must immediately announce to Bursa Securities when the actual value of a RRPT entered into by the PLC, exceeds the estimated value of the RRPT disclosed in the circular by ten percent (10%) or more and the PLC must include the information as may be prescribed by Bursa Securities in its announcement.

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 subsidiaries of RSB as at 22 December 2009, 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. Baram Trading Sdn Bhd ("BT")	85	Cultivation of oil palm
6. Nescaya Palma Sdn Bhd ("NP")	85	Cultivation of oil palm
7. Lumiera Enterprise Sdn Bhd ("LME")	100	Cultivation of oil palm (dormant)
8. Woodijaya Sdn Bhd ("WJ")	85	Cultivation of oil palm (dormant)

(b) RRPT

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 on pages 3 to 16 of this circular.

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 22 December 2009		Estimated value from 10 February 2010 to the date of next AGM (RM)	Estimated value as disclosed in the preceding year's Circular to Shareholder dated 14 January 2009 (RM)	Actual value transacted from 5 February 2009 to 30 November 2009 (the latest practicable date) (RM)
			Director	Shareholder			
Tiong Toh Siong Holdings Sdn Bhd	<ul style="list-style-type: none"> Rental of premises by RHP and TR^b 	Tan Sri Datuk Sir Diong Hiew King @ Tiong Hiew King ¹ Teck Sing Lik Enterprise Sdn Bhd ^{1k} Prihartia Development Sdn Bhd ^{4a} Tiong Kiong King ³ Datuk Tiong Thai King ⁵ Tiong Chiong Ong ² Tiong Choon ^{1c} Dato' Sri Dr. Tiong Ik King ^{1f} Tiong Kiu King ^{1s} Tiong Chiong Ie ⁴ Tiong Chiong Siong ^{4b} Tiong Jin Choo ^{4c} Fatherland Enterprise Sdn Bhd ^{5a} Tiong Chiong Hee ^{5b} Tiong Chiong Yong ^{5c}	✓ X X ✓ ✓ ✓ ✓ ✓ X X X X X X X	✓ ✓ ✓ ✓ ✓ ✓ ✓ ✓ ✓ ✓ ✓ ✓ ✓ ✓	50,000	25,000	14,400

This part of the page has been intentionally left blank.

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 22 December 2009		Estimated value from 10 February 2010 to the date of next AGM (RM)
			Director	Shareholder	
Sibu Garden And Leisure (M) Sdn Bhd	<ul style="list-style-type: none"> Staff training expenses by RSB 	Tiong Chiong Ong ² Leong Soon May ^{2a}	✓	✓	50,000
Sinar Tiasa Sdn Bhd	<ul style="list-style-type: none"> Maintenance, development contract and management charges by RHP, BT, NP, TR, LME and WJ Rental of plant and machinery by RHP, BT and TR Transportation of FFB by BT 	Tan Sri Datuk Sir Diong Hiew King @ Tiong Hiew King ¹ Teck Sing Lik Enterprise Sdn Bhd ^{1k} Priharta Development Sdn Bhd ^{4a} Tiong Chiong Ie ⁴ Tiong Chiong Siong ^{4b} Tiong Jin Choo ^{4c} Datuk Tiong Thai King ⁵ Fatherland Enterprise Sdn Bhd ^{5a} Tiong Chiong Hee ^{5b} Tiong Chiong Yong ^{5c} Tiong Kiu King ^{5d} Tiong Kiong King ³ Biru-Hijau Enterprise Sdn Bhd ^{3a} Dato' Sri Dr. Tiong Ik King ^{1f}	✓	✓	60,000,000 1,000,000 3,200,000
Tiong Toh Siong & Sons Sdn Bhd	<ul style="list-style-type: none"> Purchase of diesel by BT, LME and WJ 	Tan Sri Datuk Sir Diong Hiew King @ Tiong Hiew King ¹ Teck Sing Lik Enterprise Sdn Bhd ^{1k} Priharta Development Sdn Bhd ^{4a} Tiong Kiong King ³ Datuk Tiong Thai King ⁵ Tiong Chiong Ong ² Tiong Choon ^{1c} Dato' Sri Dr. Tiong Ik King ^{1f} Tiong Kiu King ^{5d} Tiong Chiong Ie ⁴ Tiong Chiong Siong ^{4b} Tiong Jin Choo ^{4c} Fatherland Enterprise Sdn Bhd ^{5a} Tiong Chiong Hee ^{5b} Tiong Chiong Yong ^{5c}	✓	✓	2,300,000

Notes :-

I - 5 - Please refer to the table shown on page 17 of this circular.

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

3. (c) **Deviation between the actual value of the RRPT transacted pursuant to the existing Shareholders' Mandate and the estimated value of the RRPT as disclosed in the preceding year's circular to shareholders**

The actual value of each RRPT transacted pursuant to the existing Shareholders' Mandate obtained on 5 February 2009 up to 30 November 2009 (being the latest practicable date prior to printing of this circular) does not exceed the estimated value of the respective RRPT as disclosed in the preceding year's Circular to Shareholders dated 14 January 2009, by ten percent (10%) or more.

(d) **The Related Parties**

Name of Director and Major Shareholder of RSB Group	Persons/Companies connected	Relationship
1 Tan Sri Datuk Sir Diong Hiew King @ Tiong Hiew King - <i>Directors of RSB, RHP, TR, WJ and LME and Major Shareholder of RSB</i>	1a Puan Sri Datin Ngu Yii Chuo 1b Tiong Chiong Ong ² 1c Tiong Choon 1d Tiong Kiong King ³ ; 1e Datuk Tiong Thai King ⁵ ; 1f Dato' Sri Dr. Tiong Ik King; and 1g Tiong Kiu King 1h Ko Yeu Ying; and 1i James Lau Sze Yuan 1j Tiong Toh Siong Holdings Sdn Bhd - <i>Major Shareholder of RSB</i> ; 1k Teck Sing Lik Enterprise Sdn Bhd - <i>Major Shareholder of RSB</i> ; 1l Tiong Toh Siong Enterprises Sdn Bhd - <i>Major Shareholder of RSB</i> ; 1m Pertumbuhan Abadi Asia Sdn Bhd - <i>Major Shareholder of RSB</i> ; 1n Rimbunan Hijau Southeast Asia Sdn Bhd - <i>Major Shareholder of RSB</i> ; and 1o Rimbunan Hijau (Sarawak) Sdn Bhd	} Spouse } Son } Daughter } } Brothers } } } Sons-in-law } } } } } Substantial } interests in } shareholdings } } } } } }
2 Tiong Chiong Ong - <i>Directors of RSB, RHP, TR and MP, WJ and LME</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>Directors of RSB and BT</i>	4a Priharta 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 Enterprise Sdn Bhd 5b Tiong Chiong Hee; and 5c Tiong Chiong Yong	} Substantial } interest in } shareholdings } Sons }

(e) 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 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.

(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 Mandated 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 Mandated Related Party transactions is approved and reviewed by the Directors or authorized personnel, based on the prices and 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) market surveys will be conducted 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 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 Shareholders' 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 shareholders' mandate;
- (viii) 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 prices and 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;
- (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 Mandated 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.

(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 :-

	Name of Members	Designation
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 18 to 19 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 manner. 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 detrimental to the interests 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.

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 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 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 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, Pertumbuhan Abadi Asia Sdn Bhd and Rimbunan Hijau Southeast Asia Sdn Bhd, and all Persons Connected with them, as mentioned on page 21, will abstain from voting in respect of their direct and indirect shareholdings, on the resolution deliberating and 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 deliberating and approving the Proposed Shareholders' Mandate at the AGM.

Based on the Record of Depositors as at 22 December 2009, 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	%
Interested Directors of RSB :-				
Tan Sri Datuk Sir Diong Hiew King @ Tiong Hiew King - Directors of RSB, RHP and TR, WJ and LME and Major Shareholder of RSB	300,000	0.23	69,343,794 ^(a)	54.06
Tiong Kiong King - Directors of RSB and TR	1,813,600 ^(b)	1.41	2,027,300 ^(c)	1.58
Tiong Chiong Ong - Directors of RSB, RHP, TR MP, WJ and LME	591,200	0.46	26,000 ^(d)	0.02
Tiong Chiong Ie - Directors of RSB and BT	200,000	0.16	484,000 ^(e)	0.38
Interested Directors of subsidiaries :-				
Datuk Tiong Thai King - Directors of TR and RHP	-	-	-	-
Interested Major Shareholders of RSB :-				
Tiong Toh Siong Holdings Sdn Bhd	31,037,594	24.20	-	-
Rimbunan Hijau Southeast Asia Sdn Bhd	15,073,100	11.75	-	-
Teck Sing Lik Enterprise Sdn Bhd	7,047,500	5.49	47,410,994 ^(f)	36.96
Pertumbuhan Abadi Asia Sdn Bhd	10,903,600	8.50	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 Sir Diong Hiew King @ Tiong Hiew King	300,000	0.23	67,422,894 ⁽ⁱ⁾	52.56
Persons Connected :-				
Puan Sri Datin Ngu Yii Chuo*	300,000	0.23	-	-
Tiong Choon*	226,000	0.18	901,800 ⁽ⁱ⁾	0.70
Dato' Sri Dr. Tiong Ik King*	3,675,800 ^(b)	2.87	-	-
Tiong Kiu King*	2,206,800 ^(k)	1.72	-	-
Ko Yeu Ying*	81,000	0.06	-	-
James Lau Sze Yuan*	98,900	0.08	-	-
Rimbunan Hijau (Sarawak) Sdn Bhd*	1,960,800	1.53	-	-
Leong Soon May*	26,000 ^(l)	0.02	-	-
Biru-Hijau Enterprise Sdn Bhd*	2,027,300 ^(b)	1.58	-	-
Priharta Development Sdn Bhd*	484,000	0.38	-	-
Tiong Chiong Siong*	-	-	-	-
Tiong Jin Choo*	-	-	-	-
Fatherland Enterprise Sdn Bhd*	-	-	-	-
Tiong Chiong Hee*	-	-	-	-
Tiong Chiong Yong*	-	-	-	-
Dato' Sri Tiong Chiong Hoo - son of Tan Sri Datuk Sir Diong Hiew King @ Tiong Hiew King	-	-	-	-
Dato' Tiong Ing - daughter of Tan Sri Datuk Sir Diong Hiew King @ Tiong Hiew King	-	-	33,700 ^(m)	0.03
Tiong Chiew - daughter of Tan Sri Datuk Sir Diong Hiew King @ Tiong Hiew King	229,700	0.18	-	-
Tiong Ching - daughter of Tan Sri Datuk Sir Diong Hiew King @ Tiong Hiew King	229,700	0.18	-	-
Rimbunan Hijau General Trading Sdn Bhd - connected with Tan Sri Datuk Sir Diong Hiew King @ Tiong Hiew King	-	-	-	-
Rejang Healthcare Corporation Sdn Bhd - connected with Tan Sri Datuk Sir Diong Hiew King @ Tiong Hiew King	100,000	0.08	-	-
TC Blessed Holdings Sdn Bhd - connected with Tan Sri Datuk Sir Diong Hiew King @ Tiong Hiew King	901,800	0.70	-	-
ETI Blessed Holdings Sdn Bhd - connected with Tan Sri Datuk Sir Diong Hiew King @ Tiong Hiew King	33,700	0.03	-	-

* Please refer to table shown on page 17 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, 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 Prihartta 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) *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 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 on page 21 of this circular) having considered all aspects of the Proposed Shareholders' Mandate, are of the opinion that it is in the best interests 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 Monday, 8 February 2010. 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 Wednesday, 10 February 2010 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) Conditional sale and purchase agreements for shares dated 31 July 2009 between RSB and Teck Sing Lik Enterprise Sdn Bhd, Pertumbuhan Abadi Asia Sdn Bhd and Kendaie Oil Palm Plantation Sdn Bhd, for the proposed acquisition of 200,000 ordinary shares of RM1.00 each in Lumiera Enterprise Sdn Bhd, representing 100% of its issued and paid-up share capital for a total purchase consideration of RM31,018,000.00 to be satisfied in cash (“Proposed Acquisition 1”);
- (b) Conditional sale and purchase agreements for shares dated 31 July 2009 between RSB and Tumbuh Tiasa Enterprises Sdn Bhd for the proposed acquisition of 10,200 ordinary shares of RM1.00 each in Woodijaya Sdn Bhd, representing 85% of its issued and paid-up share capital for a total purchase consideration of RM27,576,000.00 to be satisfied in cash (“Proposed Acquisition 2”);
- (c) Supplemental sale and purchase agreements with Teck Sing Lik Enterprise Sdn Bhd, Pertumbuhan Abadi Asia Sdn Bhd and Kendaie Oil Palm Plantation Sdn Bhd whereby the parties have mutually agreed that the period for the fulfilment of the conditions precedent be extended for a further three (3) months from 30 October 2009, to allow Teck Sing Lik Enterprise Sdn Bhd, Pertumbuhan Abadi Asia Sdn Bhd and Kendaie Oil Palm Plantation Sdn Bhd to procure an extension of time/waiver from the relevant authorities to comply with the conditions expressed on the respective land titles of the subject properties to the Proposed Acquisition 1;
- (d) Supplemental sale and purchase agreements with Tumbuh Tiasa Enterprises Sdn Bhd whereby the parties have mutually agreed that the period for the fulfilment of the conditions precedent be extended for a further three (3) months from 30 October 2009, to allow Tumbuh Tiasa Enterprises Sdn Bhd to procure an extension of time/waiver from the relevant authorities to comply with the conditions expressed on the respective land titles of the subject properties to the Proposed Acquisition 2; and
- (e) Nine (9) separate conditional share sale agreements with the vendors of the following acquirees, as well as an agreement with Rejang Height Sdn Bhd (“Rejang Height”) for the assignment of commercial rights of licences for planted forests issued by the State of Sarawak which permits oil palm planting activities for a special period (“LPF”) held by Rejang Height under LPF No. LPF/0035 (“Simunjan”), for the acquisitions of the following acquirees and the commercial rights of Simunjan respectively, for an aggregate purchase consideration of RM286.10 million to be wholly satisfied via the issuance of 28.33 million new Shares and 191.75 million new irredeemable convertible preference shares of RM0.50 each in the Company (“ICPS”), at an issue price of RM1.30 per Share/ICPS :-
 - (i) Jayamax Plantation Sdn Bhd
 - (ii) Novelpac-Puncakdana Plantation Sdn Bhd
 - (iii) Lubuk Tiara Sdn Bhd
 - (iv) Pelita-Splendid Plantation Sdn Bhd
 - (v) PJP Pelita Biawak Plantation Sdn Bhd
 - (vi) PJP Pelita Ekang-Banyok Plantation Sdn Bhd
 - (vii) PJP Pelita Lundu Plantation Sdn Bhd
 - (viii) PJP Pelita Selangau Plantation Sdn Bhd
 - (ix) PJP Pelita Ulu Teru Plantation Sdn Bhd

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 two (2) financial years ended 31 August 2008 and 31 August 2009; and
- (c) all material contracts as outlined in point (2) on page 23.