

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 independent adviser immediately.

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

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)

PART A

CIRCULAR TO SHAREHOLDERS

in relation to the

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

PART B

STATEMENT TO SHAREHOLDERS

in relation to the

**PROPOSED RENEWAL OF AUTHORITY FOR
PURCHASE OF OWN SHARES BY THE COMPANY**

IMPORTANT DATES AND TIMES:

Last date and time for lodgement of form of proxy	:	Saturday, 28 May 2016 at 12.00 noon
Date and time of annual general meeting	:	Monday, 30 May 2016 at 12.00 noon
Place of annual general meeting	:	Level 2, North Wing Menara Rimbunan Hijau 101, Pusat Suria Permata Jalan Upper Lanang 96000 Sibul, Sarawak

DEFINITIONS

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

“AGM”	Annual general meeting
“Board”	The Board of Directors of RSB
“Bursa Securities”	Bursa Malaysia Securities Berhad
“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
“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”	30 March 2016, 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">(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(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 <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

“Proposed Share Buy-Back”	Proposed renewal of authority to purchase and/or hold own shares 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/statement shall have the meaning assigned to it under the Companies Act.

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

PART A

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

CONTENTS

	Page
1. INTRODUCTION	1
2. BACKGROUND INFORMATION OF PROVISIONS IN THE LISTING REQUIREMENTS	1 - 2
3. FEATURES OF THE PROPOSED SHAREHOLDER MANDATE	2 – 17
4. EFFECTS OF THE PROPOSED SHAREHOLDER MANDATE	17
5. RATIONALE AND BENEFIT OF THE PROPOSED SHAREHOLDER MANDATE	17 – 18
6. CONDITIONS OF THE PROPOSED SHAREHOLDER MANDATE	18
7. DIRECTORS' AND MAJOR SHAREHOLDERS' INTERESTS	18 – 20
8. RECOMMENDATION BY DIRECTORS	20
9. ACTION TO BE TAKEN BY SHAREHOLDERS	20
10. ANNUAL GENERAL MEETING	20
11. FURTHER INFORMATION	20

RIMBUNAN SAWIT BERHAD

(Company No. 691393-U)

(Incorporated in Malaysia)

Registered office:

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

29 April 2016

Board of Directors:

Mr. Tiong Chiong Ong	-	Non-Independent Non-Executive Director / Chairman
Mr. Tiong Kiong King	-	Non-Independent Non-Executive Director / Vice Chairman
YBhg. Tan Sri Datuk Sir Tiong Hiew King	-	Executive Director
YBhg. Dato' Jin Kee Mou	-	Director/Chief Executive Officer
Mr. Bong Wei Leong	-	Independent Director
Mr. Tiong Ing Ming	-	Independent Director
Mr. Tiong Chiong Ie	-	Non-Independent Non-Executive 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 15 June 2015, 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 30 May 2016, unless it is renewed.

On 31 March 2016, 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 30 May 2016.

2. BACKGROUND INFORMATION OF PROVISIONS IN THE LISTING REQUIREMENTS

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

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

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

3. FEATURES OF THE PROPOSED SHAREHOLDER MANDATE

(a) Principal activities of RSB Group

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

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

Name of subsidiary	Effective equity interest held (%)	Principal activities
1. R. H. Plantation Sdn Bhd (“RHP”)	100	Cultivation of oil palm and operation of palm oil mill
2. Timrest Sdn Bhd (“TR”)	100	Cultivation of oil palm
3. Rimbunan Sawit Management Services Sdn Bhd (<i>formerly known as Rimbunan Sawit Holdings Sdn Bhd</i>) (“RSMS”)	100	Investment holding and provision of management services
4. Midas Plantation Sdn Bhd (“MP”) - subsidiary of RSMS	100	Dormant
5. Nescaya Palma Sdn Bhd (“NP”)	100	Cultivation of oil palm
6. Formasi Abadi Sdn Bhd (“FASB”) - subsidiary of NP	100	Cultivation of oil palm
7. Lumiera Enterprise Sdn Bhd (“LME”)	100	Cultivation of oil palm
8. Woodijaya Sdn Bhd (“WJ”)	100	Cultivation of oil palm
9. Jayamax Plantation Sdn Bhd (“JYX”)	100	Cultivation of oil palm
10. Novelpac-Puncakdana Plantation Sdn Bhd (“NVP”)	100	Cultivation of oil palm
11. RSB Palm Oil Mill Sdn Bhd (“RPOM”)	100	Operation of palm oil mill

Name of subsidiary	Effective equity interest held (%)	Principal activities
12. Rajang Builders Sdn Bhd (“RB”)	100	Plantation contract work and provision of transportation services
13. Rajang Agrisupplies Sdn Bhd (“RAS”)	100	Wholesaling and retailing of agricultural fertilizers
14. Rakantama Sdn Bhd (“RTSB”)	100	Insurance agency services
15. Burung Tiong Helicopter Sdn Bhd (“BTH”)	85	Aircraft operations and services
16. Baram Trading Sdn Bhd (“BT”)	85	Cultivation of oil palm
17. PJP Pelita Biawak Plantation Sdn Bhd (“PBW”)	85	Cultivation of oil palm
18. Pelita-Splendid Plantation Sdn Bhd (“PSP”)	70	Cultivation of oil palm
19. PJP Pelita Ekang-Banyok Plantation Sdn Bhd (“PEB”)	60	Cultivation of oil palm
20. PJP Pelita Lundu Plantation Sdn Bhd (“PLD”)	60	Cultivation of oil palm
21. PJP Pelita Selangau Plantation Sdn Bhd (“PSG”)	60	Cultivation of oil palm
22. 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 13 of this circular.

This part of the page has been intentionally left blank

Name of Related Parties	Nature of RRPT	Names of Interested Directors, Interested Major Shareholders of RSB Group and Interested Persons Connected	Manner of relationship with the Related Parties as at LPD		Estimated value from 30 May 2016 to the date of next AGM (RM)	Estimated value as disclosed in the preceding year's Circular to Shareholders dated 22 May 2015 (RM)	Actual value transacted from 15 June 2015 to LPD (RM)
			Director	Shareholder			
R.H. Biotech Sdn Bhd	• Contract charges by RSB Group*	Tiong Kiong King ³	X	√	0.00	2,000,000.00	0.00
		Tan Sri Datuk Sir Diong Hiew King @ Tiong Hiew King ¹	√	√			
		Tiong Toh Siong Holdings Sdn Bhd ^{1h}	X	√			
		Teck Sing Lik Enterprise Sdn Bhd ¹ⁱ	X	√			
		Tiong Chiong Ong ²	X	√			
		Datuk Tiong Thai King ⁵	X	√			
		Fatherland Enterprise Sdn Bhd ^{5a}	X	√			
		Tiong Chiong Hee ^{5b}	X	√			
		Tiong Chiong Yong ^{5c}	X	√			
		Priharta Development Sdn Bhd ^{4a}	X	√			
		Tiong Chiong Ie ⁴	X	√			
		Tiong Chiong Siong ^{4b}	X	√			
		Tiong Jin Choo ^{4c}	X	√			
		Biru-Hijau Enterprise Sdn Bhd ^{3a}	X	√			
		Dato' Sri Dr. Tiong Ik King ^{1f}	X	√			
		Tiong Toh Siong Enterprises Sdn Bhd ^{1j}	X	√			
		Datin Tiong Ching ^{1c}	X	√			
		Dato' Tiong Ing ^{1c}	X	√			
		Puan Sri Datin Ngu Yii Chuo ^{1a}	X	√			
		Tiong Chiong Ong ²	√	√			
		Tiong Choon ^{1c}	X	√			
		Tiong Chiew ^{1c}	X	√			
		Pemandangan Jauh Plantation Sdn. Bhd. ¹ⁿ	X	√			
		Pertumbuhan Abadi Asia Sdn. Bhd. ^{1k}	X	√			
		Wong Yiing Ngik ⁶	X	√			
		ETI Blessed Holdings Sdn Bhd ^{1p}	X	√			
		TC Blessed Holdings Sdn Bhd ^{1q}	X	√			

* This RRPT was approved under preceding mandate but does not require the renewal of Shareholder Mandate at the forthcoming AGM.

This part of the page has been intentionally left blank

Name of Related Parties	Nature of RRPT	Names of Interested Directors, Interested Major Shareholders of RSB Group and Interested Persons Connected	Manner of relationship with the Related Parties as at LPD		Estimated value from 30 May 2016 to the date of next AGM (RM)	Estimated value as disclosed in the preceding year's Circular to Shareholders dated 22 May 2015 (RM)	Actual value transacted from 15 June 2015 to LPD (RM)
			Director	Shareholder			
Rimbunan Hijau General Trading Sdn Bhd	<ul style="list-style-type: none"> Purchase of spare parts & POL by RSB Group 	Tan Sri Datuk Sir Diong Hiew King @ Tiong Hiew King ¹	√	√	5,000,000.00	5,000,000.00	1,302,696.00
		Teck Sing Lik Enterprise Sdn Bhd ¹ⁱ	X	√			
		Priharta Development Sdn Bhd ^{4a}	X	√			
		Tiong Kiong King ³	X	√			
		Datuk Tiong Thai King ⁵	√	√			
		Tiong Chiong Ong ²	X	√			
		Tiong Choon ^{1c}	X	√			
		Dato' Sri Dr. Tiong Ik King ^{1f}	X	√			
		Tiong Chiong Ie ⁴	X	√			
		Tiong Chiong Siong ^{4b}	X	√			
		Fatherland Enterprise Sdn Bhd ^{5a}	X	√			
		Tiong Chiong Hee ^{5b}	X	√			
		Tiong Chiong Yong ^{5c}	X	√			
		Tiong Jin Choo ^{4c}	X	√			
		Datin Tiong Ching ^{1c}	X	√			
		Dato' Tiong Ing ^{1c}	X	√			
		Puan Sri Datin Ngu Yii Chuo ^{1a}	X	√			
		Tiong Chiew ^{1c}	X	√			
		Rimbunan Hijau Southeast Asia Sdn. Bhd. ¹ⁱ	X	√			
		Pertumbuhan Abadi Asia Sdn. Bhd. ^{1k}	X	√			
		Wong Yiing Ngiik ⁶	√	√			
		ETI Blessed Holdings Sdn Bhd ^{1p}	X	√			
		TC Blessed Holdings Sdn Bhd ^{1q}	X	√			
Biru-Hijau Enterprise Sdn. Bhd. ^{3a}	X	√					
Tiong Toh Siong Holdings Sdn Bhd ^{1h}	X	√					
Tiong Toh Siong Enterprises Sdn Bhd ^{1j}	X	√					

This part of the page has been intentionally left blank

Name of Related Parties	Nature of RRPT	Names of Interested Directors, Interested Major Shareholders of RSB Group and Interested Persons Connected	Manner of relationship with the Related Parties as at LPD		Estimated value from 30 May 2016 to the date of next AGM (RM)	Estimated value as disclosed in the preceding year's Circular to Shareholders dated 22 May 2015 (RM)	Actual value transacted from 15 June 2015 to LPD (RM)
			Director	Shareholder			
RH Selangau Palm Oil Mill Sdn Bhd	<ul style="list-style-type: none"> Sales of FFB by NP, NVP and PSG 	Tan Sri Datuk Sir Diong Hiew King @ Tiong Hiew King ¹	√	√	60,000,000.00	50,000,000.00	28,661,499.00
		Tiong Toh Siong Holdings Sdn Bhd ^{1h}	X	√			
		Teck Sing Lik Enterprise Sdn Bhd ¹ⁱ	X	√			
		Tiong Toh Siong Enterprises Sdn Bhd ^{1j}	X	√			
		Priharta Development Sdn Bhd ^{4a}	X	√			
		Tiong Chiong Ie ⁴	X	√			
		Tiong Chiong Siong ^{4b}	X	√			
		Tiong Jin Choo ^{4c}	X	√			
		Datuk Tiong Thai King ⁵	X	√			
		Fatherland Enterprise Sdn Bhd ^{5a}	X	√			
		Tiong Chiong Hee ^{5b}	X	√			
		Tiong Chiong Yong ^{5c}	X	√			
		Tiong Kiong King ³	X	√			
		Biru-Hijau Enterprise Sdn Bhd ^{3a}	X	√			
		Puan Sri Datin Ngu Yui Chuo ^{1a}	X	√			
		Wong Yiing Ngiik ⁶	√	√			
		Ko Yeu Ying ^{1g}	√	X			
		ETI Blessed Holdings Sdn Bhd ^{1p}	X	√			
		TC Blessed Holdings Sdn Bhd ^{1q}	X	√			
		Tiong Chiong Ong ²	X	√			
		Tiong Choon ^{1c}	X	√			
Dato' Tiong Ing ^{1c}	X	√					
Tiong Chiew ^{1c}	X	√					
Dato' Sri Dr. Tiong Ik King ^{1f}	X	√					
Datin Tiong Ching ^{1c}	X	√					

This part of the page has been intentionally left blank

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

There is no outstanding amount due under the RRPT which exceeded the credit term as at the end of the financial year ended 31 December 2015.

3. (d) Deviation between the actual value of the RRPT transacted pursuant to the existing Shareholder Mandate and the estimated value of the RRPT as disclosed in the preceding year's Circular to Shareholders dated 22 May 2015 ("Previous Circular")

The actual value of the RRPTs transacted pursuant to the existing Shareholder Mandate obtained on 15 June 2015 up to LPD does not exceed the estimated value of the respective RRPTs as disclosed in the Previous Circular, by ten percent (10%) or more.

This part of the page has been intentionally left blank

(f) Review method or procedures for RRPT

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

These procedures include the following:

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

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

(g) Threshold of Authority

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

Approving authority	Limit of authority per transaction
Purchasing unit	up to RM3,000
Senior Management	up to RM50,000
Chief Executive Officer	up to RM10 million
Audit Committee	Above RM10 million

(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 16 to 17 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 16 to 17 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 13 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 and Pertumbuhan Abadi Asia Sdn Bhd, and all Persons Connected with them, as mentioned on page 19 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 30 March 2016, 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 - <i>Directors of RSB, RHP, TR, LME, NVP, RPOM, FAS, BT and WJ, and Major Shareholder of RSB</i>	2,400,000	0.17	775,199,279 ^(a)	54.65
Tiong Kiong King - <i>Directors of RSB, RSMS, TR, JYX, PBW, PEB, PLD, PSG, PUT and PSP.</i>	23,803,800 ^(b)	1.68	6,218,400 ^(c)	0.438
Tiong Chiong Ong - <i>Directors of RSB, RSMS, RHP, TR, MP, LME, NP, WJ, JYX, NVP, PSP, PBW, PEB, PLD, PSG, FASB, RPOM, RB, RAS and PUT.</i>	7,031,608	0.50	329,214 ^(d)	0.02
Tiong Chiong Ie - <i>Directors of RSB, and BT</i>	1,600,000	0.11	3,872,000 ^(e)	0.27
Interested Directors of subsidiaries:				
Datuk Tiong Thai King - <i>Directors of TR, NP, JYX, NVP and RHP</i>	-	-	-	-
Interested Major Shareholders of RSB:				
Tiong Toh Siong Holdings Sdn Bhd	262,246,119	18.49	200,273,375 ^(f)	14.12
Teck Sing Lik Enterprise Sdn Bhd	70,279,347	4.95	577,450,613 ^(g)	40.71
Pertumbuhan Abadi Asia Sdn Bhd	87,228,800	6.15	128,773,038 ^(h)	9.08
Tiong Toh Siong Enterprises Sdn Bhd	10,402,400	0.73	113,086,638 ⁽ⁱ⁾	7.97
Tan Sri Datuk Sir Diong Hiew King @ Tiong Hiew King	2,400,000	0.17	759,203,079 ⁽ⁱ⁾	53.52
Persons Connected:				
Puan Sri Datin Ngu Yii Chuo*	2,400,000	0.17	-	-
Tiong Choon*	1,470,000	0.10	7,214,400 ^(k)	0.51
Dato' Sri Dr. Tiong Ik King*	-	-	-	-
Ko Yeu Ying*	708,100	0.05	-	-
Rimbunan Hijau (Sarawak) Sdn Bhd*	15,686,400	1.11	-	-
Leong Soon May*	280,714	0.02	-	-
Timothy Tiong Ing Zun*	40,000	0.00 [#]	-	-
Sarah Tiong Pei Xin*	8,500	0.00 [#]	-	-
Biru-Hijau Enterprise Sdn Bhd*	6,218,400 ^(b)	0.44	-	-
Priharta Development Sdn Bhd*	3,872,000	0.27	-	-
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>	2,827,000	0.20	269,600 ^(l)	0.02
Tiong Chiew - <i>daughter of Tan Sri Datuk Sir Diong Hiew King @ Tiong Hiew King</i>	1,355,800	0.10	-	-
Tiong Ching - <i>daughter of Tan Sri Datuk Sir Diong Hiew King @ Tiong Hiew King</i>	459,400	0.03	-	-
Rimbunan Hijau General Trading Sdn Bhd - <i>connected with Tan Sri Datuk Sir Diong Hiew King @ Tiong Hiew King</i>	-	-	-	-
TC Blessed Holdings Sdn Bhd - <i>connected with Tan Sri Datuk Sir Diong Hiew King @ Tiong Hiew King</i>	7,214,400	0.51	-	-
ETI Blessed Holdings Sdn Bhd - <i>connected with Tan Sri Datuk Sir Diong Hiew King @ Tiong Hiew King</i>	269,600	0.02	-	-
Ladang Hijau (Sarawak) Sdn Bhd - <i>connected with Tan Sri Datuk Sir Diong Hiew King @ Tiong Hiew King</i>	5,557,919	0.39	-	-
Rejang Height Sdn Bhd - <i>connected with Tan Sri Datuk Sir Diong Hiew King @ Tiong Hiew King</i>	9,501,838	0.67	-	-

* Please refer to table shown on page 15 of this circular for their relationships.

Less than 0.01%

- (a) *Deemed interested by virtue of his interests in Tiong Toh Siong Holdings Sdn Bhd, Teck Sing Lik Enterprise Sdn Bhd, Tiong Toh Siong Enterprises Sdn Bhd, Pertumbuhan Abadi Asia Sdn Bhd, Rimbunan Hijau Southeast Asia Sdn Bhd, Rimbunan Hijau (Sarawak) Sdn Bhd, Kendaie Oil Palm Plantation Sdn Bhd, Ladang Hijau Sdn Bhd, Rejang Height Sdn Bhd, Multi Greenview Sdn Bhd, Subur Tiasa Holdings Berhad 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 and son 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 Pemandangan Jauh Plantation Sdn Bhd, Ladang Hijau Sdn Bhd and Multi Greenview 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, Tiong Toh Siong Enterprises Sdn Bhd, Rejang Height Sdn Bhd, Multi Greenview Sdn Bhd and Subur Tiasa Holdings Berhad 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, Kendaie Oil Palm Plantation Sdn Bhd and Rejang Height 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, Kendaie Oil Palm Plantation Sdn Bhd and Rejang Height 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, Pemandangan Jauh Plantation Sdn Bhd, Ladang Hijau Sdn Bhd, Rejang Height Sdn Bhd, Multi Greenview Sdn Bhd and Subur Tiasa Holdings Berhad 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) *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, Tiong Ing Ming and Dato' Jin Kee Mou (being other than the named Directors who are interested in the Proposed Shareholder Mandate as disclosed on page 18 of this circular) having considered all aspects of the Proposed Shareholder Mandate, are of the opinion that it is in the best interests of the Company and hereby recommend that shareholders vote in favour of the ordinary resolution at the AGM.

9. ANNUAL GENERAL MEETING

The AGM will be held at Level 2, North Wing, Menara Rimbunan Hijau, 101, Pusat Suria Permata, Jalan Upper Lanang, 96000 Sibu, Sarawak on Monday, 30 May 2016 at 12.00 noon and any adjournment thereof for the purpose of considering and, if thought fit, passing the ordinary resolution set out in the notice of AGM, a copy of which is enclosed in the Annual Report 2015.

10. ACTION TO BE TAKEN BY SHAREHOLDERS

If a shareholder is unable to attend the AGM and wishes to appoint a proxy to attend and vote on his behalf, he should complete, sign and return the form of proxy in accordance with the instructions printed thereon as soon as possible and, in any event, so as to reach the registered office of RSB at North Wing, Menara Rimbunan Hijau, 101, Pusat Suria Permata, Jalan Upper Lanang, 96000 Sibu, Sarawak not later than 12.00 noon on Saturday, 28 May 2016. The completion and return of the form of proxy by a shareholder will not prevent him from attending and voting at the AGM in person, if he so wishes.

11. FURTHER INFORMATION

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

Yours faithfully

FOR AND ON BEHALF OF THE BOARD

BONG WEI LEONG
Independent Director

PART B

**PROPOSED RENEWAL OF AUTHORITY FOR
PURCHASE OF OWN SHARES BY THE COMPANY**

CONTENTS

	Page
1. INTRODUCTION	21
2. PROPOSED SHARE BUY BACK	21
3. REASON AND RATIONALE FOR THE PROPOSED SHARE BUY-BACK	22
4. RETAINED PROFITS AND SHARE PREMIUM	22
5. SOURCE OF FUNDS	22
6. DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' INTEREST	22
7. POTENTIAL ADVANTAGES AND DISADVANTAGES OF THE PROPOSED SHARE BUY- BACK	22
8. EFFECTS OF THE PROPOSED SHARE BUY-BACK	23
9. IMPLICATIONS OF THE MALYSIAN CODE ON TAKE-OVERS AND MERGERS, 2010 ...	23 – 24
10. PURCHASES, RESALE OF SHARES AND CANCELLATION OF SHARES MADE PURSUANT TO THE EXISTING AUTHORITY	24
11. PUBLIC SHAREHOLDING SPREAD	24
12. DIRECTORS' STATEMENT AND RECOMMENDATION	24
13. DIRECTORS' RESPONSIBILITY STATEMENT	24
14. ACTION TO BE TAKEN BY SHAREHOLDERS	24

1. INTRODUCTION

At the Annual General Meeting ("AGM") of Rimbunan Sawit Berhad ("RSB" or "the Company") held on 15 June 2015, the Board of Directors ("Board") obtained the shareholders' approval for the Company to purchase and/or hold its own shares of an amount not exceeding ten per cent (10%) of the total issued and paid-up ordinary share capital of RSB through Bursa Securities. In accordance with the Main Market Listing Requirements of Bursa Securities, this authority will expire at the conclusion of the forthcoming AGM of the Company, which has been scheduled to be held on 30 May 2016 ("forthcoming AGM").

On 31 March 2016, the Company announced its intention to seek shareholders' approval to renew the authority for purchase of own shares by the Company ("Proposed Share Buy-Back") at the forthcoming AGM.

The purpose of this statement is to provide you with the details of the Proposed Share Buy-Back and to seek your approval for a renewal of the authority to undertake the Proposed Share Buy-Back at the forthcoming AGM.

Shareholders of RSB are advised to read and consider carefully the contents of this statement before voting on the resolution pertaining to this proposal at the forthcoming AGM.

2. PROPOSED SHARE BUY-BACK

The Board now proposes to seek shareholders' approval on the renewal of the authority to undertake the Proposed Share Buy-Back at the forthcoming AGM, to the date of the next AGM.

As at 30 March 2016, the total issued and paid-up ordinary share capital of the Company is RM709,243,775.50 comprising 1,418,487,551 ordinary shares of RM0.50 each ("RSB Shares"). Hence, the maximum number of RSB Shares which may be purchased by the Company will be ten percent (10%) of the issued and paid-up ordinary share capital of the Company or 141,848,755 RSB Shares based on the position as at 30 March 2016.

The authority for the Proposed Share Buy-Back will be effective immediately upon passing of the ordinary resolution at the forthcoming AGM and will continue to be in force until:

- (a) the conclusion of the next AGM of the Company unless by ordinary resolution passed at the next AGM, the authority is renewed, either unconditionally or subject to conditions;
- (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, in accordance with the provisions of the guidelines issued by Bursa Securities or any other relevant authorities.

The Directors may retain the RSB Shares so purchased as treasury shares and distribute as dividends and/or resell the RSB Shares so purchased on the market of Bursa Securities and/or cancel them. An appropriate announcement will be made to Bursa Securities in respect of the intention of the Directors together with the rationale, whether to retain the RSB Shares so purchased as treasury shares and/or resell the RSB Shares so purchased on the market of Bursa Securities and/or cancel them, if the Proposed Share Buy-Back is executed. An immediate announcement will be made upon each purchase or resale or cancellation of the RSB Shares.

3. REASON AND RATIONALE FOR 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 RSB 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 RSB Shares in the open market to profit from future price appreciation of RSB Shares; and
- (c) The Proposed Share Buy-Back is expected to enhance the value for shareholders from the resultant reduction in the number of RSB 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.

4. RETAINED PROFITS AND SHARE PREMIUM

A fund not exceeding the Company's retained profits and share premium reserves at the time of purchase will be allocated for the Proposed Share Buy-Back. The audited retained profits and share premium reserves of the Company as at 31 December 2015 amounted to RM53,085,162.

5. SOURCE OF FUNDS

The purchase of these RSB Shares will be sourced wholly from internally generated funds of the Company and will reduce the working capital of the RSB Group.

The Proposed Share Buy-Back is not expected to have an adverse effect on the cash flow position of the Company. However, the effect on the cash flow of the Company would depend on, inter-alia, the purchase price and quantum of RSB Shares purchased at any point of time during the period of the share buy-back.

6. DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' INTERESTS

Save for the inadvertent increase in the percentage shareholding and/or voting rights of the shareholders as a consequence of the Proposed Share Buy-Back, none of the Directors and substantial shareholders of the Company or persons connected with them has any interest, direct or indirect, in the Proposed Share Buy Back or resale or cancellation of treasury shares.

7. POTENTIAL ADVANTAGES AND DISADVANTAGES OF THE PROPOSED SHARE BUYBACK

The Proposed Share Buy-Back, if implemented, may enable the Company to stabilise the supply and demand of the Company's shares on the market of Bursa Securities, thereby potentially supporting the Company's fundamental value. Any cancellation of RSB Shares so purchased will increase the earnings per share of the RSB Group if the income foregone on the RSB 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 the RSB 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 and the Board will be mindful of the interest of the Company, the RSB Group and the shareholders in implementing the Proposed Share Buy-Back.

8. 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 disclosed in the most recent published audited financial statements as at 31 December 2015, 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 share capital of the Company to RM638,319,398 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 30 March 2016	Upon completion of the Proposed Share Buy-Back
1,418,487,551	1,276,638,796

(b) Earnings

Depending on the timing, actual purchase and purchase price to be paid for the RSB 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 2016.

(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 the 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 did not recommend any dividend for ordinary shares and irredeemable convertible preference shares, in respect of the financial year ended 31 December 2015.

9. IMPLICATIONS OF THE MALAYSIAN CODE ON TAKE-OVERS AND MERGERS, 2010 ("CODE")

Based on the Company's issued and paid-up share capital of RM709,243,775.50 divided into 1,418,487,551 RSB Shares and the equity interests of the Directors and substantial shareholders as at 30 March 2016, should the Company buy back the maximum number of shares of up to 141,848,755 on the assumption that its issued and paid-up 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, an exemption from a mandatory offer obligation may be granted by the Securities Commission ("SC") under Paragraph 24.1 of Practice Note 9 of the Code, subject to the Directors, substantial shareholders and the persons acting in concert with them complying with the conditions as stipulated in the said practice note, if the obligation is triggered as a result of the Proposed Share Buy-Back that is outside their direct participation.

Should such circumstances arise and if required, the Directors, substantial shareholders and the persons acting in concert with them are expected to make an application to the SC for a waiver from implementing a mandatory general offer under the Code, before implementing the Proposed Share Buy-Back.

In the event the proposed waiver is not granted by SC, the Company will only proceed with the Proposed Share Buy-Back to the extent that it will not contravene the limit as provided under the Code.

10. PURCHASES, RESALE OF SHARES AND CANCELLATION OF SHARES IN THE PREVIOUS 12 MONTHS

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

11. PUBLIC SHAREHOLDING SPREAD

Based on the Record of Depositors as at 30 March 2016, the public shareholding spread of the Company was 39.27%.

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

12. DIRECTORS' STATEMENT AND RECOMMENDATION

Having considered all aspects of the Proposed Share Buy-Back, the Board wishes to advise that the Proposed Share Buy-Back is in the best interests of the Company and accordingly recommends that you vote in favour of the ordinary resolution for the Proposed Share Buy-Back to be tabled at the forthcoming AGM.

13. DIRECTORS' RESPONSIBILITY STATEMENT

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

14. ACTION TO BE TAKEN BY SHAREHOLDERS

If a shareholder is unable to attend the forthcoming 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 Company's registered office at North Wing, Menara Rimbunan Hijau, 101, Pusat Suria Permata, Jalan Upper Lanang, 96000 Sibul, Sarawak not later than 12.00 noon on Saturday, 28 May 2016. The completion and return of the form of proxy by a shareholder will not prevent him from attending and voting at the forthcoming AGM in person, if he so wishes.

Yours faithfully

FOR AND ON BEHALF OF THE BOARD

BONG WEI LEONG
Independent Director

FURTHER INFORMATION**1. Responsibility Statement**

This circular/statement 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

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/statement.

3. Material Litigation

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

4. Documents for Inspection

Copies of the following documents are available for inspection at the registered office of the Company at North Wing, Menara Rimbunan Hijau, 101, Pusat Suria Permata, Jalan Upper Lanang, 96000 Sibu, Sarawak following the publication of this circular/statement 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; and
- (b) the audited financial statements of RSB and Group, for the financial year ended 31 December 2014 and 31 December 2015.