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RIMBUNAN SAWIT BERHAD

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

CIRCULAR TO SHAREHOLDERS

in relation to the

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

IMPORTANT DATES AND TIMES:

Last date and time for lodgement of form of proxy	:	Wednesday, 24 May 2017 at 12.00 noon
Date and time of annual general meeting	:	Friday, 26 May 2017 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

This circular is dated 28 April 2017

DEFINITIONS

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

“AGM”	Annual general meeting
“Board”	The Board of Directors of RSB
“Bursa Securities”	Bursa Malaysia Securities Berhad
“Companies Act”	The Companies Act, 2016, as amended from time to time and any enactment thereof
“Directors”	The directors for the time being of RSB, and shall have the same meaning given in Section 2(1) of the Capital Markets and Services Act, 2007 and includes any person who is or was within the preceding six (6) months of the date on which the terms of the transactions were agreed upon, a director or chief executive of RSB, its subsidiary or holding company
“FFB”	Fresh fruit bunches
“Group” or “RSB Group”	RSB and its subsidiaries
“Listing Requirements”	The Main Market Listing Requirements of Bursa Securities, as amended from time to time and any enactment thereof
“LPD”	29 March 2017, 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 8 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 Shareholder Mandate”	Proposed Shareholders Mandate for the Group to enter into RRPT
“Related Party”	A director, major shareholder or person connected with such director or major shareholder. For the purpose of this definition, “director”, “major shareholder” and their person connected shall have the same meanings given as above

“Related Party Transaction”	A transaction entered into by the listed issuer or its subsidiaries which involves the interest, direct or indirect, of a related party
“RM”	Ringgit Malaysia
“RRPT”	A related party transaction which is recurrent, of a revenue or trading nature and which is necessary for day-to-day operations of RSB Group and which has been made or will be made by RSB Group at least once in three (3) years in the ordinary course of business of RSB Group
“RSB” or “the Company”	Rimbunan Sawit Berhad
“Shares”	Ordinary shares
“Shareholder Mandate”	Shareholder mandate pursuant to Paragraph 10.09 of the Listing Requirements

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

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

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

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RIMBUNAN SAWIT BERHAD

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

Registered office:

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

28 April 2017

Board of Directors:

Mr. Tiong Chiong Ong	-	Non-Independent Non-Executive Director / Chairman
Mr. Tiong Kiong King	-	Non-Independent Non-Executive Director / Vice Chairman
Tan Sri Datuk Sir Diong Hiew King @ Tiong Hiew King	-	Executive Director
Dato' Jin Kee Mou	-	Director/Chief Executive Officer
Mr. Tiong Chiong Ie	-	Non-Independent Non-Executive Director
Mr. Bong Wei Leong	-	Independent Director
Mr. Tiong Ing Ming	-	Independent Director

To : The Shareholders of Rimbunan Sawit Berhad

Dear Sir/Madam

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

1. INTRODUCTION

At the Company's AGM held on 30 May 2016, 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 26 May 2017, unless it is renewed.

On 24 March 2017, the Company announced through Bursa Securities that the Board proposes to seek approval of its shareholders for the Proposed Shareholder Mandate 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 26 May 2017.

2. BACKGROUND INFORMATION OF PROVISIONS IN THE LISTING REQUIREMENTS

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

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

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

3. FEATURES OF THE PROPOSED SHAREHOLDER MANDATE

(a) Principal activities of RSB Group

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

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

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

Name of subsidiary		Effective equity interest held (%)	Principal activities
19.	Pelita-Splendid Plantation Sdn Bhd (“PSP”)	70	Cultivation of oil palm
20.	PJP Pelita Ekang-Banyok Plantation Sdn Bhd (“PEB”)	60	Cultivation of oil palm
21.	PJP Pelita Lundu Plantation Sdn Bhd (“PLD”)	60	Cultivation of oil palm
22.	PJP Pelita Selangau Plantation Sdn Bhd (“PSG”)	60	Cultivation of oil palm
23.	PJP Pelita Ulu Teru Plantation Sdn Bhd (“PUT”)	60	Cultivation of oil palm

(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 11 of this circular.

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Name of Related Parties	Nature of RRPT	Names of Interested Directors, Interested Major Shareholders of RSB Group and Interested Persons Connected	Manner of relationship with the Related Parties as at LPD		Estimated value from 26 May 2017 to the date of next AGM (RM)	Estimated value as disclosed in the preceding year's Circular to Shareholders dated 29 April 2016 (RM)	Actual value transacted from 30 May 2016 to LPD (RM)
			Director	Shareholder			
R H Lundu Palm Oil Mill Sdn Bhd	Sales of FFB by PLD, PBW and TR	Tan Sri Datuk Sir Diong Hiew King @ Tiong Hiew King ¹	√	√	60,000,000.00	60,000,000.00	40,189,308.00
		Teck Sing Lik Enterprise Sdn Bhd ¹ⁱ	X	√			
		Priharta Development Sdn Bhd ^{4a}	X	√			
		Tiong Kiong King ³	X	√			
		Datuk Tiong Thai King ⁵	X	√			
		Tiong Chiong Ong ²	X	√			
		Tiong Choon ^{1c}	√	√			
		Dato' Sri Dr. Tiong Ik King ^{1f}	X	√			
		Tiong Chiong Ie ⁴	X	√			
		Tiong Chiong Siong ^{4b}	X	√			
		Tiong Jin Choo ^{4c}	X	√			
		Fatherland Enterprise Sdn Bhd ^{5a}	X	√			
		Tiong Chiong Hee ^{5b}	X	√			
		Tiong Chiong Yong ^{5c}	X	√			
		Datin Tiong Ching ^{1c}	X	√			
		Dato' Tiong Ing ^{1c}	X	√			
		Puan Sri Datin Ngu Yü Chuo ^{1a}	X	√			
		Tiong Chiew ^{1c}	X	√			
		Biru-Hijau Enterprise Sdn. Bhd. ^{3a}	X	√			
		Tiong Toh Siong Holdings Sdn Bhd ^{1h}	X	√			
Tiong Toh Siong Enterprises Sdn Bhd ^{1j}	X	√					
Wong Yüing Ngiik ⁶	X	√					
ETI Blessed Holdings Sdn Bhd ^{1p}	X	√					
TC Blessed Holdings Sdn Bhd ^{1q}	X	√					

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Name of Related Parties	Nature of RRPT	Names of Interested Directors, Interested Major Shareholders of RSB Group and Interested Persons Connected	Manner of relationship with the Related Parties as at LPD		Estimated value from 26 May 2017 to the date of next AGM (RM)	Estimated value as disclosed in the preceding year's Circular to Shareholders dated 29 April 2016 (RM)	Actual value transacted from 30 May 2016 to LPD (RM)
			Director	Shareholder			
R H Selangau Palm Oil Mill Sdn Bhd	Sales of FFB by NP, NVP and PSG	Tan Sri Datuk Sir Diong Hiew King @ Tiong Hiew King ¹	√	√	80,000,000.00	60,000,000.00	43,075,596.00
		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 Yii Chuo ^{1a}	X	√			
		Wong Yiing Ngik 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	√					

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Name of Related Parties	Nature of RRPT	Names of Interested Directors, Interested Major Shareholders of RSB Group and Interested Persons Connected	Manner of relationship with the Related Parties as at LPD		Estimated value from 26 May 2017 to the date of next AGM (RM)	Estimated value as disclosed in the preceding year's Circular to Shareholders dated 29 April 2016 (RM)	Actual value transacted from 30 May 2016 to LPD (RM)
			Director	Shareholder			
Rimbunan Hijau General Trading Sdn Bhd	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	2,252,368.00
		Teck Sing Lik Enterprise Sdn Bhd ^{1l}	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. ^{1l}	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	√					

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Name of Related Parties	Nature of RRPT	Names of Interested Directors, Interested Major Shareholders of RSB Group and Interested Persons Connected	Manner of relationship with the Related Parties as at LPD		Estimated value from 26 May 2017 to the date of next AGM (RM)	Estimated value as disclosed in the preceding year's Circular to Shareholders dated 29 April 2016 (RM)	Actual value transacted from 30 May 2016 to LPD (RM)
			Director	Shareholder			
Sinar Tiasa Sdn Bhd	<ul style="list-style-type: none"> Maintenance, management & development contract charges and workshop management fee by RSB Group Purchase of plant and machinery 	Tan Sri Datuk Sir Diong Hiew King @ Tiong Hiew King ¹	X	√	0.00	10,000,000.00	394,921.00
		Teck Sing Lik Enterprise Sdn Bhd ¹ⁱ	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	√			
		Biru-Hijau Enterprise Sdn Bhd ^{3a}	X	√			
		Dato' Sri Dr. Tiong Ik King ^{1f}	X	√	0.00	1,000,000.00	
		Datin Tiong Ching ^{1c}	X	√			
		Dato' Tiong Ing ^{1c}	X	√			
		Puan Sri Datin Ngu Yii Chuo ^{1a}	X	√			
		Tiong Chiong Ong ²	X	√			
		Tiong Choon ^{1c}	X	√			
		Tiong Chiew ^{1c}	X	√			
		Wong Yiing Ngiik ⁶	√	X			
		Tiong Toh Siong Enterprises Sdn Bhd ^{1j}	X	√			
Tiong Kiong King ³	X	√					
Palmgroup Palm Oil Mill Sdn Bhd	Sales of FFB by PSG, NVP and NP	Datuk Tiong Thai King ⁵	√	√	0.00	3,000,000.00	0.00
		Fatherland Enterprise Sdn Bhd ^{5a}	X	√			
		Tiong Chiong Hee ^{5b}	√	√			
		Tiong Chiong Yong ^{5c}	X	√			

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

As at the LPD, 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 2016.

(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 29 April 2016 ("Previous Circular")

The actual value of the RRPTs transacted pursuant to the existing Shareholder Mandate obtained on 30 May 2016 up to LPD does not exceed the estimated value of the respective RRPTs as disclosed in the Previous Circular, by ten percent (10%) or more.

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(e) The Related Parties

Name of Director and Major Shareholder of RSB Group	Persons/Companies connected	Relationship
<p>1 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></p>	<p>1a Puan Sri Datin Ngu Yii Chuo 1b Tiong Chiong Ong² 1c Tiong Choon, Datin Tiong Ching, Dato' Tiong Ing and Tiong Chiew 1d Tiong Kiong King³; 1e Datuk Tiong Thai King⁵; 1f Dato' Sri Dr. Tiong Ik King; and 1g Ko Yeu Ying and James Lau Sze Yuan 1h Tiong Toh Siong Holdings Sdn Bhd - <i>Major Shareholder of RSB</i>; 1i Teck Sing Lik Enterprise Sdn Bhd - <i>Major Shareholder of RSB</i>; 1j Tiong Toh Siong Enterprises Sdn Bhd - <i>Major Shareholder of RSB</i>; 1k Pertumbuhan Abadi Asia Sdn Bhd - <i>Major Shareholder of RSB</i>; 1l Rimbunan Hijau Southeast Asia Sdn Bhd 1m Rimbunan Hijau (Sarawak) Sdn Bhd 1n Pemandangan Jauh Plantation Sdn Bhd; 1o Kendaie Oil Palm Plantation Sdn Bhd; 1p ETI Blessed Enterprise Sdn Bhd; 1q TC Blessed Sdn Bhd; 1r Ladang Hijau (Sarawak) Sdn Bhd; and 1s Rejang Height Sdn Bhd.</p>	<p>} Spouse } Son } Daughters } Brothers } Sons-in-law } Substantial interests in shareholdings</p>
<p>2 Tiong Chiong Ong - <i>Directors of RSB, RSMS, RHP, TR, MP, LME, NP, WJ, JYX, NVP, PSP, PBW, PEB, PLD, PSG, FA, RPOM, RB, RAS and PUT.</i></p>	<p>2a Leong Soon May 2b Timothy Tiong Ing Zin 2c Sarah Tiong Pei Xin</p>	<p>} Spouse } Son } Daughter</p>
<p>3 Tiong Kiong King - <i>Directors of RSMS, RSB, TR, JYX, PBW, PEB, PLD, PSG, PUT, TS, RSB RSB Lundu and PSP.</i></p>	<p>3a Biru-Hijau Enterprise Sdn Bhd</p>	<p>} Substantial interests in shareholdings</p>
<p>4 Tiong Chiong Ie - <i>Directors of RSB and BT.</i></p>	<p>4a Prihartta Development Sdn Bhd 4b Tiong Chiong Siong 4c Tiong Jin Choo</p>	<p>} Substantial interest in shareholdings } Brother } Sister</p>
<p>5 Datuk Tiong Thai King - <i>Directors of TR, RHP, JYX, and NVP.</i></p>	<p>5a Fatherland Enterprise Sdn Bhd 5b Tiong Chiong Hee; and 5c Tiong Chiong Yong</p>	<p>} Substantial interest in shareholdings } Son } Son</p>
<p>6 Wong Yiing Ngiik - <i>Directors of NP</i></p>	<p>Not Applicable</p>	<p>Not Applicable</p>
<p>7 Dato' Mohamad Arif Stephen bin Abdullah – <i>Director and Major Shareholder of BTH</i></p>	<p>Not Applicable</p>	<p>Not Applicable</p>

(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 arm's length basis and are not to the detriment of the minority shareholders, giving due consideration to all circumstances of each transaction.

These procedures include the following:

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

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

(g) Threshold of Authority

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

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 14 to 15 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 14 to 15 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.

3. 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.

4. RATIONALE AND BENEFIT OF THE PROPOSED SHAREHOLDER MANDATE

The RRPT 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.

5. 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 340(2) of the Companies Act [but must not extend to such extension as may be allowed pursuant to Section 340(4) of Companies Act]; or
- (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 7 of this circular by ten percent (10%) or more.

6. 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, Tan Sri Datuk Sir Diong Hiew King @ Tiong Hiew King, Tiong Toh Siong Holdings Sdn Bhd and Pertumbuhan Abadi Asia Sdn Bhd, and all Persons Connected with them, as mentioned on page 17 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 29 March 2017, 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, FA, BT and WJ, and Major Shareholder of RSB</i>	2,400,000	0.17	775,118,279 ^(a)	54.64
Tiong Kiong King - <i>Directors of RSB, RSMS, TR, JYX, PBW, PEB, PLD, PSG, PUT, PSP, TS and RSB Lundu</i>	23,803,800 ^(b)	1.68	6,218,400 ^(c)	0.44
Tiong Chiong Ong - <i>Directors of RSB, RSMS, RHP, TR, LME, NP, WJ, JYX, NVP, PSP, PBW, PEB, PLD, PSG, FA, 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, JYX, NVP and RHP</i>	-	-	-	-
Interested Major Shareholders of RSB:				
Tiong Toh Siong Holdings Sdn Bhd	237,246,119	16.73	200,192,375 ^(f)	14.11
Pertumbuhan Abadi Asia Sdn Bhd	87,228,800	6.15	119,271,200 ^(g)	8.41
Tan Sri Datuk Sir Diong Hiew King @ Tiong Hiew King	2,400,000	0.17	759,122,079 ^(h)	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 ⁽ⁱ⁾	0.51
Dato' Sri Dr. Tiong Ik King*	-	-	-	-
Ko Yeu Ying*	708,100	0.05	-	-
James Lau Sze Yuan*	-	-	-	-
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 ^(j)	0.02
Tiong Chiew - <i>daughter of Tan Sri Datuk Sir Diong Hiew King @ Tiong Hiew King</i>	1,355,800	0.10	-	-
Dato' 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	-	-
Teck Sing Lik Enterprise Sdn Bhd - <i>connected with Tan Sri Datuk Sir Diong Hiew King @ Tiong Hiew King</i>	95,279,347	6.72	10,402,400 ^(k)	0.73
Tiong Toh Siong Enterprises Sdn Bhd - <i>connected with Tan Sri Datuk Sir Diong Hiew King @ Tiong Hiew King</i>	10,402,400	0.73	113,086,638 ^(l)	7.97
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 13 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 (Sarawak) Sdn Bhd, Rejang Height Sdn Bhd, Multi Greenview Sdn Bhd, Subur Tiasa Holdings Berhad and Pemandangan Jauh Plantation Sdn Bhd pursuant to Section 8 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 8 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 Prihartu Development Sdn Bhd pursuant to Section 8 of the Companies Act.
- (f) Deemed interested by virtue of its interests in Pemandangan Jauh Plantation Sdn Bhd, Ladang Hijau (Sarawak) Sdn Bhd, Subur Tiasa Holdings Berhad and Multi Greenview Sdn Bhd pursuant to Section 8 of the Companies Act.
- (g) Deemed interested by virtue of its interest in Rimbunan Hijau Southeast Asia Sdn Bhd, Rimbunan Hijau (Sarawak) Sdn Bhd and Kendaie Oil Palm Plantation Sdn Bhd pursuant to Section 8 of the Companies Act.
- (h) Deemed interested by virtue of his interests in Tiong Toh Siong Holdings Sdn Bhd, Teck Sing Lik Enterprise Sdn Bhd, Tiong Toh Siong Enterprises Sdn Bhd, Pertumbuhan Abadi Asia Sdn Bhd, Rimbunan Hijau Southeast Asia Sdn Bhd, Rimbunan Hijau (Sarawak) Sdn Bhd, Kendaie Oil Palm Plantation Sdn Bhd, Pemandangan Jauh Plantation Sdn Bhd, Ladang Hijau (Sarawak) Sdn Bhd, Rejang Height Sdn Bhd, Multi Greenview Sdn Bhd and Subur Tiasa Holdings Berhad pursuant to Section 8 of the Companies Act.
- (i) Deemed interested by virtue of her interest in TC Blessed Holdings Sdn Bhd pursuant to Section 8 of the Companies Act.
- (j) Deemed interested by virtue of her interest in ETI Blessed Holdings Sdn Bhd pursuant to Section 8 of the Companies Act.
- (k) Deemed interested by virtue of its interest in Tiong Toh Siong Enterprises Sdn Bhd pursuant to Section 8 of the Companies Act.
- (l) Deemed interested by virtue of its interests in Rimbunan Hijau Southeast Asia Sdn Bhd, Kendaie Oil Palm Plantation Sdn Bhd and Rejang Height Sdn Bhd pursuant to Section 8 of the Companies Act.

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

7. 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 16 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.

8. ANNUAL GENERAL MEETING

The AGM will be held at Level 2, North Wing, Menara Rimbunan Hijau, 101, Pusat Suria Permata, Jalan Upper Lanang, 96000 Sibul, Sarawak on Friday, 26 May 2017 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 2016.

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 North Wing, Menara Rimbunan Hijau, 101, Pusat Suria Permata, Jalan Upper Lanang, 96000 Sibul, Sarawak not later than 12.00 noon on Wednesday, 24 May 2017. The completion and return of the form of proxy by a shareholder will not prevent him from attending and voting at the AGM in person, if he so wishes.

10. FURTHER INFORMATION

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

Yours faithfully

FOR AND ON BEHALF OF THE BOARD

BONG WEI LEONG
Independent Director

FURTHER INFORMATION

1. Responsibility Statement

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

2. Material Contracts

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

- (i) conditional agreement dated 22 February 2017 between RSB and Tiasa Mesra Sdn Bhd to dispose of all the rights, titles and interests in relation to a plantation estate with a gross licensed area of 15,017 hectares via an absolute assignment, development costs, biological assets, commercial rights and all the fixtures and fittings relating thereto for a cash consideration of RM150.0 million;
- (ii) conditional sale and purchase agreement and supplemental agreement dated 22 February 2017 and 28 February 2017 respectively between RSB Lundu Palm Oil Mill Sdn Bhd, a wholly-owned subsidiary of RSB and R H Lundu Palm Oil Mill Sdn Bhd to acquire a parcel of land together with a palm oil mill (“**Lundu Oil Mill**”) (including workers’ quarters) erected thereon and plant and machinery used for the operation of the Lundu Oil Mill for a total cash consideration of RM33.7 million; and
- (iii) conditional share sale agreement dated 22 February 2017 between RSB and Pertumbuhan Abadi Asia Sdn Bhd, Teck Sing Lik Enterprise Sdn Bhd and Tan Sri Datuk Sir Diong Hiew King @ Tiong Hiew King to acquire 100,000 ordinary shares in Sastat Holdings Sdn Bhd (“**SHSB**”), representing the entire equity interest in SHSB, for a total cash consideration of RM17.0 million.

3. Litigation

Save as disclosed below, 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:

A subsidiary of the Company is subject to a native customary rights claim No. KCH-21NCVC-3/3-2016 (HC 3) (“**NCR Claim**”) initiated by TR Gem Anak Jenta and four (4) others (“**Plaintiffs**”) on 3 March 2016 against Protoreka Perunding Sdn Bhd, Kumpulan Kris Jati Sdn Bhd, Timrest Sdn Bhd, Sarawak Forestry Corporation, Director of Forest, Sarawak, Superintendent of Lands and Surveys, Samarahan Division and the Government of the State of Sarawak (“**Defendants**”), on the grounds that the LPF/0035 encroached into the Plaintiffs’ native customary land. The matter which was originally fixed for trial before the High Court 3 in Kuching from 17 to 28 April 2017 and from 8 to 19 May 2017 has now been adjourned to 21 to 30 August 2017 and 4 to 8 September 2017. Assuming the Plaintiffs are successful in their NCR Claim, there could be assessment of damages by the court for trespass, damages to crops and plantation, if the native customary land is found to be within the land area covered by LPF/0035. Further, the native customary land will be excised from the License Planted Forest area.

The Board is not in a position to assess the merits of the Defendant’s claim against the Plaintiffs at this juncture.

4. Documents for Inspection

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

- (a) the Memorandum and Articles of Association of RSB;
- (b) the audited financial statements of RSB and Group, for the financial year ended 31 December 2015 and 31 December 2016; and
- (c) the material contracts referred to in Section 2 above.
- (d) the relevant cause papers in respect of the litigation referred to in Section 3 above.