

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

IF YOU ARE IN ANY DOUBT AS TO THE COURSE OF ACTION YOU SHOULD TAKE, YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISER IMMEDIATELY.

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

*In line with the provision of Practice Note 18/2005, Bursa Malaysia Securities Berhad has not perused Part B of this Circular prior to the issuance of this Circular as the Proposed Amendments fall under the category of Exempt Circulars as outlined in the aforesaid practice note.*



## **KNUSFORD BERHAD**

(380100-D)

(Incorporated in Malaysia)

### **CIRCULAR TO SHAREHOLDERS**

In Relation To

PART A

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

PART B

PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

The Notice of the Annual General Meeting and the Form of Proxy is enclosed in the 2007 Annual Report. The Annual General Meeting is to be held on *20th day of June, 2008* at 11.00 am at the Grand Seasons Hotel, 72 Jalan Pahang, 53000 Kuala Lumpur.

You are urged to complete and return the Form of Proxy in accordance with the instructions therein as soon as possible so as to arrive at the Registered Office of the Company not later than 48 hours before the time set for holding the meeting. The lodging of the Proxy Form will not preclude you from attending and voting in person at the meeting should you subsequently wish to do so.

*This Circular is dated 29 May 2008*

B H LAWRENCE & CO

Advocates & Solicitors

## DEFINITIONS

Except where the context otherwise requires, the following definitions shall apply throughout this Circular.

AGM	:	Annual General Meeting
Articles	:	Articles of Association of the Company
Bursa Securities	:	Bursa Malaysia Securities Berhad
Commission	:	Means the Securities Commission established under Section 3 of the Securities Commission Act 1993
Company or KB	:	Knusford Berhad
Director(s)	:	Shall have the meaning given in Section 4 of the Companies Act 1965 and includes any person who is or was within the preceding 6 months of the date on which the terms of the transaction were agreed upon, a director of the listed issuer (or any company which is a subsidiary or holding company or a chief executive officer of the listed issuer, its subsidiary or holding company).
Group	:	Knusford Berhad and its subsidiaries
Listing Requirements	:	Listing Requirements of Bursa Malaysia Securities Berhad
Mandated Related Parties	:	As in paragraph 3.3
Major Shareholder	:	<p>A person who has an interest or interests in one or more voting shares in a company and the nominal amount of that share or the aggregate of the nominal amounts of those shares, is:</p> <p>(a) equal to or more than 10% of the aggregate of the nominal amounts of all the voting shares in the company; or</p> <p>(b) equal to or more than 5% of the aggregate of the nominal amounts of all the voting shares in the company where such person is the largest shareholder of the company;</p> <p>and including any person who is or was within the preceding 6 months of the date on which the terms of the transaction were agreed upon, a major shareholder of the listed issuer or any other company which is its subsidiary or holding company;</p> <p>For the purpose of this definition, "interest in shares" shall have the meaning given in section 6A of the Companies Act 1965.</p>
Proposed Amendments	:	Proposed Amendments to the Articles of Association of the Company as set out in Appendix 2.
Proposed Mandate	:	Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions for the Company and its subsidiaries in its normal course of business and on terms not more favourable than those generally available to the public, to enter into the transactions set out in paragraph 3.4 below (Recurrent Related Party Transactions) with persons who are considered to be "related parties" as defined in Chapter 10 of the Listing Requirements of the Bursa Malaysia Securities Berhad.
Related Party	:	Director, major shareholder or person connected with such director or major shareholder.
Related Party Transaction	:	A transaction entered into by the Company and/or its subsidiaries which involves the interest, direct or indirect, of a related party.
RRPT (Recurrent Related Party Transaction)	:	Recurrent transaction of a revenue or trading nature which are necessary for day-to-day operations of the Company and its subsidiaries.
RRPTs Mandate (Recurrent Related Party Transaction Mandate)	:	Shareholders' mandate for the Company and its subsidiaries to enter into Recurrent Related Party Transactions.
RM	:	Ringgit Malaysia

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## PART A

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

# KNUSFORD BERHAD

[380100-D]

(Incorporated in Malaysia)

Registered Office:

33-35, Ground Floor, Wisma Ekovest

Jalan Desa Gombak 6

Taman Sri Setapak

Off Jalan Gombak

53000 Kuala Lumpur.

29 May 2008

Board of Directors:

Y. BHG. DATO' LIM KANG SWEE	(Managing Director)
Y. BHG. DATO' LIM KANG HOO	(Executive Director)
KHOO NANG SENG @ KHOO NAM SENG	(Executive Director)
AZNAM BIN MANSOR	(Non-executive Director)
LIM TS-FEI	(Independent & Non-executive Director)
DR. WONG KAI FATT	(Independent & Non-executive Director)
KANG HUI LING	(Independent & Non-executive Director)

To: The Shareholders of Knusford Berhad

Dear Sir/Madam,

PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE.

## 1. INTRODUCTION

On 25 June 2007 the Company obtained shareholders' approval for a general mandate from its Shareholders for the Company and its subsidiaries to enter into Recurrent Related Party Transactions (RRPTs) in the ordinary course of business of a revenue or trading nature which are necessary for day-to-day operations of the Company and its subsidiaries based on commercial terms which are not more favourable to the Related Parties than those generally available to the public.

The said existing mandate for RRPTs shall lapse at the conclusion of the forthcoming AGM unless its renewal is obtained from the shareholders at the AGM.

The Company had on 25 April 2008 made an announcement to Bursa Malaysia Securities Berhad pertaining to the above-mentioned Proposed Mandate.

The Board proposes to seek the approval of Shareholders for a Proposed Mandate for the Company and its subsidiaries in its normal course of business and on terms not more favourable than those generally available to the public, to enter into transactions set out in paragraph 3.4 below with persons who are considered to be "related parties" as defined in Chapter 10 of the Listing Requirements.

## 2. APPROVAL REQUIRED

The purpose of this Circular is to provide Shareholders with details pertaining to the Proposed Mandate and to seek shareholders' approval for the resolutions to be tabled at the forthcoming AGM to be convened on 20 June 2008 at 11.00 am at the Grand Seasons Hotel, 72 Jalan Pahang, 53000 Kuala Lumpur.

The Proposed Mandate is subject to annual renewal. In this respect, any authority conferred by the Proposed Mandate shall only continue to be in force until:-

- (a) the conclusion of the next AGM of the Company following the general meeting at which such Proposed Mandate was passed, at which time it will lapse, unless by a resolution passed at the meeting the authority is renewed;
- (b) the expiration of the period within which the next AGM after that date it is required to be held pursuant to section 143(1) of the Companies Act, 1965 ("CA") (but shall not extend to such extension as may be allowed pursuant to section 143(2) of CA); or
- (c) revoked or varied by resolution passed by the shareholders in general meeting,

whichever is the earlier.

Thereafter, approval from Shareholders for any subsequent renewals of the Proposed Mandate will be sought at each subsequent AGM of the Company.

### 3. DETAILS OF THE PROPOSED MANDATE

#### 3.1 Part E, Paragraph 10.09 and 10.08 of the Listing Requirements

The details of the RRPTs of a revenue or trading nature pursuant to Part E, Paragraph 10.09, which should be read in conjunction with Paragraph 10.08 of the Listing Requirements to be dealt with at the forthcoming AGM, are as follows:

##### Recurrent Related Party Transactions

Under Part E, Paragraph 10.09 of the Listing Requirements, where related party transactions involving recurrent transactions of a revenue or trading nature which are necessary for its day-to-day operations such as supplies of materials within group of companies, the listed issuer or its subsidiary(ies) with a related party, the listed issuer may seek a shareholders' mandate in respect of such transactions subject to the following:

- (a) The transactions are in the ordinary course of business and are on terms not more favourable to the related party than those generally available to the public;
- (b) The shareholders' mandate is subject to annual renewal and disclosure is made in the annual report of the aggregate value of transactions conducted pursuant to the shareholders' mandate during the financial year;
- (c) The listed issuer to issue a Circular to Shareholders for the Shareholders' Mandate for RRPTs; and
- (d) The interested directors, interested major shareholders or interested persons connected with a director or major shareholder; and where it involves the interest of an interested person connected with a director or major shareholder, such director or major shareholder must not vote on the resolutions approving the transactions. An interested director or interested major shareholder must ensure that persons connected with him abstain from voting on the resolutions approving the transactions.

Where the Company has procured shareholders' mandate pursuant to paragraph 10.09(1) of the Listing Requirements, the provisions of paragraph 10.08 of the Listing Requirements shall not apply.

### Related Party Transactions

Under Part E, Paragraph 10.08 (1) – (4) of the Listing Requirements, where transactions entered into by the listed issuer or its subsidiary(ies) with a related party, the listed issuer must make an immediate announcement to Bursa Securities in respect of such transactions which announcement shall include the information set out in Appendices 10A and 10C of the Listing Requirements where any one of the percentage ratios is equal to or exceeds 0.25% except where:

- (1)
  - (a) the value of the consideration given or received in relation to the transaction is less than RM250,000.00; or
  - b) in relation to RRPTs of a revenue or trading nature which are necessary for the day-to-day operations of a listed issuer or its subsidiaries as defined under Paragraph 10.09 of the Listing requirements and Practice Note 12/2001.
  
- (2) Subject to Paragraph 10.08(8A) of the Listing Requirements, a Related Party Transaction where any one of the percentage ratios is equal to or exceeds 5%, the following must be complied with by the listed issuer :
  - a) Issuing of circular to shareholders (which shall include the information set out in Appendix 10B and Part A of Appendix 10D. The draft circular must be submitted to Bursa Securities together with a checklist showing compliance with Appendix 10B and Part A of Appendix 10D);
  - b) Obtaining shareholders' approval in general meeting; and
  - c) Appointment of independent adviser, which shall be an adviser approved by the Commission to act as a corporate finance adviser.
  
- (3) The independent adviser referred to in 2(c) above must be appointed by the listed issuer before terms of the transaction are agreed upon, and it shall be the duty and responsibility of the independent adviser to:
  - a) confirm to Bursa Securities of its eligibility to act as an independent adviser within a period of 2 weeks after the announcement of the transaction;
  - b) comment as to whether the transaction is fair and reasonable so far as the shareholders are concerned and whether the transaction is to the detriment of minority shareholders and, such opinion must set out the reasons for, the key assumptions made, and the factors taken into consideration in forming that opinion; and
  - c) advise minority shareholders on whether they should vote in favour of the transaction.
  
- (4) Subject to Paragraph 10.08(8A) of the Listing Requirements, for a Related Party Transaction where any one of the percentage ratios is equal to or exceeds 25%, the following must be complied with by the listed issuer :
  - a) A main adviser, which shall be a merchant bank or a Participating Organisation that may act as principal adviser under the Commission's Policies and Guidelines on Issue/Offer of Securities, must be appointed by the listed issuer before the terms of transactions are agreed upon, and it shall be the duty and responsibility of the main adviser to :
    - i. ensure that such transaction :
      - (aa) is carried on fair and reasonable terms and conditions, and not to the detriment of minority shareholders of the listed issuer; and
      - (bb) complies with the relevant laws/regulations/guidelines, where applicable;

- ii. ensure full disclosure of all information required to be disclosed in the announcement and circular; and
  - iii. confirm to Bursa Securities, after the transaction has been completed and all the necessary approvals have been obtained, that it has discharged its responsibility with due care in regard to the transaction; and
- b) An independent adviser, which shall be an adviser approved by the Commission to act as a corporate financial adviser, must be appointed by the listed issuer before terms of the transaction are agreed upon, and it shall be the duty and responsibility of the independent advisor to :
- i. confirm to Bursa Securities of its eligibility to act as an independent adviser within a period of two (2) weeks after the announcement of the transaction;
  - ii. comment as to whether the transaction is fair and reasonable so far as the shareholders are concerned and whether the transaction is to the detriment of minority shareholders and such opinion must set out the reasons for, the key assumptions made and factors taken into consideration in forming that opinion; and
  - iii. advise minority shareholders on whether they should vote in favour of the transaction.

#### Exemptions under paragraph 10.08(8A) of the Listing Requirements

For a related party transaction entered into between a subsidiary of a listed issuer and another person where any one of the percentage ratios is equal to or exceeds 5% and there are no other interested relationships except for a related party having an interest in the transaction who is :

- (a) a director or major shareholder of such subsidiary or the holding company of such subsidiary (other than the listed issuer or a holding company of the listed issuer) ("the interested director" or "the interested major shareholder"); or
- (b) a person connected with the interested director or interested major shareholder;

the listed issuer is exempted from:

- (i) issuing a circular to the shareholders;
- (ii) obtaining shareholders' approval of the transaction in general meeting; and
- (iii) appointing a main adviser and independent adviser, as the case may be; provided that the board of directors of the listed issuer:
  - (aa) approves the transaction before the terms of transaction are agreed upon;
  - (bb) ensures that the transaction is fair and reasonable to the listed issuer and is in the best interests of the listed issuer.



### Principal Business

The principal activities of the Company are investment holding and property investment.

The principal activities of the subsidiaries, which are all incorporated in Malaysia, and the interest of the Company are as follows:

No.	Name of Company	Principal Activities	Effective Ownership Interest (%)
1.	Wengcon Holdings Sdn. Bhd.	Reconditioning, sales and rental of heavy machinery	100
2.	Wengcon Equipment Sdn. Bhd.	Rental of machinery and equipment, provision of transportation services and trading of building materials	100
3.	Segi Tiara Sdn. Bhd.	Ceased operations	100
4.	D-Hill Sdn. Bhd	Property development	100
Subsidiaries of Wengcon Holdings Sdn. Bhd.			
5.	Wengcon Machinery Sdn. Bhd.	Reconditioning, sales and rental of light and medium machinery	100
6.	Wengcon Marketing Sdn. Bhd.	Trading in building materials	100
7.	Hi-Plus Development Sdn. Bhd	Rental of machinery and equipment	100
8.	Endau Prima Sdn. Bhd.	Ceased operations	100
9.	Segi Gemilang Sdn. Bhd.	Rental of machinery and equipment	100
Subsidiaries of Wengcon Equipment Sdn Bhd			
10.	Radiant Seas Sdn. Bhd.	Rental of machinery and equipment	100
11.	Yasmin Marine Technology Sdn. Bhd.	Rental of machinery and equipment	70

### 3.2 Shareholders' RRPTs Mandate

The Board are seeking approval from Shareholders for the Proposed Mandate which will allow the Company and its subsidiaries, in its normal course of business, to enter into the categories of RRPTs referred to in paragraph 3.4 below, with the classes of related Parties set out in paragraph 3.3 below, provided that such transactions, if any, are made at arm's length, on the Company's and its subsidiaries normal commercial terms and on terms not more favourable to the related parties than those generally available to the public.

The Proposed Mandate is subject to annual renewal. In this respect, any authority conferred by the Proposed Mandate shall only continue to be in force until:-

- (a) the conclusion of the next AGM of the Company following the general meeting at which such Proposed Mandate was passed, at which time it will lapse, unless by a resolution passed at the meeting the authority is renewed;
- (b) the expiration of the period within which the next AGM after the date it is required to be held pursuant to section 143(1) of the Companies Act, 1965 ("CA") (but shall not extend to such extension as may be allowed pursuant to section 143(2) of CA); or
- (c) revoked or varied by resolution passed by the shareholders in general meeting,

whichever is the earlier.

Thereafter, approval from Shareholders for a renewal of the Proposed Mandate will be sought at each subsequent AGM of the Company.

### 3.3 Classes of Related Parties

The Proposed Mandate will apply to the following classes of Related Parties:

No	Mandated Related Party	Place of Incorporation	Principal Activity
i.	Ekovest Berhad	Malaysia	Investment holding and civil engineering and building works
ii.	Ekovest Construction Sdn Bhd	Malaysia	Civil engineering and building works
iii.	Aramijaya Sdn Bhd	Malaysia	Manufacturing and trading in timber related products
iv.	Danga Bay Sdn Bhd	Malaysia	Property development
v.	Binawani Sdn Bhd	Malaysia	Civil engineering and building works
vi.	Rampai Fokus Sdn Bhd	Malaysia	Investment holding

Please refer to paragraph 3.5 below for details of the nature and extent of the interest.

### 3.4 Nature of Recurrent Related Party Transactions and estimated annual value

The RRPTs to be covered by the Proposed Mandate are as follows and such transactions are necessary for the day to day operations and are in the ordinary course of the business of the Company and its subsidiaries:

No	Types of transactions	Related Party	Interested Director and Major Shareholder	Estimated value (RM) (from coming AGM to the next AGM expected to be held in June 2009)
				SOLD TO RELATED PARTY
1.	Sale of machinery & equipment and building materials	Ekovest Berhad	Dato' Lim Kang Hoo Khoo Nang Seng @ Khoo Nam Seng	3,000,000
2.	Rental of machinery & equipment	Ekovest Berhad	Dato' Lim Kang Hoo Khoo Nang Seng @ Khoo Nam Seng	1,000,000
3.	Sale of machinery & equipment and building materials	Ekovest Construction Sdn Bhd	Dato' Lim Kang Hoo Khoo Nang Seng @ Khoo Nam Seng	33,500,000
4.	Rental of machinery & equipment	Ekovest Construction Sdn Bhd	Dato' Lim Kang Hoo Khoo Nang Seng @ Khoo Nam Seng	7,000,000
5.	Sale of machinery & equipment and building materials	Aramijaya Sdn Bhd	Dato' Lim Kang Hoo Dato' Lim Kang Swee	17,000,000
6.	Rental of machinery & equipment	Aramijaya Sdn Bhd	Dato' Lim Kang Hoo Dato' Lim Kang Swee	5,000,000
7.	Sale of machinery & equipment and building materials	Danga Bay Sdn Bhd	Dato' Lim Kang Hoo	20,000,000

No	Types of transactions	Related Party	Interested Director and Major Shareholder	Estimated value (RM) (from coming AGM to the next AGM expected to be held in June 2009)
8.	Rental of machinery & equipment	Danga Bay Sdn Bhd	Dato' Lim Kang Hoo	10,000,000
9.	Sale of machinery & equipment and building materials	Rampai Fokus Sdn Bhd	Dato' Lim Kang Hoo	2,000,000
10.	Rental of machinery & equipment Sdn Bhd	Rampai Fokus	Dato' Lim Kang Hoo	2,000,000
				Total Sold To Related Party RM100,500,000
				BOUGHT FROM RELATED PARTY
11.	Sale of machinery & equipment and building materials	Ekovest Berhad	Dato' Lim Kang Hoo Khoo Nang Seng @ Khoo Nam Seng	4,000,000
12.	Rental of machinery & equipment	Ekovest Berhad	Dato' Lim Kang Hoo Khoo Nang Seng @ Khoo Nam Seng	1,000,000
13.	Sale of machinery & equipment and building materials	Ekovest Construction Sdn Bhd	Dato' Lim Kang Hoo Khoo Nang Seng @ Khoo Nam Seng	2,000,000
14.	Rental of machinery & equipment	Ekovest Construction Sdn Bhd	Dato' Lim Kang Hoo Khoo Nang Seng @ Khoo Nam Seng	6,000,000
15.	Sale of machinery & equipment and building materials	Binawani Sdn Bhd	Dato' Lim Kang Hoo Khoo Nang Seng @ Khoo Nam Seng	800,000
16.	Rental of machinery & equipment	Binawani Sdn Bhd	Dato Lim Kang Hoo Khoo Nang Seng @ Khoo Nam Seng	200,000
17.	Sale of wood products	Aramijaya Sdn Bhd	Dato' Lim Kang Hoo Dato' Lim Kang Swee	1,000,000
18.	Sale of machinery & equipment and building materials	Danga Bay Sdn Bhd	Dato' Lim Kang Hoo	1,000,000
19.	Rental of machinery & equipment	Danga Bay Sdn Bhd	Dato' Lim Kang Hoo	1,000,000
20.	Sale of machinery & equipment and building materials	Rampai Fokus Sdn Bhd	Dato' Lim Kang Hoo	500,000
21.	Rental of machinery & equipment	Rampai Fokus Sdn Bhd	Dato' Lim Kang Hoo	500,000
22.	Sale of machinery & equipment and building materials	Aramijaya Sdn Bhd *	Dato' Lim Kang Hoo Dato' Lim Kang Swee	3,000,000
				Total Bought From Related Party RM21,000,000

No	Types of transactions	Related Party	Interested Director and Major Shareholder	Estimated value (RM) (from coming AGM to the next AGM expected to be held in June 2009)
				RENTAL RECEIVED
23.	Rental of Premises (a)	Ekovest Construction Sdn Bhd	Dato' Lim Kang Hoo Khoo Nang Seng @ Khoo Nam Seng	310,000
24.	Rental of Premises [(b)(i-v)]	Danga Bay Sdn Bhd	Dato' Lim Kang Hoo	400,000
				Total Rental Received RM710,000
				RENTAL PAID
25.	Rental of Premises (c)	Ekovest Berhad	Dato' Lim Kang Hoo Khoo Nang Seng @ Khoo Nam Seng	65,000
				Total Rental Paid RM65,000

Note:

The estimated transaction values are based on the information available at the point of estimation based on projection of the business to be conducted in the coming year after taking into consideration the prevailing market rates. Due to the nature of the transactions, the actual value of the transaction may vary from the estimated value disclosed above. The frequency of the transactions cannot be detailed as the transactions are ongoing and numerous.

1. Kinston Park Sdn Bhd is also an interested Major Shareholder in the above transactions.
2. \* New transaction
3.
  - a) Warehouse space at Lot 3658, Jalan Air Jernih, Setapak 53000 Kuala Lumpur for use as a warehouse, 0.304 hectares, at a total monthly rental of RM23,500.00
  - b)
    - (i) Lot C-11-01, Danga View Apartment, Bandar of Johor, District of Johor Bahru for use of residential, 2,176 square feet, at a monthly rental of RM4,000.00
    - (ii) Lot C-11-02, Danga View Apartment, Bandar of Johor, District of Johor Bahru for use of residential, 2,176 square feet, at a monthly rental of RM4,000.00
    - (iii) Lot C-12-01, Danga View Apartment, Bandar of Johor, District of Johor Bahru for use of residential, 4,050 square feet, at a monthly rental of RM6,000.00
    - (iv) Lot C-12-02, Danga View Apartment, Bandar of Johor, District of Johor Bahru for use of residential, 4,050 square feet, at a monthly rental of RM6,000.00
    - (v) Lot C-12-03, Danga View Apartment, Bandar of Johor, District of Johor Bahru for use of residential, 4,050 square feet, at a monthly rental of RM6,000.00
  - c) Front portion of the 1st Floor, Wisma Ekovest, 33-35, Jalan Desa Gombak 6, Taman Sri Setapak, Off Jalan Gombak for use of office space at a total monthly rental of RM5,000.00

### 3.5 Nature and Extent of Interest

The nature and extent of the interest of the Interested Directors and Major Shareholders as stated in the preceding table as at 30 April 2008 are as follows:-

- a. Dato' Lim Kang Hoo and Khoo Nang Seng @ Khoo Nam Seng are directors in Ekovest Berhad.
- b. Dato' Lim Kang Hoo has a 0.51% direct shareholding in Ekovest Berhad, and has a 20.64% indirect shareholding in Ekovest Berhad through his direct shareholding in Ekovest Holdings Sdn Bhd.
- c. Khoo Nang Seng @ Khoo Nam Seng has a 7.41% direct shareholding in Ekovest Berhad.
- d. Binawani Sdn Bhd is a wholly owned subsidiary of Ekovest Berhad.
- e. Ekovest Construction Sdn Bhd is a wholly owned subsidiary of Ekovest Berhad.
- f. Ekovest Holdings Sdn Bhd holds 20.64 of Ekovest Berhad.

- g. Dato' Lim Kang Yew holds 9.18% of Pembinaan Limbongan Setia Berhad which in turn owns 71% shareholding in Aramijaya Sdn Bhd. He is deemed interested in transactions relating to Aramijaya Sdn Bhd by virtue of him being a brother of Dato' Lim Kang Hoo and Dato' Lim Kang Swee.
- h. Dato' Lim Kang Hoo is a director in Pembinaan Limbongan Setia Berhad.
- i. Dato' Lim Kang Hoo is a director and substantial shareholder of Danga Bay Sdn Bhd.
- j. Rampai Fokus Sdn Bhd is a wholly owned subsidiary of Danga Bay Sdn Bhd

### 3.6 Rationale for, and the benefit to, the Group for transacting with Mandated Related Parties

#### *The Company and its subsidiaries relationship with the Mandated Related Parties*

The Company and its subsidiaries have a long-standing business relationship of more than 5 years with the Mandated Related Parties. The Mandated Related Parties are both good customers of the Company and its subsidiaries as well as reliable suppliers of raw materials and goods and services required by the Company and its subsidiaries. The raw materials and goods provided by the Mandated Related Parties are priced competitively and all transactions between the Company and its subsidiaries and the Mandated Related Parties are carried out on an arm's-length basis and on terms not more favourable to the related parties than those generally available to the public. The raw materials and goods can also be obtained from the Mandated Related Parties even when short notice is given to them, in order to meet the tight deadlines of the Company's business and of its subsidiaries. Although the Company also sources similar raw materials and goods from third parties, the Company would like to seek approval for the Proposed Mandate as the close co-operation between the Company and the Mandated Related Parties has reaped mutual benefits and is expected to continue to be of benefit to the business of the Company and its subsidiaries. Further, the Company and its subsidiaries can enjoy the lowest cost through bulk purchase arrangement.

#### *The benefit of the Proposed Mandate*

The obtaining of the Proposed Mandate and the renewal of the Proposed Mandate on an annual basis would eliminate the need to convene separate general meetings from time to time to seek Shareholders' approval as and when the potential RRPTs with a Mandated Related Party arise, thereby reducing substantially administrative time and expenses in convening such meetings, without compromising the corporate objectives and/or adversely affecting the business opportunities available to the Company and its subsidiaries.

The Proposed Mandate is intended to facilitate transactions in the normal course of business of the Company and its subsidiaries which are transacted from time to time with the Mandated Related Parties, provided that they are carried out at arm's length basis and on the Company and its subsidiaries' normal commercial terms and are not prejudicial to Shareholders and on terms not more favourable to the related parties than those generally available to the public and are not to the detriment of the minority shareholders.

Disclosure will be made in the annual report of the Company including a breakdown of the aggregate value of RRPTs conducted pursuant to the Proposed Mandate during the current financial year, and in the annual reports of the subsequent financial years during which a shareholders' mandate is in force. The annual report will contain the following types of information:

- (a) the type of the RRPTs conducted; and
- (b) the names of the related parties involved in each type of the RRPTs conducted and their relationship with the listed issuer.

Shareholders are advised to refer to the disclosed aggregate value of the RRPTs in the Annual Report for the financial year ended 31 December 2007.

### 3.7 Review Methods or Procedures for RRPTs

There are procedures established by the Company and its subsidiaries to ensure that RRPTs are undertaken on an arm's length basis and on the Company's and its subsidiaries normal commercial terms and on terms not more favourable to the related parties than those generally available to the public, consistent with the Company's and its subsidiaries usual business practices and policies, which are generally not more favourable to the Mandated Related Parties than those extended to unrelated third parties and are not to the detriment of the minority shareholders.

The Company will implement the following procedures to supplement existing internal procedures for general transactions to ensure that the RRPTs are undertaken on an arm's length basis and on normal commercial terms and on terms not more favourable to the related parties than those generally available to the public.

- (i) A list of Mandated Related Parties will be circulated to the Company's subsidiaries to notify them that all RRPTs are required to be undertaken on an arm's length basis and on normal commercial terms and on terms not more favourable to the related parties than those generally available to the public;
- (ii) All RRPTs will be reviewed by a management committee comprising at least one (1) executive director and one (1) senior management staff;
- (iii) The annual internal audit plan shall incorporate a review of all RRPTs entered into pursuant to the Proposed Mandate to ensure that the relevant approvals have been obtained and the review procedures in respect of such transactions are adhered to;
- (iv) The Board and the Audit Committee shall review the internal audit reports to ascertain that the guidelines and procedures established to monitor RRPTs have been complied with and the review shall be done annually together with the review of annual results;
- (v) The Board and the Audit Committee have reviewed the procedures and shall continue to review the procedures as and when required, with the authority to sub delegate to individuals or committees within the Company as they deem appropriate; and
- (vi) Quotations will be taken to gather information to compare the price quoted by third parties and related parties for the purpose of determining the competitive market price of materials and goods. It is our policy to purchase material or goods from related parties when the prices are competitive with prices obtained from third parties. Other factors such as reliability of supply, delivery, services and quality of materials or goods will also be taken into consideration for evaluation purposes.

### 3.8 Audit Committee's Statements

The Audit Committee will review the relevant RRPTs and also review the established guidelines and procedures to ascertain that they have been complied with. Further, if during these periodic reviews by the Audit Committee, the Audit Committee is of the view that the guidelines and procedures as stated above are not sufficient to ensure that the RRPTs will be done on the Company's and its subsidiaries normal commercial terms and on terms not more favourable to the related parties than those generally available to the public and will be prejudicial to the Shareholders, the Company will revert to the Shareholders for a fresh mandate based on new guidelines and procedures immediately, and in any case before the next transaction is entered into.

The Audit Committee has reviewed the terms of the Proposed Mandate, and is satisfied that the review procedures for RRPTs, as well as the periodic reviews to be made by the Audit Committee in relation thereto, are sufficient to ensure that the RRPTs will be made with the relevant classes of Related Party in accordance with the Company's and its subsidiaries normal commercial terms and on terms not more favourable to the related parties than those generally available to the public, and hence, not prejudicial to the Shareholders, nor disadvantageous to the Company and its subsidiaries and are not to the detriment of the minority shareholders.

## 4. INTEREST OF DIRECTORS AND MAJOR SHAREHOLDERS

The following are Directors' Shareholding and Substantial Shareholders in the Company as at 30 April 2008.

### 4.1 INTERESTED DIRECTORS' SHAREHOLDINGS

Name	Direct Shareholdings	%	Indirect Shareholdings	%
1. Dato' Lim Kang Swee	8,154,000	8.18	439,000(a)	0.44
2. Dato' Lim Kang Hoo	615,749	0.62	32,410,000(b)	32.53
3. Khoo Nang Seng @ Khoo Nam Seng	8,124,122	8.15	-	-
TOTAL	16,893,871	16.95	32,849,000	32.97

#### 4.2 INTERESTED MAJOR SHAREHOLDERS

Name	Direct Shareholdings	%	Indirect Shareholdings	%
1. Kinston Park Sdn Bhd	32,410,000	32.53	-	-
2. Dato' Lim Kang Swee	8,154,000	8.18	439,000(a)	0.44
3. Khoo Nang Seng @ Khoo Nam Seng	8,124,122	8.15	-	-
4. Dato' Lim Kang Hoo	615,749	0.62	32,410,000(b)	32.53
TOTAL	49,303,871	49.48	32,849,000	32.97

(a) Deemed interest by virtue of his 99.17% shareholding in Bidarcita Sdn Bhd. Bidarcita Sdn Bhd holds 439,000 ordinary shares of RM1 each or 0.44% in the Company.

(b) Deemed interest by virtue of his 94.00% shareholding in Kinston Park Sdn Bhd

#### 4.3 Statements in relation to Interested Parties

(a) The following interested directors (by virtue of their direct and indirect interest) have abstained and will abstain at all board meetings from all deliberations and voting on the Proposed Mandate:

- i. Dato' Lim Kang Swee
- ii. Dato' Lim Kang Hoo
- iii. Khoo Nang Seng @ Khoo Nam Seng

The aforesaid interested directors shall accordingly also abstain from voting in respect of their direct and/or indirect shareholdings on the ordinary resolution vis-à-vis the Proposed Mandate to be tabled at the forthcoming AGM.

(b) The following interested major shareholders will abstain from voting in respect of their direct and/or indirect shareholdings on the ordinary resolution vis-à-vis the Proposed Mandate to be tabled at the forthcoming AGM:

- i. Dato' Lim Kang Swee
- ii. Dato' Lim Kang Hoo
- iii. Khoo Nang Seng @ Khoo Nam Seng
- iv. Kinston Park Sdn Bhd

(c) Further the said directors and interested major shareholders have undertaken that they will ensure the persons connected with them will abstain from voting on the resolution pertaining to the Proposed Shareholders' Mandate at the forthcoming AGM. These persons connected and their relationship with interested directors and interested major shareholders, and their respective shareholding as at 30 April 2008 are as stated in the table below.

The following connected persons will abstain from voting in respect of their direct and indirect shareholding on the ordinary resolutions vis-à-vis the Proposed Mandate to be tabled at the forthcoming AGM.

Persons Connected	Relationship	Direct Shareholding	Indirect Shareholding
Yap Sim	Mother of Dato' Lim Kang Swee and Dato' Lim Kang Hoo	50,000	
Datin Loo Geik Lan	Spouse of Dato' Lim Kang Hoo	5,000	
Lim Sew Hua	Sister of Dato' Lim Kang Swee and Dato' Lim Kang Hoo	1,686,000	
Sum Kwai Sang	Brother-in-law of Dato' Lim Kang Swee and Dato' Lim Kang Hoo	12,000	

Lim Hai	Sister of Dato' Lim Kang Swee and Dato' Lim Kang Hoo	80,000	
Lim Ah Ya	Sister of Dato' Lim Kang Swee and Dato' Lim Kang Hoo	55,900	
Wong Chooi Fah	Sister-in-law of Dato' Lim Kang Swee and Dato' Lim Kang Hoo	149,000	
Ng Sok Meng	Sister-in-law of Khoo Nang Seng @ Khoo Nam Seng	1,000	
Tiong Seng Yoke	Brother-in-law of Dato' Lim Kang Swee and Dato' Lim Kang Hoo	99,900	
Lee Hup Seng @ Lee Heap Seng	Brother-in-law of Dato' Lim Kang Swee and Dato' Lim Kang Hoo	38,000	
Khoo Kwan Seng	Brother of Khoo Nang Seng @ Khoo Nam Seng	1,500	

The above persons connected all hold shares directly in the Company.

Save as disclosed above none of the directors, major shareholders and/or persons connected with them have any interest direct or indirect in the Proposed Mandate.

#### 5. DIRECTORS' RECOMMENDATION

Save and except for Dato' Lim Kang Swee, Dato' Lim Kang Hoo and Khoo Nang Seng @ Khoo Nam Seng who are deemed interested in the Proposed Mandate and accordingly make no opinion and recommendations thereof, the Board having considered all aspects of the Proposed Mandate, are of the opinion that they are in the best interest of the Company and accordingly, the Directors recommend that you vote in favour of the resolution pertaining to the Proposed Mandate to be tabled at the forthcoming AGM.

#### 6. ANNUAL GENERAL MEETING

The AGM, the notice of which is enclosed in the Annual Report 2007, will be held on 20 June 2008 at 11.00 am at the Grand Seasons Hotel, 72 Jalan Pahang, 53000 Kuala Lumpur for the purpose of considering and, if thought fit, passing the resolution so as to give effect to the Proposed Mandate.

If you are unable to attend and vote in person at the AGM, you are requested to complete and return the Proxy Form in accordance with the instructions therein as soon as possible so as to arrive at the Registered Office of the Company not less than forty-eight (48) hours before the time set for the AGM. The lodging of the Proxy Form will not preclude you from attending and voting in person at the AGM should you subsequently wish to do so.

#### 7. FURTHER INFORMATION

Shareholders are requested to refer to the attached Appendices contained in this Circular for further information.

Yours faithfully  
For and on behalf of the Board of  
Knusford Berhad



**PART B**  
**PROPOSED AMENDMENTS TO THE**  
**ARTICLES OF ASSOCIATION**

# KNUSFORD BERHAD

[380100-D]

(Incorporated in Malaysia)

## Registered Office:

33-35, Ground Floor, Wisma Ekovest

Jalan Desa Gombak 6

Taman Sri Setapak

Off Jalan Gombak

53000 Kuala Lumpur.

29 May 2008

## Board of Directors:

Y. BHG. DATO' LIM KANG SWEE	(Managing Director)
Y. BHG. DATO' LIM KANG HOO	(Executive Director)
KHOO NANG SENG @ KHOO NAM SENG	(Executive Director)
AZNAM BIN MANSOR	(Non-executive Director)
LIM TS-FEI	(Independent & Non-executive Director)
DR. WONG KAI FATT	(Independent & Non-executive Director)
KANG HUI LING	(Independent & Non-executive Director)

To: The Shareholders of Knusford Berhad

Dear Sir/Madam,

## PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION.

### 1. INTRODUCTION

On 25 April 2008, the Company had made an announcement to Bursa Securities that the Company proposed to amend its Articles. The purpose of this Circular is to provide shareholders with details pertaining to the Proposed Amendments to be tabled at the forthcoming AGM to be convened on 20 June 2008 at 11.00 am at the Grand Seasons Hotel, 72 Jalan Pahang, 53000 Kuala Lumpur.

### 2. APPROVAL REQUIRED

The Proposed Amendments are subject to the approval of the Shareholders at the forthcoming AGM.

### 3. DETAILS OF THE PROPOSED AMENDMENTS

The details of the Proposed Amendments are set out in Appendix 2 of this Circular.

### 4. RATIONALE OF THE PROPOSED AMENDMENTS

The Proposed Amendments are made pursuant to the recent amendments to the Listing Requirements.

### 5. EFFECTS OF THE PROPOSED AMENDMENTS

The Proposed Amendments will not have any effect on the existing issued and paid up capital, net assets, working capital earnings, dividends and shareholdings of the Company.

6. INTEREST OF DIRECTORS AND MAJOR SHAREHOLDERS

None of the Directors and Major Shareholders and person connected to them has any interest in the Proposed Amendments.

7. DIRECTORS' RECOMMENDATION

The Board of Directors having considered all aspects of the Proposed Amendments, are of the opinion that the Proposed Amendments are in the best interest of the Company and accordingly, the Directors recommend that you view in favour of the resolution pertaining to the Proposed Amendments to be tabled at the forthcoming AGM.

8. ANNUAL GENERAL MEETING

The AGM, the notice of which is enclosed in the Annual Report 2007, will be held on 20 June 2008 at 11.00 am at the Grand Seasons Hotel, 72 Jalan Pahang, 53000 Kuala Lumpur for the purpose of considering and, if thought fit, passing the resolution so as to give effect to the Proposed Amendments.

If you are unable to attend and vote in person at the AGM, you are requested to complete and return the Form of Proxy in accordance with the instructions therein as soon as possible so as to arrive at the Registered office of the Company not less than forty eight (48) hours before the time set for the AGM. The lodging of the Form of Proxy will not preclude you from attending and voting in person at the AGM should you subsequently wish to do so.

9. FURTHER INFORMATION

Shareholders are requested to refer to the attached Appendix 2 contained in this Circular for further information.

Yours faithfully  
For and on behalf of the Board of  
Knusford Berhad

KANG HUI LING

## FURTHER INFORMATION

## 1. RESPONSIBILITY STATEMENT

This Circular has been seen and approved by the Board of the Company who individually and collectively 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 material facts, the omission of which would make any statement here misleading.

## 2. MATERIAL LITIGATION

Neither the Company nor its subsidiaries is engaged in any material litigation claims or arbitration, either as a plaintiff or defendant, and the Board are not aware of any proceedings, pending or threatened against the Company and its subsidiaries or any fact likely to give rise to any proceedings which might materially or adversely affect the position or business of the Company and its subsidiaries.

## 3. MATERIAL CONTRACTS

Save as disclosed below, neither the Company nor any of its subsidiary companies have entered into any material contracts involving directors' interests which are or may be material, not being contracts entered into in the ordinary course of business.

Since the end of the previous financial year, Knusford Berhad had on 20 June 2007 entered into the Sale & Purchase Agreement with Pestarena Industri Sdn Bhd (PISB) for the acquisition of one piece of freehold land held under HSD 51799, PT 43447, Mukim and District of Klang, Selangor Darul Ehsan together with a one and a half storey detached factory, a three storey office building, a single storey guard house and a bin centre elected thereon from PISB for a total cash consideration of RM15 million. The Directors and major shareholders of PISB are Dato' Lim Kang Swee and Dato' Lim Kang Hoo.

## 4. CONSENT

Messrs B H Lawrence & Co, Advocates & Solicitors, of Unit No. B11-09, Block B, Phileo Damansara 2, No. 15, Jalan 16/11, Off Jalan Damansara, 46350 Petaling Jaya, Selangor Darul Ehsan, as Advisers of the Company have given their written consent, and have not withdrawn the same, to the inclusion of their name in this Circular. A copy of the letter of consent issued by Messrs B H Lawrence & Co is included in the Documents for Inspection (referred to as item 5 (iii) below).

## 5. DOCUMENTS FOR INSPECTION

Copies of the following documents are available for inspection at the Registered Office of the Company at 33-35, Ground Floor, Wisma Ekovest, Jalan Desa Gombak 6, Taman Sri Setapak, Off Jalan Gombak, 53000 Kuala Lumpur during normal office hours from Mondays to Fridays (except public holidays) from the date of this Circular up to and including the date of the AGM:

- i. The Memorandum and Articles of Association of the Company.
- ii. The Audited Financial Statements of Knusford Berhad for the two (2) years ended 31 December 2006 and 31 December 2007 together with the Unaudited Quarterly Results for 3 months ended 31 March 2008.
- iii. Letter of consent from Messrs B H Lawrence & Co, Advocates & Solicitors.

## PROPOSED AMENDMENTS

The Articles of Association of the Company be altered as follows:

Existing Articles	Proposed Amendment to the Articles
<p>2. Interpretation</p> <p>Approved Market Place – A stock exchange which is specified to be an approved market place in the Securities Industry (Central Depositories) (Exemption) (No. 2) Order 1998.</p> <p>Central Depository – Malaysia Central Depository Sdn Bhd and its successors-in-title.</p> <p>Depositor – A holder of a securities account.</p> <p>Exchange / Stock Exchange – Kuala Lumpur Stock Exchange or any other Exchange on which the Company is listed.</p> <p>Market Day – Any day between Mondays and Fridays which is not a market holiday or a public holiday.</p> <p>Member – Any person / persons for the time being holding shares in the Company and whose names appear in the Register (except Malaysian Central Depository Nominees Sdn Bhd) including Depositors whose names appear on the Record of Depositors, but shall exclude the Central Depository or its nominee company in whose name the Deposited Share is registered.</p>	<p>2. Interpretation</p> <p>Deleted</p> <p>Central Depository – Bursa Malaysia Depository Sdn Bhd and its successors in title.</p> <p>Depositor – A holder of a securities account established by the Depository.</p> <p>Exchange / Stock Exchange – Bursa Malaysia Securities Berhad or any other Exchange on which the Company is listed.</p> <p>Market Day – Means a day on which the stock market of the Exchange is open for trading in securities.</p> <p>Member – Includes a depositor who shall be treated as if he were a member pursuant to section 35 of the Securities Industry (Central Depositories) Act 1991 but excludes the Depository in its capacity as a bare trustee.</p>
<p>4. Allotment of shares</p> <p>(1) Without prejudice to any special rights previously conferred on the holders of any existing shares or class of shares and subject to the provisions of these Articles and the Act and to the provisions of any resolution of the Company, shares in the Company may be issued by the Directors, who may allot, grant options over or otherwise dispose of such shares to such persons, on such terms and conditions, and at such times as the Directors may determine but the Directors in making any such allotment, grant of options over or disposal of shares shall comply with the following conditions:</p> <p>(a) no shares shall be issued at a discount except in compliance with the provisions of Section 59 of the Act;</p> <p>(b) in the case of shares offered to the public for subscription, the amount payable on application on each share shall not be less than five per cent (5%) of the nominal amount of the share;</p> <p>(c) in the case of shares, other than ordinary shares, no special rights shall be attached until the same have been expressed in these Articles;</p>	<p>4. Allotment of shares</p> <p>(1) Without prejudice to any special rights previously conferred on the holders of any existing shares or class of shares and subject to the provisions of these Articles and the Act and to the provisions of any resolution of the Company, shares in the Company may be issued by the Directors, who may allot, grant options over or otherwise dispose of such shares to such persons, on such terms and conditions, and at such times as the Directors may determine but the Directors in making any such allotment, grant of options over or disposal of shares shall comply with the following conditions:</p> <p>(a) no shares shall be issued at a discount except in compliance with the provisions of Section 59 of the Act;</p> <p>(b) in the case of shares offered to the public for subscription, the amount payable on application on each share shall not be less than five per cent (5%) of the nominal amount of the share;</p> <p>(c) in the case of shares, other than ordinary shares, no special rights shall be attached until the same have been expressed in these Articles;</p>

Existing Articles	Proposed Amendment to the Articles
<p>4. Allotment of shares (continued)</p> <p>(d) no issue of shares shall be made which will have the effect of transferring a controlling interest in the Company to any person, company or syndicate without the prior approval of the Members in general meeting;</p> <p>(e) every issue of options to employees and/or Directors of the Company shall be approved by the Members in general meeting;</p> <p>(f) no Director shall participate in an issue of shares to employees unless :</p> <p>(i) the Members in general meeting have approved of the specific issue or allotment of shares to be made to such Director; and</p> <p>(ii) such Director holds office in the Company in an executive capacity PROVIDED ALWAYS that a Director not holding office in an executive capacity may so participate in any issue of shares pursuant to a public issue or public offer or special issue, such participation to be approved by the relevant authorities.</p>	<p>4. Allotment of shares (continued)</p> <p>(d) no issue of shares shall be made which will have the effect of transferring a controlling interest in the Company to any person, company or syndicate without the prior approval of the Members in general meeting;</p> <p>(e) every issue of options to employees and/or Directors of the Company shall be approved by the Members in general meeting;</p> <p>(f) no Director shall participate in an issue of shares to employees unless :</p> <p>(i) the Members in general meeting have approved of the specific issue or allotment of shares to be made to such Director; and</p> <p>(ii) Deleted</p>
<p>5. Rights of preference shareholders</p> <p>Subject to the Act, any preference shares may, with the sanction of an ordinary resolution, be issued on the terms that they are, or at the option of the Company are liable, to be redeemed but the total nominal value of the issued preference shares shall not exceed the total nominal value of the issued ordinary shares at any time and the Company shall not issue preference shares ranking in priority above preference shares already issued, but may issued preference shares ranking equally therewith. Preference shareholders shall have the same rights as ordinary shareholders in relation to receiving notices, reports and audited accounts and attending general meetings of the Company. Preference shareholders shall also have the right to vote at any meeting convened:</p> <p>(a) where any resolution is to be submitted to the meeting:</p> <p>(i) for the purpose of reducing the share capital of the Company, winding up the Company or disposing of the whole of the property, business or undertaking of the Company; or</p> <p>(ii) which affects their rights and privileges;</p> <p>(b) when the dividend or part of the dividend on the preference shares is in arrears for more than six (6) months; or</p> <p>(c) during the winding up of the Company.</p>	<p>5. Rights of preference shareholders</p> <p>Subject to the Act, any preference shares may, with the sanction of an ordinary resolution, be issued on the terms that they are, or at the option of the Company are liable, to be redeemed, and the Company shall not issue preference shares ranking in priority above preference shares already issued, but may issue preference shares ranking equally therewith. Preference shareholders shall have the same rights as ordinary shareholders in relation to receiving notices, reports and audited accounts and attending general meetings of the Company. Preference shareholders shall also have the right to vote at any meeting convened:</p> <p>(a) where any resolution is to be submitted to the meeting:</p> <p>(i) for the purpose of reducing the share capital of the Company, winding up the Company or disposing of the whole of the property, business or undertaking of the Company; or</p> <p>(ii) which affects their rights and privileges;</p> <p>(b) when the dividend or part of the dividend on the preference shares is in arrears for more than six (6) months; or</p> <p>(c) during the winding up of the Company.</p>

Existing Articles	Proposed Amendment to the Articles
<p>27. Suspension of registration</p> <p>(1) Subject to the provisions of the Central Depositories Act and the Rules, the registration of transfers may be suspended at such times and for such periods as the Directors may from time to time determine not exceeding in the whole, thirty (30) days in any year. Twelve (12) clear market days' notice, or such other period as may from time to time be specified, extended or prescribed by the Exchange governing the Register, of intention to close the Register shall be published in a daily newspaper circulating in Malaysia and shall also be given to the Exchange. The said notice shall state the period and purpose or purposes for which the Register is being closed. The Company shall give notice in accordance with the Rules to the Central Depository to prepare the appropriate Record of Depositors.</p> <p>(2) The Company shall comply with the Rules and the rules of the Exchange, where applicable, as to suspension in the trading of its shares.</p>	<p>27. Suspension of registration</p> <p>(1) Subject to the provisions of the Central Depositories Act and the Rules, the registration of transfers may be suspended at such times and for such periods as the Directors may from time to time determine not exceeding in the whole, thirty (30) days in any year. Ten (10) clear market days' notice, or such other period as may from time to time be specified, extended or prescribed by the Exchange governing the Register, of intention to close the Register shall be published in a daily newspaper circulating in Malaysia and shall also be given to the Exchange. The said notice shall state the period and purpose or purposes for which the Register is being closed. The Company shall give notice in accordance with the Rules to the Central Depository to issue the appropriate Record of Depositors.</p> <p>(2) The Company shall comply with the Rules and the rules of the Exchange, where applicable, as to suspension in the trading of its shares.</p>
<p>34. Transmission of securities</p> <p>(1) Where:</p> <p>(a) the shares or other securities of the Company are listed on an Approved Market Place; and</p> <p>(b) the Company is exempted from compliance with Section 14 of the Central Depositories Act or Section 29 of the Securities Industry (Central Depositories) (Amendment) Act 1998, as the case may be, under the Rules in respect of such shares or other securities,</p> <p>The Company shall, upon request of a holder of shares or other securities, permit a transmission of shares or other securities held by such holder of shares or other securities from the register of holders maintained by the registrar of the Company in the jurisdiction of the Approved Market Place (hereinafter referred to as "the Foreign Register"), to the register of holders maintained by the registrar of the Company in Malaysia (hereinafter referred to as the "Malaysian Register") subject to the following conditions:</p> <p>(i) there shall be no change in the ownership of such shares or other securities; and</p> <p>(ii) the transmission shall be executed by causing such shares or securities to be credited directly into the securities account of such holder of shares or other securities.</p> <p>(2) For the avoidance of doubt, where the Company fulfills the requirements of subparagraphs (a) and (b) of Article 34(1), it shall not allow any transmission of shares or other securities from the Malaysian Register into the Foreign Register.</p>	<p>34. Transmission of securities</p> <p>(1) Where:</p> <p>(a) the securities of the Company are listed on another stock exchange; and</p> <p>(b) the Company is exempted from compliance with Section 14 of the Central Depositories Act or Section 29 of the Securities Industry (Central Depositories) (Amendment) Act 1998, as the case may be, under the Rules in respect of such shares or other securities,</p> <p>The Company shall, upon request of a securities holder, permit a transmission of securities held by such securities holder from the register of holders maintained by the registrar of the Company in the jurisdiction of the other stock exchange, to the register of holders maintained by the registrar of the Company in Malaysia and vice versa provided that there shall be no change in the ownership of such securities.</p> <p>Deleted</p> <p>Deleted</p> <p>Deleted</p>

Existing Articles	Proposed Amendment to the Articles
<p>58. Notice of Meeting</p> <p>In addition, subject to the provisions of the Act relating to special resolutions, special notice and agreements for shorter notice, at least fourteen (14) days' notice or twenty one (21) day's notice (in the case where any special resolution is proposed or where it is the annual general meeting) of every such meeting shall be given by advertisement in the daily press and in writing to the Stock Exchange upon which the Company is listed, such that notices of all meetings shall be given to such Stock Exchange and advertised in the press at the same time as shareholders are being notified. Save as aforesaid, no other person shall be entitled to receive notices of general meeting Provided That if the meeting be called for the alteration of the Company's objects, the provisions of Section 28 of the Act regarding notices to debenture holders shall be complied with.</p>	<p>58. Notice of Meeting</p> <p>In addition, subject to the provisions of the Act relating to special resolutions, special notice and agreements for shorter notice, at least fourteen (14) days' notice or twenty one (21) day's notice (in the case where any special resolution is proposed or where it is the annual general meeting) of every such meeting shall be given by advertisement in at least 1 nationally circulated Bahasa Malaysia or English daily newspaper and in writing to the Stock Exchange upon which the Company is listed, such that notices of all meetings shall be given to such Stock Exchange and advertised in the press at the same time as shareholders are being notified. Save as aforesaid, no other person shall be entitled to receive notices of general meeting Provided That if the meeting be called for the alteration of the Company's objects, the provisions of Section 28 of the Act regarding notices to debenture holders shall be complied with.</p>
<p>81. Number of Directors</p> <p>All the Directors shall be natural persons of full age and until otherwise determined by general meeting, the number of Directors shall not be less than three (3) nor more than nine (9). The remaining Directors may continue to act notwithstanding any vacancy in their body. If and so long as any casual vacancy occurs and the number of Directors is reduced below the aforesaid minimum, the remaining Director or Directors may, except in an emergency, act only for the purpose of increasing the number of Directors to such minimum number or to summon a general meeting of the Company but not for any other purpose.</p>	<p>81. Number of Directors</p> <p>The number of Directors shall not be less than three (3) nor more than nine (9). The remaining Directors may continue to act notwithstanding any vacancy in their body. If and so long as any casual vacancy occurs and the number of Directors is reduced below the aforesaid minimum, the remaining Director or Directors may, except in an emergency, act only for the purpose of increasing the number of Directors to such minimum number or to summon a general meeting of the Company but not for any other purpose.</p>
<p>93. Disqualification of Directors</p> <p>The office of a Director shall become vacant if the Director:</p> <ul style="list-style-type: none"> <li>(a) has a receiving order in bankruptcy made against him or makes any arrangement or composition with his creditors generally;</li> <li>(b) becomes prohibited from being a Director by reason of any order made under the Act or any contravention of Section 130 of the Act;</li> <li>(c) ceases to be a Director by virtue of the act;</li> <li>(d) becomes of unsound mind or a person whose person or estate is liable to be dealt with in any way under the law relating to mental disorder;</li> <li>(e) is deceased;</li> <li>(f) resigns from his office by notice in writing to the Company and deposited at the Office;</li> <li>(g) is absent from more than fifty percent (50%) of the total board of directors' meeting held during a financial year; or</li> <li>(h) is removed from his office of Director by resolution of the Company in general meeting of which special notice has been given (or as may be otherwise provided by the Act).</li> </ul>	<p>93. Disqualification of Directors</p> <p>The office of a Director shall become vacant if the Director:</p> <ul style="list-style-type: none"> <li>(a) has a receiving order in bankruptcy made against him or makes any arrangement or composition with his creditors generally during his term of office;</li> <li>(b) becomes prohibited from being a Director by any reason of any order made under the Act or any contravention of Section 130 of the Act;</li> <li>(c) ceases to be a Director by virtue of the act;</li> <li>(d) becomes of unsound mind or a person whose person or estate is liable to be dealt with in any way under the law relating to mental disorder during his term of office;</li> <li>(e) is deceased;</li> <li>(f) resigns from his office by notice in writing to the Company and deposited at the Office;</li> <li>(g) Deleted</li> </ul> <p>Renumbered as Article 93 (g)</p>



Existing Articles	Proposed Amendment to the Articles
<p>117. Special position of Managing Director</p> <p>A Director holding the office of Managing Director shall not while he continues to hold that office, be subject to retirement by rotation, and he shall not be reckoned as a Director for the purpose of determining the rotation or retirement of Directors or in fixing the number of Directors to retire, but he shall, subject to provisions of any contract between him and the Company, be subject to the same provisions as to resignation and removal as the other Directors and if he ceases to hold the office of Director for any cause, his appointment as a Director holding such executive office shall automatically and immediately cease.</p>	<p>117. Managing Director to retire</p> <p>A Director holding the office of Managing Director shall while he continues to hold that office, be subject to retirement by rotation, and he shall be reckoned as a Director for the purpose of determining the rotation or retirement of Directors or in fixing the number of Directors to retire, He shall be subject to provisions of any contract between him and the Company and to the same provisions as to resignation and removal as the other Directors and if he ceases to hold the office of Director for any cause, his appointment as a Director holding such executive office shall automatically and immediately cease.</p>
<p>151. Who may receive notice of general meeting</p> <p>(1) Notice of every general meeting shall be given in a manner hereinbefore specified to:</p> <p>(i) every Member with a registered address in Malaysia or an address for service of notices in Malaysia;</p> <p>(ii) every person entitled to a share in consequence of the death or bankruptcy of a Member who, but for his death or bankruptcy, would be entitled to receive notice of the meeting Provided That those persons have been properly registered as Members in accordance with Article 32;</p> <p>(iii) the auditors for the time being of the Company; and</p> <p>(iv) every Stock Exchange in which the Company is listed.</p> <p>(2) Except as aforesaid no other person shall be entitled to receive notices of general meetings.</p> <p>(3) Whenever any notice is required to be given under the provisions of the law of Malaysia or of these Articles, waiver thereof or the shortening of the period of such notice, may be effectively given by complying with Section 145(3) of the Act.</p> <p>(4) Subject to Article 151(3) above, at least fourteen (14) days' notice of every general meeting shall be given by advertisement in one (1) issue of a daily newspaper circulating in West Malaysia.</p>	<p>151. Who may receive notice of general meeting</p> <p>(1) Notice of every general meeting shall be given in a manner hereinbefore specified to:</p> <p>(i) every Member with a registered address in Malaysia or an address for service of notices in Malaysia;</p> <p>(ii) every person entitled to a share in consequence of the death or bankruptcy of a Member who, but for his death or bankruptcy, would be entitled to receive notice of the meeting Provided That those persons have been properly registered as Members in accordance with Article 32;</p> <p>(iii) the auditors for the time being of the Company; and</p> <p>(iv) every Stock Exchange in which the Company is listed.</p> <p>(2) Except as aforesaid no other person shall be entitled to receive notices of general meetings.</p> <p>(3) Whenever any notice is required to be given under the provisions of the law of Malaysia or of these Articles, waiver thereof or the shortening of the period of such notice, may be effectively given by complying with Section 145(3) of the Act.</p> <p>(4) Subject to Article 151(3) above, at least fourteen (14) days' notice of every general meeting shall be given by advertisement in at least 1 nationally circulated Bahasa Malaysia or English daily newspaper in Malaysia.</p>

Existing Articles	Proposed Amendment to the Articles
<p>153. Sharing of loss and excess</p> <p>Save that this Articles shall be without prejudice to the rights of holders of shares issued upon special terms and conditions the following provisions shall apply in a winding up of the Company:</p> <p>(a) if the Company shall be wound up and the assets available for distribution among the Members as such, shall be insufficient to repay the whole of the paid-up capital, such assets shall be distributed so that as nearly as may be the losses shall be borne by the Members in proportion to the capital paid up, or which ought to have been paid up at the commencement of the winding-up, on the shares held by them respectively; and</p> <p>(b) if in a winding-up the assets available for distribution among the Members shall be more than sufficient to repay the whole of the capital paid up at the commencement of the winding-up, the excess shall be distributed among Members in proportion to the capital paid up, or which ought to have been paid up at the commencement of the winding-up, on the shares held by them respectively,</p> <p>PROVIDED ALWAYS that preference shareholders shall be entitled to the return of their capital in relation to their preference shares in preference to ordinary shareholders.</p>	<p>153. Sharing of loss and excess</p> <p>Save that this Articles shall be without prejudice to the rights of holders of shares issued upon special terms and conditions the following provisions shall apply in a winding up of the Company:</p> <p>(a) if the Company shall be wound up and the assets available for distribution among the Members as such, shall be insufficient to repay the whole of the paid-up capital, such assets shall be distributed so that as nearly as may be the losses shall be borne by the Members in proportion to the capital paid up, or which ought to have been paid up at the commencement of the winding-up, on the shares held by them respectively; and</p> <p>(b) if in a winding-up the assets available for distribution among the Members shall be more than sufficient to repay the whole of the capital paid up at the commencement of the winding-up, the excess shall be distributed among Members in proportion to the capital paid up, or which ought to have been paid up at the commencement of the winding-up, on the shares held by them respectively.</p> <p>Deleted</p>