

**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.**

**IF YOU ARE IN ANY DOUBT AS TO THE COURSE OF ACTION YOU SHOULD TAKE, PLEASE 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.*



(Incorporated in Malaysia)

## **CIRCULAR TO SHAREHOLDERS**

In Relation To

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

The Notice of the Annual General Meeting and the Form of Proxy is enclosed in the 2011 Annual Report. The Annual General Meeting is to be held on **25 June 2012** at 11.00 a.m. 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.

Last date and time for lodging the Form of Proxy: 23 June 2012 before 11.00 a.m.

This Circular is dated 4 June 2012

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
Bursa Securities	:	Bursa Malaysia Securities Berhad (635998-W)
Company or KB	:	Knusford Berhad (380100-D)
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, its subsidiary or holding company of the listed issuer or a chief executive 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 3.2
Major Shareholder	:	Means 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:  (a) equal to or more than 10% of the aggregate of the nominal amounts of all the voting shares in the company; or  (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;  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;  For the purpose of this definition, "interest in shares" shall have the meaning given in section 6A of the Companies Act 1965.
Proposed Mandate	:	Proposed Renewal of Shareholders' Mandate and Additional 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 3.3 of this Circular (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.
RRPTs Recurent Related Party Transactions or RRPTs	:	Recurrent Related Party Transactions of a revenue or trading nature which are necessary for day-to-day operations of the Company and its subsidiaries.
RM	:	Ringgit Malaysia

## CONTENTS

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

<b>DIRECTORS' LETTER TO THE SHAREHOLDERS CONTAINING:</b>		Page
1.	INTRODUCTION	1
2.	APPROVAL REQUIRED	1
3.	DETAILS OF PROPOSED MANDATE	2
3.1	Provisions under the Listing Requirements	2
3.2	Classes of Related Parties	3
3.3	Nature of RRPTs, Existing Mandate on RRPTs and Estimated Annual Value	5
3.4	Nature and Extent of Interest	14
3.5	Amount Due and Owing by the Related Parties pursuant to the RRPTs	15
3.6	Rationale for, and the benefit to, the Group for transacting with the Mandated Related Parties	15
3.7	Review Methods or Procedures for RRPTs	16
3.8	Audit Committee's Statements	17
4.	INTEREST OF DIRECTORS, MAJOR SHAREHOLDERS AND PERSONS CONNECTED WITH THE DIRECTORS AND MAJOR SHAREHOLDERS	17
4.1	Interested Directors' and persons connected with the Directors and Major Shareholders' Shareholding	17
4.2	Interested Major Shareholders	17
4.3	Statements in relation to Interested Parties	18
5.	DIRECTORS' RECOMMENDATION	19
6.	ANNUAL GENERAL MEETING	19
7.	FURTHER INFORMATION	19

### APPENDIX 1 - FURTHER INFORMATION

1.	RESPONSIBILITY STATEMENT	20
2.	MATERIAL LITIGATION	20
3.	MATERIAL CONTRACTS	20
4.	CONSENT	20
5.	DOCUMENTS FOR INSPECTION	20

# KNUSFORD BERHAD

(380100-D)

(Incorporated in Malaysia)

## Registered Office:

Ground Floor, Wisma Ekovest  
No. 118, Jalan Gombak  
53000 Kuala Lumpur.

4 June 2012

## Board of Directors:

<b>DATUK HALIMAH BINTI MOHD SADIQUE</b>	(Independent Non-executive Director/Chairman)
<b>LIM KENG CHENG</b>	(Executive Director/Chief Executive Officer)
<b>Y. BHG. DATO' LIM KANG HOO</b>	(Executive Director)
<b>KHOO NANG SENG @ KHOO NAM SENG</b>	(Executive Director)
<b>Y. BHG. DATO' LIM KANG SWEE</b>	(Executive Director)
<b>AZNAM BIN MANSOR</b>	(Non-Independent Non-executive Director)
<b>LIM TS-FEI</b>	(Independent Non-executive Director)
<b>DR. WONG KAI FATT</b>	(Independent Non-executive Director)
<b>KANG HUI LING</b>	(Senior Independent Non-executive Director)

To: **The Shareholders of Knusford Berhad**

Dear Sir/Madam,

## **PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE AND ADDITIONAL MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF REVENUE OR TRADING NATURE.**

### **1. INTRODUCTION**

On 27 June 2011 the Company obtained shareholders' approval for a general mandate from its shareholders for the Company and its subsidiaries to enter into 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, in addition to obtaining Additional Mandate at the same AGM.

The Company had on 24 April 2012 made an announcement to Bursa Securities 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 3.3 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 25 June 2012 at 11.00 a.m. at the Grand Seasons Hotel, 72 Jalan Pahang, 53000, Kuala Lumpur.

### 3. DETAILS OF THE PROPOSED MANDATE

#### 3.1 Provisions under the Listing Requirements

Pursuant to Part E, Chapter 10.09 of the Listing Requirements, listed issuers with an issued and paid-up capital of RM60 million and above must immediately announce a Recurrent Related Party Transaction as follows:

- (i) the consideration, value of the assets, capital outlay or costs of the Recurrent Related Party Transaction is RM1 million or more; or
- (ii) the percentage ratio of such Recurrent Related Party Transaction is 1% or more whichever is higher.

Paragraph 2.4 of Practice Note 12 states that where a listed issuer has obtained a shareholders' mandate in respect of any Recurrent Related Party Transaction, the above disclosure obligation will not apply to the Recurrent Related Party Transactions which are comprised in the mandate.

Accordingly, the Company proposes to seek its shareholders' approval for the Proposals to enable the Company to enter into transactions with the Related Parties which are of a revenue or trading nature and necessary for its day-to-day operations, on terms not more favourable to the Related Parties than those generally available to the public and are not detrimental to the minority shareholders.

If approved at the forthcoming AGM, the Proposals will take effect from the passing of the Ordinary Resolutions relating thereto and will continue to be in force until:-

- i) the conclusion of the next AGM of the Company following the general meeting at which such mandate was passed, at which time it will lapse, unless by a resolution passed at the meeting, the authority is renewed; or
- ii) the expiration of the period within which the next AGM of the Company after this date is required to be held pursuant to section 143(1) of the Act (but must not extend to such extension as may be allowed pursuant to section 143(2) of the Act); or
- ii) revoked or varied by resolution passed by the shareholders in a general meeting whichever is the earlier.

#### Principal Business

The Company is primarily engaged in 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.	Construction	100
4.	D-Hill Sdn. Bhd	Property development	100
5.	Lakaran Cahaya Sdn Bhd	Property investment and development	100

### Principal Business (continued)

No.	Name of Company	Principal Activities	Effective Ownership Interest (%)
<b>Subsidiaries of Wengcon Holdings Sdn. Bhd.</b>			
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
<b>Subsidiaries of Wengcon Equipment Sdn Bhd</b>			
10.	Radiant Seas Sdn. Bhd.	Sand Trading and Rental of machinery and equipment	100
11.	Yasmin Marine Technology Sdn. Bhd	Rental of machinery and equipment	70

### **3.2 Classes of Related Parties**

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 3.3 below, with the classes of Related Parties set out below, provided that such transactions, if any, are made at arm's length, on the Company 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 will apply to the following classes of Related Parties:

No	Mandated Related Party	Place of Incorporation	Principal Activity
i.	Ekovest Berhad	Malaysia	Investment holding, 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.	Rampai Fokus Sdn Bhd	Malaysia	Investment holding and leisure activities businesses
vi.	Uniregion Sdn Bhd	Malaysia	Property development
vii.	Konsortium Lebuhraya Utara – Timur (KL) Sdn Bhd	Malaysia	Design, construction, operation and management of highway
viii.	Fablelite Sdn Bhd	Malaysia	Dealing in cabling, lighting and street-lighting works
x.	Milan Suria Sdn Bhd	Malaysia	Interior design, furnishing and supply of furniture and fittings

### 3.2 Classes of Related Parties (continued)

No	Mandated Related Party	Place of Incorporation	Principal Activity
x.	Knight Auto Sdn Bhd	Malaysia	Sales, rental and repair of machinery
xi.	Iskandar Coast Sdn Bhd	Malaysia	Property development
xii.	Global Corporate Development Sdn Bhd	Malaysia	Property development
xiii.	Ekovest Holdings Sdn Bhd	Malaysia	Investment holding
xiv.	Iskandar Waterfront Sdn Bhd	Malaysia	Property development
xv.	Lim Seong Hai Holdings Sdn Bhd	Malaysia	Investment holding
xvi.	Pembinaan KS Tebrau Sdn Bhd	Malaysia	Project management and construction of civil & structural works
xvii.	Teras Hijaujaya Sdn Bhd	Malaysia	Property development
xviii.	Karib Industri Sdn Bhd	Malaysia	Engage in manufacturing of precision welded wire mesh for the security fencing industry
xix.	Wengcon Machinery Sdn Bhd	Malaysia	Reconditioning, sales and rental of light and medium machinery
xx.	Tropicana Danga Cove Sdn Bhd*	Malaysia	Property investment and development
xxi.	Tropicana Danga Bay Sdn Bhd*	Malaysia	Property investment and development
xxii.	Riverside Terra Sdn Bhd*	Malaysia	Property developer

\*New Mandated Related Party

### 3.3 Nature of RRPTs, Existing Mandate on RRPTs 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. For Item No.1 until No.67, the various transactions listed thereto are entered into by the said Group with the Related Parties.

No	Types of transactions	Related Party	Interested Director, Major Shareholder and persons connected with the Directors and Major Shareholders	(A)	(B)	(C)
				Estimated value during the validity period of the RRPT Mandate from 25 June 2012 to the next AGM (RM)	Estimated value as disclosed in the Circular to Shareholders dated 3 June 2011 (RM)	Actual Value Transacted from 27 June 2011 up to the last practicable date prior to printing of the circular, 11 May 2012 (RM)
				SOLD / RENTED TO RELATED PARTY	SOLD / RENTED TO RELATED PARTY	SOLD / RENTED TO RELATED PARTY
1.	Sale of machinery & equipment and building materials	Ekovest Berhad	Dato' Lim Kang Hoo Khoo Nang Seng @ Khoo Nam Seng Lim Keng Cheng	20,000,000	20,000,000	22,159
2.	Rental of machinery & equipment (Monthly basis)	Ekovest Berhad	Dato' Lim Kang Hoo Khoo Nang Seng @ Khoo Nam Seng Lim Keng Cheng	20,000,000	20,000,000	-
3.	Sale of machinery & equipment and building materials	Ekovest Construction Sdn Bhd	Dato' Lim Kang Hoo Khoo Nang Seng @ Khoo Nam Seng Lim Keng Cheng	30,000,000	30,000,000	1,436,896
4.	Rental of machinery & equipment (Monthly basis)	Ekovest Construction Sdn Bhd	Dato' Lim Kang Hoo Khoo Nang Seng @ Khoo Nam Seng Lim Keng Cheng	30,000,000	30,000,000	1,730,424
5.	Sale of machinery & equipment and building materials	Aramijaya Sdn Bhd	Dato' Lim Kang Hoo Dato' Lim Kang Swee Lim Keng Cheng	25,000,000	25,000,000	3,032,606
6.	Rental of machinery & equipment (Monthly basis)	Aramijaya Sdn Bhd	Dato' Lim Kang Hoo Dato' Lim Kang Swee Lim Keng Cheng	3,000,000	3,000,000	1,238,233



No	Types of transactions	Related Party	Interested Director, Major Shareholder and persons connected with the Directors and Major Shareholders	(A)	(B)	(C)
				Estimated value during the validity period of the RRPT Mandate from 25 June 2012 to the next AGM (RM)	Estimated value as disclosed in the Circular to Shareholders dated 3 June 2011 (RM)	Actual Value Transacted from 27 June 2011 up to the last practicable date prior to printing of the circular, 11 May 2012 (RM)
				SOLD / RENTED TO RELATED PARTY	SOLD / RENTED TO RELATED PARTY	SOLD / RENTED TO RELATED PARTY
7.	Progress billing for land clearing services	Aramijaya Sdn Bhd (recipient/buyer)	Dato' Lim Kang Hoo Dato' Lim Kang Swee Lim Keng Cheng	2,000,000	2,000,000	36,534
8.	Sale of machinery & equipment and building materials	Danga Bay Sdn Bhd	Dato' Lim Kang Hoo Lim Keng Cheng	25,000,000	25,000,000	4,251,717
9.	Rental of machinery & equipment (Monthly basis)	Danga Bay Sdn Bhd	Dato' Lim Kang Hoo Lim Keng Cheng	5,000,000	5,000,000	953,358
10.	Sale of machinery & equipment and building materials	Rampai Fokus Sdn Bhd	Dato' Lim Kang Hoo Lim Keng Cheng	25,000,000	5,000,000	11,285,183
11.	Rental of machinery & equipment (Monthly basis)	Rampai Fokus Sdn Bhd	Dato' Lim Kang Hoo Lim Keng Cheng	2,000,000	2,000,000	77,238
12.	Sale of machinery & equipment and building materials	Uniregion Sdn Bhd	Dato' Lim Kang Hoo Lim Keng Cheng	-	2,000,000	5,016
13.	Rental of machinery & equipment (Monthly basis)	Uniregion Sdn Bhd	Dato' Lim Kang Hoo Lim Keng Cheng	-	2,000,000	-
14.	Sale of machinery & equipment and building materials	Konsortium Lebuhraya Utara-Timur (KL) Sdn Bhd	Dato' Lim Kang Hoo Lim Keng Cheng	2,000,000	2,000,000	96,002
15.	Rental of machinery & equipment (Monthly basis)	Konsortium Lebuhraya Utara-Timur (KL) Sdn Bhd	Dato' Lim Kang Hoo Lim Keng Cheng	1,500,000	1,500,000	-

No	Types of transactions	Related Party	Interested Director, Major Shareholder and persons connected with the Directors and Major Shareholders	(A)	(B)	(C)
				Estimated value during the validity period of the RRPT Mandate from 25 June 2012 to the next AGM (RM)	Estimated value as disclosed in the Circular to Shareholders dated 3 June 2011 (RM)	Actual Value Transacted from 27 June 2011 up to the last practicable date prior to printing of the circular, 11 May 2012 (RM)
				SOLD / RENTED TO RELATED PARTY	SOLD / RENTED TO RELATED PARTY	SOLD / RENTED TO RELATED PARTY
16.	Sale of machinery & equipment and building materials	Fablelite Sdn Bhd	Lim Keng Cheng	2,000,000	2,000,000	-
17.	Sale of machinery & equipment and building materials	Milan Suria Sdn Bhd	Lim Keng Cheng	2,000,000	2,000,000	-
18.	Sale of machinery & equipment and building materials	Knight Auto Sdn Bhd	Lim Keng Cheng	2,000,000	2,000,000	-
19.	Rental of machinery & equipment (Monthly basis)	Knight Auto Sdn Bhd	Lim Keng Cheng	2,000,000	2,000,000	-
20.	Sale of machinery & equipment and building materials	Iskandar Coast Sdn Bhd	Dato' Lim Kang Hoo	2,000,000	2,000,000	-
21.	Rental of machinery & equipment (Monthly basis)	Iskandar Coast Sdn Bhd	Dato' Lim Kang Hoo	2,000,000	2,000,000	-
22.	Progress billing for civil & building and other construction related works	Iskandar Coast Sdn Bhd (recipient/buyer)	Dato' Lim Kang Hoo	2,000,000	2,000,000	-
23.	Sale of machinery & equipment and building materials	Global Corporate Development Sdn Bhd	Dato' Lim Kang Hoo Lim Keng Cheng	2,000,000	2,000,000	-
24.	Rental of machinery & equipment (Monthly basis)	Global Corporate Development Sdn Bhd	Dato' Lim Kang Hoo Lim Keng Cheng	2,000,000	2,000,000	-

No	Types of transactions	Related Party	Interested Director, Major Shareholder and persons connected with the Directors and Major Shareholders	(A)	(B)	(C)
				Estimated value during the validity period of the RRPT Mandate from 25 June 2012 to the next AGM (RM)	Estimated value as disclosed in the Circular to Shareholders dated 3 June 2011 (RM)	Actual Value Transacted from 27 June 2011 up to the last practicable date prior to printing of the circular, 11 May 2012 (RM)
				SOLD / RENTED TO RELATED PARTY	SOLD / RENTED TO RELATED PARTY	SOLD / RENTED TO RELATED PARTY
25.	Sale of machinery & equipment and building materials	Iskandar Waterfront Sdn Bhd	Dato' Lim Kang Hoo Lim Keng Cheng	2,000,000	2,000,000	-
26.	Rental of machinery & equipment (Monthly basis)	Iskandar Waterfront Sdn Bhd	Dato' Lim Kang Hoo Lim Keng Cheng	2,000,000	2,000,000	-
27.	Progress billing for construction work (Segi Tiara Sdn Bhd and/or Wengcon Equipment Sdn Bhd – provider)	Iskandar Waterfront Sdn Bhd (recipient)	Dato' Lim Kang Hoo Lim Keng Cheng	20,000,000	20,000,000	-
28.	Sale of machinery & equipment and building materials	Pembinaan KS Tebrau Sdn Bhd	Dato' Lim Kang Hoo Lim Keng Cheng	5,000,000	5,000,000	5,476
29.	Rental of machinery & equipment (Monthly basis)	Pembinaan KS Tebrau Sdn Bhd	Dato' Lim Kang Hoo Lim Keng Cheng	5,000,000	5,000,000	2,456,088
30.	Progress billing for construction work (Segi Tiara Sdn Bhd and/or Wengcon Equipment Sdn Bhd – provider)	Pembinaan KS Tebrau Sdn Bhd (recipient)	Dato' Lim Kang Hoo Lim Keng Cheng	60,000,000	60,000,000	-
31.	Sale of machinery & equipment and building materials	Teras Hijaujaya Sdn Bhd	Dato' Lim Kang Hoo Lim Keng Cheng	2,000,000	2,000,000	-

No	Types of transactions	Related Party	Interested Director, Major Shareholder and persons connected with the Directors and Major Shareholders	(A)	(B)	(C)
				Estimated value during the validity period of the RRPT Mandate from 25 June 2012 to the next AGM (RM)	Estimated value as disclosed in the Circular to Shareholders dated 3 June 2011 (RM)	Actual Value Transacted from 27 June 2011 up to the last practicable date prior to printing of the circular, 11 May 2012 (RM)
				SOLD / RENTED TO RELATED PARTY	SOLD / RENTED TO RELATED PARTY	SOLD / RENTED TO RELATED PARTY
32.	Rental of machinery & equipment (Monthly basis)	Teras Hijaujaya Sdn Bhd	Dato' Lim Kang Hoo Lim Keng Cheng	2,000,000	2,000,000	-
33.	Sale of machinery & equipment and building materials	Wengcon Machinery Sdn Bhd	Dato' Lim Kang Swee	2,000,000	2,000,000	-
34.	Rental of machinery & equipment (Monthly basis)	Wengcon Machinery Sdn Bhd	Dato' Lim Kang Swee	2,000,000	2,000,000	-
35.	Sale of machinery & equipment and building materials**	Tropicana Danga Cove Sdn Bhd*	Dato' Lim Kang Hoo Lim Keng Cheng	2,000,000	-	-
36.	Rental of machinery & equipment** (Monthly basis)	Tropicana Danga Cove Sdn Bhd*	Dato' Lim Kang Hoo Lim Keng Cheng	2,000,000	-	-
37.	Progress billing for construction work** (Segi Tiara Sdn Bhd and/or Wengcon Equipment Sdn Bhd – provider)	Tropicana Danga Cove Sdn Bhd* (recipient)	Dato' Lim Kang Hoo Lim Keng Cheng	20,000,000	-	-
38.	Sale of machinery & equipment and building materials**	Tropicana Danga Bay Sdn Bhd*	Dato' Lim Kang Hoo Lim Keng Cheng	2,000,000	-	-
39.	Rental of machinery & equipment** (Monthly basis)	Tropicana Danga Bay Sdn Bhd*	Dato' Lim Kang Hoo Lim Keng Cheng	2,000,000	-	-

No	Types of transactions	Related Party	Interested Director, Major Shareholder and persons connected with the Directors and Major Shareholders	(A)	(B)	(C)
				Estimated value during the validity period of the RRPT Mandate from 25 June 2012 to the next AGM (RM)	Estimated value as disclosed in the Circular to Shareholders dated 3 June 2011 (RM)	Actual Value Transacted from 27 June 2011 up to the last practicable date prior to printing of the circular, 11 May 2012 (RM)
				SOLD / RENTED TO RELATED PARTY	SOLD / RENTED TO RELATED PARTY	SOLD / RENTED TO RELATED PARTY
40.	Progress billing for construction work** (Segi Tiara Sdn Bhd and/or Wengcon Equipment Sdn Bhd – provider)	Tropicana Danga Bay Sdn Bhd* (recipient)	Dato' Lim Kang Hoo Lim Keng Cheng	20,000,000	-	-
41.	Sale of machinery & equipment and building materials**	Riverside Terra Sdn Bhd*	Dato' Lim Kang Hoo Lim Keng Cheng	2,000,000	-	-
42.	Rental of machinery & equipment** (Monthly basis)	Riverside Terra Sdn Bhd*	Dato' Lim Kang Hoo Lim Keng Cheng	2,000,000	-	-
43.	Progress billing for construction work** (Segi Tiara Sdn Bhd And/or Wengcon Equipment Sdn Bhd- provider)	Riverside Terra Sdn Bhd* (recipient)	Dato' Lim Kang Hoo Lim Keng Cheng	20,000,000	-	-
				BOUGHT FROM / RENTED FROM RELATED PARTY	BOUGHT FROM / RENTED FROM RELATED PARTY	BOUGHT FROM / RENTED FROM RELATED PARTY
44.	Purchase of machinery & equipment and building materials	Ekovest Berhad	Dato' Lim Kang Hoo Khoo Nang Seng @ Khoo Nam Seng Lim Keng Cheng	2,000,000	2,000,000	15,540
45.	Rental of machinery & equipment (Monthly basis)	Ekovest Berhad	Dato' Lim Kang Hoo Khoo Nang Seng @ Khoo Nam Seng Lim Keng Cheng	2,000,000	2,000,000	495,504

No	Types of transactions	Related Party	Interested Director, Major Shareholder and persons connected with the Directors and Major Shareholders	(A)	(B)	(C)
				Estimated value during the validity period of the RRPT Mandate from 25 June 2012 to the next AGM (RM)	Estimated value as disclosed in the Circular to Shareholders dated 3 June 2011 (RM)	Actual Value Transacted from 27 June 2011 up to the last practicable date prior to printing of the circular, 11 May 2012 (RM)
				BOUGHT FROM / RENTED FROM RELATED PARTY	BOUGHT FROM / RENTED FROM RELATED PARTY	BOUGHT FROM / RENTED FROM RELATED PARTY
46.	Purchase of machinery & equipment and building materials.	Ekovest Construction Sdn Bhd	Dato' Lim Kang Hoo Khoo Nang Seng @ Khoo Nam Seng Lim Keng Cheng	2,000,000	2,000,000	-
47.	Rental of machinery & equipment (Monthly basis)	Ekovest Construction Sdn Bhd	Dato' Lim Kang Hoo Khoo Nang Seng @ Khoo Nam Seng Lim Keng Cheng	2,000,000	2,000,000	117,294
48.	Purchase of mix wood logs, timbers, pallets and etc for trading and construction site use	Aramijaya Sdn Bhd	Dato' Lim Kang Hoo Dato' Lim Kang Swee Lim Keng Cheng	2,000,000	2,000,000	89,732
49.	Purchase of machinery & equipment and building materials	Danga Bay Sdn Bhd	Dato' Lim Kang Hoo Lim Keng Cheng	2,000,000	2,000,000	-
50.	Rental of machinery & equipment (Monthly basis)	Danga Bay Sdn Bhd	Dato' Lim Kang Hoo Lim Keng Cheng	2,000,000	2,000,000	21,385
51.	Purchase of machinery & equipment and building materials	Rampai Fokus Sdn Bhd	Dato' Lim Kang Hoo Lim Keng Cheng	2,000,000	2,000,000	-
52.	Rental of machinery & equipment (Monthly basis)	Rampai Fokus Sdn Bhd	Dato' Lim Kang Hoo Lim Keng Cheng	2,000,000	2,000,000	-
53.	Purchase of machinery & equipment and building materials	Aramijaya Sdn Bhd	Dato' Lim Kang Hoo Dato' Lim Kang Swee Lim Keng Cheng	2,000,000	2,000,000	124,000

No	Types of transactions	Related Party	Interested Director, Major Shareholder and persons connected with the Directors and Major Shareholders	(A)	(B)	(C)
				Estimated value during the validity period of the RRPT Mandate from 25 June 2012 to the next AGM (RM)	Estimated value as disclosed in the Circular to Shareholders dated 3 June 2011 (RM)	Actual Value Transacted from 27 June 2011 up to the last practicable date prior to printing of the circular, 11 May 2012 (RM)
				BOUGHT FROM / RENTED FROM RELATED PARTY	BOUGHT FROM / RENTED FROM RELATED PARTY	BOUGHT FROM / RENTED FROM RELATED PARTY
54.	Purchase of cabling, lighting and street-lighting equipments and services	Fablelite Sdn Bhd	Lim Keng Cheng	5,000,000	5,000,000	25,060
55.	Purchase of furnitures, fittings, fixtures, interior design and related items and services	Milan Suria Sdn Bhd	Lim Keng Cheng	5,000,000	5,000,000	-
56.	Purchase of machinery & equipment and building materials	Knight Auto Sdn Bhd	Lim Keng Cheng	5,000,000	5,000,000	4,860
57.	Rental of machinery & equipment (Monthly basis)	Knight Auto Sdn Bhd	Lim Keng Cheng	5,000,000	5,000,000	37,959
58.	Purchase of wire mesh fencing products	Karib Industri Sdn Bhd	Dato' Lim Kang Swee	2,000,000	2,000,000	-
59.	Purchase of machinery & equipment and building materials	Wengcon Machinery Sdn Bhd	Dato' Lim Kang Swee	2,000,000	2,000,000	-
60.	Rental of machinery & equipment (Monthly basis)	Wengcon Machinery Sdn Bhd	Dato' Lim Kang Swee	2,000,000	2,000,000	10,287
				RENTAL RECEIVED	RENTAL RECEIVED	RENTAL RECEIVED
61.	Rental of Premises (a) (Monthly basis)	Ekovest Construction Sdn Bhd	Dato' Lim Kang Hoo Khoo Nang Seng @ Khoo Nam Seng Lim Keng Cheng	-	153,000	1,567

No	Types of transactions	Related Party	Interested Director, Major Shareholder and persons connected with the Directors and Major Shareholders	(A)	(B)	(C)
				Estimated value during the validity period of the RRPT Mandate from 25 June 2012 to the next AGM (RM)	Estimated value as disclosed in the Circular to Shareholders dated 3 June 2011 (RM)	Actual Value Transacted from 27 June 2011 up to the last practicable date prior to printing of the circular, 11 May 2012 (RM)
				RENTAL RECEIVED	RENTAL RECEIVED	RENTAL RECEIVED
62.	Rental of Premises ((b)(i-vii)) (Monthly basis)	Danga Bay Sdn Bhd	Dato' Lim Kang Hoo Lim Keng Cheng	491,400	491,400	368,090
				RENTAL PAID	RENTAL PAID	RENTAL PAID
63.	Rental of Premises (c) (Monthly basis)	Ekovest Berhad	Dato' Lim Kang Hoo Khoo Nang Seng @ Khoo Nam Seng Lim Keng Cheng	179,400	179,400	148,640
64.	Rental of Premises ((d) (i-ii)) (Monthly basis)	Ekovest Berhad	Dato' Lim Kang Hoo Khoo Nang Seng @ Khoo Nam Seng Lim Keng Cheng	156,000	156,000	133,600
65.	Rental of Premises (e) (Monthly basis)	Ekovest Holdings Sdn Bhd	Dato' Lim Kang Hoo	23,400	23,400	20,240
66.	Rental of Premises (f) (Monthly basis)	Aramijaya Sdn Bhd	Dato' Lim Kang Hoo Dato' Lim Kang Swee Lim Keng Cheng	200,000	200,000	111,333
67.	Rental of Premises (g) (Monthly basis)	Lim Seong Hai Holdings Sdn Bhd	Lim Keng Cheng	32,500	32,500	25,333

\* New Related Party

\*\* New Related Party Transaction



**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. For Items (a) and (b) below, the said Group are the Landlord renting out the Premises referred to therein to the respective Related Parties.
  - a) Warehouse space at Lot 3658, Jalan Air Jernih, Setapak 53000 Kuala Lumpur for use as a warehouse, 0.152 hectares, at a total monthly rental of RM11,750.00.
  - 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-12-02, 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
  - (iv) 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
  - (v) Lot D-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 RM10,000.00
  - (vi) 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.
  - (vii) Lot C-04-01, Danga View Apartment, Bandar of Johor, District of Johor Bahru for use of residential, 1,038 square feet, at a monthly rental of RM1,800.00.
2. For Items (c), (d), (e), (f) and (g) below the said Group are the Tenants renting the Premises referred to therein from the respective Related Parties.
  - c) 1st Floor, Wisma Ekovest, 33-35, Jalan Desa Gombak 6, Taman Sri Setapak, Off Jalan Gombak for use of office space, 6,900 square feet, at a total monthly rental of RM13,800.00.
  - d) (i) Lot B-12-3A, Danga View Apartment, Bandar of Johor, District of Johor Bahru for use as residential accommodation for the Company and/or its subsidiaries' employees, 4,050 square feet, at a monthly rental of RM6,000.00.
  - (ii) Lot B-12-01, Danga View Apartment, Bandar of Johor, District of Johor Bahru for use as residential accommodation for the Company and/or its subsidiaries' employees, 4,050 square feet, at a monthly rental of RM6,000.00.
  - e) Lot C-02-08, Danga View Apartment, Bandar of Johor, District of Johor Bahru for use as residential accommodation for the Company and/or its subsidiaries' employees, 1,038 square feet, at a monthly rental of RM1,800.00.
  - f) 2 units of shop office located at Ground and 2nd Floor, Block 6, Danga Bay, Jalan Skudai, 80200 Johor Bahru, Johor, 1,103 square feet each, at a total monthly rental of RM10,000.00.
  - g) 1 unit of shop office located at G1 & 1-1, Jalan Kajang Perdana 3, Kajang Perdana, 43000 Kajang, Selangor, 2,766 square feet, at a monthly rental of RM2,500.00.
3. For Transactions No.12, 13 and 61, the renewal of shareholders' mandate are not sought.
4. For Transaction No.10, the reason for deviation is because of the unexpected high demand of building material by Rampai Fokus.

### 3.4 Nature and Extent of Interest

The nature and extent of the interest of the Interested Directors, Major Shareholders and persons connected with the Directors and Major Shareholders as stated in the preceding table as at 11 May 2012 are as follows:-

1. Dato' Lim Kang Hoo and Khoo Nang Seng @ Khoo Nam Seng are directors in Ekovest Berhad.
2. Dato' Lim Kang Hoo has a 2.66% direct shareholding in Ekovest Berhad, and 20.83% indirect shareholding in Ekovest Berhad through his direct shareholding in Ekovest Holdings Sdn Bhd. Ekovest Construction Sdn Bhd is a wholly owned subsidiary of Ekovest Berhad. Ekovest Holdings Sdn Bhd holds 20.83% of Ekovest Berhad.
3. Khoo Nang Seng @ Khoo Nam Seng has a 9.90% direct shareholding in Ekovest Berhad.
4. Mr. Lim Keng Cheng is a Managing Director in Ekovest Berhad and has 7.60% indirect shareholding in Ekovest Berhad through his shareholding in Lim Seong Hai Holdings Sdn Bhd and Fablelite Sdn Bhd.
5. Dato' Lim Kang Swee is deemed interested in Aramijaya Sdn Bhd by virtue of his brother, Tan Sri Dato' Lim Kang Yew holding 11.07% of PLS Plantations Berhad which in turn owns 70% shareholding in Aramijaya Sdn Bhd. Tan Sri Dato' Lim Kang Yew, a brother of Dato' Lim Kang Swee and Dato' Lim Kang Hoo does not own any shares in Knusford Berhad.
6. Dato' Lim Kang Hoo is a director in PLS Plantations Berhad.
7. Dato Lim Kang Hoo is a director in Aramijaya Sdn Bhd.
8. Dato' Lim Kang Hoo is a director and deemed substantial shareholder of Danga Bay Sdn Bhd. Rampai Fokus Sdn Bhd is a wholly owned subsidiary of Danga Bay Sdn Bhd. Global Corporate Development Sdn Bhd is 30% owned by Danga Bay Sdn Bhd.
9. Dato' Lim Kang Hoo is a director and deemed shareholder of Iskandar Coast Sdn Bhd.
10. Dato' Lim Kang Hoo is a director and deemed substantial shareholder of Uniregion Sdn Bhd.
11. Dato' Lim Kang Hoo is a director and deemed major shareholder of Konsortium Lebuhraya Utara - Timur (KL) Sdn Bhd.

12. Mr Lim Keng Cheng is deemed interested in Aramijaya Sdn Bhd by virtue of his brother, Mr Lim Keng Guan is a director and owns 70.00% indirect interest in Aramijaya Sdn Bhd.
13. Mr Lim Keng Cheng is a director and deemed shareholder of Danga Bay Sdn Bhd.
14. Mr Lim Keng Cheng is a director and deemed shareholder of Global Corporate Development Sdn Bhd.
15. Mr Lim Keng Cheng is deemed interested in Uniregion Sdn Bhd by virtue of his brother, Lim Keng Guan being a director.
16. Mr Lim Keng Cheng is a director in Konsortium Lebuhraya Utara - Timur (KL) Sdn Bhd.
17. Mr Lim Keng Cheng is deemed a shareholder in Fablelite Sdn Bhd by virtue of his shareholding in Lim Seong Hai Holdings Sdn Bhd.
18. Mr Lim Keng Cheng is a director and substantial shareholder of Lim Seong Hai Holdings Sdn Bhd.
19. Mr Lim Keng Cheng is a shareholder of Knight Auto Sdn Bhd.
20. Mr Lim Keng Cheng is deemed interested in Milan Suria Sdn Bhd by virtue of his brother, Lim Keng Guan and sister Lim Pak Lian holding 50% each of total shareholding in Milan Suria Sdn Bhd.
21. Dato' Lim Kang Hoo and Mr Lim Keng Cheng are directors and deemed shareholders of Iskandar Waterfront Sdn Bhd. Pembinaan KS Tebrau Sdn Bhd and Riverside Terra Sdn Bhd are wholly owned subsidiaries of Iskandar Waterfront Sdn Bhd. Tropicana Danga Cove Sdn Bhd and Tropicana Danga Bay Sdn Bhd are the associate companies of Iskandar Waterfront Sdn Bhd.
22. Dato' Lim Kang Hoo is a director and substantial shareholder of Teras Hijaujaya Sdn Bhd.
23. Dato' Lim Kang Swee is a director and substantial shareholder in Karib Industri Sdn Bhd.
24. Dato' Lim Kang Swee is a director and substantial shareholder in Wengcon Machinery Sdn Bhd.
25. Mr Lim Keng Cheng is deemed interested in Teras Hijaujaya Sdn Bhd by virtue of his brother, Lim Keng Guan being a director.

### 3.5 Amount Due and Owning by the Related Parties pursuant to the RRPTs

Set out below is the breakdown of the total amount due and owing by the Related Parties under the RRPT as at the end of financial year ended 31 December 2011:

	<b>Outstanding Amount from Related Parties as at 31.12.2011</b>
<b>Exceeded credit term for:</b>	<b>Principal (RM'000)</b>
A period of 1 year or less	15,670
A period of more than 1 to 3 years	6,561
A period of more than 3 to 5 years	Nil
A period of more than 5 years	Nil

The Management has and will continuously meet and discuss with the Related Parties for early settlement of the outstanding amounts due which are trade in nature. The Board of Directors is of the opinion that the outstanding amounts due can be recovered as there have been collections from the Related Parties during the financial year and therefore no late payment charges are imposed by the Group on the above outstanding amounts.

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

#### *The Company and its subsidiaries relationship 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, goods and services required by the Company and its subsidiaries for its businesses. 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, goods and services 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 shareholders' approval for the Proposed Mandate as the close co-operation between the Company and the Mandated Related Parties has reaped mutual benefits and has been 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 on arm's length 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.

### **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 and its subsidiaries normal commercial terms and on transaction prices and terms not more favourable to the related parties than those generally available to the public, consistent with the Company and its subsidiaries usual business practices and policies, which are generally no 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 and are not detrimental to minority shareholders.

- (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 and not detrimental to the minority shareholders;
- (ii) All RRPTs will be reviewed by a management committee comprising at least one (1) executive director and two (2) senior management staff;
- (iii) The annual internal audit plan shall incorporate a review of material 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 and processes on a quarterly basis;
- (vi) For items with material value quotations will be taken to gather information to compare the price quote by third parties and related parties for the purpose of determining the competitive market price of materials and goods. It is the Company's 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; and
- (vii) Disclosures will be made in the annual report of the breakdown of the aggregate value of the RRPTs during the financial year amongst others, based on the following information:-
  - (a) the type of the RRPTs made; and
  - (b) the names of the related parties involved in each type of the RRPTs made and their relationship with the listed issuer.

At least 2 other contemporaneous transactions with unrelated third parties for similar products/services and/or quantities will be used as comparison, wherever possible, to determine whether the price and terms offered 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 the quotation or comparative pricing from unrelated third parties cannot be obtained, the transaction price will be based on business practices and policies and on terms which are generally in line with industry norms in order to ensure that the RRPTs is not detrimental to the Company or its group of companies.

There is no specific threshold however, each RRPTs will be approved by the same management committee within the group of the companies as long as the value of RRPTs is within the mandate approved by shareholders. The management committee comprises of at least one (1) executive director and two (2) senior management staff i.e. Senior Manager and Accountant.

### 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 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 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 subsidiary and are not to the detriment of the minority shareholders.

The Group of Companies has in place adequate procedures and processes to monitor, track and identify RRPTs in a timely and orderly manner. The Audit Committee conducts the review of these procedures and processes on a quarterly basis.

### 4. INTEREST OF DIRECTORS, MAJOR SHAREHOLDERS AND PERSONS CONNECTED WITH THE DIRECTORS AND MAJOR SHAREHOLDERS

The following are Interested Directors' Shareholding, Interested Major Shareholders and persons connected with the Directors and Major Shareholders in the Company as at 11 May 2012.

#### 4.1 Interested Directors' and persons connected with the Directors and Major Shareholders' 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	-	-
4. Lim Keng Cheng	1,691,500	1.70	2,023,000(c)	2.03
<b>TOTAL</b>	<b>18,585,371</b>	<b>18.65</b>	<b>34,872,000</b>	<b>35.00</b>

#### 4.2 Interested Major Shareholders

Name	Direct Shareholdings	%	Indirect Shareholdings	%
1. Dato' Lim Kang Hoo	615,749	0.62	32,410,000(b)	32.53

(a) Deemed interested 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 interested by virtue of his shareholding in Kinston Park Sdn Bhd and Aman Setegap Sdn Bhd.

(c) Deemed interested by virtue of his shareholding in Fablelife Sdn Bhd and Lim Seong Hai Holdings Sdn Bhd.

### 4.3 Statements in relation to Interested Parties

(a) The following interested directors have abstained and will abstain at all board meetings from all deliberations and voting on the Proposed Mandate:

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

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 Hoo**

(c) Further the said interested directors and interested major shareholders will undertake to ensure that the persons connected with them will abstain from voting in respect of their direct and indirect shareholdings on the resolution pertaining to the Proposed Mandate at the forthcoming AGM. These persons connected and their relationship with the interested directors and interested major shareholders and their respective shareholding as at 11 May 2012 are as stated in the table below.

(d) 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
Lim Sew Hua	Sister of Dato' Lim Kang Swee and Dato' Lim Kang Hoo	1,648,000	-
Sum Kwai Sang	Brother-in-law of Dato' Lim Kang Swee and Dato' Lim Kang Hoo	13,000	-
Lim Hai	Sister of Dato' Lim Kang Swee and Dato' Lim Kang Hoo	20,000	-
Lim Ah Ya	Sister of Dato' Lim Kang Swee and Dato' Lim Kang Hoo	10,000	-
Tiong Seng Yoke	Brother-in-law of Dato' Lim Kang Swee and Dato' Lim Kang Hoo	99,900	-
Lim Seong Hai Holdings Sdn Bhd	Lim Keng Cheng is a director and substantial shareholder	1,735,500	287,500
Fablelite Sdn Bhd	Lim Keng Cheng is a substantial shareholder	287,500	-
Lim Chui Hew @ Lim Bee Hua	Sister of Dato' Lim Kang Swee and Dato' Lim Kang Hoo	61,000	-

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

The Board of Directors save and except for **Dato' Lim Kang Hoo, Khoo Nang Seng @ Khoo Nam Seng, Dato' Lim Kang Swee and Lim Keng Cheng**, 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 except for Dato' Lim Kang Hoo, Khoo Nang Seng @ Khoo Nam Seng, Dato' Lim Kang Swee and Lim Keng Cheng 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 2011, will be held on 25 June 2012 at 11.00 a.m. 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 Appendix contained in this Circular for further information.

Yours faithfully

For and on behalf of the Board of  
**Knusford Berhad**

**LIM TS-FEI**

**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 its subsidiaries has entered into any material contracts, not being contracts entered into in the ordinary course of business, within the two (2) years immediately preceding the date of this Circular:

- i. On 24 August 2010, Wengcon Holdings Sdn Bhd entered into a Share Sale Agreement with Dato' Lim Kang Swee ("Purchaser"), a Director of the Company, for the purpose of disposing the entire 300,002 ordinary shares of RM1.00 each representing the entire issued and paid-up share capital in Wengcon Machinery Sdn Bhd for a total purchase consideration of RM4,737,805-00.
- ii. On 29 February 2012, Lakaran Cahaya Sdn Bhd entered into a Sale and Purchase Agreement with Idealpalm Ventures Sdn Bhd ("Vendor") for the purchase of all that parcel of freehold land under GRN 49797 Lot 942, Mukim Semenyih, Daerah Ulu Langat, Negeri Selangor for a cash consideration of RM14,210,000.00.

**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 (iv) below).

**5. DOCUMENTS FOR INSPECTION**

Copies of the following documents are available for inspection at the Registered Office of the Company at Ground Floor, Wisma Ekovest, No. 118, 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 2010 and 31 December 2011 together with the Unaudited Quarterly Results for 3 months ended 31 March 2012.
- iii. All reports, letters or other documents, statement of financial position, valuations and statements by any expert, any part of which is extracted or referred to in the circular.
- iv. Letter of consent from Messrs B H Lawrence & Co, Advocates & Solicitors.
- v. The material contracts referred to in Paragraph 3 above.