

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.

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CIRCULAR TO SHAREHOLDERS

In Relation To The

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

The Notice of the Twenty-Seventh Annual General Meeting and the Proxy Form are enclosed in the 2023 Annual Report. The Annual General Meeting is to be conducted on virtual basis through live streaming and online remote voting using the Remote Participation and Voting Facilities via the online meeting platform at <https://web.vote2u.my> from the broadcast venue at Ekovest Sales Gallery, 3rd Floor, No. 122, Jalan Desa Gombak 1, Jalan Gombak, 53000 Kuala Lumpur on Wednesday , 27 September 2023 at 11.00 am.

You are urged 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 later than 48 hours before the time set for holding the meeting. The lodging of the Proxy Form will not preclude you from participating and voting at the meeting should you subsequently wish to do so.

Last date and time for lodging the Proxy Form: 25 September 2023 before 11.00 am.

This Circular is dated 28 July 2023

DEFINITIONS

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

Act		Companies Act 2016, including all amendments made from time to time and any re-enactment thereof
AGM	:	Annual General Meeting
Board	:	Board of Directors of Knusford Berhad
Bursa Securities	:	Bursa Malaysia Securities Berhad (Registration No. 200301033577 (635998-W))
Company or KB	:	Knusford Berhad (Registration No. 199601007754 (380100-D))
Director(s)	:	Shall have the meaning given in Section 2(1) of the Capital Markets and Services Act 2007 and includes any person who is or was within the preceding 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 or KB Group	:	Knusford Berhad and its subsidiaries
Listing Requirements	:	Main Market Listing Requirements of Bursa Malaysia Securities Berhad
Mandated Related Parties	:	As disclosed in Section 3.2 of this Circular
Major Shareholder	:	A person who has an interest or interests in one or more voting shares in the Company and the number or aggregate number of those shares, is: (a) 10% or more of the total number of voting shares in the Company; or (b) 5% or more of the total number of 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 Company or its subsidiary or holding company For the purpose of this definition, “interest” shall have the meaning of “interest in shares” given in Section 8 of the Companies Act 2016
Proposal	:	Proposed Renewal of Shareholders’ Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature
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 Section 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
Related Party(ies)	:	In relation to a Corporation, a director, major shareholder or person connected with such director or major shareholder. For the purpose of this definition, “director” and “major shareholder” have the meanings given in paragraphs 10.02(c) and 10.02(f) respectively of the Listing Requirements
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(ies)
Recurrent Related Party Transactions (“RRPT”)	:	A related party transaction which is recurrent, of a revenue or trading nature and which is necessary for day-to-day operations of the KB Group

DEFINITIONS (cont'd)

Recurrent Related Party Transaction Mandate	:	Shareholders' mandate for the KB Group to enter into Recurrent Related Party Transactions
RM	:	Ringgit Malaysia

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KNUSFORD BERHAD
(Registration No. 199601007754 (380100-D))
(Incorporated in Malaysia)

Registered Office:

#C-G-03, Blok C, Tropez Residen
Persiaran Danga Perdana
80200 Johor Bahru
Johor Darul Takzim

28 July 2023

Board of Directors:

DYAM Tunku Ismail Ibni Sultan Ibrahim	(Chairman & Non-Independent Non-Executive Director)
Lim Chen Herng	(Executive Director)
Lim Chen Thai	(Executive Director)
Lim Sew Hua	(Executive Director)
Bernard Hilary Lawrence	(Senior Independent Non-Executive Director)
Lim Foo Seng	(Independent Non-Executive Director)
Mohd Salleh Bin Othman	(Independent Non-Executive Director)
Dato' Avinderjit Singh A/L Harjit Singh	(Independent Non-Executive Director)
Lee Wai Kuen	(Independent Non-Executive Director)
Datuk Mohamad Jaifuddin Bin Bujang Mohidin	(Alternate Director to DYAM Tunku Ismail Ibni Sultan Ibrahim)

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 29 September 2022, the Company had obtained shareholders' approval for the general mandate for the KB Group to enter into RRPT in the ordinary course of business of a revenue or trading nature which is necessary for day-to-day operations of the KB Group 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 RRPT shall lapse at the conclusion of the forthcoming AGM unless its renewal is obtained from the shareholders at the AGM.

The Company had on 18 July 2023 made an announcement to Bursa Securities on its intention to seek approval from its shareholders pertaining to the above-mentioned Proposed Mandate.

The Board proposes to seek the approval from the shareholders for the 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 conducted on virtual basis through live streaming and online remote voting using the Remote Participation and Voting Facilities via the online meeting platform at <https://web.vote2u.my> from the broadcast venue at Ekovest Sales Gallery, 3rd Floor, No. 122, Jalan Desa Gombak 1, Jalan Gombak, 53000 Kuala Lumpur on Wednesday, 27 September 2023 at 11.00 am.

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 provides that where a listed issuer has obtained a mandate in respect of any Recurrent Related Party Transactions, the requirements of paragraph 10.08 will not apply to the Recurrent Related Party Transactions which are comprised in the mandate. This means, during the period of validity of the mandate, the disclosure obligation as set out in paragraph 10.09(1) of the Listing Requirements, as well as the obligation to procure shareholder approval as set out under paragraph 10.08 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 Proposed Mandate 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.

Upon the approval of the Proposal by the shareholders at the forthcoming AGM, the Proposal will take effect from the passing of the Ordinary Resolution 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 340(2) of the Act (but must not extend to such extension as may be allowed pursuant to section 340(4) of the Act); or
- iii) 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 effective ownership interest of the Company are as follows:

No.	Name of Company	Principal Activities	Place of Incorporation	Effective Ownership Interest (%)
1.	Knusford Holdings Sdn. Bhd. ("KHSB")	Investment holding	Malaysia	100
2.	Knusford Equipment Sdn. Bhd. ("KESB")	Rental of machinery and equipment, provision of transportation services and trading of building materials	Malaysia	100

No.	Name of Company	Principal Activities	Place of Incorporation	Effective Ownership Interest (%)
3.	Knusford Construction Sdn. Bhd. ("KCSB")	Civil works contracting	Malaysia	100
4.	D-Hill Sdn. Bhd. ("DHSB")	Property development	Malaysia	100
5.	Lakaran Cahaya Sdn. Bhd. ("LCSB")	Dormant	Malaysia	100
6.	Knusford Oil & Gas Sdn. Bhd. ("KOGSB")	Dormant	Malaysia	100
7.	Knusford Project Management Sdn. Bhd. ("KPMBSB")	Project management services	Malaysia	100
8.	Kota Ekspres Sdn. Bhd. ("KOESB")	Investment holding	Malaysia	100
9.	Knusford Resources Sdn. Bhd. ("KRSB")	Trading in building materials and investment holding	Malaysia	100
Subsidiaries of Knusford Holdings Sdn. Bhd.				
10.	Knusford Marketing Sdn. Bhd. ("KMSB")	Trading in building materials	Malaysia	100
11.	Hi-Plus Development Sdn. Bhd. ("HPDSB")	Dormant	Malaysia	100
12.	Knusford Landscape Sdn. Bhd. ("KLSB")	Landscape construction and maintenance activities	Malaysia	100
Subsidiaries of Knusford Equipment Sdn. Bhd.				
13.	Radiant Seas Sdn. Bhd. ("RSSB")	Sand trading, rental of machineries and equipment and trading in building materials	Malaysia	100
14.	Yasmin Marine Technology Sdn. Bhd. ("YMTSB") *	Dormant	Malaysia	90

*YMTSB is a wholly-owned subsidiary of Knusford Berhad as the remaining 10% equity is owned by Knusford Holdings Sdn Bhd

3.2 Classes of Related Parties

The Board is seeking an approval from the 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 RRPT 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 the terms that are 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
1.	Ekovest Berhad and its subsidiaries, jointly controlled and associate companies	Malaysia	Investment holding, construction, property development, toll operations, hotel operator and restaurant operator
2.	PLS Plantations Berhad and its subsidiaries, jointly controlled and associate companies	Malaysia	Management and operation of forest plantation, logging, sawmilling, chipping and other downstream manufacturing and related products, durian plantation, production, distribution and related businesses and that of construction and civil engineering works
3.	Iskandar Waterfront Holdings Sdn Bhd and its subsidiaries, jointly controlled and associate companies	Malaysia	Investment holding, construction, property development, property investment, entertainment and amusement, restaurant operator
4.	Iskandar Waterfront City Berhad and its subsidiaries, jointly controlled and associate companies	Malaysia	Investment holding, property investment, construction and property development
5.	Falcon Unigreen Sdn. Bhd.	Malaysia	Property development, civil engineering and construction works
6.	Teras Hijaujaya Sdn. Bhd.	Malaysia	Property development
7.	WCM Machinery Sdn. Bhd.	Malaysia	Reconditioning, sales and rental of light and medium machinery

Please refer to Section 3.4 below for the details of the nature and extent of interest.

3.3 Nature of RRPT, Existing Mandate on RRPT and Estimated Annual Value

The RRPT 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. Transactions listed from items 1-47 have been entered into by the said Group with the Related Parties.

[Continued at page 6]

No	Types of transactions	Related Party	Interested Director and/or Major Shareholders	(A) Estimated value ⁽¹⁾ during the validity period of the RRPT Mandate from 27 September 2023 to the next AGM (RM)	(B) Estimated value as disclosed in the Circular to Shareholders dated 29 July 2022 (RM)	(C) Actual Value Transacted from 30 June 2022 up to the last practicable date prior to printing of the circular, 30 June 2023 (RM)
				SOLD / RENTED TO RELATED PARTY	SOLD / RENTED TO RELATED PARTY	SOLD / RENTED TO RELATED PARTY
1.	Sale of machinery & equipment, building materials, services ^(b) and miscellaneous	Ekovest Berhad and its subsidiaries, jointly controlled and associate companies	Tan Sri Dato' Lim Kang Hoo Lim Chen Heng Lim Chen Thai Lim Sew Hua Kinston Park Sdn. Bhd. Aman Setegap Sdn. Bhd. Dato' Lim Kang Swee	100,000,000	100,000,000	7,985,420
2.	Rental of machinery & equipment (Monthly basis) (from KESB, RSSB, DHSB and KCSB to related party)	Ekovest Berhad and its subsidiaries, jointly controlled and associate companies	Tan Sri Dato' Lim Kang Hoo Lim Chen Heng Lim Chen Thai Lim Sew Hua Kinston Park Sdn. Bhd. Aman Setegap Sdn. Bhd. Dato' Lim Kang Swee	35,500,000	35,500,000	54,805
3.	Contract work for hard and soft landscaping works (from KLSB and KCSB to related party)	Ekovest Berhad and its subsidiaries, jointly controlled and associate companies	Tan Sri Dato' Lim Kang Hoo Lim Chen Heng Lim Chen Thai Lim Sew Hua Kinston Park Sdn. Bhd. Aman Setegap Sdn. Bhd. Dato' Lim Kang Swee	30,000,000	30,000,000	-
4.	Contract work for civil & building and other construction related works (from KCSB and KLSB to related party)	Ekovest Berhad and its subsidiaries, jointly controlled and associate companies	Tan Sri Dato' Lim Kang Hoo Lim Chen Heng Lim Chen Thai Lim Sew Hua Kinston Park Sdn. Bhd. Aman Setegap Sdn. Bhd. Dato' Lim Kang Swee	680,000,000	680,000,000	-

No	Types of transactions	Related Party	Interested Director and/or Major Shareholders	(A)	(B)	(C)
				Estimated value ⁽¹⁾ during the validity period of the RRPT Mandate from 27 September 2023 to the next AGM (RM)	Estimated value as disclosed in the Circular to Shareholders dated 29 July 2022 (RM)	Actual Value Transacted from 30 June 2022 up to the last practicable date prior to printing of the circular, 30 June 2023 (RM)
				SOLD / RENTED TO RELATED PARTY	SOLD / RENTED TO RELATED PARTY	SOLD / RENTED TO RELATED PARTY
5.	Maintenance of hard and soft landscaping works including supply of plant, flowers, pots, weeding, gardening, to supply and install all landscaping related items, etc. (from KLSB and KCSB to related party)	Ekovest Berhad and its subsidiaries, jointly controlled and associate companies	Tan Sri Dato' Lim Kang Hoo Lim Chen Heng Lim Chen Thai Lim Sew Hua Kinston Park Sdn. Bhd. Aman Setegap Sdn. Bhd. Dato' Lim Kang Swee	5,000,000	5,000,000	524,233
6.	Landscape design consultancy services (from KLSB to related party)	Ekovest Berhad and its subsidiaries, jointly controlled and associate companies	Tan Sri Dato' Lim Kang Hoo Lim Chen Heng Lim Chen Thai Lim Sew Hua Kinston Park Sdn. Bhd. Aman Setegap Sdn. Bhd. Dato' Lim Kang Swee	1,000,000	1,000,000	-
7.	Sale of machinery & equipment, building materials, services ⁽³⁾ and miscellaneous	PLS Plantations Berhad and its subsidiaries, jointly controlled and associate companies	Tan Sri Dato' Lim Kang Hoo Lim Chen Heng Lim Chen Thai Lim Sew Hua Kinston Park Sdn. Bhd. Aman Setegap Sdn. Bhd. Dato' Lim Kang Swee	15,000,000	15,000,000	2,598,427

No	Types of transactions	Related Party	Interested Director and/or Major Shareholders	(A)	(B)	(C)
				Estimated value ⁽¹⁾ during the validity period of the RRPT Mandate from 27 September 2023 to the next AGM (RM)	Estimated value as disclosed in the Circular to Shareholders dated 29 July 2022 (RM)	Actual Value Transacted from 30 June 2022 up to the last practicable date prior to printing of the circular, 30 June 2023 (RM)
				SOLD / RENTED TO RELATED PARTY	SOLD / RENTED TO RELATED PARTY	SOLD / RENTED TO RELATED PARTY
8.	Rental of machinery & equipment (Monthly basis) (from KESB, RSSB, DHSB and KCSB to related party)	PLS Plantations Berhad and its subsidiaries, jointly controlled and associate companies	Tan Sri Dato' Lim Kang Hoo Lim Chen Heng Lim Chen Thai Lim Sew Hua Kinston Park Sdn. Bhd. Aman Setegap Sdn.Bhd. Dato' Lim Kang Swee	25,000,000	25,000,000	332,389
9.	Contract work for civil & building and other construction related works (from KCSB and KLSB to related party)	PLS Plantations Berhad and its subsidiaries, jointly controlled and associate companies	Tan Sri Dato' Lim Kang Hoo Lim Chen Heng Lim Chen Thai Lim Sew Hua Kinston Park Sdn. Bhd. Aman Setegap Sdn.Bhd. Dato' Lim Kang Swee	100,000,000	100,000,000	-
10.	Sale of machinery & equipment, building materials, services ⁽³⁾ and miscellaneous	Iskandar Waterfront Holdings Sdn. Bhd. and its subsidiaries, jointly controlled and associate companies	Tan Sri Dato' Lim Kang Hoo Lim Chen Heng Lim Chen Thai Lim Sew Hua Kinston Park Sdn. Bhd. Aman Setegap Sdn. Bhd. Dato' Lim Kang Swee	16,000,000	16,000,000	35,654

No	Types of transactions	Related Party	Interested Director and/or Major Shareholders	(A)	(B)	(C)
				Estimated value ⁽¹⁾ during the validity period of the RRPT Mandate from 27 September 2023 to the next AGM (RM)	Estimated value as disclosed in the Circular to Shareholders dated 29 July 2022 (RM)	Actual Value Transacted from 30 June 2022 up to the last practicable date prior to printing of the circular, 30 June 2023 (RM)
				SOLD / RENTED TO RELATED PARTY	SOLD / RENTED TO RELATED PARTY	SOLD / RENTED TO RELATED PARTY
11.	Rental of machinery & equipment (Monthly basis) (from KESB, RSSB, DHSB and KCSB to related party)	Iskandar Waterfront Holdings Sdn. Bhd. and its subsidiaries, jointly controlled and associate companies	Tan Sri Dato' Lim Kang Hoo Lim Chen Heng Lim Chen Thai Lim Sew Hua Kinston Park Sdn. Bhd. Aman Setegap Sdn. Bhd. Dato' Lim Kang Swee	11,000,000	11,000,000	-
12.	Contract work for civil & building and other construction related works (from KCSB and KLSB to related party)	Iskandar Waterfront Holdings Sdn. Bhd. and its subsidiaries, jointly controlled and associate companies	Tan Sri Dato' Lim Kang Hoo Lim Chen Heng Lim Chen Thai Lim Sew Hua Kinston Park Sdn. Bhd. Aman Setegap Sdn. Bhd. Dato' Lim Kang Swee	331,000,000	331,000,000	-
13.	Contract work for hard and soft landscaping works (from KLSB and KCSB to related party)	Iskandar Waterfront Holdings Sdn. Bhd. and its subsidiaries, jointly controlled and associate companies	Tan Sri Dato' Lim Kang Hoo Lim Chen Heng Lim Chen Thai Lim Sew Hua Kinston Park Sdn. Bhd. Aman Setegap Sdn. Bhd. Dato' Lim Kang Swee	10,000,000	10,000,000	-

No	Types of transactions	Related Party	Interested Director and/or Major Shareholders	Estimated value ^(A) during the validity period of the RRPT Mandate from 27 September 2023 to the next AGM (RM)	Estimated value as disclosed in the Circular to Shareholders dated 29 July 2022 (RM)	Actual Value Transacted from 30 June 2022 up to the last practicable date prior to printing of the circular, 30 June 2023 (RM)
				SOLD / RENTED TO RELATED PARTY	SOLD / RENTED TO RELATED PARTY	SOLD / RENTED TO RELATED PARTY
14.	Maintenance of hard and soft landscaping works including supply of plant, flowers, pots, weeding, gardening, to supply and install all landscaping related items, etc. (from KLSB and KCSB to related party)	Iskandar Waterfront Holdings Sdn. Bhd. and its subsidiaries, jointly controlled and associate companies	Tan Sri Dato' Lim Kang Hoo Lim Chen Herng Lim Chen Thai Lim Sew Hua Kinston Park Sdn. Bhd. Aman Setegap Sdn. Bhd. Dato' Lim Kang Swee	3,000,000	3,000,000	-
15.	Landscape design consultancy services (from KLSB to related party)	Iskandar Waterfront Holdings Sdn. Bhd. and its subsidiaries, jointly controlled and associate companies	Tan Sri Dato' Lim Kang Hoo Lim Chen Herng Lim Chen Thai Lim Sew Hua Kinston Park Sdn. Bhd. Aman Setegap Sdn. Bhd. Dato' Lim Kang Swee	1,000,000	1,000,000	-
16.	Project management fees (from KPMSB to related party)	Iskandar Waterfront Holdings Sdn. Bhd. and its subsidiaries, jointly controlled and associate companies	Tan Sri Dato' Lim Kang Hoo Lim Chen Herng Lim Chen Thai Lim Sew Hua Kinston Park Sdn. Bhd. Aman Setegap Sdn. Bhd. Dato' Lim Kang Swee	1,000,000	1,000,000	-

No	Types of transactions	Related Party	Interested Director and/or Major Shareholders	(A)	(B)	(C)
				Estimated value ⁽¹⁾ during the validity period of the RRPT Mandate from 27 September 2023 to the next AGM (RM)	Estimated value as disclosed in the Circular to Shareholders dated 29 July 2022 (RM)	Actual Value Transacted from 30 June 2022 up to the last practicable date prior to printing of the circular, 30 June 2023 (RM)
				SOLD / RENTED TO RELATED PARTY	SOLD / RENTED TO RELATED PARTY	SOLD / RENTED TO RELATED PARTY
17.	Sale of machinery & equipment, building materials, services ^(b) and miscellaneous	WCM Machinery Sdn. Bhd.	Tan Sri Dato' Lim Kang Hoo Lim Sew Hua Kinston Park Sdn. Bhd. Aman Setegap Sdn. Bhd. Dato' Lim Kang Swee	2,000,000	2,000,000	-
18.	Rental of machinery & equipment (Monthly basis) (from KESB, RSSB, DHSB and KCSB to related party)	WCM Machinery Sdn. Bhd.	Tan Sri Dato' Lim Kang Hoo Lim Sew Hua Kinston Park Sdn. Bhd. Aman Setegap Sdn. Bhd. Dato' Lim Kang Swee	2,000,000	2,000,000	-
19.	Sale of machinery & equipment, building materials, services ^(b) and miscellaneous	Iskandar Waterfront City Berhad and its subsidiaries, jointly controlled and associate companies	Tan Sri Dato' Lim Kang Hoo Lim Chen Herng Lim Chen Thai Lim Sew Hua Kinston Park Sdn. Bhd. Aman Setegap Sdn. Bhd. Dato' Lim Kang Swee	10,000,000	10,000,000	-
20.	Rental of machinery & equipment (Monthly basis) (from KESB, RSSB, DHSB and KCSB to related party)	Iskandar Waterfront City Berhad and its subsidiaries, jointly controlled and associate companies	Tan Sri Dato' Lim Kang Hoo Lim Chen Herng Lim Chen Thai Lim Sew Hua Kinston Park Sdn. Bhd. Aman Setegap Sdn. Bhd. Dato' Lim Kang Swee	5,000,000	5,000,000	-

No	Types of transactions	Related Party	Interested Director and/or Major Shareholders	(A)	(B)	(C)
				Estimated value ⁽¹⁾ during the validity period of the RRPT Mandate from 27 September 2023 to the next AGM (RM)	Estimated value as disclosed in the Circular to Shareholders dated 29 July 2022 (RM)	Actual Value Transacted from 30 June 2022 up to the last practicable date prior to printing of the circular, 30 June 2023 (RM)
				SOLD / RENTED TO RELATED PARTY	SOLD / RENTED TO RELATED PARTY	SOLD / RENTED TO RELATED PARTY
21.	Contract work for civil & building and other construction related works (from KCSB and KLSB to related party)	Iskandar Waterfront City Berhad and its subsidiaries, jointly controlled and associate companies	Tan Sri Dato' Lim Kang Hoo Lim Chen Herng Lim Chen Thai Lim Sew Hua Kinston Park Sdn. Bhd. Aman Setegap Sdn. Bhd. Dato' Lim Kang Swee	500,000,000	500,000,000	1,990,645
22.	Maintenance of hard and soft landscaping works including supply of plant, flowers, pots, weeding, gardening, to supply and install all landscaping related items, etc. (from KLSB and KCSB to related party)	Iskandar Waterfront City Berhad and its subsidiaries, jointly controlled and associate companies	Tan Sri Dato' Lim Kang Hoo Lim Chen Herng Lim Chen Thai Lim Sew Hua Kinston Park Sdn. Bhd. Aman Setegap Sdn. Bhd. Dato' Lim Kang Swee	1,000,000	1,000,000	13,000
23.	Project management fees (from KPMSB to related party)	Iskandar Waterfront City Berhad and its subsidiaries, jointly controlled and associate companies	Tan Sri Dato' Lim Kang Hoo Lim Chen Herng Lim Chen Thai Lim Sew Hua Kinston Park Sdn. Bhd. Aman Setegap Sdn. Bhd. Dato' Lim Kang Swee	1,000,000	1,000,000	-

No	Types of transactions	Related Party	Interested Director and/or Major Shareholders	(A)	(B)	(C)
				Estimated value ⁽¹⁾ during the validity period of the RRPT Mandate from 27 September 2023 to the next AGM (RM)	Estimated value as disclosed in the Circular to Shareholders dated 29 July 2022 (RM)	Actual Value Transacted from 30 June 2022 up to the last practicable date prior to printing of the circular, 30 June 2023 (RM)
				SOLD / RENTED TO RELATED PARTY	SOLD / RENTED TO RELATED PARTY	SOLD / RENTED TO RELATED PARTY
24.	Contract work for hard and soft landscaping works (from KLSB and KCSB to related party)	Iskandar Waterfront City Berhad and its subsidiaries, jointly controlled and associate companies	Tan Sri Dato' Lim Kang Hoo Lim Chen Heng Lim Chen Thai Lim Sew Hua Kinston Park Sdn. Bhd. Aman Setegap Sdn. Bhd. Dato' Lim Kang Swee	5,000,000	5,000,000	114,473
25.	Landscape design consultancy services (from KLSB to related party)	Iskandar Waterfront City Berhad and its subsidiaries, jointly controlled and associate companies	Tan Sri Dato' Lim Kang Hoo Lim Chen Heng Lim Chen Thai Lim Sew Hua Kinston Park Sdn. Bhd. Aman Setegap Sdn. Bhd. Dato' Lim Kang Swee	1,000,000	1,000,000	-
26.	Sale of machinery & equipment, building materials, services ⁽³⁾ and miscellaneous	Falcon Unigreen Sdn. Bhd.	Tan Sri Dato' Lim Kang Hoo Lim Chen Heng Lim Chen Thai Lim Sew Hua Kinston Park Sdn. Bhd. Aman Setegap Sdn. Bhd. Dato' Lim Kang Swee	1,000,000	1,000,000	-

No	Types of transactions	Related Party	Interested Director and/or Major Shareholders	(A)	(B)	(C)
				Estimated value ⁽¹⁾ during the validity period of the RRPT Mandate from 27 September 2023 to the next AGM (RM)	Estimated value as disclosed in the Circular to Shareholders dated 29 July 2022 (RM)	Actual Value Transacted from 30 June 2022 up to the last practicable date prior to printing of the circular, 30 June 2023 (RM)
				SOLD / RENTED TO RELATED PARTY	SOLD / RENTED TO RELATED PARTY	SOLD / RENTED TO RELATED PARTY
27.	Rental of machinery & equipment (Monthly basis) (from KESB, RSSB, DHSB and KCSB to related party)	Falcon Unigreen Sdn. Bhd.	Tan Sri Dato' Lim Kang Hoo Lim Chen Heng Lim Chen Thai Lim Sew Hua Kinston Park Sdn. Bhd. Aman Setegap Sdn. Bhd. Dato' Lim Kang Swee	1,000,000	1,000,000	-
28.	Maintenance of hard and soft landscaping works including supply of plant, flowers, pots, weeding, gardening, to supply and install all landscaping related items, etc. (from KLSB and KCSB to related party)	Teras Hijajaya Sdn. Bhd.	Tan Sri Dato' Lim Kang Hoo Lim Chen Heng Lim Chen Thai Lim Sew Hua Kinston Park Sdn. Bhd. Aman Setegap Sdn. Bhd. Dato' Lim Kang Swee	2,000,000	2,000,000	-
29.	Sale of machinery & equipment, building materials, services ⁽³⁾ and miscellaneous	Ekocheras Tower H And J Sdn. Bhd.	Tan Sri Dato' Lim Kang Hoo Lim Chen Heng Lim Chen Thai Kinston Park Sdn. Bhd. Aman Setegap Sdn. Bhd.	-	1,000,000	-

No	Types of transactions	Related Party	Interested Director and/or Major Shareholders	(A)	(B)	(C)
				Estimated value ⁽¹⁾ during the validity period of the RRPT Mandate from 27 September 2023 to the next AGM (RM)	Estimated value as disclosed in the Circular to Shareholders dated 29 July 2022 (RM)	Actual Value Transacted from 30 June 2022 up to the last practicable date prior to printing of the circular, 30 June 2023 (RM)
				SOLD / RENTED TO RELATED PARTY	SOLD / RENTED TO RELATED PARTY	SOLD / RENTED TO RELATED PARTY
30.	Sale of machinery & equipment, building materials, services ^(b) and miscellaneous	Ekocheras Tower E Sdn. Bhd.	Tan Sri Dato' Lim Kang Hoo Lim Chen Heng Lim Chen Thai Kinston Park Sdn. Bhd. Aman Setegap Sdn. Bhd.	-	1,000,000	-
31.	Sale of machinery & equipment, building materials, services ^(b) and miscellaneous	Chenang Bay Sdn. Bhd.	Tan Sri Dato' Lim Kang Hoo Lim Chen Heng Lim Chen Thai Kinston Park Sdn. Bhd. Aman Setegap Sdn. Bhd.	-	1,000,000	-
32.	Rental of machinery & equipment (Monthly basis) (from KESB, RSSB, DHSB and KCSB to related party)	Chenang Bay Sdn. Bhd.	Tan Sri Dato' Lim Kang Hoo Lim Chen Heng Lim Chen Thai Kinston Park Sdn. Bhd. Aman Setegap Sdn. Bhd.	-	1,000,000	-

No	Types of transactions	Related Party	Interested Director and/or Major Shareholders	(A)	(B)	(C)
				Estimated value ⁽¹⁾ during the validity period of the RRPT Mandate from 27 September 2023 to the next AGM (RM)	Estimated value as disclosed in the Circular to Shareholders dated 29 July 2022 (RM)	Actual Value Transacted from 30 June 2022 up to the last practicable date prior to printing of the circular, 30 June 2023 (RM)
				RENTAL RECEIVED	RENTAL RECEIVED	RENTAL RECEIVED
33.	Rental of Premises (4)(a)(i-iv) (Monthly basis)	Iskandar Waterfront Holdings Sdn. Bhd. and its subsidiaries, jointly controlled and associate companies	Tan Sri Dato' Lim Kang Hoo Lim Chen Heng Lim Chen Thai Lim Sew Hua Kinston Park Sdn. Bhd. Aman Setegap Sdn. Bhd. Dato' Lim Kang Swee	1,500,000	1,500,000	108,000
34.	Rental of Premises (4)(b)(i-ii) (Monthly basis)	Ekovest Berhad and its subsidiaries, jointly controlled and associate companies	Tan Sri Dato' Lim Kang Hoo Lim Chen Heng Lim Chen Thai Lim Sew Hua Kinston Park Sdn. Bhd. Aman Setegap Sdn. Bhd. Dato' Lim Kang Swee	1,000,000	1,000,000	292,000
35.	Rental of Premises (4)(c)(i) (Monthly basis)	Iskandar Waterfront City Berhad and its subsidiaries, jointly controlled and associate companies	Tan Sri Dato' Lim Kang Hoo Lim Chen Heng Lim Chen Thai Lim Sew Hua Kinston Park Sdn. Bhd. Aman Setegap Sdn. Bhd. Dato' Lim Kang Swee	1,000,000	1,000,000	36,000

No	Types of transactions	Related Party	Interested Director and/or Major Shareholders	(A)	(B)	(C)
				Estimated value ⁽¹⁾ during the validity period of the RRPT Mandate from 27 September 2023 to the next AGM (RM)	Estimated value as disclosed in the Circular to Shareholders dated 29 July 2022 (RM)	Actual Value Transacted from 30 June 2022 up to the last practicable date prior to printing of the circular, 30 June 2023 (RM)
				BOUGHT / RENTED FROM RELATED PARTY	BOUGHT / RENTED FROM RELATED PARTY	BOUGHT / RENTED FROM RELATED PARTY
36.	Purchase of machinery & equipment and building materials, services and miscellaneous	Ekovest Berhad and its subsidiaries, jointly controlled and associate companies	Tan Sri Dato' Lim Kang Hoo Lim Chen Heng Lim Chen Thai Lim Sew Hua Kinston Park Sdn. Bhd. Aman Setegap Sdn. Bhd. Dato' Lim Kang Swee	15,000,000	15,000,000	1,399,728
37.	Rental of machinery & equipment (Monthly basis) (from related party to KESB, KCSB, RSSB, DHSB and KLSB)	Ekovest Berhad and its subsidiaries, jointly controlled and associate companies	Tan Sri Dato' Lim Kang Hoo Lim Chen Heng Lim Chen Thai Lim Sew Hua Kinston Park Sdn. Bhd. Aman Setegap Sdn. Bhd. Dato' Lim Kang Swee	6,000,000	6,000,000	-
38.	Project management fees (From related party to DHSB)	Ekovest Berhad and its subsidiaries, jointly controlled and associate companies	Tan Sri Dato' Lim Kang Hoo Lim Chen Heng Lim Chen Thai Lim Sew Hua Kinston Park Sdn. Bhd. Aman Setegap Sdn. Bhd. Dato' Lim Kang Swee	1,000,000	1,000,000	-

No	Types of transactions	Related Party	Interested Director and/or Major Shareholders	(A)	(B)	(C)
				Estimated value ⁽¹⁾ during the validity period of the RRPT Mandate from 27 September 2023 to the next AGM (RM)	Estimated value as disclosed in the Circular to Shareholders dated 29 July 2022 (RM)	Actual Value Transacted from 30 June 2022 up to the last practicable date prior to printing of the circular,30 June 2023 (RM)
				BOUGHT / RENTED FROM RELATED PARTY	BOUGHT / RENTED FROM RELATED PARTY	BOUGHT / RENTED FROM RELATED PARTY
39.	Purchase of mix wood logs, timbers, pallets and etc for trading and construction site use	PLS Plantations Berhad and its subsidiaries, jointly controlled and associate companies	Tan Sri Dato' Lim Kang Hoo Lim Chen Heng Lim Chen Thai Lim Sew Hua Kinston Park Sdn. Bhd. Aman Setegap Sdn.Bhd. Dato' Lim Kang Swee	1,000,000	1,000,000	-
40.	Purchase of machinery & equipment and building materials, services and miscellaneous	PLS Plantations Berhad and its subsidiaries, jointly controlled and associate companies	Tan Sri Dato' Lim Kang Hoo Lim Chen Heng Lim Chen Thai Lim Sew Hua Kinston Park Sdn. Bhd. Aman Setegap Sdn.Bhd. Dato' Lim Kang Swee	2,000,000	2,000,000	196,793
41.	Rental of machinery & equipment (Monthly basis) (from related party to KESB, KCSB, RSSB, DHSB and KLSB)	PLS Plantations Berhad and its subsidiaries, jointly controlled and associate companies	Tan Sri Dato' Lim Kang Hoo Lim Chen Heng Lim Chen Thai Lim Sew Hua Kinston Park Sdn. Bhd. Aman Setegap Sdn.Bhd. Dato' Lim Kang Swee	1,000,000	1,000,000	-

No	Types of transactions	Related Party	Interested Director and/or Major Shareholders	(A)	(B)	(C)
				Estimated value ⁽¹⁾ during the validity period of the RRPT Mandate from 27 September 2023 to the next AGM (RM)	Estimated value as disclosed in the Circular to Shareholders dated 29 July 2022 (RM)	Actual Value Transacted from 30 June 2022 up to the last practicable date prior to printing of the circular, 30 June 2023 (RM)
				BOUGHT / RENTED FROM RELATED PARTY	BOUGHT / RENTED FROM RELATED PARTY	BOUGHT / RENTED FROM RELATED PARTY
42.	Purchase of machinery & equipment and building materials, services and miscellaneous	Iskandar Waterfront Holdings Sdn. Bhd. and its subsidiaries, jointly controlled and associate companies	Tan Sri Dato' Lim Kang Hoo Lim Chen Herng Lim Chen Thai Lim Sew Hua Kinston Park Sdn. Bhd. Aman Setegap Sdn. Bhd. Dato' Lim Kang Swee	1,000,000	1,000,000	145,600
43.	Rental of machinery & equipment (Monthly basis) (from related party to KESB, KCSB, RSSB, DHSB and KLSB)	Iskandar Waterfront Holdings Sdn. Bhd. and its subsidiaries, jointly controlled and associate companies	Tan Sri Dato' Lim Kang Hoo Lim Chen Herng Lim Chen Thai Lim Sew Hua Kinston Park Sdn. Bhd. Aman Setegap Sdn. Bhd. Dato' Lim Kang Swee	1,000,000	1,000,000	13,500
44.	Purchase of machinery & equipment and building materials, services and miscellaneous	WCM Machinery Sdn. Bhd.	Tan Sri Dato' Lim Kang Hoo Lim Sew Hua Kinston Park Sdn. Bhd. Aman Setegap Sdn. Bhd. Dato' Lim Kang Swee	2,000,000	2,000,000	5,930
45.	Rental of machinery & equipment (Monthly basis) (from related party to KESB, KCSB, RSSB, DHSB and KLSB)	WCM Machinery Sdn. Bhd.	Tan Sri Dato' Lim Kang Hoo Lim Sew Hua Kinston Park Sdn. Bhd. Aman Setegap Sdn. Bhd. Dato' Lim Kang Swee	2,000,000	2,000,000	-

No	Types of transactions	Related Party	Interested Director and/or Major Shareholders	(A)	(B)	(C)
				Estimated value ⁽¹⁾ during the validity period of the RRPT Mandate from 27 September 2023 to the next AGM (RM)	Estimated value as disclosed in the Circular to Shareholders dated 29 July 2022 (RM)	Actual Value Transacted from 30 June 2022 up to the last practicable date prior to printing of the circular, 30 June 2023 (RM)
				RENTAL PAID	RENTAL PAID	RENTAL PAID
46.	Rental of Premises (Monthly basis)	Iskandar Waterfront Holdings Sdn. Bhd. and its subsidiaries, jointly controlled and associate companies	Tan Sri Dato' Lim Kang Hoo Lim Chen Heng Lim Chen Thai Lim Sew Hua Kinston Park Sdn. Bhd. Aman Setegap Sdn. Bhd. Dato' Lim Kang Swee	500,000	500,000	-
47.	Rental of Premises (5)(d)(i) (Monthly basis)	Ekovest Berhad and its subsidiaries, jointly controlled and associate companies	Tan Sri Dato' Lim Kang Hoo Lim Chen Heng Lim Chen Thai Lim Sew Hua Kinston Park Sdn. Bhd. Aman Setegap Sdn. Bhd. Dato' Lim Kang Swee	500,000	500,000	153,600

Notes:

- (1) Items No: 29 to 32 – No mandate is required, listed for comparative information only.
- (2) 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.
- (3) Services rendered include transportation services, repairing services, labour charges, installation services, commissioning services, etc.

- (4) For notes (a) to (c) below, the Group is the landlord renting out the Premises referred to therein to the respective Related Parties.
- a) (i) Lot G-31, Block 7, Danga Bay, Jalan Skudai, 80200 Johor Bahru, Johor Darul Ehsan for use as an office, 107 square metres.
 - (ii) Lot I-31, Block 7, Danga Bay, Jalan Skudai, 80200 Johor Bahru, Johor Darul Ehsan for use as an office, 102 square metres.
 - (iii) Lot G-11, Block 7, Danga Bay, Jalan Skudai, 80200 Johor Bahru, Johor Darul Ehsan for use as an office, 107 square metres.
 - (iv) Lot B-09-01, Danga View Apartment, Bandar of Johor, District of Johor Bahru for use of residential, 2,173 square feet.
- b) (i) Lot 3658, Jalan Genting Klang, Mukim of Setapak, District of Kuala Lumpur for use of office space, 0.304 hectares.
 - (ii) I-3-2, Diamond Square, Jalan Gombak, Mukim of Setapak, District of Kuala Lumpur for use of office space, 1,643 square feet
- c) (i) Lot I-4, Block 4, Danga Bay, Jalan Skudai, 80200 Johor Bahru, Johor Darul Ehsan for use as an office, 106 square metre.
- (5) For notes (d) below, the Group is the Tenant renting the Premises referred to therein from the respective Related Parties.
- d) (i) 1st Floor, Wisma Ekovest, No. 118, Jalan Gombak, 53000 Kuala Lumpur for use of office space, 6,900 square feet.

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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 are as follows:-

1. Tan Sri Dato' Lim Kang Hoo is the Group Executive Chairman and Major shareholder of Ekovest Berhad. He is also the Executive Vice Chairman and Major shareholder of Iskandar Waterfront Holdings Sdn. Bhd, Iskandar Waterfront City Berhad and PLS Plantations Berhad as well as a Director and Major shareholder in Teras Hijaujaya Sdn. Bhd. and Falcon Unigreen Sdn. Bhd.
2. PLS Plantations Berhad is a subsidiary company of Ekovest Berhad.
3. Lim Chen Heng and Lim Chen Thai are sons of Tan Sri Dato' Lim Kang Hoo. Lim Chen Heng is an Executive Director in Iskandar Waterfront City Berhad and Lim Chen Thai is an Executive Director in Ekovest Berhad. They are deemed interested in transactions in which Tan Sri Dato' Lim Kang Hoo is interested.
4. Kinston Park Sdn. Bhd. and Aman Setegap Sdn. Bhd. are major shareholders of the Company. Tan Sri Dato' Lim Kang Hoo is a Director and Major shareholder in both Companies. They are deemed to be interested in transactions in which Tan Sri Dato' Lim Kang Hoo is interested.
5. Dato' Lim Kang Swee is a Director and major shareholder in WCM Machinery Sdn Bhd. He is a brother to Tan Sri Dato' Lim Kang Hoo. He is deemed to be interested in transactions where Tan Sri Dato' Lim Kang Hoo is interested.
6. Lim Sew Hua is a sister of Tan Sri Dato' Lim Kang Hoo and Dato' Lim Kang Swee. She is deemed to be interested in transactions where Tan Sri Dato' Lim Kang Hoo and Dato' Lim Kang Swee are interested.

3.5 Amount Due and Owing by the Related Parties pursuant to the RRPT

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 the financial year ended 31 March 2023:

	Outstanding Amount from Related Parties as at 31.03.2023
Exceeded credit term for:	Principal (RM'000)
A period of 1 year or less	140,135
A period of more than 1 to 3 years	20,182
A period of more than 3 to 5 years	4,123
A period of more than 5 years	6,546

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. No late payment charges have been imposed by the Group on the above outstanding amounts as 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.

3.6 Rationale and Benefits for the Group on the Transactions with the 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 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 may also outsource similar raw materials and goods from third parties, the Company would like to seek Shareholders' approval for the Proposed Mandate as the close cooperation between the Company and the Mandated Related Parties has reaped mutual benefits and has been and is expected to continue to render benefits to the business of the Company and its subsidiaries.

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 RRPT 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 RRPT

There are procedures established by the KB Group to ensure RRPT are undertaken on an arm's length basis and transaction prices are on normal commercial terms not more favourable to the related parties than those generally available to the public, consistent with the KB Group 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 interest of minority shareholders.

The Company will implement the following procedures to supplement existing internal procedures for general transactions to ensure that the RRPT 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 not detrimental to the interest of minority shareholders:-

- (i) A list of Mandated Related Parties will be circulated to the Company's subsidiaries to notify them that all RRPT 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/or are not detrimental to the interest of minority shareholders;
- (ii) Quotations on all items 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 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 and payment terms will also be taken into consideration for evaluation purposes;
- (iii) All RRPT will be approved in the following manners in accordance with their level of authority:-
 - RRPT less than RM 250,000 shall be approved by the Head of Department; and
 - RRPT with a value of RM 250,000 and above shall be approved by a management committee comprising a Director and at least two (2) Senior Management Staff. The Senior Management Staff include the Head of Department, Chief Financial Officer/Accountant and Chief Executive Officer/Executive Director. The management committee can approve the RRPT as long as the value of RRPT is within the mandate approved by shareholders;
- (iv) The annual internal audit plan shall incorporate a review of material RRPT 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;
- (v) The Board and the Audit Committee shall review the internal audit reports to ascertain that the guidelines and procedures established to monitor RRPT have been complied with and the review shall be done annually together with the review of annual results;
- (vi) 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;
- (vii) Disclosures will be made in the annual report of the breakdown of the aggregate value of the RRPT during the financial year amongst others, based on the following information:-
 - (a) the type of the RRPT made; and
 - (b) the names of the related parties involved in each type of the RRPT made and their relationship with the listed issuer.

In respect of the RRPT, at least 2 other contemporaneous transactions with unrelated third parties for similar products/services and/or quantities will be used as a 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 our usual business practices and policies to ensure that the RRPT are not detrimental to the Company or its group of companies.

3.8 Audit Committee's Statement

The Audit Committee will review the relevant RRPT 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 RRPT will be done on the Company and its subsidiaries on normal commercial terms and on terms not more favourable to the related parties than those generally available to the public and will be adverse 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 RRPT, as well as the periodic reviews to be made by the Audit Committee in relation thereto, are sufficient to ensure that the RRPT will be made with the relevant classes of related party in accordance with the Company and its subsidiaries on normal commercial terms and on terms not more favourable to the related

parties than those generally available to the public, and hence, are not adverse to the shareholders, nor disadvantageous to the Company and its subsidiaries and are not to the detriment of the interest of minority shareholders.

The Audit Committee is also of the view that the Company has in place adequate procedures and processes to monitor, track and identify RRPT in a timely and orderly manner. The Audit Committee will be conducting a review of these procedures and processes on a quarterly basis.

4. **INTEREST OF DIRECTORS AND MAJOR SHAREHOLDERS**

The following are the shareholding of the Interested Directors and Interested Major Shareholders in the Company as at 30 June 2023.

4.1 **Interested Directors**

	Name	Direct Shareholdings	%	Indirect Shareholdings	%
1.	Lim Chen Heng	-	-	-	-
2.	Lim Chen Thai	58,300	0.06	-	-
3.	Lim Sew Hua	1,349,000	1.35	-	-

4.2 **Interested Major Shareholders**

	Name	Direct Shareholdings	%	Indirect Shareholdings	%
1.	Tan Sri Dato' Lim Kang Hoo	615,749	0.62	32,410,000(a)	32.53
2.	Aman Setegap Sdn Bhd	30,000,000	30.11	-	-
3.	Kinston Park Sdn Bhd	2,410,000	2.42	30,000,000(b)	30.11
4.	Dato' Lim Kang Swee	10,614,354	10.65	439,000(c)	0.44

Notes:

- (a) Deemed interested by virtue of his shareholding in Kinston Park Sdn. Bhd. and Aman Setegap Sdn. Bhd.
- (b) Deemed interested by virtue of its shareholdings in Aman Setegap Sdn. Bhd.
- (c) Deemed interested by virtue of his shareholdings in WCM Ventures Sdn. Bhd.

4.3 **Statements in relation to Interested Parties**

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

- i. Lim Chen Herng
- ii. Lim Chen Thai
- iii. Lim Sew Hua

The aforesaid interested directors shall accordingly also abstain from voting in respect of their direct and/or indirect shareholdings, if any, 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. Tan Sri Dato' Lim Kang Hoo
- ii. Aman Setegap Sdn. Bhd.
- iii. Kinston Park Sdn. Bhd.
- iv. Dato' Lim Kang Swee

(c) Further the said interested directors and interested major shareholders will undertake to ensure that 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 AGM. Save as disclosed above, none of the other directors or major shareholders 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 Lim Chen Herng, Lim Chen Thai and Lim Sew Hua who are deemed interested in the Proposed Mandate, having considered all aspects of the Proposed Mandate, is of the opinion that they are in the best interest of the Company and accordingly 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 2023, will be conducted on virtual basis through live streaming and online remote voting using the Remote Participation and Voting Facilities via the online meeting platform at <https://web.vote2u.my> from the broadcast venue at Ekovest Sales Gallery, 3rd Floor, No. 122, Jalan Desa Gombak 1, Jalan Gombak, 53000 Kuala Lumpur on Wednesday, 27 September 2023 at 11.00 am or any adjournment thereof for the purpose of considering and, if thought fit, passing the resolution so as to give effect to the Proposed Mandate.

Kindly register to participate and vote at the virtual AGM by following the steps set out in the Administrative Guide for Shareholders. If you are unable to participate 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 participating and voting at the AGM should you subsequently wish to do so.

7. **FURTHER INFORMATION**

Shareholders are requested to refer to the attached Appendix 1 contained in this Circular for further information.

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

Lim Foo Seng
Independent Non-Executive Director

FURTHER INFORMATION

1. RESPONSIBILITY STATEMENT

This Circular has been reviewed 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 herein misleading and/or misrepresenting.

2. MATERIAL LITIGATION

As at 28 July 2023, neither the Company nor its subsidiaries are engaged in any material litigation, claims or arbitration, either as plaintiff or defendant and the Board is not aware and do not have any knowledge of any proceedings, pending against or threatening the Group or any facts likely to give rise to any proceedings which might materially and adversely affect the financial position or business of the Company and its subsidiaries.

3. MATERIAL CONTRACTS

Save and disclosed below, neither the Company nor its subsidiaries have entered into any material contracts or material loans, not being contracts entered into the ordinary course of business, within two 2 years immediately preceding the date of this circular.

- 1) On 22 July 2022, a wholly-owned subsidiary of the Company, Knusford Resources Sdn Bhd ("KRSB") has entered into a conditional Sale and Purchase Agreement ("SPA") with Success Straits Sdn Bhd ("SSSB"), a wholly-owned subsidiary of Iskandar Waterfront City Berhad ("IWCB"), a related company for the proposed acquisition of a parcel of freehold vacant land held under Geran Hakmilik No. 90571, Lot No. 726, Mukim of Pulai, District of Johor Bahru, State of Johor ("Subject Property") at the purchase consideration of RM53,240,000.00 ("Proposed Acquisition").

The Purchase Consideration will be satisfied via a settlement arrangement, wherein a total amount of RM50,764,575.38, being the sum due and payable by IWCB and its subsidiaries (collectively, the "IWCB Group") to the Company and its subsidiaries (collectively, the "Knusford Group" or the "Group") ("Settlement Sum") shall be set-off against the Purchase Consideration. Meanwhile, the remaining balance of RM2,475,424.62 ("Differential Amount") will be satisfied entirely in cash.

In conjunction with the Proposed Acquisition, the Company had on the even date entered into a conditional settlement agreement ("Settlement Agreement") with IWCB to settle the Settlement Sum by way of set-off against the Purchase Consideration for the Proposed Acquisition ("Proposed Settlement").

The Proposed Acquisition are conditional upon the following conditions precedents being fulfilled not later than three months from the date of the SPA, or such other date as the parties may mutually agree upon in writing (SPA Cut-Off Date)-:

- i. SSSB having obtained the approval of the shareholders of IWCB at a general meeting for amongst others (1) the disposal of the Subject Property by SSSB in favour of KRSB in accordance with the terms and conditions of the SPA; and (2) the Proposed Settlement in accordance with the terms and conditions of the Settlement Agreement; and
- ii. KRSB having obtained the approval of the shareholders of the Company at a general meeting to be convened for amongst others (1) the acquisition of the Subject Property by KRSB in accordance with the terms and conditions of the SPA; and (2) the Proposed Settlement in accordance with the terms and conditions of the Settlement Agreement.

At the Extraordinary General Meeting ("EGM") held on 23 November 2022, the shareholders of the Company had approved the resolution in relation to (ii) above.

The conditions precedent under the SPA and Settlement Agreement have been fulfilled, and that the Acquisition and Settlement was completed on 7 December 2022.

- 2) On 3 November 2022, the Company and IWCB mutually agreed to extend the Expiry date of the Heads Of Agreement ("HOA") for an additional period of six (6) months, commencing from 13 August 2022 until 12 February 2023, subject to any further extension as may be mutually agreed upon by the parties in writing ("**Extension**"). The Extension will afford the parties more time to finalise the terms and conditions of the Definitive Agreement for the sale and purchase of all that parcel of freehold land held under Geran Hakmilik No. 90585, Lot No. 733, located in the Mukim of Pulai, District of Johor Bahru, State of Johor.

Save for the above, all other terms in the HOA dated 13 May 2022 shall remain unchanged and in full force, and continue to take effect and be binding on the parties to the HOA.

On 10 February 2023, the Company has announced that the HOA had expired and lapsed on 12 February 2023 and no further extension of time has been agreed between Knusford and IWCB.

- 3) On 28 October 2022, a wholly-owned subsidiary of the Company, D-Hill Sdn. Bhd., had on 28 October 2022 entered into a sale and purchase agreement ("SPA") with L.K.C Ventures Sdn. Bhd., for the disposal of all that piece of freehold vacant commercial land held under H.S.(D) 165685, PT 41696, Bandar Batu 18, Semenyih, Daerah Ulu Langat, Negeri Selangor Darul Ehsan measuring 6,630.33 in square meters for a total cash consideration of Ringgit Malaysia: Fourteen Million Six Hundred Thirty Thousand Four Hundred Ninety-Seven and Sen Forty (RM14,630,497.40) only.

The disposal was completed on 13 February 2023 and the gain before tax of approximately RM10.7 million on disposal of land was recognised in 4Q 2023.

- 4) On 30 March 2023, a wholly-owned subsidiary of the Company, D-Hill Sdn. Bhd., had on 30 March 2023 entered into a sale and purchase agreement ("SPA") with Sin Siang Hin (M) Sdn. Bhd., for the disposal of all that piece of freehold commercial land with a single storey building erected thereon, held under H.S.(D) 102446, PT 17588, Mukim Semenyih, Daerah Ulu Langat, Negeri Selangor Darul Ehsan measuring 4,065 in square meters for a total cash consideration of Ringgit Malaysia: Eleven Million and Nine Hundred Thousand (RM11,900,000.00) only.

4. DOCUMENTS FOR INSPECTION

Copies of the following documents are available for inspection at the Registered Office of the Company at #C-G-03 Blok C, Tropez Residen, Persiaran Danga Perdana, 80200 Johor Bahru, Johor Darul Takzim 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 Constitution of the Company.
- ii. The Audited Financial Statements of Knusford Berhad for the financial period ended 31 March 2022 and the financial year ended 31 March 2023.