

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 Annual General Meeting and the Form of Proxy is enclosed in the 2013 Annual Report. The Annual General Meeting is to be held on 27 June 2014 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: 25 June 2014 before 11.00 a.m.

This Circular is dated 5 June 2014

DEFINITIONS

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

AGM	:	Annual General Meeting
Board	:	Board of Directors of Knusford Berhad
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 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	:	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 major shareholder of the Company as defined under paragraph 1.01 of the Listing Requirements or any other company which is its subsidiary or holding company
		Definition under Paragraph 1.01:-
		Means a person who has an interest or interests in one or more voting shares in a corporation and the nominal amount of that share, or the aggregate of the nominal amounts of those shares, is:-
		(a) 10% or more of the aggregate of the nominal amounts of all the voting shares in the Company; or
		(b) 5% or more 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;
		For the purpose of this definition, "interest in shares" has the meaning given in section 6A of the Companies Act 1965
Proposals	:	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)	:	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 paragraph 10.02 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
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 Company and its subsidiaries
Recurrent Related Party Transaction Mandate	:	Shareholders' mandate for the Company and its subsidiaries to enter into Recurrent Related Party Transactions
RM	:	Ringgit Malaysia

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KNUSFORD BERHAD

(380100-D)

(Incorporated in Malaysia)

Registered Office:

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

5 June 2014

Board of Directors:

DYAM Tunku Ismail Ibni Sultan Ibrahim	(Chairman & Non-Independent Non-Executive Director)
Tan Sri Dato' Lim Kang Hoo	(Executive Director)
Khoo Nang Seng @ Khoo Nam Seng	(Executive Director)
Lim Chen Heng	(Executive Director)
Lim Jenq Kuan	(Executive Director)
Tuan Haji Aznam bin Mansor	(Non-Independent Non-Executive Director)
Dato' Daing A Malek bin A Rahaman	(Non-Independent Non-Executive Director)
Bernard Hilary Lawrence	(Independent Non-Executive Director)
Avinderjit Singh A/L Harjit Singh	(Independent Non-Executive Director)
Lim Foo Seng	(Independent Non-Executive Director)
Mohd Salleh bin Othman	(Independent Non-Executive Director)
Lee Wai Kuen	(Independent Non-Executive Director)

To: **The Shareholders of Knusford Berhad**

Dear Sir/Madam,

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

1. INTRODUCTION

On 28 June 2013 and 21 February 2014 the Company obtained shareholders' approval for a general mandate from its shareholders for the Company and its subsidiaries to enter into RRPT 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 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 24 April 2014 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 section 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 27 June 2014 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 mandate in respect of any Recurrent Related Party Transactions, the requirements of paragraph 10.08 will not apply to the Recurrent Related Party Transaction 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.

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
- 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 interest of the Company are as follows:

No.	Name of Company	Principal Activities	Effective Ownership Interest (%)
1.	Wengcon Holdings Sdn Bhd	Investment holding	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

No.	Name of Company	Principal Activities	Effective Ownership Interest (%)
6.	Knusford Oil & Gas Sdn Bhd	Has not commenced operation	100
7.	Knusford Project Management Sdn Bhd (formerly known as Knusford Autohaus Sdn Bhd)	Has not commenced operation	100
8.	Kota Ekspres Sdn Bhd	Has not commenced operation	100
Subsidiaries of Wengcon Holdings Sdn Bhd			
9.	Wengcon Marketing Sdn Bhd	Trading in building materials	100
10.	Hi-Plus Development Sdn Bhd	Rental of machinery and equipment	100
11.	Endau Prima Sdn Bhd	Ceased operation	100
12.	Segi Gemilang Sdn Bhd	Rental of machinery and equipment	100
Subsidiaries of Wengcon Equipment Sdn Bhd			
13.	Radiant Seas Sdn Bhd	Sand Trading and Rental of machinery and equipment	100
14.	Yasmin Marine Technology Sdn Bhd	Rental of machinery and equipment	70
Subsidiaries of Knusford Project Management Sdn Bhd			
15.	Tetap Aman Kapital Sdn Bhd	Has not commenced operation	100

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 RRPT referred to in section 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
1.	Ekovest Berhad	Malaysia	Investment holding, civil engineering and building works
2.	Ekovest Construction Sdn Bhd	Malaysia	Civil engineering and building works
3.	Aramjaya Sdn Bhd	Malaysia	Manufacturing and trading in timber related products
4.	Danga Bay Sdn Bhd	Malaysia	Property development
5.	Rampai Fokus Sdn Bhd	Malaysia	Investment holding, property development and leisure activities businesses
6.	Konsortium Lebuhraya-Utara Timur (KL) Sdn Bhd	Malaysia	Design, construction, operation and management of highway
7.	Iskandar Coast Sdn Bhd	Malaysia	Property development

No	Mandated Related Party	Place of Incorporation	Principal Activity
8.	Global Corporate Development Sdn Bhd	Malaysia	Property development
9.	Iskandar Waterfront Sdn Bhd	Malaysia	Property development
10.	Pembinaan KS Tebrau Sdn Bhd	Malaysia	Project management and construction of civil & structural works
11.	Teras Hijaujaya Sdn Bhd	Malaysia	Property development
12.	Karib Industri Sdn Bhd	Malaysia	Engage in manufacturing of precision welded wire mesh for the security fencing industry
13.	WCM Machinery Sdn Bhd (formerly known as Wengcon Machinery Sdn Bhd)	Malaysia	Reconditioning, sales and rental of light and medium machinery
14.	Tropicana Danga Cove Sdn Bhd	Malaysia	Property investment and development
15.	Tropicana Danga Bay Sdn Bhd	Malaysia	Property investment and development
16.	Riverside Terra Sdn Bhd	Malaysia	Property developer
17.	Tebrau Teguh Berhad and its subsidiaries	Malaysia	Investment holding
18.	Falcon Unigreen Sdn Bhd	Malaysia	Property development
19.	Palma Harta Sdn Bhd	Malaysia	Civil engineering and building works
20.	Sharikat Sukma Kemajuan dan Perusahaan Sdn Bhd	Malaysia	Supplier of marine sand
21.	Bidari Kekal Sdn Bhd	Malaysia	General merchant
22.	Fablelite Sdn Bhd	Malaysia	Dealing in cabling, lighting and street-lighting works
23.	Milan Suria Sdn Bhd	Malaysia	Interior design, furnishing and supply of furniture and fittings
24.	Knight Auto Sdn Bhd	Malaysia	Sales, rental and repair of 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. 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 and Major Shareholders	(A)	(B)	(C)
				Estimated value during the validity period of the RRPT Mandate from 27 June 2014 to the next AGM (RM)	Estimated value as disclosed in the Circular to Shareholders dated 6 June 2013/6 February 2014 (RM)	Actual Value Transacted from 28 June 2013 up to the last practicable date prior to printing of the circular, 12 May 2014 (RM)
1.	Sale of machinery & equipment and building materials	Ekovest Berhad	Tan Sri Dato' Lim Kang Hoo Khoo Nang Seng @ Khoo Nam Seng Lim Chen Heing Kinston Park Sdn Bhd Aman Setegap Sdn Bhd	20,000,000	20,000,000	4,673
2.	Rental of machinery & equipment (Monthly basis)	Ekovest Berhad	Tan Sri Dato' Lim Kang Hoo Khoo Nang Seng @ Khoo Nam Seng Lim Chen Heing Kinston Park Sdn Bhd Aman Setegap Sdn Bhd	20,000,000	20,000,000	-
3.	Sale of machinery & building materials	Ekovest Sdn Bhd	Tan Sri Dato' Lim Kang Hoo Khoo Nam Seng Lim Chen Heing Kinston Park Sdn Bhd Aman Setegap Sdn Bhd	110,000,000	30,000,000	4,266,894

No	Types of transactions	Related Party	Interested Director and Major Shareholders	(A)	(B)	(C)
				Estimated value during the validity period of the RRPT Mandate from 27 June 2014 to the next AGM (RM)	Estimated value as disclosed in the Circular to Shareholders dated 6 June 2013/6 February 2014 (RM)	Actual Value Transacted from 28 June 2013 up to the last practicable date prior to printing of the circular, 12 May 2014 (RM)
				SOLD / RENTED TO RELATED PARTY	SOLD / RENTED TO RELATED PARTY	SOLD / RENTED TO RELATED PARTY
4.	Rental of machinery & equipment (Monthly basis)	Ekovest Construction Sdn Bhd	Tan Sri Dato' Lim Kang Hoo Khoo Nang Seng @ Khoo Nam Seng Lim Chen Heng Kinston Park Sdn Bhd Aman Setegap Sdn Bhd	30,000,000	30,000,000	163,473
5.	Sale of machinery & equipment and building materials	Aramijaya Sdn Bhd	Tan Sri Dato' Lim Kang Hoo Lim Chen Heng Kinston Park Sdn Bhd Aman Setegap Sdn Bhd	10,000,000	10,000,000	1,955,278
6.	Rental of machinery & equipment (Monthly basis)	Aramijaya Sdn Bhd	Tan Sri Dato' Lim Kang Hoo Lim Chen Heng Kinston Park Sdn Bhd Aman Setegap Sdn Bhd	4,000,000	4,000,000	103,700
7.	Progress billing for land clearing services	Aramijaya Sdn Bhd	Tan Sri Dato' Lim Kang Hoo Lim Chen Heng Kinston Park Sdn Bhd Aman Setegap Sdn Bhd	2,000,000	2,000,000	-
8.	Sale of machinery & equipment and building materials	Danga Bay Sdn Bhd	Tan Sri Dato' Lim Kang Hoo Lim Chen Heng Kinston Park Sdn Bhd Aman Setegap Sdn Bhd	10,000,000	10,000,000	1,413,025

No	Types of transactions	Related Party	Interested Director and Major Shareholders	(A)	(B)	(C)
				Estimated value during the validity period of the RRPT Mandate from 27 June 2014 to the next AGM (RM)	Estimated value as disclosed in the Circular to Shareholders dated 6 June 2013/6 February 2014 (RM)	Actual Value Transacted from 28 June 2013 up to the last practicable date prior to printing of the circular, 12 May 2014 (RM)
				SOLD / RENTED TO RELATED PARTY	SOLD / RENTED TO RELATED PARTY	SOLD / RENTED TO RELATED PARTY
9.	Rental of machinery & equipment (Monthly basis)	Danga Bay Sdn Bhd	Tan Sri Dato' Lim Kang Hoo Lim Chen Heng Kinston Park Sdn Bhd Aman Setegap Sdn Bhd	2,000,000	2,000,000	1,197,107
10.	Sale of machinery & equipment and building materials	Rampai Fokus Sdn Bhd	Tan Sri Dato' Lim Kang Hoo Lim Chen Heng Kinston Park Sdn Bhd Aman Setegap Sdn Bhd	25,000,000	25,000,000	7,523,871
11.	Rental of machinery & equipment (Monthly basis)	Rampai Fokus Sdn Bhd	Tan Sri Dato' Lim Kang Hoo Lim Chen Heng Kinston Park Sdn Bhd Aman Setegap Sdn Bhd	5,000,000	5,000,000	2,125,636
12.	Sale of machinery & equipment and building materials	Konsortium Lebuhraya Utara-Timur(KL) Sdn Bhd	Tan Sri Dato' Lim Kang Hoo Khoo Nang Seng @ Khoo Nam Seng Lim Chen Heng Kinston Park Sdn Bhd Aman Setegap Sdn Bhd	2,000,000	2,000,000	26,754
13.	Rental of machinery & equipment (Monthly basis)	Konsortium Lebuhraya Utara-Timur(KL) Sdn Bhd	Tan Sri Dato' Lim Kang Hoo Khoo Nang Seng @ Khoo Nam Seng Lim Chen Heng Kinston Park Sdn Bhd Aman Setegap Sdn Bhd	1,500,000	1,500,000	-

No	Types of transactions	Related Party	Interested Director and Major Shareholders	(A) Estimated value during the validity period of the RRPT Mandate from 27 June 2014 to the next AGM (RM)	(B) Estimated value as disclosed in the Circular to Shareholders dated 6 June 2013/6 February 2014 (RM)	(C) Actual Value Transacted from 28 June 2013 up to the last practicable date prior to printing of the circular, 12 May 2014 (RM)
				SOLD / RENTED TO RELATED PARTY	SOLD / RENTED TO RELATED PARTY	SOLD / RENTED TO RELATED PARTY
14.	Sale of machinery & equipment and building materials	Fablelife Sdn Bhd	Datuk Lim Keng Cheng	- (2)	2,000,000	-
15.	Sale of machinery & equipment and building materials	Milan Suria Sdn Bhd	Datuk Lim Keng Cheng	- (2)	2,000,000	-
16.	Sale of machinery & equipment and building materials	Knight Auto Sdn Bhd	Datuk Lim Keng Cheng	- (2)	2,000,000	-
17.	Rental of machinery & equipment (Monthly basis)	Knight Auto Sdn Bhd	Datuk Lim Keng Cheng	- (2)	2,000,000	-
18.	Sale of machinery & equipment and building materials	Iskandar Coast Sdn Bhd	Tan Sri Dato' Lim Kang Hoo Lim Chen Heng Kinston Park Sdn Bhd Aman Setegap Sdn Bhd	2,000,000	2,000,000	-
19.	Rental of machinery & equipment (Monthly basis)	Iskandar Coast Sdn Bhd	Tan Sri Dato' Lim Kang Hoo Lim Chen Heng Kinston Park Sdn Bhd Aman Setegap Sdn Bhd	2,000,000	2,000,000	-
20.	Progress billing for civil & building and other construction related works	Iskandar Coast Sdn Bhd	Tan Sri Dato' Lim Kang Hoo Lim Chen Heng Kinston Park Sdn Bhd Aman Setegap Sdn Bhd	2,000,000	2,000,000	-

No	Types of transactions	Related Party	Interested Director and Major Shareholders	(A)	(B)	(C)
				Estimated value during the validity period of the RRPT Mandate from 27 June 2014 to the next AGM (RM)	Estimated value as disclosed in the Circular to Shareholders dated 6 June 2013/6 February 2014 (RM)	Actual Value Transacted from 28 June 2013 up to the last practicable date prior to printing of the circular, 12 May 2014 (RM)
				SOLD / RENTED TO RELATED PARTY	SOLD / RENTED TO RELATED PARTY	SOLD / RENTED TO RELATED PARTY
21.	Sale of machinery & equipment and building materials	Global Corporate Development Sdn Bhd	Tan Sri Dato' Lim Kang Hoo Lim Chen Heng Kinston Park Sdn Bhd Aman Setegap Sdn Bhd	- (2)	2,000,000	-
22.	Rental of machinery & equipment (Monthly basis)	Global Corporate Development Sdn Bhd	Tan Sri Dato' Lim Kang Hoo Lim Chen Heng Kinston Park Sdn Bhd Aman Setegap Sdn Bhd	- (2)	2,000,000	-
23.	Sale of machinery & equipment and building materials	Iskandar Waterfront Sdn Bhd	Tan Sri Dato' Lim Kang Hoo Lim Chen Heng Kinston Park Sdn Bhd Aman Setegap Sdn Bhd	2,000,000	2,000,000	260,000
24.	Rental of machinery & equipment (Monthly basis)	Iskandar Waterfront Sdn Bhd	Tan Sri Dato' Lim Kang Hoo Lim Chen Heng Kinston Park Sdn Bhd Aman Setegap Sdn Bhd	2,000,000	2,000,000	-
25.	Progress billing for construction work	Iskandar Waterfront Sdn Bhd	Tan Sri Dato' Lim Kang Hoo Lim Chen Heng Kinston Park Sdn Bhd Aman Setegap Sdn Bhd	20,000,000	20,000,000	-
26.	Sale of machinery & equipment and building materials	Pembinaan KS Tebrau Sdn Bhd	Tan Sri Dato' Lim Kang Hoo Lim Chen Heng Kinston Park Sdn Bhd Aman Setegap Sdn Bhd	5,000,000	5,000,000	1,412,394

No	Types of transactions	Related Party	Interested Director and Major Shareholders	(A)	(B)	(C)
				Estimated value during the validity period of the RRPT Mandate from 27 June 2014 to the next AGM (RM)	Estimated value as disclosed in the Circular to Shareholders dated 6 June 2013/6 February 2014 (RM)	Actual Value Transacted from 28 June 2013 up to the last practicable date prior to printing of the circular, 12 May 2014 (RM)
				SOLD / RENTED TO RELATED PARTY	SOLD / RENTED TO RELATED PARTY	SOLD / RENTED TO RELATED PARTY
27.	Rental of machinery & equipment (Monthly basis)	Pembinaan KS Tebrau Sdn Bhd	Tan Sri Dato' Lim Kang Hoo Lim Chen Heng Kinston Park Sdn Bhd Aman Setegap Sdn Bhd	6,000,000	6,000,000	2,504,315
28.	Progress billing for construction work	Pembinaan KS Tebrau Sdn Bhd	Tan Sri Dato' Lim Kang Hoo Lim Chen Heng Kinston Park Sdn Bhd Aman Setegap Sdn Bhd	60,000,000	60,000,000	-
29.	Sale of machinery & equipment and building materials	Teras Hijajaya Sdn Bhd	Tan Sri Dato' Lim Kang Hoo Lim Chen Heng Kinston Park Sdn Bhd Aman Setegap Sdn Bhd	-(2)	2,000,000	206
30.	Rental of machinery & equipment (Monthly basis)	Teras Hijajaya Sdn Bhd	Tan Sri Dato' Lim Kang Hoo Lim Chen Heng Kinston Park Sdn Bhd Aman Setegap Sdn Bhd	-(2)	2,000,000	-
31.	Sale of machinery & equipment and building materials	WCM Machinery Sdn Bhd (formerly known as Wengcon Machinery Sdn Bhd)	Tan Sri Dato' Lim Kang Hoo Lim Jenq Kuan Kinston Park Sdn Bhd Aman Setegap Sdn Bhd	2,000,000	2,000,000	2,000
32.	Rental of machinery & equipment (Monthly basis)	WCM Machinery Sdn Bhd (formerly known as Wengcon Machinery Sdn Bhd)	Tan Sri Dato' Lim Kang Hoo Lim Jenq Kuan Kinston Park Sdn Bhd Aman Setegap Sdn Bhd	2,000,000	2,000,000	-

No	Types of transactions	Related Party	Interested Director and Major Shareholders	(A)	(B)	(C)
				Estimated value during the validity period of the RRPT Mandate from 27 June 2014 to the next AGM (RM)	Estimated value as disclosed in the Circular to Shareholders dated 6 June 2013/6 February 2014 (RM)	Actual Value Transacted from 28 June 2013 up to the last practicable date prior to printing of the circular, 12 May 2014 (RM)
				SOLD / RENTED TO RELATED PARTY	SOLD / RENTED TO RELATED PARTY	SOLD / RENTED TO RELATED PARTY
33.	Sale of machinery & equipment and building materials	Tropicana Danga Cove Sdn Bhd	Tan Sri Dato' Lim Kang Hoo Lim Chen Heng Kinston Park Sdn Bhd Aman Setegap Sdn Bhd	- (2)	2,000,000	-
34.	Rental of machinery & equipment (Monthly basis)	Tropicana Danga Cove Sdn Bhd	Tan Sri Dato' Lim Kang Hoo Lim Chen Heng Kinston Park Sdn Bhd Aman Setegap Sdn Bhd	- (2)	2,000,000	-
35.	Progress billing for construction work	Tropicana Danga Cove Sdn Bhd	Tan Sri Dato' Lim Kang Hoo Lim Chen Heng Kinston Park Sdn Bhd Aman Setegap Sdn Bhd	- (2)	20,000,000	-
36.	Sale of machinery & equipment and building materials	Tropicana Danga Bay Sdn Bhd	Tan Sri Dato' Lim Kang Hoo Lim Chen Heng Kinston Park Sdn Bhd Aman Setegap Sdn Bhd	- (2)	2,000,000	-
37.	Rental of machinery & equipment (Monthly basis)	Tropicana Danga Bay Sdn Bhd	Tan Sri Dato' Lim Kang Hoo Lim Chen Heng Kinston Park Sdn Bhd Aman Setegap Sdn Bhd	- (2)	2,000,000	-
38.	Progress billing for construction work	Tropicana Danga Bay Sdn Bhd	Tan Sri Dato' Lim Kang Hoo Lim Chen Heng Kinston Park Sdn Bhd Aman Setegap Sdn Bhd	- (2)	20,000,000	-

No	Types of transactions	Related Party	Interested Director and Major Shareholders	(A) Estimated value during the validity period of the RRPT Mandate from 27 June 2014 to the next AGM (RM)	(B) Estimated value as disclosed in the Circular to Shareholders dated 6 June 2013/6 February 2014 (RM)	(C) Actual Value Transacted from 28 June 2013 up to the last practicable date prior to printing of the circular, 12 May 2014 (RM)
				SOLD / RENTED TO RELATED PARTY	SOLD / RENTED TO RELATED PARTY	SOLD / RENTED TO RELATED PARTY
39.	Sale of machinery & equipment and building materials	Riverside Terra Sdn Bhd	Tan Sri Dato' Lim Kang Hoo Lim Chen Herng Kinston Park Sdn Bhd Aman Setegap Sdn Bhd	5,000,000	5,000,000	-
40.	Rental of machinery & equipment (Monthly basis)	Riverside Terra Sdn Bhd	Tan Sri Dato' Lim Kang Hoo Lim Chen Herng Kinston Park Sdn Bhd Aman Setegap Sdn Bhd	2,000,000	2,000,000	-
41.	Progress billing for construction work	Riverside Terra Sdn Bhd	Tan Sri Dato' Lim Kang Hoo Lim Chen Herng Kinston Park Sdn Bhd Aman Setegap Sdn Bhd	20,000,000	20,000,000	-
42.	Sale of machinery & equipment and building materials	Tebrau Teguh Berhad and its subsidiaries	Tan Sri Dato' Lim Kang Hoo Lim Chen Herng Kinston Park Sdn Bhd Aman Setegap Sdn Bhd	75,000,000	75,000,000	2,879,875
43.	Rental of machinery & equipment (Monthly basis)	Tebrau Teguh Berhad and its subsidiaries	Tan Sri Dato' Lim Kang Hoo Lim Chen Herng Kinston Park Sdn Bhd Aman Setegap Sdn Bhd	5,000,000	5,000,000	-
44.	Sale of machinery & equipment and building material	Falcon Unigreen Sdn Bhd	Tan Sri Dato' Lim Kang Hoo Lim Chen Herng Kinston Park Sdn Bhd Aman Setegap Sdn Bhd	2,000,000	2,000,000	-
45.	Rental of machinery & equipment (Monthly basis)	Falcon Unigreen Sdn Bhd	Tan Sri Dato' Lim Kang Hoo Lim Chen Herng Kinston Park Sdn Bhd Aman Setegap Sdn Bhd	2,000,000	2,000,000	-

No	Types of transactions	Related Party	Interested Director and Major Shareholders	(A) Estimated value during the validity period of the RRPT Mandate from 27 June 2014 to the next AGM (RM)	(B) Estimated value as disclosed in the Circular to Shareholders dated 6 June 2013/6 February 2014 (RM)	(C) Actual Value Transacted from 28 June 2013 up to the last practicable date prior to printing of the circular, 12 May 2014 (RM)
46.	Progress billing for construction works	Falcon Unigreen Sdn Bhd	Tan Sri Dato' Lim Kang Hoo Lim Chen Heng Kinston Park Sdn Bhd Aman Setegap Sdn Bhd	50,000,000	50,000,000	-
47.	Purchase of machinery & equipment and building materials	Ekovest Berhad	Tan Sri Dato' Lim Kang Hoo Khoo Nang Seng @ Khoo Nam Seng Lim Chen Heng Kinston Park Sdn Bhd Aman Setegap Sdn Bhd	2,000,000	2,000,000	-
48.	Rental of machinery & equipment (Monthly basis)	Ekovest Berhad	Tan Sri Dato' Lim Kang Hoo Khoo Nang Seng @ Khoo Nam Seng Lim Chen Heng Kinston Park Sdn Bhd Aman Setegap Sdn Bhd	2,000,000	2,000,000	264,747
49.	Purchase of machinery & equipment and building materials	Ekovest Construction Sdn Bhd	Tan Sri Dato' Lim Kang Hoo Khoo Nang Seng @ Khoo Nam Seng Lim Chen Heng Kinston Park Sdn Bhd Aman Setegap Sdn Bhd	2,000,000	2,000,000	137

No	Types of transactions	Related Party	Interested Director and Major Shareholders	(A)	(B)	(C)
				Estimated value during the validity period of the RRPT Mandate from 27 June 2014 to the next AGM (RM)	Estimated value as disclosed in the Circular to Shareholders dated 6 June 2013/6 February 2014 (RM)	Actual Value Transacted from 28 June 2013 up to the last practicable date prior to printing of the circular, 12 May 2014 (RM)
				BOUGHT FROM RELATED PARTY	BOUGHT FROM RELATED PARTY	BOUGHT FROM RELATED PARTY
50.	Rental of machinery & equipment (Monthly basis)	Ekovest Construction Sdn Bhd	Tan Sri Dato' Lim Kang Hoo Khoo Nang Seng @ Khoo Nam Seng Lim Chen Heng Kinston Park Sdn Bhd Aman Setegap Sdn Bhd	2,000,000	2,000,000	52,122
51.	Purchase of mix wood logs, timbers, pallets and etc for trading and construction site use	Aramijaya Sdn Bhd	Tan Sri Dato' Lim Kang Hoo Lim Chen Heng Kinston Park Sdn Bhd Aman Setegap Sdn Bhd	2,000,000	2,000,000	-
52.	Purchase of machinery & equipment and building materials	Aramijaya Sdn Bhd	Tan Sri Dato' Lim Kang Hoo Lim Chen Heng Kinston Park Sdn Bhd Aman Setegap Sdn Bhd	2,000,000	2,000,000	686,666
53.	Rental of machinery & equipment (Monthly basis)	Aramijaya Sdn Bhd	Tan Sri Dato' Lim Kang Hoo Lim Chen Heng Kinston Park Sdn Bhd Aman Setegap Sdn Bhd	3,000,000	3,000,000	187,809
54.	Purchase of machinery & equipment and building materials	Danga Bay Sdn Bhd	Tan Sri Dato' Lim Kang Hoo Lim Chen Heng Kinston Park Sdn Bhd Aman Setegap Sdn Bhd	2,000,000	2,000,000	130,767
55.	Rental of machinery & equipment (Monthly basis)	Danga Bay Sdn Bhd	Tan Sri Dato' Lim Kang Hoo Lim Chen Heng Kinston Park Sdn Bhd Aman Setegap Sdn Bhd	2,000,000	2,000,000	1,000

No	Types of transactions	Related Party	Interested Director and Major Shareholders	(A) Estimated value during the validity period of the RRPT Mandate from 27 June 2014 to the next AGM (RM)	(B) Estimated value as disclosed in the Circular to Shareholders dated 6 June 2013/6 February 2014 (RM)	(C) Actual Value Transacted from 28 June 2013 up to the last practicable date prior to printing of the circular, 12 May 2014 (RM)
				BOUGHT FROM RELATED PARTY	BOUGHT FROM RELATED PARTY	BOUGHT FROM RELATED PARTY
56.	Purchase of machinery & equipment and building materials	Rampai Fokus Sdn Bhd	Tan Sri Dato' Lim Kang Hoo Lim Chen Heng Kinston Park Sdn Bhd Aman Setegap Sdn Bhd	2,000,000	2,000,000	-
57.	Rental of machinery & equipment (Monthly basis)	Rampai Fokus Sdn Bhd	Tan Sri Dato' Lim Kang Hoo Lim Chen Heng Kinston Park Sdn Bhd Aman Setegap Sdn Bhd	2,000,000	2,000,000	-
58.	Purchase of cabling, lighting and street-lighting equipments and services	Fablelife Sdn Bhd	Datuk Lim Keng Cheng	- (2)	5,000,000	-
59.	Purchase of furniture, fittings, fixtures, interior design and related items and services	Milan Suria Sdn Bhd	Datuk Lim Keng Cheng	- (2)	5,000,000	-
60.	Purchase of machinery & equipment and building materials	Knight Auto Sdn Bhd	Datuk Lim Keng Cheng	- (2)	5,000,000	-
61.	Rental of machinery & equipment (Monthly basis)	Knight Auto Sdn Bhd	Datuk Lim Keng Cheng	- (2)	5,000,000	-
62.	Purchase of wire mesh fencing products	Karib Industri Sdn Bhd	Tan Sri Dato' Lim Kang Hoo Lim Jenq Kuan Kinston Park Sdn Bhd Aman Setegap Sdn Bhd	- (2)	2,000,000	-

No	Types of transactions	Related Party	Interested Director and Major Shareholders	(A)	(B)	(C)
				Estimated value during the validity period of the RRPT Mandate from 27 June 2014 to the next AGM (RM)	Estimated value as disclosed in the Circular to Shareholders dated 6 June 2013/6 February 2014 (RM)	Actual Value Transacted from 28 June 2013 up to the last practicable date prior to printing of the circular, 12 May 2014 (RM)
				BOUGHT FROM RELATED PARTY	BOUGHT FROM RELATED PARTY	BOUGHT FROM RELATED PARTY
63.	Purchase of machinery & equipment and building materials	WCM Machinery Sdn Bhd (formerly known as Wengcon Machinery Sdn Bhd)	Tan Sri Dato' Lim Kang Hoo Lim Jeng Kuan Kinston Park Sdn Bhd Aman Setegap Sdn Bhd	2,000,000	2,000,000	-
64.	Rental of machinery & equipment (Monthly basis)	WCM Machinery Sdn Bhd (formerly known as Wengcon Machinery Sdn Bhd)	Tan Sri Dato' Lim Kang Hoo Lim Jeng Kuan Kinston Park Sdn Bhd Aman Setegap Sdn Bhd	2,000,000	2,000,000	-
65.	Progress billing for land levelling work	Palma Harta Sdn Bhd	DYMM Sultan Ibrahim Ibni Almarhum Sultan Iskandar DYAM Tunku Ismail Ibni Sultan Ibrahim Tan Sri Dato' Lim Kang Hoo Lim Chen Heng Kinston Park Sdn Bhd Aman Setegap Sdn Bhd	8,000,000	8,000,000	5,784,047
66.	Purchase of building material	Sharikat Sukma Kemajuan dan Perusahaan Sdn Bhd	Dato' Daing A Malek bin Daing A Rahaman	267,000,000	267,000,000	36,482,424
67.	Purchase of building material, co-ordination and supervision fees in relation to earthworks levelling	Bidari Kekal Sdn Bhd	Dato' Daing A Malek bin Daing A Rahaman	61,000,000	61,000,000	8,639,580

Notes:

- 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.
- The renewal of these transactions will not be sought at the forthcoming AGM.

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 12 May 2014 are as follows:-

1. Tan Sri Dato' Lim Kang Hoo is the Executive Chairman and a major shareholder of Ekovest Berhad.
2. Khoo Nang Seng @ Khoo Nam Seng is the Executive Director and a substantial shareholder of Ekovest Berhad.
3. Ekovest Construction Sdn Bhd and Konsortium Lebuhraya Utara-Timur (KL) Sdn Bhd are subsidiaries of Ekovest Berhad.
4. Tan Sri Dato' Lim Kang Hoo is a major shareholder and director of Kinston Park Sdn Bhd and Aman Setegap Sdn Bhd.
5. Tan Sri Dato Lim Kang Hoo is a director and major shareholder in Aramijaya Sdn Bhd, Iskandar Waterfront Holdings Sdn Bhd, Danga Bay Sdn Bhd, Rampai Fokus Sdn Bhd, Iskandar Coast Sdn Bhd, Global Corporate Development Sdn Bhd, Iskandar Waterfront Sdn Bhd, Teras Hijaujaya Sdn Bhd, Tropicana Danga Cove Sdn Bhd, Tropicana Danga Bay Sdn Bhd and Falcon Unigreen Sdn Bhd.
6. Pembinaan KS Tebrau and Riverside Terra Sdn Bhd are wholly-owned subsidiaries of Iskandar Waterfront Sdn Bhd.
7. Tan Sri Dato' Lim Kang Hoo is the Executive Vice Chairman and major shareholder of Tebrau Teguh Berhad.
8. Lim Chen Heng is a director in Iskandar Waterfront Holdings Sdn Bhd and Rampai Fokus Sdn Bhd and an alternate director in Ekovest Berhad and Tropicana Danga Cove Sdn Bhd. He is also the son of Tan Sri Dato' Lim Kang Hoo.
9. Lim Jenq Kuan is a director and major shareholder in WCM Machinery Sdn Bhd (formerly known as Wengcon Machinery Sdn Bhd). He is also the son of Dato' Lim Kang Swee. Dato' Lim Kang Swee is a director and major shareholder in WCM Machinery Sdn Bhd (formerly known as Wengcon Machinery Sdn Bhd) and Karib Industri Sdn Bhd. Dato' Lim Kang Swee is also a brother of Tan Sri Dato' Lim Kang Hoo.
10. Dato' Daing A Malek bin Daing A Rahaman is a director of Sharikat Sukma Kemajuan dan Perusahaan Sdn Bhd and Bidari Kekal Sdn Bhd.
11. DYMM Sultan Ibrahim Ibni Almarhum Sultan Iskandar and Tan Sri Dato' Lim Kang Hoo are directors and shareholders in Palma Harta Sdn Bhd.
12. DYAM Tunku Ismail Ibni Sultan Ibrahim is the son of DYMM Sultan Ibrahim Ibni Almarhum Sultan Iskandar.

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 financial year ended 31 December 2013:

	Outstanding Amount from Related Parties as at 31.12.2013
Exceeded credit term for:	Principal (RM'000)
A period of 1 year or less	19,613
A period of more than 1 to 3 years	19,189
A period of more than 3 to 5 years	171
A period of more than 5 years	Nil

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

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 were 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 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 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 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.

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 that 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 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 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:-

- (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 not detrimental to the minority shareholders;
- (ii) All RRPT will be reviewed by a management committee comprising at least one (1) executive director and/or two (2) senior management staff. The senior management staff includes the General Managers and Chief Financial Officer. There is no specific threshold however, each RRPT will be approved by the same management committee within the group of companies as long as the value of RRPT is within the mandate approved by shareholders;

3.7 Review Methods or Procedures for RRPT (continued)

- (iii) 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;
- (iv) The Board and the Audit and Risk Management 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;
- (v) The Board and the Audit and Risk Management 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;
- (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 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.

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 our usual business practices and policies to ensure that the RRPT is not detrimental to the Company or its group of companies.

There is no specific threshold however, each RRPT will be approved by the same management committee within the group of the companies as long as the value of RRPT is within the mandate approved by shareholders. The management committee comprises of at least one (1) executive director and/or two (2) senior management staff. The senior management staff includes the General Managers and Chief Financial Officer

3.8 Audit and Risk Management Committee's Statements

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

4. INTEREST OF DIRECTORS AND MAJOR SHAREHOLDERS

The following are Interested Directors' Shareholding and Interested Major Shareholders in the Company as at 12 May 2014

4.1 Interested Directors

Name	Direct Shareholdings	%	Indirect Shareholdings	%
1. DYAM Tunku Ismail Ibni Sultan Ibrahim	-	-	-	-
2. Tan Sri Dato' Lim Kang Hoo	615,749	0.62	32,410,000(a)	32.53
3. Khoo Nang Seng @ Khoo Nam Seng	8,124,122	8.15	-	-
4. Lim Chen Heng	-	-	-	-
5. Lim Jenq Kuan	-	-	-	-
6. Dato' Daing A Malek Bin Daing A Rahaman	-	-	-	-

4.2 Interested Major Shareholders

Name	Direct Shareholdings	%	Indirect Shareholdings	%
1. Aman Setegap Sdn Bhd	30,000,000	30.11	-	-
2. Kinston Park Sdn Bhd	2,410,000	2.42	30,000,000(b)	30.11
3. DYMM Sultan Ibrahim Ibni Almarhum Sultan Iskandar	-	-	30,000,000(c)	30.11
4. Tan Sri Dato' Lim Kang Hoo	615,749	0.62	32,410,000(a)	32.53

(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 shareholding in Aman Setegap Sdn Bhd

(c) Deemed interested by virtue of his shareholding in Aman Setegap 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. **DYAM Tunku Ismail Ibni Sultan Ibrahim**
- ii. **Tan Sri Dato' Lim Kang Hoo**
- iii. **Khoo Nang Seng @ Khoo Nam Seng**
- iv. **Lim Chen Heng**
- v. **Lim Jenq Kuan**
- vi. **Dato' Daing A Malek bin Daing A Rahaman**

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.

4.3 Statements in relation to Interested Parties (continued)

- (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. **DYMM Sultan Ibrahim Ibni Almarhum Sultan Iskandar**
 - ii. **Aman Setegap Sdn Bhd**
 - iii. **Kinston Park Sdn Bhd**
 - iv. **Tan Sri Dato' Lim Kang Hoo**
- (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 DYAM Tunku Ismail Ibni Sultan Ibrahim, Tan Sri Dato' Lim Kang Hoo, Khoo Nang Seng @ Khoo Nam Seng, Lim Chen Heng, Lim Jenq Kuan and Dato' Daing A Malek Bin Daing A Rahaman who are deemed interested in the Proposed Mandate, having considered all aspects of the Proposed Mandate, are 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 2013 will be held on 27 June 2014 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 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 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

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.

4. 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 2012 and 31 December 2013 together with the Unaudited Quarterly Results for 3 months ended 31 March 2014.