

**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 NEW ADDITIONAL MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE**

The Notice of the Extraordinary General Meeting of the Company which will be held at 11.00 a.m. on Friday, 21 February 2014 at the Grand Seasons Hotel, 72 Jalan Pahang, 53000 Kuala Lumpur together with the Form of Proxy is enclosed in this Circular.

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: 19 February 2014 before 11.00 a.m.

This Circular is dated 6 February 2014

## DEFINITIONS

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

AGM	:	Annual General Meeting
Articles	:	Articles of Association of the Company
Board	:	Board 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 transactions 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
EGM	:	Extraordinary General Meeting
Group or KB Group	:	Knusford Berhad and its subsidiaries
Listing Requirements	:	Main Market Listing Requirements of Bursa Malaysia Securities Berhad
Major Shareholder	:	Means a person who has an interest or interests in one or more voting shares in a company and the nominal amount of that share, or the aggregate of the nominal amounts of those shares, is:  (a) equal to or more than 10% of the aggregate of the nominal amounts of all the voting shares in the company; or  (b) equal to or more than 5% of the aggregate of the nominal amounts of all the voting shares in the company where such person is the largest shareholder of the company;  and including any person who is or was within the preceding 6 months of the date on which the terms of the transactions were agreed upon, a major shareholder of the listed issuer or any other company which is its subsidiary or holding company;  For the purpose of this definition, "interest in shares" shall have the meaning given in section 6A of the Companies Act 1965
Proposed New Additional Mandate	:	Proposed New Additional Mandate for Recurrent Related Party Transactions for the Company and its subsidiaries in its normal course of business and on terms not more favourable than those generally available to the public, to enter into the transactions set out in Section 2.4 of this Circular (Recurrent Related Party Transactions) with person who are considered to be "related party" as defined in Chapter 10 of the Listing Requirements of the Bursa Malaysia Securities Berhad
Related Party	:	Director, major shareholder or person connected with such director or major shareholder. 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 or RPT	:	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 or RRPT	:	Recurrent Related Party Transactions of a revenue or trading nature which are necessary for day-to-day operations of the Company and its subsidiaries
RM	:	Ringgit Malaysia

**DEFINITIONS** (cont'd)

All references to "**our Company**" in this Circular are to KB. References to "**our Group**" or "**KB Group**" are to our Company and our subsidiaries. References to "**we**", "**us**" and "**our**" are to our Company and where the context otherwise requires, shall include our subsidiaries.

All references to "**you**" in this Circular are to our shareholders.

For practical reasons, information disclosed in this Circular has been mainly based on information available as at the LPD, unless otherwise stated.

Words incorporating the singular shall, where applicable, include the plural and vice versa and words incorporating the masculine gender shall, where applicable, include the feminine and neuter genders and vice versa. Reference to persons shall include corporations, unless otherwise specified.

Any reference in this Circular to any enactment is a reference to that enactment as for the time being amended or re-enacted.

Certain amounts and percentage figures included in this Circular have been subjected to rounding adjustments. Any discrepancies between the figures shown in this Circular and figures announced by our Company, such as quarterly results and annual reports, may be due to such rounding adjustments.

Any reference to a time of day in this Circular is a reference to Malaysia time, unless otherwise stated.

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## **KNUSFORD BERHAD**

(380100-D)

(Incorporated in Malaysia)

### **Registered Office:**

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

6 February 2014

### **Our Board of Directors:**

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

To: **The Shareholders of Knusford Berhad**

Dear Sir/Madam,

### **PROPOSED NEW ADDITIONAL MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF REVENUE OR TRADING NATURE.**

#### **1. INTRODUCTION**

On 26 June 2013, we obtained your approval for a general mandate for the KB Group to enter into RRPT in the ordinary course of business of a revenue or trading in nature which are necessary for the day-to-day operations of the Group based on commercial terms which are not more favourable to the Related Parties than those available to the general public. The said existing mandate for RRPT will continue to be in effect and shall lapse at the conclusion of the forthcoming AGM unless renewal is obtained from the shareholders or revoked or varied by resolution passed by the shareholders in a general meeting, whichever is earlier.

In addition to the existing mandate, the Company had on 21 January 2014 made an announcement to Bursa Securities its intention to seek its shareholders' approval pertaining to the Proposed New Additional Mandate.

The Board proposes to seek the approval of shareholders for the Proposed New Additional Mandate for the Group in its normal course of business and on terms not more favourable than those generally available to the public, to enter into transactions with person who is considered to be "related party" as defined in Chapter 10 of the Listing Requirements as set out in Section 2.4 below.

**THE PURPOSE OF THIS CIRCULAR IS TO PROVIDE YOU WITH THE RELEVANT INFORMATION IN RELATION TO THE PROPOSED NEW ADDITIONAL MANDATE AND TO SEEK YOUR APPROVAL FOR THE RESOLUTION PERTAINING TO THE PROPOSED NEW ADDITIONAL MANDATE TO BE TABLED AT OUR FORTHCOMING EGM TO BE CONVENED.**

**THE NOTICE OF EGM, TOGETHER WITH THE PROXY FORM IS ENCLOSED IN THIS CIRCULAR. YOU ARE ADVISED TO READ AND CAREFULLY CONSIDER THE CONTENTS OF THIS CIRCULAR BEFORE VOTING ON THE RESOLUTION PERTAINING TO THE PROPOSED NEW ADDITIONAL MANDATE TO BE TABLED AT OUR FORTHCOMING EGM TO BE CONVENED.**

## 2. DETAILS OF THE PROPOSED NEW ADDITIONAL MANDATE

### 2.1 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 Transactions as follows:

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

whichever is higher.

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

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

If approved at the forthcoming EGM, the Proposed New Additional Mandate will take effect from the passing of the Ordinary Resolution 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.

### 2.2 Principal Business of the KB Group

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
6.	Knusford Project Management Sdn Bhd( formerly known as Knusford Autohaus Sdn Bhd)	Has not commenced operation	100

7.	Knusford Oil & Gas Sdn Bhd	Has not commenced operation	100
8.	Kota Ekspres Sdn Bhd	Has not commenced operation	100
<b>Subsidiaries of Wengcon Holdings Sdn Bhd</b>			
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
<b>Subsidiaries of Wengcon Equipment Sdn Bhd</b>			
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

### 2.3 Classes of Related Party

The Board of Directors are seeking approval from shareholders for the Proposed New Additional Mandate which will allow the KB Group, in its normal course of business, to enter into the categories of RRPT referred to in Section 2.4 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 New Additional Mandate will apply to the following class of Related Party:

No.	Additional Related Party	Place of Incorporation	Principal Activity
1.	Sharikat Sukma Kemajuan dan Perusahaan Sdn Bhd	Malaysia	Supplier of marine sand
2.	Bidari Kekal Sdn Bhd	Malaysia	General merchant

(Both the companies above will collectively referred to as "Additional Related Parties")

Please refer to Section 2.5 below for details of the nature and extent of the interest.



## 2.4 Nature of the RRPT under the Proposed New Additional Mandate

The RRPT to be covered by the Proposed New Additional Mandate is as follow and such transactions is necessary for the day to day operations and is in the ordinary course of the business of the KB Group.

No.	Type of transaction	Additional Related Party	Interested Directors and Major Shareholders	Estimated value during the validity period of RRPT Mandate from 21 February 2014 to next AGM (1) (RM)
				Purchase by KB Group from Additional Related Parties
1.	Purchase of building material	Sharikat Sukma Kemajuan dan Perusahaan Sdn Bhd	Dato' Daing A. Malek Bin Daing A. Rahman ("Dato' Daing Malek")	267,000,000
2.	Purchase of building material, co-ordination and supervision fees in relation to earthworks leveling	Bidari Kekal Sdn Bhd	Dato' Daing Malek	61,000,000

### Note:

- (1) 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 transaction, the actual value of the transaction may vary from the estimated value disclosed above. The frequency of the transaction cannot be detailed as the transaction is ongoing and numerous.

## 2.5 Nature and Extent of Interest

- (i) Dato' Daing Malek is a Director of KB and a director of Sharikat Sukma Kemajuan dan Perusahaan Sdn Bhd and Bidari Kekal Sdn Bhd.

## 2.6 Amount Due and Owing by the Related Parties pursuant to the RRPT

There is no amount due and owing to the KB Group by the Additional Related Parties under the RRPT.

## 2.7 Review Methods or Procedures for RRPT

There are procedures established by the KB Group to ensure that RRPT is undertaken on an arm's length basis and transaction prices are on normal commercial terms not more favourable to the related party than those generally available to the public, consistent with the KB Group's usual business practices and policies, which is generally no more favourable to the Related Party than those extended to unrelated third party 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 is undertaken on an arm's length basis and on normal commercial terms and on terms not more favourable to the related party than those generally available to the public:-

- (i) A list of mandated Related Party will be circulated to the Company's subsidiaries to notify them that RRPT is required to be undertaken on an arm's length basis and on normal commercial terms and on terms not more favourable to the related party than those generally available to the public and not detrimental to the minority shareholders;

- (ii) All RRPT will be reviewed by a management committee comprising at least one (1) executive director and two (2) senior management staff;
- (iii) The annual internal audit plan shall incorporate a review of material RRPT entered into pursuant to the Proposed New Additional 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 and processes on a quarterly basis;
- (vi) For items with material value quotations will be taken to gather information to compare the price quote by third party and related party 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 party when the prices are competitive with prices obtained from third party. 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 party 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 party for the same or substantially similar type of products/services and/or quantities. In the event the quotation or comparative pricing from unrelated third parties cannot be obtained, the transaction price will be based on business practices and policies and on terms which are generally in line with industry norms in order to ensure that the RRPT is not detrimental to the KB Group.

However, there is no specific threshold as each RRPT will be approved by the same management committee within the KB Group 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 two (2) senior management staff. The senior management staff includes the General Managers and Chief Financial Officer.

### **3. RATIONALE AND BENEFIT FOR THE PROPOSED NEW ADDITIONAL MANDATE**

The Additional Related Parties are reliable suppliers of raw materials, goods and services which are required by the KB Group for its business operations. The raw materials supplied by the Additional Related Parties are limited due to regulations imposed by authorities and are not freely available in the market. All transactions between the KB Group and the Additional Related Parties are carried out on an arm's length basis and on terms not more favourable than those generally available to the public. Thus, the Company would like to seek shareholders' approval for the Proposed New Additional Mandate as it is expected to benefit to the KB Group in the long term.

The Proposed New Additional Mandate would also eliminate the need to convene separate general meetings from time to time to seek shareholders' approval as and when the potential RRPT with Additional 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 Group.

The Proposed New Additional Mandate is also intended to facilitate transactions in the normal course of business of the Group which are transacted from time to time with the Additional Related Parties, provided that they are carried out on arm's length, on normal commercial terms and are not prejudicial to shareholders.

#### 4. STATEMENT BY THE AUDIT AND RISK MANAGEMENT COMMITTEE

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 party than those generally available to the public and will not 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 New Additional 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 KB Group's normal commercial terms and on terms not more favourable to the related party than those generally available to the public, and hence, not prejudicial to the shareholders, nor disadvantageous to the KB Group and is 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.

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

Save as disclosed below, none of the other Directors and/or Major Shareholders and/or persons connected with the Directors and Major Shareholders have any interests, direct or indirect, in the Proposed New Additional Mandate:-

	Direct No. of KB Shares	%	Indirect No. of KB Shares	%
Dato' Daing Malek	-	-	-	-

Dato' Daing Malek has abstained and will continue to abstain from deliberating and voting on the Proposed New Additional Mandate at our relevant Board meetings. Dato' Daing Malek will abstain and have undertaken to ensure that persons connected to him will abstain from voting in respect of their respective direct and/or indirect shareholdings in our Company, if any, on the resolution pertaining to the Proposed New Additional Mandate at the upcoming EGM to be convened.

#### 6. APPROVALS REQUIRED

The Proposed New Additional Mandate is subject to the approval of the shareholders of the Company at the forthcoming EGM to be convened.

#### 7. DIRECTORS' RECOMMENDATION

The Board of Directors, save and except for Dato' Daing Malek who has abstained from all deliberation on the Proposed New Additional Mandate, having considered all aspects of the Proposed New Additional 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 New Additional Mandate to be tabled at the forthcoming EGM.

#### 8. EXTRAORDINARY GENERAL MEETING

The EGM, the notice of which is enclosed in this notice, will be held at 11.00 a.m. on Friday, 21 February 2014 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 New Additional Mandate.

If you are unable to attend and vote in person at the EGM, 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 EGM. The lodging of the Proxy Form will not preclude you from attending and voting in person at the EGM should you subsequently wish to do so.

**9. FURTHER INFORMATION**

You are advised to refer to Appendix 1 of 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**

Save as disclosed below, neither the Company nor its subsidiaries has entered into any material contracts, not being contracts entered into in the ordinary course of business, within the two (2) years immediately preceding the date of this Circular:

- (i) On 29 February 2012, Lakaran Cahaya Sdn Bhd entered into a Sale and Purchase Agreement with Idealpalm Ventures Sdn Bhd for the purchase of all that parcel of freehold land under GRN 49797 Lot 942, Mukim Semenyih, Daerah Ulu Langat, Negeri Selangor for a cash consideration of RM14,210,000.00.

**4. 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 EGM:

- (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 2011 and 31 December 2012 together with the Unaudited Quarterly Results for 9 months ended 30 September 2013; and
- (iii) The material contracts referred to in Section 3 above.

## **KNUSFORD BERHAD**

(380100-D)

(Incorporated in Malaysia)

### **NOTICE OF EXTRAORDINARY GENERAL MEETING**

**NOTICE IS HEREBY GIVEN THAT** an Extraordinary General Meeting of Knusford Berhad will be held at the Grand Seasons Hotel, 72 Jalan Pahang, 53000 Kuala Lumpur on Friday, 21 February 2014 at 11.00 a.m. for the purpose of considering and if thought fit, passing the following resolutions:-

#### **ORDINARY RESOLUTION**

#### **PROPOSED NEW ADDITIONAL MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE**

"THAT authority be and is hereby given pursuant paragraph 10.09 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad for the Company and its subsidiaries to enter into the New Additional Recurrent Related Party Transactions of a revenue or trading nature with the related party as stated in Section 2.4 the Circular to Shareholders dated 6 February 2014 which are necessary for the day-to-day operations, in the ordinary course of business, made on an arms' length basis and on normal commercial terms which is not more favourable than those normally available to the public and is not to the detriment of the minority shareholders;

AND THAT the authority conferred by this mandate shall commence immediately upon the passing of this resolution and is subject to annual renewal. In this respect the authority shall only 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.

#### **BY ORDER OF THE BOARD**

**Lim Thiam Wah**, ACIS

Chartered Secretary

Kuala Lumpur

6 February 2014

#### **Notes:**

1. Only depositors whose names appear in the General Meeting Record of Depositors as at 11 February 2014 shall be entitled to attend and vote at the Extraordinary General Meeting.
2. A member shall be entitled to appoint not more than two (2) proxies to attend and vote at the same meeting provided that where a member appoints two (2) proxies, the appointment shall be invalid unless he specifies the proportions of his shareholdings to be represented by each proxy.
3. A proxy may but need not be a member of the Company and the provisions of Section 149 (1)(b) of the Companies Act, 1965 shall not apply to the Company. There shall be no restriction as to the qualification of a proxy.
4. For an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.
5. If the appointor is a corporation, the proxy form must be executed under its common seal or under the hand of an officer or attorney duly authorised.
6. To be valid, the proxy form, duly completed must be deposited at the Registered Office not less than 48 hours before the time for holding the meeting or any adjournment thereof

I/We \_\_\_\_\_

of \_\_\_\_\_

being a member of the abovenamed Company hereby appoint \_\_\_\_\_

of \_\_\_\_\_

or failing whom, \_\_\_\_\_

of \_\_\_\_\_

or the Chairman of the meeting as my/our proxy to vote for me/us and on my/our behalf at the Extraordinary General Meeting of the Company to be held at Grand Seasons Hotel, 72 Jalan Pahang, 53000 Kuala Lumpur on Friday, 21 February 2014 at 11.00 a.m. and, at any adjournment thereof.

My/Our proxy is to vote either on a show of hands or on a poll as indicated below with an "X".

RESOLUTION	FOR	AGAINST
<u>ORDINARY RESOLUTION</u>  Proposed New Additional Mandate For Recurrent Related Party Transactions Of A Revenue Or Trading Nature		

Dated this \_\_\_\_\_ day of \_\_\_\_\_ 2014.

Number of shares held

\_\_\_\_\_  
Signature (s) of Shareholder (s)

**Notes:**

1. Only depositors whose names appear in the General Meeting Record of Depositors as at 11 February 2014 shall be entitled to attend and vote at the Extraordinary General Meeting.
2. A member shall be entitled to appoint not more than two (2) proxies to attend and vote at the same meeting provided that where a member appoints two (2) proxies, the appointment shall be invalid unless he specifies the proportions of his shareholdings to be represented by each proxy.
3. A proxy may but need not be a member of the Company and the provisions of Section 149 (1)(b) of the Companies Act, 1965 shall not apply to the Company. There shall be no restriction as to the qualification of a proxy.
4. For an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.
5. If the appointor is a corporation, the proxy form must be executed under its common seal or under the hand of an officer or attorney duly authorised.
6. To be valid, the proxy form, duly completed must be deposited at the Registered Office not less than 48 hours before the time for holding the meeting or any adjournment thereof.

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AFFIX  
STAMP

The Company Secretary

***Knusford Berhad*** (380100-D)

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

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