

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

If you are in any doubt as to the course of action you should take, you should consult your stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.

If you have sold or transferred all your shares in Lebar Daun Berhad ("the Company"), you should at once hand this Circular together with the Form of Proxy enclosed in the Annual Report of the Company for the financial year ended 31 December 2004 ("Annual Report 2004") to the agent through whom the sale or transfer was contracted for onward transmission to the purchaser or transferee.

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LEBAR DAUN BERHAD

(Company No. 590945-H)
(Incorporated in Malaysia)

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 Third Annual General Meeting ("3rd AGM") of the Company to be held at Bilik Langat, 1st Floor, Kelab Shah Alam Selangor, No. 1A, Jalan Aerobik 13/43, Persiaran Kayangan, 40704 Shah Alam, Selangor Darul Ehsan on Tuesday, 7 June 2005 at 11.00 a.m. together with the Form of Proxy are set out in the Annual Report 2004 of the Company which is sent to you together with this Circular.

The Form of Proxy must be completed and deposited at the Registered Office of the Company at Wisma Lebar Daun, No. 2, Jalan Tengku Ampuan Zabedah J9/J, Seksyen 9, 40000 Shah Alam, Selangor Darul Ehsan not less than forty-eight (48) hours before the time set for holding the 3rd AGM. The lodging of the Form of Proxy will not preclude you from attending and voting in person at the 3rd AGM should you subsequently wish to do so.

Last date and time for lodging the Form of Proxy : 5 June 2005 at 11.00 a.m.

Date and time of 3rd AGM : 7 June 2005 at 11.00 a.m.

This Circular is dated 13 May 2005

DEFINITIONS

For the purpose of this Circular, except where the context otherwise requires, the following definitions shall apply throughout this Circular:-

“Act”	-	Companies Act, 1965, as amended from time to time and any re-enactment thereof
“AGM”	-	Annual General Meeting
“BASCO”	-	Basco Sdn Bhd (451727-K)
“Board”	-	Board of Directors of LDAUN
“Bursa Securities”	-	Bursa Malaysia Securities Berhad
“Director”	-	Includes a director of a management company of a property trust fund and shall have the meaning given in section 4 of the Act and includes any person who is or was within the preceding 12 months of the date on which the terms of the transaction were agreed upon, a director of the Company (or any other company which is its subsidiary or holding company or a subsidiary of its holding company)
“LDAUN” or “the Company”	-	Lebar Daun Berhad (590945-H)
“LDAUN Group” or “the Group”	-	Lebar Daun Berhad and its subsidiary
“LDCSB”	-	Lebar Daun Construction Sdn Bhd (175883-H), a wholly-owned subsidiary of LDAUN
“LDDSB”	-	Lebar Daun Development Sdn Bhd (474585-K), 99.99% owned by Dato’ Noor Azman @ Noor Hizam bin Mohd Nurdin
“Listing Requirements”	-	Listing Requirements of Bursa Securities, as amended from time to time and any re-enactment thereof
“Major Shareholder”	-	A person who has an interest or interests in one or more voting shares in the Company and the nominal amount of that share or the aggregate of the nominal amounts of those shares, is not less than 5% of the aggregate of the nominal amounts of all the voting shares in the Company including any person who is or was within the preceding 12 months of the date on which the terms of the transaction were agreed upon, a Major Shareholder of the Company (or any other company which is its subsidiary or holding company or subsidiary of its holding company). For the purpose of this definition, “interest in shares” shall have the meaning given in Section 6A of the Act

“Proposed Renewal of Shareholders’ Mandate”	- Proposed renewal of shareholders’ mandate for Recurrent Related Party Transactions as set out in Section 2.3 of this Circular
“Recurrent Related Party Transaction(s)”	- Recurrent related party transaction(s) of a revenue or trading nature, which are necessary for the day-to-day operations and are in ordinary course of business of the LDAUN Group, which involve(s) the interest, direct or indirect, of a Related Party(ies)
“Related Party(ies)”	- Director(s) and Major Shareholder(s) of LDAUN or person(s) connected with such Director(s) or Major Shareholder(s) who are interested in the Proposed Renewal of Shareholders’ Mandate
“RM”	- Ringgit Malaysia

CONTENTS

PAGE

LETTER TO SHAREHOLDERS CONTAINING:

1.	INTRODUCTION	1
2.	DETAILS OF THE PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE	2
3.	RATIONALE FOR AND BENEFIT OF THE PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE	9
4.	FINANCIAL EFFECTS	10
5.	APPROVAL REQUIRED	10
6.	DIRECTORS' AND MAJOR SHAREHOLDER'S INTERESTS	10
7.	DIRECTORS' RECOMMENDATION	11
8.	AGM	12
9.	FURTHER INFORMATION	12

APPENDIX

I	FURTHER INFORMATION	13
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LEBAR DAUN BERHAD

(Company No. 590945-H)
(Incorporated in Malaysia)

Registered Office:

Wisma Lebar Daun, No. 2
Jalan Tengku Ampuan Zabedah J9/J
Seksyen 9, 40000 Shah Alam
Selangor Darul Ehsan

13 May 2005

Board of Directors:

Norazmi bin Mohamed Nurdin *(Chairman/Managing Director)*
Datuk Mohd Hashim bin Hassan *(Independent Non-Executive Director)*
Prof Dr Hamzah bin Ismail *(Independent Non-Executive Director)*
Dato' Nik Ismail bin Dato' Nik Yusoff *(Independent Non-Executive Director)*
Dato' Noor Azman @ Noor Hizam bin Mohd Nurdin *(Non-Independent Non-Executive Director)*

To : The Shareholders of Lebar Daun Berhad

Dear Sir/Madam,

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

1. INTRODUCTION

LDAUN had at the Extraordinary General Meeting held on 29 June 2004, obtained a mandate from its shareholders for LDAUN and/or its subsidiary to enter into Recurrent Related Party Transactions. The authority conferred by the said shareholders' mandate shall in accordance with the Listing Requirements lapse at the conclusion of the forthcoming AGM of the Company unless the authority is renewed at the forthcoming AGM.

In connection thereto, the Board had on 4 April 2005 announced that the Company proposes to seek its shareholders' approval for the renewal of the existing shareholders' mandate for the Recurrent Related Party Transactions set out in Section 2.3 of this Circular at the forthcoming AGM of the Company.

The purpose of this Circular is to provide you with the relevant information on the Proposed Renewal of Shareholders' Mandate and to seek your approval for the ordinary resolution pertaining to the Proposed Renewal of Shareholders' Mandate to be tabled at the forthcoming AGM. The Notice of the Third AGM is set out in the Annual Report of the Company for the financial year ended 31 December 2004.

2. DETAILS OF THE PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE

2.1 Introduction

Under Part E, paragraph 10.09 of Chapter 10 of the Listing Requirements, LDAUN may seek a mandate from its shareholders for recurrent related party transactions of a revenue or trading nature which are necessary for the day-to-day operations of the LDAUN Group subject to, *inter alia*, the following:-

- (i) the transactions are in the ordinary course of business and are on terms not more favourable to the Related Parties than those generally available to the public;
- (ii) the shareholders' mandate is subject to annual renewal and disclosure is made in the annual report of the aggregate value of transactions conducted pursuant to the shareholders' mandate during the financial year; and
- (iii) the interested director(s), interested major shareholder(s) or interested person(s) connected with such director(s) or major shareholder(s); and where it involves the interest of an interested person(s) connected with a director or major shareholder, such director or major shareholder must not vote on the resolution approving the transactions. An interested director or interested major shareholder must ensure that person(s) connected with him abstain from voting on the resolution approving the transactions.

The principal activity of LDAUN is that of investment holding company while the principal activity of its wholly-owned subsidiary is civil and building construction works.

LDAUN Group is anticipated to enter into recurrent transactions of a revenue or trading nature which are necessary in the ordinary course of the Group's business with the Related Parties. It is likely that such transactions will occur with some degree of frequency and could arise at any time.

LDAUN therefore, proposes to seek its shareholders' approval for the renewal of the existing mandate which would enable LDAUN Group to continue to enter into the Recurrent Related Party Transactions as set out in Section 2.3 of this Circular provided such transactions are made on terms which are not more favourable to the Related Parties than those generally available to the public and are not to the detriment of the minority shareholders of LDAUN.

The Proposed Renewal of Shareholders' Mandate, if approved by the shareholders of LDAUN at the forthcoming AGM, will take effect from the date of the said AGM until:-

- (i) the conclusion of the next AGM of LDAUN following the forthcoming AGM at which the Proposed Renewal of Shareholders' Mandate is passed, at which time it will lapse, unless the authority is renewed by a resolution passed at the next AGM;

- (ii) the expiration of the period within which the next AGM of LDAUN is required to be held pursuant to Section 143(1) of the Act (but shall 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 of LDAUN in a general meeting,

whichever is earlier.

Thereafter, approval from shareholders will be sought for the renewal of the shareholders' mandate for Recurrent Related Party Transactions at each subsequent AGM of LDAUN.

Disclosure will be made in the Annual Report of the Company of the breakdown of the aggregate value of the Recurrent Related Party Transactions made pursuant to the shareholders' mandate during the financial year and in the Annual Reports for the subsequent financial years during which the shareholders' mandate remains in force, amongst others, based on the following information:-

- (i) the type of the Recurrent Related Party Transactions made; and
- (ii) the names of the Related Parties involved in each type of the Recurrent Related Party Transactions made and their relationship with the Company.

2.2 Classes of Related Parties

The Proposed Renewal of Shareholders' Mandate will apply to the following classes of Related Parties:-

- (i) Directors;
- (ii) Major Shareholder; and
- (iii) Persons connected with the Directors and Major Shareholder.

2.3 Nature of Recurrent Related Party Transactions

The details of the Recurrent Related Party Transactions covered under the Proposed Renewal of Shareholders' Mandate are set out below:-

Party within LDAUN Group involved in Transaction	Related Party	Nature of Transaction	Interested Related Party	Relationship	Estimated Value of Transaction from the date of 3rd AGM to the date of next AGM in 2006 (RM)
LDCSB	LDDSB	Award from LDDSB in respect of construction works	<p>Interested Directors & Major Shareholder Norazmi bin Mohamed Nurdin Dato' Noor Azman @ Noor Hizam bin Mohd Nurdin</p> <p>Person connected Noorazhar bin Mohamed Nurdin⁽¹⁾</p>	<p>Norazmi bin Mohamed Nurdin is a director of LDAUN, LDCSB and LDDSB</p> <p>Dato' Noor Azman @ Noor Hizam bin Mohd Nurdin is a director and major shareholder of LDAUN and LDDSB and a director of LDCSB</p> <p>Noorazhar bin Mohamed Nurdin is a director of LDCSB and LDDSB</p>	#
LDCSB	LDDSB	Letting of office premises to LDDSB located at Wisma Lebar Daun, No. 2 & 4, Jalan Tengku Ampuan Zabedah J9/J, Seksyen 9, 40000 Shah Alam, Selangor Darul Ehsan	<p>Interested Directors & Major Shareholder Norazmi bin Mohamed Nurdin Dato' Noor Azman @ Noor Hizam bin Mohd Nurdin</p> <p>Person connected Noorazhar bin Mohamed Nurdin⁽¹⁾</p>	<p>Norazmi bin Mohamed Nurdin is a director of LDAUN, LDCSB and LDDSB</p> <p>Dato' Noor Azman @ Noor Hizam bin Mohd Nurdin is a director and major shareholder of LDAUN and LDDSB and a director of LDCSB</p> <p>Noorazhar bin Mohamed Nurdin is a director of LDCSB and LDDSB</p>	144,000*

Party within LDAUN Group involved in Transaction	Related Party	Nature of Transaction	Interested Related Party	Relationship	Estimated Value of Transaction from the date of 3rd AGM to the date of next AGM in 2006 (RM)
LDCSB	LDDSB	Letting of office equipment & furniture to LDDSB located at Wisma Lebar Daun, No. 2 & 4, Jalan Tengku Ampuan Zabedah J9/J, Seksyen 9, 40000 Shah Alam, Selangor Darul Ehsan	<p>Interested Directors & Major Shareholder Norazmi bin Mohamed Nurdin Dato' Noor Azman @ Noor Hizam bin Mohd Nurdin</p> <p>Person connected Noorazhar bin Mohamed Nurdin⁽¹⁾</p>	Norazmi bin Mohamed Nurdin is a director of LDAUN, LDCSB and LDDSB Dato' Noor Azman @ Noor Hizam bin Mohd Nurdin is a director and major shareholder of LDAUN and LDDSB and a director of LDCSB Noorazhar bin Mohamed Nurdin is a director of LDCSB and LDDSB	36,000*

Party within LDAUN Group involved in Transaction	Related Party	Nature of Transaction	Interested Related Party	Relationship	Estimated Value of Transaction from the date of 3rd AGM to the date of next AGM in 2006 (RM)
LDCSB	BASCO	Award from/to BASCO in respect of construction works	<p>Interested Directors & Major Shareholder Norazmi bin Mohamed Nurdin Dato' Noor Azman @ Noor Hizam bin Mohd Nurdin</p> <p>Persons connected Noorazhar bin Mohamed Nurdin⁽¹⁾ Norazlan bin Mohamad Nordin⁽²⁾ Fatmawati bt Kasbin⁽³⁾</p>	<p>Norazmi bin Mohamed Nurdin is a director of LDAUN and LDCSB</p> <p>Dato' Noor Azman @ Noor Hizam bin Mohd Nurdin is a director and major shareholder of LDAUN and a director of LDCSB</p> <p>Noorazhar bin Mohamed Nurdin is a director of LDCSB</p> <p>Norazlan bin Mohamad Nordin is a director and major shareholder of BASCO</p> <p>Fatmawati bt Kasbin is a director and deemed major shareholder of BASCO</p>	#

Notes:

- (1) Noorazhar bin Mohamed Nurdin is a director of LDCSB and LDCSB and is the brother of Norazmi bin Mohamed Nurdin, Dato' Noor Azman @ Noor Hizam bin Mohd Nurdin and Norazlan bin Mohamad Nordin and the brother-in-law to Fatmawati bt Kasbin.
- (2) Norazlan bin Mohamad Nordin is a director and major shareholder of BASCO and is the spouse of Fatmawati bt Kasbin and is the brother of Norazmi bin Mohamed Nurdin, Dato' Noor Azman @ Noor Hizam bin Mohd Nurdin and Noorazhar bin Mohamed Nurdin.
- (3) Fatmawati bt Kasbin is a director and deemed major shareholder of BASCO and is the spouse of Norazlan bin Mohamad Nordin and the sister-in-law to Norazmi bin Mohamed Nurdin, Dato' Noor Azman @ Noor Hizam bin Mohd Nurdin and Noorazhar bin Mohamed Nurdin.
- # The estimated value of this category of transactions cannot be determined as the transactions are on a project-by-project basis from time to time.
- * The rental receivable from LDCSB is for the rental of office premises and office equipment and furniture. The rental is based on prevailing market rates and is payable on monthly basis. The tenure of the lease is subject for renewal every two years.

As at 15 April 2005, the direct and indirect shareholdings of the interested Directors, interested Major Shareholder and persons connected to the interested Directors and Major Shareholder of LDAUN in the Related Parties are as follows:-

	LDDSB		BASCO	
	Direct %	Indirect %	Direct %	Indirect %
Norazmi bin Mohamed Nurdin	-	-	-	-
Dato' Noor Azman @ Noor Hizam bin Mohd Nurdin	99.99	*(1)	-	-
Noorazhar bin Mohamed Nurdin	-	-	-	-
Norazlan bin Mohamed Nordin	-	-	99.99	*(2)
Fatmawati bt Kasbin	-	-	*	99.99 ⁽³⁾

Notes:

* Negligible

(1) Deemed interest by virtue of his spouse's direct shareholdings in LDDSB

(2) Deemed interest by virtue of his spouse's direct shareholdings in BASCO

(3) Deemed interest by virtue of her spouse's direct shareholdings in BASCO

2.4 Review Procedures for the Recurrent Related Party Transactions

The LDAUN Group has established various procedures to ensure that the Recurrent Related Party Transactions are undertaken on an arm's length basis and on the Group's normal commercial terms, consistent with the Group's usual business practices and policies, which are generally not more favourable to the Related Parties than those generally available to the public and are not detrimental to LDAUN's minority shareholders.

The procedures established by the LDAUN Group are as follows:-

- (i) A Tender Committee has been established and comprises of the executive directors, internal auditor, independent external expert and qualified quantity surveyor/architect to ensure that the tenders received and made are undertaken on an arm's length basis and on normal commercial terms consistent with LDAUN Group's usual business practices and policies;
- (ii) A list of Related Parties will be circulated to the Directors and management of the LDAUN Group and the Tender Committee to notify that all Recurrent Related Party Transactions 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 are not detrimental to the minority shareholders;
- (iii) A strict payment policy is implemented on the property companies to ensure prompt payments and interest would be charged on any late payments;
- (iv) All Recurrent Related Party Transactions will be reviewed by the Audit Committee of the Company. Any member of the Audit Committee may as he deems fit, request for additional information pertaining to Recurrent Related Party Transactions from independent sources or advisers;
- (v) A register will be maintained by the Company to record all Recurrent Related Party Transactions which are entered into pursuant to the shareholders' mandate;
- (vi) Where any member(s) of the Board, Audit Committee and the Tender Committee has interest (directly or indirectly) in any transactions, such member(s) shall abstain from deliberation and decision making in respect of that transactions;
- (vii) The annual internal audit plan shall incorporate a review of all Recurrent Related Party Transactions entered into pursuant to the shareholders' mandate to ensure that relevant approvals have been obtained and the review procedures in respect of such transactions are adhered to;
- (viii) The Board and the Audit Committee shall review the annual internal audit reports to ascertain that the review procedures established to monitor Recurrent Related Party Transactions have been complied with; and

- (ix) The Board and the Audit Committee have reviewed and shall continue review the adequacy and appropriateness of the procedures as and when required, with the authority to sub-delegate to individuals or committees within the Company as they deem appropriate.

2.5 Statement by Audit Committee of LDAUN

The Audit Committee of LDAUN has seen and reviewed the procedures as mentioned in Section 2.4 above and is of the view that the said procedures are sufficient to ensure that the Recurrent Related Party Transactions are not more favourable to the Related Parties than those generally available to the public, are not to the detriment of LDAUN's minority shareholders and at arm's length and in accordance with the Group's normal commercial terms.

3. RATIONALE FOR AND BENEFIT OF THE PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE

The Related Party Transactions entered or to be entered into by the LDAUN Group envisaged in the Proposed Renewal of Shareholders' Mandate are recurrent transactions of a revenue and trading nature conducted in the ordinary course of business of the LDAUN Group and which are likely to occur with some degree of frequency and arise at any time and from time to time.

These transactions may be constrained by the time-sensitive nature and confidentiality of such transactions, and it may be impractical to seek shareholders' approval on a case-by-case basis before entering into such Recurrent Related Party Transactions. As such, the Board is seeking a renewal of the shareholders' mandate pursuant to paragraph 10.09 of the Listing Requirements for the Recurrent Related Party Transactions described in Section 2.3 above to allow the Group to enter into such Recurrent Related Party Transactions made on an arm's length basis and on normal commercial terms and which are not to the detriment of LDAUN's minority shareholders.

By obtaining the Proposed Renewal of Shareholders' Mandate on an annual basis, the necessity to convene separate general meetings from time to time to seek shareholders' approval as and when such Recurrent Related Party Transactions occur, would not arise. This will substantially avoid expenses associated with the convening of general meetings on an ad hoc basis and prevent administrative inconvenience.

LDAUN Group has a long-standing business relationship with the Related Parties and the close co-operation between LDAUN Group and these Related Parties have reaped mutual benefits and have been and is expected to continue to be of benefit to the business of LDAUN Group.

4. FINANCIAL EFFECTS

The Proposed Renewal of Shareholders' Mandate is not expected to have any effect on the issued and paid-up share capital of LDAUN, and is not expected to have a material effect on the earnings and net tangible assets of the LDAUN Group.

5. APPROVAL REQUIRED

The Proposed Renewal of Shareholders' Mandate requires the approval of the shareholders of LDAUN at the forthcoming AGM to be convened.

6. DIRECTORS' AND MAJOR SHAREHOLDER'S INTERESTS

As at 15 April 2005, the direct and indirect interests of the interested Directors, interested Major Shareholder and persons connected to the interested Directors and Major Shareholder of LDAUN are as follows:-

	Direct		Indirect	
	No. of shares	%	No. of shares	%
Interested Directors				
Norazmi bin Mohamed Nurdin	1,582,000	1.16	86,579,800	63.46 ⁽¹⁾
Dato' Noor Azman @ Noor Hizam bin Mohd Nurdin	86,250,000	63.22	1,911,800	1.40 ⁽²⁾
Interested Major Shareholder				
Dato' Noor Azman @ Noor Hizam bin Mohd Nurdin	86,250,000	63.22	1,911,800	1.40 ⁽²⁾
Persons Connected to Interested Directors and Major Shareholder				
Noorazhar bin Mohamed Nurdin	254,800	0.19	87,907,000	64.43 ⁽³⁾
Norazlan bin Mohamad Nordin	48,000	0.03	88,113,800	64.58 ⁽⁴⁾
Fatmawati bt Kasbin	27,000	0.02	88,134,800	64.60 ⁽⁵⁾

Notes:

(1) Deemed interest by virtue of his brothers, Dato Noor Azman @ Noor Hizam bin Mohd Nurdin's, Noorazhar bin Mohamed Nurdin's and Norazlan bin Mohamad Nordin's and his sister-in-law, Fatmawati bt Kasbin's direct shareholdings in Lebar Daun Berhad.

(2) Deemed interest by virtue of his brothers, Norazmi bin Mohamed Nurdin's, Noorazhar bin Mohamed Nurdin's and Norazlan bin Mohamad Nordin's and his sister-in-law, Fatmawati bt Kasbin's direct shareholdings in Lebar Daun Berhad.

- (3) *Deemed interest by virtue of his brothers, Norazmi bin Mohamed Nurdin's, Dato Noor Azman @ Noor Hizam bin Mohd Nurdin's and Norazlan bin Mohamad Nordin's and his sister-in-law, Fatmawati bt Kasbin's direct shareholdings in Lebar Daun Berhad.*
- (4) *Deemed interest by virtue of his spouse, Fatmawati bt Kasbin's and his brothers, Norazmi bin Mohamed Nurdin's, Dato Noor Azman @ Noor Hizam bin Mohd Nurdin's and Noorazhar bin Mohamed Nurdin's direct shareholdings in Lebar Daun Berhad.*
- (5) *Deemed interest by virtue of her spouse, Norazlan bin Mohamad Nordin's and her brother-in-laws, Norazmi bin Mohamed Nurdin's, Dato Noor Azman @ Noor Hizam bin Mohd Nurdin's and Noorazhar bin Mohamed Nurdin's direct shareholdings in Lebar Daun Berhad.*

Accordingly, the interested Directors namely Encik Norazmi bin Mohamed Nurdin and Dato' Noor Azman @ Noor Hizam bin Mohd Nurdin have abstained and will continue to abstain from all Board deliberations and voting in respect of the transactions in which they have an interest as detailed in Section 2.3 above. Such interested Directors will also abstain from voting in respect of their direct and indirect shareholdings on the ordinary resolution approving the Proposed Renewal of Shareholders' Mandate at the forthcoming AGM.

The interested Major Shareholder, namely Dato' Noor Azman @ Noor Hizam bin Mohd Nurdin will abstain from voting in respect of his direct and indirect shareholdings on the ordinary resolution approving the Proposed Renewal of Shareholders' Mandate at the forthcoming AGM.

The above interested Directors and interested Major Shareholder of the Company have also undertaken to ensure that the persons connected to them will abstain from voting in respect of their direct and indirect shareholdings on the ordinary resolution pertaining to the Proposed Renewal of Shareholders' Mandate at the forthcoming AGM.

Save as disclosed above, none of the other Directors and Major Shareholders of LDAUN or persons connected to them have any interest, direct or indirect, in the Proposed Renewal of Shareholders' Mandate.

7. DIRECTORS' RECOMMENDATION

The Board (save for Encik Norazmi bin Mohamed Nurdin and Dato' Noor Azman @ Noor Hizam bin Mohd Nurdin, who are the interested Directors) having considered all aspects of the Proposed Renewal of Shareholders' Mandate is of the opinion that the Proposed Renewal of Shareholders' Mandate is in the best interest of LDAUN and its shareholders.

Accordingly, the Board (save for Encik Norazmi bin Mohamed Nurdin and Dato' Noor Azman @ Noor Hizam bin Mohd Nurdin who have abstained from all deliberations in respect of the transactions in which they have an interest as detailed in Section 2.3 above) recommends that you vote in favour of the ordinary resolution pertaining to the Proposed Renewal of Shareholders' Mandate to be tabled at the forthcoming AGM.

8. AGM

The Third AGM, the notice of which is set out in the Annual Report of LDAUN for the financial year ended 31 December 2004, will be held at Bilik Langat, 1st Floor, Kelab Shah Alam Selangor, No. 1A, Jalan Aerobik 13/43, Persiaran Kayangan, 40704 Shah Alam, Selangor Darul Ehsan on Tuesday, 7 June 2005 at 11.00 a.m. for the purpose of considering and, if thought fit, passing, inter alia, the ordinary resolution on the Proposed Renewal of Shareholders' Mandate as Special Business.

If you are unable to attend and vote in person at the Third AGM, you should complete and return the Form of Proxy enclosed in the Annual Report of LDAUN for the financial year ended 31 December 2004 in accordance with the instructions printed therein to the Registered Office of the Company at Wisma Lebar Daun, No. 2 Jalan Tengku Ampuan Zabedah J9/J, Seksyen 9, 40000 Shah Alam, Selangor Darul Ehsan, as soon as possible and in any event not less than forty-eight (48) hours before the time set for holding the Third AGM. The lodging of the Form of Proxy will not preclude you from attending and voting in person at the Third AGM should you subsequently wish to do so.

9. FURTHER INFORMATION

Shareholders are requested to refer to Appendix I for further information.

Yours faithfully
For and on behalf of the Board of Directors of
LEBAR DAUN BERHAD

DATO' NIK ISMAIL BIN DATO' NIK YUSOFF
Independent Non-Executive Director

FURTHER INFORMATION

1. Responsibility Statement

This Circular has been reviewed and approved by the Directors of LDAUN and they individually and collectively accept full responsibility for the accuracy of the information contained herein and confirm that after having made all reasonable enquiries and to the best of their knowledge and belief, there are no other facts the omission of which would make any statement in this Circular misleading.

2. Material Contracts

Save as disclosed below, there are no other contracts which are material (not being contracts entered into in the ordinary course of business) that have been entered into by LDAUN and/or its subsidiary during the 2 years immediately preceding the date of this Circular:-

- i. By a Right of Occupation of Land Agreement dated 13 May 2003, entered into between Projet Malaysia Sdn Bhd ("Occupier") and LDCSB ("Proprietor"), the Proprietor agreed to grant a right to occupy and the Occupier agreed to accept the right to occupy the lands held under HS (M) 23146 PT No. 32404, Batu 5, Sg Binjai and HS(M) 23075 PT No. 32460, Batu 5 Sg Binjai all in Mukim Kapar, Daerah Klang, Selangor, for a term of forty (40) years for consideration sum of RM2,549,953.00.
- ii. By a Sale and Purchase Agreement dated 25 August 2003 entered into between LDCSB ("Vendor") and Bina-Mas Construction & Landscape Sdn Bhd ("Purchaser"), the Vendor agreed to sell and the Purchaser agreed to purchase all that properties held under H.S.(M) 23146 P.T. No. 32404, Mukim Kapar, Tempat Batu 5, Jalan Sungai Binjai, Daerah Klang, Selangor and H.S.(M) 23075 P.T. No. 32460, Mukim Kapar, Tempat Batu 5, Jalan Sungai Binjai, Daerah Klang, Selangor, for the purchase consideration of RM2,550,000.00.
- iii. Trust Deed for LDAUN ICULS dated 7 January 2004 entered into between LDAUN and AmTrustee Berhad pursuant to which, LDAUN has appointed AmTrustee Berhad as the Trustee for the holders of RM18,000,000 nominal value of LDAUN ICULS at 100% of the nominal value of RM1.00 each.
- iv. By an Underwriting Agreement dated 9 January 2004 between LDAUN and the Managing Underwriter and Underwriter for the underwriting of 5,000,000 shares for an underwriting commission of 2% of the Public Offering price of RM1.20 per share.

- v. By an Offer Letter dated 20 May 2004, LDCSB appointed Malaysian International Merchant Bankers Berhad as its lead arranger for the proposed issuance of commercial papers, being a revolving facility of up to RM70.0 million, for an arrangement fee of RM525,000 and an annual agency fee of RM50,000, subject to the terms and conditions contained therein.

3. Material Litigation

Neither LDAUN nor its subsidiary is engaged in any material litigation, claims or arbitration, either as a plaintiff or defendant, and the Directors of LDAUN do not know of any proceedings pending or threatened against LDAUN or its subsidiary or of any facts likely to give rise to any proceedings which may materially affect the position and/or business of LDAUN and its subsidiary.

4. Contingent Liabilities

Save as disclosed below, the Directors of LDAUN as at 6 May 2005 (being the latest practicable date prior to printing of this Circular) are not aware of any contingent liabilities, which upon becoming enforceable, may have a substantial impact on the profit or net assets of the LDAUN Group:-

- i. Bank Guarantees amounting to RM12,250.00 provided by Lebar Daun Construction Sdn Bhd to Ketua Pengarah Imigresen Malaysia for hiring the foreign workers from Nepal, Thailand and Indonesia.
- ii. Bank Guarantees amounting to RM100,000.00 provided by Lebar Daun Construction Sdn Bhd to BP Malaysia Sdn Bhd in relation to supply of diesel for Projek Bukit Bandaraya Shah Alam.
- iii. Performance Bond amounting to RM15,698,381.62 provided by Lebar Daun Construction Sdn Bhd to Universiti Industri Selangor to guarantee the due performance of Lebar Daun Construction Sdn Bhd.
- iv. Advance Payment Bond amounting to RM7,312,723.25 provided by Lebar Daun Construction Sdn Bhd to Jabatan Kerja Raya for advance payment received by Lebar Daun Construction Sdn Bhd.
- v. Performance Bond of RM1,649,044.65 provided by Lebar Daun Construction Sdn Bhd to Jabatan Kerja Raya to guarantee the due performance of Lebar Daun Construction Sdn Bhd.
- vi. Performance Bond of RM2,911,262.00 provided by Lebar Daun Construction Sdn Bhd to Perbadanan Kemajuan Pertanian Selangor to guarantee the due performance of Lebar Daun Construction Sdn Bhd.

5. Documents Available For Inspection

Copies of the following documents will be made available for inspection during the normal office hours at the registered office of LDAUN at Wisma Lebar Daun, No. 2 Jalan Tengku Ampuan Zabedah J9/J, Seksyen 9, 40000 Shah Alam, Selangor Darul Ehsan from the date of this Circular up to the date of the forthcoming AGM:-

- (i) Memorandum and Articles of Association of LDAUN;
- (ii) the material contracts referred to in Section 2 above; and
- (iii) the audited accounts of LDAUN for the financial year ended 31 December 2003 and the audited consolidated accounts of LDAUN for the financial year ended 31 December 2004.