

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.

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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 Sixth Annual General Meeting ("6th AGM") of the Company to be held at Juara Hall, 1st Floor, Carlton Holiday Hotel & Suites Shah Alam, No. 1, Persiaran Akuatik, Seksyen 13, 40100 Shah Alam, Selangor Darul Ehsan on Thursday, 19 June 2008 at 11.00 a.m. together with the Form of Proxy are set out in the Annual Report 2007 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 6th AGM. The lodging of the Form of Proxy will not preclude you from attending and voting in person at the 6th AGM should you subsequently wish to do so.

Last date and time for lodging the Form of Proxy : 17 June 2008 at 11.00 a.m.

Date and time of 6th AGM : 19 June 2008 at 11.00 a.m.

This Circular is dated 27 May 2008

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” - Shall have the meaning given in Section 4 of the Act 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 Company or any other company which is its subsidiary or holding company or a chief executive officer of the Company, its subsidiary or holding company
- “LDAUN” or “the Company” - Lebar Daun Berhad (590945-H)
- “LDAUN Group” or “the Group” - Lebar Daun Berhad and its subsidiaries
- “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:-
(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.

For the purpose of this definition, “interest in shares” shall have the meaning given in Section 6A of the Act.

It also 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 or any other company which is its subsidiary or holding company

- “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

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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

27 May 2008

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*)
Tan Sri Datuk Adzmi bin Abdul Wahab (*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 its AGM held on 26 June 2007, obtained a mandate from its shareholders for LDAUN and/or its subsidiary to enter into Recurrent Related Party Transactions. The authority conferred by the 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 30 April 2008 announced that the Company proposes to seek its shareholders' approval for the renewal of the shareholders' mandate for the Recurrent Related Party Transactions as 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 Sixth AGM is set out in the Annual Report of the Company for the financial year ended 31 December 2007.

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.

LDAUN is principally an investment holding company while the principal activities of its wholly-owned subsidiaries are civil and building construction works, trading and services.

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 shareholders' 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.

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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 6 th AGM to the date of next AGM in 2009 (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>	159,600*

Party within LDAUN Group involved in Transaction	Related Party	Nature of Transaction	Interested Related Party	Relationship	Estimated Value of Transaction from the date of 6 th AGM to the date of next AGM in 2009 (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>	<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>	42,000*

Party within LDAUN Group involved in Transaction	Related Party	Nature of Transaction	Interested Related Party	Relationship	Estimated Value of Transaction from the date of 6 th AGM to the date of next AGM in 2009 (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 LDDSB 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 LDDSB 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 30 April 2008, 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 Mohamad 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, 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 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 30 April 2008, 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	5,082,000	3.72	81,076,800	59.41 ⁽¹⁾
Dato' Noor Azman @ Noor Hizam bin Mohd Nurdin	74,751,000	54.77	11,407,800	8.36 ⁽²⁾
Interested Major Shareholder				
Dato' Noor Azman @ Noor Hizam bin Mohd Nurdin	74,751,000	54.77	11,407,800	8.36 ⁽²⁾
Persons connected to Interested Directors and Major Shareholder				
Noorazhar bin Mohamed Nurdin	254,800	0.19	85,904,000	62.94 ⁽³⁾
Norazlan bin Mohamad Nordin	48,000	0.03	86,110,800	63.09 ⁽⁴⁾
Fatmawati bt Kasbin	23,000	0.02	86,135,800	63.11 ⁽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-laws, Datin Nor Hayati bt Abd Malik's and Fatmawati bt Kasbin's direct shareholdings in Lebar Daun Berhad.
- (2) Deemed interest by virtue of his spouse, Datin Nor Hayati bt Abd Malik's and 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-laws, Datin Nor Hayati bt Abd Malik's and 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 and his sister-in-law, Datin Nor Hayati bt Abd Malik'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 and her sister-in-law, Datin Nor Hayati bt Abd Malik'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 Sixth AGM, the notice of which is set out in the Annual Report of LDAUN for the financial year ended 31 December 2007, will be held at Juara Hall, 1st Floor, Carlton Holiday Hotel & Suites Shah Alam, No. 1, Persiaran Akuatik, Seksyen 13, 40100 Shah Alam, Selangor Darul Ehsan on Thursday, 19 June 2008 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 Sixth AGM, you should complete and return the Form of Proxy enclosed in the Annual Report of LDAUN for the financial year ended 31 December 2007 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 Sixth AGM. The lodging of the Form of Proxy will not preclude you from attending and voting in person at the Sixth 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 collectively and individually 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

LDAUN and its subsidiaries have not entered into any material contracts (not being contracts entered into in the ordinary course of business) within the 2 years immediately preceding the date of this Circular.

3. Material Litigation

Neither LDAUN nor its subsidiaries 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 subsidiaries or of any facts likely to give rise to any proceedings which may materially affect the position and/or business of LDAUN and its subsidiaries.

4. Contingent Liabilities

Save as disclosed below, the Directors of LDAUN as at 20 May 2008 (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 RM200,000.00 provided by LDCSB to BP Malaysia Sdn Bhd in relation to the supply of diesel for Bukit Bandaraya Shah Alam Project.
- ii. Performance Bond of RM1,649,044.65 provided by LDCSB to Jabatan Kerja Raya to guarantee the due performance of LDCSB.
- iii. Performance Bond of RM2,911,262.00 provided by LDCSB to Perbadanan Kemajuan Pertanian Selangor to guarantee the due performance of LDCSB.
- iv. Bank Guarantees amounting to RM27,010.00 provided by LDCSB to Jabatan Perkhidmatan Pembentungan (Tengah) in relation to the operation and maintenance of sewerage system and sewer networks for Perbadanan Kemajuan Pertanian Selangor Project.

5. Documents Available For Inspection

Copies of the following documents are available for inspection 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, during the normal office hours on any working days from the date of this Circular up to the date of the forthcoming AGM:-

- (i) Memorandum and Articles of Association of LDAUN; and
- (ii) the audited consolidated accounts of LDAUN for the financial years ended 31 December 2006 and 31 December 2007 and the unaudited quarterly results for the first financial period ended 31 March 2008.

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