

**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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**LEBTECH BERHAD**

(Company No. 590945-H)  
(Incorporated in Malaysia under the Companies Act, 1965)

**CIRCULAR TO SHAREHOLDERS**

**IN RELATION TO THE**

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

The ordinary resolution in respect of the above proposal will be tabled at the 14<sup>th</sup> Annual General Meeting (“AGM”) of the Company. Notice of the 14<sup>th</sup> AGM together with the Form of Proxy is set out in the abridged version of the Company’s 2015 Annual Report, which is despatched 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 later than forty-eight (48) hours before the time set for our AGM indicated below or any adjournment thereof should you be unable to attend the meeting. The lodging of the Form of Proxy will not preclude you from attending and voting in person at our AGM should you subsequently wish to do so.

Last date and time for lodging the Form of Proxy	:	Friday, 20 May 2016 at 11.30 a.m.
Date and time of the AGM	:	Tuesday, 24 May 2016 at 11.30 a.m. or any adjournment thereof
Venue of the AGM	:	Grand Patio, Level 2, Concorde Hotel Shah Alam, No. 3, Jalan Tengku Ampuan Zabedah C9/C, 40100 Shah Alam, Selangor Darul Ehsan

**This Circular is dated 28 April 2016**

## 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 LEBTECH
- “Bursa Securities” - Bursa Malaysia Securities Berhad
- “Circular” - This Circular dated 28 April 2016 in relation to the Proposal of the renewal of shareholders’ mandate for Recurrent Related Party Transactions
- “Director” - Has the meaning given in Section 2(1) of the Capital Markets and Services Act 2007 and includes any person who is or was within the preceding six (6) months of the date on which the terms of the transaction were agreed upon, a Director of the Company, its subsidiary or holding company; or a chief executive of the Company, its subsidiary or holding company
- “Interested Directors” and “Interested Major Shareholders” - Collectively, Norazmi bin Mohamed Nurdin, Dato’ Noor Azman @ Noor Hizam bin Mohd Nurdin, Norazlan bin Mohamad Nordin and Datin Nor Hayati bt Abd Malik
- “LEBTECH” or “the Company” - Lebtech Berhad (590945-H)
- “LEBTECH Group” or “the Group” - LEBTECH and its subsidiaries
- “LCSB” - Lebtech Construction Sdn Bhd (175883-H), a wholly-owned subsidiary of LEBTECH
- “LDDSB” - Lebar Daun Development Sdn Bhd (474585-K), 99.99% owned by Dato’ Noor Azman @ Noor Hizam bin Mohd Nurdin
- “Listing Requirements” - Main Market Listing Requirements of Bursa Securities, as amended from time to time and any re-enactment thereof
- “Major Shareholder(s)” - 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) 10% or more of the aggregate of the nominal amounts of all the voting shares in the Company; or  
(b) 5% or more of the aggregate of the nominal amounts of all the voting shares in the Company where such person is the largest shareholder of the Company.

For the purpose of this definition, “interest in shares” has the meaning given in section 6A of the Act.

## DEFINITIONS (*Cont'd*)

It also includes any person who is or was within the preceding six (6) months of the date on which the terms of the transaction were agreed upon, a Major Shareholder of the Company or any other corporation which is its subsidiary or holding company

### Persons Connected

- Such person, in relation to the Director or Major Shareholder, who falls under any one of the following categories:
  - (i) a member of the Director's or Major Shareholder's family;
  - (ii) a trustee of a trust (other than a trustee for an employee share scheme or pension scheme) under which the Director, Major Shareholder or a member of the Director's or Major Shareholder's family is the sole beneficiary;
  - (iii) a partner of the Director, Major Shareholder or a partner of a person connected with that Director or Major Shareholder;
  - (iv) a person who is accustomed or under an obligation, whether formal or informal, to act in accordance with the directions, instructions or wishes of the Director or Major Shareholder;
  - (v) a person in accordance with whose directions, instructions or wishes the Director or Major Shareholder is accustomed or is under an obligation, whether formal or informal, to act;
  - (vi) a body corporate or its directors which/who is/are accustomed or under an obligation, whether formal or informal, to act in accordance with the directions, instructions or wishes of the Director or Major Shareholder;
  - (vii) a body corporate or its directors whose directions, instructions or wishes the Director or Major Shareholder is accustomed or is under an obligation, whether formal or informal, to act;
  - (viii) a body corporate in which the Director, Major Shareholder and/or Persons Connected with him are entitled to exercise, or control the exercise of, not less than 15% of the votes attached to voting shares in the body corporate; or
  - (ix) a body corporate which is a related corporation

### "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 LEBTECH Group, which involve(s) the interest, direct or indirect, of a Related Party(ies)

## DEFINITIONS (*Cont'd*)

- “Related Party(ies)”
- Director(s) and Major Shareholder(s) of LEBTECH or person(s) connected with such Director(s) or Major Shareholder(s) who are interested in the Proposed Renewal of Shareholders’ Mandate. For the purpose of this definition, “director” and “major shareholder” have the meanings given in Paragraph 10.02 of the Listing Requirements
- “RM”
- Ringgit Malaysia, being the lawful currency of Malaysia

All references in this Circular to “we”, “us”, “our” and “ourselves” are to LEBTECH and, where the context requires otherwise, to LEBTECH and its subsidiaries collectively. All references to “you” in this Circular are to the shareholders of LEBTECH.

In this Circular, words denoting the singular shall, where applicable, include the plural and vice versa, and words denoting any gender shall, where applicable, include all genders. Reference to persons shall also include corporations.

Any reference in this Circular to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any reference to a time of day in this Circular shall be a reference to Malaysian time, unless otherwise stated.

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**LEBTECH 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

28 April 2016

**Board of Directors:**

Tan Sri Datuk Adzmi bin Abdul Wahab (*Independent Non-Executive Chairman*)  
Norazmi bin Mohamed Nurdin (*Managing 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*)  
Dato' Hazli bin Ibrahim (*Independent Non-Executive Director*)

**To : The Shareholders of Lebtech Berhad**

Dear Sir/Madam,

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

**1. INTRODUCTION**

LEBTECH had at its AGM held on 16 June 2015, obtained a mandate from its shareholders for LEBTECH 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 29 March 2016 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 of the Company to be held at Grand Patio, Level 2, Concorde Hotel, No. 3, Jalan Tengku Ampuan Zabedah C9/C, 40100 Shah Alam, Selangor Darul Ehsan on Tuesday, 24 May 2016 at 11.30 a.m. The Notice of the Fourteenth AGM is set out in the Annual Report of the Company for the financial year ended 31 December 2015.

## 2. DETAILS OF THE PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE

### 2.1 Introduction

Under Part E, paragraph 10.09(2) of Chapter 10 of the Listing Requirements, LEBTECH 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 LEBTECH 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 where the aggregate value is equal to or more than the threshold prescribed under paragraph 10.09(1) of the Listing Requirements;
- (iii) the Company's circular to shareholders for the shareholders' mandate shall include information as may be prescribed by Bursa Securities;
- (iv) in a meeting to obtain shareholders' mandate, 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 to approve 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; and
- (v) the Company immediately announces to Bursa Securities when the actual value of a Recurrent Related Party Transaction entered into by the Group, exceeds the estimated value of the Recurrent Related Party Transaction disclosed in the circular by 10% or more and must include the information as may be prescribed by Bursa Securities in its announcement.

LEBTECH is principally an investment holding company and the principal activities of its wholly-owned subsidiaries are as follows:-

<b>Name of Company</b>	<b>Effective Equity Interest</b>	<b>Principal Activities</b>
LCSB	100%	Civil and building construction works
Lebtech Energy Sdn Bhd	100%	Trading and services
Paksi Aman Sdn Bhd	100%	Dormant

LEBTECH 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.

LEBTECH therefore, proposes to seek its shareholders' approval for the renewal of the shareholders' mandate which would enable LEBTECH 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 LEBTECH.

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

- (i) the conclusion of the next AGM of LEBTECH 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 LEBTECH 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 LEBTECH 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 LEBTECH.

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 Shareholders; and
- (iii) Persons connected with the Directors and Major Shareholders.



### 2.3 Nature of Recurrent Related Party Transactions

The details of the Recurrent Related Party Transactions covered under the existing Shareholders' Mandate obtained from the last Annual General Meeting on 16 June 2015, which will seek for shareholders' approval for renewal at the forthcoming AGM of the Company:-

Party within LEBTECH Group involved in Transaction	Related Party	Nature of Transaction	Interested Related Party	Relationship	Estimated Value disclosed in preceding year's Circular to Shareholders dated 22.05.2015 (RM)	Actual Value transacted from 16.06.2015 to 11.04.2016+ (RM)	Estimated Value Of Transaction from the date of 14 <sup>th</sup> AGM to the date of next AGM in 2017++ (RM)
LCSB	LDDSB	Award from LDDSB in respect of construction works	<p><b>Interested Directors &amp; Major Shareholders</b></p> <ul style="list-style-type: none"> <li>i. Norazmi bin Mohamed Nurdin</li> <li>ii. Dato' Noor Azman @ Noor Hizam bin Mohd Nurdin</li> <li>iii. Datin Nor Hayati bt Abd Malik</li> </ul> <p><b>Persons connected</b></p> <ul style="list-style-type: none"> <li>i. Norazmi bin Mohamed Nurdin</li> <li>ii. Dato' Noor Azman @ Noor Hizam bin Mohd Nurdin</li> <li>iii. Datin Nor Hayati bt Abd Malik</li> </ul>	<p>Norazmi bin Mohamed Nurdin is a Director and Shareholder of LEBTECH and a Director of LCSB and LDDSB. He is the brother of Dato' Noor Azman @ Noor Hizam bin Mohd Nurdin and the brother-in-law to Datin Nor Hayati bt Abd Malik</p> <p>Dato' Noor Azman @ Noor Hizam bin Mohd Nurdin is a Director and Major Shareholder of LEBTECH and LDDSB and a Director of LCSB. He is the spouse of Datin Nor Hayati bt Abd Malik and the brother of Norazmi bin Mohamed Nurdin</p> <p>Datin Nor Hayati bt Abd Malik is a Major Shareholder of LEBTECH and a Director and Shareholder of LDDSB. She is the spouse of Dato' Noor Azman @ Noor Hizam bin Mohd Nurdin and the sister-in-law to Norazmi bin Mohamed Nurdin</p>	#	5,965,685	#

Party within LEBTECH Group involved in Transaction	Related Party	Nature of Transaction	Interested Related Party	Relationship	Estimated Value disclosed in preceding year's Circular to Shareholders dated 22.05.2015 (RM)	Actual Value transacted from 16.06.2015 to 11.04.2016+ (RM)	Estimated Value of Transaction from the date of 14 <sup>th</sup> AGM to the date of next AGM in 2017++ (RM)
LCSB	LDDSB	Letting of office premises to LDDSB located at Wisma Lebar Daun, No. 2 & 4, Jalan Tengku Anppuan Zabedah 19/1, Seksyen 9, 40000 Shah Alam, Selangor Darul Ehsan	<p><b>Interested Directors &amp; Major Shareholders</b></p> <ul style="list-style-type: none"> <li>i. Norazmi bin Mohamed Nurdin</li> <li>ii. Dato' Noor Azman @ Noor Hizam bin Mohd Nurdin</li> <li>iii. Datin Nor Hayati bt Abd Malik</li> </ul> <p><b>Persons connected</b></p> <ul style="list-style-type: none"> <li>i. Norazmi bin Mohamed Nurdin</li> <li>ii. Dato' Noor Azman @ Noor Hizam bin Mohd Nurdin</li> <li>iii. Datin Nor Hayati bt Abd Malik</li> </ul>	<p>Norazmi bin Mohamed Nurdin is a Director and Shareholder of LEBTECH and a Director of LCSB and LDDSB. He is the brother of Dato' Noor Azman @ Noor Hizam bin Mohd Nurdin and the brother-in-law to Datin Nor Hayati bt Abd Malik</p> <p>Dato' Noor Azman @ Noor Hizam bin Mohd Nurdin is a Director and Major Shareholder of LEBTECH and LDDSB and a Director of LCSB. He is the spouse of Datin Nor Hayati bt Abd Malik and the brother of Norazmi bin Mohamed Nurdin</p> <p>Datin Nor Hayati bt Abd Malik is a Major Shareholder of LEBTECH and a Director and Shareholder of LDDSB. She is the spouse of Dato' Noor Azman @ Noor Hizam bin Mohd Nurdin and the sister-in-law to Norazmi bin Mohamed Nurdin</p>	189,079*	171,329*	194,481*

Party within LEBTECH Group involved in Transaction	Related Party	Nature of Transaction	Interested Related Party	Relationship	Estimated Value disclosed in preceding year's Circular to Shareholders dated 22.05.2015 (RM)	Actual Value transacted from 16.06.2015 to 11.04.2016+ (RM)	Estimated Value of Transaction from the date of 14 <sup>th</sup> AGM to the date of next AGM in 2017++ (RM)
LCSB	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><b>Interested Directors &amp; Major Shareholders</b></p> <ul style="list-style-type: none"> <li>i. Norazmi bin Mohamed Nurdin</li> <li>ii. Dato' Noor Azman @ Noor Hizam bin Mohd Nurdin</li> <li>iii. Datin Nor Hayati bt Abd Malik</li> </ul> <p><b>Persons connected</b></p> <ul style="list-style-type: none"> <li>i. Norazmi bin Mohamed Nurdin</li> <li>ii. Dato' Noor Azman @ Noor Hizam bin Mohd Nurdin</li> <li>iii. Datin Nor Hayati bt Abd Malik</li> </ul>	<p>Norazmi bin Mohamed Nurdin is a Director and Shareholder of LEBTECH and a Director of LCSB and LDDSB. He is the brother of Dato' Noor Azman @ Noor Hizam bin Mohd Nurdin and the brother-in-law to Datin Nor Hayati bt Abd Malik</p> <p>Dato' Noor Azman @ Noor Hizam bin Mohd Nurdin is a Director and Major Shareholder of LEBTECH and LDDSB and a Director of LCSB. He is the spouse of Datin Nor Hayati bt Abd Malik and the brother of Norazmi bin Mohamed Nurdin</p> <p>Datin Nor Hayati bt Abd Malik is a Major Shareholder of LEBTECH and a Director and Shareholder of LDDSB. She is the spouse of Dato' Noor Azman @ Noor Hizam bin Mohd Nurdin and the sister-in-law to Norazmi bin Mohamed Nurdin</p>	49,980*	45,288*	51,408*

Party within LEBTECH Group involved in Transaction	Related Party	Nature of Transaction	Interested/Related Party	Relationship	Estimated Value disclosed in preceding year's Circular to Shareholders dated 22.05.2015 (RM)	Actual Value transacted from 16.06.2015 to 11.04.2016+ (RM)	Estimated Value of Transaction from the date of 14 <sup>th</sup> AGM to the date of next AGM in 2017++ (RM)
LCSB	BASCO	Award from/to BASCO in respect of construction works	<p><b>Interested Directors &amp; Major Shareholders</b></p> <p>i. Norazmi bin Mohamed Nurdin</p> <p>ii. Dato' Noor Azman @ Noor Hizam bin Mohd Nurdin</p> <p>iii. Norazlan bin Mohamad Nordin</p> <p><b>Persons connected</b></p> <p>i. Norazlan bin Mohamad Nordin</p> <p>ii. Fatmawati binti Kasbin</p>	<p>Norazmi bin Mohamed Nurdin is a Director and Shareholder of LEBTECH and a Director of LCSB. He is the brother of Dato' Noor Azman @ Noor Hizam bin Mohd Nurdin, Norazlan bin Mohamad Nordin and the brother-in-law to Fatmawati binti Kasbin</p> <p>Dato' Noor Azman @ Noor Hizam bin Mohd Nurdin is a Director and Major Shareholder of LEBTECH and a Director of LCSB. He is the brother of Norazmi bin Mohamed Nurdin, Norazlan bin Mohamad Nordin and the brother-in-law to Fatmawati binti Kasbin</p> <p>Norazlan bin Mohamad Nordin is a Major Shareholder of LEBTECH and a Director and Major Shareholder of BASCO. He is the spouse of Fatmawati binti Kasbin and the brother of Norazmi bin Mohamed Nurdin and Dato' Noor Azman @ Noor Hizam bin Mohd Nurdin</p> <p>Fatmawati binti Kasbin is a Director and deemed Major Shareholder of BASCO. She is the spouse of Norazlan bin Mohamad Nordin and the sister-in-law to Norazmi bin Mohamed Nurdin and Dato' Noor Azman @ Noor Hizam bin Mohd Nurdin</p>	#	102,456,132	#

Notes:

+ The Actual Value transacted from 16.06.2015, on which the existing mandate was obtained to 11.04.2016, being the latest practicable date prior to the printing of this Circular. None of the Actual Value of the Recurrent Related Party Transaction had exceeded the Estimated Value by 10% or more.

++ The actual value of the transactions may vary from the estimated value disclosed.

# 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.

The details of the Group's trade receivables from the Related Parties pursuant to Recurrent Related Party Transactions which exceeded the credit term for the following periods as at the end of the financial year ended 31 December 2015 are as follows:-

No.	Related Party	Trade Receivables from Related Parties as at 31.12.2015 (RM)			
		1 year or less	More than 1 to 3 years	More than 3 to 5 years	More than 5 years
1.	LDDSB	2,354,070	16,796,272	-	-
2.	BASCO	84,602,837	53,819,484	-	-

There is no late payment charges imposed on the above outstanding trade receivables as there is no clause for late payment charges provided in the Contract Agreements. The Management has ongoing discussion and negotiation with the Related Parties to pursue for the early settlement of the outstanding amounts and to ascertain/finalise the other modes of settlement. Among steps that has already being implemented is the contra of properties owned by the Related Parties for part settlement of the related party receivables. The Board of Directors is of the opinion that the outstanding amounts will be fully recovered over time due to the steps taken and that there were collections from the Related Parties during the financial year.

As at 11 April 2016, the direct and indirect shareholdings of the interested Directors, interested Major Shareholders and persons connected to the interested Directors and Major Shareholders of LEBTECH 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)	-	-
Norazlan bin Mohamad Nordin	-	-	99.99	*(2)
Datin Nor Hayati binti Abd Malik	*	99.99 <sup>(3)</sup>	-	-
Fatmawati binti Kasbin	-	-	*	99.99 <sup>(4)</sup>

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 LDDSB

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

## 2.4 Review Procedures for the Recurrent Related Party Transactions

The LEBTECH 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 LEBTECH's minority shareholders.

Generally, the prices, terms and conditions of the Recurrent Related Party Transactions are based on the prevailing market rates which are determined by market forces and other relevant factors. Where practical and/or feasible, quotations and/or tenders will be obtained from third parties to ascertain appropriate prices. As such, at least 2 other contemporaneous transactions with unrelated third parties for similar products/services and/or quantities will be used as comparison, wherever possible, to determine whether the price and terms offered to/by the Related Parties are fair and reasonable and comparable to those offered to/by other unrelated third parties for the same or substantially similar type of products/services and/or quantities. Where it is impractical or impossible for quotations and/or tenders to be obtained from unrelated third parties, or where there has not been any similar or substantially similar transactions between LEBTECH Group and unrelated third parties, the terms of the transactions will be in accordance with applicable industry norms, prevailing commercial rates and at rates not more favourable to the Related Parties than those generally available to the public to ensure that the Recurrent Related Party Transactions are not detrimental to the LEBTECH Group.

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

- (i) A Tender Committee has been established and comprises of the general manager, 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 LEBTECH Group's usual business practices and policies;
- (ii) A list of Related Parties will be circulated to the Directors and management of the LEBTECH 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 related party companies to ensure prompt 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 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 shall 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 Threshold of Authority**

There is no specific threshold for approval of the Recurrent Related Party Transactions within LEBTECH Group. All Recurrent Related Party Transactions are reviewed and authorised by personnel of at least senior managerial level, provided always that such personnel has no interest in the transaction and the said transaction has been approved pursuant to the shareholders' mandate obtained in the general meeting for the Recurrent Related Party Transactions.

## **2.6 Statement by Audit Committee of LEBTECH**

The Audit Committee of LEBTECH 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 LEBTECH's minority shareholders and at arm's length and in accordance with the Group's normal commercial terms.

The Audit Committee is also of the view that LEBTECH Group has in place adequate procedures and processes to monitor, track and identify the Recurrent Related Party Transactions in a timely and orderly manner and of which the procedures and processes would be reviewed annually or whenever the need arises.

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

The Recurrent Related Party Transactions entered or to be entered into by the LEBTECH 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 LEBTECH 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(2) 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 LEBTECH'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.

LEBTECH Group has a long-standing business relationship with the Related Parties and the close co-operation between LEBTECH 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 LEBTECH Group.



#### 4. FINANCIAL EFFECTS

The Proposed Renewal of Shareholders' Mandate will not have any impact on the issued and paid-up share capital of LEBTECH, and is not expected to have material effect on working capital, earnings, net assets of LEBTECH Group and the shareholdings of our Directors and substantial shareholders of LEBTECH.

#### 5. APPROVAL REQUIRED

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

#### 6. DIRECTORS' AND MAJOR SHAREHOLDERS' INTERESTS

As at 11 April 2016, the direct and indirect interests of the interested Directors, interested Major Shareholders and persons connected to the interested Directors and Major Shareholders of LEBTECH are as follows:-

	Direct		Indirect	
	No. of shares	%	No. of shares	%
<b>Interested Directors</b>				
Norazmi bin Mohamed Nurdin	5,016,000	3.68	-	-
Dato' Noor Azman @ Noor Hizam bin Mohd Nurdin	62,817,000	46.02	9,000,000	6.59 <sup>(1)</sup>
<b>Interested Major Shareholders</b>				
Dato' Noor Azman @ Noor Hizam bin Mohd Nurdin	62,817,000	46.02	9,000,000	6.59 <sup>(1)</sup>
Norazlan bin Mohamad Nordin	9,048,000	6.63	23,000	0.02 <sup>(2)</sup>
Datin Nor Hayati bt Abd Malik	9,000,000	6.59	62,817,000	46.02 <sup>(3)</sup>
<b>Persons connected to Interested Directors and Major Shareholders</b>				
Fatmawati bt Kasbin	23,000	0.02	9,048,000	6.63 <sup>(4)</sup>

Notes:

(1) Deemed interest by virtue of his spouse, Datin Nor Hayati bt Abd Malik's direct shareholdings in Lebttech Berhad.

(2) Deemed interest by virtue of his spouse, Fatmawati bt Kasbin's direct shareholdings in Lebttech Berhad.

(3) Deemed interest by virtue of her spouse, Dato' Noor Azman @ Noor Hizam bin Mohd Nurdin's direct shareholdings in Lebttech Berhad.

(4) Deemed interest by virtue of her spouse, Norazlan bin Mohamad Nordin's direct shareholdings in Lebttech 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 Shareholders, namely Dato' Noor Azman @ Noor Hizam bin Mohd Nurdin, Encik Norazlan bin Mohamad Nordin and Datin Nor Hayati bt Abd Malik will 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 above interested Directors and interested Major Shareholders 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 LEBTECH 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 LEBTECH 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) 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 Fourteenth AGM, the notice of which is set out in the abridged version of the Annual Report of LEBTECH for the financial year ended 31 December 2015, will be held at Grand Patio, Level 2, Concorde Hotel, No. 3, Jalan Tengku Ampuan Zabedah C9/C, 40100 Shah Alam, Selangor Darul Ehsan on Tuesday, 24 May 2016 at 11.30 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 Fourteenth AGM, you should complete and return the Form of Proxy enclosed in our abridged version of the Annual Report for the financial year ended 31 December 2015, 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 later than forty-eight (48) hours before the time set for holding the Fourteenth AGM. The lodging of the Form of Proxy will not preclude you from attending and voting in person at the Fourteenth 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  
**LEBTECH BERHAD**

**DATO' HAZLI BIN IBRAHIM**  
Independent Non-Executive Director

**FURTHER INFORMATION**

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**1. Responsibility Statement**

This Circular has been reviewed and approved by the Directors of LEBTECH 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**

LEBTECH 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 LEBTECH nor its subsidiaries is engaged in any material litigation, claims or arbitration, either as a plaintiff or defendant, and the Directors of LEBTECH do not know of any proceedings pending or threatened against LEBTECH or its subsidiaries or of any facts likely to give rise to any proceedings which may materially affect the position and/or business of LEBTECH and its subsidiaries.

**4. Contingent Liabilities**

Save as for a Bank Guarantee amounting to RM200,000.00 provided by LCSB to Exxobrite Sdn. Bhd. in relation to the supply of diesel and lubricant, the Directors of LEBTECH as at 11 April 2016 (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 LEBTECH Group.

**5. Documents Available For Inspection**

Copies of the following documents are available for inspection at the registered office of LEBTECH 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 LEBTECH; and
- (ii) the audited consolidated accounts of LEBTECH for the financial years ended 31 December 2014 and 31 December 2015 and the unaudited quarterly results for the first financial period ended 31 March 2016.