

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

If you are in any doubt as to the 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, you should at once hand this Circular together with the accompanying Form of Proxy to the agent through whom the sale or transfer was contracted for onward transmission to the purchaser or transferee.

Notice of the Extraordinary General Meeting ("EGM") to be held at Room – Concorde I, Concorde Hotel, No. 3, Jalan Tengku Ampuan Zabedah C9/C, 40100 Shah Alam, Selangor Darul Ehsan on Tuesday, 29 June 2004 at 11.30 a.m. or immediately after the conclusion or adjournment (as the case may be) of the 2nd Annual General Meeting of the Company which will be held at 11.00 a.m. at the same venue and on the same day, whichever is the earlier, is enclosed in this Circular.

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LEBAR DAUN BERHAD

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

CIRCULAR TO SHAREHOLDERS

IN RELATION TO THE

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

AND

NOTICE OF EXTRAORDINARY GENERAL MEETING AND PROXY FORM

Last date and time for lodging the Form of Proxy : No later than forty eight (48) hours before the time of the EGM

Date and time of EGM : Tuesday, 29 June 2004 at 11.30 a.m.

This Circular is dated 4 June 2004

DEFINITIONS

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

“Act”	- The Companies Act, 1965, as amended from time to time and any re-enactment thereof
“AGM”	- Annual General Meeting
“BASCO”	- Basco Sdn Bhd (Company No. 451727-K)
“Bursa Malaysia”	- Bursa Malaysia Securities Berhad (formerly known as Malaysia Securities Exchange Berhad)
“Board”	- Board of Directors of LDAUN
“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)
“EGM”	- Extraordinary General Meeting
“LDAUN” or “the Company”	- Lebar Daun Berhad (Company No. 590945-H)
“LDAUN Group” or “Group”	- Lebar Daun Berhad and its subsidiary
“LDCSB”	- Lebar Daun Construction Sdn Bhd (Company No. 175883-H), a wholly-owned subsidiary of LDAUN
“LDDSB”	- Lebar Daun Development Sdn Bhd (Company No. 474585-K), 99.99% owned by Dato’ Noor Azman @ Noor Hizam bin Mohd Nurdin
“Listing Date”	- 1 March 2004, being the date LDAUN was listed on the Second Board of the Bursa Malaysia
“Listing Requirements”	- The Listing Requirements of Bursa Malaysia, 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 (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 Companies Act, 1965
- “Ordinary Resolution”
- The ordinary resolution set out in the Notice of EGM dated 4 June 2004
- “Proposed Shareholders’ Mandate”
- Proposed mandate to be given by the shareholders of LDAUN for the Recurrent Related Party Transactions as set out in Section 2.4 of this Circular
- “Proposed Shareholders’ Ratification”
- Proposed shareholders’ ratification of the Recurrent Related Party Transactions entered into/to be entered into from the Listing Date to the date of the forthcoming EGM as set out in Section 2.4 of this Circular
- “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 Shareholders’ Ratification and Proposed Shareholders’ Mandate
- “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, entered into/to be entered into by LDAUN or its subsidiary which involve the interest, direct or indirect, of a Related Party(ies)
- “RM” and “Sen”
- Ringgit Malaysia and Sen respectively

CONTENTS

	Page
LETTER TO SHAREHOLDERS CONTAINING:	
1. INTRODUCTION	1
2. DETAILS OF THE PROPOSED SHAREHOLDERS' RATIFICATION AND PROPOSED SHAREHOLDERS' MANDATE	2
3. RATIONALE AND BENEFIT OF THE PROPOSED SHAREHOLDERS' RATIFICATION AND PROPOSED SHAREHOLDERS' MANDATE	9
4. FINANCIAL EFFECTS	10
5. APPROVAL REQUIRED	10
6. DIRECTORS' AND MAJOR SHAREHOLDERS' INTERESTS	10
7. DIRECTORS' RECOMMENDATION	11
8. EGM	12
9. FURTHER INFORMATION	12
APPENDIX	
I FURTHER INFORMATION	13
NOTICE OF EGM	ENCLOSED
FORM OF PROXY	ENCLOSED



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

4 June 2004

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

1. INTRODUCTION

The Company was listed on the Second Board of the Bursa Malaysia on 1 March 2004 and taking over the listing status of Hiap Aik Construction Berhad (Special Administrators Appointed).

On 6 May 2004, your Board announced that the Company proposed to seek its shareholders' ratification and mandate for recurrent related party transactions of a revenue or trading nature which are in the ordinary course of business in compliance with Chapter 10, paragraph 10.09 of the Listing Requirements.

The Company had on 27 May 2004 announced that Bursa Malaysia had vide its letter dated 27 May 2004 approved the Company's application to procure shareholders' ratification in respect of the recurrent related party transactions entered into between the Listing Date of LDAUN and the forthcoming EGM scheduled to be held immediately after the forthcoming AGM.

The purpose of this Circular is to provide you with details of the Proposed Shareholders' Ratification and Proposed Shareholders' Mandate and to seek your approval for the resolution pertaining to the Proposed Shareholders' Ratification and Proposed Shareholders' Mandate to be tabled at the forthcoming EGM. The notice of EGM together with the Form of Proxy are enclosed together in this Circular.

2. DETAILS OF THE PROPOSED SHAREHOLDERS' RATIFICATION AND PROPOSED SHAREHOLDERS' MANDATE

2.1 Introduction

Under paragraph 10.09 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 Party 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 Group has entered into certain Recurrent Related Party Transactions in the ordinary course of business and it is anticipated that the LDAUN Group would, in the ordinary course of business, continue to enter into such Recurrent Related Party Transactions which are detailed in Section 2.4 below. It is likely that such transactions will occur with some degree of frequency and could arise at any time.

Your Board therefore proposes to seek shareholders' ratification for Recurrent Related Party Transactions entered into/to be entered into by LDAUN Group from the Listing Date to the date of the forthcoming EGM and a mandate from the shareholders of the Company for future Recurrent Related Party Transactions. Such transactions have been/will be 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 Shareholders' Mandate, if approved by the shareholders of LDAUN at the forthcoming EGM, will take effect from the date of the said EGM until:-

- (i) the conclusion of the next AGM of LDAUN following the forthcoming EGM at which the Proposed 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 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 before the next AGM,

whichever is earlier.

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

2.2 Classes of Related Parties

The Proposed Shareholders' Ratification and Proposed 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 Principal Activities of LDAUN Group

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.

2.4 Nature of Recurrent Related Party Transactions

The details of the Recurrent Related Party Transactions which will be covered by the Proposed Shareholders' Ratification and Proposed Shareholders' Mandate are set out below:-

Party within LDAUN Group involved in Transaction	Related Party	Nature of Transaction	Interested Related Party	Relationship	Actual Value of Transaction from Listing Date to 30/4/2004 (RM)	Estimated Value of Transaction from 1/5/2004 to EGM date (RM)	Estimated Value of Transaction from EGM date to the next AGM (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>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, 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>	939,345	#	#
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>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, 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>	24,000	24,000	144,000

Party within LDAUN Group involved in Transaction	Related Party	Nature of Transaction	Interested Related Party	Relationship	Actual Value of Transaction from Listing Date to 30/4/2004 (RM)	Estimated Value of Transaction from 1/5 2004 to EGM date (RM)	Estimated Value of Transaction from EGM date to the next AGM (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>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, 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>	6,000	6,000	36,000
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>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>	439,178	#	#

Notes:

- (1) *Noorazhar bin Mohamed Nurdin is a director of LDSCB and LDDSB and is the brother of Dato' Noor Azman @ Noor Hizam bin Mohd Nurdin, Norazmi bin Mohamed 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 Dato' Noor Azman @ Noor Hizam bin Mohd Nurdin, Norazmi bin Mohamed 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 Dato' Noor Azman @ Noor Hizam bin Mohd Nurdin, Norazmi bin Mohamed Nurdin and Noorazhar bin Mohamed Nurdin.*
- # *The estimated value of transactions cannot be determined as the transactions are on project-by-project basis.
(Appropriate announcement will be made accordingly (if required) as and when project is awarded.)*

The rental is paid on a monthly basis and the tenure of the lease is subject for renewal every two years.

As at 30 April 2004, the direct and indirect shareholdings of the interested Directors, interested major shareholders and persons connected to the interested Directors and major shareholders 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*

2.5 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 no 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 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 Proposed Shareholders' Mandate;
- (vi) Where any member(s) of the Board, Audit Committee and the Tender Committee has interest (directly or indirectly) in any transaction, such member(s) shall abstain from deliberation and decision making in respect of that transaction;
- (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 of LDAUN 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 of LDAUN 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.

2.6 Statement by Audit Committee of LDAUN

The Audit Committee of LDAUN has seen and reviewed the procedures as mentioned in Section 2.5 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 AND BENEFIT OF THE PROPOSED SHAREHOLDERS' RATIFICATION AND PROPOSED SHAREHOLDERS' MANDATE

The Related Party Transactions envisaged in the Proposed Shareholders' Ratification and the Proposed 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 the same may render it impractical to seek shareholders' approval on a case by case basis before entering into such recurrent related party transactions. As such, your Board is seeking the shareholders' ratification and shareholders' mandate pursuant to paragraph 10.09 of the Listing Requirements for the Recurrent Related Party Transactions described in Section 2.4 above to allow the Group to enter/entered 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.

The Proposed Shareholders' Ratification will ratify the Recurrent Related Party Transactions entered into/to be entered into by LDAUN Group from the Listing Date to the date of the forthcoming EGM.

By obtaining the Proposed Shareholders' Mandate and the renewal of the same 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.

4. FINANCIAL EFFECTS

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

5. APPROVAL REQUIRED

The Proposed Shareholders' Ratification and Proposed Shareholders' Mandate required the approval of the shareholders of LDAUN at the forthcoming EGM. The Proposed Shareholders' Mandate being procured from shareholders of the Company at the forthcoming EGM is subject to annual renewal.

6. DIRECTORS' AND MAJOR SHAREHOLDERS' INTERESTS

As at 30 April 2004, the direct and indirect interests of the interested Directors, interested major shareholders and persons connected to the interested Directors and major shareholders of LDAUN are as follows:-

	Direct		Indirect	
	No. of shares	%	No. of shares	%
Interested Directors				
Norazmi bin Mohamed Nurdin	1,581,000	1.33	88,878,800	75.01 ⁽¹⁾
Dato' Noor Azman @ Noor Hizam bin Mohd Nurdin	88,550,000	74.74	1,909,800	1.61 ⁽²⁾
Interested Major Shareholder				
Dato' Noor Azman @ Noor Hizam bin Mohd Nurdin	88,550,000	74.74	1,909,800	1.61 ⁽²⁾
Persons Connected to Interested Directors and Major Shareholder				
Noorazhar bin Mohamed Nurdin	255,800	0.21	90,204,000	76.13 ⁽³⁾
Norazlan bin Mohamad Nordin	47,000	0.04	90,412,800	76.31 ⁽⁴⁾
Fatmawati bt Kasbin	26,000	0.02	90,433,800	76.32 ⁽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, Dato' Noor Azman @ Noor Hizam bin Mohd Nurdin's, Norazmi 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.*
- (4) *Deemed interest by virtue of his spouse, Fatmawati bt Kasbin's and his brothers, Dato' Noor Azman @ Noor Hizam bin Mohd Nurdin's, Norazmi bin Mohamed 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, Dato' Noor Azman @ Noor Hizam bin Mohd Nurdin's, Norazmi bin Mohamed 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 2.4 above. Such interested Directors will also abstain from voting in respect of their direct and indirect shareholdings on the resolution approving the Proposed Shareholders' Ratification and Proposed Shareholders' Mandate at the forthcoming EGM.

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 resolution approving the Proposed Shareholders' Ratification and Proposed Shareholders' Mandate at the forthcoming EGM.

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 resolution pertaining to the Proposed Shareholders' Ratification and Proposed Shareholders' Mandate at the forthcoming EGM.

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 Shareholders' Ratification and Proposed Shareholders' Mandate.

7. DIRECTORS' RECOMMENDATION

Your 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 Shareholders' Ratification and Proposed Shareholders' Mandate is of the opinion that the Proposed Shareholders' Ratification and Proposed Shareholders' Mandate are in the best interest of LDAUN and its shareholders.

Accordingly, your 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 2.4 above) recommend that you vote in favour of the resolution pertaining to the Proposed Shareholders' Ratification and Proposed Shareholders' Mandate to be tabled at the forthcoming EGM.

8. EGM

The EGM, the notice of which is enclosed in this Circular, will be held at Room - Concorde I, Concorde Hotel, No. 3, Jalan Tengku Ampuan Zabedah C9/C, 40100 Shah Alam, Selangor Darul Ehsan on Tuesday, 29 June 2004 at 11.30 a.m. or immediately after the conclusion or adjournment (as the case may be) of the 2nd AGM of the Company which will be held at 11.00 a.m. at the same venue and on the same day, whichever is the earlier, for the purpose of considering and, if thought fit, passing the resolution to give effect to the Proposed Shareholders' Ratification and Proposed Shareholders' Mandate.

If you are unable to attend and vote in person at the EGM, you should complete and return the enclosed Form of Proxy in accordance with the instructions 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 48 hours before the time fixed for the EGM or any adjournment thereof. The lodging of the Form of Proxy will not preclude you from attending and voting in person at the EGM 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 letter dated 1 June 2002 from Lebar Daun Properties Sdn Bhd (“LDP”) (accepted by LDCSB) whereby LDP agreed to transfer legal ownership of 2 petrol station lands held under HS(M) 23146 PT No. 32404 Mukim Kapar, Klang, Selangor and HS(M) 20375 PT No. 32460 Mukim Kapar, Klang, Selangor, respectively from LDP to LDCSB as set-off for RM2.9 million debts owing by LDP to LDCSB.
- ii. By a Memorandum of Understanding (“Definitive Agreement” or “DA”) dated 7 August 2002 entered into between Hiap Aik Construction Berhad (Special Administrators Appointed) (“HACB”), Dato’ Noor Azman @ Noor Hizam bin Mohd Nurdin and Datin Nor Hayati binti Abdul Malik (which LDCSB has pursuant to the Supplemental Definitive Agreement referred to below, agreed to be bound by), the parties agreed to implement a Restructuring Scheme upon the terms and conditions therein contained.
- iii. By a Sale and Purchase Agreement dated 14 October 2002 entered between Dato’ Noor Azman @ Noor Hizam bin Mohd Nurdin (“Vendor”) and LDCSB (“Purchaser”), the Vendor agreed to sell and the Purchaser agreed to purchase the properties held under H.S.(D) 151324, P.T. No. 896, Mukim Bandar Shah Alam Daerah Petaling, Selangor and H.S.(D) 151325, P.T. No. 897, Mukim Bandar Shah Alam, Daerah Petaling, Selangor, for the purchase consideration of RM3,500,000 to be satisfied by 3,500,000 new ordinary shares of RM1.00 each of the issued and paid up share capital of the Purchaser.

- iv. By a Supplemental Definitive Agreement dated 13 November 2002 entered into between HACB, Dato' Noor Azman @ Noor Hizam bin Mohd Nurdin, Datin Nor Hayati binti Abdul Malik, and LDCSB, the parties agreed to amend the Restructuring Scheme and the terms and conditions contained in the DA.
- v. By a Sale and Purchase Agreement dated 13 November 2002 entered into between Dato' Noor Azman @ Noor Hizam bin Mohd Nurdin, Datin Nor Hayati binti Abdul Malik ("Vendors") and LDAUN ("Purchaser"), the Vendors agreed to sell and the Purchaser agreed to purchase the entire issued and paid-up share capital of LDCSB comprising 17,000,000 ordinary shares of RM1.00 each in LDCSB for a purchase consideration of RM74,500,000 to be satisfied by 113,000,000 new ordinary shares of RM0.50 each in LDAUN and RM18,000,000 nominal value of 3 years 2% ICULS at 100% of the nominal value of RM1.00 each.
- vi. By a Sale and Purchase Agreement dated 23 December 2002 entered into between LDCSB ("Vendor") and Jejak Dagang Sdn Bhd ("Purchaser"), the Vendor agreed to sell and the Purchaser agreed to purchase all the following properties held under:
 - a) HS (D) 48447 PT No. 48604, Mukim Klang Daerah Klang, Selangor;
 - b) HS (D) 48448 PT No. 48605, Mukim Klang Daerah Klang, Selangor;
 - c) HS (D) 48449 PT No. 48606, Mukim Klang Daerah Klang, Selangor;
 - d) HS (D) 48450 PT No. 48607, Mukim Klang Daerah Klang, Selangor;
 - e) HS (D) 48451 PT No. 48608, Mukim Klang Daerah Klang, Selangor; and
 - f) HS (D) 48452 PT No. 48609, Mukim Klang Daerah Klang, Selangorfor the aggregate purchase consideration of RM2,250,000.00.
- vii. By a 2nd Supplemental Definitive Agreement dated 17 February 2003 entered into between HACB, Dato' Noor Azman @ Noor Hizam bin Mohd Nurdin, Datin Nor Hayati binti Abdul Malik, and LDCSB, the parties agreed to amend the terms and conditions of the Supplemental Definitive Agreement dated 13 November 2002.
- viii. 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.

- ix. By a Sale and Purchase Agreement dated 25 August 2003 entered into between LDCSB (“Vendo”) 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.
- x. 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.
- xi. By an Underwriting Agreement dated 9 January 2004 between the Company 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.

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 28 May 2004 (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 RM161,250.00 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. Bank Guarantees amounting to RM500,000.00 provided by Lebar Daun Construction Sdn Bhd to Maluri Equipment (M) Sdn Bhd in respect of Projek Universiti Industri Selangor - Lab Equipment 3B.

- iv. Advance Payment Bond amounting to RM22,541,378.12 provided by Lebar Daun Construction Sdn Bhd to Universiti Industri Selangor for advance payment received by Lebar Daun Construction Sdn Bhd.
- v. 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.
- vi. 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.
- vii. 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.

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 EGM:-

- (i) Memorandum and Articles of Association of LDAUN;
- (ii) the material contracts referred to in Section 2 above;
- (iii) the audited accounts of LDAUN for the 2 financial years ended 31 December 2002 and 2003; and
- (iv) the unaudited quarterly results as at 31 March 2004.



LEBAR DAUN BERHAD

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

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT an Extraordinary General Meeting (“EGM”) of Lebar Daun Berhad will be held at Room - Concorde I, Concorde Hotel, No. 3, Jalan Tengku Ampuan Zabedah C9/C, 40100 Shah Alam, Selangor Darul Ehsan on Tuesday, 29 June 2004 at 11.30 a.m. or immediately after the conclusion or adjournment (as the case may be) of the 2nd Annual General Meeting (“AGM”) of the Company which will be held at 11.00 a.m. at the same venue and on the same day, whichever is the earlier, for the purpose of considering and, if thought fit, passing the following resolution:-

ORDINARY RESOLUTION

PROPOSED SHAREHOLDERS’ RATIFICATION AND PROPOSED SHAREHOLDERS’ MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE

“THAT subject to the Companies Act, 1965 (“Act”), the Memorandum and Articles of Association of the Company and the Listing Requirements of the Bursa Malaysia Securities Berhad (“Bursa Malaysia”), approval be and is hereby given to the Company and/or its subsidiary to enter into recurrent related party transactions (“Recurrent Related Party Transactions”) of a revenue or trading nature with the related parties as set out in Section 2.4 of the Circular to the Shareholders dated 4 June 2004 (“the Circular”), subject further to the following:

- (i) the Recurrent Related Party Transactions are entered into in the ordinary course of business on terms not more favourable to the related parties than those generally available to the public, and the Recurrent Related Party Transactions are undertaken on arms’ length basis and are not to the detriment of the minority shareholders of the Company;
- (ii) the disclosure is made in the annual report of the breakdown of the aggregate value of the Recurrent Related Party Transactions conducted pursuant to the shareholders’ mandate during the financial year, amongst others, based on the following information:
 - (a) the type of Recurrent Related Party Transactions made; and
 - (b) the names of the related parties involved in each type of Recurrent Related Party Transactions made and their relationship with the Company;
- (iii) the shareholders’ mandate is subject to annual renewal and this shareholders’ mandate shall only continue to be in full force until:-

- (a) the conclusion of the next AGM of the Company following this EGM, at which this shareholders' mandate will lapse, unless by a resolution passed at the said AGM, such authority is renewed;
 - (b) the expiration of the period within which next AGM after the date it 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
 - (c) revoked or varied by resolution passed by the shareholders in general meeting;
- whichever is the earlier;

AND THAT all Recurrent Related Party Transactions entered into by the Company and/or its subsidiary from 1 March 2004, being the date the Company was listed on the Second Board of the Bursa Malaysia, up to the date of this Ordinary Resolution be and are hereby approved and ratified;

AND THAT the Directors of the Company be and are hereby authorised to complete and do all such acts and things as they may consider expedient or necessary (including executing such documents as may be required) to give effect to the Recurrent Related Party Transactions contemplated and/or authorised by this Ordinary Resolution."

By Order of the Board

RAZALI BIN HASSAN

LS 05531

Company Secretary

Shah Alam

4 June 2004

Notes:-

1. *A proxy may but need not be a member of the Company and the provisions of Section 149(1)(b) of the Companies Act, 1965 shall not apply to the Company.*
2. *To be valid this form duly completed must be 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 for holding the Meeting or any adjournment thereof.*
3. *A member shall be entitled to appoint a proxy/proxies (but not more than two (2)) to attend and vote at the same meeting.*
4. *Where a member appoints two (2) proxies, the appointment shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy.*
5. *Where a member is an authorized nominee as defined under the Securities Industry (Central Depositories) Act, 1991, it may appoint at least one (1) proxy in respect of each Securities Account it holds with ordinary shares of the Company standing to the credit of the said Securities Account.*
6. *If the appointer is a corporation, this form must be executed under its Common Seal or under the hand of its attorney.*



LEBAR DAUN BERHAD

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

FORM OF PROXY

I/We _____ NRIC No./Company No. _____
of _____
being a member/members of LEBAR DAUN BERHAD, hereby appoint _____
_____ NRIC No. _____
of _____
or failing whom, _____ NRIC No. _____
of _____

as my/our proxy to vote for me/us and on my/our behalf at the EXTRAORDINARY GENERAL MEETING of the Company to be held at Room - Concorde I, Concorde Hotel, No. 3, Jalan Tengku Ampuan Zabedah C9/C, 40100 Shah Alam, Selangor Darul Ehsan on Tuesday, 29 June 2004 at 11.30 a.m. or immediately after the conclusion or adjournment (as the case may be) of the 2nd Annual General Meeting of the Company which will be held at 11.00 a.m. at the same venue and on the same day, whichever is the earlier, for/against the resolution(s) to be proposed thereat.

Please indicate with an "X" in the appropriate space how you wish your vote to be cast. Unless voting instructions are specified herein, the proxy will vote or abstain from voting as he thinks fit.

Ordinary Resolution	For	Against
Proposed Shareholders' Ratification and Proposed Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature		

As witness my/our hand this _____ day of _____ 2004

No. of shares held :

Signature/Common Seal of Member(s)

Notes:-

1. A proxy may but need not be a member of the Company and the provisions of Section 149(1)(b) of the Companies Act, 1965 shall not apply to the Company.
2. To be valid this form duly completed must be 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 for holding the Meeting or any adjournment thereof.
3. A member shall be entitled to appoint a proxy/proxies (but not more than two (2)) to attend and vote at the same meeting.
4. Where a member appoints two (2) proxies, the appointment shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy.
5. Where a member is an authorized nominee as defined under the Securities Industry (Central Depositories) Act, 1991, it may appoint at least one (1) proxy in respect of each Securities Account it holds with ordinary shares of the Company standing to the credit of the said Securities Account.
6. If the appointer is a corporation, this form must be executed under its Common Seal or under the hand of its attorney.

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Stamp

The Company Secretary
LEBAR DAUN BERHAD (Company No. 590945-H)
Wisma Lebar Daun
No. 2, Jalan Tengku Ampuan Zabedah J9/J
Seksyen 9, 40000 Shah Alam
Selangor Darul Ehsan, Malaysia

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