THIS CIRCULAR/STATEMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

If you are in any doubt as to the course of action to be taken, you should consult your stockbroker, bank manager, solicitor, accountant or other independent/professional adviser(s) immediately.

Bursa Malaysia Securities Berhad ("Bursa Securities") has not perused the contents of this Circular/Statement prior to their issuance as they are exempt documents pursuant to Paragraph 2.1 of the Practice Note 18 of the Main Market Listing Requirements of Bursa Securities.

Bursa Securities takes no responsibility for the contents of this Circular/Statement, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Circular/Statement.

KIMLUN

KIMLUN CORPORATION BERHAD

Registration No. 200901023978 (867077-X)
(Incorporated in Malaysia)

PART A
CIRCULAR TO SHAREHOLDERS IN RELATION TO THE PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE

PART B
STATEMENT TO SHAREHOLDERS IN RELATION TO THE PROPOSED RENEWAL OF AUTHORITY FOR THE COMPANY TO PURCHASE UP TO TEN PER CENT (10%) OF THE TOTAL NUMBER OF ISSUED SHARES IN THE COMPANY

The resolutions in respect of the above proposals will be tabled as Special Business at the 15th Annual General Meeting ("AGM") of the Company which will be conducted on a fully virtual basis through live streaming and online meeting platform as well as online remote voting via the Remote Participation and Voting facilities ("RPV") provided by Tricor Investor & Issuing House Services Sdn Bhd ("Tricor") via its TIIH Online website at https://tiih.online on 4 June 2024, Tuesday at 2.30 p.m.

Members are to attend, speak (including posing questions to the Board via real time submission of typed texts) and vote (collectively, "participate") remotely at the 15th AGM using RPV. This Circular/Statement is available at http://www.kimlun.com/kimlun-corp/investor-relations.php together with Notice of the 15th AGM, Proxy Form and the Administrative Guide for the 15th AGM of the Company. **Please follow the procedures in the Administrative Guide for the 15th AGM in order to participate remotely via RPV.**

If you are unable to participate in this 15th AGM, you may appoint proxy(ies) to do so on your behalf by depositing the completed Proxy Form at the Company's Share Registrar's office at Tricor Investor & Issuing House Services Sdn Bhd at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or alternatively, the Customer Services Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur no less than forty-eight (48) hours before the time appointed for holding the 15th AGM or any adjournment thereof. You may also submit the proxy appointment electronically via Tricor's TIIH Online website at https://tiih.online not later than the aforementioned time.

This Circular/Statement is dated 26 April 2024

Unless otherwise indicated, the following definitions apply throughout this Circular/Statement:-

"Act"	:	Companies Act 2016 and any amendments thereto
"AGM"	:	Annual General Meeting of KLCB
"BDSB"	:	Bayu Damai Sdn Bhd, an indirect 49% subsidiary of KLCB
"Board"	:	Board of Directors of KLCB
"Bursa Securities"	:	Bursa Malaysia Securities Berhad
"Code"	:	Malaysian Code on Take-Over and Mergers 2016 read together with the Rules on Take-Overs, Mergers and Compulsory Acquisitions and any amendments thereto
"CMSA"	:	Capital Markets and Services Act 2007 and any amendments thereto
"Director"	:	A director as defined in Section 2(1) of the CMSA and includes any person who is or was within the preceding six (6) months of the date on which the terms of the Recurrent Transaction were agreed upon, a director of KLCB or any other company which is its subsidiary or holding company or a chief executive officer of the Company, its subsidiary or holding company
"EPS"	:	Earnings per share
"JBE"	:	JB Enterprise Sdn Bhd
"Kimlun Land"	:	Kimlun Land Sdn Bhd, a wholly-owned subsidiary of KLCB
"KLBM"	:	KL Building Materials Sdn Bhd, a wholly-owned subsidiary of KLCB
"KLCB" or **"the Company"**	:	Kimlun Corporation Berhad
"KLCB Group" or **"the Group"**	:	KLCB and its subsidiaries collectively
"KASB"	:	Kii Ashbury Sdn Bhd, a wholly-owned subsidiary of KLCB
"KIASB"	:	Kii Amber Sdn Bhd, a wholly-owned subsidiary of KLCB
"KIMSB"	:	Kii Melodia Sdn Bhd, an indirect 69.5% subsidiary of KLCB
"KLSB"	:	Kimlun Sdn Bhd, a wholly-owned subsidiary of KLCB
"KMRSB"	:	Kii Morris Sdn Bhd, a wholly-owned subsidiary of KLCB
"KMSB"	:	Kimlun Medini Sdn Bhd, a wholly-owned subsidiary of KLCB
"KSCSB"	:	Kimlun Superior Crest Sdn Bhd, an indirect 60% subsidiary of KLCB
"KTLSB"	:	Kitaran Lintas Sdn Bhd, a wholly-owned subsidiary of KLCB
"KTSB"	:	Kii Tebrau Sdn Bhd, an indirect 70% subsidiary of KLCB
"KVSB"	:	Kiiville Sdn Bhd, a wholly-owned subsidiary of KLCB

"Listing Requirements"	:	Main Market Listing Requirements of Bursa Securities and any amendments thereto
"LPD"	:	The latest practicable date prior to the issuance of this Circular/Statement, being 29 March 2024
"Market Day"	:	Any day on which the stock market of Bursa Securities is open for the trading in securities, which may include a day that is declared as a public holiday in the Federal Territory of Kuala Lumpur that has not been gazetted as a public holiday at the beginning of the calendar year
"Major Shareholder"	:	A 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 person who has an interest or interests in one or more voting shares in KLCB, its subsidiary company or its holding company and the total number of those voting shares is:- (a) equal to or more than 10% of the total number of voting shares in the company; or (b) equal to or more than 5% of the total number of voting shares in the company where such person is the largest shareholder of the company For the purpose of this definition, "interest" shall have the meaning of "interest in shares" given in Section 8 of the Act.
"Minister"	:	The Minister charged with the responsibility for companies, as defined in the Act
"MLW"	:	Mi Lun Woodworks Sdn Bhd
"NA"	:	Net assets
"Phin"	:	Phin Sdn Bhd
"RPV"	:	Remote participation and voting facilities
"RRPT Mandate"	:	Proposed renewal of shareholders' mandate for the KLCB Group to enter into Recurrent Transactions
"SBB Mandate"	:	Proposed renewal of authority for the Company to purchase up to ten per cent (10%) of the total number of issued shares in the Company
"PASB"	:	Posh Atlantic Sdn Bhd, a wholly-owned subsidiary of KLCB
"PDSB"	:	Pinegate Development Sdn Bhd, a wholly-owned subsidiary of KLCB
"Person(s) Connected"	:	In relation to any person (referred to as "said Person") means such person who falls under any one of the following categories: (a) a family member of the said Person; (b) a trustee of a trust (other than a trustee for a share scheme for employees or pension scheme) under which the said Person, or a family member of the said Person, is the sole beneficiary; (c) a partner of the said Person; (d) a person, or where the person is a body corporate, the body corporate or its directors, who is/are accustomed or under an obligation, whether formal or informal, to act in accordance with the directions, instructions or wishes of the said Person; (e) a person, or where the person is a body corporate, the body corporate or its directors, in accordance with whose directions, instructions or wishes the said Person is accustomed or is under an obligation, whether formal or informal, to act; (f) a body corporate in which the said Person, or persons connected with the said Person are entitled to exercise, or control the exercise of, not less than 20% of the votes attached to voting shares in the body corporate; or (g) a body corporate which is a related corporation of the said Person.

"Purchased Shares"	:	Shares purchased pursuant to the SBB Mandate
"PWSB"	:	Properties Watch Sdn Bhd
"Recurrent Transaction(s)" or **"RRPT"**	:	Recurrent transactions of a revenue or trading nature entered into by the KLCB Group which involves the interest, direct or indirect of a Related Party(ies) and which are necessary for its day-to-day operations
"Related Party(ies)"	:	Directors, Major Shareholders or Persons Connected to them
"RM" and **"sen"**	:	Ringgit Malaysia and sen, the legal currency in Malaysia
"RSSB"	:	Rex Series Sdn Bhd, an indirect 60% subsidiary of KLCB
"SC"	:	Securities Commission Malaysia
"SD"	:	Scudai Development Sdn Bhd
"Share(s)"	:	Ordinary share(s) in KLCB
"Shareholders"	:	Shareholders of KLCB
"SPC"	:	SPC Industries Sdn Bhd, a wholly-owned subsidiary of KLCB
"SPR"	:	Sri Pulai Realty Sdn Bhd
"Substantial Shareholder"	:	A person who has an interest or interests in one or more voting shares in a company and the total number of those voting shares, is not less than 5% of the total number of voting shares in the company. For the purpose of this definition, "interest in shares" shall have the meaning given in Section 8 of the Act

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PART A

CIRCULAR TO SHAREHOLDERS IN RELATION TO THE PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE

KIMLUN CORPORATION BERHAD

Registration No. 200901023978 (867077-X)
(Incorporated in Malaysia)

Registered Office:
Unit 30-01, Level 30, Tower A
Vertical Business Suite
Avenue 3, Bangsar South
No. 8, Jalan Kerinchi
59200 Kuala Lumpur
Wilayah Persekutuan

26 April 2024

Board of Directors:-

Pang Tin @ Pang Yon Tin *(Executive Chairman)*
Sim Tian Liang *(Chief Executive Officer and Executive Director)*
Chin Lian Hing *(Executive Director)*
Yam Tai Fong *(Executive Director)*
Pang Khang Hau *(Executive Director)*
Datuk Woon See Chin *(Independent Non-Executive Director)*
Johar Salim Bin Yahaya *(Independent Non-Executive Director)*
Anita Chew Cheng Im *(Independent Non-Executive Director)*
Bhupendar Singh A/L Sewa Singh *(Independent Non-Executive Director)*
Dato' Ir. Fong Tian Yong *(Independent Non-Executive Director)*

TO THE SHAREHOLDERS OF KLCB,

Dear Sir/ Madam,

RRPT MANDATE

1. INTRODUCTION

On 2 June 2023, the Company had obtained the mandate from its shareholders for the KLCB Group to enter into Recurrent Transactions, which are necessary for the day-to-day operations of the Group. The existing shareholders' mandate shall lapse at the conclusion of the forthcoming AGM unless authority for its renewal is obtained from the shareholders of the Company at the forthcoming AGM.

On 1 April 2024, the Company had announced that it proposes to seek the approval of the Shareholders for the RRPT Mandate at the forthcoming AGM.

The purpose of this Circular is to set out the relevant details of the RRPT Mandate and to seek your approval for the resolution pertaining to the RRPT Mandate to be tabled at the forthcoming AGM.

2. RRPT MANDATE

Pursuant to Paragraph 10.09, Chapter 10 of the Listing Requirements, a listed issuer may seek its shareholders' mandate in respect of related party transactions which involve Recurrent Transactions subject to, inter-alia, the following:-

(a) 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;

(b) 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 in Paragraph 10.09(1) of the Listing Requirements;

(c) the circular to shareholders for the shareholders' mandate includes the information as may be prescribed by Bursa Securities. The draft circular must be submitted to Bursa Securities together with a checklist showing compliance with such information;

(d) in a meeting to obtain shareholders' mandate, the relevant related party must comply with the requirements set out in Paragraph 10.08(7) of the Listing Requirements; and

(e) the lister issuer immediately announces to Bursa Securities when the actual value of a Recurrent Transaction entered into by the listed issuer, exceeds the estimated value of the Recurrent Transaction disclosed in the circular by 10% or more and must include the information as may be prescribed by Bursa Securities.

The Board herein seeks the approval of the Shareholders for the RRPT Mandate. The Recurrent Transactions are entered into in the ordinary course of business between the Group and companies/parties in which certain Directors, Major Shareholders and/or Persons Connected to them have an interest in.

2.1 Nature of the Recurrent Transactions contemplated and Related Parties

The principal activity of KLCB is investment holding. The particulars of its subsidiaries and their principal activities as at LPD are as follows:-

Subsidiaries*	% effective equity interest	Principal activities
KLSB	100	Building and infrastructure contractors
SPC	100	Ready mix concrete production and manufacturing of pre-cast concrete products
Kimlun Land	100	Investment holding, property investment and development
KMSB	100	Property investment and property development
KTLSB	100	Property investment and property development
KLBM	100	Manufacturing and trading of all kinds of building and construction materials and provision of transportation services
KASB	100	Investment holding, property investment and development
KMRSB	100	Investment holding, property investment and development
KVSB	100	Investment holding, property investment and development
KIASB	100	Investment holding, property investment and development
PASB	100	Property investment and property development
PDSB	100	Property development
KTSB	70	Property investment and property development
KIMSB	69.5	Property investment and property development
KSCSB	60	Building and infrastructure contractor
RSSB	60	Investment holding, property investment and development
BDSB	49	Property development

Note:-
** as defined in the Act*

It is anticipated that the Group would, in the ordinary course of business, enter into transactions with various Related Parties.

2.2 Classes of Related Parties and Nature of Transactions

The RRPT Mandate will apply to the Recurrent Transactions by the Group with the following classes of Related Parties, details of which are as follows:-

Subsidiaries involved	Transacting Parties	Categories of Recurrent Transactions	Previous Estimated Value [μ] RM'000	Actual Value Transacted [μ] RM'000	Estimated Value [β] RM'000	Interested Directors and Major Shareholders and Persons Connected to them
KLSB	SD [(1)]	Provision of construction services by KLSB to SD for construction of buildings and infrastructure	80,000 [(a)]	-	50,000 [(a)]	Pang Tin @ Pang Yon Tin^, his spouse and children collectively hold 90% interest in SD. Pang Khang Hau* holds 7.5% interest in SD. Pang Chew Ngo[#] is also deemed interested by virtue of her family relationship to Pang Tin @ Pang Yon Tin. Phin is deemed interested by virtue of Pang Tin @ Pang Yon Tin's interest in Phin[∞] pursuant to Section 8 of the Act.
KLSB, SPC	JBE [(2)]	Rental of shophouses of up to 3,000 square feet at Jalan Panglima 2, Taman Dawani, 81400 Senai, Johor from JBE [Ω]	18 [(b)]	-	20 [(b)]	Pang Tin @ Pang Yon Tin^ and his spouse collectively hold 100% interest in JBE. Pang Khang Hau* and Pang Chew Ngo[#] are also deemed interested by virtue of their family relationship to Pang Tin @ Pang Yon Tin. Phin is deemed interested by virtue of Pang Tin @ Pang Yon Tin's interest in Phin[∞] pursuant to Section 8 of the Act.
SPC	SPR [(3)]	Rental of land (up to 1,145,000 square feet) along Jalan Pontian, 81150 Ulu Choh, Johor Bahru, Johor from SPR [Ω]	1,650 [(b)]	1,510	1,650 [(b)]	Phang Piow @ Pang Choo Ing and his spouse collectively hold 100% interest in SPR. Pang Tin @ Pang Yon Tin^ and Pang Chew Ngo[#] are deemed interested by virtue of their family relationship to Phang Piow@ Pang Choo Ing. Phin is deemed interested by virtue of Pang Tin @ Pang Yon Tin's interest in Phin[∞] pursuant to Section 8 of the Act.
KLBM	SPR [(3)]	Rental of vacant land (up to 356,000 square feet) along Jalan Pontian, 81150 Ulu Choh, Johor Bahru, Johor from SPR [Ω]	520 [(b)]	226	520 [(b)]	-As above-

Subsidiaries involved	Transacting Parties	Categories of Recurrent Transactions	Previous Estimated Value [μ] RM'000	Actual Value Transacted [μ] RM'000	Estimated Value [β] RM'000	Interested Directors and Major Shareholders and Persons Connected to them
SPC	PWSB [(4)]	Rental of land (up to 2,500,000 square feet) with factory building erected thereon (up to 31,000 square feet) along Jalan Pontian, 81150 Ulu Choh, Johor Bahru, Johor from PWSB [Ω]	3,500 [(b)]	1,873	3,500 [(b)]	Pang Tin @ Pang Yon Tin^ and his spouse collectively hold 100% interest in PWSB. Pang Khang Hau* and Pang Chew Ngo[#] are also deemed interested by virtue of their family relationship to Pang Tin @ Pang Yon Tin. Phin is deemed interested by virtue of Pang Tin @ Pang Yon Tin's interest in Phin[∞] pursuant to Section 8 of the Act.
SPC	MLW [(5)]	Provision of landscaping and maintenance service by MLW to SPC	180	11	180	Pang Tin @ Pang Yon Tin^ and his spouse collectively hold 100% interest in MLW. Pang Khang Hau* and Pang Chew Ngo[#] are also deemed interested by virtue of their family relationship to Pang Tin @ Pang Yon Tin. Phin is deemed interested by virtue of Pang Tin @ Pang Yon Tin's interest in Phin[∞] pursuant to Section 8 of the Act.
Kimlun Land	MLW [(5)]	Provision of landscaping and maintenance service by MLW to Kimlun Land	180	-	180	- As above -

Notes:

μ *In respect of the preceding year's circular to shareholders dated 27 April 2023. The actual value pertains to the amounts from the last AGM up to the LPD.*

β *It should be noted that the values are estimated, i.e. may vary and are subject to changes. The validity period of the mandate is based on the timeframe from the forthcoming AGM to the next AGM.*

(1) *SD is principally involved in property development and investment in properties.*

(2) *JBE is principally involved in properties investment for rental income.*

(3) *SPR is principally involved in property investment and cultivation of oil palm.*

(4) *PWSB is principally involved in property investment.*

(5) *MLW is principally involved in plantation.*

Ω *The tenancy is for a period not exceeding 3 years. Rental is due and payable on a monthly basis.*

Notes (cont'd.):

(a) Estimated contract value of construction contracts which may be awarded out by SD during the validity period of the mandate.

(b) Estimated aggregate rentals payable under tenancy agreement(s) which is/are projected to be entered into by the respective subsidiary.

^ *Our Director and Major Shareholder*

* *Our Director and shareholder*

\# *Our shareholder and a Director of one of our subsidiary companies*

∞ *Our Major Shareholder*

For the above Recurrent Transactions, there is no amount owing to/from the Transacting Parties as at 31 December 2023 which exceeds credit period.

2.3 Procedures Engaged to Determine Transaction Prices

The transaction prices, terms and conditions of the transactions with Related Parties are determined by market forces, under similar commercial terms for transactions with third parties which depend on the demand and supply of the products in the market and with no special treatment accorded to the Related Parties. Transactions entered into with Related Parties will be at prevailing market prices and/or taking into consideration the prevailing market conditions as well as inter-alia, pricing, quality of the products and/or services and the timing to delivery.

In determining the transaction prices of the above-mentioned Recurrent Transactions, due care has been and/or shall be exercised to ensure that the Recurrent Transactions are undertaken on prices and terms not more favourable to the Related Parties than those generally available to the public and not to the detriment of the minority shareholders.

The Group has implemented procedures to ensure proper identification and reporting of Recurrent Transactions. The procedures are as follows:-

(a) The interested Directors and Major Shareholders have been informed and briefed on the procedures put in place for the Group by the management of the Group in relation to transactions entered/to be entered into by the Group. The interested Directors and Major Shareholders are required to declare and disclose to the Board in a timely manner on transactions in which they are deemed interested;

(b) Records pertaining to the RRPT will be analysed and monitored by the management. The status of these RRPT will be reported by management to the Audit and Risk Management Committee on quarterly basis;

(c) The management will ensure that transactions are made based on terms that are not more favourable to the Related Parties than those generally available to the public by considering the prevailing market prices, commercial terms of transactions with third parties, business practices and policies and terms which are generally acceptable in the industry norms, the quality, quantity, delivery time and track record of past performance;

(d) The Audit and Risk Management Committee will review all RRPT to ensure that relevant approvals have been obtained and the review procedures in respect of RRPT are adhered to. There are no thresholds for approval of RRPT as all the transactions approved pursuant to shareholders' mandate obtained in the general meeting for RRPT are monitored, reviewed and approved by authorised senior management;

(e) The Directors having interest in any RRPT shall abstain from the Board deliberations and shall ensure that they and Persons Connected with them abstain from voting on the resolution approving the transactions;

(f) For purchase of products and services, the Group will obtain as bases for comparison, at least two other comparative quotations from or two other contemporaneous transactions with unrelated third party suppliers for similar products;

(g) In the event that quotation or comparative pricing from unrelated third parties cannot be obtained, the transaction price will be determined by the Group based on the usual commercial terms, business practices and policies or otherwise in accordance with other applicable industry norms/considerations to ensure that the RRPT is not detrimental to the Group;

(h) Disclosure shall be made in the annual report of the aggregate value of RRPT conducted pursuant to the shareholders' mandate during the financial year;

(i) The annual internal audit plan shall incorporate a review of all RRPT on an annual basis to ensure that all relevant approvals have been obtained and the review procedures in respect of such transactions are adhered to. Any divergence will be reported to the Audit and Risk Management Committee; and

(j) The Audit and Risk Management Committee/Board shall continue to review the procedures based on internal audit report, with emphasis on:
- The review procedures are operating effectively as intended; and
- The review procedures are sufficient.

2.4 Statement by the Audit and Risk Management Committee

The Audit and Risk Management Committee of the Company has seen and reviewed the procedures mentioned in Section 2.3 above and is of the view that:-

(a) the terms of the procedures established are sufficient to ensure that the Recurrent Transactions are:-
- on terms not more favourable to the Related Parties than those generally available to the public; and
- are not to the detriment of the minority shareholders; and

(b) the Group has in place adequate procedures and processes to monitor, track and identify Recurrent Transactions in a timely and orderly manner, and such procedures and processes are reviewed on a quarterly basis or whenever the need arises.

2.5 Validity Tenure of the RRPT Mandate

The RRPT Mandate, if approved by the Shareholders at the forthcoming AGM, will take effect from the date of the passing of the ordinary resolution at the AGM and is subject to annual renewal. In this respect, the mandate arising therefrom shall continue to be in force until:-

(a) the conclusion of the next AGM of the Company following the general meeting at which such mandate was passed, at which time it will lapse, unless by a resolution passed at the meeting, the authority is renewed;

(b) the expiration of the period within which the next AGM after that date is required to be held pursuant to Section 340(2) of the Act (but must not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or

(c) revoked or varied by ordinary resolution passed by the Shareholders in general meeting,

whichever is the earlier.

2.6 Disclosure in Annual Report

Disclosure will be made in the Annual Report of the Company of the breakdown of the aggregate value of transactions conducted pursuant to the shareholders' mandate during the financial year containing the following information:-

(a) the type of Recurrent Transactions made; and

(b) the names of the Related Parties involved in each type of the Recurrent Transactions made and their relationships with KLCB.

3. RATIONALE FOR THE RRPT MANDATE

The Recurrent Transactions entered or to be entered into by the Group under the RRPT Mandate with the Related Parties are in the ordinary course of business on normal commercial terms for the Group's day-to-day operations. They are recurring transactions of a revenue or trading nature which are likely to occur with some degree of frequency and arise at any time and from time to time. The above Recurrent Transactions are either recurring transactions of a revenue or trading nature which will generate income and profitability to the Group or the receipt of support services which are necessary to facilitate the functions of the Group. Hence, they are of benefit to the Group.

The Recurrent Transactions are intended to meet the business needs of the Group at the best possible terms. By transacting with the Related Parties, the Group would have an advantage of familiarity with the background and management of the Related Parties. The Group and the Related Parties have close co-operation and a good understanding of each other's business needs thus providing a platform where all parties can enjoy synergistic benefits from conducting the Recurrent Transactions.

Obtaining the shareholders' approval for RRPT Mandate on an annual basis would allow the Group to pursue business opportunities which are time-sensitive in nature, and will eliminate the need for the Company to make announcements and/or convene separate general meetings from time to time to seek shareholders' approval, as and when potential Recurrent Transactions arise, thereby reducing the administrative time, efforts and expenses associated with the convening of such meetings. This will allow the human resources and time to be channelled towards attaining the corporate objectives of the Group.

The RRPT Mandate are sought to obtain shareholders' approval for the mandate to be valid from the forthcoming AGM to the next AGM of the Company.

Thereafter, approval from Shareholders for a renewal of the RRPT Mandate will be sought at each subsequent AGM of KLCB, if required.

4. CONDITIONS OF THE RRPT MANDATE

The RRPT Mandate is conditional upon approval being obtained from the shareholders of the Company at the forthcoming AGM. The RRPT Mandate is not conditional upon any other proposal.

5. FINANCIAL EFFECTS OF THE RRPT MANDATE

The RRPT Mandate will not have any effect on the share capital or the shareholdings of KLCB. The RRPT Mandate will also not have any material effect on the NA, earnings, gearing and dividend policy of the Group save for cost efficiencies arising from the general mandate received.

6. DIRECTORS' AND MAJOR SHAREHOLDERS' INTERESTS

The direct and indirect interests of the Directors and/or Major Shareholders and Persons Connected to them who are interested in the RRPT Mandate in the Company as at LPD are as follows:-

	Direct Interest		Indirect Interest	
	No. of Shares ('000)	%	No. of Shares ('000)	%
Interested Director and Major Shareholder of KLCB				
Pang Tin @ Pang Yon Tin	19,108	5.41	144,469*	40.88*
Interested Director of KLCB				
Pang Khang Hau	21,280	6.02	-	-
Interested Directors of subsidiary of KLCB				
Pang Chew Ngo	2,036	0.58	-	-
Interested Major Shareholder of KLCB				
Phin	131,842	37.31	-	-

Note:

* *Deemed interested by virtue of his substantial shareholdings in Phin, his spouse's and his daughters' direct interests in KLCB pursuant to Section 59(11)(c) of the Act*

Pang Tin @ Pang Yon Tin, Pang Khang Hau, Pang Chew Ngo and Phin are deemed interested in the RRPT Mandate by virtue of their interests in and/or relationships with the Related Parties as disclosed in Section 2.2 above. In this respect, Pang Tin @ Pang Yon Tin and Pang Khang Hau have accordingly abstained and/or will continue to abstain from all Board deliberations and voting in respect of the RRPT Mandate. The interested Directors and/or Major Shareholders will abstain from voting in respect of their direct and indirect shareholdings in the Company on the resolution pertaining to the RRPT Mandate to be tabled at the forthcoming AGM.

In addition, the interested Directors and/or Major Shareholders have undertaken to ensure that Persons Connected to them will abstain from voting in respect of their direct and indirect shareholdings on the resolution pertaining to the RRPT Mandate at the forthcoming AGM.

Save as disclosed above, none of the other Directors, Major Shareholders and/or Persons Connected with them as defined in the Listing Requirements has any interest, direct or indirect, in the RRPT Mandate.

7. DIRECTORS' RECOMMENDATION

The Board (save for the interested Directors, namely Pang Tin @ Pang Yon Tin and Pang Khang Hau, who abstained from giving an opinion and make no recommendation on the RRPT Mandate), having taken into consideration all aspects of the RRPT Mandate, is of the opinion that the RRPT Mandate are in the best interest of the Group and its shareholders. Accordingly, the Board (save for the interested Directors, namely Pang Tin @ Pang Yon Tin and Pang Khang Hau) recommends that you vote in favour of the ordinary resolution pertaining to the RRPT Mandate to be tabled at the forthcoming AGM.

8. AGM

The Ordinary Resolution in respect of the above RRPT Mandate will be tabled as Special Business at the 15th AGM of the Company. This Circular is available at http://www.kimlun.com/kimlun-corp/investor-relations.php together with Notice of 15th AGM, Proxy Form and the Administrative Guide for the 15th AGM of the Company.

The 15th AGM of the Company will be conducted on a fully virtual basis through live streaming and online meeting platform as well as online remote voting via the RPV provided by Tricor via its TIIH Online website at https://tiih.online on 4 June 2024, Tuesday at 2.30 p.m. for the purpose of considering and if thought fit, passing with or without modifications, the Ordinary Resolution on the RRPT Mandate, under the agenda of Special Business.

Members are to attend, speak (including posing questions to the Board via real time submission of typed texts) and vote (collectively, "participate") remotely at the 15th AGM using RPV.

Please follow the procedures in the Administrative Guide for the 15th AGM in order to participate remotely via RPV.

If you are unable to participate in this 15th AGM, you may appoint proxy(ies) to do so on your behalf by depositing the completed Proxy Form at the Company's Share Registrar's office, Tricor at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or alternatively, the Customer Services Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, no less than forty-eight (48) hours before the time for holding the 15th AGM or any adjournment thereof. You may also submit the proxy appointment electronically via Tricor's TIIH Online website at https://tiih.online not later than the aforementioned time. For further information on electronic lodgement of Proxy Form, please refer to Administrative Guide for the 15th AGM.

9. FURTHER INFORMATION

Shareholders are requested to refer to the Appendices for further information.

Yours faithfully,
for and on behalf of the Board of Directors
KIMLUN CORPORATION BERHAD

DATUK WOON SEE CHIN
Independent Non-Executive Director

PART B

STATEMENT TO SHAREHOLDERS IN RELATION TO THE PROPOSED RENEWAL OF AUTHORITY FOR THE COMPANY TO PURCHASE UP TO TEN PER CENT (10%) OF THE TOTAL NUMBER OF ISSUED SHARES IN THE COMPANY

SBB MANDATE

1. INTRODUCTION

On 2 June 2023, the Company had obtained the mandate from its shareholders for the Company to purchase its own shares of up to ten per cent (10%) of the total number of issued shares. The existing shareholders' mandate shall lapse at the conclusion of the forthcoming AGM unless authority for its renewal is obtained from the shareholders of the Company at the forthcoming AGM.

On 1 April 2024, the Company had announced that it proposes to seek the approval of the Shareholders for the SBB Mandate.

The purpose of this Statement is to set out the relevant details of the SBB Mandate and to seek your approval for the resolution pertaining to the SBB Mandate to be tabled at the forthcoming AGM.

2. SBB MANDATE

2.1 Details of the SBB Mandate

The Board is seeking the approval of the Shareholders to purchase up to ten per cent (10%) of the total number of issued shares of KLCB through stockbroker(s) appointed/to be appointed at a later date, subject to the Act, Listing Requirements and any prevailing laws, rules, regulations and guidelines issued by the relevant authorities at the time of purchase.

The approval from the Shareholders for the SBB Mandate would be effective immediately upon the passing of the ordinary resolution for the SBB Mandate at the forthcoming AGM and shall be valid until:-

(a) the conclusion of the next AGM of the Company following the general meeting at which such resolution was passed, at which time it will lapse, unless by ordinary resolution passed at that meeting, the authority is renewed, either unconditionally or subject to conditions; or

(b) the expiration of the period within which the next AGM of the Company after that date is required by law to be held; or

(c) revoked or varied by ordinary resolution passed by the Shareholders in general meeting,

whichever occurs first.

2.2 Quantum

Based on the total of 353,382,716 issued Shares (including treasury shares) as at LPD, a maximum of 35,338,200 Shares (inclusive of treasury shares held as at LPD) representing 10% of the total number of issued Shares may be purchased by the Company pursuant to the SBB Mandate.

Nevertheless, the actual number of Shares to be purchased by the Company pursuant to the SBB Mandate, the total amount of funds involved for each purchase and the timing of the purchase(s) will depend on inter-alia, the market conditions and sentiments of the stock market as well as the availability of financial resources of the Company and the availability of the retained profits of the Company.

2.3 Maximum amount of funds to be allocated and the source of funds

The shareholders' approval for the SBB Mandate does not impose an obligation on the Company to purchase its own shares on Bursa Securities. Rather, the SBB Mandate will allow the Board to exercise the power of the Company to purchase its own ordinary shares at any time within the above-mentioned time period using internally generated funds and/or external borrowings.

The amount of internally generated funds and/or external borrowings to be utilised will only be determined later depending on the availability of internally generated funds and bank borrowings at the time of the purchase(s), actual number of Shares to be purchased, the economic and market conditions and other cost factors. Should the SBB Mandate be financed through bank borrowings, the Company will ensure that it will have sufficient funds to repay such borrowings as and when they are due. The SBB Mandate is expected to reduce the cash flow of the Group. The Board will ensure that the Company satisfies the solvency test as stated in Section 112(2) of the Act before implementation of the SBB Mandate.

The maximum funds to be utilised for the SBB Mandate shall not exceed the retained profits of the Company. Based on the latest audited financial statements for the financial year ended 31 December 2023, the retained profit of KLCB was RM16,377,591. As at the date of this Statement, the unaudited quarterly results for the first quarter ended 31 March 2024 has yet to be released.

2.4 Treatment of Purchased Shares

In accordance with Section 127(4) of the Act, the Directors may, at their discretion, deal with the Shares bought pursuant to the SBB Mandate in the following manner:

(a) to cancel all or part of the Purchased Shares; and/or

(b) to retain all or part of the Purchased Shares as treasury shares as defined in Section 127 of the Act.

Based on Section 127(7) of the Act, where Purchased Shares are held as treasury shares, the Company may:

(i) distribute all or part of the treasury shares as dividends to the Shareholders, such dividends to be known as "share dividends";

(ii) resell all or part of the treasury shares in accordance with the relevant rules of Bursa Securities;

(iii) transfer all or part of the treasury shares for the purposes of or under an employees' share scheme established by the Company and/or its subsidiaries;

(iv) transfer all or part of the treasury shares as purchase consideration;

(v) cancel all or part of the treasure shares;

(vi) sell, transfer or otherwise use the treasury shares for such other purposes as the Minister charged with the responsibility for companies may by order prescribe; or

(vii) deal with the treasury shares in any other manner as allowed by the Act, Listing Requirements, applicable laws, rules, regulations, guidelines, requirements and/or orders of any relevant authorities for the time being in force.

Upon each purchase of the Shares, an immediate announcement will be made to Bursa Securities in respect of the intention of the Board on the treatment of the Purchased Shares. An immediate announcement will also be made to Bursa Securities of any resale, transfer or cancellation of Shares. As at the date of the Statement, the Board has yet to make any decision with regards to the treatment of the Shares so purchased in the future.

Pursuant to Section 127(13) and 127(14) of the Act, where the Directors resolve to cancel the Shares so purchased, the Company's issued capital shall be diminished by the Shares so cancelled and the costs of the shares shall be applied in the reduction of the profits otherwise available for distribution as dividends.

2.5 Ranking

While the Shares so purchased are held as treasury shares, the rights attached to them as to voting, dividends and participation in any other distribution or otherwise are suspended and the treasury shares shall not be taken into account in calculating the number or percentage of Shares for any purpose including substantial shareholding, takeovers, notices, the requisitioning of meetings, the quorum for a meeting and the result of a vote on a resolution at a meeting.

2.6 Purchase Price

In compliance with the Listing Requirements, KLCB may only purchase its own Shares at a price, which is not more than fifteen per cent (15%) above the weighted average market price for the shares for the five (5) Market Days immediately before the purchase.

2.7 Resale or Transfer Price

In the case of a resale or transfer of treasury Shares pursuant to section 127(7) of the Act, the Company may only resell or transfer the Shares at a price which is:-

(a) not less than the weighted average market price for the Shares for the five (5) Market Days immediately before the resale or transfer; or

(b) a discounted price of not more than five per cent (5%) to the weighted average market price for the Shares for the five (5) Market Days immediately before the resale or transfer provided that:

    (i) the resale or transfer takes place not earlier than 30 days from the date of purchase; and

    (ii) the resale or transfer price is not less than the cost of purchase of the Shares being resold or transferred.

2.8 Other Regulatory Requirements

Based on the Listing Requirements, the SBB Mandate is subject to, inter-alia, the following rules:

(a) The SBB Mandate shall only be effected on the market of Bursa Securities via its automated trading system and shall exclude any direct business transactions as defined according to the rules of Bursa Securities;

(b) The Company shall appoint not more than two (2) stockbroking companies and ensure that all dealings in relation to the SBB Mandate are made through the appointed stockbroking companies only;

(c) An immediate announcement be made to Bursa Securities on any purchase of Shares as well as any resale, transfer or cancellation of Purchased Shares; and

(d) As at LPD, the Record of Depositors of KLCB showed that 115,217,157 Shares representing approximately 32.61% of the issued share capital were held by public shareholders. Assuming the Company purchases up to 35,338,200 Shares from the public shareholders, representing up to 10% of the total number of issued shares of the Company as at LPD, the public shareholding spread of the Company would be reduced to 25.12%. The Board undertakes that the SBB Mandate will be conducted in accordance with the laws prevailing at the time of the purchase including compliance with the public shareholding spread requirement under the Listing Requirements.

2.9 Advantages and Disadvantages of the SBB Mandate

2.9.1 Advantages

(a) The SBB Mandate, if implemented, will enable the Company to stabilise the supply and demand of the Shares on Bursa Securities and thereby support the Company's fundamental value;

(b) It provides flexibility for the Company in attaining its desired capital structure, in terms of the debt and equity composition and the size of equity;

(c) It allows the Company to take preventive measures against excessive speculation, particularly when the Shares are undervalued which would in turn stabilize the market price of the Shares to enhance investors' confidence;

(d) The resultant reduction of share capital base (in respect of the Shares so purchased which are then cancelled) is expected to improve the EPS, and may improve the NA per Share as well as the probability of permitting the Company to declare a higher quantum of dividend in future;

(e) The Board would have the opportunity to utilise its financial resources not immediately required for other use to purchase the Shares. KLCB may have the opportunity for potential gains if the Purchased Shares which are retained as treasury shares are resold at prices higher than their purchase price and consequently increase the working capital and NA of the Company;

(f) The Company is able to exercise flexibility in dealing with the treasury shares, including but not limited to distribution to shareholders as share dividends, transfer the treasury shares as purchase consideration and transfer pursuant to an employees' share scheme by the Company; and

(g) In the event the treasury shares are utilised for distribution to shareholders, the shareholders will have the opportunity to own more shares in the Company.

2.9.2 Disadvantages

(a) The purchases may result in a reduction of the quantum of reserves available for distribution as cash dividends and/or bonus issue(s) to the Shareholders if the Shares so purchased are cancelled;

(b) The purchase of existing Shares will reduce the financial resources of the Company which may otherwise be retained in the business to generate further profits;

(c) The funds allocated for the SBB Mandate may result in the Group foregoing other investment opportunities that may emerge in the future; and

(d) The working capital of the Group may also be affected, as any purchase of the Shares will reduce the Group's working capital depending on the actual number of shares purchased and their purchase price. However, the working capital of the Group may recover and increase upon the reselling of the Purchased Shares held as treasury shares.

The Board will be mindful of the interests of the Group and the shareholders in implementing the SBB Mandate.

3. RATIONALE FOR THE SBB MANDATE

The SBB Mandate permits a stabilising factor on the supply and demand as well as the price of the Shares on Bursa Securities.

The SBB Mandate will also enable KLCB to utilise its surplus financial resources to purchase the Shares as and when the Board deems fit in the interest of its shareholders during the tenure the authority granted is in effect.

In addition, the Purchased Shares may be held as treasury shares and resold on Bursa Securities with the intention of realising a potential gain without affecting the total issued share capital of the Company. Should any treasury shares be distributed as share dividends, this would serve to reward the shareholders of the Company.

4. CONDITIONS OF THE SBB MANDATE

The SBB Mandate is conditional upon approval being obtained from the shareholders of the Company at the forthcoming AGM. The SBB Mandate is not conditional upon any other proposal.

5. FINANCIAL EFFECTS OF THE SBB MANDATE

5.1 Share Capital

Based on the number of issued shares of KLCB, the maximum number of Shares which can be bought back pursuant to the SBB Mandate are detailed as below:

Share Capital	**Based on Existing Share Capital No. of Shares**
Existing as at LPD (including treasury shares)	353,382,716
Less: The maximum Shares which can be bought back (inclusive of treasury shares held as at LPD)	(35,338,200)
Reduced Share Capital assuming cancellation of all Purchased Shares	318,044,516

If all the Purchased Shares are retained as treasury shares, the share repurchase would not have any effect on the share capital and the number of issued shares of KLCB, although the rights attached to the treasury shares as to voting, dividends and participation in other distribution or otherwise would be suspended. The treasury shares shall not be taken into account in calculating the percentage of shares or of a class of shares in the Company for any purpose including, without limiting the generality of the provision of the Act, the provisions of any law or requirements of the Constitution of the Company or the Listing Requirements on substantial shareholdings, takeovers, notices, the requisitioning of meetings, the quorum for a meeting and the result of a vote on resolution at a meeting.

5.2 Substantial Shareholders' And Directors' Shareholdings

Assuming the SBB Mandate is carried out in full by the Company, the effects of the share purchase on the shareholdings of Substantial Shareholders and Directors based on the Register of Substantial Shareholders and the Register of Directors' Shareholdings respectively as at LPD are as follows:-

	As at LPD No. of Shares held				After the SBB Mandate No. of Shares held			
	Direct '000	%	Indirect '000	%	Direct '000	%	Indirect '000	%
Director and Substantial Shareholder								
Pang Tin @ Pang Yon Tin	19,108	5.41	144,469*	40.88	19,108	6.01	144,469*	45.42
Pang Khang Hau	21,280	6.02	-	-	21,280	6.69	-	-
Director								
Sim Tian Liang	8,315	2.35	1,000^	0.28	8,315	2.61	1,000^	0.31
Chin Lian Hing	9,586	2.71	-	-	9,586	3.01	-	-
Yam Tai Fong	9,827	2.78	-	-	9,827	3.09	-	-
Datuk Woon See Chin	-	-	-	-	-	-	-	-
Dato' Ir. Fong Tian Yong	-	-	-	-	-	-	-	-
Anita Chew Cheng Im	-	-	-	-	-	-	-	-
Johar Salim Bin Yahaya	-	-	-	-	-	-	-	-
Bhupendar Singh A/L Sewa Singh	-	-	-	-	-	-	-	-
Substantial Shareholder								
Phin	131,842	37.31	-	-	131,842	41.45	-	-

Notes:

* *Deemed interested by virtue of his substantial shareholdings in Phin, his spouse's and his daughters' direct interest in KLCB pursuant to Section 59(11)(c) of the Act*

^ *Deemed interested by virtue of his spouse's direct interest in KLCB pursuant to Section 59(11)(c) of the Act*

5.3 NA

The effect of the SBB Mandate on the NA of the Group is dependent on the number of Shares which the Company purchased, the purchase price of the Shares, the treatment of the Purchased Shares and the funding cost, if any.

If the maximum allowable number of Shares are purchased and cancelled, the SBB Mandate would reduce the NA per share of the Group if the purchase price exceeds the NA per share at the relevant point in time. Conversely, the NA per share of the Group would increase if the purchase price is less than the NA per share at the relevant point in time.

If the Shares so purchased are retained as treasury shares, the NA of the Group will decrease by the cost of the treasury shares due to the requirement for treasury shares to be carried at cost and be offset against equity.

If the treasury shares are resold on the share market, the NA per share will increase if the Company realises a gain from the resale, and vice versa. If the treasury shares are distributed as share dividends, the NA per share will decrease by the cost of the treasury shares.

5.4 Working Capital And Cash Flow

The shares purchased will result in an outflow of cash and thereby reduce the working capital of the Group. The quantum of the reduction in working capital is dependent on the purchase prices of the Shares and the number of Shares purchased and the funding cost, if any.

However, for the Share so purchased and kept as treasury shares, upon resale, the working capital and cash flow of the Company will increase. The quantum of the increase in the working capital and cash flow will depend on the actual selling price of the treasury shares and the number of treasury shares resold.

5.5 Earnings

The effect of the SBB Mandate on the EPS of the Group is dependent on the purchase price of the Shares, the effective funding cost and/or loss in interest income to the Group thereof. Further, the purchase of the Shares will result in a lower number of shares being taken into account for purposes of EPS computation.

Assuming that the Purchased Shares are treated as treasury shares and subsequently sold, the effects on the earnings of the Group will depend on the actual selling price, the number of treasury shares sold and the effective gain or interest savings arising from the exercise.

5.6 Dividends

The Company has proposed, subject to shareholders' approval, a final dividend of 1.0 sen per Share for the financial year ended 31 December 2023. Barring any unforeseen circumstances, any future dividends which may be declared would depend on, amongst others, the profitability and cashflow position of the Group. The SBB Mandate may impact the Company's dividend payouts as it would reduce the cash available which may otherwise be used for dividend payment. Nonetheless, the treasury shares purchased may be distributed as dividends to shareholders of the Company, if the Company so decides.

6. IMPLICATIONS RELATING TO THE CODE

As it is not intended for the SBB Mandate to trigger the obligation to undertake a mandatory general offer under the Code for any of its substantial shareholders and/or parties acting in concert with them, the Board will ensure that such number of Shares are purchased, retained as Treasury Shares, cancelled or distributed such that the Code will not be triggered.

Nonetheless, if the obligation to undertake a mandatory general offer under the Code is expected to be triggered, the substantial shareholders and their respective parties acting in concert will apply for an exemption from the SC. Such exemption may be granted by the SC under Paragraph 4.15(1) of Rule 4 of the Code, subject to there being no disqualifying transaction, approval has been obtained from the independent shareholders of KLCB at a meeting to waive their rights to receive the mandatory offer from the substantial shareholders and their respective parties acting in concert; and the names of the parties that have abstained from voting at the meeting have been submitted to the SC.

7. DIRECTORS' AND MAJOR SHAREHOLDERS' INTERESTS

Save for the proportionate increase in the percentage of shareholdings and/or voting rights in their capacities as shareholders of the Company pursuant to the SBB Mandate, none of the Directors or Major Shareholders and/or Persons Connected to them have any interest, direct or indirect, in the SBB Mandate and resale of treasury shares, if any.

8. DIRECTORS' RECOMMENDATION

The Board, having taken into consideration all aspects of the SBB Mandate, is of the opinion that the SBB Mandate is in the best interest of the Group and its shareholders. Accordingly, the Board recommends that you vote in favour of the ordinary resolution pertaining to the SBB Mandate to be tabled at the forthcoming AGM.

9. AGM

The Ordinary Resolution in respect of the SBB Mandate will be tabled as Special Business at the 15th AGM of the Company. This Statement is available at http://www.kimlun.com/kimlun-corp/investor-relations.php together with Notice of 15th AGM, Proxy Form and the Administrative Guide for the 15th AGM of the Company.

The 15th AGM of the Company will be conducted on a fully virtual basis through live streaming and online meeting platform as well as online remote voting via the RPV provided by Tricor via its TIIH Online website at https://tiih.online on 4 June 2024, Tuesday at 2.30 p.m., for the purpose of considering and if thought fit, passing with or without modifications, the Ordinary Resolution on the SBB Mandate, under the agenda of Special Business.

Members are to attend, speak (including posing questions to the Board via real time submission of typed texts) and vote (collectively, "participate") remotely at the 15th AGM using RPV.

Please follow the procedures in the Administrative Guide for the 15th AGM in order to participate remotely via RPV.

If you are unable to participate in this 15th AGM, you may appoint proxy(ies) to do so on your behalf by depositing the completed Proxy Form at the Company's Share Registrar's office, Tricor at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or alternatively, the Customer Services Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, no less than forty-eight (48) hours before the time for holding the 15th AGM or any adjournment thereof. You may also submit the proxy appointment electronically via Tricor's TIIH Online website at https://tiih.online not later than the aforementioned time. For further information on electronic lodgement of Proxy Form, please refer to Administrative Guide for the 15th AGM.

10. FURTHER INFORMATION

Shareholders are requested to refer to the Appendices for further information.

FURTHER INFORMATION

1. RESPONSIBILITY STATEMENT

The Directors of KLCB have seen and approved the contents of this Circular and Statement and they collectively and individually accept full responsibility for the accuracy of the information given herein and confirm that, after making 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 herein misleading.

2. MATERIAL LITIGATION, CLAIMS OR ARBITRATION

KLCB and its subsidiary companies are not engaged in any material litigation, claims or arbitration either as plaintiff or defendant which have a material effect on the business or financial position of the Group and the Board does not know of any proceedings, pending or threatened or of any facts likely to give rise to any proceedings which might materially affect the business or financial position of the Group.

3. MATERIAL CONTRACTS

KLCB and its subsidiary companies have not entered into any material contracts (not being contracts entered into in the ordinary course of business) within the two (2) years preceding the date of this Circular, save for the programmes agreement dated 20 October 2021 between KLCB and OCBC Al-Amin Bank Berhad ("OCBC Al-Amin") (as lead arranger and lead manager) and OCBC Bank (Malaysia) Berhad (as facility agent) for the establishment of Islamic Commercial Papers Programme ("ICP Programme") and Islamic Medium Term Notes Programme ("IMTN Programme") which have a combined limit of up to RM800,000,000 in nominal value (collectively known as the "Sukuk Murabahah Programmes"). The ICP Programme has a tenure of up to seven years commencing from the date of first issuance. The tenure of the IMTN Programme is perpetual.

4. PURCHASES, RESALE, TRANSFER AND CANCELLATION OF KLCB SHARES MADE IN THE PREVIOUS 12 MONTHS

The Company has not made any purchase of its own shares, resale, transfer or cancellation of treasury shares in the previous 12 months preceding the LPD. As at the LPD, the Company holds 20,000 treasury shares.

5. MARKET PRICE OF THE COMPANY'S SHARES

The following table sets out the monthly highest and lowest market prices of KLCB's Shares traded on the Bursa Securities for the past twelve (12) months from April 2023 up to March 2024:-

	Highest (RM)	**Lowest (RM)**
2023:		
April	0.760	0.730
May	0.785	0.735
June	0.770	0.710
July	0.780	0.700
August	0.830	0.755
September	0.865	0.780
October	0.840	0.790
November	0.810	0.775
December	0.810	0.710

	Highest (RM)	Lowest (RM)
2024:		
January	0.890	0.780
February	0.865	0.805
March	1.000	0.815

The last transacted market price of KLCB Shares on 1 April 2024 (being the date of the announcement of the proposals) was RM0.980.

The last transacted market price of KLCB Shares on LPD was RM0.990.

(Source: Excel Force MSC Berhad)

6. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection by members of the Company at the registered office of the Company at Unit 30-01, Level 30, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Wilayah Persekutuan, Malaysia during business hours from Mondays to Fridays (except Public Holidays) from the date of this Circular and Statement up to and including the date of the AGM:-

(i) the Constitution of KLCB;

(ii) the material contracts referred to in Section 3 above;

(iii) the audited financial statements of KLCB for the past two (2) financial years ended 31 December 2022 and 31 December 2023; and

(iv) the unaudited results of KLCB for the financial period ended 31 March 2024 (post its date of announcement up to and including the date of the AGM).

EXTRACT OF RESOLUTIONS ON THE PROPOSALS

To consider and if thought fit, to pass the following resolutions, with or without modifications:-

ORDINARY RESOLUTION (Resolution 9)
PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR THE COMPANY AND/OR ITS SUBSIDIARIES TO ENTER INTO RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE WITH RELATED PARTIES ("PROPOSED RRPT MANDATE")

"THAT pursuant to Part E Paragraph 10.09 of the Bursa Malaysia Securities Berhad's Main Market Listing Requirements, the Company and/or its subsidiaries ("KLCB Group") be and are hereby authorised to enter into any of the recurrent related party transactions of a revenue or trading nature as set out in Section 2.2 of the Circular to Shareholders of the Company dated 26 April 2024 with the related parties mentioned therein which are necessary for the KLCB Group's day-to-day operations, provided that the transactions are in the ordinary course of business and are 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 the Company;

AND THAT such approval shall continue to be in force until:-

i. the conclusion of the next Annual General Meeting ("AGM") of the Company following the general meeting at which such resolution was passed, at which time it will lapse, unless by a resolution passed at the meeting, the authority is renewed; or
ii. the expiration of the period within which the next AGM of the Company after that date is required to be held pursuant to Section 340(2) of the Companies Act 2016 ("the Act") (but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or
iii. revoked or varied by resolution passed by the shareholders of the Company in general meeting;

whichever is the earlier;

AND THAT the Directors of the Company and/or any of them be and are hereby authorised to complete and do all such acts and things as they may deemed fit and expedient in the interest of the Company to give full effect to the Proposed RRPT Mandate."

EXTRACT OF RESOLUTIONS ON THE PROPOSALS

ORDINARY RESOLUTION (Resolution 10)
PROPOSED RENEWAL OF AUTHORITY FOR THE COMPANY TO PURCHASE ITS OWN SHARES OF UP TO TEN PER CENT (10%) OF THE TOTAL NUMBER OF ISSUED SHARES ("PROPOSED RENEWAL OF SHARE BUY-BACK")

"THAT subject to the Companies Act 2016 ("the Act"), the Constitution of the Company, the Main Market Listing Requirements ("Listing Requirements") of Bursa Malaysia Securities Berhad ("Bursa Securities") and all other applicable laws, guidelines, rules and regulations, the Company be and is hereby authorised, to the fullest extent permitted by law, to purchase such number of issued shares in the Company as may be determined by the Directors of the Company from time to time through Bursa Securities upon such terms and conditions as the Directors may deem fit and expedient in the interest of the Company provided that:-

i. the aggregate number of issued shares in the Company ("Shares") purchased ("Purchased Shares") and/or held as treasury shares pursuant to this ordinary resolution does not exceed ten per cent (10%) of the total number of issued shares of the Company as quoted on Bursa Securities as at point of purchase; and

ii. the maximum fund to be allocated by the Company for the purpose of purchasing the shares shall not exceed the aggregate of the retained profits of the Company based on the latest audited financial statements and/or the latest management accounts (where applicable) available at the time of the purchase,

("Proposed Share Buy-Back").

AND THAT the authority to facilitate the Proposed Share Buy-Back will commence immediately upon passing of this Ordinary Resolution and will continue to be in force until:-

a. the conclusion of the next Annual General Meeting ("AGM") of the Company following the general meeting at which such resolution was passed, at which time it will lapse unless by ordinary resolution passed at that meeting, the authority is renewed, either unconditionally or subject to conditions;

b. the expiration of the period within which the next AGM of the Company is required by law to be held; or

c. revoked or varied by ordinary resolution passed by the shareholders of the Company at a general meeting,

whichever occurs first, but shall not prejudice the completion of purchase(s) by the Company of its own Shares before the aforesaid expiry date and, in any event, in accordance with the Listing Requirements and any applicable laws, rules, regulations, orders, guidelines and requirements issued by any relevant authorities.

AND THAT the Directors of the Company be and are hereby authorised, at their discretion, to deal with the Purchased Shares until all the Purchased Shares have been dealt with by the Directors in the following manner as may be permitted by the Act, Listing Requirements, applicable laws, rules, regulations, guidelines, requirements and/or orders of any relevant authorities for the time being in force:-

i. To cancel all or part of the Purchased Shares;

ii. To retain all or part of the Purchased Shares as treasury shares as defined in Section 127 of the Act;

iii. To distribute all or part of the treasury shares as dividends to the shareholders of the Company;

iv. To resell all or part of the treasury shares;

v. To transfer all or part of the treasury shares for the purposes of or under the employees' share scheme established by the Company and/or its subsidiaries;

vi. To transfer all or part of the treasury shares as purchase consideration;

vii. To sell, transfer or otherwise use the treasury shares for such other purposes as the Minister charged with responsibility for companies may by order prescribe; and/or

viii. To deal with the treasury shares in any other manners as allowed by the Act, Listing Requirements, applicable laws, rules, regulations, guidelines, requirements and/or orders of any relevant authorities for the time being in force.

AND THAT the Directors of the Company be and are authorised to take all such steps as are necessary or expedient [including without limitation, the opening and maintaining of central depository account(s) under Securities Industry (Central Depositories) Act, 1991, and the entering into agreements, arrangements and guarantee with any party or parties] to implement, finalise and give full effect to the Proposed Share Buy-Back with full powers to assent to any conditions, modifications, revaluations, variations and/or amendments (if any) as may be imposed by the relevant authorities."