

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

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

Bursa Malaysia Securities Berhad takes no responsibility for the contents of this Statement/Circular, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever arising from or in reliance upon the whole or any part of the contents of this Statement/Circular. Bursa Malaysia Securities Berhad has not perused the contents of Part A in respect of the Proposed Amendments of Articles and Share Buy-Back Mandate (as defined herein) as these are Exempt Circulars pursuant to Practice Note 18 of the Main Market Listing Requirements.

KRISASSETS HOLDINGS BERHAD 24123-H

PART A

STATEMENT

in relation to

- (I) PROPOSED AMENDMENTS TO THE ARTICLES OF THE COMPANY
- (II) RENEWAL OF SHAREHOLDERS' MANDATE FOR SHARE BUY-BACK

PART B

CIRCULAR TO SHAREHOLDERS

in relation to

RENEWAL OF SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS

The above proposals will be tabled as Special Business at KrisAssets' Thirty-Seventh Annual General Meeting ("37th AGM") to be held on Tuesday, 26 June 2012. Notice of 37th AGM together with the Proxy Form are set out in the Annual Report of KrisAssets for the financial year ended 31 December 2011 ("Annual Report 2011"). The Proxy Form must be completed and deposited at the Registered Office/Share Registrar at Level 32, The Gardens South Tower, Mid Valley City, Lingkaran Syed Putra, 59200 Kuala Lumpur not less than forty-eight (48) hours before the time fixed for the 37th AGM or at any adjournment thereof. The lodging of the Proxy Form will not preclude you from attending and voting in person at the 37th AGM should you subsequently decide to do so.

Last date and time for lodging the Proxy Form	:	Sunday, 24 June 2012 at 10.00 a.m.
Date and time of 37 th AGM	:	Tuesday, 26 June 2012 at 10.00 a.m.
Venue of 37 th AGM	:	Bintang Ballroom Level 5 Cititel Mid Valley Mid Valley City Lingkaran Syed Putra 59200 Kuala Lumpur

DEFINITIONS

Except where the context otherwise requires, the following definitions shall apply throughout this Statement/Circular:

“Act”	:	Companies Act 1965, as amended from time to time and any re-enactment thereof
“AGM”	:	Annual General Meeting
“Articles”	:	Articles of Association
“Board” or “the Directors”	:	Board of Directors of KrisAssets
“Bursa Securities”	:	Bursa Malaysia Securities Berhad
“CMSA”	:	Capital Markets and Services Act 2007
“Code”	:	Malaysian Code on Take-Overs and Mergers 2010, as may be amended or modified from time to time
“Director”	:	Shall have the meaning given in Section 4 of the Act and Section 2(1) of the CMSA. For purposes of the RRPT Mandate, includes any person who is or was within the preceding 6 months of the date on which the terms of the transaction were agreed upon, a director or chief executive of KrisAssets, its subsidiary or holding company
“EPS”	:	Earnings per share
“Interested Related Parties”	:	Related Parties who are deemed to be interested in the Recurrent RPTs
“KrisAssets” or “the Company”	:	KrisAssets Holdings Berhad
“KrisAssets Group” or “the Group”	:	KrisAssets and its subsidiaries
“LPD”	:	15 May 2012, being the latest practicable date prior to the printing of this Circular/Statement
“MMLR”	:	Bursa Securities Main Market Listing Requirements, as amended or modified from time to time
“Major Shareholder”	:	A person (which includes a person who is or was within the preceding 6 months of the date on which the terms of the transaction were agreed upon) who has an interest or interests in one or more voting Shares and the nominal amount of that Share, or the aggregate of the nominal amounts of those Shares, is 10% or more of the aggregate of the nominal amounts of all the voting Shares, or 5% or more of the aggregate of the nominal amounts of all the voting Shares where such person is the largest shareholder of KrisAssets. “Interest in shares” shall have the meaning given in Section 6A of the Act
“NA”	:	Net assets
“Proposed Amendments of Articles”	:	Proposed Amendments to the Articles of the Company
“Purchased Shares”	:	Shares purchased pursuant to the Company’s share buy-back exercise
“Related Parties”	:	Director(s), Major Shareholder(s) or person(s) connected with such Director(s) or Major Shareholder(s)
“Related Party Transactions” or “RPTs”	:	Transactions with Related Parties
“Recurrent RPTs”	:	RPTs which are recurrent, of a revenue or trading nature and which are necessary for day-to-day operations of KrisAssets Group
“RRPT Mandate”	:	Renewal of shareholders’ mandate for Recurrent RPTs of KrisAssets Group
“RM” and “sen”	:	Ringgit Malaysia and sen respectively
“Shares” or “KrisAssets Shares”	:	Ordinary shares of RM1.00 each in KrisAssets

DEFINITIONS

- “Share Buy-Back Mandate” : Renewal of the authorisation for KrisAssets to purchase its own Shares, which when aggregated with the Shares already purchased previously and retained as Treasury Shares, up to a maximum of 10% of its issued and paid-up capital
- “Substantial Shareholder” : A person who has an interest 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, as defined under Section 69D(1) of the Act
- “Treasury Shares” : Purchased Shares which are or will be retained in treasury by the Company

PART A

STATEMENT IN RELATION TO PROPOSED AMENDMENTS OF ARTICLES AND SHARE BUY-BACK MANDATE:	1
1.0 INTRODUCTION	2
1.1 Proposed Amendments of Articles	2
1.2 Share Buy-Back Mandate	2
2.0 PROPOSED AMENDMENTS OF ARTICLES	2
3.0 SHARE BUY-BACK MANDATE	2
3.1 Rationale	2
3.2 Funding	2
3.3 Risk Assessment	2
3.4 Effects of Share Buy-Back Mandate	3
3.5 Public Shareholding Spread	3
3.6 Implication of the Code	3
3.7 Approval Required	3
3.8 Directors' and Substantial Shareholders' Interests	3
3.9 Purchase, Resale or Cancellation of Krisassets Shares during the financial year ended 31 December 2011	4
4.0 DIRECTORS' RECOMMENDATION	4

PART B

CIRCULAR TO SHAREHOLDERS IN RELATION TO RRPT MANDATE:	5
1.0 INTRODUCTION	6
2.0 RRPT MANDATE	6
2.1 MMLR	6
2.2 Details of RRPT Mandate	7
2.3 Rationale for RRPT Mandate	12
2.4 Effects of RRPT Mandate	13
2.5 Approval Required	13
3.0 INTERESTS OF INTERESTED RELATED PARTIES	13
4.0 DIRECTORS' RECOMMENDATION	13
5.0 FURTHER INFORMATION	14

APPENDICES

APPENDIX A – EXTRACT OF NOTICE OF 37 TH ANNUAL GENERAL MEETING	15
APPENDIX B – PROPOSED AMENDMENTS OF ARTICLES	16
APPENDIX C – FURTHER INFORMATION	17

PART A

STATEMENT

in relation to

- (I) PROPOSED AMENDMENTS OF ARTICLES
- (II) SHARE BUY-BACK MANDATE

KRISASSETS HOLDINGS BERHAD 24123-H

STATEMENT IN RELATION TO PROPOSED AMENDMENTS OF ARTICLES AND SHARE BUY-BACK MANDATE

The purpose of this Statement is to provide you with details of the Proposed Amendments of Articles and Share Buy-Back Mandate, and to seek your approval for the resolutions relating thereto to be tabled at the 37th AGM. Extract of the resolutions is set out in Appendix A of this Statement/Circular.

1.0 INTRODUCTION

1.1 Proposed Amendments of Articles

The Company had announced on 20 March 2012 that it will seek the shareholders' approval at the 37th AGM for the Proposed Amendments of Articles to be in line with the amendments in the MMLR.

1.2 Share Buy-Back Mandate

At the 36th AGM held on 9 May 2011, the Company had obtained shareholders' approval for the Company to purchase up to 10% of the issued and paid-up share capital of KrisAssets. The said authorisation shall expire at the conclusion of the 37th AGM unless the approval is renewed.

On 20 March 2012, the Board announced the Company's intention to seek renewal of its shareholders' authorisation for the Share Buy-Back Mandate at the 37th AGM.

The Share Buy-Back Mandate shall be effective upon the passing of the ordinary resolution at the 37th AGM and will remain in effect (unless revoked or varied by the Company in general meeting) until the next AGM of the Company or the date by which the next AGM of the Company is required by law to be held, whichever is earlier.

2.0 PROPOSED AMENDMENTS OF ARTICLES

The Proposed Amendments of Articles is to align KrisAssets' Articles with the amendments of the MMLR pursuant to Bursa Securities' letter dated 22 September 2011.

Details of the Proposed Amendments of Articles are set out in Appendix B of this Statement/Circular.

3.0 SHARE BUY-BACK MANDATE

3.1 Rationale

The Share Buy-Back Mandate will enable KrisAssets Group to utilise its surplus financial resources to purchase its own Shares. The Share Buy-Back Mandate may stabilise the supply, demand and price of KrisAssets Shares traded on Bursa Securities, thereby supporting the fundamental value of the Shares.

Where the Shares bought are retained as Treasury Shares, the Directors would have an option to distribute these Shares as dividends to reward shareholders and/or resell the Treasury Shares at prices higher than their purchase prices and utilise the proceeds for any feasible investment opportunity arising in the future, or as working capital and/or cancel the Treasury Shares to enhance the EPS of KrisAssets and have a positive effect on the market price of the Shares.

3.2 Funding

The maximum amount of funds to be allocated for the Share Buy-Back Mandate will be limited to the amount of retained profits and/ or share premium account of the Company at the time of purchase(s). As at 31 December 2011, the audited retained earnings and share premium of the Company were respectively RM237,689,000 and RM547,669,000. The Share Buy-Back Mandate will be funded from internally generated funds.

3.3 Risk Assessment

The Share Buy-Back Mandate is not expected to cause any potential material disadvantages to the Company and its shareholders as any share buy-back exercise will be undertaken only after in-depth consideration of the financial resources of KrisAssets Group and the resultant impact on KrisAssets Group, as well as depends on the prevailing equity market conditions.

The Share Buy-Back Mandate, if implemented, would reduce the financial resources of the Group, which may result in the Group having to forgo other feasible investment opportunities that may emerge in the future and/or any income that may be derived from funds utilised for the Share Buy-Back Mandate.

The financial resources of the Group may however increase if the Treasury Shares are resold at prices higher than their purchase prices. Other benefits of the Share Buy-Back Mandate are outlined in Section 3.1.

In any case, the Board in exercising any decision on the Share Buy-Back Mandate will be mindful of the interests of the Company and its shareholders.

3.4 Effects of Share Buy-Back Mandate

On the assumption that the Share Buy-Back Mandate is implemented in full, the proforma effects on the share capital, NA, EPS and working capital are as follows:

(a) Share Capital

In the event all Purchased Shares (including Treasury Shares) are subsequently cancelled, the issued and paid-up share capital of KrisAssets will be as follows:

	RM
Issued and paid-up share capital as at 15 May 2012	440,432,058
Cancellation of Purchased Shares (maximum 10%)	(44,043,206)
Issued and paid-up share capital after Share Buy-Back Mandate	<u>396,388,852</u>

The Share Buy-Back Mandate is not expected to have any effect on the issued and paid-up share capital of KrisAssets if the Purchased Shares are retained as Treasury Shares but the rights attaching to the Treasury Shares as to voting, dividends and participation in other distribution or otherwise are suspended. The Treasury Shares should not be taken in calculation of the number or percentage of Shares for any purpose whatsoever including substantial shareholdings, takeovers, notices, requisition of meetings, quorum for meetings and result of votes on resolutions.

(b) NA and EPS

The effects of the Share Buy-Back Mandate on the NA per Share and EPS of the Company are dependent on the purchase prices of KrisAssets Shares and the effective funding cost or opportunity loss in interest income to the Group.

The Share Buy-Back Mandate will reduce the NA per Share if the purchase price exceeds the NA per Share at the time of purchase and conversely will increase the NA per Share if the purchase price is below the NA per Share at the time of purchase.

(c) Working Capital

The Share Buy-Back Mandate will reduce the working capital of KrisAssets Group to the extent of the amount of funds utilised for the Purchased Shares. Similarly, the working capital of the Group will increase to the extent of the amount of funds obtained from the resale of the Treasury Shares.

3.5 Public Shareholding Spread

As at 15 May 2012, the public shareholding spread of the Company was 23.90%.

The Company will ensure that prior to any share buy-back exercise, the lower percentage of public shareholding spread of at least 20% as approved by Bursa Securities vide its letter dated 20 October 2010, is maintained.

3.6 Implication of the Code

The Board does not anticipate any implication relating to the Code even if the allowed maximum number of Shares are purchased pursuant to the authority granted under the Share Buy-Back Mandate.

However, in the event the obligation is triggered due to the Share Buy-Back Mandate, the affected Substantial Shareholder(s) and/or person(s) acting in concert may seek a waiver under Section 219 of the CMSA, subject to certain conditions being met, if the obligation is triggered as a result of action outside their direct participation.

3.7 Approval Required

The Share Buy-Back Mandate is subject to the approval of shareholders at the 37th AGM.

3.8 Directors' and Substantial Shareholders' Interests

Save for the inadvertent increase in the percentage shareholdings and/or voting rights of the shareholders of the Company as a consequence of the Share Buy-Back Mandate, none of the Directors or Substantial Shareholders or persons connected has any interest, direct or indirect, in the Share Buy-Back Mandate or resale of Treasury Shares, if any.

3.9 Purchase, Resale or Cancellation of Krisassets Shares during the financial year ended 31 December 2011

KrisAssets has not made any purchase, resale or cancellation of KrisAssets Shares during the financial year ended 31 December 2011.

The existing 100,000 Treasury Shares were acquired by the Company in April 2003 between RM2.16 and RM2.22 per KrisAssets Share amounting to RM218,460.00.

4.0 DIRECTORS' RECOMMENDATION

The Board, having considered all aspects of the Proposed Amendments of Articles and Share Buy-Back Mandate, is of the opinion that both proposals are in the best interest of KrisAssets. Accordingly, the Board recommends that you vote in favour of the resolutions in respect of the Proposed Amendments of Articles and Share Buy-Back Mandate to be tabled at the 37th AGM.

This Statement is dated 28 May 2012.

PART B
CIRCULAR TO SHAREHOLDERS
in relation to
RRPT MANDATE

KRISASSETS HOLDINGS BERHAD 24123-H

Registered Office:

Level 32, The Gardens South Tower
Mid Valley City
Lingkaran Syed Putra
59200 Kuala Lumpur

28 May 2012

DIRECTORS:

Tan Sri Dato' Dr. Lin See Yan, *Independent Non-Executive Chairman*
Robert Tan Chung Meng, *Group Managing Director*
Halim bin Haji Din, *Independent Non-Executive Director*
Le Ching Tai @ Lee Chen Chong, *Independent Non-Executive Director*
Tan Lei Cheng, *Non-Independent Non-Executive Director*
Tan Boon Lee, *Non-Independent Non-Executive Director*
Daniel Yong Chen-I, *Non-Independent Non-Executive Director*
Elizabeth Tan Hui Ning, *Alternate to Group Managing Director*

To : **Shareholders of KrisAssets**

Dear Sir/Madam

RRPT MANDATE

1.0 INTRODUCTION

At the 36th AGM held on 9 May 2011, the shareholders of the Company approved the mandate for KrisAssets Group to enter into Recurrent RPTs. The said mandate shall expire at the conclusion of the 37th AGM of the Company unless the approval is renewed.

On 20 March 2012, the Board announced the Company's intention to seek shareholders' approval for the RRPT Mandate.

The purpose of this Circular is to provide you with relevant information of the RRPT Mandate, and to seek your approval for the ordinary resolution as set out in Appendix A of this Statement/Circular to be tabled at the 37th AGM.

2.0 RRPT MANDATE

2.1 MMLR

Paragraph 10.09 of the MMLR and Practice Note No. 12 ("PN12") allow a listed issuer to seek a mandate from shareholders for recurrent related party transactions subject to 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:
 - (i) the consideration, value of the assets, capital outlay or cost of the aggregated transactions is RM1 million or more; or
 - (ii) the percentage ratios of such aggregated transactions is 1% or more,

whichever is higher;

- (c) the listed issuer to issue circular to shareholders for the shareholders' mandate;
- (d) in a meeting to obtain the shareholders' mandate, the interested director, interested major shareholder or interested person connected with a director or a major shareholder; and where it involves the interest of an interested person connected with a director or a major shareholder, such director or major shareholder, must not vote on the resolution to approve the transactions. An interested director or interested major shareholder must ensure that persons connected with him abstain from voting on the resolution approving the transactions; and

- (e) an immediate announcement is made to Bursa Securities when the actual value of a recurrent related party transaction entered into by the listed issuer, exceeds the estimated value of the recurrent related party transaction disclosed in the circular by 10% or more and the announcement must include the information as may be prescribed by Bursa Securities.

2.2 Details of RRPT Mandate

KrisAssets is an investment holding company. Its wholly-owned subsidiaries, Mid Valley City Sdn Bhd ("MVC") and Mid Valley City Gardens Sdn Bhd ("MVCG") are involved in property investment while Mid Valley Capital Sdn Bhd is a special purpose vehicle incorporated for the issuance of redeemable secured bonds.

It is envisaged that in the normal course of the Group's businesses, Recurrent RPTs between KrisAssets Group and the Related Parties are likely to occur, and which are necessary for its day-to-day operations.

In this respect, the Directors are seeking approval from shareholders to allow the Group to enter into Recurrent RPTs with the Related Parties (as described in Section 2.2.1), provided such transactions are made at arms' length, on KrisAssets Group's normal commercial terms and 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 of KrisAssets.

The RRPT Mandate is subject to annual renewal. In this respect, authority conferred by the RRPT Mandate shall take effect on 26 June 2012 being the date of the 37th AGM and shall continue in force (unless revoked or varied by the Company in general meeting) until the conclusion of the next AGM of the Company; or the date by which the next AGM is required by law to be held, whichever is earlier.

2.2.1 Nature of Recurrent RPTs, Classes of Related Parties, Estimated Aggregate Value and Outstanding RRPT Receivables:

Recurrent RPTs which will be covered in the RRPT Mandate				Estimated aggregate value as disclosed in the preceding year's circular to shareholders dated 15 April 2011 (RM'000)**	Actual value transacted from 9 May 2011 to LPD (RM'000)**	Outstanding RRPT Receivables which exceeded credit term of less than 1 year as at 31 December 2011 (RM'000)***
Related Parties	Nature of Recurrent RPTs with KrisAssets Group	Interested Related Parties	Estimated aggregate value during the validity period of RRPT Mandate (RM'000)*			
IGB Corporation Berhad group of companies ("IGB Group") ¹	<ul style="list-style-type: none"> ▪ Lease/tenancy of properties/assets & related facilities to/from Related Parties for no more than 3 years nor payment in lump sum ▪ Provision/receipt of management, consultancy & all types of services including but not limited to project development, property management, sales & marketing, hotel, retail, construction, mechanical & engineering, landscaping, advertising, maintenance, security & support services ▪ Purchase/supply of building materials, electrical equipment/appliances & related products/services 	Robert Tan Chung Meng ("RTCM") ^d Tan Boon Seng ("TBS") ^b Tan Lei Cheng ("TLC") ^c Tan Boon Lee ("TBL") ^d Pauline Tan Suat Ming ("PTSM") ^e Tony Tan @ Choon Keat ("TTCK") ^f Dato' Tan Chin Nam ("DTCN") ^g Daniel Yong Chen-I ("DYCI") ^h Elizabeth Tan Hui Ning ("ETHN") ⁱ Gabrielle Tan Hui Chween ("GTHC") ^j Tan Yee Seng ("TYS") ^k Goldis Berhad ("Goldis") ^l Tan Chin Nam Sdn Bhd ("TCNSB") ^m Tan Kim Yeow Sdn Bhd ("TKYSB") ⁿ Wah Seong (Malaya) Trading Co. Sdn Bhd ("WSTSB") ^o IGB ^p	30,000	30,000	15,816	424
Wah Seong Corporation Berhad group of companies ("WSCB Group") ²	<ul style="list-style-type: none"> ▪ Lease/tenancy of properties/assets & related facilities to/from Related Parties for no more than 3 years nor payment in lump sum 	RTCM ^a TBS ^b TLC ^c TBL ^d PTSM ^e TTCK ^f DTCN ^g DYCI ^h ETHN ⁱ GTHC ^j TYS ^k Goldis ^l TCNSB ^m TKYSB ⁿ WSTSB ^o IGB ^p	30	30	16	-

Recurrent RPTs which will be covered in the RRPT Mandate				Estimated aggregate value as disclosed in the preceding year's circular to shareholders dated 15 April 2011 (RM'000)**	Actual value transacted from 9 May 2011 to LPD (RM'000)**	Outstanding RRPT Receivables which exceeded credit term of less than 1 year as at 31 December 2011 (RM'000)***
Related Parties	Nature of Recurrent RPTs with KrisAssets Group	Interested Related Parties	Estimated aggregate value during the validity period of RRPT Mandate (RM'000)*			
WSTSB group of companies ("WSTSB Group") ³	<ul style="list-style-type: none"> ▪ Lease/tenancy of properties/assets & related facilities to/from Related Parties for no more than 3 years nor payment in lump sum ▪ Purchase/supply of building materials, electrical equipment/appliances & related products/services 	RTCM ^a TBS ^b TLC ^c TBL ^d PTSM ^e TTCK ^f DTCN ^g DYCI ^h ETHN ⁱ GTHC ^j TYS ^k Goldis ^l TCNSB ^m TKYSB ⁿ WSTSB ^o IGB ^p	2,000	2,000	1,449	-
Jeyaratnam & Chong ("J&C") ⁴	<ul style="list-style-type: none"> ▪ Lease/tenancy of properties/assets & related facilities to/from Related Parties for no more than 3 years nor payment in lump sum ▪ Legal advisory & consultancy services 	TBS ^b TLC ^c TBL ^d DTCN ^g TYS ^k	200	200	128	-

Recurrent RPTs which will be covered in the RRPT Mandate				Estimated aggregate value as disclosed in the preceding year's circular to shareholders dated 15 April 2011 (RM'000)**	Actual value transacted from 9 May 2011 to LPD (RM'000)**	Outstanding RRPT Receivables which exceeded credit term of less than 1 year as at 31 December 2011 (RM'000)***
Related Parties	Nature of Recurrent RPTs with KrisAssets Group	Interested Related Parties	Estimated aggregate value during the validity period of RRPT Mandate (RM'000)*			
Technoltic Engineering Sdn Bhd ("TE") ⁵ an associate of IGB	<ul style="list-style-type: none"> ▪ Provision/receipt of management, consultancy & all types of services including but not limited to project development, property management, retail, sales & marketing, hotel, construction, mechanical & engineering, landscaping, advertising, maintenance, security & support services ▪ Purchase/supply of building materials, electrical equipment/appliances & related products/services 	RTCM ^a TBS ^b TLC ^c TBL ^d PTSM ^e TTCK ^f DTCN ^g DYCI ^h ETHN ⁱ GTHC ^j TYS ^k Goldis ^l TCNSB ^m TKYSB ⁿ WSTSB ^o IGB ^p	2,000	1,000	1,490	-

* The values are merely indicative estimates for the period from 26 June 2012 to the next AGM expected to be held in the month of May/June 2013. The estimated value is based on the current actual transactions and historical trends and may vary.

** None of the actual value of the Recurrent RPT has exceeded the estimated value by 10% or more during the validity period of the previous mandate save for item⁵ for which announcement pursuant to paragraph 10.09(2)(e) of the MMLR had accordingly been made to Bursa Securities on 16 February 2012.

*** No late payment charges imposed on Outstanding RRPT Receivables.

Principal activities of Related Parties

- ¹ The principal activities of IGB Group are investment holding, property development, property investment and management, owner and operator of malls, hotel operations and construction.
- ² The principal activities of WSCB Group are investment holding, provision of management services; specialised pipe coating and corrosion protection services; engineering, procurement and construction; fabrication and rental of gas compressors and process equipment; exploration and production products and services; infrastructure and building materials; and agro-based engineering.
- ³ The principal activities of WSTSB Group are investment holding, property development, trading in building materials & electrical goods and hotelier.
- ⁴ J&C is a legal firm where the Group procures legal advisory services from time to time.
- ⁵ The principal activity of TE is servicing, maintenance & installation of elevators.

Nature of relationships of KrisAssets Group with Interested Related Parties

- ^a RTCM is a Director of KrisAssets Group, IGB Group, WSCB Group, WSTSB Group and TKYSB Group. He is a Major Shareholder of KrisAssets and IGB; a Substantial Shareholder of Goldis, WSCB and TKYSB. He is the father of ETHN and GTHC; and a brother of PTSM and TTCK.
- ^b TBS is a Director of IGB and WSTSB Group. He is a Substantial Shareholder of Goldis. He is a son of DTCN, the father of TYS and a brother of TLC and TBL; and a brother-in-law to Chong Kim Weng (“CKW”), a senior partner of J&C.
- ^c TLC is a Director of KrisAssets, IGB Group, Goldis Group, TCNSB and WSTSB. She is a daughter of DTCN and a sister of TBS and TBL; and the spouse of CKW.
- ^d TBL is a Director of KrisAssets, IGB Group, Goldis Group, TCNSB and WSTSB Group. He is a son of DTCN and a brother of TBS and TLC; and a brother-in-law to CKW.
- ^e PTSM is a Director of IGB, Goldis, WSCB, WSTSB Group and TKYSB Group. She is a Major Shareholder of KrisAssets and IGB; a Substantial Shareholder of Goldis, WSCB and TKYSB. She is the mother to DYCI and a sister of RTCM and TTCK.
- ^f TTCK is a Director of IGB, TKYSB Group and WSTSB Group. He is a Major Shareholder of KrisAssets and IGB; a Substantial Shareholder of Goldis, WSCB and TKYSB. He is a brother of RTCM and PTSM.
- ^g DTCN is a Director of MVC, TCNSB and WSTSB Group. DTCN is the father of TBS, TLC and TBL; and the father-in-law to CKW.
- ^h DYCI is a Director of KrisAssets Group, IGB Group and the alternate Director to PTSM on the Board of IGB. He is a son of PTSM.
- ⁱ ETHN is alternate to RTCM on the Board of KrisAssets and a Director of MVCG. She is a daughter of RTCM and a sister of GTHC.
- ^j GTHC is a Director of MVCG, a daughter of RTCM and a sister of ETHN.
- ^k TYS is alternate to TBS on the Board of IGB, a Director of IGB Group and MVC. He is a son of TBS.
- ^l Goldis is a Major Shareholder of KrisAssets and IGB; and a person connected to RTCM, TBS, PTSM, TTCK, TKYSB, TCNSB and WSTSB.
- ^m TCNSB is a Major Shareholder of KrisAssets and IGB; a Substantial Shareholder of Goldis, WSCB and WSTSB; and a person connected to DTCN, TBS, TLC and TBL.
- ⁿ TKYSB is a Major Shareholder of KrisAssets and IGB; a Substantial Shareholder of Goldis, WSCB and WSTSB; and a person connected to RTCM, PTSM and TTCK.
- ^o WSTSB is a Major Shareholder of KrisAssets and IGB; a Substantial Shareholder of Goldis and WSCB; and a person connected to RTCM, PTSM, TTCK, TCNSB and TKYSB.
- ^p IGB is a Major Shareholder of KrisAssets; and a person connected to RTCM, PTSM, TTCK, Goldis, TKYSB, TCNSB and WSTSB.

2.2.2 Outstanding RRPT Receivables

Section 2.2.1 shows the breakdown of the outstanding amounts due from the Related Parties to KrisAssets Group (“Outstanding RRPT Receivables”) which exceeded the credit term of less than 1 year as at 31 December 2011. There was no Outstanding RRPT Receivables which exceeded the credit term of 1 year or more as at 31 December 2011.

As at LPD, the Outstanding RRPT Receivables have been fully received.

2.2.3 Review and Disclosure Procedures

KrisAssets Group has established procedures to ensure that the Recurrent RPTs are conducted at arm's length and on normal commercial terms consistent with the Group's usual business practices and policies, 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.

Recurrent RPTs are reviewed and authorised by senior management staff, whereby purchases of goods and services above RM100,000 require the approval of Tender Committee under the Group's authority matrix, provided always that such personnel has no interest in the transaction and the said transaction has been approved pursuant to a RRPT Mandate obtained at an AGM for Recurrent RPTs.

Wherever practicable and/or feasible, at least 2 other contemporaneous transactions with unrelated third parties for similar products and/or services and/or quantities will be used as comparison for determining whether the price and terms offered to/by the Related Parties are fair and reasonable and comparable to those offered to/by unrelated third parties. In the event that quotation or comparative pricing from unrelated parties cannot be obtained, the transaction price will be determined by the Group based on that offered by/to other unrelated parties for the similar type of transaction to ensure that the Recurrent RPTs are not detrimental to the Group.

The management of KrisAssets Group has been kept informed of the disclosure procedures for Recurrent RPTs, who would ensure that Recurrent RPTs with Related Parties would be entered into after taking into account the exclusivity of the distributorship, pricing, expertise required and other related factors.

Records/reports on all Recurrent RPTs disclosed by Directors, Major Shareholders and management are tabled to the Audit Committee ("AC") at quarterly AC meetings.

If a member of the Board and/or AC has an interest (direct or indirect), as the case may be, the Director concerned shall abstain from deliberation and any decision making in respect of the Recurrent RPTs.

The annual internal audit plan incorporates a review of KrisAssets Group's reporting system and procedures on Recurrent RPTs to ascertain that the establishment guidelines and procedures to monitor Recurrent RPTs have been complied.

2.2.4 AC Statement

The AC is of the opinion that the procedures mentioned in Section 2.2.3 are sufficient:

- (a) to monitor, track and identify Recurrent RPTs in a timely and orderly manner; and
- (b) to ensure that Recurrent RPTs 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 KrisAssets.

2.2.5 Disclosure

The Company has disclosed the details of Recurrent RPTs conducted during the financial year ended 31 December 2011 in its Annual Report 2011 in accordance with Section 3.1.5 of PN12.

Disclosure of the same will be made in the annual report of the Company for the next financial year during which the RRPT Mandate is in force, providing among others, the following information:

- (a) type of Recurrent RPTs; and
- (b) names of Related Parties involved in each type of Recurrent RPTs and their relationships with the Company.

2.3 Rationale for RRPT Mandate

The Recurrent RPTs are carried out in the ordinary course of business and intended to meet the business needs of the Group on the best possible terms. They are recurrent transactions of a revenue or a trading nature which are likely to occur with some degree of frequency. These Recurrent RPTs may be time sensitive by nature, making it impractical to seek shareholders' approval on a case by case basis before entering into such RPTs. As such, the Board is seeking the RRPT Mandate under Paragraph 10.09 of the MMLR for these Recurrent RPTs so as to facilitate the efficiency with which these transactions are carried out.

By obtaining the RRPT Mandate and renewal of the same on an annual basis, the necessity to announce and/or convene separate general meetings to seek shareholders' approval as and when such Recurrent RPTs occur would not arise. This would substantially reduce administrative time and expenses associated with the convening of general meetings on an ad hoc basis, without compromising the corporate objectives of the Group or adversely affecting the business opportunities available therein.

The Group has dealt with the Related Parties mentioned in Section 2.2.1 for years and the Related Parties have proven to be good business partners as well as reliable suppliers of materials, goods and services for the Group's business needs. The Related Parties are financially stable and have over the years established good business relationship with the Group. The materials, goods and services provided by and/or to the Related Parties are carried out at arm's length and on terms not more favourably than those generally available to the public.

The Recurrent RPTs to be entered into by the Group as detailed in Section 2.2.1 are anticipated to continue to derive income and/or to meet the Group's business needs on good terms and in the long term interest of the Group.

Effects of RRPT Mandate

The RRPT Mandate is not expected to have any effect on the share capital, NA, EPS and shareholding structure of KrisAssets.

Approval Required

The RRPT Mandate is subject to the approval of shareholders at the 37th AGM.

INTERESTS OF INTERESTED RELATED PARTIES

Save as disclosed below, none of the other Directors, Major Shareholders or person(s) connected has any interest, direct or indirect, in the RRPT Mandate.

The direct and indirect shareholdings of the Interested Related Parties in KrisAssets as at 15 May 2012 are as follows:

Interested Related Parties	Direct		Indirect	
	No. of Shares	%*	No. of Shares	%*
IGB Corporation Berhad	330,843,083	75.13	-	-
Goldis Berhad	2,236,435	0.51	330,843,083 [#]	75.13
Tan Chin Nam Sdn Bhd	-	-	333,214,547 [#]	75.67
Tan Kim Yeow Sdn Bhd	73,765	0.02	333,248,568 [#]	75.68
Wah Seong (Malaya) Trading Co. Sdn Bhd	-	-	333,214,547 [#]	75.67
Robert Tan Chung Meng	662,730	0.15	333,322,333 [#]	75.70
Tan Lei Cheng	51,201	0.01	39,916 [#]	0.01
Tan Boon Lee	1,100	@	-	-
Daniel Yong Chen-I	9,949	@	-	-
Elizabeth Tan Hui Ning	-	-	-	-
Dato' Tan Chin Nam	-	-	-	-
Tan Boon Seng	-	-	-	-
Pauline Tan Suat Ming	68	@	333,322,333 [#]	75.70
Tony Tan @ Choon Keat	-	-	333,322,333 [#]	75.70
Gabrielle Tan Hui Chween	-	-	-	-
Tan Yee Seng	30,000	0.01	-	-

* Excluding 100,000 Shares bought-back by the Company and retained as Treasury Share as at 15 May 2012.

[#] Deemed to have interests in KrisAssets Shares held by other corporations by virtue of Section 6A(4) of the Act.

@ Less than 0.01%

The Interested Directors namely Robert Tan Chung Meng, Tan Lei Cheng, Tan Boon Lee, Daniel Yong Chen-I and Elizabeth Tan Hui Ning have abstained and will continue to abstain from Board deliberations and voting pertaining to the RRPT Mandate.

The Interested Related Parties will abstain from voting in respect of their direct and/or indirect shareholdings in the Company on the RRPT Mandate at the 37th AGM. In addition, the Interested Related Parties have undertaken to ensure persons connected with them abstain from voting on the RRPT Mandate at the 37th AGM.

DIRECTORS' RECOMMENDATION

The Directors (save for Interested Directors), having considered all aspects of the RRPT Mandate, are of the opinion that the RRPT Mandate is in the best interest of KrisAssets and accordingly, recommend that you vote in favour of the ordinary resolution pertaining to the RRPT Mandate to be tabled at the 37th AGM.

5.0 FURTHER INFORMATION

Shareholders are advised to refer to Appendix C for further information.

Yours faithfully
For and on behalf of the Board of
KRISASSETS HOLDINGS BERHAD

TAN SRI DATO' DR. LIN SEE YAN
INDEPENDENT NON-EXECUTIVE CHAIRMAN

EXTRACT OF NOTICE OF 37TH ANNUAL GENERAL MEETING**As Special Business**

To consider and if thought fit, to pass the following resolutions:

Resolution 7**Renewal of shareholders' mandate for share buy-back**

"THAT subject to the Act, the Company's Memorandum and Articles and the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities"), the Company be and is hereby authorised to purchase such number of ordinary shares of RM1.00 each in the Company on Bursa Securities ('Share Buy-Back Mandate') provided that:

- (i) the number of shares purchased pursuant to the Share Buy-Back Mandate (in aggregate with the shares then still held by the Company) shall not exceed 10% of the issued and paid-up share capital of the Company;
- (ii) the maximum fund to be allocated by the Company pursuant to the Share Buy-Back Mandate shall not exceed the retained earnings and/or share premium of the Company as at 31 December 2011; and
- (iii) the shares so purchased by the Company pursuant to the Share Buy-Back Mandate to be cancelled and/or retained in treasury for distribution as dividends and/or resold on Bursa Securities;

AND THAT the Share Buy-Back Mandate, unless revoked or varied by the Company in general meeting, shall commence immediately upon passing of this resolution until the next AGM of the Company or the date by which the next AGM of the Company is required by law to be held, whichever is earlier;

AND THAT the Directors be and are hereby authorised to complete and do all such acts and things as they may consider expedient or necessary or in the interest of the Company to give effect to the Share Buy-Back Mandate."

Resolution 8**Renewal of shareholders' mandate for recurrent related party transactions**

"THAT the Company and/or its subsidiaries ("the Group") be and is/are hereby authorised to enter into all arrangements and/or transactions involving the interests of the Related Parties as specified in Part B, Section 2.2.1 of the Statement/Circular to Shareholders dated 28 May 2012 ("Statement/Circular"), provided that such arrangements and/or transactions are:

- (i) recurrent transactions of a revenue or trading nature;
- (ii) necessary for the Group's day-to-day operations;
- (iii) carried out in the ordinary course of business on normal commercial terms not more favourable to the Related Parties than those generally available to the public; and
- (iv) not detrimental to the minority shareholders of the Company

("RRPT Mandate");

AND THAT the RRPT Mandate, unless revoked or varied by the Company in general meeting, shall continue in force until the next AGM of the Company or the date by which the next AGM of the Company is required by law to be held, whichever is earlier;

AND THAT the Directors be and are hereby authorised to complete and do all such acts and things as they may consider expedient or necessary or in the interest of the Company to give effect to the RRPT Mandate."

Resolution 9**Proposed Amendments of Articles**

"THAT the proposed amendments to the Articles of the Company in the manner detailed in Appendix B of the Statement/Circular be and are hereby approved."

PROPOSED AMENDMENTS OF ARTICLES

In compliance with the recent enhancements issued by Bursa Securities amending certain provisions of the MMLR, the Company proposes to align KrisAssets' Articles with the amendments of the MMLR (differences are highlighted in bold) in the following manner:

Article 75

THAT the existing Article 75 which reads as follows:

Instrument appointing proxy to be in writing

The instrument appointing a proxy shall be in writing under the hand of the appointor or attorney duly authorised or, if the appointor is a corporation, either under seal or under the hand of its officer or attorney duly authorised. A proxy may but need not be a Member of the Company and the provisions of Section 149(1)(b) of the Act shall not apply. The instrument appointing a proxy shall be deemed to confer authority to demand or joint in demanding a poll.

be amended by deleting the entire article and substituting in lieu thereof with the following new article:

The instrument appointing a proxy shall be in writing under the hand of the appointor or attorney duly authorised or, if the appointor is a corporation, either under seal or the hand of its officer or attorney duly authorised. A proxy may but need not be a Member of the Company and the provisions of Section 149(1)(b) of the Act shall not apply. **There shall be no restriction as to the qualification of proxy.** The instrument appointing a proxy shall be deemed to confer authority to demand or joint in demanding a poll. **A proxy appointed to attend and vote at a meeting of the Company shall have the same rights as the Member to speak at the meeting.**

Article 79A

THAT the existing Article 79A which reads as follows:

Appointment of at least one proxy

Where a Member of the Company is an authorised nominee as defined under the Central Depositories Act, it may appoint at least one proxy in respect of each Securities Account it holds with ordinary shares of the Company standing to the credit of the said Securities Account.

be amended by deleting the entire article and substituting in lieu thereof with the following new article:

Appointment of multiple proxies

- (a) Where a Member of the Company is an authorised nominee as defined under the Central Depositories Act, it may appoint **not more than two (2) proxies** in respect of each Securities Account it holds with ordinary shares of the Company standing to the credit of the said Securities Account.
- (b) **Where a Member is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds. An exempt authorised nominee refers to an authorised nominee defined under the Central Depositories Act which is exempted from compliance with the provisions of subsection 25(A) of the Central Depositories Act.**

Article 144

THAT the existing Article 144 which reads as follows:

Payment by cheque

Any dividend, interest or other money payable in cash in respect of shares may be paid by cheque or warrant sent through the post directed to the registered address of the holder. Every such cheque or warrant shall be made payable to the order of the person to whom it is sent, and the payment of any such cheque or warrant shall operate as a good discharge to the Company in respect of the money represented thereby, notwithstanding that it may subsequently appear that the same has been stolen or that the endorsement thereon has been forged. Every such cheque or warrant shall be sent at the risk of the person entitled to the money thereby represented.

be amended by deleting the entire article and substituting in lieu thereof with the following new article:

Mode of payment of dividend

Any dividend, interest or other money payable in cash in respect of shares may be paid by cheque or warrant sent through the post to the registered address of the **Member or such other mode of electronic means to the bank account provided by the Member whose name appears in the Record of Depositors.** Every such cheque or warrant or **payment by direct transfer** shall be made payable to the order of the **Member**, and the payment of any such cheque or warrant **or the payment by such other electronic means** shall operate as a good discharge **of the Company's obligation** in respect of **dividend** represented thereby, notwithstanding that it may subsequently appear that the **same** has been stolen or that the endorsement thereon has been forged **or of any discrepancy given by the Member in the details of the bank account.** Every such cheque or warrant sent **or electronic transfer or remittance shall be sent** at the risk of the person entitled to the **dividend** thereby represented.

FURTHER INFORMATION**1. RESPONSIBILITY STATEMENT**

This Statement/Circular has been seen and approved by the Board of KrisAssets and they collectively and individually accept full responsibility for the accuracy of the information given and confirm that after making all reasonable enquiries and to the best of their knowledge and belief, there are no material facts, the omission of which, would make any statement herein misleading.

2. MATERIAL CONTRACT

Save as disclosed below, there are no material contracts (not being contracts entered into in the ordinary course of business), which have been entered into by KrisAssets Group during the two years preceding the date of this Statement/Circular:

- (i) Share Sale Agreement (“SSA”) dated 25 March 2011 between KrisAssets and IGB on the acquisition of 100% equity interest in MVCG for a purchase consideration of RM222.7 million (revised from RM215.7 million pursuant to the adjustment clause in the SSA) (“MVCG Acquisition”). The MVCG Acquisition was approved by the shareholders at the Extraordinary General Meeting held on 7 July 2011, and was completed on 29 July 2011.
- (ii) Subscription Agreement dated 11 January 2011 between KrisAssets as the Issuer and Hong Leong Investment Bank Berhad as the Lead Manager, Primary Subscriber and Lead Arranger in respect of the issuance of RM300.0 million nominal value of 7-year redeemable secured bonds (“Bonds”). The Bonds were issued on 30 March 2011. The funds had since been utilised for subscription of loan stocks in MVCG on 29 July 2011 in relation to the MVCG Acquisition.

3. MATERIAL LITIGATION, CLAIMS OR ARBITRATION

KrisAssets Group is not engaged in any material litigation, claims or arbitration, either as plaintiff or defendant as at the date of this Statement/Circular, and KrisAssets is not aware of any proceedings, pending or threatened against KrisAssets Group or of any fact likely to give rise to any proceedings which might materially and adversely affect the financial position or business of KrisAssets Group.

4. DOCUMENTS FOR INSPECTION

The following documents are available for inspection during normal business hours at the Registered Office of KrisAssets from the date of this Statement/Circular up to and including the date of the 37th AGM:

- (i) Memorandum and Articles of KrisAssets;
- (ii) Audited consolidated financial statements of KrisAssets for the past 2 financial years ended 31 December 2010 and 31 December 2011; and
- (iii) Material contracts referred to in Section 2 of Appendix C.