

KUMPULAN PERANGSANG SELANGOR BERHAD (23737-K)
(Incorporated in Malaysia)

MINUTES of the Thirty-Sixth Annual General Meeting of the Company held at the Kayangan Ballroom, Quality Hotel Shah Alam, Plaza Perangsang, Persiaran Perbandaran, 40000 Shah Alam, Selangor Darul Ehsan on Thursday, 20 June 2013 at 2.30 p.m.

Present : Members

As per Attendance List

Directors

YM Raja Haji Idris Raja Kamarudin (Chairman)
Encik Suhaimi bin Kamaralzaman
Encik Mustaffa Kamil bin Ayub
YB Dato' Kamarul Baharin bin Abbas
YB Sivarasa a/l Rasiah
YBhg Dato' Dr. Mohamed Ariffin bin Aton
Encik Mohamed Ross bin Mohd Din

By Invitation : As per Attendance List

In Attendance : Puan Hashimah binti Mohd Isa } Company Secretary
Encik Azali bin Abdul Aziz }
Ms. Wong Youn Kim } Representatives of HMC
Ms. Liew Fui Li } Corporate Services Sdn Bhd

PRELIMINARY

YM Raja Haji Idris Raja Kamarudin ("YM Chairman") presided as Chairman of the Meeting.

NOTICE OF MEETING

The notice convening the meeting, having been circulated earlier to all the members of the Company within the statutory period, was taken as read.

Before proceeding to confirm the presence of a quorum, YM Chairman drew the shareholders' attention to Page 45 of the Annual Report 2012 ("AR 2012") whereby the amount of non-audit fees paid to the external auditors, Messrs Ernst & Young as disclosed was inadvertently misstated as RM79,000.00. The correct amount paid by the Company and its subsidiaries to Messrs Ernst & Young for the financial year ended 31 December 2012 was RM112,000.00 as disclosed under Note 7 to the financial statements on Page 97 of the AR 2012.

QUORUM

On behalf of the Board, YM Chairman welcomed all present at the Meeting. Thereupon, the Secretary confirmed the presence of a quorum and YM Chairman called the meeting to order at 2.30 p.m.

Before proceeding with the Agenda, YM Chairman presented his welcoming address and the key highlights of the plans and strategies as well as the activities of the Company and its

subsidiaries during the years 2012 and 2013 to the shareholders present as per Appendix I attached.

1. AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012 AND THE REPORTS OF DIRECTORS AND AUDITORS

The Audited Financial Statements for the financial year ended 31 December 2012 and the Reports of Directors and the Auditors having been circulated to all the shareholders of the Company within the statutory period were tabled to the meeting for discussion.

It was noted that, pursuant to Section 169(1) of the Companies Act, 1965, this Agenda item did not require shareholders' approval.

YM Chairman informed the meeting that the Company received questions from the Minority Shareholder Watchdog Group ("MSWG"). The answers from the Company with regards to MSWG's questions were read out at the meeting. A resume of the MSWG's questions and the answers is attached herewith as per Appendix II.

YM Chairman moved on to invite questions from the floor.

The following questions as raised by shareholders/proxies and the related answers were noted:-

- i) Puan Nik Fadzrina binti Nik Hussain, a proxy referred to the Group's announcement on 29 April 2013 in relation to the offer from Kumpulan Darul Ehsan Berhad ("KDEB") to purchase the Company's entire equity interest in Kumpulan Hartanah Selangor Berhad ("KHSB") that there is a clause in the Sales and Purchase Agreement ("SPA") which provides for an adjustment of the Disposal Consideration of RM0.76 per share. She enquired if there would be any adjustment in the Disposal Consideration and whether it has been determined.

In reply, YM Chairman informed that the SPA entered into between the Company and KDEB in respect of the offer from KDEB to purchase the Company's entire equity interest in KHSB provides for adjustment on the Disposal Consideration. Thus, there would be a possibility for price adjustment depending on the difference between the Revalued Net Assets ("RNAV") of KHSB's selected assets and its audited Net Assets ("NA 2012") as at 31 December 2012, whereby:-

- If the difference between the RNAV and NA 2012 denotes a negative figures, there would be no adjustment and the Disposal Consideration will remain at RM0.76 per share;
- If the difference between the RNAV and NA 2012 is equal or more than 10% of the NA 2012, the Disposal consideration shall be adjusted upward by maximum 10% to RM0.836 per share;

- If the difference between the RNAV and NA 2012 is less than 10%, i.e. range between 1% and 9% of the NA 2012, the Disposal Consideration shall be adjusted upward by such increment amount per share.

At the moment, the revaluation of the selected KHSB's assets are still in progress. The Company is unable to determine whether there would be an adjustment to the Disposal Consideration at this juncture.

- ii) Puan Nini Shazrina Ahmad Shamli, a proxy enquired about the Group's dividend policy and when the shareholders could expect the next dividend payment and its quantum.

In reply, YM Chairman informed that the Group does not have a specific dividend policy. Dividend payments will be decided on annual basis based on the Group's financial performance. Nevertheless, the Company will always ensure that the Group would generate sufficient profits and pay dividend annually. In fact, the Company has been declaring dividends in the past years, i.e., 4% in 2007, 4% in 2008, 4% in 2009, 2% in 2010, 6% in 2011. In this regards, as announced on 30 April 2013, the Board has recommended a final dividend of 2 sen per share in respect of the financial year ended 31 December 2012 for shareholders' approval at this Annual General Meeting (AGM). Apart from that, the Company has also declared an interim dividend of 2 sen for the financial year ending 31 December 2013 which had already been paid on 19 June 2013.

- iii) Mr Phang Ah Kow, a shareholder raised his concern over the substantial drop in revenue in the property development and management sector from RM169.7 million in year 2011 to RM72.7 million in year 2012 as stated in the Chairman's Statement on Page 24 of the AR 2012. He enquired about the reason for the drop in revenue.

In reply, YM Chairman informed that as mentioned in his opening address earlier, the Company is emphasising to identify its assets and liabilities and outlining strategies to reduce its liabilities and to generate value from its assets.

YM Chairman clarified that the drop in revenue in KHSB which is the Group's property development subsidiary, was due to a shift in the business model of KHSB's subsidiary, i.e., Central Spectrum (M) Sdn. Bhd. since year 2012 from pure land sale towards development which could offer higher values. The Group is emphasising on the bottom line (profits) rather than the top line (revenue). To explain the point, he compared the financial performance of KHSB in year 2011 and 2012 and highlighted that KHSB generated revenue of RM170 million in year 2011 but incurred loss of RM30 million. However, in year 2012 although KHSB's revenue dropped to RM72 million, its loss reduced to RM4 million. Therefore, the Group aims to sell less but at a higher value.

Meanwhile, YM Chairman also brought the meeting's attention to the Group's Financial Highlights on Page 6 of the AR 2012. He highlighted that although the Group's revenues drop throughout the years from RM421.786 million in year 2007 to RM348.235 million in year 2012, its profits before tax have improved accordingly from RM55.916 million in year 2007 to RM74.885 million in year 2012. Similarly, the net asset per share has also increased, with 1.81 recorded

the years.

To summarise, YM Chairman commented that low revenue should not be interpreted as bad performance, rather, the company is operating cautiously to achieve higher profits.

YM Chairman agreed with Mr Phang Ah Kow's comment that the share price of Company was undervalued and did not reflect the underlying assets of the Company.

- iv) Mr Phang Ah Kow then referred to Page 26 of the AR 2012 in respect of the report on development project in Bandar Baru Salak Tinggi. He enquired about the distance of the project's location from Kuala Lumpur International Airport ("KLIA") and if there is any remaining lands available for future development in that area.

In reply, YM Chairman informed that the location of the project is about 15 to 20 minutes drive from KLIA. With regards to the availability of lands for future development, the Chief Executive Officer of KHSB, Encik Hashim Kamil bin Harun Mahmud Hashim informed that after the launching of the 2nd phase and final phase which comprises 23 units and 34 units of shop lots respectively, there is a balance of approximately 2.15 acres of land available for future development.

- v) Mr Phang Ah Kow enquired if the Company has derived any development plans which could generate annual recurrent revenue to the Company when the Company is selling of its lands and investments. He expressed his concern as a shareholder who would always hope for dividends from profits generated by the Company.

In reply, YM Chairman informed that the Company's 2012 strategies is to emphasise on creating value from the assets of the Company. In other words, the development projects should generate not only cash but also future value of the assets through asset appreciation and rental incomes. Direct land sale would not be encouraged anymore.

- vi) Lastly, Mr Phang Ah Kow enquired the avenue that the Company would enter into the oil and gas industry, whether by way of exploration, service provider or other possible ways.

YM Chairman informed that the Company will not consider entering the oil and gas industry by way of exploration at the moment as this would involve huge capital investment and at high risks. Nevertheless, the Company will increase its involvement in the industry in terms of management and equity. The Company is currently partnering with National Gas Company, S.A.O.G ("NGC"), Oman and it is having good working relationship with NGC who is the major player in the Middle East region and with more than 30 years of experience and expertise in the oil and gas industry.

- vii) The representative from MSWG, Encik Norhisam Sidek who is also a proxy and corporate representative requested the Board to reply Question Number 1 from MSWG in its letter with regards to the impact of the Company's acceptance to

the offer from KEDB to purchase the Company's entire equity in Titisan Modal (M) Sdn Bhd and other water concessionaires to the shareholders particularly from the point of view of profit contributions.

Encik Suhaimi bin Kamaralzaman ("Encik Suhaimi") replied that the sale of water assets if eventually carried out would contribute approximately RM100 million and RM180 million to the profit and revenue of the Company respectively.

YM Chairman informed Encik Norhisam Sidek that Management will follow-up with a reply in writing to MSWG in respect of the answer to the above question.

- viii) A shareholder, Mr Ng Aik Pheng put on record his acknowledgement of the Company's good works which has successfully turnaround the Company and its group of companies throughout the years.

With this, Mr Ng Aik Pheng expects a better dividend in the years to come. He commented that although the Company has been declaring dividends for the past years, the dividend declared at 2% at one time which is 3 years ago was too low. He hopes that the low dividend would not be repeated rather a dividend of at least 12% would be expected by the shareholders.

Apart from that, Mr Ng Aik Pheng enquired on the Company's investment policies in achieving the shareholders' expected return of at least 12%. He expressed his concerns over the Company's recent investments in oil & gas industry and telecommunication sector, particularly the oil & gas business which the Company is currently exploring.

On the other hand, Mr Ng Aik Pheng also concerned about the Company's total liabilities which are higher than its total assets and that the Company has to take a move to sell the lands in Pulau Indah. He enquired how the proceeds from the sales of lands in Pulau Indah would be utilised and the Company's re-investment plans for the next 5 years.

To Mr Ng Aik Pheng's enquiry on the Company's "exploration" to oil & gas industry, YM Chairman clarified that the Company is in partnership with NGC in taking over the cylinder gas business (liquefied petroleum gas business) ("LPG") from Shell Malaysia Trading Sendirian Berhad ("Shell") which the Company currently owns 40% equity stake via its wholly-owned subsidiary, namely Perangsang Oil And Gas Sdn Bhd. The Shell's LPG business which its operation was taken over in November 2012 by NGC Energy Sdn. Bhd. is not a totally new business that requires exploration and huge capital investment. Rather, it is an ongoing business and consists about 25% of Malaysian oil & gas market shares. The business has recorded revenue of approximately RM200 million for the first quarter this year.

With regards to Mr Ng Aik Pheng's enquiry on the Company's total liabilities which is higher than its total assets, YM Chairman clarified that the lands in Pulau Indah is relating to Central Spectrum (M) Sdn Bhd ("CSSB"), a subsidiary of KHSB, which engages in land development and has zero liability in its books of accounts. Whereas, KPSB's liabilities are mainly on water related business rather than property sector.

In reply to Mr Ng Aik Pheng's expectation for at least 12% dividend, YM Chairman reiterated that the Company has not fixed a specific dividend policy at the moment. Nevertheless, the Company will always ensure that the Group would generate sufficient profits and pay a fair dividend in due course. He commented that commitment to a fixed dividend would lead the Company to opt for high return investments but at high risks.

- ix) A shareholder and also a proxy, Mr Tan Kim Khuat sought YM Chairman's update on the progress of the offer from KDEB to purchase the Company's entire equity interest in KHSB and if the transaction is pending for the completion of the lands' valuation report. He also enquired whether shareholders' approval is required for the acceptance of KDEB's offer as well as the disposal of water assets by the Company.

YM Chairman informed that the land valuation report has yet to be finalised at this juncture. It is targeted to be completed on 27 July 2013 which is 3 months from the date of signing of the SPA. An Extraordinary General Meeting ("EGM") is scheduled to be convened in end of July 2013 to seek approval from the Company's shareholders after the land valuation report has been completed and approval is obtained from the relevant authorities. YM Chairman informed that the process was progressing according to schedule. However, if any of the condition precedents could not be fulfilled as per schedule, an extension of time would be required.

With regards to the proposed disposal of the Company's water assets, YM Chairman informed that besides shareholders' approval, the transaction also requires approval from the state government.

- x) The shareholder, Mr Ng Aik Pheng referred to Page 24 of the AR 2012 on Chairman's Statement in respect of revenue contribution by each sector. Amongst others, he noted that infrastructure & utilities sector recorded an increase in revenue in year 2012. He enquired if the infrastructure & utilities also includes water business. Besides that, he commented that trading sector was performing well and he enquired on the nature of business involved in trading sector.

In reply, YM Chairman informed that water is part of the business in the Company's infrastructure & utilities sector. On the other hand, trading sector refers to sales of chemical including supply to water industries. However, it does not include trading in oil & gas.

YM Chairman invited Encik Suhaimi to further elaborate with regards to the performance of trading sector. Encik Suhaimi informed that trading sector generated more revenue as compared with year 2011 mainly due to increase in production of water sector and the supply of chemical to the Company's own water treatment plant and other water treatment plants.

There being no further questions raised, YM Chairman declared that the Audited Financial Statements for the financial year ended 31 December 2012 together with the reports of the Directors and the Auditors thereon be and was hereby received.

Before YM Chairman proceeded to the next Agenda item, he informed the meeting that in accordance with the Malaysian Code on Corporate Governance ("MCCG") 2012, the shareholders were encouraged for poll voting, particularly on substantive resolutions for good corporate governance purpose.

Meanwhile, YM Chairman brought the meeting's attention to Article 56 of the Company's Articles of Association in respect of rights to demand for a poll.

2. ORDINARY RESOLUTION 1
- PROPOSED FINAL DIVIDEND OF 2 SEN PER SHARE LESS 25% INCOME TAX
IN RESPECT OF THE FINANCIAL YEAR ENDED 31 DECEMBER 2012

The meeting proceeded to consider the declaration of a final dividend of 2 sen less 25% Income Tax for the financial year ended 31 December 2012. The final dividend, if approved will be paid on 5 August 2013 to every shareholder who is entitled to receive the dividend on 18 July 2013.

YM Chairman invited proposer and seconder for the following motion and the motion was duly proposed by Mr Pang Ah Kow and seconded by Puan Nini Shazrina Ahmad Shamli:-

"THAT a final dividend of 2 sen less 25% Income Tax for the financial year ended 31 December 2012 be approved."

The Chairman invited questions from the floor. There was no substantive question that required recording.

YM Chairman then put the motion to vote by way of show of hands

Based on the voting results, YM Chairman declared that by unanimous votes, the following motion be and was hereby duly carried:-

"THAT a final dividend of 2 sen less 25% Income Tax for the financial year ended 31 December 2012 be and is hereby approved."

3. ORDINARY RESOLUTION 2
- RE-ELECTION OF DIRECTOR – YM RAJA HAJI IDRIS RAJA KAMARUDIN

The meeting proceeded to Resolution 2 which was to re-elect YM Chairman, Raja Haji Idris Raja Kamarudin ("YM Raja Haji Idris") who retires by rotation pursuant to Article 84 of the Company's Articles and Association.

At this juncture, YM Chairman handed over the Chair to Encik Mustaffa Kamil bin Ayub ("Encik Mustaffa Kamil"), the Senior Independent Director to go through Resolution 2.

Encik Mustaffa Kamil informed the meeting that YM Raja Haji Idris was subject to retirement under Article 84 of the Company's Articles of Association and being eligible for re-election, has offered himself for re-election accordingly.

Encik Mustaffa Kamil informed the meeting that the profile of YM Raja Haji Idris could be found on page 15 of the AR 2012.

Encik Mustaffa Kamil invited proposer and seconder for the following motion and the motion was duly proposed by Puan Nik Fadzrina binti Nik Hussain and seconded by Madam Tan Phek Quan:-

"THAT YM Raja Haji Idris Raja Kamarudin, retiring pursuant to Article 84 of the Articles of Association, be re-elected as Director of the Company."

Encik Mustaffa Kamil invited questions from the floor. There being no questions raised, the motion was put to the meeting for vote by way of show of hands.

Based on the voting results, Encik Mustaffa Kamil declared that by unanimous votes, the following motion be and was hereby duly carried:-

"THAT YM Raja Haji Idris Raja Kamarudin, retiring pursuant to Article 84 of the Articles of Association, be re-elected as Director of the Company."

Thereafter, Encik Mustaffa Kamil handed over the Chair back to YM Chairman.

4. ORDINARY RESOLUTION 3
- RE-ELECTION OF DIRECTOR – ENCIK SUHAIMI BIN KAMARALZAMAN

The meeting proceeded to Resolution 3 which was to re-elect Encik Suhaimi bin Kamaralzaman ("Encik Suhaimi") who retires by rotation pursuant to Article 84 of the Company's Articles and Association.

YM Chairman informed the meeting that Encik Suhaimi was subject to retirement under Article 84 of the Company's Articles of Association and being eligible for re-election, has offered himself for re-election accordingly.

YM Chairman added that the details of Encik Suhaimi could be found on page 16 of the AR 2012.

YM Chairman invited proposer and seconder for the following motion and the motion was duly proposed by Madam Tan Phek Quan and seconded by Puan Nik Fadzrina binti Nik Hussain:-

"THAT Encik Suhaimi bin Kamaralzaman, retiring pursuant to Article 84 of the Articles of Association, be re-elected as Director of the Company."

YM Chairman invited questions from the floor. There being no questions raised, the motion was put to the meeting for vote by way of show of hands.

Based on the voting results, YM Chairman declared that by unanimous votes, the following motion be and was hereby duly carried:-

"THAT Encik Suhaimi bin Kamaralzaman, retiring pursuant to Article 84 of the Articles of Association, be re-elected as Director of the Company."

5. **ORDINARY RESOLUTION 4**
- DIRECTORS' FEES

YM Chairman informed the meeting that a sum of RM400,000.00 was recommended for payment as Directors' fees for the financial year ended 31 December 2012.

YM Chairman invited proposer and seconder for the following motion and the motion was duly proposed by Mr Phang Ah Kow and seconded by Madam Tan Phek Quan:-

"THAT the Directors' Fees amounting to RM400,000.00 for the financial year ended 31 December 2012 be approved."

YM Chairman invited questions from the floor.

The shareholder, Mr Ng Aik Pheng enquired that in view of inflation, if the Directors' fees recommended for the financial year ended 31 December 2012 was the same with last year.

YM Chairman replied that the Director's fees payable to each Director remain the same as last year. However, the total amount of Directors' fees will change when the total number of Directors on the Board changes.

There being no further questions raised, the motion was put to the meeting for vote by way of show of hands.

Based on the voting results, YM Chairman declared that by unanimous votes, the following motion be and was hereby duly carried:-

"THAT the Directors' Fees amounting to RM400,000.00 for the financial year ended 31 December 2012 be and is hereby approved."

6. **ORDINARY RESOLUTION 5**
- RE-APPOINTMENT OF MESSRS ERNST & YOUNG AS AUDITORS OF THE COMPANY

YM Chairman proceeded to Resolution 5 and the meeting was requested to consider the re-appointment of the retiring Auditors, Messrs Ernst & Young who have indicated their willingness to continue office as Auditors of the Company for the next financial year, and to authorise the Board of Directors to fix the Auditors' remuneration.

YM Chairman invited proposer and seconder for the following motion and the motion was duly proposed by Puan Nini Shazrina Ahmad Shamli and seconded by Encik Mohd Asrul bin Ismail:-

"Messrs. Ernst & Young be re-appointed as the Company's Auditors for the ensuing year AND THAT the Directors be authorised to fix their remuneration."

YM Chairman invited questions from the floor.

There was no substantive question that required recording.

The motion was put to the meeting for vote by way of show of hands.

Based on the voting results, YM Chairman declared that by unanimous votes, the following motion be and was hereby duly carried:-

"THAT Messrs. Ernst & Young be re-appointed as the Company's Auditors for the ensuing year AND THAT the Directors be authorised to fix their remuneration."

7. **ORDINARY RESOLUTION 6**
- PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE ("PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE")

YM Chairman moved on to Ordinary Resolution 6, a Special Business to seek authority from the shareholders for the proposed renewal of shareholders' mandate for recurrent related party transactions of a revenue or trading nature. The full text of the proposed renewal of shareholders' mandate is set out in the Notice of Meeting and the details of the recurrent related party transactions have been clearly set out in Section 2.3 of the Circular to Shareholders dated 29 May 2013.

YM Chairman informed the meeting that Kumpulan Darul Ehsan Berhad, Menteri Besar Selangor (Incorporated) 1994 and Taliworks Corporation Berhad are interested in the proposed renewal of shareholders' mandate and accordingly, they and persons connected to them would abstain from voting in respect of their direct and indirect shareholdings.

YM Chairman informed the meeting that the motion, if passed, was primarily to authorise the Company and/or subsidiaries to enter into transaction with the related parties which were necessary for the day-to-day operations of the Group and are based on normal commercial terms that are not more favourable to the related parties than those generally made available to the public.

YM Chairman invited proposer and seconder for the following motion and the motion was duly proposed by Mr Phang Ah Kow and seconded by Ms Chua Ching Yap:-

"THAT, subject to the provisions of the Listing Requirements of Bursa Malaysia Securities Berhad, the Company and/or its subsidiary companies ("the Group") be and are hereby authorised to enter into and give effect to the recurrent related party transactions of a revenue or trading nature with the related parties as set out in Section 2.3 of the Circular to Shareholders dated 29 May 2013 ("the Related Party") provided that such transaction is:-

- (a) *revenue nature necessary for the day-to-day operations;*
- (b) *undertaken in the ordinary course of business and at arm's length basis and on normal commercial terms which are not more favourable to the Related Party than those generally available to the public; and*
- (c) *are not prejudicial to the minority shareholders of the Company*

("the Shareholders' Mandate")

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

- (a) the conclusion of the next Annual General Meeting ("AGM") of the Company following this AGM at which the Shareholders' Mandate is passed, at which time it will lapse unless the authority is renewed by a resolution passed at the next AGM;*
- (b) the expiration of the period within which the next AGM after that date is required to be held pursuant to Section 143(1) of the Companies Act ("the Act") (but must not extend to such extension as may be allowed pursuant to Section 143(2) of the Act); or*
- (c) it is revoked or varied by resolution passed by shareholders in a general meeting,*

whichever is earlier.

AND THAT the Directors of the Company be hereby authorised to complete and do all such acts and things (including executing all such documents as may be required) as they may consider expedient or necessary to give effect to the Shareholders' Mandate."

YM Chairman invited questions from the floor. There being no substantive questions that required recording.

There being no further questions raised, the motion was put to the meeting for vote by way of show of hands.

Based on the voting results, YM Chairman declared that by unanimous votes, the following motion be and was hereby duly carried:-

"THAT, subject to the provisions of the Listing Requirements of Bursa Malaysia Securities Berhad, the Company and/or its subsidiary companies ("the Group") be and are hereby authorised to enter into and give effect to the recurrent related party transactions of a revenue or trading nature with the related parties as set out in Section 2.3 of the Circular to Shareholders dated 29 May 2013 ("the Related Party") provided that such transaction is:-

- (a) revenue nature necessary for the day-to-day operations;*
- (b) undertaken in the ordinary course of business and at arm's length basis and on normal commercial terms which are not more favourable to the Related Party than those generally available to the public; and*
- (c) are not prejudicial to the minority shareholders of the Company*

("the Shareholders' Mandate")

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

- (a) the conclusion of the next Annual General Meeting ("AGM") of the Company following this AGM at which the Shareholders' Mandate is passed, at which time it will lapse unless the authority is renewed by a resolution passed at the next AGM;*

- (b) *the expiration of the period within which the next AGM after that date is required to be held pursuant to Section 143(1) of the Companies Act ("the Act") (but must not extend to such extension as may be allowed pursuant to Section 143(2) of the Act); or*
- (c) *it is revoked or varied by resolution passed by shareholders in a general meeting,*

whichever is earlier.

AND THAT the Directors of the Company be hereby authorised to complete and do all such acts and things (including executing all such documents as may be required) as they may consider expedient or necessary to give effect to the Shareholders' Mandate."

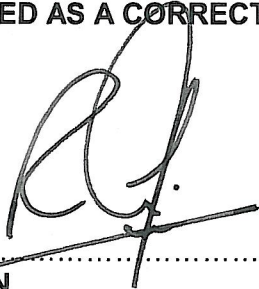
8. ANY OTHER BUSINESS

YM Chairman informed the meeting that the Company has not received notice to transact any other business of which due notice shall have been given in accordance with the Company's Articles of Association and the Companies Act, 1965.

CLOSURE

There being no further business, the meeting was closed at 4.00 p.m. with a vote of thanks to the Chairman.

CONFIRMED AS A CORRECT RECORD



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CHAIRMAN

Dated:

Ladies and gentlemen,

Shareholders of KPS.

First and foremost, I would like to welcome you and thank you for your attendance and continued interest in your Company, KPS.

Alhamdulillah, All praise and glory to Allah Subhanahuwataala, for it is with His blessings and guidance that we are able to gather here today in this 36th Annual General Meeting of Kumpulan Perangsang Selangor Berhad.

Let me at the outset congratulate all the shareholders of the Company for the successful business year 2012. The Notice of the AGM and the Annual Report for the year ended 31 December, 2012 was published in the New Straits Times dated 29 May 2013 and also in the compact disc (CD), which was posted to you and I presume you have read it.

By now, you would also have received a copy of the compact disc (CD) containing the Annual Report for 2012. You would have noticed that this year, we have produced and posted to you the Annual Report in compact disc (CD) format. However, you can also request for a printed copy of the annual report by completing and posting the request form, which is enclosed with the CD jacket; to our Secretarial Department.

The year 2012 saw the second year of the four year plan to turnaround KPS and its group of companies.

In 2012, the emphasis was on the Balance Sheet and identifying the assets and liabilities of the Company, and outlining strategies to reduce the liabilities and to generate value from the assets of the Company.

These plans and strategies have started and we see the results in KPS, in particular in our subsidiaries, KHSB, Cash Band (M) Berhad, Perangsang Telco Sdn Bhd and Perangsang Oil and Gas Sdn Bhd.

KHSB Group will concentrate on developing projects on their own, where possible which include Section 14 PJ, Pulau Indah Industrial Park, Selangor Halal Hub and Pulau Indah East. CSSB, a subsidiary of KHSB, no longer focuses on land sales only, but instead now looks to adding value in their development projects, for example in the

Selangor Halal Hub, where a more integrated development approach is being planned, with Shared Services, Shared Infrastructure and Shared Facilities.

As for Cash Band, the Company has signed a Development Agreement with a subsidiary of SP Setia Berhad to redevelop Perangsang Templer Golf Club, which is currently still at the planning stage and expected to commence development no later than 24 months from the date of the Development Agreement.

Also, the year 2012 saw our entry into two new and strategic business sectors namely Telecommunications and Oil and Gas by our subsidiaries, Perangsang Telco and Perangsang Oil and Gas respectively. These two new ventures should start to contribute positively to our Group results by 2015.

In the meantime, the Company is continuing to explore new areas and industries to invest in.

Starting from 2013, the plan will be to focus on the Profit and Loss Statement. Strategies will be laid out to optimise and even to maximise the profits in each project carried out.

I am sure all of you must be aware by now about the offer by KDEB to take over the entire shareholding held by KPS in KHSB. The offer by KDEB for the 56.57% holding is at a price of RM0.76 per share with a potential 10% increase, after the RNAV of KHSB has been determined subsequent to the Due Diligence and Revaluation exercise has been completed.

As the Due Diligence is still ongoing, there is little information that we can give to the shareholders, except for what has been announced by us, or press statements by KDEB.

I am also sure that all of you must be aware of the offer made by KDEB to purchase all of KPS's shareholding in our subsidiaries and associate companies in the water industries, namely TMSB that owns 90.83% of Konsortium ABASS and Viable Chip that owns 30% of SPLASH.

As earlier announced, on 6 March 2013, KPS has accepted in-principle the indicative terms and conditions of the Offer as set out in the Offer Letters, subject to the final terms and conditions to be negotiated and agreed upon, as well as the execution of a definitive agreement.

We believe the SGS will be meeting the Federal Govt soon to discuss the consolidation of the water industry in Selangor as a Holistic Solution and we are awaiting further notification from KDEB on the proposed offer.

In closing, I would like to once again thank you, the shareholders for your continued support and confidence in the Management and Board of Directors of the Company. I would also like to take this opportunity to thank our partners and bankers for their continued support as well. I would also like to thank our Management and staff for their continued loyalty and in ensuring the future success of the Company. I would also like to thank the Selangor State Government for the support given to us in ensuring a smooth process in all our dealings with them. Last but not least, I would like to thank the media, that has been reporting on the developments in KPS.

Thank you for listening to my speech with such interest.

With that, I shall now proceed with the Agenda.



KUMPULAN PERANGSANG SELANGOR BERHAD

THIRTY-SIXTH (36th) ANNUAL GENERAL MEETING ("AGM")
20 JUNE 2013

QUESTIONS FROM MINORITY SHAREHOLDER WATCHDOG GROUP (MSWG)

STRATEGY AND FINANCIALS



QUESTION 1

We noted from the Annual Report that there have been offers from Kumpulan Darul Ehsan Berhad to purchase 100% equity in Titisan Modal (M) Sdn Bhd and other water concessionaires.

In the event that the sale is eventually carried out, what would be the impact to shareholders particularly from the viewpoint of profit contributions and how would the Board plan to seek alternative investments with the sale proceeds? What is the expected benchmark rate of return on investment would the Board consider?

ANSWER 1

The Board has already mandated the management of the Company to explore various investment opportunities both in existing sectors (e.g. telecommunications and, oil and gas) as well as in new sectors.

As a guideline, an internal rate of return of at least 12% is usually taken as a benchmark for new investments. However, it should be noted that the return on each new venture will be reviewed on an individual basis depending on the risk versus rewards of the venture that is being evaluated.



QUESTION 2

As reported in the Chairman's Statement (page 27 of Annual Report), Perangsang Selangor has accepted the offer from Kumpulan Darul Ehsan Berhad, to purchase its entire 254,562,576 ordinary shares of Kumpulan Hartanah Selangor Berhad (KHSB) representing a 56.57% equity stake in KHSB for a total cash consideration of RM193,467,557.76.

(i) How would Perangsang Selangor plan to do with the sale proceeds?

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ANSWER 2(i)

Details of the utilisation of the sale proceeds is only expected to be finalised pursuant to the issuance of the Circular to Shareholders for the forthcoming Extraordinary General Meeting to deliberate and approve the disposal of the KHSB shares. This is expected to be held within the 3rd quarter of 2013.

Amongst others, the utilisation of the sale proceeds is expected to be a combination of the following: -

- Settlement of existing loan facilities
- Working capital requirements
- New investments.

Apart from the above utilisation, the Board is also considering the possibility of recommending a special dividend to be approved by the shareholders.

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QUESTION 2

- (ii) With the sale, how would it impact the property development business? What is the status in redeveloping Perangsang Templer Golf Club, estimated Gross Development Value, and expected dates of commencement and completion?

ANSWER 2(ii)

With the sale of KHSB, Perangsang Selangor will no longer be involved in any property development business that relates to the KHSB Group. However, the KPS Group will continue to be involved in the redevelopment Perangsang Templer Golf Club ("PTGC"), which is being jointly developed with the S P Setia Berhad Group.

The redevelopment of PTGC is currently still at the planning stage. As per the announcement to Bursa Malaysia Securities Berhad on 6 February 2013, the Gross Sale Value is estimated to be between RM1.074 - RM1.25 billion, depending on the final development layout, and redevelopment is expected to commence no later than 24 months from the date of the Development Agreement with completion expected by 1st quarter of 2021.

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QUESTION 3

During the year, the Group had ventured into new investment in the areas of oil and gas and telecommunication via 40% equity stake in NGC Energy Sdn Bhd and 30% equity stake in Ceres Telecom Sdn Bhd.

- (i) What expertise does the Group has in these two new areas and what are the main reasons for venturing into these areas?

ANSWER 3(i)

These are two new areas but it should also be noted that the necessary management and technical expertise is already present in the operating companies in which the Group has invested.

The Group is also building up its expertise in these two new areas by collaborating with strong joint venture partners that have a multitude of experience in the respective areas of expertise. For example, in NGC Energy Sdn Bhd, our joint venture partner, National Gas Company, Oman has more than 30 years of experience in the liquefied petroleum gas (LPG) business. Similarly in Ceres Telecom, our joint venture partner currently operates no less than three pre-paid mobile operations in Oman, Saudi Arabia and Jordan.

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ANSWER 3(i) (Cont'd)

In both these joint ventures, Perangsang Selangor plays an active role in the strategic direction and management of the operating companies. This is in line with the Company's efforts to build up expertise in these new areas.

The Company ventured into these new sectors as it believes that these ventures would be able to generate good returns in terms of future value appreciation and dividend streams. These investments also provide the Company with the opportunity to diversify its future returns away from its existing sectors (i.e. infrastructure & utilities, property development and hospitality).

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QUESTION 3

- (ii) **In terms of percentage, what would be the targeted revenue and profit contribution to the Group from both investments? What is the Group's policy on the expected rate of return on the investment?**

ANSWER 3(ii)

Ceres Telecom and NGC Energy are deemed associate companies in view of the level of the KPS Group's equity holdings in each company, which amounts to 30% of Ceres Telecom and 40% of NGC Energy respectively. As such, both investments are accounted for on an equity accounting basis without contribution to the Group's revenue.

In terms of profit contribution, it is not possible to provide a meaningful target of the profit contribution at this stage given that NGC Energy only took over the LPG business operations in November 2012. As for Ceres Telecom, it is a new business venture with the soft launch of its first product scheduled to take place in the second half of 2013. As such, it is only expected to return a profit in 2015.

In terms of the rates of return, the average annual returns for both ventures over the anticipated investment horizon are expected to exceed the internal guidance rate of 12%.

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QUESTION 3

- (iii) Does the Group plan to venture into oil and gas and telecommunication business in a bigger way in future?

ANSWER 3(iii)

The Group would certainly consider further investments in both these areas of businesses provided such opportunities presented meet with the Group's investment criteria.

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QUESTION 4

As noted in Note 26, outstanding allowance for impairment of trade receivables has increased significantly from RM49.6 million in FY2011 to RM90.5 million in FY2012. It was also disclosed in the Chairman's Statement that there was an impairment on the receivables due from SYABAS amounting to RM42.3 million. Could the Board enlighten shareholders on the non-payment of the receivables particularly in respect of the amount due from SYABAS, chances of recovery, time frame and whether there could be increased impairment in FY2013 and moving forward?

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ANSWER 4

As at 31 December 2012, the amount due from SYABAS to Konsortium Abass Sdn Bhd ("ABASS") that was outstanding more than 90 days stood at RM456.68 million, whereas the allowance for impairment on the outstanding receivables was RM85.20 million. The outstanding amount was a result of the proportionate payment made by SYABAS since 2009.

The timing of recoverability of the amount due from SYABAS is either dependent upon the outcome of the legal proceedings instituted by SYABAS (against the State Government) in favour of SYABAS or any financial assistance from Federal Government or State Government or any other proposed solutions by the two governments to resolve the current impasse situation, whichever is earlier.

As for the allowance for impairment on the trade receivables, the allowance was made in accordance with FRS 139 Financial Instruments-Recognitions and Measurements. The Directors foresee that the allowance for impairment will continue to increase in FY2013 until the outstanding amount due from SYABAS is resolved.

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QUESTION 5

With the possible sale of Titisan Modal (M) Sdn Bhd, Kumpulan Hartanah Selangor Berhad and the Group's foray into oil and gas and telecommunication segments, what would eventually be the Group's core business? Please enlighten shareholders on the Group's business direction.

ANSWER 5

Assuming the sale of its water-related investments and KHSB is successfully completed, the Group would no longer be involved in water supply services and property development. As highlighted earlier, the Group is exploring various investment opportunities both in existing sectors as well as in new sectors to replace the divested investments and will make an announcement to Bursa Malaysia at the appropriate juncture.

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