

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

MINUTES of the Fortieth Annual General Meeting (“40th AGM”) of Kumpulan Perangsang Selangor Berhad (“Perangsang Selangor or the Company”) held at the Shah Alam 1, SACC Convec, No. 4, Jalan Perbadanan 14/9, 40000 Shah Alam, Selangor Darul Ehsan on Thursday, 25 May 2017 at 10.00 a.m.

Present : **Members**

As per Attendance List

Directors

YM Raja Dato’ Haji Idris Raja Kamarudin (Chairman)
Encik Suhaimi bin Kamaralzaman
YB Dato’ Kamarul Baharin bin Abbas
YB Sivarasa a/l Rasiah
Encik Mohamed Ross bin Mohd Din
YBhg Dato’ Idris bin Md Tahir
YM Raja Shahreen bin Raja Othman

By Invitation : As per Attendance List

In Attendance : Puan Hashimah binti Mohd Isa
Puan Selfia binti Muhammad Effendi } Company Secretaries

PRELIMINARY

YM Raja Dato’ Haji Idris Raja Kamarudin (“YM Dato’ Chairman”) presided as Chairman of the meeting.

NOTICE OF MEETING

The notice convening the meeting, having been circulated earlier to all members of the Company and duly advertised in “New Straits Times” within the prescribed period, was taken as read.

QUORUM

On behalf of the Board, YM Dato’ Chairman welcomed all present at the meeting. Thereupon, the Secretary confirmed the presence of the requisite quorum and YM Dato’ Chairman called the meeting to order at 10.05 a.m.

Before proceeding with the Agenda, YM Dato’ Chairman presented his welcome address to the shareholders present as per **Appendix I** attached.

1. AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016 AND THE REPORTS OF DIRECTORS AND AUDITORS

The Audited Financial Statements for the financial year ended 31 December 2016 together with the Reports of Directors and the Auditors (“AFS”) thereon 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 251(1) of the Companies Act, 2016 (“CA 2016”), the AFS shall be approved by the Board and as such no formal approval of the shareholders for the AFS is required. Nevertheless, under Section 244(2)(a) of CA 2016 the AFS shall be circulated to the members and laid before the Company at its AGM.

Before YM Dato’ Chairman opened the floor for questions, he informed the meeting that the Company had received several questions from the Minority Shareholder Watchdog Group (“MSWG”) and Mr Cheng Chang Chai (“Mr Cheng”) a shareholder of Perangsang Selangor and the Board was requested by MSWG and Mr Cheng to address those points as raised by them and present the answers during the AGM. The Board had replied in writing to the questions raised by MSWG and Mr Cheng accordingly. The answers from the Company with regards to MSWG’s and Mr Cheng’s questions were read out at the meeting respectively. The details of the MSWG’s and Mr Cheng’s questions and answers are attached herewith as per **Appendix II and III** respectively.

YM Dato’ Chairman proceeded to invite questions from the floor. The following questions were raised and the related answers were duly noted as follows:

- i) A shareholder, Mr Chow Chee Keon @ Chow Chong (“Mr Chow”) raised the following questions and enquiries:
 - a) Mr Chow informed that on 13 May 2017, he had sent a letter addressed to the Chairman of Perangsang Selangor requesting the Company to consider a special dividend of 2 sen per share in addition to the final dividend of 4.25 sen per share as announced by Perangsang Selangor recently. This request was made based on the following merits:
 - Perangsang Selangor had made a profit after tax and zakat of RM101.8 million or 20.41% of the total paid up capital of RM499,004,119.00;
 - The net asset per share of the Company at RM2.66;
 - The Company retained earnings of RM778,909,000.00;
 - Cash and bank balances of RM131,995,000.00;
 - b) During the last AGM, Mr Chow reiterated that Mr Cheng had proposed for the Company to consider exercising share-buy-back, however, it has not been implemented by the Company considering the Company’s share price was hovering at RM1.50 per share as compared to the net asset per share of RM2.66.

- c) With regards to amount spent on Corporate Social Responsibility (“CSR”) of RM2.28 million in 2016, Mr Chow commented that such amount spent by the Company was fair as compared to amount spent of RM5.0 million in 2015. He commended Management for such wise spending and to continue the same in the future.

The replies to the above comments and enquiries were noted as follows:

- With regards to request for additional special dividend of 2 sen per share, YM Dato’ Chairman clarified that he did not receive such notice claimed by Mr Chow and upon seeking clarification from the Company Secretary, it was confirmed that the Company did not receive such notice as mentioned by Mr Chow.
 - YM Dato’ Chairman further enlightened that for a resolution to be put forward at the AGM, a proper notice must be given to the Company in accordance with the Constitution of the Company and the CA 2016. Furthermore, before any additional dividend could be declared, a proper due process need to be carried out in accordance with the CA 2016.
 - Having said that and should the above request is discussed at this AGM, the majority shareholder namely Kumpulan Darul Ehsan Berhad which was represented by Encik Suhaimi had verbally informed that he is not agreeable on the proposed additional special dividend of 2 sen per share as requested by Mr Chow. Hence, the proposed resolution could not be followed through. YM Dato’ Chairman added that Perangsang Selangor would consider paying additional dividend to the shareholders should the opportunity arise.
- ii) Ms Heng Ai Cheng, a shareholder highlighted on her difficulty in getting a parking lot due to limited parking space in the building and no information was given to the shareholders on alternative parking area. Consequently, she was late for the meeting. To this, YM Dato’ Chairman apologised for the inconvenience and the Company will arrange for improvement going forward.
- iii) Ms Heng Ai Cheng enquired on the reason for the delay in concluding the water restructuring as the deadline has been extended few times. In reply to this, YM Dato’ Chairman explained that Perangsang Selangor has never been involved in the negotiation between the Federal Government and Selangor State Government, therefore Perangsang Selangor is unable to comment much on the actual reasons for the delay.
- iv) Encik Lee Chee Meng from MSWG enquired why the Chief Executive Officer of Perangsang Selangor namely Encik Ahmad Fariz bin Hassan (“Encik Ahmad Fariz”) is not present at this AGM. In response, YM Dato’ Chairman informed that Encik Ahmad Fariz could not be present at the AGM as he is down with dengue fever. This was duly noted by the shareholders.

- v) Mr Ong Aye Ho (“Mr Ong”) a shareholder, raised the following questions:
- a) Why is the share of profit of associates decrease from RM110.0 million in 2015 to RM50.7 million in 2016, and whether Management could confirm that the impairment was just a one-off transaction and will the share of profit from associates increase again once the water restructuring completed?
- On the lower share of profit from associates, Puan Suzila explained that the adverse variance of RM60.3 million in share of profit of associates was mainly contributed by SPLASH due to impairment made on trade receivables. As whether such impairment would be a one-off or otherwise, Puan Suzila explained that such impairment has been ongoing and there may or may not be further impairment at SPLASH depending on the outcome of future event.
 - With regards to whether or not Perangsang Selangor share of profit will rise to RM110.0 million, Puan Suzila replied that it would be very much depending on results of the associates.
- b) Assuming that the acquisition of SPLASH could be finalised this October 2017, are there any special dividend to be declared by the Company?
- YM Dato’ Chairman reiterated that at the moment there was no offer received by the Company from the Federal Government or State Government. As such, it would be difficult for the Company to indicate whether there would be any special dividend.
- c) The consolidation of profits from new subsidiaries namely KaiserCorp Corporation Sdn Bhd, Century Bond Bhd (“CBB”) and Aqua-Flo Sdn Bhd were made based on their respective one year profit or pro-rated based on their respective acquisition date?
- YM Dato’ Chairman explained that the consolidation of profit from the above subsidiaries were from the period Perangsang Selangor acquired the respective company and this year would be the first year for full year consolidation.
- d) Mr Ong highlighted to the Board on the report on Lafarge cement whereby the revenue of Lafarge has reduced due to less demand for cement. It was also noted that the Housing Development Board of Singapore (“HDBS”) has disallowed usage of cement bags for their projects. The cement must be delivered in bulk or in the form of portable mini silo as they did not want the material to spill-over on the road and thus damaging the road. Mr Ong added that it has become a trend at this time that the supply of cement using cement bags have begun to shift to bulk supply especially for urban areas. With this

change, Mr Ong enquired what would be CBB's action plan to diversify its business.

- On the Lafarge report, YM Dato' Chairman commented that Perangsang Selangor could not speak on behalf of Lafarge with regards to their business. As for prohibition of cement bags in Singapore by HDBS, YM Dato' Chairman commented that CBB is currently exploring expansion plans into other markets such as Vietnam and Cambodia which are currently on the path of economic expansion. Perangsang Selangor/CBB would always plan ahead for its business to grow and not relying on one customer and is consistently looking for new markets and new customers.
- vi) Mr Chow Chee Chai, a shareholder enquired on what would be the offer price that Perangsang Selangor would receive should the offer price of RM2.8 billion is based on the publicised information in the newspaper.
- To this, YM Dato' Chairman replied that the Board was not aware of any new offer from Federal Government or State Government for acquisition of SPLASH except that the deadline for the taking over of SPLASH had been further extended to 6 October 2017 as the previous offer has lapsed.
 - YM Dato' Chairman reiterated that the Board would not want to speculate on such offer price quoted in the newspaper as Perangsang Selangor is a public listed company and thus it is bound by Bursa Malaysia Listing Requirements. Nevertheless, should the Company receive an offer from the Federal Government or State Government, the Company would make the necessary announcement on the same as per the Bursa Malaysia Listing Requirements.
- vii) With regards to SPLASH acquisition Mr Chow sought clarification from the Board whether it was true that the current book value of SPLASH was approximately RM2.8 billion which is equivalent to RM840.0 million, of Perangsang Selangor 30% equity holding via Viable Chip Sdn Bhd as published in one of the local newspaper.
- In reply to the above, YM Dato' Chairman again reiterated that the Board is unable to verify the information as published in the local newspaper, thus no further comments on this matter.

There being no further questions raised, YM Dato' Chairman declared that the Audited Financial Statements for the financial year ended 31 December 2016 together with the reports of the Directors and the Auditors thereon be and hereby received.

Before YM Dato' Chairman proceeded to the second item of the Agenda, he drew the shareholders' attention to Paragraph 8.29A of the Bursa Malaysia Listing Requirements that voting at this AGM would be conducted on a poll and in accordance with Practice 12.3 of the Malaysian Code on Corporate Governance ("MCCG") 2017 where the Company is encourage to use electronic voting. Hence, the poll will be conducted via electronic voting (e-voting) for this AGM.

Accordingly, the Company has appointed Symphony Share Registrars Sdn Bhd as Poll Administrator to conduct the poll by way of e-voting and Symphony Corporatehouse Sdn Bhd as Scrutineers to verify the poll results. The poll would commence only after the deliberation on all items to be transacted at this meeting.

In addition, YM Dato' Chairman brought the meeting's attention to Article 57 of the Company's Articles of Association in respect of his right as Chairman of the meeting to demand for a poll and he then duly exercised his right accordingly.

2. ORDINARY RESOLUTION 1
- PROPOSED DECLARATION OF A SINGLE TIER FINAL DIVIDEND OF 4.25 SEN PER SHARE IN RESPECT OF THE FINANCIAL YEAR ENDED 31 DECEMBER 2016

The meeting proceeded to consider the proposed declaration of a single tier final dividend of 4.25 sen per share in respect of the financial year ended 31 December 2016.

YM Dato' Chairman informed the meeting that the single tier final dividend, if approved would be paid on 18 August 2017 to every shareholder who is entitled to receive the dividend at the close of business on 21 July 2017.

YM Dato' Chairman moved on to invite proposer and seconder for the Ordinary Resolution 1 and it was duly proposed by Encik Mohamad Zaidi bin Jaafar ("Encik Zaidi") and seconded by Puan Nor Azizah binti Saleh ("Puan Nor Azizah").

Since voting will be conducted on a poll at the end of the meeting, YM Dato' Chairman proceeded with the next item on the Agenda.

3. ORDINARY RESOLUTION 2
- RE-ELECTION OF DIRECTOR – YM RAJA SHAHREEN BIN RAJA OTHMAN

The meeting proceeded to Resolution 2 which was to re-elect YM Raja Shahreen bin Raja Othman ("YM Raja Shahreen") as a Director of the Company, who retires pursuant to Article 84 of the Company's Articles and Association.

YM Dato' Chairman informed the meeting that YM Raja Shahreen is subject to retirement pursuant to Article 84 of the Company's Articles of Association and being eligible for re-election, has offered himself for re-election. The profile of YM Raja Shahreen could be found on page 26 of the Annual Report 2016.

YM Dato' Chairman invited proposer and seconder for the Ordinary Resolution 2 and it was duly proposed by Puan Noraizan binti Shamsudin and seconded by Encik Zaidi.

Since voting will be conducted by way of a poll at the end of the meeting, YM Dato' Chairman proceeded with the next item on the Agenda.

4. ORDINARY RESOLUTION 3
- RE-ELECTION OF DIRECTOR – YBHG DATO’ IDRIS BIN MD TAHIR

The meeting proceeded to Resolution 3 which was to re-elect YBhg Dato’ Idris bin Md Tahir (“YBhg Dato’ Idris”) as a Director of the Company, who retires pursuant to Article 84 of the Company’s Articles and Association.

YM Dato’ Chairman informed the meeting that YBhg Dato’ Idris is subject to retirement pursuant to Article 84 of the Company’s Articles of Association and being eligible for re-election, has offered himself for re-election. The profile of YBhg Dato’ Idris could be found on page 25 of the Annual Report 2016.

YM Dato’ Chairman invited proposer and seconder for the Ordinary Resolution 3 and it was duly proposed by Encik Zaidi and seconded by Puan Zaiediawaty binti Idris (“Puan Zaiediawaty”).

YM Dato’ Chairman informed the shareholders that voting on this resolution will be conducted by way of a poll at the end of the meeting. Following that, YM Dato’ Chairman proceeded with the next item on the Agenda.

5. ORDINARY RESOLUTION 4
- DIRECTORS’ FEES

The meeting proceeded to Resolution 4, to consider the recommended directors’ fees for the financial year ended 31 December 2016 amounting to RM455,000.00.

YM Dato’ Chairman invited proposer and seconder for the Ordinary Resolution 4 and it was duly proposed by Encik Zaidi and seconded by Mr Ong.

YM Dato’ Chairman invited questions from the floor. However, there was no substantive question that required recording. He continued to inform that voting by way of a poll will be conducted at the end of the meeting. Subsequently, YM Dato’ Chairman proceeded with the next item on the Agenda.

6. ORDINARY RESOLUTION 5
- DIRECTORS’ REMUNERATION UP TO AN AMOUNT OF RM2,105,959.00 FROM 1 JANUARY 2017 UNTIL THE NEXT AGM OF THE COMPANY

The meeting proceeded to Resolution 5, to consider the recommended payment of Directors’ Remuneration to the Directors up to an amount of RM2,105,959.00 from 1 January 2017 until the next AGM of the Company. This is in line with Section 230(1) of CA 2016, which provides amongst others, that “the fees” of the directors and “any benefits” payable to the directors of a listed company and its subsidiaries shall be approved at a general meeting.

YM Dato' Chairman elaborated that this payment is in respect of the directors' fees and benefits payable to the Non-Executive Directors' of the Company for the period of about 17 months, from 1 January 2017 until the next AGM of the Company. YM Dato' Chairman made reference to Explanatory Note 6 on pages 10 and 11 of the annual report for more details on the Ordinary Resolution 5.

YM Dato' Chairman also highlighted that the breakdown summary of the remuneration to be approved by shareholders, has also been dealt with under the reply to MSWG queries earlier on in Agenda 1.

YM Dato' Chairman invited proposer and seconder for the Ordinary Resolution 5 and it was duly proposed by Encik Mohd Fadhli bin Mansor ("Encik Mohd Fadhli") and seconded by Puan Zaiediaty.

YM Dato' Chairman invited questions from the floor. There was no substantive question that required recording. He then reiterated that voting by way of a poll will be conducted at the end of the meeting. Thereafter, YM Dato' Chairman proceeded with the next item on the Agenda.

7. ORDINARY RESOLUTION 6
- RE-APPOINTMENT OF MESSRS ERNST & YOUNG AS AUDITORS OF THE COMPANY AND TO AUTHORISE THE DIRECTORS TO FIX THEIR REMUNERATION

YM Dato' Chairman proceeded to Resolution 6 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 Directors to fix the Auditors' remuneration.

YM Dato' Chairman invited proposer and seconder for the Ordinary Resolution 6 and it was duly proposed by Puan Nor Azizah and seconded by Mr Ong.

Since voting will be conducted by way of poll at the end of the meeting, YM Dato' Chairman proceeded with the next item on the Agenda.

8. ORDINARY RESOLUTION 7
- SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS

The meeting proceeded to Resolution 7 which was to obtain the Members' approval for the Proposed Shareholder' Mandate for Recurrent Related Party Transactions of a Revenue or Trading nature. The full text of this Ordinary Resolution 7 is set out in the Notice of Meeting.

Since there was no objection, YM Dato' Chairman declared that the full text of the Ordinary Resolution 7 be taken as read.

YM Dato' Chairman highlighted that the Ordinary Resolution 7, if passed, will authorize the Directors of the Company to complete and do all such acts, deeds and things to give effect to the aforesaid shareholders' mandate and transactions contemplated under this resolution.

YM Dato' Chairman invited proposer and seconder for the Ordinary Resolution 7 and it was duly proposed by Encik Zaidi and seconded by Encik Mohd Fadhli.

Since voting by way of a poll will be conducted at the end of the meeting, YM Dato' Chairman proceeded with the next item on the Agenda.

9. ANY OTHER BUSINESS

Upon confirmation by the Company Secretary, YM Dato' 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 CA 2016.

Before the meeting proceeded to conduct the poll, YM Dato' Chairman declared that the registration for attendance at this AGM closed.

10. VOTING ON THE RESOLUTIONS AND DECLARATION OF POLL RESULTS

YM Dato' Chairman reiterated that polling at this AGM will be conducted using electronic voting. He then called upon Puan Rozleen representing the Poll Administrator, Symphony Share Registrars Sdn Bhd to brief the shareholders on the polling exercise. After the briefing, Puan Rozleen passed the Chair back to YM Dato' Chairman.

YM Dato' Chairman invited questions from the floor. There being no questions raised, YM Dato' Chairman adjourned the meeting at 11.20 a.m. until the casting and verification of the votes were completed.

The meeting resumed at 11.50 a.m. and YM Dato' Chairman called the meeting to order.

The Share Registrar handed over summary of the Poll Results to YM Dato' Chairman for declaration as follows:

KUMPULAN PERANGSANG SELANGOR BERHAD (23737-K)
RE: MINUTES OF FORTIETH ANNUAL GENERAL MEETING HELD ON 25 MAY 2017

	FOR			AGAINST			TOTAL			ABSTAINS		
	REC	SHARES	%	REC	SHARES	%	REC	SHARES	%	REC	SHARES	%
Ordinary Resolution												
RESOLUTION 1 : To approve a single tier final dividend of 4.25 sen per share in respect of the financial year ended 31 December 2016.	111	348,104,489	100	0	0	0	111	348,104,489	100	0	0	0
RESOLUTION 2 : To re-elect the following Directors who retire by rotation pursuant to Article 84 of the Company's Article of Association : YM Raja Shahreen bin Raja Othman	108	343,379,789	98.6545	2	4,683,100	1.3455	110	348,062,889	100	1	41,600	0.012
RESOLUTION 3 : To re-elect the following Directors who retire by rotation pursuant to Article 84 of the Company's Article of Association : YBhg Dato' Idris bin Md Tahir.	109	343,412,889	98.664	1	4,650,000	1.336	110	348,062,889	100	1	41,600	0.012
RESOLUTION 4 : To approve the Directors' fees of RM455,000.00 for the financial year ended 31 December 2016.	109	338,454,489	97.2278	2	9,650,000	2.7722	111	348,104,489	100	0	0	0
RESOLUTION 5 : To approve the payment of Directors' remuneration to the Directors up to an amount of RM2,105,959.00 from 1 January 2017 until the next AGM of the Company.	104	338,282,889	97.1785	7	9,821,600	2.8215	111	348,104,489	100	0	0	0
RESOLUTION 6 : To re-appoint Messrs Ernst & Young as Auditors of the Company and to authorise the Directors to fix their remuneration.	111	348,104,489	100	0	0	0	111	348,104,489	100	0	0	0
RESOLUTION 7 : To approve the Proposed Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature.	108	54,646,995	92.1581	1	4,650,000	7.8419	109	59,296,995	100	2	288,807,494	82.9657

Ordinary Resolution 1:

- To approve a single tier final dividend of 4.25 sen per share in respect of the financial year ended 31 December 2016.

Based on the votes casted, YM Dato' Chairman declared that by unanimous votes, the following motion be and hereby duly carried:

"THAT a single tier final dividend of 4.25 sen per share in respect of the financial year ended 31 December 2016 be hereby approved."

Ordinary Resolution 2:

- To re-elect YM Raja Shahreen bin Raja Othman who retires by rotation pursuant to Article 84 of the Company's Article of Association and who being eligible offers himself for re-election.

Based on the votes casted, YM Dato' Chairman declared that by majority votes of 98.65%, the following motion be and hereby duly carried:

"THAT YM Raja Shahreen bin Raja Othman who retires pursuant to Article 84 of the Company's Articles of Association, be re-elected as Director of the Company."

Ordinary Resolution 3:

- To re-elect YBhg Dato' Idris bin Md Tahir who retires by rotation pursuant to Article 84 of the Company's Article of Association and who being eligible offer himself for re-election.

Based on the votes casted, YM Dato' Chairman declared that by majority votes of 98.66%, the following motion be and hereby duly carried:

"THAT YBhg Dato' Idris bin Md Tahir who retires pursuant to Article 84 of the Company's Articles of Association, be re-elected as Director of the Company."

Ordinary Resolution 4:

- To approve the directors' fees of RM455,000.00 for the financial year ended 31 December 2016.

Based on the votes casted, YM Dato' declared that by majority votes of 97.23%, the following motion be and hereby duly carried:

"THAT the payment of Directors' Fees amounting to RM455,000.00 for the financial year ended 31 December 2016 be hereby approved."

Ordinary Resolution 5:

- To approve the payment of Directors' remuneration to the Directors up to an amount of RM2,105,959.00 from 1 January 2017 until the next AGM of the Company.

Based on the votes casted, YM Dato' Chairman declared that by majority votes of 97.18%, the following motion be and hereby duly carried:

"THAT the payment of Directors' Remuneration to the Directors up to an amount of RM2,105,959.00 from 1 January 2017 until the next AGM of the Company be hereby approved".

Ordinary Resolution 6:

- To re-appoint Messrs. Ernst & Young as Auditors of the Company and to authorise the Directors to fix their remuneration.

Based on the votes casted, YM Dato' Chairman declared that by unanimous votes, the following motion be and 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."

Ordinary Resolution 7:

- Proposed Shareholders' Mandate for Recurrent Related Party Transactions ("RRPT") of a Revenue or Trading Nature

Based on the votes casted, YM Dato' Chairman declared that by majority votes of 92.16%, the following motion be and hereby duly carried:

*“**THAT**, in accordance with paragraph 10.09 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, approval be and is hereby given for Perangsang Selangor and/or its subsidiaries to enter into recurrent related party transactions of a revenue or trading nature, as set out in the Circular to Shareholders dated 28 April 2017, which are necessary for the day-to-day operations in the ordinary course of the business of the Company and/or its subsidiaries on terms and transaction prices not more favourable to the related parties than those generally available to the public and are not detrimental to the minority shareholders of the Company;*

***THAT** such approval will continue to be in force and effect until:*

- (i) the conclusion of the next Annual General Meeting of the Company at which time the authority will lapse, unless the authority is renewed by a resolution passed at such general meeting;*
- (ii) the expiration of the period within which the Company’s next Annual General Meeting is required to be held under 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*
- (iii) revoked or varied by resolution passed by the shareholders of the Company in general meeting,*

whichever is earlier;

***AND THAT** the Directors of the Company be and are hereby authorised to complete and do all such acts, deeds and things to give effect to the aforesaid shareholders’ mandate and transactions contemplated under this resolution.”*

11. APPRECIATION NOTE FOR RETIRING DIRECTORS

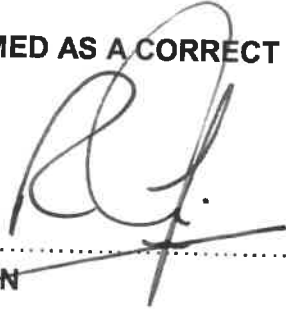
On behalf of the Board, YM Dato’ Chairman placed on record the Board’s appreciation to Encik Mustaffa Kamil bin Ayub and YBhg Dato’ Dr Mohamed Ariffin bin Aton who will retire at the conclusion of the 40th AGM as Directors of the Company.

The Board recognized their utmost commitment and invaluable contribution to Perangsang Selangor Group during their tenure of service on the Board.

12. CLOSURE

YM Dato' Chairman thanked everyone present at the AGM and declared the 40th AGM of Perangsang Selangor as concluded at 12.00 noon.

CONFIRMED AS A CORRECT RECORD



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CHAIRMAN

Dated: 21 June 2017

CHAIRMAN'S WELCOMING ADDRESS

Before I proceed with the Agenda, allow me to present my welcoming address.

Shareholders of KPSB

Directors of KPSB

Management of KPSB

Ladies and gentlemen

Assalammu'alaikum wbt and a very good morning

First and foremost, I would like to thank the shareholders for taking the time to attend the 40th Annual General Meeting of your company, Kumpulan Perangsang Selangor Berhad.

Ladies and gentlemen, the theme of this year's Annual Report is "Growing Beyond Borders".

This theme reflects the changing direction that your company has embarked on in the past year or so. Whilst still maintaining a presence in Selangor, we have endeavoured to invest in companies outside of Selangor, particularly in Johore, with the acquisition of Century Bond Berhad. More significantly, we have also invested beyond the Malaysian borders to capture the tremendous opportunities in the United States, with the acquisition of 60% in KaiserCorp, which owns King Koil Licensing Co, the license owner of King Koil Mattresses. Altogether, we have invested a total of RM325 million during the year for the acquisition of subsidiaries, which were financed by internally generated funds and borrowings. It is worthy to note, at this juncture, that the Company has maintained a strong balance sheet, and intends to uphold an optimal debt-to-equity level to continue delivering healthy returns to shareholders.

With these two acquisitions, your company has transformed from being a GLC to an MNC or a Multi National Company.

With King Koil, we now have a presence in eighty countries around the world, and with Century Bond, we have set foot in a few ASEAN countries, like Indonesia, Thailand and Singapore.

With these acquisitions, we see a good opportunity for Perangsang Selangor to leverage off their global presence to grow our business even further. The challenge for the board and management now is how to extract the best value from this international platform. These growth strategies are outlined on pages 45 to 47 of the Annual Report, and clearly indicate the strong commitment of your board and management in attaining the next level of growth.

Ladies and gentlemen, as can be seen from the Annual Report, your company has been continually performing well, and 2016 was no exception, with a Profit after Tax and Zakat of more than RM100 million, as can be seen on pages 12 and 13 of the Annual Report.

This is in spite of the global slowdown and the drop in crude oil prices and the falling of the ringgit.

I am pleased to note that we have maintained healthy profits year after year for the last 5 years.

Also, as per the last years, we are proposing a dividend for the shareholders approval today. This year's proposed dividend is slightly higher at 4.25 sen per share. The board and management will continue to explore ways to enhance and increase the value of your company and will strive to distribute even higher dividends in the years to come, while being mindful of the Group's sustained profitability and cash availability.

Our dividend history can be seen on pages 12 and 13 of the Annual Report.

As always, the continuing question facing the board and the management from the shareholders and the media is on the conclusion of the restructuring of the water companies in Selangor and the impending divestment of our shareholdings in SPLASH.

And as always, unfortunately, we are unable to share much more information than what you yourselves would already be aware of from the various statements and announcements in the media by the State and the Federal Government.

Our hope is aligned to yours, that the restructuring will be finalised soon and the divestment of SPLASH will happen quickly thereafter, so that we can move on from legacy issues that have been with us for the past years, and cast our eyes forward to chart our growth trajectory.

Ladies and gentlemen, with the introduction of new laws and guidelines by the authorities, in particular the Companies Act 2016 and Malaysian Code on Corporate Governance 2017 ("MCCG 2017"), there will be greater transparency and disclosures by public listed companies. These will allow you, the shareholders, more avenues and opportunities to examine what goes on in your company, Perangsang Selangor, and to ensure your interests are always protected. At Perangsang Selangor, we have always maintained a high standard of reporting for the benefit of the investing public in general and you the shareholders in particular.

This is aptly demonstrated by the rankings that we have obtained in the Analysis of Corporate Governance Disclosure in Annual Report 2015-2016 issued by Bursa Malaysia Securities Berhad ("Bursa Malaysia") where we scored an average of 81.2% for 2015 Annual Report which has placed Perangsang Selangor in the top 26 public listed companies ("PLCs") across 280 PLCs selected by Bursa Malaysia.

In closing, I would like to thank the shareholders for their continued support of the board and management of your company, and the print and electronic media for their support throughout the year, and the State government for their assistance and guidance wherever and whenever needed.

Wabillahi taufik wal hidayah
Wassalam mualaaikum Warahmatullahi wabarakatuh.

Thank you for listening to my speech with such interest.



KUMPULAN PERANGSANG SELANGOR BERHAD 40TH ANNUAL GENERAL MEETING

QUESTIONS FROM THE MINORITY SHAREHOLDER WATCHDOG GROUP (“MSWG”)

25 MAY 2017

Strategic and Financial

King Koil

1) On 23 May 2016, Perangsang Selangor completed the acquisition of 60% interest in Kaiserkorp, the holding company of a wholly-owned U.S. based King Koil Licensing Company Inc, which owns the King Koil® mattress brand and related intellectual properties including trademarks and patents. The total purchase consideration was USD28.8 million.

(i) What was the basis at arriving at the purchase consideration?

The acquisition of Kaiserkorp was valued at 13.7x EV/EBITDA multiple on normalised FY2015 EBITDA, which is reasonable compared to the valuation for previous mergers & acquisitions in the mattress industry and those involving well-known brands which range from 11x to 18x. The valuation was agreed considering the presented opportunity for Perangsang Selangor to invest in a globally recognisable brand and profitable, cash-generating business in a growing and highly-acquisitive industry.

(ii) Please explain how the licensing of King Koil works and whether it is perpetual

KKLC as the Licensor enters into a license agreement with a bedding products manufacturer as the Licensee, granting the Licensee the exclusive rights to use the trademarks, product designs and other intellectual properties developed and owned by the Licensor to manufacture, market and distribute King Koil bedding products in defined territory(ies). The Licensee bears full risk and earn the sales and margins as the manufacturer. In exchange for the rights to use the trademarks and intellectual properties, the Licensor is paid a royalty by the Licensee, typically a percentage of the sales of King Koil bedding products sold by the Licensee in its territories.

The tenure of most of the King Koil license agreements varies from a minimum of 5 years up to 15 years. Several agreements with the most long-standing licensees are for perpetuity barring the termination of the agreements due to any breaches. These perpetual licensees are also typically among the top / consistent royalty contributors to King Koil.

(iii) How significant would the interest in Kaiserkorp be expected to contribute to the earnings of the Group?

The contribution to the Group PBT for 7 months period in FY 2016 was 1% or RM1.3 million. We expect Kaiserkorp to continue contributing positively in the future.

Ceres

1) The Group had made a provision for diminution in investment of RM9.6 million in Ceres Telecom Sdn Bhd in FY 2016.

(i) What was the reason for the provision for diminution in investment?

The Group assesses at each reporting date whether there is an indication that any asset of the Group may be impaired. This is done by comparing the recoverable amount against the carrying amount of an asset.

In the case of Ceres, the recoverable amount is the estimated future cash flows expected to be generated by Ceres. Based on the impairment assessment which was carried out in FY2016 and in accordance with Financial Reporting Standards 136 – Impairment of Assets, the recoverable amount of Ceres was lower than the carrying amount. Thus, this has resulted in provision for diminution in investment of RM9.6 million in Ceres.

(ii) What would be the outlook for this company as telecommunication is a highly competitive industry?

A number of plans have been undertaken to improve Ceres' financial performance and ultimately its overall positioning in the industry. Since the beginning of 2017, Ceres' Management has been working closely with its white label product partners to increase their subscribers' base, which in turn will allow Ceres to capture higher revenue and profits from this segment. At the same time, the Management has been focusing on improving the quality of services of its proprietary application Friendi Mobile Connect which offers affordable international calling service exclusively to Friendi Malaysia's subscribers.

NGC

- 3) **NGC Energy recorded its first year of profits after taxation in FY2015, and quadrupled its profits to RM36.5 million in FY2016.**

Please explain the reasons for the higher profit and how the Board would expand the business further.

This is mostly due to full year impact of the increase in Government subsidy for the Domestic (household) segment in FY2016, which is subject to a price ceiling under the Automatic Pricing Mechanism. The subsidy increase was effective from mid-2015. In addition, NGC's improved profits were also due to the strategic decision to increase sales to the more profitable Industrial & Consumer (I&C) segment which is not subject to price control, and 23% decreased in finance costs resulting from reduced borrowings.

Moving forward, NGC's future expansion plans focus on:

- i) Growing market share in the competitive Domestic segment by strategically focusing on selected regions of the Peninsula Malaysia which are deemed more profitable due to high demand from the population and cost effectiveness & efficiencies to NGC;
- ii) Increasing sales to the I&C segment to improve overall margins for the company; and
- iii) Growing exports revenue and regional expansion to capitalise on increasing demand for LPG from other ASEAN countries e.g. Singapore and Indonesia.

Corporate Governance Matters

- 1) **Encik Suhaimi Bin Kamaralzaman attended only 5 out of the 10 Board meetings during the financial year.**

What was the reason for him not being able to attend these meetings during the financial year despite that Board meetings for each financial year are scheduled and informed to the Board in advance before the end of each financial year so as to enable the Directors to plan accordingly and fit the year's Board meetings into their respective schedules?

Encik Suhaimi Kamaralzaman (“Encik Suhaimi”), a non-independent non-executive director of the Company holds the position as President of Kumpulan Darul Ehsan Berhad (“KDEB”), the immediate holding company of Perangsang Selangor. Encik Suhaimi is also the Chief Executive Officer (“CEO”) of Pengurusan Air Selangor Sdn Bhd (“Air Selangor”), a wholly owned subsidiary of KDEB. Being a CEO of Air Selangor, Encik Suhaimi is very instrumental in the water restructuring exercise in Selangor where he was required to attend various discussions with the federal and state government before the inking of the definitive agreement takes place. As disclosed in the public domain, both Air Selangor and Syarikat Pengeluar Air Selangor Holdings Bhd (“Splash”) were given time until 6 October 2017 to complete the SPLASH takeover deal which has been extended several times since April 2016. Being a director of public listed company, Encik Suhaimi do take cognizance on the repercussion for non-compliance to Paragraph 15.05(3)(c) of Bursa Malaysia Main Market Listing Requirements and fostering commitment to carry out his fiduciary duties as director of a company.

2) Under Resolution 6, the Company is seeking shareholders' approval for payment of Directors' remuneration to the Directors up to RM2.1 million for the period from 1 January 2017 until the next AGM of the Company?

Could the Board provide the breakdown of the remuneration to be approved by shareholders?

Pursuant to Section 230(1) of the Companies Act, 2016 ("the Act") which came into effect on 31 January 2017, the Act provides amongst others that the fees of the directors and any benefits payable to the directors of a listed company and its subsidiaries shall be approved at a general meeting.

This payment is in respect of the directors' fees and benefits payable to the Non-Executive Directors ("NEDs") of the Company for the period of about 17 months from 1 January 2017 to the next AGM of the Company ["Relevant Period"].

In determining the estimated total amount of remuneration for the NEDs for the Relevant Period, various factors including the number of scheduled meetings for the Perangsang Selangor Board, Board Committees and subsidiaries' Board including 4 new operational subsidiaries acquired in 2016 as well as the number of NEDs involved in these meetings. Other benefits payable to the NEDs include medical coverage and other claimable benefits as and when incurred.

Breakdown summary of the Directors' Remuneration (Group) categorised into appropriate components for the Relevant Period are as follows:

Directors' Remuneration (Group)	Relevant Period (17 months period) 1.1.2017 to the next AGM 2018	Actual 2016 (12 months period) 1.1.2016 to 31.12.2016
i) Directors' Fees 2017 (12 months) : RM1,001,000 2018 (5 months) : RM422,084 ii) Meeting Allowances 2017 (12 months) : RM378,400 2018 (5 months) : RM208,000 iii) Leave Passage iv) Other Benefits 2017 (12 months) : RM68,100 2018 (5 months) : RM28,375	RM 1,423,084 ⁽¹⁾ 586,400 ⁽²⁾ - ⁽³⁾ 96,475	RM 487,000 293,900 295,000 41,847
	2,105,959	1,117,747

Notes:

- (1) *After considering the positioning of the directors' fees since its last review in 2007, the Board had in March 2017 concurred with the Remuneration Committee's recommendation to increase the director's fee by RM10,000 per director which represents an average increment of 17.6% per NED in tandem with the increase in Perangsang Selangor's net asset per share of RM2.28 in 2007 to RM2.66 in 2016 of approximately 17%. Out of the total estimated directors' fees of RM1,423,084, RM417,917 is made up of Leave Passage for the Relevant Period which has been combined as part of the directors' fees moving forward.*
- (2) *The estimated figure for meeting allowances has taken into account the increased by an additional RM500 per meeting per member for Board/Board Committees' meetings after considering its last review in 2004 and 2007 respectively.*
- (3) *Starting from financial year 2017, the leave passage benefits afforded to the Directors of the Company will be combined as part of the directors' fees.*



KUMPULAN PERANGSANG SELANGOR BERHAD 40TH ANNUAL GENERAL MEETING

QUESTIONS FROM MR CHENG CHANG CHAI

25 MAY 2017

Smartpipe Technology Sdn Bhd

- 1) **This should be the next engine of growth for KPS. Any progress on tenders or long term contracts being finalized with Air Selangor?**

Being a new technology in this region, Perangsang Selangor recognize the extra efforts required to market and promote the effectiveness of Compact Pipe System (“CPS”) for pipe rehabilitation. As such, SPT is constantly engaging Air Selangor and other state water entities to facilitate further understanding and appreciation of the technology’s superiority and viability in resolving the water sector’s current predicament.

Currently SPT is in the process of securing pilot projects from few state water operators. We believe that through this initiatives, the Company will be able to demonstrate the practicality and effectiveness of CPS for pipe rehabilitation.

- 2) Apart from Selangor, all the other states in Peninsular Malaysia are having NRW issues. What is the prospect of entering into or getting contracts from those states?**

SPT has approached and is constantly engaging with most of the state water operators and the main sewerage players. The feedback and response we have received has been positive.

Splash Berhad (“Splash”)

- 1) What were the profits / losses for the last 5 financial years and projected profits / losses the next 5 financial years?**

Please refer to Note 17 – Investment in Associates on pages 164 to 166 of Annual Report 2016 for the last 2 years financial results of Splash.

2) What were the dividends declared to Viable Chip Sdn Bhd (“VCSB”) for the last 5 financial years [paid to the Group]?

Dividends declared to VCSB for the last 5 financials years are as tabulated below. All dividends received were utilised for the coupon payment for Bai’ Bithaman Ajil Islamic Debt Securities (“BaiDS”) of a total RM200 million issued by VCSB:-

RM'mil	2012	2013	2014	2015	2016
Dividend received	12.0	6.0	6.0	-	-

3) Is the next cut-off date for takeover of Splash by Air Selangor due on 6 October 2017?

Based on publicly-available news, Perangsang Selangor understand that the next cut-off is due on 6 October 2017.

4) What is KPS’ fair value of VCSB’s 30% stake in Splash and the basis of such calculation?

In accordance with Financial Reporting Standards (“FRS”) FRS 139, Perangsang Selangor is allowed to measure its stake in Splash at cost as the fair value cannot be measured reliably. Further information on SPLASH is disclosed on Note 17 to the Financial Statements on pages 164 to 166.

5) What is the independent valuer’s final valuation on Splash for purpose of the takeover? What is value given by the other independent valuer appointed by the federal government?

We are unable to comment on this matter than what has been made public from the various statements and announcement in the media by the federal government.

6) With the numerous 6 months extension prior to the last extension on 07.04.17, does KPS ever consider the need, premised on business efficacy and prudence, to divest its 30% stake in Splash to Gamuda Berhad or The Sweet Water Alliance Sdn Bhd (collectively referred to as “Shareholders”) or some other third parties should the Shareholders decline to purchase the same from KPS?

Perangsang Selangor views Splash as a good investment. Having said that, as an investment holding company we constantly look for opportunities to crystallise the value in our assets.

7) Can the 2 directors from KPS sitting in the Board of Splash reiterate the next course of actions for sale of Splash pending the dateline of 06.10.17 [Gamuda Berhad's directors actively inform shareholders on the takeover progress of Splash]?

To the best of our knowledge, there was no indication from the State of Selangor or Pengurusan Air Selangor Sdn Bhd in relation to the offer to take over Splash except for public information on the acquisition of Splash. Should there be any official offer received by Perangsang Selangor, we will make the necessary announcement on the same in accordance with the Bursa Malaysia listing requirements.

Dividend

- 1) **In respect of dividend payment of 4.25 sen per share for FY 2016, I am delighted but not overly excited as I believe KPS is able to pay more than that amount based on KPS' performance for FY 2016. In respect of the 4 sen dividend per share declared for FY 2015 [refer to page 13 of Annual Report 2016], can the Board confirm that the amount of 4 sen was actually paid to shareholders? Please clarify when the payment was actually made since there was only 1 announcement at Bursa's webpage i.e. on 31.03.16 and payment was for final dividend of 2 sen per share only?**

The Board holds a long term view on Perangsang Selangor and deemed that the gains should be reinvested onto the Group to sustain future growth. FY 2016 was an exceptional year where cash flow management was crucial in light of our Merger & Acquisition activities. Still we maintain our dividend practice this year and our growth plans would ensure we can continue doing so in increasing measure.

In respect of the 4 sen dividend per share declared for FY 2015, the dividend paid was 4 sen per share which comprised of interim dividend of 2 sen per share declared on 26 February 2015 and paid on 23 March 2015 and final dividend of 2 sen per share was declared on 31 March 2016 and paid on 22 August 2016.