

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

MINUTES of the Forty-First Annual General Meeting (“41st AGM”) of Kumpulan Perangsang Selangor Berhad (“Perangsang Selangor or the Company”) held at the Shah Alam 2, SACC Convec, No. 4, Jalan Perbadanan 14/9, 40000 Shah Alam, Selangor Darul Ehsan on Thursday, 24 May 2018 at 10.00 a.m.

Present : **Members**

As per Attendance List

Directors

YM Raja Dato’ Haji Idris Raja Kamarudin (Chairman)
YBhg Dato’ Kamarul Baharin bin Abbas
YB Sivarasa a/l Rasiah
YBhg Dato’ Mohamed Ross bin Mohd Din
YBhg Dato’ Idris bin Md Tahir
YM Raja Shahreen bin Raja Othman
YBhg Dato’ Ikmal Hijaz bin Hashim
Puan Rita a/p Benoy Bushon
Puan Norliza binti Kamaruddin

Absent with : Encik Suhaimi bin Kamaralzaman
apologies

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 “The Star” 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/opening remarks to the shareholders present as per **Appendix I** attached.

1. AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017 AND THE REPORTS OF DIRECTORS AND AUDITORS

The Audited Financial Statements for the financial year ended 31 December 2017 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)(a) 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 shareholders that the Minority Shareholder Watchdog Group (“MSWG”) had via its letter dated 18 May 2018 raised several questions and the Board was requested to present the answers during the AGM.

The Board had replied in writing to the questions raised by MSWG. The answers from the Company with regards to MSWG’s questions were read out at the meeting. The details of the MSWG’s questions and the Board’s replies is as per **Appendix 2** attached.

In addition to the above, the representative from MSWG namely Puan Lya Rahman (“Puan Lya”) raised the following comments and additional questions:

- i) Moving forward, Puan Lya requested Management to have a brief presentation on the Company’s financial performance to shareholders before proceeding with the agenda of AGM. By doing this, the shareholders would be able to have a quick understanding on the Company’s financial performance as well as strategic plans of the Company other than disclosed in the Annual Report.
 - To this, YM Dato’ Chairman replied that the Board and Management noted the suggestion and would explore the same at the next year AGM.
- ii) With reference to the recent appointment of two (2) women directors in Board of Perangsang Selangor, Puan Lya commended the Board and Management for their effort in bringing two (2) good and calibre women directors as their board members which in turn promotes board diversity in line with best practice in the Malaysian Code of Corporate Governance (“MCCG”).
 - To this, YM Dato’ Chairman informed the shareholders that the Board has embarked on its pursuit in sourcing for women candidates for board placement since August 2017. Various steps have been undertaken by the Nomination Committee (“NC”) to ensure suitable women candidates are sought from various sources as part of its recruitment exercise. The Board has placed high standards to ensure that the selected candidates are not merely to meet certain targets or requirements but match against the Company’s strategic direction and actual needs of the Board based on the existing skill matrix of the Board.

- iii) What was the reason for non-attendance of Encik Suhaimi bin Kamaralzaman (“Encik Suhaimi”) at this AGM as MSWG viewed his non-attendance as a serious concern. This would reflect on his lack of time commitment as director of the Company. MSWG recollected that in 2016, Encik Suhaimi has posed the same issue on his poor attendance whereby he only attended 50% of the board meetings held for 2016.
- In reply, YM Dato’ Chairman informed the shareholders that Encik Suhaimi was in Singapore attending a training program under Pengurusan Air Selangor Sdn Bhd (“Air Selangor”). Notwithstanding this, the Board acknowledged that attendance of directors in an AGM is imperative as outlined in the MCCG best practice.
- iv) Similarly, with regards to YM Raja Shahreen bin Raja Othman (“YM Raja Shahreen”)’s attendance for Audit Committee (“AC”) meetings where he has recorded an attendance of 50% of the AC meeting even though he was just appointed as AC member on 31 May 2017.
- To this, YM Dato’ Chairman clarified that YM Raja Shahreen attended 1 out of 2 AC meetings after his appointment because he was in Mekah performing Haj in August 2017 which coincided with the AC quarterly meeting. The percentage 50% can be misleading as there were only two meetings held in year after his appointment as AC member.
- v) Based on the Corporate Governance (“CG”) Report announced to Bursa Malaysia Securities Berhad (“Bursa Malaysia”), Perangsang Selangor had adopted the Step-up practice 4.3 of the MCCG whereby the Company has in place the Policy on Tenure of Independent Directors. Premised on this, Puan Lya requested the Board to share with the shareholders the details of such policy.
- In reply to this, YM Dato’ Chairman explained that the Board has established such policy in March 2018 which limits the tenure of its independent director to nine (9) years. Upon completion of the nine years, an independent director may continue to serve on the Board as a non-independent director.
 - YM Dato’ Chairman added that the policy also stated that if the Board intends to retain a director as an independent director beyond nine (9) years, it should justify and seek annual shareholders’ approval in line with best practice as set out in Practice 4.2 of the MCCG.
- vi) In line with corporate reform recently announced by the Federal Government, no politician would be appointed as director in the government linked companies (“GLCs”). Hence, why is the Board recommending for the re-election of YB Sivarasa a/l Rasiah (“YB Sivarasa”) who is a politician, as director of Perangsang Selangor? What would be the stand of the Board on such corporate reform announced by the Federal Government?
- In reply to the above, YM Dato’ Chairman commented that the Board was fully aware of such corporate reform announced by the Federal Government. Notwithstanding that, YM Dato’ Chairman shared with the shareholders that YB

Sivarasa has been with the Board since June 2010 (almost 8 years) and has contributed significantly to the Company especially from legal perspective and other areas. YM Dato' Chairman highlighted that YB Sivarasa has continuously contributed to the positive development of Perangsang Selangor, through his active participation in Board and Board Committee meetings especially in giving legal opinion on issues raised at the Board/Board Committee' meetings.

- During 2017, YB Sivarasa has demonstrated his full commitment and dedication in upholding his responsibilities as a Director of Perangsang Selangor by attending 87.5% of Board meetings and 100% for Board Committee meetings held in 2017.

Premised on the above justifications and after having considered all aspect the NC has recommended and thereafter concurred by the Board to recommend for re-election of YB Sivarasa.

- Nevertheless, as an independent director, it should be up to shareholders to decide whether to renew his re-election regardless of his political affiliation.

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 proxy, Mr Leo Ann Puat ("Mr Leo") raised the following questions and enquiries:
 - a) Mr Leo requested Management to include the summary of other key important information of the Company in the abridge booklet for easy reference of the shareholders moving forward.
 - To this, YM Dato' Chairman took note of the suggestion and Management would explore the suggestion accordingly.
 - b) Based on the five years financial highlights, what was the reason for declining trend in the revenue, profit before tax ("PBT") and cash flow position of the Company.
 - YM Dato' Chairman explained that the declining trend of revenue since 2013 was due to divestment of two (2) major assets of the Company which took place between 2013 to 2015 namely the property and water business sectors. Management has taken the necessary steps to replace the outgoing water business with new investments and increasing its stake in a few companies, such as Century Bond Berhad ("CBB"), Kaisercorp Corporation Sdn Bhd ("Kaiserkorp"), Aqua-Flo Sdn Bhd ("AFSB"), KPS-HCM Sdn Bhd ("KPS-HCM") and Smartpipe Technology Sdn Bhd ("SPT"). These new businesses have started to contribute positively to the Perangsang Selangor Group as reflected in 2017 where the revenue was RM361.495 million as compared to 2016 revenue of RM144.498 million.
 - As for the PBT, even though the PBT for 2017 was RM69.9 million as compared to RM113.0 million for 2016, this was due to an extraordinary gain arising from disposal of assets of RM97.0 million in 2016. If such

extraordinary gain was excluded, the PBT for 2016 was much lower amounting to RM16.0 million.

- With regards to high cash out flow from operations, Encik Zain Azrai bin Zainal Abidin ("Encik Zain"), Chief Financial Officer ("CFO") of the Company explained that it was contributed by CBB whereby CBB has purchased raw material in bulk for stocking purposes as CBB's management foresee that there will be an increase of price for raw material. For shareholders' information, Management at the holding company is working closely with the subsidiaries to help them to manage their cash flow efficiently by strengthening their debtors' recoverability as well as utilising the available credit facilities that the subsidiaries have.

c) Mr Leo enquired on the outlook of the Company moving forward.

- To this, Encik Ahmad Fariz bin Hassan, Chief Executive Office ("CEO") of the Company explained that since 2016, Management had series of informal sessions with the Board known as Board Retreat Sessions ("BRS"), where Management discussed at length and exchange views and opinions in formulating strategic initiatives plans and to chart the direction of the Perangsang Selangor Group. It was then agreed by the Board that any future acquisition/divestments undertaken by Management should always be aligned with Perangsang Selangor strict investment criteria as follows:
 - Firstly, Perangsang Selangor would invest in a company where the risk associated with such potential new business can be quantifiable pre and post investment. As the shareholders are aware, Perangsang Selangor has been awarded as Risk Manager for 2016 and was an EXCO member of the Malaysian Association of Risk and Insurance Malaysia ("MARIM").
 - Secondly, Perangsang Selangor would invest in companies which are financially strong in order to pay consistent dividend to Perangsang Selangor shareholders.
 - Thirdly, the Company would only invest in a company where it offers majority stake as Perangsang Selangor would want to have control in such company.
 - Fourthly, to invest in a company that can grow/expand regionally or has potential to grow globally or beyond borders. For example, King Koil and CBB.
- Premised on the above, Management is committed to ensure that all the companies which Perangsang Selangor have acquired or will be acquiring in the future adhere to the above investment criteria. These actions aim to generate improved bottom lines and enhance returns to shareholders while at the same time foster business sustainability of the Company.

- d) What other upcoming new investment under Perangsang Selangor radar?
- YM Dato' Chairman replied that the Board could not disclose any details at the moment on possible investments that Perangsang Selangor is currently evaluating. He added that Perangsang Selangor has always been eyeing for viable investments regardless whether it is in Selangor or other states or even overseas as long as its meet the investment criteria set by the Company.
 - Having said that, the Company is always mindful that as an investment holding company, the revenue/PBT comes from dividend that the Company received from the investee companies. Hence, the Company would continue to look for good investment opportunities which could provide sustainable profit to Perangsang Selangor.
- e) What is the percentage of revenue derived from overseas and how much is its profit contribution to Perangsang Selangor Group?
- CEO replied that the percentage of revenue from overseas is 30% and profit contribution from overseas is between 5% to 10%.
- f) Who manage the operation of all investee companies ("ICs")?
- YM Dato' Chairman replied that as an investment holding company, Perangsang Selangor is not involved in the day to day operation of the ICs but the Company will appoint the CEO and CFO from competent local people. Apart from that Perangsang Selangor do have an oversight function via board representatives and Executive Committee ("Exco") on management of the ICs in order to keep track of their performance. As an active shareholder in the ICs, Perangsang Selangor would place great emphasis on strategies, policies and performance management of the ICs. Details on the oversight structure adopted by Perangsang Selangor could be found in pages 71 to 72 of the Annual Report.
- g) Mr Leo commented that based on his observation, Perangsang Selangor existence in the capital market is not very noticeable even though it has been listed since 2003. In view of this, Mr Leo requested Management to improve on the Company's Investor Relations function to reinforce Perangsang Selangor corporate brand positioning more aggressively.
- ii) Mr Cheng Chang Chai ("Mr Cheng"), a shareholder thanked the management for replying in writing all the questions that he had raised at the last AGM. He is also pleased that now Perangsang Selangor is being led by a good and competent management team.

With reference to the Annual Report theme "Creating Possibilities... Enhancing Value", Mr Cheng commented that apart from creating possibilities and enhancing value, the shareholders would want the Company to also create sustainability and certainty in the Company. To this, YM Dato' Chairman commented that the Board

and Management noted the comments made on the Annual Report theme and shall foster the Company sustainability accordingly.

- iii) Mr Cheng enquired on the breakdown of revenue, profit and dividend received from all the subsidiaries within the Perangsang Selangor Group.
- In reply to this, CEO shared that the revenue contributed from CBB (manufacturing segment) was RM174.064 million, AFSB (trading) RM101.33 million, Kaiserkorp (Licensing) RM35.818 million, KPS-HCM (infrastructure) RM34.0 million and SPT (Infrastructure) RM4.0 million. As for dividend, CBB has been paying in aggregate dividend of RM40.0 million for the past two (2) years.
- iv) Mr Cheng enquired on the actions taken by Management with regards to water restructuring as the next deadline given would be due on 4 July 2018.
- In reply to this, YM Dato' Chairman explained that the deadline has been extended few times and so far, there was no offer received by Perangsang Selangor. As a minority shareholder in Splash, 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 matter. YM Dato' Chairman added that Perangsang Selangor do have board representative in the Board of Splash but has limited power to voice out on the restructuring matter.
 - At this juncture, Mr Cheng commented that it is timely for the Board and Management to play proactive role in Splash although Perangsang Selangor only hold 30% shares in Splash, but this amount of shareholding is considered as substantial. To this, YM Dato' Chairman re-iterated that this restructuring issue is a price sensitive matter and the Board should not be discussing on this issue at this open AGM platform.
- v) Mr Cheng further enquired on the Company future plans after completion of Splash water restructuring. In reply to this, YM Dato' Chairman clarified that there will be no changes in the Business Plan of the Company. As an investment holding company, Perangsang Selangor would continue to look for viable and good investments based on the investment criteria and would continue creating value from existing investments in hand.
- vi) In response to Mr Cheng enquiry with regards to SPT Business Plan going forward to reduce Non-Revenue Water ("NRW") issue, YM Dato' Chairman informed that based on the current political scenario there are a lot of opportunities for SPT to market and promote its compact pipe solution not only in Selangor but other states as well. As such, SPT will start engaging with state water agencies to look for business opportunities specially to address the high instance of NRW nationwide.
- vii) Mr Leo, a proxy, raised the following questions:
- a) What is the relationship between OCB Berhad and King Koil as it was reflected in OCB Berhad's financial result that the revenue was also derived from King Koil sales. In reply to this, YM Dato' Chairman explained that King Koil is a brand

name under Kaiserkorp. It is a licensing business whereby Perangsang Selangor owns the license of King Koil and OCB Berhad is one of the franchisees under King Koil brand. In return, the franchisee shall pay Kaiserkorp the necessary royalty. Currently, Kaiserkorp has 27 licensee in 84 countries.

- b) With regards to share of profit from investment in associates particularly in Oil & Gas and Telecommunication segments as reflected in pages 187 to 188 of the Annual Report, Mr Leo requested the Board to explained briefly the background of investment in these business segment. In reply to this, YM Dato' Chairman explained that on the oil & gas business segment, Perangsang Selangor has 40% stake in NGC Malaysia Sdn Bhd ("NGC") via an SPV company known as Perangsang Oil & Gas Sdn Bhd way back in 2012. NGC is a Liquefied Petroleum Gas ("LPG") producer and retailer which involved in sales and distribution of LPG. It is more on downstream business.

As for Telecommunication business segment, Perangsang Selangor via its SPV company known as Perangsang Telco Sdn Bhd has 34.35% stake in Ceres Telecom Sdn Bhd ("Ceres"). Originally, the majority shareholder of Ceres is Virgin Mobile but they have pull out their investment in Ceres and was then replaced with local shareholder who holds 51% shares in Ceres. Currently, Perangsang Selangor is still in discussion with the new majority shareholder on their new business plan. Hence, at this point of time, Perangsang Selangor is unable to comments further on the outlook of this company as it is still at a cross road now.

- viii) In respect of Air Selangor, Mr Cheng enquired whether Perangsang Selangor will be engaging with Air Selangor for future collaboration or business venture especially for its subsidiary, SPT. To this, YM Dato' Chairman clarified that Air Selangor was set-up as a single purpose company to extract raw water, treat such water and thereafter sell the treated water to consumer in Selangor, Kuala Lumpur and Putrajaya. Air Selangor is not allowed to venture into any other business as the license is for sole purpose only.
- ix) With regards to Perangsang Selangor 20% stake in Sprint, Mr Cheng enquired on the steps taken by Perangsang Selangor in response to the Federal Government announcement to abolish toll collection. In reply to this, YM Dato' Chairman commented that the Board do not want to speculate on this high-level policy. As at to-date there was no information on the same.

At this juncture, Mr Leo requested the Board and Management to be mindful that any divestment made should be in the best interest of the Company and at the same time for the benefits of the shareholders. To this, YM Dato' Chairman commented that the Board is aware of its fiduciary duty and strongly believed that with the existing Management team which comprised of young, dynamic and capable team supported by dynamic Board members will ensure that any divestment be handled explicitly.

- x) Mr Lim Jack Son, a shareholder, enquired on the challenges faced by the Company with Air Selangor.

- To this, YM Dato' Chairman shared with the shareholders that basically it is a known fact that the challenges faced by Perangsang Selangor for the past 10 years since 2008 is on water restructuring issue in view that Perangsang Selangor is an opposition state GLC. With the recent conclusion of 14th general election, the Board is hoping that the final part of the water restructuring involving Splash can be resolved soon. In a nutshell, it has always been a political issue rather than commercial or economic or financial issues that the state is facing in its pursuit to conclude the water restructuring in Selangor.
- xi) In response to Mr Cheng enquiry on the investment cost for Perangsang Selangor 20% shareholding in Sprint, YM Dato' Chairman informed that it was RM131.7 million.
- xii) Finally, Mr Cheng commended the Board for job well done and he was happy with the performance of the Board and Management team. As such, those who are due for review should be rewarded accordingly if they have met their KPIs in ensuring the sustainability of the Company.

There being no further questions raised, YM Dato' Chairman declared that the Audited Financial Statements for the financial year ended 31 December 2017 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 2017

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 2017.

YM Dato' Chairman informed the meeting that the single tier final dividend, if approved would be paid on 20 July 2018 to every shareholder who is entitled to receive the dividend at the close of business on 29 June 2018.

YM Dato' Chairman moved on to invite proposer and seconder for the Ordinary Resolution 1 and it was duly proposed by Puan Norsham binti Ishak ("Puan Norsham") and seconded by Mr Cheng.

YM Dato' Chairman proceeded to invite questions from the floor.

- Mr Cheng commented that moving forward Perangsang Selangor should consider rounding up the dividend rate from 4.25 sen to nearest 5 sen or 4.5 sen. To this, YM Dato' Chairman noted on the suggestion and any dividend rate to be declared should take into consideration the financial position of the Company.
- Taking cognizant of Perangsang Selangor position in top 100 good companies under Bursa public listed company, Mr Cheng proposed for the Company to consider exercising share-buy-back as the Company has reached a position where it should distribute the accumulated wealth back to shareholders. To this, YM Dato' Chairman noted the suggestion and would explore on such suggestion as and when appropriate.
- In response to Mr Cheng's enquiry whether the shareholders will be entitled for dividend on the Bonus Shares, YM Dato' Chairman replied that the Bonus Shares will be entitled for dividend.
- At this juncture, Mr Leo concurred with Mr Cheng that the dividend rate should be increased in the future for reasons that if convert the rate to percentage, it is just 2.5% return which is lower as compared to fixed deposit ("FD") placement rate. To this, YM Dato' Chairman noted the comments and clarified that although dividend rate is lower than FD rate, placement in FD does not give capital appreciation to the shareholder in the long term.
- Mr Cheng requested Management to consider establishing a dividend policy. In reply to this, YM Dato' Chairman explained that currently, the Company do not have any dividend policy in place, but it has been the practice of the Company over the years to pay consistent dividend to its shareholders based on the cash flow position of the Company. With the new CA 2016, there is added responsibility for the Directors to ensure that the Company is solvent before declaring any dividend to the shareholders. As such, even if the Company has a dividend policy in place, but if it fails the solvency test, the Company is not allowed to declare dividend. In view of this, Perangsang Selangor is not planning to have any dividend policy yet at this moment.

There being no further questions raised and 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 – YBHG DATO' IKMAL BIN HIJAZ ("DATO' IKMAL HIJAZ")

The meeting proceeded to Ordinary Resolution 2 which was to re-elect Dato' Ikmal Hijaz as Director of the Company, who retires pursuant to Article 90 of the Company's Constitution.

YM Dato' Chairman informed the meeting that Dato' Ikmal Hijaz is subject to retirement pursuant to Article 90 of the Company's Constitution and being eligible for re-election, has offered himself for re-election. The profile of Dato' Ikmal Hijaz could be found on page 27 of the Annual Report 2017.

YM Dato' Chairman invited a proposer and seconder for the Ordinary Resolution 2 and it was duly proposed by Cik Asma' bin Abdul Aziz ("Cik Asma'") and seconded by Encik Muhammad Hazimin bin Jasmani ("Encik Hazimin").

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 – PUAN RITA A/P BENOY BUSHON ("PUAN RITA")

The meeting proceeded to Ordinary Resolution 3 which was to re-elect Puan Rita as Director of the Company, who retires pursuant to Article 90 of the Company's Constitution.

YM Dato' Chairman informed the meeting that Puan Rita is subject to retirement pursuant to Article 90 of the Company's Constitution and being eligible for re-election, has offered herself for re-election. The profile of Puan Rita could be found on page 28 of the Annual Report 2017.

YM Dato' Chairman invited a proposer and seconder for the Ordinary Resolution 3 and it was duly proposed by Puan Sutina and seconded by Cik Asma'.

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.

5. ORDINARY RESOLUTION 4
- RE-ELECTION OF DIRECTOR – PUAN NORLIZA BINTI KAMARUDDIN ("PUAN NORLIZA")

The meeting proceeded to Ordinary Resolution 4 which was to re-elect Puan Norliza as Director of the Company, who retires pursuant to Article 90 of the Company's Constitution.

YM Dato' Chairman informed the meeting that Puan Norliza is subject to retirement pursuant to Article 90 of the Company's Constitution and being eligible for re-election, has offered herself for re-election. The profile of Puan Norliza could be found on page 29 of the Annual Report 2017.

YM Dato' Chairman invited a proposer and seconder for the Ordinary Resolution 4 and it was duly proposed by Puan Sakeenah binti Azman ("Puan Sakeenah") and seconded by Encik Hazimin.

YM Dato' Chairman proceeded to invite questions from the floor on the above Ordinary Resolution 2, 3 and 4.

- At this juncture, Mr Cheng welcome all the three new directors on board. Mr Cheng requested the new directors namely Dato' Ikmal Hijaz, Puan Rita and Puan Liz to

share with the shareholders areas of expertise and experience which they could contribute to the Company.

- In reply to the above, Dato' Ikmal Hijaz shared with the shareholders that he has vast working experience in various transformation initiatives as well as board experience in few public listed companies which he could share and contribute to Perangsang Selangor.
- As for Puan Rita, she informed the shareholders that she has extensive experience in a private equity company before this which she could contribute in this area as Perangsang Selangor nature of business is similar to a private equity company but in a smaller scale. Secondly, she has vast experience in corporate governance matters which she could contribute to further enhance the Company's corporate governance. She also has experience in international oversight as well as board experience in local companies.
- Meanwhile, Puan Norliza shared with the shareholders that her experience has always been on the communications management, reputational risk and investor relations matters which she could bring to the Board. She sees a lot of opportunities and enhancement especially in IR perspective where it is her forte. She will assist the Board to bring Perangsang Selangor brand to a greater height.

6. ORDINARY RESOLUTION 5

- RE-ELECTION OF DIRECTOR – YBHG DATO' KAMARUL BAHARIN BIN ABBAS (“DATO' KAMARUL”)

The meeting proceeded to Ordinary Resolution 5 which was to re-elect Dato' Kamarul as Director of the Company, who retires pursuant to Article 84 of the Company's Constitution.

YM Dato' Chairman informed the meeting that Dato' Kamarul is subject to retirement pursuant to Article 84 of the Company's Constitution and being eligible for re-election, has offered himself for re-election. The profile of Dato' Kamarul could be found on page 21 of the Annual Report 2017.

YM Dato' Chairman invited a proposer and seconder for the Ordinary Resolution 5 and it was duly proposed by Puan Norsham and seconded by Puan Sutina.

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.

7. ORDINARY RESOLUTION 6

- RE-ELECTION OF DIRECTOR – YB SIVARASA A/L RASIAH (“YB SIVARASA”)

The meeting proceeded to Ordinary Resolution 6 which was to re-elect YB Sivarasa as Director of the Company, who retires pursuant to Article 84 of the Company's Constitution.

YM Dato' Chairman informed the meeting that YB Sivarasa is subject to retirement pursuant to Article 84 of the Company's Constitution and being eligible for re-election, has

offered himself for re-election. The profile of YB Sivarasa could be found on page 22 of the Annual Report 2017.

YM Dato' Chairman invited a proposer and seconder for the Ordinary Resolution 6 and it was duly proposed by Encik Hazimin and seconded by Puan Sutina.

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.

8. ORDINARY RESOLUTION 7

- DIRECTORS' REMUNERATION UP TO AN AMOUNT OF RM2,556,136.00 UNTIL THE NEXT AGM OF THE COMPANY

The meeting proceeded to Ordinary Resolution 7, to consider the recommended payment of Directors' Remuneration to the Directors up to an amount of RM2,556,136.00 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 and its subsidiaries for the period of about 13 months from 25 May 2018 until the next AGM of the Company. YM Dato' Chairman made reference to Explanatory Note 5 on page 203 of the Annual Report for more details on the Ordinary Resolution 7.

YM Dato' Chairman invited a proposer and seconder for the Ordinary Resolution 7 and it was duly proposed by Cik Asma and seconded by Puan Sakeenah.

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.

9. ORDINARY RESOLUTION 8

- PROPOSED CHANGE OF AUDITORS

YM Dato' Chairman proceeded to Ordinary Resolution 8 and the meeting was requested to consider the proposed change of auditors which was nominated by its major shareholder and also its holding company, namely Kumpulan Darul Ehsan Berhad ("KDEB"), via a notice of nomination dated 30 March 2018. Upon receipt of such notice, the Company had announced the nomination of Messrs. BDO ("BDO") as Auditors of the Company in place of the retiring Auditors, Messrs. Ernst & Young ("EY"), and to hold office until the conclusion of the next AGM of the Company, at a remuneration to be determined by the Directors ("Proposed Change").

Accordingly, the AC of the Company, with Management's recommendation, was satisfied with the assessment of the independence and capabilities of the proposed auditors, BDO, and recommended to the Board for the Proposed Change

YM Dato' Chairman made reference to Explanatory Note 6 on page 204 of the Annual Report for more details on the Ordinary Resolution 8.

YM Dato' Chairman invited a proposer and seconder for the Ordinary Resolution 8 and it was duly proposed by Encik Hazimin and seconded by Puan Sutina.

YM Dato' Chairman invited questions from the floor.

- At this juncture, Mr Leo sought explanation from the existing auditors, Messrs EY on the reason for the change. To this, Mr Lingam, a partner in charge for Perangsang Selangor clarified that the change was due to nomination made by the major shareholder. There were no areas of concern connected to EY's cessation of office.
- YM Dato' Chairman added that the main reason for the change was mainly for purpose of streamlining the auditors for KDEB group. Currently, the auditors of other KDEB subsidiaries have been changed to Messrs BDO.
- In response to Mr Lim Jack Son's enquiry on how long EY has been the auditors of Perangsang Selangor, Mr Lingam informed that they have been the auditors of the Company for 14 years.
- In response to Mr Cheng's enquiry on the audit fees of the auditors, CFO informed that the proposed fee of the new auditors is lower than the outgoing auditors.

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.

10. ORDINARY RESOLUTION 9

- PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE

The meeting proceeded to Ordinary Resolution 9 which was to obtain the Members' approval for the Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading nature. The full text of this Ordinary Resolution 9 was set out in the Notice of Meeting.

Since there was no objection, YM Dato' Chairman declared that the full text of the Ordinary Resolution 9 be taken as read.

YM Dato' Chairman highlighted that the Ordinary Resolution 9, 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 a proposer and seconder for the Ordinary Resolution 9 and it was duly proposed by Puan Norsham and seconded by Puan Sutina.

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.

11. 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 Constitution 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.

12. 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 11.55 a.m. until the casting and verification of the votes were completed.

The meeting resumed at 12.20 p.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:

| | FOR | | AGAINST | | TOTAL | | ABSTAIN | |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------|---------|---------|--------|-------------|-----|-------------|--------|
| | NO. OF | | NO. OF | | NO. OF | | NO. OF | |
| Ordinary Resolution | SHARES | % | SHARES | % | SHARES | % | SHARES | % |
| Resolution 1 : To approve a single tier final dividend of 4.25 sen per share in respect of the financial year ended 31 December 2017 | 377,297,517 | 100 | 0 | 0 | 377,297,517 | 100 | 0 | 0 |
| Resolution 2 : To re-elect the following Directors who retire pursuant to Article 90 of the Company's Constitution : YBhg Dato' Ikmal Hijaz bin Hashim | 377,297,517 | 100 | 0 | 0 | 377,297,517 | 100 | 0 | 0 |
| Resolution 3 : To re-elect the following Directors who retire pursuant to Article 90 of the Company's Constitution : Puan Rita Benoy Bushon | 377,297,517 | 100 | 0 | 0 | 377,297,517 | 100 | 0 | 0 |
| Resolution 4 : To re-elect the following Directors who retire pursuant to Article 90 of the Company's Constitution : Puan Norliza binti Kamaruddin | 377,297,517 | 100 | 0 | 0 | 377,297,517 | 100 | 0 | 0 |
| Resolution 5 : To re-elect the following Directors who retire by rotation pursuant to Article 84 of the Company's Constitution : YB Dato' Kamarul Baharin bin Abbas | 377,277,467 | 99.996 | 15,100 | 0.004 | 377,292,567 | 100 | 0 | 0 |
| Resolution 6 : To re-elect the following Directors who retire by rotation pursuant to Article 84 of the Company's Constitution : YB Sivarasa a/l Rasiah | 376,707,517 | 99.8436 | 590,000 | 0.1564 | 377,297,517 | 100 | 0 | 0 |
| Resolution 7 : To approve the Directors' remuneration to the Directors up to an amount of RM2,556,136.00 from 41st AGM until the next AGM of the Company | 377,297,517 | 100 | 0 | 0 | 377,297,517 | 100 | 0 | 0 |
| Resolution 8 : To approve the Proposed Change of Auditors | 377,263,517 | 99.991 | 34,000 | 0.009 | 377,297,517 | 100 | 0 | 0 |
| Resolution 9 : To approve the Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions ("RRPT") of a Revenue or Trading Nature. | 55,696,382 | 100 | 0 | 0 | 55,696,382 | 100 | 321,601,135 | 85.238 |

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 2017.

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 2017 be hereby approved."

Ordinary Resolution 2:

- To re-elect Dato' Ikmal Hijaz who retires by rotation pursuant to Article 90 of the Company's Constitution and who being eligible offers himself for re-election.

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

"THAT YBhg Dato' Ikmal Hijaz bin Hashim who retires pursuant to Article 90 of the Company's Constitution, be re-elected as Director of the Company."

Ordinary Resolution 3:

- To re-elect Puan Rita who retires by rotation pursuant to Article 90 of the Company's Constitution and who being eligible offers herself for re-election.

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

"THAT Puan Rita a/l Benoy Bushon who retires pursuant to Article 90 of the Company's Constitution, be re-elected as Director of the Company."

Ordinary Resolution 4:

- To re-elect Puan Norliza who retires by rotation pursuant to Article 90 of the Company's Constitution and who being eligible offers herself for re-election.

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

"THAT Puan Norliza binti Kamaruddin who retires pursuant to Article 90 of the Company's Constitution, be re-elected as Director of the Company."

Ordinary Resolution 5:

- To re-elect Dato' Kamarul who retires by rotation pursuant to Article 84 of the Company's Constitution and who being eligible offer himself for re-election.

Based on the votes casted, YM Dato' Chairman declared that by majority votes of 99.99%, the following motion be and hereby duly carried:

"THAT YBhg Dato' Kamarul Baharin bin Abbas who retires pursuant to Article 84 of the Company's Constitution, be re-elected as Director of the Company.

Ordinary Resolution 6:

- To re-elect YB Sivarasa who retires by rotation pursuant to Article 84 of the Company's Constitution and who being eligible offer himself for re-election.

Based on the votes casted, YM Dato' Chairman declared that by majority votes of 99.84%, the following motion be and hereby duly carried:

"THAT YB Sivarasa who retires pursuant to Article 84 of the Company's Constitution, be re-elected as Director of the Company.

Ordinary Resolution 7:

- To approve the payment of Directors' remuneration to the Directors up to an amount of RM2,556,136.00 from 41st AGM until the next AGM of the Company.

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

"THAT the payment of Directors' Remuneration to the Directors up to an amount of RM2,556,136.00 from the 41st AGM until the next AGM of the Company be hereby approved".

Ordinary Resolution 8:

- To appoint Messrs. BDO 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 majority votes of 99.99%, the following motion be and hereby duly carried:

"THAT Messrs BDO be and hereby appointed as Auditors of the Company in place of the retiring Auditors Messrs Ernst & Young, and to hold office until the conclusion of the next AGM at a remuneration to be determined by the Directors."

Ordinary Resolution 9:

- 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 unanimous votes, the following motion be and hereby duly carried:

"THAT approval be and hereby given for the renewal of the mandate granted by the shareholders of the Company on 25 May 2017, authorising Perangsang Selangor and/or its subsidiaries to enter into recurrent related party transactions of a revenue or trading nature, as set out in Section 2.3 of the Circular to Shareholders dated 25 April 2018, 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 AGM 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 AGM is required to be held under Section 340(2) of the Companies Act, 2016 ("CA 2016") (but must not extend to such extension as may be allowed pursuant to Section 340(4) of the CA 2016); 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."

13. CLOSURE

YM Dato' Chairman thanked everyone present at the AGM and declared the 41st AGM of Perangsang Selangor as concluded at 12.25 p.m.

CONFIRMED AS A CORRECT RECORD


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CHAIRMAN

Dated: 30 May 2018

WELCOME ADDRESS/OPENING REMARKS

Bismillah

Dear valued shareholders, directors and management of Kumpulan Perangsang Selangor Berhad.

Assalammu'alaikum wbt and salam sejahtera.

Alhamdulillah on behalf of the board of directors, I would like to welcome you to the 41st Annual General Meeting of your company, Kumpulan Perangsang Selangor Berhad.

As you would have already seen from the Annual Report 2017, the performance of your company has improved over the years, both in terms of Revenue as well as in Profit Before Tax.

As can be seen on page 12 of the Annual Report, the revenue has increase from RM144.5 million in 2016 to RM361.5 million in 2017.

This is mainly due to the consolidation of the revenues of our new or increased investments in a few companies, mainly Century Bond Berhad, CPI (Penang) Sdn Bhd, Kaisercorp Corporation Sdn Bhd, Aqua-Flo Sdn Bhd, KPS-HCM Sdn Bhd and Smartpipe Technology Sdn Bhd. As can be seen on page 16 of the Annual Report 2017.

Even though the PBT is indicated as RM69.9 million for 2017 as compared to RM113.0 million for 2016, this is after taking into account an extraordinary gain on disposal of assets of RM97 million for 2016.

The theme of the Annual Report 2017, is "Creating Possibilities Enhancing Values". Insha Allah, we have created possibilities through the acquisitions that we have carried out the last few years and with these acquisitions and investments, as already mentioned earlier, we now are at a unique position to enhance their values.

On acquiring these companies, the management and directors have ensured that we have a a strong and implementable Value Creation Plan or VCP and a Business Development Plan or BDP to guide us through the development stages of the investments. These VCPs and BDPs are tracked very closely and carefully by the board and the management to ensure that everything is going according to plan. Of course, a plan is only as good as its implementors. On behalf of your board of directors, I would like to assure you, the shareholders, that your company is in the hands of a very capable and dynamic management team and its supporting staff.

Today, we are proud to say that we have a young and dynamic senior management team, whose average age is 42 years old. You can view their profile on pages 30 to 33.

To the board of directors and management, revenue and PBT alone is not enough, what is also important is Risk Management and Corporate Governance. These can be seen from pages 79 to 86 and from pages 70 to 78 respectively.

For the first time, we have included a Sustainability Statement as required by Bursa Malaysia. This is on pages 52 to 66.

In line with Bursa's and other authorities requirements we have tried very hard to comply with the diversity in our board membership. With that in mind, I would like you to join me in welcoming Puan Rita Benoy Bushon and Puan Norliza Binti Kamaruddin into the board of directors of your company. Their profiles can be seen on pages 28 and 29. To see the detailed breakdown of our board of directors, please see page 74, where the gender, ethnicity, age group and nationality of the board of directors are displayed.

Ladies and gentlemen, shareholders of Kumpulan Perangsang Selangor Berhad, it would not be right for me not to include the recently completed 14th General Elections, which saw the coming in of a new Federal Government, into my speech. Whilst I would not want to touch on the political impact of the GE14, however, I would like to touch on the new opportunities and possibilities that now may exist for your company seeing that its majority shareholder, namely the State of Selangor, is no longer part of the opposition coalition but in reality, is now part of the ruling coalition in the Federal Government.

As such, your board of directors and management are looking seriously into these opportunities and possibilities that may exist as business opportunities for your company.

Not to mention that we hope there would be a quick solution and resolution to the long-delayed consolidation of the water industry in Selangor and with that the divestment of our 30% shareholding in SPLASH.

Ladies and gentlemen, shareholders of Kumpulan Perangsang Selangor Berhad, in closing I would like to thank you for the continued confidence that you have shown in your company and with the renewed interest in the company by funds and institutions such as Tabung Haji, I am very sure the market confidence on Perangsang Selangor can only grow stronger. I would also like to take this opportunity to thank the Selangor state government for its continuous support for all our activities and a special thank you to the staff and management of the company for their dedication towards the success of your company and to the media for their ongoing coverage of our progress and activities.

Finally, to all the Muslims present today, I would like to wish you a Ramadhan Mubarak, Selamat menunaikan fardhu puasa.

Wabillahi taufik wal hidayah

Wassalam muallaikum Warahmatullahi wabarakatuh.

Thank you for listening to my speech with such interest.