

**KUMPULAN PERANGSANG SELANGOR BERHAD (23737-K)**

(Incorporated in Malaysia)

**MINUTES of the Forty-Second Annual General Meeting (“42<sup>nd</sup> 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, 23 May 2019 at 10.00 a.m.

**Present** : **Members**

As per Attendance List

**Directors**

YM Raja Shahreen bin Raja Othman (Chairman)

Encik Suhaimi bin Kamaralzaman

YBhg Dato’ Kamarul Baharin bin Abbas

YBhg Dato’ Mohamed Ross bin Mohd Din

YBhg Dato’ Idris bin Md Tahir

YBhg Dato’ Ikmal Hijaz bin Hashim

Puan Rita Benoy Bushon

Puan Norliza binti Kamaruddin

Mr Koay Li Onn (Leon)

Encik Ahmad Fariz bin Hassan, Managing Director/Group Chief Executive Officer (“MD/GCEO”)

By Invitation : As per Attendance List

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

**PRELIMINARY**

YM Raja Shahreen bin Raja Othman (“YM 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 and Management, YM Chairman welcomed all shareholders and invited guests to the 42<sup>nd</sup> AGM of Perangsang Selangor. Thereupon, the Secretary confirmed the presence of the requisite quorum and YM Chairman called the meeting to order at 10.05 a.m.

Before proceeding with the Agenda, YM Chairman invited the MD/GCEO to provide an overview of the Company’s performance for 2018, its achievements, strategy and prospect going forward to the shareholders as per **Appendix 1** attached.

Following that, YM Chairman thanked the MD/GCEO for the presentation and informed the meeting that any questions pertaining to the MD/GCEO's presentation will be addressed during Q&A session under Agenda 1.

**1. AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018 AND THE REPORTS OF DIRECTORS AND AUDITORS**

The Audited Financial Statements for the financial year ended 31 December 2018 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 Annual General Meeting ("AGM").

YM 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 Teh Kian Leng ("Mr Teh") raised the following questions and enquiries:
  - a) Management to explain the breakdown of gross revenue contribution of all subsidiaries, by sector under Perangsang Selangor Group
    - To this, the MD/GCEO explained that the largest revenue contributor was from manufacturing which was 61% (RM357,548,000) followed by trading 19% (RM111,068,000), infrastructure and utilities 13% (RM73,093), licensing 5% (RM30,335) and investment holding and others 2% (RM10,269,000).
  - b) What is the revenue contribution of Smartpipe Technology Sdn Bhd ("SPT") to Perangsang Selangor group revenue?
    - MD/GCEO replied that the revenue contribution from SPT to Perangsang Selangor Group revenue was 3.4%.
  - c) What is the prospect of SPT going forward and the technology it has compared to other pipe suppliers?
    - To this, MD/GCEO explained that Perangsang Selangor holds 60% stake in SPT via Nadi Biru Sdn Bhd since 2016. SPT offers integrated solution to water operator players for trenchless technology for pipe rehabilitation using the Compact Pipe ("CP") technology. The trenchless method using Netherland's-based Wavin CP technology has been proven successful in European countries and the latest was in Hong Kong whereby for the last ten (10) years it has managed to reduce the Non-Revenue Water ("NRW") rate between 10% to 15%. Based on this track records, Perangsang Selangor wanted to use the technology here in Malaysia. The technology itself is a trenchless technology where it requires minimal excavation and

hence less disruptive to the surrounding, and quick installation process as compared to traditional ways.

- In line with the national's target to reduce NRW to 31% by year 2020, SPT's management has been engaging very closely with the State water authorities/operators who are experiencing high NRW figures. So far, SPT has received positive feedbacks from them but the only issue is financial constraint faced by the States to carry out the pipe rehabilitation/replacement works. Despite this, SPT's continues working with them to explore on other financing alternatives/mechanism to solve their financial constraint issue.
- d) With reference to RM20.0 million revenue recorded by SPT in 2018, Mr Teh enquired on the source of such revenue and whether the CP technology is suitable to be implemented in Malaysia.
- To this, MDGCEO explained that the RM20.0 million revenue was derived from package 12 pipe replacement project ("P12") awarded by Pengurusan Air Selangor Sdn Bhd ("Air Selangor").
  - With regards to suitability of CP technology, MD/GCEO informed that in year 2018, SPT had successfully implemented two (2) CP pilot projects; one being the first pipe rehabilitation of its kind in Malaysia which was executed for Air Selangor (a 210-metre stretch) and the other was for Perbadanan Bekalan Air Pulau Pinang ("PBA") (a 100-metre stretch). Both projects had showcased the end-to-end process of CP installation and demonstrated key benefits of CP i.e. minimal excavation required and hence less disruptive to the surrounding, and quick installation process.
  - Arising from such pilot projects, SPT received positive feedbacks on both occasions whereby the clients acknowledged the benefits of CP. As an outcome of the pilot project with Air Selangor, SPT was requested to submit its CP proposal as an alternative solution for some parts of the ongoing P12 project. Besides that, SPT has also been awarded with Pulau Indah water reticulation works at Pulau Indah Industrial Park Phase 3C.
- e) What is the margin for CP technology as compared to traditional method?
- In response to this, MD/GCEO shared that the cost for CP installation is higher but the tender price set for pipe rehabilitation works is still the same for both CP and conventional pipes. Hence, SPT need to be more efficient and to get more volume for them to compete with the conventional pipes supplier as their cost are cheaper. MD/GCEO also highlighted that for infrastructure project, the margin is very competitive.
- f) How does the trade war between US and China affect Perangsang Selangor Group?
- The MD/GCEO explained that the on-going trade war between US and China has not had any negative impact to Perangsang Selangor Group. On the upside, Perangsang Selangor's subsidiary, namely CPI may be benefiting

from this as some potential customers had approached CPI to explore business relationships with CPI, to diversify their manufacturing locations instead of just concentrating in China.

- g) Does the strengthening of US Dollar (“USD”) against Ringgit Malaysia (“RM”) has positive impact to Perangsang Selangor, taking cognisance of Kingcoil operation in US?

- In response to this, the MD/GCEO explained that in general there is positive impact to Perangsang Selangor Group.

- ii) Mr Cheng Chang Chai (“Mr Cheng”) a shareholder, raised the following questions and enquiries:

- a) Will SPT become the next engine of growth for Perangsang Selangor in place of Splash?

- To this, MD/GCEO explained that as for now, manufacturing will be the engine of growth for Perangsang Selangor. The manufacturing companies that Perangsang Selangor have in hand, have proven track records, solid relationship with customers, and strong fundamental as well as able to pay consistent dividend to the Company. Whereas for SPT, it is still very new and to claim SPT as the next engine of growth for the Company is premature at this juncture.

- b) Besides funding issues, what are other challenges faced by SPT?

- To this, MD/GCEO informed that as mentioned earlier, the main issue faced by SPT is on the financial constraint faced by the State/water operators. Currently, management of SPT is working closely with them together with the financial institutions on the repayment flexibility plan which could accommodate the financial requirements of the State.

- Besides that, MD/GCEO highlighted that, other challenges faced by SPT is on competitive market where SPT operate, given that CP is more expensive compared with conventional pipes. He added that although SPT and Air Selangor are sister companies, this does not guarantee that SPT will get contracts from Air Selangor easily. SPT needs to compete with other contractors and Air Selangor will assess the credibility of the SPT just like any other contractors. So far, Air Selangor has granted one project under P12 which was awarded based on SPT’s credibility.

- c) Who are the competitors for SPT in using CP technology in Malaysia?

- MD/GCEO informed that for CP technology, only SPT has the exclusive right on the CP technology. Whereas for conventional pipes, there are many competitors in the market.

- iii) Encik Syed Noh Syed Ahmad ("Encik Syed"), a shareholder, raised his concern on the cash flow position of the Company whereby the cash flow from the operating activities have been negative for the past two (2) years. Hence, Encik Syed raised the following questions:
- a) What are the steps taken by Management to improve the cash flow position of the Company?
- To this, MD/GCEO explained that cash flow is one aspect where Management put a lot of emphasis on and he acknowledged that the Company's cash flow at this juncture is not encouraging. He added that when Management crafted the BTP, cash flow aspect was one of the priorities; one of the key areas that the Company will look at when making new investment is that the target company must be financially strong and has sufficient cash to pay steady dividend to Perangsang Selangor in the long-run. For examples Century Bond Berhad ("CBB") and CPI (Penang) Sdn Bhd ("CPI").
- b) What are the steps taken to improve the Company's high debt position?
- MD/GCEO explained that for the last three (3) years since 2016, the Company was on acquisition mode and substantial amount of the acquisitions was via external borrowings and none was through equity injection from shareholders. Although the Group's loan and borrowings balances have increased in year 2018, Management is still comfortable with the gearing ratio.
  - Notwithstanding the above, the Management and Board are always cognisant on the fact that Management need to be responsible in ensuring that the Company could meet its debt obligation and currently the Company is able to meet its debt obligations as and when required.
- iv) Mr Ting Yi En ("Mr Ting"), a proxy, raised the following questions:
- a) With reference to manufacturing sector, how far CPI and CBB could be expanded and what are the capital expenditure ("capex") requirements of these companies?
- MD/GCEO explained that CPI is currently operating at 85% capacity and has acquired approximately 4.54 acre of land in Bayan Lepas in line with CPI's strategy to catapult its growth by expanding its production capacity to support market's demand. The construction of this new facility is targeted to commence in first half of 2019. As for CBB, there are still room for expansion while for Kingkoil, this month (May) is the 1st year anniversary of its plant operations, and the average utilisation rate for the past 3 months have reached 50%.
  - Premised on the above requirements, the Company has allocated approximately RM120.0 million of capex for 2019 which comprised of RM50.0 million for Plaza Perangsang redevelopment, RM40.0 million

for CPI (for land and construction of building) and CBB of approximately RM7.0 million for purchase of new machineries.

- b) What is the succession planning for the subsidiaries to ensure continuity of profit upon expiry of profit guarantee (“PG”) period?
- MD/GCEO explained that PG is not compulsory for all transaction (acquisition) entered by the Company. But for CPI, Management managed to negotiate for the PG. In ensuring that the company continue to generate profit upon expiration of the PG period, Management need to be comfortable and has confident on the company before the acquisition. Whereby it would stand by itself even with or without the existing Management i.e. the company must be one with strong growth potentials, company is in an industry where the downside risk is manageable and can switch its business model anytime. For example, CPI involved in plastic injection moulding business operating in 300 billion US market. It has more than 20 years good track record with clients, operates in the industry that does not rely directly with other specific industry, the existing management team is proven very competent and able to deliver the profit. By having all these qualities, the downside risk has indirectly been mitigated.
  - On the succession planning, Management has proper and strong succession planning process in place whereby Management will identify talents for pivotal positions to be placed at the relevant subsidiary. Hence, the risk of reliance on certain individual has been mitigated and the profitability of the company will continue as projected.
- c) How would Management unlock the true potential of the subsidiaries and whether there is any plan to list the subsidiary moving forward?
- In response to the above, MD/GCEO informed the meeting that as an investment holding company, the focus is to deliver maximum value to shareholders either in the form of dividend or capital appreciation via trade sale or IPO, depending on circumstances and opportunities at that point of time. Having said that, it will take time for Management to grow and nurture the subsidiaries before the full potentials/value of the company crystallise.
- d) With regards to Perangsang Selangor stake in Sprint, Mr Ting enquired on the way forward direction on this investment.
- In reply to this, MD/GCEO pointed that the Board do not want to speculate on this investment as currently there was no directive/information on the same pursuant to the announcement made by the Federal Government on abolishment of toll.
- v) At this juncture, MD/GCEO shared with the meeting on Mr Peter Sia’s, a shareholder question on why Perangsang Selangor is not engaging enough with the investor community i.e. the investor relation, analyst, market research as he

noticed that the existence Perangsang Selangor in the capital market seem to be not noticeable/visible even though it has been listed since 2003.

- In response to this, MD/GCEO shared with the meeting that Perangsang Selangor do engage with the investor community but only started to engage aggressively beginning of this year. During the early days of the BTP, when Management shared with the analysts/fund managers on the Company's BTP, they were very sceptical on such BTP as they had strongly perceived Perangsang Selangor being confined in the utilities sector as well as centrality of Selangor-based businesses. They also had no confidence in the Company's business diversification. In order to gain their confidence, the Management must first prove to the investment community that Perangsang Selangor has evolved and focused its business portfolio on value creation initiatives at subsidiary companies.
- After three (3) years, Management can now demonstrate to them that the BTP is workable and the Company now has presence locally, regionally and even globally and has not failed to pay consistent dividend to shareholders every year. As a result of this, Management has started to receive invitation from the fund managers/analyst who are now interested to know more about the way forward and strategic direction of the Company.

vi) Mr Goh Chan Kiat ("Mr Goh"), a shareholder raised the following questions:

- a) What is the impact of the remaining balance of Splash proceeds amounting to RM195.0 million which will be paid in staggered over 9 years period, to the bottom line of Perangsang Selangor moving forward?
  - To this, MD/GCEO explained that from accounting perspective, it will not have an impact to the bottom line of Perangsang Selangor. This was due to the fact that the overall proceeds were recorded as net loss from the investment and was already reflected in the 2018 financial results as share of loss amounting to RM197.6 million.
  - As for the deferred payment on the balance of the proceeds, the impact will be directly on the cash flow of the Company, which has been earmarked for certain expenses such as debt obligation that the Company need to fulfil moving forward.
- b) With reference to recent acquisition of Lafarge by YTL, Mr Goh enquired whether CBB's existing contract with Lafarge will still be intact.
  - To this, MD/GCEO informed that for now the existing contract to supply cement bags to Lafarge is still ongoing and CBB has not received any notification stating otherwise. Having said that, the investment team takes cognisant of possible changes that could happen in the future and has the necessary backup plan in place to mitigate the likelihood of this possible scenario happening and subsequently cushion its impact on CBB.

c) What is the dividend policy of the Company?

- In reply to this, MD/GCEO explained that currently, the Company does not have any dividend policy, 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.
- MD/GCEO added that the suggestion to develop a dividend policy for Perangsang Selangor has been raised and deliberated at the Board but was put on hold given the fact that Perangsang Selangor is still scouting for new investment to replace Splash. On that note, Management could not make any commitment on dividend rate to be paid to the shareholders. Looking at the past dividend pay-out trend, Perangsang Selangor managed to pay an average of 30% of profit after tax as dividends to the shareholders. Nevertheless, once the investments have shown maturity or the dividend streams are more certain together with the results from the BTP, Management will then start planning for the dividend policy accordingly.

d) How could Management improve the share price to be closer to the Net Tangible Asset ("NTA") of the Company?

- In response to the above, MD/GCEO explained that in order to increase the share price closer to the NTA, Management has devised several strategies: Management needs to create value in all the subsidiaries that the Company has acquired as per the value creation plans. Secondly, if there is any potential acquisition in the future, it will be on bolt-on approach acquisitions which aim to polish, supplement and further enhance the existing investment in hand. Thirdly, the Company needs to achieve profit of at least RM80.0 million per year and the Investor Relation and Strategic Communications ("IRSC") team need to work very closely with the investing community to ensure that they value the Company fairly as an industrial products company instead of as utilities company. He added that Management is very focused towards achieving this objective and foresee that these strategies will succeed and show favourable results very soon.

vii) Mr Cheng further raised the following questions and enquiries:

a) With regards to the two (2) years PG by CPI, Mr Cheng enquired whether such PG has been achieved by management of CPI.

- To this, YM Chairman replied that for first year PG, CPI managed to deliver the PG and for second year, CPI's year-to-date performance is more than the target. Hence, Management is confident that CPI would be able to deliver the PG as per target.

b) What is the growth potential of CPI moving forward?

- As mentioned earlier, YM Chairman informed that CPI's strategy for growth is focused on three key areas. For the Plastics Division, CPI targets to expand its earnings base by focusing on higher margin customers as well as venturing into new market segments. The



Electronics Division will continue to play its role in supporting the Plastics Division with more aggressive efforts in securing new customers. The dynamics between the two division remains to be a competitive edge for CPI, allowing it to provide end-to-end turnkey solutions to its customers. In addition to this, CPI is also looking at expansion in aerospace products as well as increasing market share in medical equipment.

- To support the above expansion, CPI has purchased a land in Bayan Lepas, Penang to build a new facility plant to house machineries and equipment geared for automation in order to expand its production capacity to support market demand.

c) What is CPI projection for the next five (5) years

- In response to this, YM Chairman informed the meeting that post acquisition in 2018, CPI top line has increased by 11.6% year-on-year from 2017. The growth was expected to increase between 14%-15% from 2018 onwards.

viii) Mr Leo commended the MD/GCEO on the presentation on the Business Review and Prospect and welcomed the new Board member namely Mr Leon Koay and Encik Ahmad Fariz. He viewed this appointment as one of the transformations at the Board and Management level and looking forward to seeing the same at the operational level as well. Mr Leo proceeded to raise the following questions/queries:

a) With reference to page 184 of the 2018 Annual Report, what was the actual loss from Splash?

- In response to this, MD/GCEO informed that the actual loss from Splash was RM207.0 million and figure reflected in the balance sheet is inclusive of share of profit or loss of other associates such as Sprint, NGC Energy Sdn Bhd and Ceres Telecom Sdn Bhd.

b) What is the reason for increase in the borrowings of the Company?

- MD/GCEO explained that the borrowing of the Company had started to increase in 2016 when the Company began to acquire new investments to replace its outgoing water business. Overall the Group's loans and borrowings balances have increased from RM307.7 million in 2017 to RM611.1 million in 2018 to fund for the investment and working capital requirements of the Group.

c) What is the Company gearing ratio at this juncture?

MD/GCEO replied that the gearing ratio of the Company at his juncture is 0.54 times and Management is comfortable and confident that the Company can to meet its debt obligation.

d) Does the Company have the necessary resources to manage the operations of all investee companies ("ICs")?

- To this, MD/GCEO replied that as an investment holding company, Perangsang Selangor is not involved in the day to day operation of the ICs but does have an oversight function via board representatives and Executive Committee ("EXCO") on management of the ICs in order to

keep track of their performance. Apart from that, the investment team will also monitor the IC's performance very closely and they know about the business as well. Having said that, there are instances where the Company appoints key senior management positions into the company.

- As an active shareholder in the ICs, Perangsang Selangor would place great emphasis on strategies, policies and performance management of the ICs.

e) What is the timeframe of the BTP?

In reply to this, MD/GCEO explained that the BTP kicked off in 2016 and is expected to end in 2021. Thereafter, the Company will come-up with new business plan.

f) Has the Company received the Splash proceed?

To this, YM Chairman replied that the Company had received Splash's proceeds of RM570 million on 24 April 2019.

g) Will the Company meet its 2019 top-line and bottom-line targets?

To this, YM Chairman replied that the Management will do their best to achieve the financial targets set for 2019.

ix) In response to Mr Choo Chin In ("Mr Choo"), a shareholder enquiry on Taman Perangsang strata title issue, YM Chairman requested Management to take this matter separately to allow Management to check on the status of the above and will get the Management to revert to Mr Choo accordingly. This was agreed by Mr Choo.

x) At this juncture, Mr Cheng raised the following additional questions/enquiries:

a) With reference to the purchase consideration of RM2.55 billion for Splash acquisition by Air Selangor was if the best price that Perangsang Selangor has negotiated?

To this, YM Chairman clarified that the purchase consideration was decided by the government and relevant state authorities. As a minority shareholder in Splash, Perangsang Selangor had 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.

b) Who is responsible for the postponement in completion of Splash acquisition and whether Perangsang Selangor received any compensation on such delay?

- To this, YM Chairman explained that there was no compensation received by Perangsang Selangor on such delay. At that point of time, the delay was due to some of the condition precedents ("CPs") have not been fulfilled as per the timeline given and such delay was mutually agreed by the parties. At this juncture, MD/GCEO further clarified that some of the CPs could not be fulfilled due to circumstances which are beyond Air

Selangor's control such as approval from the relevant government authorities.

- c) Besides paying special dividend, what is the proposed utilisation of Splash proceeds?
- To this, MD/GCEO explained that the remaining of the proceeds from Splash divestment will be utilised for funding future new investments and repayment of borrowings.
- d) Taking cognisance of Perangsang Selangor share price not reflecting its NTA, 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, MD/GCEO replied that he was not against a share-buy-back ("SBB") exercise, acknowledging the benefits it holds for the shareholders, among others concentrating shareholders' value by reducing the number of shares outstanding and mitigating share price volatility. He also noted that the SBB will to some extent suggest a favourable financial health of the Company as well as the qualitative assessment on the Company as the Management is confident enough in the Company's prospect to buy its own shares.
  - Having said that however, MD/GCEO informed the shareholders that before the Management could pursue the SBB, he would explore such possibility with the Board. The Company needs to take into account both its growth potential and excess cash position. Currently, the balance of proceeds received from the divestment of SPLASH has been earmarked for paying down debts and future investments. Commenting further on the plausibility of the SBB, he explained that the Management will also need to assess the most opportune time to do so, in terms of sentiment in the market as well as level of share price.
- e) What other upcoming new investment that Perangsang Selangor intend to pursue?
- YM Chairman replied that the Board could not disclose any details now 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 they meet the investment criteria set by the Company.
- f) What is the breakdown of Directors' Remuneration for 2018?
- In response to this YM Chairman highlighted that the detail breakdown on each director's remuneration could be found in page 35 of the Corporate Governance Report ("CG Report") announced to Bursa Malaysia on 24 April 2019.

- g) What are the steps taken by Management to recover the refund for goods and services tax from the government?
- To this, YM Chairman informed that Management has taken the necessary action to seek for the refund from the government.
- h) With reference to Winding-up Petition made by the Perangsang Hotel and Properties Sdn Bhd against Leo Hospitality Sdn Bhd recently announced to Bursa Malaysia, Mr Cheng suggested for Management to seek legal advice from the lawyers on how much the Company could recover for this case. This was noted by Management.
- i) Is there any plan to delist Perangsang Selangor for it to become a private entity?
- In response to this, YM Chairman explained that as a listed entity, it is up to the majority shareholder to decide on this matter. So far, the majority shareholder is satisfied with Perangsang Selangor's performance as the Company can pay consistent dividend over the years.

There being no further questions raised, YM Chairman declared that the Audited Financial Statements for the financial year ended 31 December 2018 together with the reports of the Directors and the Auditors thereon be and hereby received.

Before YM 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 Boardroom Share Registrar Sdn Bhd as Poll Administrator to conduct the poll by way of e-voting and Boardroom 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 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**  
**- TO APPROVE A SINGLE TIER FINAL DIVIDEND OF 4.25 SEN PER SHARE IN RESPECT OF THE FINANCIAL YEAR ENDED 31 DECEMBER 2018**

The meeting proceeded to consider the approval of a single tier final dividend of 4.25 sen per share in respect of the financial year ended 31 December 2018.

YM Chairman informed the meeting that the single tier final dividend, if approved would be paid on 19 July 2019 to every shareholder who is entitled to receive the dividend at the close of business on 28 June 2019.

YM Chairman moved on to invite a proposer and seconder for the Ordinary Resolution 1 and it was duly proposed by Muhammad Norazam bin Ishak (“Encik Norazam”) and seconded by Mr Teh.

YM Chairman proceeded to invite questions from the floor.

There being no question raised and since voting will be conducted on a poll at the end of the meeting, YM Chairman proceeded with the next item on the Agenda.

**3. ORDINARY RESOLUTION 2**

**- RE-ELECTION OF DIRECTOR – MR KOAY LI ONN (LEON) (“MR LEON KOAY”)**

The meeting proceeded to Ordinary Resolution 2 which was to re-elect Mr Leon Koay as Director of the Company, who retires pursuant to Article 90 of the Company’s Constitution.

YM Chairman informed the meeting that Mr Leon Koay 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 Mr Leon Koay could be found on page 60 of the Annual Report 2018.

YM Chairman highlighted that in line with the best practice in corporate governance, the Board has conducted assessment on Mr Leon Koay based on relevant performance criteria. In this respect, the Board has approved the recommendation of its Nomination and Remuneration Committee (“NRC”) that Mr Leon Koay is eligible to stand for re-election.

YM 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 Mr Goh.

YM Chairman proceeded to invite questions from the floor.

At this juncture, Mr Cheng welcomed Mr Leon Koay on board and raised the following questions:

- a) Mr Cheng requested Mr Leon Koay to share with the shareholders how he could contribute to the Company for the next two (2) years of the BTP.
  - In reply to the above, Mr Leon Koay informed the shareholders that he has gone through the BTP and opined that it is a good business plan where it has evolved the Company globally to steer growth. As a manner of approach, he is interested in supporting the evolution and growth laid down as per the BTP. He added that based on his observation, steps taken by Management for the last few years to achieve the objectives are workable and will continue to support the journey in achieving the BTP.
  - Mr Leon Koay added that since his appointment in January 2019, he was very satisfied with what Management has done so far and commended that the team are very focus and hardworking; whilst the Board is very supportive and engaging well amongst the Board members and Management. On this note, he was optimistic that the Company would be able to achieve the target sets in the BTP.

- b) How would Mr Leon Koay handle conflict of interest if it appears in his capacity as director vs president of Bukit Kiara residential association?
- In relation to his involvement in the residential association, Mr Leon Koay emphasized that his involvement in such association is merely on issues concerning the neighbourhood matters. Whereas being a director in Perangsang Selangor is a professional engagement that he needs to fulfil in the best interest of the Company. As far as his knowledge, there is no conflict of interest so far. If there is any in the future, he will make the necessary declaration immediately to the Board without compromise.
- c) Is there any shortcoming in the Company based on his five (5) months tenure as independent director of Perangsang Selangor?
- In reply to this, Mr Leon Koay shared with the meeting that there was difficult conversation between the directors as the Company is trying to evolve from an infrastructure company to industrial company which is very challenging. On the Management side, he placed great emphasis on the importance of bandwidth whereby the Company need to have enough competent people who could support the works that need to be done. Currently, the Company has a very hardworking Management and at the same time they are also working with many projects. Management need to know they could expand the bandwidth to support the growth momentum of the Company.

There being no further questions raised and since voting will be conducted on a poll at the end of the meeting, YM Chairman proceeded with the next item on the Agenda.

**4. ORDINARY RESOLUTION 3**  
**- RE-ELECTION OF DIRECTOR – ENCIK AHMAD FARIZ BIN HASSAN (“ENCIK AHMAD FARIZ”)**

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

YM Chairman informed the meeting that Encik Ahmad Fariz 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 Encik Ahmad Fariz could be found on page 61 of the Annual Report 2018.

YM Chairman highlighted that in line with the best practice in corporate governance, the Board has conducted assessment on Encik Ahmad Fariz based on relevant performance criteria. In this respect, the Board has approved the recommendation of its NRC that Encik Ahmad Fariz is eligible to stand for re-election.

YM Dato' Chairman invited a proposer and seconder for the Ordinary Resolution 3 and it was duly proposed by Mr Teh and seconded by Encik Norazam.

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

At this juncture, Mr Cheng enquired into the basis of Encik Ahmad Fariz' holding two positions as MD/GCEO of the Company as normally CEO reports to the Board. In response to this YM Chairman explained that the Board was of the view that the appointment Encik Ahmad Fariz as Director of the Company was to enable him to take more responsibility. As Managing Director, he has fiduciary responsibilities to act in the best interests of the Company and its shareholders besides being involved in the day to day running of the business. This is also to show the staff that the Company do appreciate and groom internal talent like Encik Ahmad Fariz who has shown high competency and capability in meeting the Group's ambitious business plan.

In addition to the above, Mr Cheng enquired from the MD/GCEO on how far he has achieved the target set on him what he would like to achieve moving forward. In reply to this, MD/GCEO explained that since the first day he joined the Company, the main challenge given to him is to find a new core business that could replace the outgoing RM100.0 million profit contribution from water business without getting funding from shareholders, and at the same time pay consistent dividend to the shareholders. Nevertheless, after four (4) years and with strong Management team and support from the Board, he has seen positive progress on the performance of the Company whereby the top line and bottom line of the Company has improved. and would be able to achieve the target set in the foreseeable future.

There being no further question raised and since voting will be conducted by way of a poll at the end of the meeting, YM Chairman proceeded with the next item on the Agenda.

**5. ORDINARY RESOLUTION 4**

**- RE-ELECTION OF DIRECTOR – ENCIK SUHAIMI BIN KAMARALZAMAN (“ENCIK SUHAIMI”)**

The meeting proceeded to Ordinary Resolution 4 which was to re-elect Encik Suhaimi as Director of the Company, who retires pursuant to Article 84 of the Company's Constitution.

YM Chairman informed the meeting that Encik Suhaimi 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 Encik Suhaimi could be found on page 54 of the Annual Report 2018.

YM Chairman highlighted that in line with the best practice in corporate governance, the Board has conducted assessment on Encik Suhaimi based on relevant performance criteria. In this respect, the Board has approved the recommendation of its NRC that Encik Suhaimi is eligible to stand for re-election.

YM Chairman invited a proposer and seconder for the Ordinary Resolution 4 and it was duly proposed by Puan Sutina and seconded by Mr Kevin Lee Shih Min.

YM 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 Chairman proceeded with the next item on the Agenda.

**6. ORDINARY RESOLUTION 5**

**- RE-ELECTION OF DIRECTOR – YBHG DATO’ MOHAMED ROSS BIN MOHD DIN (“DATO’ ROSS”)**

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

YM Chairman informed the meeting that Dato’ Mohamed Ross 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’ Ross could be found on page 55 of the Annual Report 2018.

YM Chairman highlighted that in line with the best practice in corporate governance, the Board has conducted assessment on Dato’ Ross based on relevant performance criteria. In this respect, the Board has approved the recommendation of its NRC that Dato’ Ross is eligible to stand for re-election.

YM Chairman invited a proposer and seconder for the Ordinary Resolution 5 and it was duly proposed by Puan Norinta binti Md Yatim (“Puan Norinta”) and seconded by Puan Salbiah binti Kadir (“Puan Salbiah”).

YM 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 Chairman proceeded with the next item on the Agenda.

**7. ORDINARY RESOLUTION 6**

**- RE-ELECTION OF DIRECTOR – YBHG DATO’ IDRIS BIN MD TAHIR (“DATO’ IDRIS”)**

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

YM Chairman informed the meeting that Dato’ Idris 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’ Idris could be found on page 56 of the Annual Report 2018.

YM Chairman highlighted that in line with the best practice in corporate governance, the Board has conducted assessment on Dato’ Idris based on relevant performance criteria. In this respect, the Board has approved the recommendation of its NRC that Dato’ Idris is eligible to stand for re-election.

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

YM 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 Chairman proceeded with the next item on the Agenda.



**8. ORDINARY RESOLUTION 7**

**- DIRECTORS' REMUNERATION UP TO AN AMOUNT OF RM2,608,683 FROM THE 42<sup>ND</sup> AGM 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 RM2,608,683 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 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 24 May 2019 until the next AGM of the Company. YM Chairman made reference to Explanatory Note 5 on page 307 of the Annual Report 2018 for more details on the Ordinary Resolution 7.

YM Chairman invited a proposer and seconder for the Ordinary Resolution 7 and it was duly proposed by Mr Ting and seconded by Puan Norinta.

YM 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 Chairman proceeded with the next item on the Agenda.

**9. ORDINARY RESOLUTION 8**

**- PROPOSED RE-APPOINTMENT OF AUDITORS**

YM Chairman proceeded to Ordinary Resolution 8 and the meeting was requested to consider the re-appointment of the retiring Auditors, Messrs BDO 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 Chairman informed the meeting that the Board recommended for approval of the re-appointment of Messrs BDO as the External Auditors of Perangsang Selangor for 2019 based on the Audit Committee' recommendation.

YM Chairman invited a proposer and seconder for the Ordinary Resolution 8 and it was duly proposed by Mr Ting and seconded by Encik Norazam.

YM 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 Chairman proceeded with the next item on the Agenda.

**10. ORDINARY RESOLUTION 9**

**- PROPOSED RENEWAL OF EXISTING SHAREHOLDERS' MANDATE AND NEW 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 and New Shareholders' mandate for Recurrent Related Party Transactions of a Revenue or Trading nature. The full text of this Ordinary Resolution 9 is set out in the Notice of Meeting.

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

YM 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 Chairman invited a proposer and seconder for the Ordinary Resolution 9 and it was duly proposed by Cik Asma' and seconded by Puan Norinta.

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

**11. SPECIAL RESOLUTION**

**- PROPOSED ALTERATION OF THE EXISTING MEMORANDUM AND ARTICLES OF ASSOCIATION BY REPLACING WITH A NEW CONSTITUTION OF THE COMPANY ("PROPOSED ALTERATION")**

The meeting proceeded to Special Resolution which was to obtain the Members' approval for the Proposed Alteration. The full text of this Special Resolution is set out in the Notice of Meeting.

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

YM Chairman highlighted that the Special Resolution, if passed, will enable the Company to alter its existing Memorandum and Articles of Association by replacing with a new Constitution which is drafted in accordance with the relevant provisions of the Companies Act 2016 ("CA 2016"), relevant amendments of Chapter 7 and other Chapter of the Listing Requirements of Bursa Securities and other provisions of laws and regulations applicable to the Company.

YM Chairman invited a proposer and seconder for the Special Resolution and it was duly proposed by Puan Salbiah and seconded by Encik Norazam.

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

**12. ANY OTHER BUSINESS**

Upon confirmation by the Company Secretary, YM Chairman informed the meeting that the Company has not received notice to transact any other business of which due notice shall have been given in accordance with the Company's Constitution and the CA 2016.

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

**13. VOTING ON THE RESOLUTIONS AND DECLARATION OF POLL RESULTS**

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

YM Chairman invited questions from the floor. There being no questions raised, YM Chairman adjourned the meeting at 12.34 p.m. until the casting and verification of the votes were completed.

The meeting resumed at 1.05 p.m. and YM Chairman called the meeting to order.

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

	FOR		AGAINST		TOTAL	
	NO. OF		NO. OF		NO. OF	
Ordinary Resolution	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 2018.	383,129,223	100	0	0	383,129,223	100
Resolution 2: To re-elect the following Directors who retire pursuant to Article 90 of the Company's Constitution and who being eligible offer themselves for re-election: Encik Koay Li Onn (Leon)	383,129,223	99.999987	50	0.000013	383,129,273	100
Resolution 3: To re-elect the following Directors who retire pursuant to Article 90 of the Company's Constitution and who being eligible offer themselves for re-election: Encik Ahmad Fariz bin Hassan	383,129,223	99.999987	50	0.00	383,129,273	100
Resolution 4: To re-elect the following Directors who retire by rotation pursuant to Article 84 of the Company's Constitution and who being eligible offer themselves for re-election: Encik Suhaimi bin Kamaralzaman	382,356,224	99.798228	773,049	0.201772	383,129,273	100

**KUMPULAN PERANGSANG SELANGOR BERHAD (23737-K)**  
**RE: MINUTES OF FORTY-SECOND ANNUAL GENERAL MEETING HELD ON 23 MAY 2019**

	FOR		AGAINST		TOTAL	
	NO. OF		NO. OF		NO. OF	
<b>Ordinary Resolution</b>	<b>SHARES</b>	<b>%</b>	<b>SHARES</b>	<b>%</b>	<b>SHARES</b>	<b>%</b>
Resolution 5: To re-elect the following Directors who retire by rotation pursuant to Article 84 of the Company's Constitution and who being eligible offer themselves for re-election: YBhg Dato' Mohamed Ross bin Mohd Din	383,129,223	100	0	0	383,129,223	100
Resolution 6: To re-elect the following Directors who retire by rotation pursuant to Article 84 of the Company's Constitution and who being eligible offer themselves for re-election: YBhg Dato' Idris bin Md Tahir	383,124,377	99.998722	4,896	0.001278	383,129,273	100
Resolution 7: To approve the payment of Directors' remuneration to the Directors up to an amount of RM2,608,683 from the 42nd AGM until the next AGM of the Company.	383,124,223	99.998682	5,050	0.001318	383,129,273	100
Resolution 8: To re-appoint Messrs BDO as Auditors of the Company and to authorise the Directors to fix their remuneration	383,129,223	100	0	0	383,129,223	100
Resolution 9: Proposed Renewal of Existing Shareholders' Mandate and New Shareholders' Mandates for Recurrent Related Party Transactions ("RRPT") of a Revenue or Trading Nature	37,046,166	100	0	0	37,046,166	100
Special Resolution: Proposed Alterations of the Constitution of the Company	383,129,273	100	0	0	383,129,273	100

**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 2018.

Based on the votes casted, YM 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 2018 be hereby approved."*

**Ordinary Resolution 2:**

- To re-elect Mr Leon Koay who retires pursuant to Article 90 of the Company's Constitution and who being eligible offers himself for re-election.

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

*“THAT Mr Koay Li Onn (Leon) 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 Encik Ahmad Fariz who retires pursuant to Article 90 of the Company's Constitution and who being eligible offers himself for re-election.

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

*“THAT Encik Ahmad Fariz bin Hassan 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 Encik Suhaimi who retires by rotation pursuant to Article 84 of the Company's Constitution and who being eligible offers himself for re-election.

Based on the votes casted, YM Chairman declared that by majority votes of 99.79%, the following motion be and hereby duly carried:

*“THAT Encik Suhaimi bin Kamaralzaman who retires by rotation pursuant to Article 84 of the Company's Constitution, be re-elected as Director of the Company.”*

**Ordinary Resolution 5:**

- To re-elect Dato' Ross 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 Chairman declared that by unanimous votes, the following motion be and hereby duly carried:

*“THAT YBhg Dato' Mohamed Ross bin Mohd Din who retires by rotation pursuant to Article 84 of the Company's Constitution, be re-elected as Director of the Company.”*

**Ordinary Resolution 6:**

- To re-elect Dato' Idris 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 Chairman declared that by majority votes of 99.99%, the following motion be and hereby duly carried:

*“THAT YBhg Dato' Idris bin Md Tahir who retires by rotation 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 RM2,608,683 from 42<sup>nd</sup> AGM until the next AGM of the Company.

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

*"THAT the payment of Directors' Remuneration to the Directors up to an amount of RM2,608,683 from the 42<sup>nd</sup> AGM until the next AGM of the Company be hereby approved".*

**Ordinary Resolution 8:**

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

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

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

**Ordinary Resolution 9:**

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

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

*"THAT pursuant to Paragraph 10.09 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Listing Requirements"), the Company and its subsidiaries ("the Group") be and are hereby authorised to enter into and give effect to the recurrent related party transactions of a revenue or trading nature with the related parties as set out in Section 2.3 of the Circular to Shareholders dated 24 April 2019 ("Related Parties") provided that such transactions and/or arrangements are:-*

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

*(collectively known as "Shareholders' Mandate");*

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

- a) 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 AGM; or*
- b) the expiration of the period within which the next AGM of the Company after that date 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*

c) *revoked or varied by ordinary 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."*

**Special Resolution:**

- Proposed Alteration of the existing Memorandum and Articles of Association by replacing with a new Constitution of the Company.

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


*"THAT the existing Memorandum and Articles of Association of the Company be hereby altered by replacing with a new Constitution of the Company as set out in Appendix A attached to the Notice of AGM with effect from the date of passing this special resolution.*

*AND THAT the Board of Directors of the Company be and is hereby authorised to do all such acts and things and to take all such steps as they deem fit, necessary, expedient and/or appropriate in order to complete and give full effect to the Proposed Alteration with full powers to assent to any conditions, modifications and/or amendments as may be required by any relevant authorities."*

**14. CLOSURE**

YM Chairman thanked everyone present at the AGM and declared the 42<sup>nd</sup> AGM of Perangsang Selangor as concluded at 1.10 p.m.

**CONFIRMED AS A CORRECT RECORD**

  
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**CHAIRMAN**

Dated: