

**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.**

If you are in any doubt as to the course of action to take, you should consult your stockbroker, solicitor, accountant, banker or other professional adviser immediately.

Bursa Malaysia Securities Berhad ("**Bursa Securities**") has not perused the contents of this Circular prior to their issuance as it is an exempt Circular pursuant to Paragraph 2.1(gA) of Practice Note 18 of the Main Market Listing Requirements of Bursa Securities.

**Bursa Securities takes no responsibility for the contents of this Circular, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Circular.**



**KUMPULAN PERANGSANG SELANGOR BERHAD**

(Registration No. 197501002218/23737-K) (Incorporated in Malaysia)

**CIRCULAR TO**

**SHAREHOLDERS IN RELATION**

**TO THE**

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

The resolution in respect of the above proposal will be tabled at the Forty-Seventh (**47<sup>th</sup>**) Annual General Meeting ("**AGM**") of the Company, which will be conducted virtually through live streaming and online voting via the Remote Participation and Electronic Voting ("**RPEV**") facilities at <https://investor.boardroomlimited.com/> from the Broadcast Venue at Kumpulan Perangsang Selangor Berhad ("**KPS Berhad**") Corporate Office, 17<sup>th</sup> Floor, Plaza Perangsang Persiaran Perbandaran, 40000 Shah Alam Selangor Darul Ehsan, on Monday, 27 May 2024 at 10.00 a.m. Notice of the 47<sup>th</sup> AGM of the Company together with the Form of Proxy is enclosed together with the 2023 Integrated Annual Report ("**2023IAR**") of the Company, which is available at <http://kps.com.my/index.php/investor-relations/reports>.

The Form of Proxy must be lodged at the Company's share registrar, Boardroom Share Registrars Sdn Bhd ("**Boardroom**")'s office at 11<sup>th</sup> Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia, or alternatively, to submit your electronic Proxy Form via Boardroom Smart Investor Portal at <https://investor.boardroomlimited.com> not later than 48 hours before the time set for holding the meeting. Please refer to the procedures for submission of the Proxy Form in the Administrative Details.

Last date and time for lodging the Form of Proxy : Saturday, 25 May 2024 at 10.00 a.m.

Date and time of AGM : Monday, 27 May 2024 at 10.00 a.m.

This Circular is dated 23 April 2024

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## DEFINITIONS

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

“Act”	: Companies Act 2016
“AGM”	: Annual General Meeting
“Air Selangor”	: Pengurusan Air Selangor Sdn Bhd, a wholly-owned subsidiary of ASHB
“ASHB”	: Air Selangor Holdings Berhad, a wholly-owned subsidiary of MBI
“Aqua-Flo”	: Aqua-Flo Sdn Bhd, a 51%-owned subsidiary of KPS Berhad
“BASB”	: Bold Approach Sdn Bhd, a wholly-owned subsidiary of KPS Berhad
“Board” or “Board of Directors”	: The Board of Directors of KPS Berhad
“DCEOFCS”	: Deputy Chief Executive Officer (Finance & Corporate Services)
“MD/GCEO”	: Managing Director/Group Chief Executive Officer
“IEC/TEC”	: Investment Evaluation Committee/Tender Evaluation Committee
“HOS”	: Head of Subsidiaries
“BAC”	: Board Audit Committee of KPS Berhad
“Bursa Securities”	: Bursa Malaysia Securities Berhad
“Cash Band”	: Cash Band (M) Berhad, a wholly-owned subsidiary of KPS Berhad
“CBB”	: Century Bond Bhd, a wholly-owned subsidiary of PPSB
“DEIG”	: Darul Ehsan Investment Group Berhad, an immediate holding company and a major shareholder of KPS Berhad with 57.88% interest in the Company. It is a wholly-owned subsidiary of MBI
“Circular”	: Circular to Shareholders dated 23 April 2024 in relation to the Proposed Shareholders’ Mandate
“Director(s)”	: Shall have the meaning given in Section 2(1) of the Capital Markets and Services Act 2007 and includes any person who is or was within the preceding 6 months of the date on which the terms of the transaction were agreed upon, a director or chief executive of KPS Berhad, its subsidiaries or its holding company
EXCO	: Executive Committee
“2023IAR”	: 2023 Integrated Annual Report
“Interested Director(s)”	: Director(s) who are deemed to be Related Parties and are interested in the Proposed Shareholders’ Mandate
“Interested Major Shareholders”	: Major Shareholders who are deemed to be Related Parties and are interested in the Proposed Shareholders’ Mandate
“Interested Persons Connected”	: Refers to Persons Connected to the Directors and/or Major Shareholders of the Company

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**DEFINITIONS**  
**(Cont'd)**

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“Kaiserkorp”	:	Kaiserkorp Corporation Sdn Bhd
“MBI”	:	Menteri Besar Selangor (Pemerbadanan), a holding company of DEIG and AHSB
“KPS Berhad” or “the Company”	:	Kumpulan Perangsang Selangor Berhad
“KPS Berhad Group” or “the Group”	:	KPS Berhad and its subsidiary companies
“KPS-HCM”	:	KPS-HCM Sdn Bhd, a 51%-owned subsidiary of KPS Berhad
“Listing Requirements”	:	Main Market Listing Requirements of Bursa Securities, including any amendments that may be made from time to time
“LPD”	:	26 March 2024, being the latest practicable date prior to the printing of the Circular
“Major Shareholder(s)”	:	<p>A person who has an interest or interests in one or more voting shares in a company and the number or aggregate number of those shares is:</p> <ul style="list-style-type: none"><li>(a) 10% or more of the total number of all the voting shares in the company; or</li><li>(b) 5% or more of the total number of voting shares in the company where such person is the largest shareholder of the company.</li></ul> <p>For the purpose of the Proposed Shareholders’ Mandate, “interest” shall have the meaning of “interest in shares” given in Section 8 of the Act. It also includes any person who is or was within the preceding 6 months of the date on which the terms of the transactions were agreed upon, a major shareholder of KPS Berhad or its holding company.</p>
“Partner”	:	<p>in relation to any person (referred to as “<b>said Person</b>”), means such person who falls within any one of the following categories:</p> <ul style="list-style-type: none"><li>(a) a person with whom the said Person, is in or proposes to enter into partnership with. “Partnership” for this purpose refers to a “partnership” as defined in section 3 of the Partnership Act 1961 or “limited liability partnership” as defined in section 2 of the Limited Liability Partnerships Act 2012, as the case may be; or</li><li>(b) a person with whom the said Person has entered or proposes to enter into a joint venture, whether incorporated or not.</li></ul>
“Person(s) Connected”	:	<p>in relation to any person (referred to as “<b>said Person</b>”) means such person who falls under any one of the following categories:</p> <ul style="list-style-type: none"><li>(a) a family member of the said Person;</li><li>(b) a trustee of a trust (other than a trustee for a share scheme for employees or pension scheme) under which the said Person, or a family member of the said Person, is the sole beneficiary;</li><li>(c) a Partner of the said Person;</li><li>(d) a person, or where the person is a body corporate, the body corporate or its directors, who is/are accustomed or under an obligation, whether formal or informal, to act in accordance with the directions, instructions or wishes of the said Person;</li><li>(e) a person, or where the person is a body corporate, the body corporate or its directors, in accordance with whose directions, instructions or wishes the said Person is accustomed or is under an obligation, whether formal or informal, to act;</li></ul>

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**DEFINITIONS**  
**(Cont'd)**

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	(f)	a body corporate in which the said Person, or persons connected with the said Person are entitled to exercise, or control the exercise of, not less than 20% of the votes attached to voting shares in the body corporate; or
	(g)	a body corporate which is a related corporation of the said Person.
“NBSB”	:	Nadi Biru Sdn Bhd, a wholly-owned subsidiary of KPS Berhad
“PKNS”	:	Perbadanan Kemajuan Negeri Selangor, a substantial shareholder of KPS Berhad and a Person Connected to DEIG
“PPSB”	:	Perangsang Packaging Sdn Bhd, a wholly-owned subsidiary of KPS Berhad
“Prismachem”	:	Prismachem Sdn Bhd, a Major Shareholder of Aqua-Flo
“Proposed Shareholders’ Mandate” or “Proposal”	:	Proposed renewal of the existing shareholders’ mandate for the RRPTs of a revenue or trading nature entered/to be entered into by KPS Berhad from the date of the forthcoming 47 <sup>th</sup> AGM to the next AGM of the Company
“Related Party(ies)”	:	A Director, Major Shareholder or Person Connected with such Director or Major Shareholder as defined under Chapters 1 and 10 of the Listing Requirements
“RM” and “sen”	:	Ringgit Malaysia and sen respectively
“RRPT”	:	Related party transactions which are recurrent of a revenue or trading nature and which are necessary for the day-to-day operations and are entered/ to be entered into by KPS Berhad with the Related Parties in the ordinary course of business which involve the interest, direct or indirect, of Related Parties
“Share(s)”	:	Number of ordinary share(s) issued by KPS Berhad
“Sg. Harmoni”	:	Sungai Harmoni Sdn Bhd, a wholly-owned subsidiary of Taliworks
“SPT”	:	Smartpipe Technology Sdn Bhd, an indirect 64%-owned subsidiary of KPS Berhad via NBSB
“TWNS”	:	Tabung Warisan Negeri Selangor, a shareholder of KPS Berhad and a Person Connected to DEIG
“Taliworks”	:	Taliworks Corporation Berhad, a Major Shareholder of Aqua-Flo

All references to “our Company” in this Circular are to KPS Berhad. References to “our Group” are to our Company and our subsidiaries. References to “we”, “us”, “our” and “ourselves” are to our Company and where the context requires, shall include our subsidiaries.

All references to “you” in this Circular are to our shareholders.

Words denoting the singular shall, where applicable, include the plural and vice versa and words indicating the masculine gender shall, where applicable, include the feminine and/or neuter genders and vice versa. Reference to persons shall include a corporation unless otherwise specified.

Any reference in this Circular to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any reference to a time of a day in this Circular shall be a reference to Malaysian time, unless otherwise stated.

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**LETTER TO THE SHAREHOLDERS OF  
KUMPULAN PERANGSANG SELANGOR BERHAD**

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**Registered Office:**

17<sup>th</sup> Floor, Plaza Perangsang  
Persiaran Perbandaran  
40000 Shah Alam  
Selangor Darul Ehsan

**23 April 2024**

**Board of Directors**

YB Dato' Setia Haji Haris bin Kasim (*Chairman, Non-Independent Non-Executive Director*)  
Ts. Saipolyazan bin Mat Yusop (*Non-Independent Non-Executive Director*)  
YBhg Dato' Ikmal Hijaz bin Hashim (*Senior Independent Non-Executive Director*)  
Puan Norliza binti Kamaruddin (*Independent Non-Executive Director*)  
YBhg Dato' Noorazman bin Abd Aziz (*Independent Non-Executive Director*)  
Ms Sharmila Sekarajasekaran (*Independent Non-Executive Director*)  
YBhg Datuk Syed Izuan bin Syed Kamarulbahrin (*Independent Non-Executive Director*)  
Encik Ahmad Fariz bin Hassan (*Managing Director/Group Chief Executive Officer*)

**To: The Shareholders of KPS Berhad**

Dear Sir/Madam

**PROPOSED SHAREHOLDERS' MANDATE**

**1. INTRODUCTION**

On 26 March 2024, the Board announced that the Company proposed to seek the approval of its shareholders for the Proposal at the forthcoming 47<sup>th</sup> AGM of the Company.

The purpose of this Circular is to provide you with relevant details of the Proposed Shareholders' Mandate and to seek your approval for the ordinary resolution relating to the Proposed Shareholders' Mandate under the agenda of Special Business as set out in the Notice of the 47<sup>th</sup> AGM of the Company, which will be conducted virtually through live streaming and online voting via the RPEV facilities at <https://investor.boardroomlimited.com/> from the Broadcast Venue at KPS Berhad Corporate Office, 17<sup>th</sup> Floor Plaza Perangsang, Persiaran Perbandaran, 40000 Shah Alam, Selangor Darul Ehsan, on Monday, 27 May 2024 at 10.00 a.m., enclosed in the 2023IAR of the Company.

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**SHAREHOLDERS ARE ADVISED TO READ THE CONTENTS OF THIS CIRCULAR CAREFULLY BEFORE VOTING ON THE RESOLUTION TO GIVE EFFECT TO THE PROPOSED SHAREHOLDERS' MANDATE**

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## **2. INFORMATION ON THE PROPOSED SHAREHOLDERS' MANDATE**

### **2.1 Provisions under the Listing Requirements**

Pursuant to Paragraph 10.09(2) and Practice Note 12 of the Listing Requirements, a listed issuer may seek a shareholders' mandate for RRPT subject to the following:

- (a) the transactions are in the ordinary course of business and are on terms not more favourable to the related party than those generally available to the public;
- (b) the shareholders' mandate is subject to annual renewal and disclosure is made in the 2023IAR of the aggregate value of transactions conducted pursuant to the shareholders' mandate during the financial year where the aggregate value is equal to or more than the threshold prescribed under Paragraph 10.09(1) of the Listing Requirements;
- (c) the listed issuer's circular to shareholders for the shareholders' mandate includes the information as may be prescribed by Bursa Securities;
- (d) in a meeting to obtain the shareholders' mandate, the Interested Directors, Interested Major Shareholders and where it involves the interest of an Interested Person Connected, such Director or Major Shareholder, must not vote on the resolution in respect of the RRPT. An Interested Director or Interested Major Shareholder must also ensure that Persons Connected with him abstain from voting on the resolution in respect of the RRPT; and
- (e) the listed issuer immediately announces to Bursa Securities when the actual value of a RRPT entered into by the listed issuer or its subsidiaries, exceeds the estimated value of the RRPT disclosed in the circular by 10% or more and must include the information as may be prescribed by Bursa Securities in its announcement.

Transactions entered into between a listed issuer (or any of its wholly-owned subsidiaries) and its wholly-owned subsidiary are excluded from complying with the requirements under Chapter 10 of the Listing Requirements.

Where a shareholders' mandate pursuant to Paragraph 10.09(2) of the Listing Requirements has been procured, the provisions of Paragraph 10.08 of the Listing Requirements will not apply.

The Proposed Shareholders' Mandate, if approved by the shareholders at the 47<sup>th</sup> AGM, shall continue to be in force until:

- (a) the conclusion of the next AGM of the Company at which time it will lapse, unless the authority is renewed by a resolution passed at the next AGM;
- (b) the expiration of the period within which the next AGM of the Company after that date is required to be held pursuant to Section 340(2) of the Act (but must not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or
- (c) revoked or varied by resolution passed by the shareholders of the Company in a general meeting before the next AGM,

whichever is earlier.

KPS Berhad is proposing to seek its shareholders' approval for the Proposed Shareholders' Mandate pursuant to Paragraph 10.09 and Practice Note 12 of the Listing Requirements, to enable the Group to continue entering into the RRPT with the Related Parties.



## 2.2 Principal Activities of KPS Berhad

The principal activity of KPS Berhad is investment holding.

The details of KPS Berhad's subsidiary companies are set out in the table below:

Name of Company	Principal Activities	Proportion of Equity Interest (%)
<b>Held by the Company</b>		
BASB	Investment holding	100
NBSB	Investment holding	100
Perangsang Oil & Gas Sdn Bhd	Investment holding	100
PPSB	Investment holding	100
Viable Chip (M) Sdn Bhd	Investment holding	100
Cash Band	Investment holding	100
Perangsang Dinamik Sdn Bhd	Investment holding	100
Perangsang Capital Sdn Bhd	Investment holding and to undertake the establishment of Islamic Medium-Term Notes Programme and all matters relating thereto	100
Aqua-Flo	Trading in chemical products, water meters and laboratory monitoring equipment and disinfection system	51
KPS-HCM	Buildings and road construction, maintenance and rehabilitation	51
<b>Held by NBSB</b>		
SPT	Contractors and subcontractors for the laying of pipes for all kinds of constructional, structural and civil engineering works	64
<b>Held by PPSB</b>		
CBB	Investment holding and provision of management services	100
<b>Held by CBB</b>		
Eversynergy Sdn Bhd	Property holding	100
Multiview Enterprises Sdn Bhd	Sales and marketing of industrial packaging tapes, materials and machinery and household care products	100
Prestige Packages Sdn Bhd	Manufacturing and sale of multi-wall paper bags, woven laminated bags and pulp moulded products and food process packaging; and manufacture, process and trade in all kinds of food and	100

Name of Company	Principal Activities	Proportion of Equity Interest (%)
	beverage products including but not limited to coffee and sugar	
Pro Pulp Packages Sdn Bhd	Manufacturing and sales of pulp moulded products	100
Polyplus Packages Sdn Bhd	Manufacturing and sales of corrugated carton boxes	100
Polyplus Packages (JB) Sdn Bhd	Manufacturing and sales of corrugated carton boxes	100
<b>Held by Prestige Packages Sdn Bhd</b>		
Centoz Industries Sdn Bhd	Manufacturing and sales of paper products	80
Brandpak Industries Sdn Bhd	Manufacturing and marketing of stretch films, plastic bags and liners	100
PT. Prestige Packages Indonesia	Manufacturing and sales of cement paper bags	95
Esteem Packaging Pte Ltd	Trading in paper and plastic packaging products	80
<b>Held by Multiview Enterprise Sdn Bhd</b>		
Multiview Packaging Sdn Bhd	Manufacturing, marketing and trading of stretch film, shrink film, plastic bags, liners, industrial packaging tapes, edge protector, paper core, garbage bags and plastic related products	100
Multiview (S) Pte Ltd	Sales and marketing of household care products and packaging materials	100
Macro Chemicals Sdn Bhd	Contract manufacturing of adhesive and household care products	100
<b>Held by Polyplus Packages (JB) Sdn Bhd</b>		
Infinity Packaging Solution Sdn Bhd	Offset printing for corrugated carton boxes, pulp moulded products and packaging	51
Polyplus Packages (PG) Sdn Bhd	Manufacturing and sales of corrugated carton boxes and packaging	60
Taspack Industrial Sdn Bhd	Process and supply of instruction manual books, boxes and all other packing materials	85
PT. Infinity Packaging Solutions	Processing of packaging and boxes from paper and cardboard	51

Name of Company	Principal Activities	Proportion of Equity Interest (%)
<b>Held by Perangsang Dinamik Sdn Bhd</b>		
CPI (Penang) Sdn Bhd	Manufacturing, assembly and sale of electronic products and plastic moulded components and parts	100
Toyoplas Manufacturing (Malaysia) Sdn Bhd	Manufacturing, assembly and sale of plastic injection moulded components and tooling	100
MDS Advance Sdn Bhd	Manufacturer of machine parts	100
<b>Held by CPI (Penang) Sdn Bhd</b>		
PCM Manufacturing Sdn Bhd	Secondary processes including silk screening, spray printing and tempo printing	60
<b>Held by Toyoplas Manufacturing (Malaysia) Sdn Bhd</b>		
Toyoplas Holdings Pte Ltd	Investment holdings, traders and commission agents and provision of services	100
PT Toyoplas Manufacturing Indonesia	Producing semi-conductor and other electronics components, electronic measurement and test equipment, household electrical appliances, pump equipment and electrical tools	100
Toyoplas Manufacturing (HK) Co Ltd	Trading of precise plastic mould and electrical precision plastic accessories, electrical appliance and its accessories and telecommunication products	100
<b>Held by Toyoplas Holdings Pte Ltd</b>		
Toyoplas Manufacturing (Vietnam) Co Ltd	Production and sales of precise plastic mould and electrical appliance and its accessories, telecommunication products and provide after sales service	100
Toyoplas Manufacturing (Bac Giang) Co Ltd	Manufacturing and selling plastic injection moulding	100
<b>Held by Toyoplas Manufacturing (HK) Co Ltd</b>		
Toyoplas Manufacturing (Dongguan) Co Ltd	Production and sales of the precise plastic mould and electrical precision	100

Name of Company	Principal Activities	Proportion of Equity Interest (%)
	plastic accessories, electric appliance and its accessories, telecommunication products and provide after sales service	

**Note:-**

The above table does not include the subsidiaries of KPS Berhad which are/have been in liquidation, under receivership, under official assignee, disposed off, dormant and/or ceased operation as well as associates. For further details, please refer to notes 16 and 17 of the Company's Audited Financial Statements for the year ended 31 December 2023.

## 2.3 Information on Related Parties and Nature of Transactions

The classes and nature of transactions of the RRPT of KPS Berhad Group of which approval is being sought under the Proposed Shareholders' Mandate are as follows:

No.	Company within KPS Berhad Group	Transacting Related Parties	Nature of Transactions	Estimated Value for Proposed Shareholders' Mandate (from this 47 <sup>th</sup> AGM to the next AGM)# (RM'000)	Estimated Value as disclosed in the Circular to Shareholders dated 20 April 2023 (RM'000)	Actual Value Transacted (from the date of last AGM held on 30 May 2023 to the LPD)^ (RM'000)	Interested Related Parties	
							Name	Nature of Relationship
(a)	Aqua-Flo @	Air Selangor and/or any of its subsidiary, associated or affiliated companies (" <b>Air Selangor Group</b> ")	Supply and delivery of chemical products, water meters, goods and services, laboratory monitoring equipment and disinfection system in Selangor and Federal Territories of Kuala Lumpur and Putrajaya by Aqua-Flo to Air Selangor Group+	90,000	82,000	63,101	<p><i>Interested Major Shareholders</i></p> <ul style="list-style-type: none"> <li>• MBI</li> <li>• DEIG</li> </ul> <p><i>Interested Persons Connected</i></p> <ul style="list-style-type: none"> <li>• ASHB</li> <li>• Air Selangor</li> <li>• PKNS</li> <li>• TWNS</li> </ul>	<p>DEIG is a major shareholder of KPS Berhad with a direct shareholding of 57.88%. MBI is a holding company of DEIG.</p> <p>ASHB is a wholly-owned subsidiary of MBI.</p> <p>Air Selangor is a wholly-owned subsidiary of ASHB.</p> <p>PKNS is a substantial shareholder of KPS Berhad with direct shareholding of 5.52% and a person connected to DEIG.</p> <p>TWNS is a shareholder of KPS Berhad with a direct shareholding of 1.56% and a person connected to DEIG.</p>

No.	Company within KPS Berhad Group	Transacting Related Parties	Nature of Transactions	Estimated Value for Proposed Renewal of Existing Mandate (from this 47 <sup>th</sup> AGM to the next AGM) # (RM'000)	Estimated Value as disclosed in the Circular to Shareholders dated 20 April 2023 (RM'000)	Actual Value transacted (from the date of last AGM held on 30 May 2023 to the LPD)^ (RM'000)	Interested Related Parties	
							Name	Nature of Relationship
(b)	SPT*	Air Selangor	Laying of new pipes to replace existing pipes in Selangor and Federal Territories of Kuala Lumpur and Putrajaya by SPT to Air Selangor	1,500	1,500	302	<p><i>(continue)</i></p> <p><i>Interested Directors</i></p> <ul style="list-style-type: none"> <li>• Dato' Setia Haji Haris bin Kasim</li> <li>• Ts. Saipolyazan Mat Yusop</li> </ul> <p><i>Former Interested Director</i></p> <ul style="list-style-type: none"> <li>• Norita binti Mohd Sidek</li> </ul>	<p><i>(continue)</i></p> <p>Dato' Setia Haji Haris bin Kasim sits on the Boards of MBI, PKNS, Air Selangor and ASHB. He is the Chairman and a Non-Independent Non-Executive Director of KPS Berhad.</p> <p>Ts. Saipolyazan bin Mat Yusop sits on the board of MBI. He is also the Chief Executive Officer of MBI and a Non-Independent Non-Executive Director of KPS Berhad.</p> <p>Norita binti Mohd Sidek resigned as a Non-Independent Non-Executive Director of KPS Berhad on 22 March 2024. She was a board representative of MBI in KPS Berhad prior to her resignation. She sits on the Boards of DEIG and ASHB.</p>

No.	Company within KPS Berhad Group	Transacting Related Parties	Nature of Transactions	Estimated Value for Proposed Renewal of Existing Mandate (from this 47 <sup>th</sup> AGM to the next AGM) # (RM'000)	Estimated Value as disclosed in the Circular to Shareholders dated 20 April 2023 (RM'000)	Actual Value transacted (from the date of last AGM held on 30 May 2023 to the LPD)^ (RM'000)	Interested Related Parties	
							Name	Nature of Relationship
(c)	Aqua-Flo®	Sg. Harmoni	Sales of chemical products, laboratory & monitoring equipment and disinfection system by Aqua-Flo to Taliworks	20,000	20,000	14,779 <sup>&amp;</sup>	<i>Interested Major Shareholder</i>  Taliworks	Taliworks is a Major Shareholder of Aqua-Flo with direct shareholding of 24%. Sg. Harmoni is a wholly-owned subsidiary of Taliworks.

**Notes:**

- # The estimated value for the Proposed Shareholders' Mandate is based on Management's best estimate on the assumption that the current operations will continue, and all external factors remain constant. The estimated value may differ from actual results and is subject to change.
- + Pursuant to the Framework Agreement ("FA") dated 21 October 2021 entered into between Aqua-Flo and Air Selangor for a period of fourteen (14) months commencing from 1 November 2021 to 31 December 2022 for the supply and delivery of chemicals, goods and services as described in Section 2.3(a) above. Subsequently, on 19 August 2022, the FA was extended subject to the same terms, conditions and covenants contained in the FA for another twelve (12) months commencing from 1 January 2023 to 31 December 2023. A new FA dated 21 November 2023 was subsequently entered into between Aqua-Flo and Air Selangor for a period of two (2) years commencing from 1 January 2024 to 31 December 2025 for the supply and delivery of chemicals, goods and services as described in Section 2.3(a) above.  
  
Pursuant to FA dated 4 April 2022 entered into between Aqua-Flo and Air Selangor for a period of twelve (12) months commencing from 1 January 2022 to 31 December 2022 for the supply and delivery of water meters for new development, meter migration and replacement programme as described in Section 2.3(a) above. Subsequently, on 21 February 2023, Aqua-Flo entered into a new FA for a period of twenty-four (24) months commencing from 1 January 2023 to 31 December 2024 for the supply and delivery of water meters for new development, meter migration and replacement programme. A new FA dated 28 February 2024 was subsequently entered into between Aqua-Flo and Air Selangor for the supply and delivery of mechanical water meters for new development, migration and replacement programme for a period of three (3) years commencing from 1 March 2024 to 28 February 2027.
- @ Aqua-Flo is a 51%-owned subsidiary of KPS Berhad. The balance of 25% and 24% equity interests in Aqua-Flo is owned by Prismachem and Taliworks respectively. Neither Prismachem and Taliworks nor their directors and shareholders hold any shares in KPS Berhad.
- ^ The Actual Value transacted of the above transactions from the date on which the existing mandate was obtained (i.e. from the date of last AGM held on 30 May 2023) up to the LPD in respect of the Proposed Shareholders' Mandate did not exceed the Estimated Value by 10% or more.
- \* SPT is an indirect 64%-owned subsidiary of KPS. The balance 36% of the equity interest in SPT is owned by Smartpipe Holdings Sdn Bhd, an unrelated entity to KPS Berhad Group.
- & Actual value is based on sales of chemicals and other contracts with Sg. Harmoni.



The above transactions are necessary for KPS Berhad Group's day-to-day operations, in the ordinary course of business and on transaction prices and terms not more favourable to the Related Parties than those generally available to the public as well as not to the detriment of the minority shareholders of KPS Berhad Group.

The basis of arriving at the estimated value as indicated above is based on the value transacted during the financial year ended 31 December 2023 as well as the latest available information relating to these transactions. The value of these transactions may be subject to changes in the financial year ending 31 December 2024.

## 2.4 Amount due and owing to KPS Berhad Group by Related Parties

As of 31 December 2023, breakdown of the outstanding amount due and owing by the Related Parties to KPS Berhad Group under the RRPTs which exceeded the credit term given arising from the RRPTs as per Section 2.3 of this Circular are as follows:

No.	Related Parties	Outstanding amount due under RRPT which exceeded the credit term for the following periods as of 31 December 2023			
		1 year or less (RM'000)	More than 1 to 3 years (RM'000)	More than 3 to 5 years (RM'000)	More than 5 years (RM'000)
1.	Air Selangor Group	5,276	-	-	-
2.	Sg. Harmoni	1,233	-	-	-
	<b>Total</b>	<b>6,509</b>	-	-	-

However, the total outstanding amount due and owing by the Related Parties to KPS Berhad Group as of LPD, 26 March 2024 is RM10.05 million comprises RM8.28 million and RM1.77 million by Air Selangor Group and Sg. Harmoni, respectively.

No late payment charges were imposed on the outstanding amounts due and owing by Air Selangor Group and Sg. Harmoni to Aqua-Flo as our Board has reviewed the outstanding amounts and is of the opinion that the outstanding amounts were within the scope of normal business operations of the Group and are recoverable. In addition, the Company is of the view that the Related Parties are long-term business partners and have sound credit standing.

The Management of Aqua-Flo is in continued discussions with the Related Parties for settlement of the outstanding amounts due. Aqua-Flo has consistently received the payment from Air Selangor Group and Sg. Harmoni on monthly basis.

## 2.5 Review Procedures for the RRPT

The Group has established the following procedures and guidelines to ensure that RRPT is undertaken based on an arm's length basis and on normal commercial terms and transaction prices that are not more favourable to the Related Parties than those normally available to the public and are not to the detriment of the minority shareholders:

- (a) A list of the Related Parties that is maintained by the Secretarial Department is made available to all Head of Department and Head of Subsidiary within the KPS Berhad Group. The Finance Department shall monitor and ensure that all RRPT to be entered into by the Group are reported to the BAC for their recommendation to the Board. The list shall be updated annually, as and when there are changes.
- (b) At least two (2) other contemporaneous transactions with unrelated third parties for similar products/services and/or quantities will be used as a comparison, wherever possible, to determine whether the price and terms offered to/by the related parties are fair and reasonable and comparable to those offered to/by other unrelated third parties for the same or substantially similar type of products/services and/or quantities.

In the event that quotation and comparative pricing from unrelated parties cannot be obtained, and third-party consultation/evaluation is not available, the transaction price will be determined by the relevant committee i.e. Investment Evaluation Committee, Tender Board Committee based on the usual, business practices and policies to ensure that the RRPT is not detrimental to the KPS Berhad Group.

- (c) The RRPT is monitored every month by the Finance Department and is reported to the BAC on a quarterly basis. However, if at any point in time during the period, the Finance Department discovers that the RRPT threshold (as per the relevant provisions under the Listing Requirements) has been exceeded, the Finance Department will, as soon as practicable, report to the BAC.
- (d) Where any member of the BAC and/or Board ("Person(s)") has an interest (direct or indirect) in the RRPT to be reviewed, such Person(s) must declare his/her interest in the RRPT and abstain from deliberation and voting on the matter at the respective meeting in respect of such transactions.
- (e) Disclosure will be made in the 2023IAR of the Company of the actual breakdown of the aggregate value of transactions conducted based on the type of RRPT and the names of the Related Parties involved in each type of RRPT made and their relationship with the Company as required under Paragraph 3.1.5 of the Practice Note 12 of the Listing Requirements pursuant to the shareholders' mandate during the financial year. Disclosure will also be made in the 2023IARs for subsequent financial years during which the shareholders' mandate remains in force.
- (f) If the actual value of the RRPT entered into by the Group exceeds the estimated value of the RRPT disclosed in the circular to shareholders on the Proposed Shareholders' Mandate by 10% or more, the Company will make an immediate announcement to Bursa Securities.
- (g) The Internal Audit Department shall perform a review on a sampling basis to ensure that all RRPT are undertaken on an arm's length basis, on terms which are not more favourable to the Related Parties other than those generally available to the public as well as not to the detriment of the minority shareholders of the Group.

The Internal Audit Department shall report to the BAC on whether the RRPTs entered into by the Group were entered into at arm's length, fair and reasonable and not detrimental to the minority shareholders of the Company.

All RRPT shall be reviewed by the BAC on a quarterly basis. In the review of such transactions, the BAC may, as it deems fit, request for additional information from independent sources.

- (h) The BAC and the Board of Directors shall review the internal audit reports to ascertain that the guidelines and procedures established (as set out in paragraphs (a) to (f) above) to monitor RRPT have been complied with. The review shall be done on a quarterly basis.

## **2.6 Threshold for Approval of RRPT within KPS Berhad Group**

The specific thresholds for approval of RRPT within the Group are as follows:

### **2.6.1 At KPS Berhad**

2.6.1.1 Amount of RM500,000.00 and below:

Proposed by	Recommended by	Approved by
Head of Department	Head of Finance/Deputy Chief Executive Officer (Finance & Corporate Services) (“ <b>DCEOFCS</b> ”) after reviewing and verifying by Internal Auditors	Managing Director/Group Chief Executive Officer (“ <b>MD/GCEO</b> ”)

2.6.1.2 Amount above RM500,000.00:

Condition	Proposed by	Recommended by	Approved by
Above RM500,000 to RM1 million	Head of Department	Investment Evaluation Committee/Tender Evaluation Committee (“ <b>IEC/TEC</b> ”) ^^ and BAC	Board
More than RM1.0 million – to seek shareholders’ mandate at the AGM	Head of Department	IEC/TEC^^ and BAC	<ul style="list-style-type: none"> <li>• Board; and</li> <li>• Shareholders</li> </ul>

2.6.2 At subsidiaries

2.6.2.1 Amount of RM500,000.00 and below:

Proposed by	Approved by
Head of Subsidiaries (“ <b>HOS</b> ”) in consultation with EXCO	Board of Subsidiary

### 2.6.2.2 Amount above RM500,000.00:

Condition	Proposed by	Approved by	Recommended by	Approved by
Above RM500,000 to RM1 million	HOS in consultation with EXCO	Board of subsidiary, subject to KPS Berhad Board's approval	KPS Berhad IEC/TEC <sup>^^</sup> and BAC	KPS Berhad's Board
More than RM1.0 million – to seek shareholders' mandate at the AGM	HOS in consultation with EXCO	Board of subsidiary, subject to KPS Berhad Board's approval	KPS Berhad IEC/TEC <sup>^^</sup> and BAC	<ul style="list-style-type: none"> <li>• KPS Berhad's Board; and</li> <li>• KPS Berhad's Shareholders</li> </ul>

*Note:*

<sup>^^</sup> *The IEC/TEC comprises MD/GCEO as Chairperson, Deputy Chief Executive Officer (Finance & Corporate Services), Deputy Chief Executive Officer (Strategy & Investments), one (1) representative each from Risk Management Department, Legal and Compliance Department and Finance Department. For investment related proposals, all personnel of Strategic Planning & Investments Department other than the project owner. For procurement related proposals, one (1) representative from Human Resource Development Department and Facilities Management and Administration Department.*

## 2.7 Statement by the BAC

The BAC of the Company has reviewed the procedures set out in Section 2.5 above and is of the view that the said procedures are sufficient to ensure that all RRPT are conducted on an arm's length basis, on transaction prices and terms not more favourable to the Related Parties than those generally available to the public and are not to the detriment of the minority shareholders. Any interested member of the BAC has not been involved in the review of the RRPT.

The BAC is also of the view that KPS Berhad Group had put in place adequate procedures and processes to monitor, track and identify RRPT in a timely and orderly manner. The BAC will review the procedures and processes annually or whenever the need arises.

## 2.8 Rationale and Benefit for the Proposed Shareholders' Mandate

The RRPT envisaged under the Proposed Shareholders' Mandate is in the ordinary course of business of KPS Berhad Group. They are recurring transactions of a revenue or trading nature which are likely to occur with some degree of frequency and arise at any time and from time to time. The transactions may be constrained by the time-sensitive nature and confidentiality of such transactions, and it may be impractical to seek shareholders' approval on a case-by-case basis before entering into such RRPT.

As such, the Board is seeking a shareholders' mandate pursuant to Paragraph 10.09 of the Listing Requirements for the RRPT described herein to allow the Group to enter into such

recurrent transactions where the transaction prices are undertaken on an arm's length basis and on normal commercial terms not more favourable to the Related Parties than those generally available to the public and are not prejudicial to the interests of the minority shareholders.

By obtaining the Proposed Shareholders' Mandate on an annual basis, the necessity to convene separate general meetings from time to time to seek shareholders' approval as and when such RRPT occur would not arise. This would reduce substantial administrative time, inconvenience and expenses associated with the convening of such meetings, without compromising the corporate objectives of the Group or adversely affecting the business opportunities available to the Group.

The Related Parties which are involved in the RRPT have long-standing relationship with KPS Berhad Group and where applicable, have proven their reliability. The RRPT entered into by KPS Berhad Group as detailed in Section 2.3 will meet KPS Berhad Group's business needs in the best possible terms and is in the best interest of KPS Berhad Group.

## 2.9 Financial Effects of the Proposed Shareholders' Mandate

The Proposed Shareholders' Mandate will have no effect on the total number of issued share capital and substantial shareholders' shareholdings of KPS Berhad. It is also not expected to have any material effect on the net assets per share and earnings per share of the KPS Berhad Group.

## 2.10 Interests of Directors, Major Shareholders and/or Persons Connected to them

As of the LPD, the details of the direct and indirect shareholdings of the Interested Directors and Major Shareholders and Persons Connected with them are set out in Section 2.3 of this Circular and the table below:

	Direct		Indirect	
	No. of Shares	% <sup>(1)</sup>	No. of Shares	% <sup>(1)</sup>
<b>Interested Directors</b>				
Dato' Setia Haji Haris bin Kasim	-	-	-	-
Ts. Saipolyazan bin Mat Yusop	-	-	-	-
<b>Former Interested Directors</b>				
Norita binti Mohd Sidek	-	-	-	-
<b>Major Shareholders</b>				
MBI	-	-	-	-
DEIG	311,023,454 <sup>(2)</sup>	57.88	-	-
<b>Interested Persons Connected</b>				
Air Selangor	-	-	-	-
PKNS	29,675,038	5.52	-	-
TWNS	8,709,668	1.62	-	-

Notes:

<sup>(1)</sup> Based on number of issued shares as of LPD of 537,385,383 Ordinary Shares.

<sup>(2)</sup> MBI is deemed interested by virtue of its interest in DEIG pursuant to Section 8 of the Act.

Save as disclosed above, none of the Directors, Major Shareholders and/or Persons Connected to them has any interest, direct or indirect, in the Proposed Shareholders' Mandate.

The BAC had on 22 March 2024, reviewed and recommended the RRPT under the Proposed Shareholders' Mandate for Board's consideration. The Interested Directors namely, YB Dato' Setia Haji Haris bin Kasim and Puan Norita binti Mohd Sidek have abstained and will continue to abstain from Board deliberation and voting in respect of the relevant RRPT under the Proposed Shareholders' Mandate at the Board meeting held on 26 March 2024 and subsequent Board meeting (if any).

The Interested Directors, Interested Major Shareholders namely, MBI and DEIG and/or Interested Persons Connected will abstain from voting in respect of their direct and indirect shareholdings on the Proposed Shareholders' Mandate at the forthcoming 47<sup>th</sup> AGM.

The Interested Directors and Interested Major Shareholders have also undertaken to ensure that the Interested Person Connected to them will abstain from voting in respect of their direct and indirect shareholdings on the Proposed Shareholders' Mandate at the forthcoming 47<sup>th</sup> AGM.

### 3. DIRECTORS' RECOMMENDATION

The Directors (save for the Interested Directors), having considered the Proposed Shareholders' Mandate including the rationale and benefit for the Proposed Shareholders' Mandate, are of the opinion that the Proposed Shareholders' Mandate is in the best interest of the Company and recommends that you vote in favour of the resolution pertaining to the Proposed Shareholders' Mandate to be tabled at the forthcoming 47<sup>th</sup> AGM.

### 4. APPROVAL REQUIRED

The Proposed Shareholders' Mandate is subject to approval being obtained from our shareholders at the forthcoming 47<sup>th</sup> AGM.

### 5. 47<sup>th</sup> AGM

The 47<sup>th</sup> AGM of KPS Berhad, the Notice of which is set out in the 2023IAR of KPS Berhad accompanying this Circular, will be conducted fully virtual through live streaming and online voting via the **RPEV** facilities at <https://investor.boardroomlimited.com/> from the Broadcast Venue at KPS Berhad Corporate Office, 17<sup>th</sup> Floor, Plaza Perangsang, Persiaran Perbandaran, 40000 Shah Alam, Selangor Darul Ehsan on **Monday, 27 May 2024 at 10.00 a.m.** for the purpose of considering and, if thought fit, passing a resolution pertaining to the Proposed Shareholders' Mandate as described herein.

The Form of Proxy must be lodged at the Company's share registrar, Boardroom Share Registrars Sdn Bhd ("**Boardroom**")'s office at 11<sup>th</sup> Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia, or alternatively, to submit your electronic Proxy Form via Boardroom Smart Investor Portal at <https://investor.boardroomlimited.com> **not later than 48 hours before the time set for holding the meeting**. Please refer to the procedures on submission of the Proxy Form in the Administrative Details.

### 6. FURTHER INFORMATION

You are advised to refer to the attached **Appendix I** for further information.

Yours faithfully

**For and on behalf of the Board of  
KUMPULAN PERANGSANG SELANGOR BERHAD**

**DATUK SYED IZUAN BIN SYED KAMARULBAHRIN**  
Independent Non-Executive Director

## FURTHER INFORMATION

### 1. DIRECTORS' RESPONSIBILITY STATEMENT

This Circular has been seen and approved by the Directors of KPS Berhad who, individually and collectively, accept full responsibility for the accuracy of the information contained in this Circular and confirm that, after making all reasonable enquiries and to the best of their knowledge and belief, there are no other facts the omission of which would make any statement in this Circular misleading.

### 2. MATERIAL LITIGATION

Saved as disclose below neither KPS Berhad nor its subsidiaries are involved or engaged in any material litigation, claims or arbitration, either as plaintiff or defendant, and the Directors of KPS Berhad do not have any knowledge of any proceedings, pending or threatened against KPS Berhad and/or any of its subsidiary companies or of any fact likely to give rise to any proceedings which may materially and adversely affect the financial position or business of KPS Berhad and/or its subsidiary companies:

- (a) **Writ of summons and statement of claim received from 39 former employees of Quality Hotel City Centre ("QHCC"), being the hotel owned by Perangsang Hotel and Properties Sdn Bhd ("PHP"), an indirect wholly-owned subsidiary of KPS Berhad, against (1) PHP, (2) KPS Berhad and (3) Leo Hospitality Sdn Bhd (in liquidation) ("Leo")**

On 25 May 2022, PHP and KPS Berhad received a letter dated 24 May 2022 from the solicitors representing 39 former employees of QHCC. QHCC is a 15-storey hotel formerly owned and operated by PHP, located at No. 21 Jalan Raja Laut, 50750 Kuala Lumpur.

Leo was credible to fulfil its obligation as the new employer, and thereof demanding for loss of retrenchment benefits totaling RM2,777,952.21 ("**Amount**"); interest at the rate of 5% per annum on the Amount from 19 March 2018 or from such other date as determined by the High Court; and other relief as the High Court deems fit.

However, pursuant to a change of business direction, it was decided by the Board of PHP for PHP to exit the hospitality sector and accordingly, QHCC has ceased its operations in 2017. Thereafter, all employees of QHCC including the Plaintiffs were offered employment and/or absorbed by Leo, the company that took over the hotel operations of QHCC, on similar terms and conditions.

On 15 May 2019, Leo has been wound up vide Kuala Lumpur High Court ("**High Court**") Winding-Up Suit No. WA28NCC-207-03/2019. KPS Berhad and PHP filed the Memorandum of Appearance in the High Court on 8 June 2022. Subsequently, on 20 June 2022, the High Court directed PHP and KPS to file their respective Statement of Defence by 4 July 2022 and for the Plaintiffs to file their Reply by 18 July 2022.

On 4 July 2022, PHP and KPS Berhad filed their Statement of Defence and the High Court has fixed a case management to be on 20 July 2022. On 29 July 2022, KPS Berhad and PHP received the Plaintiffs' Reply and the High Court fixed the case management to be on 18 August 2022.

On 4 August 2022, considering the facts of the Claim, and upon obtaining legal advice from our appointed solicitor, KPS Berhad and PHP filed a striking-out application together with affidavit in support against the Plaintiffs' action ("**Striking Out Application**") on the grounds that the Plaintiffs' action against KPS Berhad and PHP is an abuse of the process of the court and ought to be struck out. KPS Berhad and PHP received the Plaintiffs' Affidavit in Reply on 26 August 2022 and the High Court fixed the

matter for case management on 19 September 2022.

On 19 September 2022, the High Court directed for all parties to file their respective written submission for the Striking Out Application by 19 October 2022, reply to the said written submission by 9 November 2022, and fixed the hearing for the Striking Out Application to be on 14 December 2022 which was postponed to 2 March 2023. The Striking Out Application was heard on 2 March 2023 and the decision by the High Court will be delivered on 11 April 2023.

On 11 April 2023, the Court has allowed the Plaintiffs to submit further submission by 25 April 2023; and KPS Berhad and PHP to file their submission in reply by 3 May 2023. The Court further fixed the hearing and decision of the Striking Out Application on 16 May 2023.

On 16 May 2023, the Court dismissed KPS Berhad and PHP's Striking Out Application with a global cost of RM7,000.00 and granted judgement in default against Leo. The Court has further fixed the trial dates from 17 to 20 June 2024.

At the final case management held on 9 October 2023, the Court rescheduled the trial dates from 17- 20 June 2024 to 24 - 27 February 2025 to enable all parties to strictly comply with all directions given by the Court.

**(b) Writ of Summons and Statement of Claim Filed at Shah Alam High Court of Malaysia Received from (1) Tan Kok Heong, (2) Tan Kok Cheng and (3) Tan Kok Gea (Plaintiffs) Against (1) Menteri Besar Selangor, (2) Kerajaan negeri Selangor, (3) KPS Berhad, and (4) Pentadbir Tanah Daerah Kuala Langat (Defendants)**

On 14 November 2024, KPS Berhad received a letter from the solicitors representing the Plaintiffs accompanied by a sealed Amended Writ dated 10 November 2023 and Statement of Claim ("**Claim**") dated 6 November 2023 issued by the Shah Alam High Court ("**High Court**") (collectively "**First Suit**") demanding inter-alia, the following Claim:

- (i) Declaration that the Plaintiffs are the previous landowners of Hakmilik C.T. 21341, Lot 3322, Mukim Tanjong Dua Belas, Daerah Kuala Langat, Negeri Selangor measuring land areas of approximately 4.331 acres ("Land 21341") and Hakmilik C.T. 21331, Lot 3312, Mukim Tanjong Dua Belas, Daerah Kuala Langat, Negeri Selangor measuring land areas of approximately 4.875 acres ("Land 21331") (Land 21331 and Land 21341 collectively referred to as "Lands") which were part of the mining scheme under KPS Berhad at Brooklyn and Sungai Kelambu, Banting, Selangor;
- (ii) Declaration that the Land Replacement Agreement (Perjanjian Penggantian Tanah) issued by 1st and 2nd Defendants to the Plaintiffs are valid;
- (iii) Declaration that the Defendants have breached the trust and repudiated the Land Replacement Agreement as the Defendants failed to give the replacement lands to the Plaintiffs;
- (iv) Damages compensation for the two lands to the Plaintiffs based on market rate as of the date of judgement; or in the alternative, based on the previous land assessments made by the Inland Revenue Board;
- (v) General damages;
- (vi) Interest in the rate of 5% per annum on the damages compensation under paragraph (iv) above from 10 November 2023 until the final settlement date;
- (vii) Cost and other related cost; and
- (viii) Other relief(s) as the High Court deems fit.

The 1<sup>st</sup> and 2<sup>nd</sup> Plaintiffs are alleging that the Lands were previously owned by their deceased parents, namely Ang Kua and Tan Hooy. The 3<sup>rd</sup> Plaintiff is alleging that he is appointed administrator of the deceased parents.



The Plaintiffs decided to amend its First Suit to include new parties, and as such has withdrawn the First Suit as per the Notice of Discontinuance dated 13 November 2023.

On 4 January 2024, KPS Berhad received a letter dated 4 January 2024 from the solicitors representing the Plaintiffs accompanied by a sealed Writ dated 22 December 2023 and Statement of Claim ("**Claim**") dated 22 December 2023 issued by the **High Court** (collectively "**Second Suit**")

This Second Suit arose from the First Suit and save for the fact that the Second Suit includes Kerajaan Negeri Selangor, the Plaintiffs are demanding similar claims against the Defendants as claimed in the First Suit.

Other than KPS Berhad, the Defendants of this Second Suit also includes Menteri Besar Selangor, Kerajaan Negeri Selangor and Pentadbir Tanah Daerah Kuala Langat.

At the case management held on 23 January 2024, the Court gave the following directions:-

- (i) The Defendants are to file their respective Defence on or before 22 February 2024;
- (ii) The Plaintiffs are to file their Reply to Defence on or before 19 March 2024; and
- (iii) The next case management is scheduled on 20 March 2024 for the Court to give pre-trial case management directions.

KPS Berhad has filed its Statement of Defence on 22 February 2024.

On 20 March 2024, the Company has received the Plaintiffs' Reply to Defence dated 19 March 2024.

At the case management which was fixed on 20 March 2024 and only concluded on 21 March 2024, the Court has scheduled the next case management on 25 April 2024 for the respective parties to inform the Court of their intention in mediating the Suit, if any.

### **3. MATERIAL CONTRACTS**

Save as disclosed below, there are no other material contracts, not being contracts entered into in the ordinary course of business, have been entered into by KPS Berhad and/ or its subsidiaries within the two (2) years immediately preceding the date of this Circular, being the LPD prior to printing of this Circular:

**(a) Purchase of Leasehold Land held under PN 38494, Lot 77185, Mukim Senai, Daerah Kulai, Negeri Johor ("Property")**

Prestige Packages Sdn Bhd (as Purchaser) had on 23 December 2020 entered into a Sale and Purchase Agreement with Durapower Sdn Bhd (as Vendor) for the purchase of the Property measuring approximately 0.4047 hectares including the building erected on it at a total cash consideration of RM4.2 million. This transaction has been completed on 6 July 2022.

**(b) Acquisition of 100% Equity Interest in MDS Advance Sdn Bhd ("MDS") by Perangasng Dinamik Sdn Bhd ("PDSB" or "Purchaser"), a wholly owned subsidiary of KPS Berhad for a total cash consideration of RM85,000,000.00 ("Acquisition")**

PDSB had on 1 December 2022, entered into a conditional share sale agreement with Gan Lian Ban and Chuah Mooi Kheng whereby PDSB had agreed to acquire 500,000 ordinary shares in MDS, representing 100% of the issued share capital of MDS for a total cash consideration of RM85,000,000.00 ("**SSA**"), upon the terms and conditions contained in the SSA.

MDS was incorporated on 17 March 2015 and began its operations in Bukit Mertajam,

Penang. MDS provides high precision computerised numerical control metal machining encompassing metal cutting and milling, and currently serves predominantly the healthcare, electronics, semiconductors as well as the aerospace industries comprising of various corporate client groups/ brands which are market leaders and/or multi-national companies.

The Acquisition has been completed on 13 January 2023 in accordance with the terms and conditions of the SSA.

(c) **Framework Agreement entered into between Aqua-Flo and Air Selangor for the Supply and Delivery of various Water Treatment Chemicals to Air Selangor's Water Treatment Plants from 1 January 2024 to 31 December 2025**

On 21 November 2023, Aqua-Flo entered into a Framework Agreement ("FA") with Air Selangor for the supply and delivery of chemicals ("Supply") to Air Selangor's water treatment plants for a period of two (2) years from 1 January 2024 to 31 December 2025 ("Expiry Date") for a total estimated contract sum of RM162,181,050.00 ("Estimated Contract Sum") ("collectively referred to as "Contract").

Air Selangor and Aqua-Flo ("**Parties**") may renew the FA for such further term to be mutually agreed by giving not less than one month notice in writing prior to the expiry of the Contract Period or the Extended Contract Period and thereafter, the Parties may as soon as reasonably practicable negotiate and mutually agree on the terms and conditions of such renewal in writing.

(d) **Proposed Divestment by Bold Approach Sdn Bhd, a Wholly-Owned Subsidiary of KPS Berhad ("Bold Approach"), of Its 50.00% Equity Interest In Kaisercorp to AI Dream (HK) Limited ("AI Dream" Or "Purchaser") For A Cash Consideration ("Proposed Divestment")**

KPS Berhad, Bold Approach and Yeoh Jin Hoe ("**YJH**") had on 9 January 2024 entered into a conditional share sale agreement with AI Dream ("**SSA**") for the following:

- (i) the divestment by Bold Approach of 44,618,685 ordinary shares in Kaisercorp ("**Bold Approach Sale Shares**"), representing its 50.00% equity interest in Kaisercorp to AI Dream for a cash consideration; and
- (ii) the divestment by YJH, who is a director and shareholder of Kaisercorp, of 26,771,211 ordinary shares in Kaisercorp ("**YJH Sale Shares**"), representing his 30.00% equity interest in Kaisercorp to AI Dream for a cash consideration ("**YJH Disposal**"),

for a cash consideration to be determined from the base amount of USD100.00 million\*, subject to adjustments as set out in the SSA.

(\*The exchange rate of USD1.00: RM4.6505, being Bank Negara Malaysia's middle exchange rate as at 5:00 p.m. on 5 January 2024 had been used in the announcement dated 9 January 2024.)

**The Bold Approach Sale Shares** and the **YJH Sale Shares** shall be collectively referred to as ("**Sale Shares**").

The **Sale Shares** shall be disposed by Bold Approach and YJH free from all encumbrances together with all rights, benefits and entitlements which may be declared, made or paid, on or after the completion of the Proposed Divestment and the YJH Disposal ("**Completion**").

Following the completion of the Proposed Divestment, Kaisercorp will cease to be a subsidiary of Bold Approach and Bold Approach will be holding 10.00% equity interest in Kaisercorp.

Completion shall take place on the 10<sup>th</sup> business day or such other day to be agreed by Bold Approach, YJH and AI Dream following the fulfillment or waiver of the conditions precedent of the SSA.

The Proposed Divestment was completed on 20 March 2024 in accordance with the terms and conditions of the SSA for a cash consideration of USD57,463,605.00.

**(e) Proposed Disposal of Property - Plaza Perangsang by Kumpulan Perangsang Selangor Berhad to Perbadanan Kemajuan Negeri Selangor for a total cash consideration of RM46,000,000.00 ("Proposed Disposal")**

On 29 February 2024, Kumpulan Perangsang Selangor Berhad ("KPS Berhad") entered into a conditional sale and purchase agreement ("Agreement") with Perbadanan Kemajuan Negeri Selangor ("PKNS") to dispose a 26-storey tower block with 4-storey podium block and 3-storey basement car park known as "Plaza Perangsang" erected on part of the land held under H.S.(D) 92260, Lot PT 6, Bandar Shah Alam, Daerah Petaling, Selangor Darul Ehsan and bearing postal address at Plaza Perangsang, Persiaran Perbandaran, 40000 Shah Alam, Selangor Darul Ehsan ("Property") for a total cash consideration of RM46,000,000.00 ("Disposal Price") (hereinafter referred to as "Proposed Disposal"). As at to-date, 10% of the Disposal Price has been paid by PKNS and the balance 90% shall be paid within thirty (30) days from the Unconditional Date.

The Proposed Disposal has yet to be completed subject to two (2) conditions precedent to be completed as follows:

- (i) PKNS to obtain the approval from Ministry of Economy pursuant to the Guideline on The Acquisition of Properties (Effective 1 March 2014) issued by the Economic Planning Unit, Prime Minister Department (the role and function which are now assumed by Ministry of Economy); and
- (ii) KPS Berhad to obtain the State Authority Approval pursuant to the restriction in interest endorsed on the document of title of the Property.

The Proposed Disposal is expected to be completed by the Third Quarter of 2024 (3Q2024).

#### **4. DOCUMENTS AVAILABLE FOR INSPECTION**

Copies of the following documents will be available for inspection at the registered office of KPS Berhad at 17<sup>th</sup> Floor, Plaza Perangsang, Persiaran Perbandaran, 40000 Shah Alam, Selangor Darul Ehsan, during normal business hours from the date of this Circular to the date of the 47<sup>th</sup> AGM:

- (a) Constitution of the Company;
- (b) Audited consolidated financial statements of KPS Berhad for the past (2) financial years ended 31 December 2022 and 31 December 2023;
- (c) Material contracts referred to in Section 3 of **Appendix I** above; and
- (d) The relevant cause papers in relation to material litigation referred to in Section 2 of **Appendix I** above.