

## KUMPULAN PERANGSANG SELANGOR BERHAD

(Registration No. 197501002218/ 23737-K)

(Incorporated in Malaysia)

Minutes of the Extraordinary General Meeting (“EGM”) of Kumpulan Perangsang Selangor Berhad (“KPS Berhad or the Company”) held virtually from the Broadcast Venue at KPS Berhad Corporate Office, 17<sup>th</sup> Floor, Plaza Perangsang, Persiaran Perbandaran, 40000 Shah Alam, Selangor Darul Ehsan and via the Boardroom Smart Investor Portal at <https://investor.boardroomlimited.com> on Wednesday, 6 March 2024 at 10.00 a.m.

Present live streaming via Boardroom Smart Investor Portal at <https://investor.boardroomlimited.com> with Remote Participation and Electronic Voting (“RPEV”) facilities : **Members, Corporate Representatives and Proxies**

As per the Attendance List in **Appendix 1**.

Present at KPS Berhad Corporate Office : **Board of Directors (“Board”)**

- 1) YB Dato’ Setia Haris bin Kasim (“Dato’ Chairman”)
- 2) Encik Ahmad Fariz bin Hassan, *Managing Director/ Group Chief Executive Officer (“MD/GCEO”)*

Present via Ms Teams platform : 1) Puan Norita binti Mohd Sidek, *Non-Independent Non-Executive Director*

- 2) Puan Norliza binti Kamaruddin, *Independent Non-Executive Director (“INED”)*
- 3) Ms Sharmila Sekarajasekaran, *INED*
- 4) YBhg Datuk Syed Izuan bin Syed Kamarulbahrin, *INED*

Absent with apology : 1) Dato’ Ikmal Hijaz bin Hashim, *INED*

- 2) Dato’ Noorazman bin Abd Aziz, *INED*

Present at KPS Berhad Corporate Office : **Management**

- 1) Puan Suzila binti Khairuddin, *Deputy Chief Executive Officer, Finance and Corporate Services*
- 2) Encik Azlan bin Abd Jalil, *Deputy Chief Executive Officer, Strategy & Investments*
- 3) Puan Selfia binti Muhammad Effendi, *Company Secretary (“Company Secretary”)*

### **Advisers, Solicitors and External Auditors**

Present by invitation via MS Teams platform : 1) Mr. Tommy Har, Head/Director, *RHB Investment Bank Berhad (“RHB Investment”)*

- 2) Ms. Chen Poh Ping, *Director, RHB Investment*
- 3) Datin Seet Hooi Ping, Partner, *Messrs. Albar & Partner (“Albar”)*
- 4) Ms. Koo Swee Lin, *Audit Partner from Messrs. BDO PLT (“BDO”), the Company’s External Auditor.*

**1. CHAIRMAN**

YB Dato' Setia Haris bin Kasim ("Dato' Chairman") presided as Chairman of the EGM ("Meeting").

**2. NOTICE OF MEETING**

The notice convening the Meeting, having been circulated earlier to all members of the Company via e-communication and duly advertised in "The Star" within the prescribed period, was taken as read.

**3. QUORUM**

On behalf of the Board and Management, Dato' Chairman welcomed all shareholders and invited guests who were present remotely from various locations through live streaming to the EGM of KPS Berhad.

Thereafter, upon confirmation by the Company Secretary on the presence of the requisite quorum, Dato' Chairman called the Meeting to order at 10.00 a.m.

**4. POLLING**

Dato' Chairman informed the meeting that in accordance with Paragraph 8.29A of the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities"), the resolution outlined in the Notice of EGM would be voted on electronically via poll using the RPEV facilities.

He added that Boardroom has been appointed as Poll Administrator to assist with the polling process, and Sky Corporate has been appointed as Independent Scrutineer to verify the results.

To ease voting using RPEV facilities, online remote voting will be accessible from the onset of the EGM until a time to be announced later. Dato' Chairman invited the Boardroom to broadcast the video tutorial on the voting procedure and how to raise questions at the meeting through the RPEV application.

Dato' Chairman thanked the Boardroom for the video tutorial and proceeded with the agenda for the meeting.

**5. PROPOSED DIVESTMENT BY BOLD APPROACH SDN BHD ("BOLD APPROACH"), A WHOLLY-OWNED SUBSIDIARY OF KPS BERHAD, OF ITS 50.00% EQUITY INTEREST IN KAISERKORP CORPORATION SDN BHD ("KAISERKORP") TO AI DREAM (HK) LIMITED ("AI DREAM") FOR A CASH CONSIDERATION ("PROPOSED DIVESTMENT")**

Dato' Chairman proceeded with the agenda of the meeting in relation to the above Proposed Divestment.

Without further ado, Dato' Chairman called upon Ms. Chen Poh Ping ("Ms. Chen"), Principal Adviser from RHB Investment Bank Berhad ("RHB IB"), joined the meeting virtually to advise the shareholders in respect of the Proposed Divestment details of which was attached as **Appendix 2** of the Minutes.

Ms. Chen briefed the following salient points of the presentation to the shareholders, which were noted:

- i) The objective of the proposal was to seek approval from the shareholders of KPS Berhad for the Proposed Divestment, as summarised below:

<b>Proposed Divestment</b>	<ul style="list-style-type: none"> <li>➤ Proposed divestment by Bold Approach of its 50.00% equity interest in Kaisercorp Corporation Sdn Bhd (“<b>Kaisercorp</b>”) to AI Dream for a cash consideration (“<b>Proposed Divestment</b>”)</li> <li>➤ Upon 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</li> </ul>
<b>Purchaser</b>	<ul style="list-style-type: none"> <li>➤ AI Dream (HK) Limited (“<b>AI Dream</b>”)</li> </ul>
<b>Vendor</b>	<ul style="list-style-type: none"> <li>➤ Bold Approach Sdn Bhd, a wholly-owned subsidiary of KPS Berhad (“<b>Bold Approach</b>”)</li> </ul>
<b>Approvals required</b>	<ul style="list-style-type: none"> <li> Shareholders of KPS Berhad</li> <li> Any other relevant authority and/ or party, if required</li> </ul>

- ii) Illustration of the Provisional Sale Considerations

The provisional sale consideration for 50.00% equity interest in Kaisercorp is RM265.48 million (“Provisional Sale Consideration”); details are as follows:

Computed based on the exchange rate of USD1.00: RM4.6505	
<ul style="list-style-type: none"> <li>➤ The Provisional Sale Consideration has been computed based on the unaudited consolidated financial statements of Kaisercorp for FPE 30 September 2023 and on the assumption that there are no (i) adjustment to the consolidated working capital of Kaisercorp and (ii) any leakage, as shown below:</li> </ul>	
	<b>RM' million</b>
Base amount of USD100 million	465.05
<b>Add</b> : Consolidated net cash of Kaisercorp as at 30 September 2023	65.90
	530.96
Multiplied by 50% equity interest in Kaisercorp	50.00%
<b>Provisional Sale Consideration</b>	<b>265.48</b>
<ul style="list-style-type: none"> <li>➤ The Provisional Sale Consideration translates into RM530.96 mil for a 100.00% equity interest in Kaisercorp (“<b>100% Provisional Sale Consideration</b>”)</li> </ul>	

iii) Details of the Proposed Divestment

Basis in arriving at the Sale Consideration	Justification for the Sale Consideration
<ul style="list-style-type: none"> <li>➤ Al Dream offered a base amount of USD 100 million to acquire (i) Bold Approach's 50.00% equity interest in Kaisercorp and (ii) Yeoh Jin Hoe's 30.00% equity interest in Kaisercorp, subject to adjustments as set out in the share sale agreement</li> <li>➤ The Sale Consideration was agreed on a "willing buyer-willing seller basis" after taking into consideration the implied multiples of:                             <ul style="list-style-type: none"> <li>• P/E of 22.14x<sup>(1)</sup>; and</li> <li>• EV/EBITDA of 12.66x<sup>(2)</sup></li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>➤ Implied multiples <b>fall within the range of comparable companies</b> <sup>(3)</sup> <ul style="list-style-type: none"> <li>• P/E range : 16.85x to 22.38x</li> <li>• EV/EBITDA range : 9.94x to 15.18x</li> </ul> </li> <li>➤ 100% Provisional Sale Consideration of <b>RM530.96 million represents a premium (ranging from 259.19% to 389.10%)</b> to the historical consolidated net assets ("NA") of Kaisercorp</li> <li>➤ Provisional Sale Consideration of <b>RM265.48 million is expected to generate a return of investment ("ROI") of c. 272.19%</b></li> <li>➤ <b>Estimated gain of RM117.43 million</b> from the Proposed Divestment</li> </ul>

Notes:

- (1) Computed based on 100% Provisional Sale Consideration divided by the profit after tax ("PAT") of Kaisercorp and its subsidiaries ("Kaisercorp Group") of RM23.98 million for the FYE 2022
- (2) Computed based on the implied enterprise value ("EV") of approximately RM465.05 million divided by earnings before interest, taxes, depreciation and amortization ("EBITDA") of the Kaisercorp Group at 31 December 2022 of RM36.74 million
- (3) Please refer to Appendix I for computation of the implied multiples and comparable companies

iv) Rationale and Benefits of the Proposed Divestment

**Provide an opportunity for KPS Berhad Group to monetise its 50.00% investment in Kaisercorp**



- Recognise an estimated gain of RM117.43 million
- Generate a ROI of c. 272.19% from the cost of investment



- Raise immediate funds of RM265.48 million to be used for the below:

	Timeframe	RM' million
Repay borrowings <sup>(1)</sup>	Within 12 months	184.00 (69.31%)
Working capital <sup>(2)</sup>	Within 36 months	56.40 (21.24%)
Special dividend <sup>(3)</sup>	Within 12 months	24.20 (9.12%)
Defray estimated expenses	Within 12 months	0.88 (0.33%)
<b>Provisional Sale Consideration</b>		<b>265.48 (100%)</b>

Notes:

- (1) The repayment of borrowings of RM184 million is expected to result in profit/interest savings of approximately RM9.35 million per annum
  - (2) Comprises, amongst others, payment of staff-related expenses, zakat and other expenses
  - (3) The special dividend represents approximately 4.5 sen per KPS Berhad Share (computed based on 537,385,383 KPS Berhad Shares in issue)
- If the actual gross proceeds to be received from the Proposed Divestment is different from the Provisional Sale Consideration, the variance shall be adjusted from the gross proceeds allocated for the working capital

v) Effect of the Proposed Divestment

	Before <sup>(1)</sup>	After	
PAT (RM'mil)	73.21	195.58 <sup>(2) (3)</sup>	▲ 122.37 mil
Earning per share (sen)	13.62	36.39	▲ 22.77 sen
NA (RM'mil)	1,063.64	1,167.20 <sup>(3)</sup>	▲ 103.56 mil
NA per share (sen)	1.98	2.17	▲ 0.19 sen
Borrowings (RM'mil)	537.80	536.70	▼ 1.10 mil
Gross gearing (times)	0.51x	0.46x	▼ 0.05x

Notes:

- (1) Based on the audited financial statements of KPS Berhad for the FYE 31 December 2022
- (2) After taking into consideration the effect of the acquisition of 100.00% equity interest in MDS Advance Sdn Bhd by Perangsang Dinamik Sdn Bhd for a cash consideration of RM85.00 million, which was completed on 13 January 2023
- (3) After taking into consideration the expected gain on the Proposed Divestment of approximately RM117.43 million

Dato' Chairman thanked the Principal Adviser for the presentation and briefed the shareholders on the procedures for tabling and approving the resolution.

As set out in the EGM Notice, the ordinary resolution shall be voted on by polling as per Bursa Securities' MMLR. Pursuant to Clause 63(3) of the Company's Constitution, voting by way of poll accords one vote for every one share held by the shareholder.

Subsequently, Dato' Chairman explained the sequence of the flow for the meeting as follows:

- i) He will go through the ordinary resolution as set out in the EGM Notice and
- ii) Followed by the Questions and Answers ("Q&A") session to answer the questions from the following:
  - a) The Minority Shareholders Watch Group ("MSWG") via letter dated 29 February 2024. The Management has responded to MSWG on 1 March 2024
  - b) The shareholders/proxies via the Boardroom Smart Investor Portal commencing from 16 February 2024 to 5 March 2024 and live questions posted in the query box during the live streaming.

The time allocated for this session was about 40 minutes, and the Board/Management will endeavour to answer the questions posed, which are related to the business of EGM. Nevertheless, in the event that the Board/Management are unable to answer all the relevant questions in the allotted time, the responses to the remaining questions will be posted on the Company's website at the earliest possible after the meeting and

- c) After the Q&A session, the resolution would be put to vote remotely using the Remote Participation & Voting applications. The Board/Management will also allocate sufficient time for the shareholders to vote via the RPEV during the session.

## **6. QUESTIONS AND ANSWER SESSION**

Dato' Chairman then invited the MD/GCEO to brief the shareholders by reading out questions from the MSWG and some of the questions submitted by the shareholders prior to the meeting, as well as questions received via query box from the shareholders, corporate representatives and proxies during the meeting (live questions) together with the Management's responses for the same, details of which was attached as **Appendix 3** of the Minutes.

Dato' Chairman concluded the Q&A session and thanked the shareholders for the questions raised. Should there be any questions that the Board/Management were unable to answer within the allotted time, the answers to the remaining questions would be posted on the Company's website at the earliest possible after the Meeting.

## **7. VOTING ON THE RESOLUTIONS AND DECLARATION OF POLL RESULTS**

Dato' Chairman reiterated that polling at the EGM will be conducted using the RPEV.

Dato' Chairman informed the Meeting that in his capacity as a proxy of the shareholders, he would vote for the resolution in accordance with instructions received from the shareholders who had appointed himself to vote on their behalf.

Dato' Chairman adjourned the meeting at 10.55 a.m. until the scrutineer completed the casting and verification of the votes.

The meeting resumed at 11.10 a.m., and Dato' Chairman called the meeting to order.

The Poll Administrator handed over a summary of the Poll Results to Dato' Chairman for declaration as follows:

	Vote FOR			Vote AGAINST			Total Vote	
	No. of			No. of			No. of	
Resolution	Records	Shares	%	Records	Shares	%	Records	Shares
Ordinary Resolution 1	173	342,492,443	99.9973	23	9,187	0.0027	196	342,501,630

Based on the voting results, Dato' Chairman declared that by majority votes, the following motion for the Proposed Variation be and hereby duly carried:

**RESOLVED:**

**“THAT:**

- (a) *subject to the conditions precedent stipulated in the conditional share sale agreement dated 9 January 2024 entered between the Company, Bold Approach, Yeoh Jin Hoe and AI Dream (“SSA”) being fulfilled or waived (as the case may be), approval be and is hereby given to the Company for Bold Approach to divest its 50.00% equity interest in Kaiserkorp to AI Dream for a cash consideration, subject to the terms and conditions of the SSA;*
- (b) *the execution by the Company and Bold Approach and the performance of the Company’s and Bold Approach’s obligations under the SSA be and are hereby approved, ratified and confirmed;*
- (c) *the execution by the Company and Bold Approach of the new shareholders’ agreement, in form and substance as set out in the SSA, to be entered into to regulate the rights and relationship between the shareholders’ in Kaiserkorp (“Proposed Shareholders’ Agreement”) and other ancillary documents in relation thereto be and are hereby approved, ratified and confirmed;*
- (d) *the execution by the Company and Bold Approach and the performance of the Company’s and Bold Approach’s obligations under the Proposed Shareholders’ Agreement and other ancillary documents in relation thereto be and are hereby approved, ratified and confirmed;*
- (e) *approval be and is hereby given to the Board of Directors of the Company (“Board”) to use the proceeds to be raised from the Proposed Divestment as set out in Section 2.3 of the circular to the shareholders of the Company dated 16 February 2024 in relation to the Proposed Divestment, and the Board be authorised with full powers to vary the manner and/or purpose of the use of such proceeds in such manner as the Board may deem fit, necessary and/or expedient, subject to the approval of the relevant authorities and/or parties (where required) and/or in the best interest of the Company;*

- (f) *the Board be and is hereby authorised and empowered to do all acts, deeds and things to sign, execute and deliver for and on behalf of the Company, all necessary documents and to take all steps and do all such acts as it may consider necessary, expedient or appropriate in order to implement, finalise, give full effect and complete the Proposed Divestment with full powers and discretion to enter into all such transactions, arrangements and agreements in respect of any matter arising under or in connection with the Proposed Divestment and to assent to any conditions, modifications, variations, additions, revaluation and/or amendments as the Board may deem fit and/or expedient and/or in the best interests of the Company;*

**AND THAT** *all previous actions by the Board for the purpose of or in connection with the Proposed Divestment be and are hereby adopted, approved and ratified.”*

**8. CLOSURE**

Dato' Chairman thanked everyone present at the EGM and declared the EGM of KPS Berhad as concluded at 11.14 a.m.

**CONFIRMED AS A CORRECT RECORD**



.....  
**CHAIRMAN**

Dated: 29 March 2024

# KUMPULAN PERANGSANG SELANGOR BERHAD

Extraordinary general meeting (“EGM”)

6 March 2024





**To seek approval from the shareholders of Kumpulan Perangsang Selangor Berhad (“KPS Berhad”) for the Proposed Divestment**

## Proposed Divestment

- Proposed divestment by Bold Approach of its 50.00% equity interest in KaiserCorp Corporation Sdn Bhd (“**KaiserCorp**”) to AI Dream for a cash consideration (“**Proposed Divestment**”)
- Upon 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

## Purchaser

- AI Dream (HK) Limited (“**AI Dream**”)

## Vendor

- Bold Approach Sdn Bhd, a wholly-owned subsidiary of KPS Berhad (“**Bold Approach**”)

## Approvals required



Shareholders of KPS Berhad



Any other relevant authority and/ or party, if required

# Illustration of the Provisional Sale Consideration

**The provisional sale consideration for 50.00% equity interest in KaiserCorp is RM265.48 million (“Provisional Sale Consideration”)**

Computed based on the exchange rate of USD1.00: RM4.6505

- The Provisional Sale Consideration has been computed based on the unaudited consolidated financial statements of KaiserCorp for FPE 30 September 2023 and on the assumption that there are no (i) adjustment to the consolidated working capital of KaiserCorp and (ii) any leakage, as shown below:

	RM' million
Base amount of USD100 million	465.05
<b>Add</b> : Consolidated net cash of KaiserCorp as at 30 September 2023	65.90
	530.96
Multiplied by 50% equity interest in KaiserCorp	50.00%
<b>Provisional Sale Consideration</b>	<b>265.48</b>

- The Provisional Sale Consideration translates into RM530.96 mil for a 100.00% equity interest in KaiserCorp (“**100% Provisional Sale Consideration**”)

# Details of the Proposed Divestment

## Basis in arriving at the Sale Consideration

- AI Dream offered a base amount of USD 100 million to acquire (i) Bold Approach's 50.00% equity interest in Kaiserkorp and (ii) Yeoh Jin Hoe's 30.00% equity interest in Kaiserkorp, subject to adjustments as set out in the share sale agreement
- The Sale Consideration was agreed on a "willing buyer-willing seller basis" after taking into consideration the implied multiples of:
  - P/E of 22.14x<sup>(1)</sup>; and
  - EV/EBITDA of 12.66x<sup>(2)</sup>

## Justification for the Sale Consideration

- Implied multiples **fall within the range of comparable companies** <sup>(3)</sup>
  - P/E range : 16.85x to 22.38x
  - EV/EBITDA range : 9.94x to 15.18x
- 100% Provisional Sale Consideration of **RM530.96 million represents a premium (ranging from 259.19% to 389.10%)** to the historical consolidated net assets ("NA") of Kaiserkorp
- Provisional Sale Consideration of **RM265.48 million is expected to generate a return of investment ("ROI") of c. 272.19%**
- **Estimated gain of RM117.43 million** from the Proposed Divestment

### Notes:

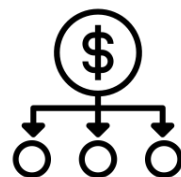
- (1) Computed based on 100% Provisional Sale Consideration divided by the profit after tax ("PAT") of Kaiserkorp and its subsidiaries ("Kaiserkorp Group") of RM23.98 million for the FYE 2022
- (2) Computed based on the implied enterprise value ("EV") of approximately RM465.05 million divided by earnings before interest, taxes, depreciation and amortization ("EBITDA") of the Kaiserkorp Group at 31 December 2022 of RM36.74 million
- (3) Please refer to Appendix I for computation of the implied multiples and comparable companies

# Rationale and benefits of the Proposed Divestment

**Provide an opportunity for KPS Berhad Group to monetise its 50.00% investment in Kaisercorp**



- Recognise an estimated gain of RM117.43 million
- Generate a ROI of c. 272.19% from the cost of investment



- Raise immediate funds of RM265.48 million to be used for the below:

	Timeframe	RM' million
Repay borrowings <sup>(1)</sup>	Within 12 months	184.00 (69.31%)
Working capital <sup>(2)</sup>	Within 36 months	56.40 (21.24%)
Special dividend <sup>(3)</sup>	Within 12 months	24.20 (9.12%)
Defray estimated expenses	Within 12 months	0.88 (0.33%)
<b>Provisional Sale Consideration</b>		<b>265.48 (100%)</b>

**Notes:**

- (1) The repayment of borrowings of RM184 million is expected to result in profit/interest savings of approximately RM9.35 million per annum
  - (2) Comprises, amongst others, payment of staff-related expenses, zakat and other expenses
  - (3) The special dividend represents approximately 4.5 sen per KPS Berhad Share (computed based on 537,385,383 KPS Berhad Shares in issue)
- If the actual gross proceeds to be received from the Proposed Divestment is different from the Provisional Sale Consideration, the variance shall be adjusted from the gross proceeds allocated for the working capital

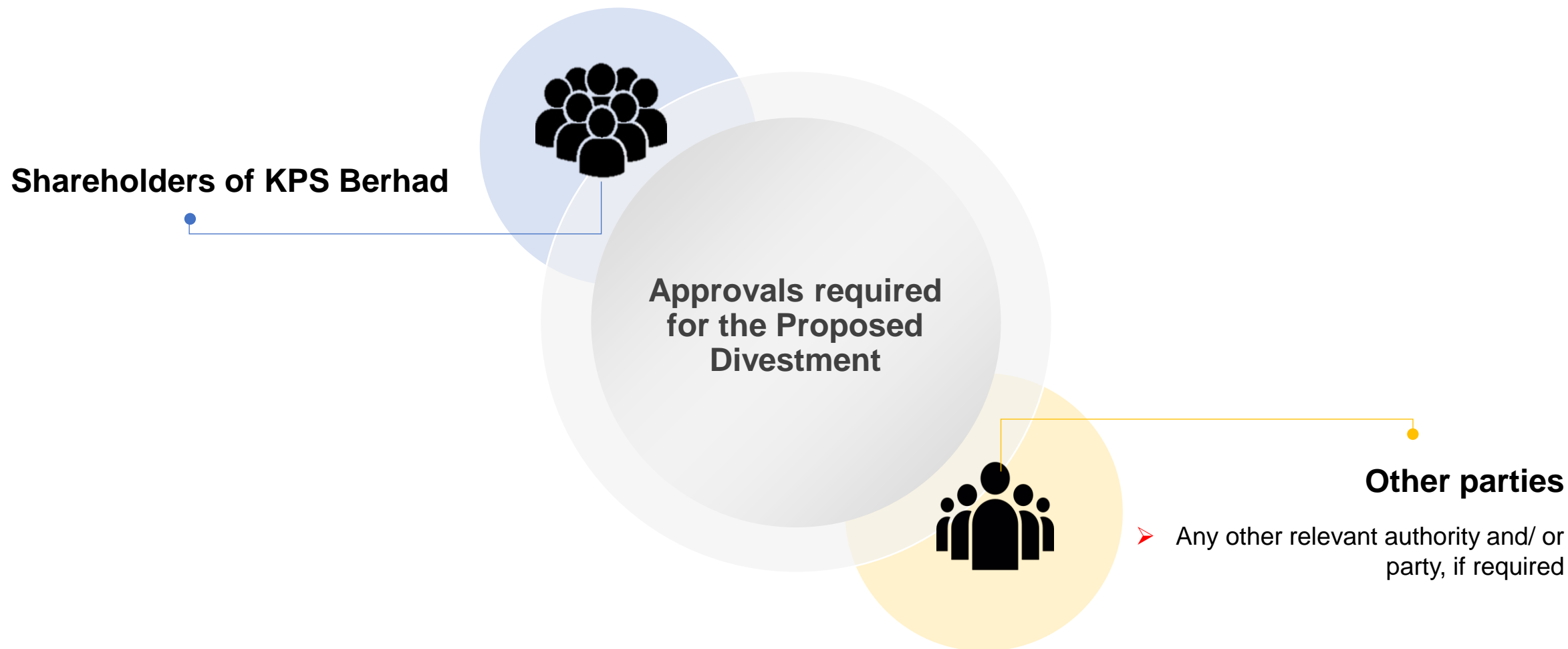
# Effects of the Proposed Divestment

	Before <sup>(1)</sup>	After	
PAT (RM'mil)	73.21	195.58 <sup>(2) (3)</sup>	▲ 122.37 mil
Earning per share (sen)	13.62	36.39	▲ 22.77 sen
NA (RM'mil)	1,063.64	1,167.20 <sup>(3)</sup>	▲ 103.56 mil
NA per share (sen)	1.98	2.17	▲ 0.19 sen
Borrowings (RM'mil)	537.80	536.70	▼ 1.10 mil
Gross gearing (times)	0.51x	0.46x	▼ 0.05x

## Notes:

- (1) Based on the audited financial statements of KPS Berhad for the FYE 31 December 2022
- (2) After taking into consideration the effect of the acquisition of 100.00% equity interest in MDS Advance Sdn Bhd by Perangsang Dinamik Sdn Bhd for a cash consideration of RM85.00 million, which was completed on 13 January 2023
- (3) After taking into consideration the expected gain on the Proposed Divestment of approximately RM117.43 million

# Approvals required



# Appendix I: Comparable Companies

The selected comparable companies are (i) profit-making companies listed on the USA stock exchanges; and (ii) engaged in the manufacturing and selling of mattresses and beds (“**Similar Businesses**”) whereby the contribution from such Similar Businesses represent the sole / largest contribution to their total revenue based on their latest annual reports.

Company	Principal activities	Market cap	LTM P/E	LTM EV/EBITDA
		RM' million	Times	Times
<b>Sleep Number Corporation</b>	Sleep Number Corporation, together with its subsidiaries, offers sleep solutions and services in the United States. The company designs, manufactures, markets, retails, and services beds, pillows, sheets, and other bedding products under the Sleep Number name	1,454.99	71.68*	10.60
<b>Leggett &amp; Platt, Inc</b>	Leggett & Platt, Incorporated designs, manufactures, and markets engineered components and products worldwide. It operates through three segments: Bedding Products; Specialized Products; and Furniture, Flooring & Textile Products.	16,207.71	16.85	9.94
<b>Tempur Sealy International, Inc</b>	Tempur Sealy International, Inc., together with its subsidiaries, designs, manufactures, markets, and distributes bedding products in the United States and internationally. It provides mattresses, foundations and adjustable foundations, and adjustable bases, as well as other products comprising pillows, mattress covers, sheets, cushions, and various other accessories and comfort products under the Tempur-Pedic, Sealy, Stearns & Foster, and Cocoon by Sealy brand names.	39,365.148	22.38	15.18

Highest	22.38	15.18
Median	22.38	10.60
Lowest	16.85	9.94

Note:

\* Outlier.

An aerial photograph of a modern, multi-story office building with a glass and concrete facade. The building is illuminated by the warm, golden light of a setting or rising sun, creating a lens flare effect on the right side. A large, semi-transparent teal rectangular overlay is positioned in the center of the image, partially obscuring the building. The RHB logo is visible on the top right corner of the building's facade.

THANK YOU





**KUMPULAN PERANGSANG SELANGOR BERHAD**

(Registration No. 197501002218 / 23737-K)

(Incorporated in Malaysia)



**APPENDIX 3** OF THE MINUTES OF THE EXTRAORDINARY GENERAL MEETING (“EGM”) OF KUMPULAN PERANGSANG SELANGOR BERHAD (“KPS BERHAD OR THE COMPANY”) HELD VIRTUALLY FROM THE BROADCAST VENUE AT KPS BERHAD CORPORATE OFFICE, 17TH FLOOR, PLAZA PERANGSANG, PERSIARAN PERBANDARAN, 40000 SHAH ALAM, SELANGOR DARUL EHSAN AND VIA THE BOARDROOM SMART INVESTOR PORTAL AT [HTTPS://INVESTOR.BOARDROOMLIMITED.COM](https://investor.boardroomlimited.com) ON WEDNESDAY, 6 MARCH 2024 AT 10.00 A.M.

**QUESTIONS READ OUT BY THE MD/GCEO DURING THE EGM LIVE, WHICH WAS RECEIVED FROM THE MSWG AND SHAREHOLDERS OF KPS BERHDA PRIOR TO THE EGM AND DURING THE LIVE MEETING TOGETHER WITH THE RELEVANT MANAGEMENT’S RESPONSES THEREOF:**

NO.	QUESTION OR COMMENT FROM MSWG/SHAREHOLDER	THE COMPANY’S RESPONSE/ ANSWER
<b>QUESTIONS FROM MSWG</b>		
1.	Has KaiserCorp Group distributed dividends in previous years? If so, please provide details on the historical dividend distribution since KPS Berhad invested in it.	No, there has been no dividend distribution made by KaiserCorp Group in the previous years.
2.	What are the reasons behind KaiserCorp Group's decision not to declare or pay any dividends since the end of the previous financial year (FYE2021)?	<p>Payment of dividends from KaiserCorp Group’s business in the United States of America will be subject to a withholding tax of 30%.</p> <p>While withholding tax is a mandatory obligation, we can strategically reinvest the profits in KaiserCorp Group's business expansion instead, which has contributed to optimising its financial position. To this effect, the value created by KPS Berhad in its investment in KaiserCorp Group has been strategically kept onshore to fund the expansion and diversification of the business of the latter as well as for tax savings purposes, with a long-term plan for monetisation in the future.</p>
3.	What is the outlook for the dividend this year?	It is not foreseen any dividend payment from KaiserCorp Group for FY2024.
4.	Referring to the segmental result from page 9 of the latest Quarterly Report of KPS Berhad released on February 26, 2024, did the decline in the manufacturing segment from RM62.4 million in FYE2022 to RM37.9 million in FYE2023 align with expectations? What	a) The decline in the manufacturing segment from RM62.4 million in FYE2022 to RM37.9 million in FYE2023 was due to the global economic slowdown that persisted through 2023, characterised by weaker consumer sentiment and laden with inflation concerns, both leading to restrained consumer spending. Collectively, these have cast a shadow over the global economy and exerted pressure on the demand for manufactured

NO.	QUESTION OR COMMENT FROM MSWG/SHAREHOLDER	THE COMPANY'S RESPONSE/ ANSWER
	<p><b>strategies does the Group have in place to navigate the downcycle in demand within the electrical and electronic sector, and what is the projected timeframe for the segment to rebound and return to growth?</b></p>	<p>products across diverse industries, leading to a build-up of inventory at our customers' end, which in turn resulted in a downturn in sales volume and impeding revenue growth. Operationally, the Group's business was impacted by diminished sales momentum stemming from a slowdown in demand and heightened input costs from increased electricity tariffs.</p> <p>b) Among the strategies put forward by Management are:</p> <p>i. KPS Berhad will continue implementing revenue growth strategies, prioritising business development efforts such as acquiring new revenue streams, growing alongside existing customers, and focusing on higher margin opportunities.</p> <p>ii. Across the Group, we continue to execute our value creation plan, with our subsidiary companies demonstrating business resilience by strengthening our product offerings, with a heightened emphasis on higher-margin products, coupled with rigorous operational improvements and prudent cost management.</p> <p>Strategically, we broadened our customer base in new geographic regions and industries like renewable energy (RE), the Internet of Things (IoT), heating, ventilation, and air conditioning (HVAC), leading to us securing new clients in more robust and non-cyclical sectors.</p> <p>Operationally, we undertook operational consolidation exercises and business rationalisation activities to streamline and optimise production planning. For instance, capitalising on the evolving market dynamics resulting from the US-China trade tension, Toyoplas had earlier moved its production capacity from Nanning to Vietnam and, since the fourth quarter of 2023, seen an uptick in customer orders.</p> <p>And as part of its consolidation exercise, Toyoplas also discontinued the Shanghai operations, shifting the production capacity to Dongguan in China and Bac Giang in Vietnam, thus enhancing the effectiveness of its overseas operation through further economies of scale. Although the closure of the Shanghai plant incurred a one-off expense during the</p>

NO.	QUESTION OR COMMENT FROM MSWG/SHAREHOLDER	THE COMPANY'S RESPONSE/ ANSWER
		<p>year, this business rationalisation is expected to yield lasting operational efficiency.</p> <p>c) KPS Berhad remains steadfast in fortifying long-term resilience through strategic and operational agility. Considering the challenges that defined the year, its commitment to securing the Group's financial stability and maximising value for our shareholders remains resolute, with measures continually being taken to foster the fundamentals to position the Group for sustained growth and shape a steadier business prospect in anticipation of gradual economic recovery and revival in consumer sentiment over the long-term.</p>
5.	<p>Referring to the segmental revenue from page 8 of the latest Quarterly Report of KPS Berhad released on February 26, 2024, how does KPS Berhad plan to stimulate growth in the infrastructure segment given the minute revenue contribution (0.4% in FYE2023) to the Group sales? Are there any significant projects in the pipeline for KPS-HCM Sdn Bhd ("KPS-HCM") and Smartpipe Technology Sdn Bhd ("Smartpipe") that could substantially enhance this segment's contribution to the Group?</p>	<p>While KPS Berhad is taking an opportunistic approach in the infrastructure segment, pursuing new projects which will provide catalytic growth and diversification in the KPS Berhad Group's revenue base, at this juncture, there are no confirmed significant projects in the pipeline for KPS-HCM Sdn Bhd and Smartpipe Sdn Bhd.</p>
6.	<p>Referring to the segmental revenue from page 8 of the latest Quarterly Report of KPS Berhad released on February 26, 2024, if no projects are underway for KPS-HCM and Smartpipe, what is the Group's rationale behind choosing the infrastructure segment as the second priority over other segments, especially when trading and licensing segments hold a higher revenue contribution of 11.6% and 3.7% to KPS Berhad sales in FYE2023 respectively?</p>	<p>a) All segments are prioritised in the Company growth plan going forward.</p> <p>b) The licensing business is fully contributed by KaiserCorp Group and will cease to provide a material contribution to KPS Berhad's revenue when the divestment is completed. Whereas the trading business, which is contributed by KPS Berhad's water treatment chemical trading, has achieved a sizeable position in the segment with penetration to all water treatment facilities in the country, thus offering limited upside to growth.</p> <p>c) The Company's approach to growing the infrastructure segment, hence growing the order book, will be on an opportunistic basis by securing new projects through actively pursuing new tenders, mainly from domestic water authorities. Therefore, further growth in the segment will be organic, in line with the growth expected in the local water sector.</p>

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7.	<b>Why has KPS Berhad chosen to maintain a 10% shareholding in KaiserCorp Group despite not receiving dividends for the past seven years? What factors or challenges have influenced KPS Berhad's decision not to fully divest its 60% shareholding in KaiserCorp Group?</b>	We've agreed to maintain our 10% shareholding for up to two more years. This decision is arrived at to assist in the company's continued growth. With our seven years of experience contributing to corporate strategies, we bring valuable insights they wish to leverage. Additionally, our presence is needed to facilitate smooth transitions and ensure operational and managerial stability.
<b>QUESTIONS FROM OTHER SHAREHOLDERS</b>		
8.	<b>How is KPS Berhad preparing to mitigate potential challenges in monetising its remaining 10% investment?</b>	In our negotiations, we've agreed to sell only 50% of our shares, retaining the remaining 10%. As part of this agreement, we've established a two-year window for potential exit strategies. If, within this period, the majority shareholders approve a corporate transaction like an IPO or trade sale, we have the option to participate and exit. After two years, if no such transactions occur, we can offer our shares to the majority shareholders. Pricing for this transaction would be determined through mutual agreement with the help of an independent valuer chosen jointly. This approach helps us address potential challenges in the remaining 10%.
9.	<b>What factors or considerations motivate the decision to divest a 50% stake in KaiserCorp?</b>	<p>When we contemplate potential divestments, we don't just focus on the price tag, understanding that what constitutes the "right" price is subjective. We carefully weigh how it fits into our long-term return on equity ("ROE") plan, a discussion we've thoroughly engaged in with the board. Equally important is what we intend to do with the proceeds.</p> <p>Regarding KaiserCorp specifically, we managed to sell it for RM265.48 million, significantly more than our initial investment of RM116.66 million.</p> <p>While this divestment has indeed boosted profits this year, with a money multiple of almost three times and a return on investment ("ROI") of over 270%, its significance goes beyond just financial gains. It enables us to distribute special dividends to shareholders, enhancing our total shareholder return ("TSR") and providing capital for reinvestment to strengthen future ROE.</p> <p>Our focus remains on maximising ROE and improving TSR, ensuring that every decision aligns with our strategic objectives and benefits our shareholders.</p>
10.	<b>Will there be any other disposals of subsidiaries/assets in the near future?</b>	As an investment holding company, acquisitions and disposals are fundamental to our operations. Hence, if there are favourable opportunities, as mentioned earlier, our consideration will be based on whether they align with our ROE and TSR plans and if they offer long-term value. Thus, we're open to exploring acquisitions,

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		divestments, or subsidiary disposals that strategically benefit KPS Berhad.																								
11.	<b>Why is the proposed special dividend only 4.5 sen when the proceeds from the disposal were RM265.48 million?</b>	<p>It's important to stress that all our actions are grounded in our long-term ROE plans and our goals for shareholder TSR. Even if, for instance, we decided to give 45 sen per share, which is ten times more than our proposed amount, it would still fall within the range of RM265.48 million. While this might boost our TSR targets temporarily, it wouldn't align with our ROE plans. It could even hinder the growth of our ROE.</p> <p>To put it into perspective, even if we were to distribute RM240 million to RM250 million in special dividends, it wouldn't allow us to invest further in KPS Berhad, acquire more companies, or expand our existing subsidiaries. Although this might improve our TSR in the short term, it could have a negative impact on our ROE in the long term, potentially halting TSR growth as well. Therefore, it's crucial for us to strike a balance between TSR and ROE.</p> <p>When deciding on the appropriate dividend amount, we look at comparative benchmarks. For example, if we were to offer 4.5 sen per share, based on 5 March 2024 closing share price of 74 sen, shareholders would enjoy a yield of 6.1%. This exceeds recent benchmarks like the fixed deposit, 5-year MGS, and that by EPF, indicating our commitment to outperforming market standards.</p> <p>In essence, our dividend decisions are guided by what the market rewards shareholders with, ensuring that our shareholders receive competitive rewards. Funds not distributed as dividends are earmarked for reinvestment to strengthen both TSR and ROE in the long term.</p>																								
12.	<b>How will the sale proceeds be utilised by KPS Berhad?</b>	<p>We intend to use the gross proceeds from the proposed divestment in the following manner:</p> <table border="1" data-bbox="778 1585 1465 1832"> <thead> <tr> <th data-bbox="778 1619 994 1641">Utilisation</th> <th data-bbox="1066 1585 1281 1641">Estimated timeframe for utilisation from the date of receipt of proceeds</th> <th colspan="2" data-bbox="1297 1585 1465 1641">Amount RM' million (%)</th> </tr> </thead> <tbody> <tr> <td data-bbox="778 1653 994 1675">Repayment of borrowings</td> <td data-bbox="1066 1653 1281 1675">Within 12 months</td> <td data-bbox="1297 1653 1361 1675">184.00</td> <td data-bbox="1377 1653 1465 1675">69.31</td> </tr> <tr> <td data-bbox="778 1686 994 1709">Working capital</td> <td data-bbox="1066 1686 1281 1709">Within 36 months</td> <td data-bbox="1297 1686 1361 1709">56.40</td> <td data-bbox="1377 1686 1465 1709">21.24</td> </tr> <tr> <td data-bbox="778 1720 994 1742">Special dividend</td> <td data-bbox="1066 1720 1281 1742">Within 12 months</td> <td data-bbox="1297 1720 1361 1742">24.20</td> <td data-bbox="1377 1720 1465 1742">9.12</td> </tr> <tr> <td data-bbox="778 1753 994 1809">Defray estimated expenses for the Proposed Divestment</td> <td data-bbox="1066 1753 1281 1776">Within 12 months</td> <td data-bbox="1297 1753 1361 1776">0.88</td> <td data-bbox="1377 1753 1465 1776">0.33</td> </tr> <tr> <td colspan="2" data-bbox="778 1798 1281 1821"></td> <td data-bbox="1297 1798 1361 1821"><b>265.48</b></td> <td data-bbox="1377 1798 1465 1821"><b>100.00</b></td> </tr> </tbody> </table>	Utilisation	Estimated timeframe for utilisation from the date of receipt of proceeds	Amount RM' million (%)		Repayment of borrowings	Within 12 months	184.00	69.31	Working capital	Within 36 months	56.40	21.24	Special dividend	Within 12 months	24.20	9.12	Defray estimated expenses for the Proposed Divestment	Within 12 months	0.88	0.33			<b>265.48</b>	<b>100.00</b>
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13.	<b>KPS Berhad intend to utilise 21.24% of the gross proceeds from the Proposed Divestment for Working Capital purposes (Note 2.3 - Page 6 of Circular).</b>	While cash flows from KPS Berhad Group's operations traditionally support working capital requirements, the decision to utilise a portion of the gross proceeds for this purpose reflects an approach to optimising financial resources. By allocating funds from the proposed divestment, we can address immediate operational																								

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	<b>Why is KPS Berhad utilising a big percentage of the gross process for Working Capital? Shouldn't Working Capital be financed from the cash flows derived from the operations of KPS Berhad Group?</b>	needs, such as staff costs, zakat, and expenses related to environmental, social, and governance initiatives, without undue strain on internal cash flows.
14.	<b>When can you make a profit? How much dividend can we get ASAP?</b>	<p>In 2023, KPS Berhad remains profitable despite facing challenges such as decreased sales momentum due to the slowdown in demand and heightened input costs resulting from increased electricity tariffs.</p> <p>KPS Berhad's Board has earmarked RM24.21 million, comprising 9.12% of the total proceeds, for the issuance of special dividends. Shareholders will be entitled to receive 4.5 sen per ordinary share, with the payment date scheduled on 30 April 2024.</p>
15.	<b>What is KPS Berhad's most profitable business?</b>	The manufacturing business, which comprises of Toyoplas Manufacturing (Malaysia) Sdn Bhd, CPI (Penang) Sdn Bhd, MDS Advance Sdn Bhd, Century Bond Bhd, and King Koil Manufacturing West LLC, is the primary driver of the Group's revenue and earnings. Among these subsidiaries, CPI (Penang) Sdn Bhd is the top contributor to the Group's earnings.
16.	<b>The recent announcement on the Framework Agreement with Pengurusan Air Selangor for the supply and delivery of water meters. Is Aqua-Flo also involved in the replacement of water pipes which is the biggest capex of Air Selangor for the next few years? If not, why?</b>	Aqua-Flo will not be involved in the replacement of water pipes, as its primary focus lies in the trading of water chemicals and water meters. On the other hand, our Infrastructure segment will seize opportunities by actively pursuing new projects, through securing tenders from domestic water authorities when opportunities arise.
17.	<b>When will KPS Berhad reward shareholders with bonus issues?</b>	<p>Our primary focus is adding value to the company and delivering sustainable returns to our shareholders. Instead of bonus issues, we have implemented a dividend policy since March 2021. This policy ensures that a minimum of 30% of our normalised PATAMI is allocated towards dividends. We believe that this approach provides stable and sustainable returns to our shareholders.</p> <p>While bonus issues have their advantages, such as providing additional shares to shareholders, they also have downsides, including dilution of ownership and potential reduction in earnings per share (EPS) for existing shareholders. Additionally, bonus issues do not provide immediate liquidity or the freedom for shareholders to choose how to utilise the cash.</p>

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		<p>We believe that dividends offer immediate cash benefits and provide our shareholders with the freedom and flexibility to use the cash as they see fit. We value the importance of liquidity and choice for our shareholders, which is why we have made the strategic decision to prioritise dividends over bonus issues. Our commitment is to provide regular dividend payments, ensuring transparency and predictability for our shareholders.</p> <p>To this effect, following the completion of the proposed disposal of our 50% equity stake in Kaiserkorp, our shareholders will receive a special dividend of 4.5 sen per ordinary share.</p>
18.	<b>Is the company giving any door gift to shareholders attending this EGM?</b>	No door gift will be provided to those who register or participate at the EGM. Our shareholders will be duly rewarded with a dividend payout of 4.5 sen per share upon completion of the disposal.
19.	<b>Please send a copy of the Circular to me</b>	The Circular has been sent to the shareholder on 14 March 2024 by Boardroom Share Registrars Sdn Bhd.