

**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 before its 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**

(Company No. 197501002218)

(Incorporated in Malaysia under the Companies Act, 1965)

**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-Fourth (44<sup>th</sup>) Annual General Meeting ("AGM") of the Company, which will be conducted entirely through live streaming from the Broadcast Venue at KPS Corporate Office, 17<sup>th</sup> Floor, Plaza Perangsang, Persiaran Perbandaran, 40000 Shah Alam, Selangor Darul Ehsan, on Tuesday, 25 May 2021 at 10.00 a.m. Notice of the 44<sup>th</sup> AGM of the Company together with the Form of Proxy are enclosed together with the Annual Report 2020 of the Company, which is available at <http://kps.com.my/index.php/investor-relations/reports>.

The Form of Proxy must be lodged at Tricor Investor and Issuing House Services Sdn Bhd ("Tricor")'s office at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, or drop the Proxy Form at Tricor's Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, or alternatively, to submit your electronic Proxy Form via TIIH Online at <https://tiih.online> 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.

Last date and time for lodging the Form of Proxy : Sunday, 23 May 2021 at 10.00 a.m.

Date and time of AGM : Tuesday, 25 May 2021 at 10.00 a.m.

---

## DEFINITIONS

---

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

“Act”	: Companies Act, 2016
“AGM”	: Annual General Meeting
“ASHB”	: Air Selangor Holdings Berhad [formerly known as Kumpulan Darul Ehsan Berhad (“KDEB”)] a wholly-owned subsidiary of MBI
“ASHB Group”	: ASHB and its subsidiary companies
“Air Selangor”	: Pengurusan Air Selangor Sdn. Bhd., a wholly-owned subsidiary of ASHB
“Aqua-Flo”	: Aqua-Flo Sdn. Bhd., a 51%-owned subsidiary of KPS
“BASB”	: Bold Approach Sdn. Bhd., a wholly-owned subsidiary of KPS
“Board” or “Board of Directors”	: The Board of Directors of KPS
“Bursa Securities”	: Bursa Malaysia Securities Berhad
“Cash Band”	: Cash Band (M) Berhad, a wholly-owned subsidiary of KPS
“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 with 57.88% interest in the Company. It is a wholly-owned subsidiary of MBI
“Circular”	: Circular to Shareholders dated 26 April 2021 in relation to the Proposed Renewal of 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, its subsidiaries or its holding company
“Interested Directors”	: Directors who are deemed to be Related Parties and are interested in the Proposed Renewal of 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.
“Kaiserkorp”	: Kaiserkorp Corporation Sdn. Bhd., an indirect 60%-owned subsidiary of KPS via its wholly-owned subsidiary, BASB
“KPS” or “the Company”	: Kumpulan Perangsang Selangor Berhad

---

## DEFINITIONS (Cont'd)

---

“KPS Group” or “the Group”	: KPS and its subsidiary companies
“Kyco”	: Kyco Industries, Inc., an indirect 60%-owned subsidiary of KPS via Kaisercorp
“Listing Requirements”	: Bursa Securities Main Market Listing Requirements, including any amendments that may be made from time to time
“LPD”	: 30 March 2021, being the latest practicable date prior to the printing of 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> <p>a) 10% or more of the total number of all the voting shares in the company; or</p> <p>b) 5% or more of the total number of voting shares in the company where such person is the largest shareholder of the company.</p> <p>For the purpose of 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 Group or its holding company.</p>
“MBI”	: Menteri Besar Selangor (Pemerbadanan), a holding company of DEIG and ASHB
“NBSB”	: Nadi Biru Sdn. Bhd., a wholly-owned subsidiary of KPS
“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> <p>(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</p> <p>(b) a person with whom the said Person has entered or proposes to enter into a joint venture, whether incorporated or not.</p>
“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> <p>(a) a family member of the said Person;</p> <p>(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;</p> <p>(c) a Partner of the said Person;</p> <p>(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;</p> <p>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;</p>

---

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

---

	(e) 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
	(f) a body corporate which is a related corporation of the said Person.
“PKNS”	: Perbadanan Kemajuan Negeri Selangor, a substantial shareholder of KPS and a Person Connected to DEIG
“PPSB”	: Perangsang Packaging Sdn. Bhd., a wholly-owned subsidiary of KPS
“Prismachem”	: Prismachem Sdn. Bhd., a Major Shareholder of Aqua-Flo
“Proposed Shareholders’ Mandate” or “Proposal”	: Proposed renewal of existing shareholders’ mandate for the RRPTs of a revenue or trading nature entered/to be entered into by KPS Group from the date of forthcoming 44 <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 Group with the Related Parties in the ordinary course of business which involves the interest, direct or indirect, of Related Parties
“Share(s)”	: Number of ordinary share(s) issued by KPS
“Sg. Harmoni”	: Sungai Harmoni Sdn. Bhd., a wholly-owned subsidiary of Taliworks
“SPT”	: Smartpipe Technology Sdn Bhd, an indirect 64%-owned subsidiary of KPS via NBSB
“TWNS”	: Tabung Warisan Negeri Selangor, a shareholder of KPS and a Person Connected to DEIG
“Taliworks”	: Taliworks Corporation Berhad, a Major Shareholder of Aqua-Flo
“Taliworks (Langkawi)”	: Taliworks (Langkawi) Sdn. Bhd., a wholly-owned subsidiary of Taliworks

All references to “our Company” in this Circular are to KPS. 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.

---

## CONTENTS

---

### LETTER TO THE SHAREHOLDERS OF KPS:

	<b>Page</b>
1. INTRODUCTION	1
2. INFORMATION ON THE PROPOSED SHAREHOLDERS' MANDATE	2
2.1 Provisions under the Listing Requirements	2
2.2 Principal Activities of KPS Group	3
2.3 Information on Related Parties and Nature of Transactions	7
2.4 Amount due and owing to KPS Group by Related Parties	10
2.5 Review Procedures for the RRPT	10
2.6 Threshold for Approval of RRPT within KPS Group	12
2.7 Statement by the Board Audit Committee	12
2.8 Rationale and Benefit for the Proposed Shareholders' Mandate	13
2.9 Financial Effects of the Proposed Shareholders' Mandate	13
2.10 Interests of Directors, Major Shareholders and/or Persons Connected to them	13
3. DIRECTORS' RECOMMENDATION	14
4. APPROVAL REQUIRED	14
5. 44 <sup>th</sup> AGM	14
6. FURTHER INFORMATION	14
APPENDIX I : FURTHER INFORMATION	15

---

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

---

# KUMPULAN PERANGSANG SELANGOR BERHAD

(Company No. 197501002218)  
(Incorporated in Malaysia under the Companies Act, 1965)

**Registered Office:**

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

**26 April 2021**

**Board of Directors**

YB Dato' Nor Azmie bin Diron (*Chairman, Non-Independent Non-Executive Director*)  
Encik Soffan Affendi bin Aminudin (*Non-Independent Non-Executive Director*)  
YBhg Dato' Idris bin Md Tahir (*Independent Non-Executive Director*)  
YBhg Dato' Ikmal Hijaz bin Hashim (*Independent Non-Executive Director*)  
Puan Norliza binti Kamaruddin (*Independent Non-Executive Director*)  
Encik Koay Li Onn (Leon) (*Independent Non-Executive Director*)  
YBhg Dato' Noorazman bin Abd Aziz (*Independent Non-Executive Director*)  
Encik Ahmad Fariz bin Hassan (*Managing Director/Group Chief Executive Officer*)

**To: The Shareholders of KPS**

Dear Sir/Madam

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

**1. INTRODUCTION**

On 30 March 2021, the Board announced that the Company proposed to seek the approval of its shareholders for the Proposal at the forthcoming 44<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 Proposed Shareholders' Mandate under the agenda of Special Business as set out in the Notice of the 44<sup>th</sup> AGM of the Company, which will be conducted entirely through live streaming from the KPS Corporate Office, 17<sup>th</sup> Floor, Plaza Perangsang, Persiaran Perbandaran, 40000 Shah Alam, Selangor Darul Ehsan, on 25 May 2021, Tuesday, at 10.00 a.m., enclosed in the Annual Report 2020 of the Company.

---

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

---

## **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: -

- i) 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;
- ii) the shareholders' mandate is subject to annual renewal and disclosure is made in the annual report 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;
- iii) the listed issuer's circular to shareholders for the shareholders' mandate includes the information as may be prescribed by Bursa Securities;
- iv) 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
- v) 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 44<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 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 Group

The principal activity of KPS is investment holding.

The details of KPS'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	To undertake the establishment of Islamic Medium-Term Notes Programme and all matters relating to it	100
Aqua-Flo	Trading in chemical products	51
KPS-HCM	Construction, maintenance, refurbishment and rehabilitations of roads and highways, as well as general civil engineering works, building construction and maintenance	51
<b>Held by BASB</b>		
Kaiserkorp	Investment holding	60
<b>Held by Kaiserkorp</b>		
Kyco	Investment holding	100
Kingkoil International Pte. Ltd.	Investment holding	100
<b>Held by Kyco</b>		
King Koil Licensing Company, Inc.	Licensing of patents and know-how for manufacture and sale of beds, mattresses and box springs, along with trademarks for such products	100
King Koil Manufacturing West, LLC	Production, sale and distribution of mattresses, related bedding and sleep products as well as any other activities necessary or incidental thereto	60
King Koil Sales, Inc	Sales and marketing of beds, mattresses and other related products	100

Name of company	Principal activities	Proportion of Equity interest (%)
<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 SPT</b>		
Darul Aman Water Solutions Sdn Bhd	Water related projects including but not limited to pipe replacement and pipe rehabilitation projects	49
<b>Held by PPBS</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	Manufacture and sale of multi-wall paper bags, woven laminated bags and pulp moulded products	100
Cenbond Packages Sdn Bhd	Manufacturing and sales of plastic moulded products, packaging products and paper products	100
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

Name of company	Principal activities	Proportion of Equity interest (%)
<b>Held by Multiview Enterprise Sdn Bhd</b>		
Multiview Packaging Sdn Bhd	Manufacture and trading in industrial packaging tapes and 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 Brandpak Sdn Bhd</b>		
PT. Prestige Packages Indonesia	Manufacturing and sales of cement paper bags	5
<b>Held by Pro Pulp Packages Sdn Bhd</b>		
Hongda Century Packing & Printing Sdn Bhd	Offset printing for corrugated carton boxes and packaging.	60
<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
Taspak Industrial Sdn. Bhd.	Process and supply of instruction manual books, boxes and all other packing materials.	85
PT. Infinity Packaging Solutions	Offset printing for corrugated carton boxes, pulp moulded products, rigid box and all other type of packaging solution provider	51
<b>Held by Cash Band</b>		
Perangsang Hotel & Properties Sdn. Bhd.	Property leasing management	100
<b>Held by Perangsang Dinamik Sdn Bhd</b>		
CPI (Penang) Sdn Bhd	Manufacture, assembly and sale of electronic and electrical products and plastic moulded components and parts	100
Toyoplas Manufacturing (Malaysia) Sdn Bhd	Manufacturing, assembly and selling of plastic injection moulded components and tooling.	100

Name of company	Principal activities	Proportion of Equity interest (%)
<b>Held by CPI (Penang) Sdn Bhd</b>		
PCM Manufacturing Sdn Bhd	Manufacture and process of spraying silk screening, tempo and robot arm	60
<b>Held by Toyoplas Manufacturing (Malaysia) Sdn Bhd</b>		
Toyoplas Holdings Pte. Ltd.	Trading and investment holding	100
PT Toyoplas Manufacturing Indonesia	Manufacturing and selling of plastic injection moulded components as well as final assembly	100
Toyoplas Manufacturing (HK) Co. Ltd.	Trading and investment holding	100
<b>Held by Toyoplas Holdings Pte. Ltd</b>		
Toyoplas Manufacturing (Shanghai Song Jiang) Co., Ltd.	Tooling fabrication, manufacturing and selling of plastic injection moulded components	100
Toyoplas Manufacturing (Vietnam) Co. Ltd. (incorporated in November 2019 and did not start the operation yet)	Manufacturing and selling of plastic injection moulded components	100
<b>Held by Toyoplas Manufacturing (HK) Co. Ltd.</b>		
Toyoplas Manufacturing (Dongguan) Co., Ltd.	Tooling fabrication, manufacturing and selling of plastic injection moulded components	100
Toyoplas Manufacturing (Nanning) Co., Ltd.	Manufacturing and selling of plastic injection moulded components	100

**Note:-**

The above table does not include the subsidiaries and associates of KPS which are/have been in liquidation, under receivership, under official assignee, disposed off, dormant and/or ceased operation. For further details, please refer to notes 16 and 17 of the Company's Audited Financial Statements for the year ended 31 December 2020.

### 2.3 Information on Related Parties and Nature of Transactions

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

No.	Company within KPS Group	Transacting Related Parties	Nature of Transactions	Estimated value for Proposed Shareholders' Mandate (from this 44 <sup>th</sup> AGM to the next AGM) # (RM'000)	Estimated value as disclosed in the Circular to Shareholders dated 29 May 2020 (RM'000)	Actual Value transacted (from the date of last AGM held on 30 June 2020 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 ("Air Selangor Group")	Supply and delivery of chemicals, goods and services pursuant to the Framework Agreement dated 17 October 2018 to water treatment plants in Selangor and Federal Territories of Kuala Lumpur and Putrajaya by Aqua-Flo to Air Selangor Group.	82,000	82,000	41,477	Interested Major Shareholders  • MBI • DEIG  <i>Interested Persons Connected</i>  • ASHB • Air Selangor • PKNS • TWNS	DEIG is a major shareholder of KPS with direct shareholding of 57.88%. MBI is a holding company of DEIG.  ASHB is a wholly owned subsidiary of MBI.  Air Selangor is wholly owned subsidiary of ASHB.  PKNS is a substantial shareholder of KPS with direct shareholding of 5.52% and a person connected to DEIG.  TWNS is a shareholder of KPS with direct shareholding of 1.56% and a person connected to DEIG.

No.	Company within KPS Group	Transacting Related Parties	Nature of Transactions	Estimated value for Proposed Renewal of Existing Mandate (from this 44 <sup>th</sup> AGM to the next AGM) # (RM'000)	Estimated value as disclosed in the Circular to Shareholders dated 29 May 2020 (RM'000)	Actual Value transacted (from the date of last AGM held on 30 June 2020 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.	2,000	13,000	5,100	<p><i>Interested Directors</i></p> <ul style="list-style-type: none"> <li>YB Dato' Nor Azmie bin Diron</li> <li>Encik Soffan Affendi bin Aminudin</li> </ul>	<p>YB Dato' Nor Azmie bin Diron sits on the board of MBI, DEIG, PKNS, Air Selangor and ASHB. He is the Chairman and a Non-Independent Non-Executive Director of KPS.</p> <p>Encik Soffan Affendi bin Aminudin sits on the board of MBI and ASHB. He is also the Chief Operating Officer of MBI and a Non-Independent Non-Executive Director of KPS.</p>
(c)	Aqua-Flo®	Sg. Harmoni and Taliworks (Langkawi)** ("Taliworks Group")	Sales of chemical products, laboratory & monitoring equipment and disinfection system by Aqua-Flo to Taliworks Group	23,000	24,000	13,669	<p><i>Interested Major Shareholder</i></p> <ul style="list-style-type: none"> <li>Taliworks</li> </ul>	Taliworks is a Major Shareholder of Aqua-Flo with direct shareholding of 24%. Sg. Harmoni and Taliworks (Langkawi) are the wholly owned subsidiaries of Taliworks.

**Notes:**

# The estimated value for the Proposed Shareholders' Mandate is based on Management's best estimate on 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.

@ Aqua-Flo is a 51%-owned subsidiary of KPS. 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.

^ The Actual Value transacted of the above transaction from the date on which the existing mandate was obtained (i.e. from the date of last AGM held on 30 June 2020) 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 Group.

\*\* Effective from 1 November 2020, Taliworks (Langkawi) has surrender their water operator plant to Syarikat Air Darul Aman Sdn Bhd ("SADA").

The above transactions are necessary for KPS 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 Group.

The basis of arriving at the estimated value as indicated above is based on value transacted during the financial year ended 31 December 2020 as well as latest available information relating to these transactions. The value of these transactions may be subject to changes in the financial year ending 31 December 2021.

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

As at 31 December 2020, breakdown of the outstanding amount due and owing by the Related Parties to KPS 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 at 31 December 2020			
		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	Taliworks (Langkawi)	62	-	-	-
2	Air Selangor Group	1,011	-	-	-
<b>Total</b>		<b>1,073</b>	<b>-</b>	<b>-</b>	<b>-</b>

No late payment charges was imposed on the outstanding amounts due and owing by Air Selangor Group and Taliworks (Langkawi) 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 the Company and Aqua-Flo are in continued discussions with the Related Parties for early settlement of the outstanding amounts due.

## 2.5 Review Procedures for the RRPT

The Group has established the following procedures and guidelines to ensure that the RRPT are undertaken on transaction prices based on an arm's length basis and on normal commercial terms 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 is established and circulated as and when it is available to the finance division within the Group, who shall monitor and ensure that all RRPT to be entered into by the Group are reported to the Board Audit Committee for their recommendation to the Board.

Prior to reporting to the Board Audit Committee, the Internal Audit Department will perform a review 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.

- (b) At least 2 other contemporaneous transactions with unrelated third parties for similar products/services and/or quantities will be used as 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 ("IEC"), Tender Board Committee based on the usual, business practices and policies to ensure that the RRPT is not detrimental to the Group.

- (c) The RRPT is monitored every month by the Finance Department and is reported to the Board Audit Committee on a quarterly basis. However, if at any point in time during the period, Finance Department discovered that the RRPT threshold (as per the relevant provisions under the Listing Requirements) has been exceeded, Finance Department will, as soon as practicable, report to the Board Audit Committee.

Prior to reporting to the Board Audit Committee, the Internal Audit Department will perform a review to ensure that the RRPT complies with the Listing Requirements.

Thereafter, Internal Audit Department will report to the Board Audit Committee on whether the RRPTs entered into by the KPS Group were entered into at arm's length, fair and not detrimental to the minority shareholders of the Company.

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

- (d) The annual internal audit plan shall incorporate a review of all RRPT entered into pursuant to the shareholders' mandate to ensure that the relevant approvals have been obtained and the procedures in respect of such transactions are adhered to before entering into such RRPT.
- (e) The Board Audit Committee 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 (d) above) to monitor RRPT have been complied with. The review shall be done on a quarterly basis.
- (f) Where any member of Board Audit Committee 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.
- (g) Disclosure will be made in the Annual Report 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 Annual Reports for subsequent financial years during which the shareholders' mandate remains in force.
- (h) 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.

## 2.6 Threshold for Approval of RRPT within KPS Group

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

### 2.6.1 Amount of RM500,000.00 and below:

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

### 2.6.2 Amount above RM500,000.00:

Condition	Proposed by	Recommended by the following Committee for review by Audit Committee	Report to the Board by	Approved by
Above RM500,000 to RM1 million	Head of Department/ Head of Subsidiaries	Investment Evaluation Committee <sup>^^</sup> after reviewing and verifying by Internal Auditors	Board Audit Committee	Board
More than RM1 million– to seek shareholders' mandate at the AGM *	Head of Department/ Head of Subsidiaries	Investment Evaluation Committee <sup>^^</sup> after reviewing and verifying by Internal Auditors	Board Audit Committee	i) Board; and ii) Shareholders

Note:

<sup>^^</sup> The committee comprises the MD/GCEO as Chairperson, DCEOFCS as Chairperson in the absence of MD/GCEO, Deputy Chief Executive Officer (Strategy & Investments), one (1) representative each from Risk Management Department and Legal and Compliance Department.

## 2.7 Statement by the Board Audit Committee

The Board Audit Committee 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 member of the Board Audit Committee who is interested in any RRPT shall not be involved in the review of the RRPT.

The Board Audit Committee is also of the view that KPS Group had put in place adequate procedures and processes to monitor, track and identify RRPT in a timely and orderly manner. The Board Audit Committee 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 are in the ordinary course of business of KPS Group. They are recurring transactions of 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 Group and where applicable have proven their reliability. The RRPT entered into by KPS Group as detailed in Section 2.3 will meet KPS Group's business needs at the best possible terms and is in the best interest of KPS 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. It is also not expected to have any material effect on the net assets per share and earnings per share of the KPS Group.

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

As at 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>				
YB Dato' Nor Azmie bin Diron	-	-	-	-
Encik Soffan Affendi bin Aminudin	-	-	-	-
<b>Major Shareholder</b>				
MBI	-	-	311,023,454	57.88
DEIG	311,023,454 <sup>(2)</sup>	57.88	-	-
<b>Interested Person Connected</b>				
PKNS	29,675,038	5.52	-	-
TWNS	8,384,615	1.56	-	-

Notes:

(1) Based on number of issued shares as at LPD of 537,385,383 Ordinary Shares.

(2) 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 Interested Directors namely YB Dato' Nor Azmie bin Diron and Encik Soffan Affendi bin Aminudin have abstained and will continue to abstain from Board deliberation and voting in respect of the relevant RRPT under the Proposed Shareholders' Mandate at Board meetings and Board Audit Committee meetings, where applicable.

The Interested Director, 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 44<sup>th</sup> AGM.

The Interested Director and Interested Major Shareholders have also undertaken to ensure that 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 44<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, is 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 44<sup>th</sup> AGM.

### **4. APPROVAL REQUIRED**

The Proposed Shareholders' Mandate is subject to approval being obtained from our shareholders at the forthcoming 44<sup>th</sup> AGM.

### **5. 44<sup>th</sup> AGM**

The 44<sup>th</sup> AGM of KPS, the Notice of which is set out in the Annual Report 2020 of KPS accompanying this Circular, will be conducted entirely through live streaming from the KPS Corporate Office, 17<sup>th</sup> Floor, Plaza Perangsang, Persiaran Perbandaran, 40000 Shah Alam, Selangor Darul Ehsan, on **Tuesday**, 25 May 2021 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 Tricor Investor and Issuing House Services Sdn Bhd ("Tricor")'s office at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, or drop the Proxy Form at Tricor's Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, or alternatively, to submit your electronic Proxy Form via TIIH Online at <https://tiih.online> 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**

**DATO' IDRIS BIN MD TAHIR**  
Independent Non-Executive Director

## FURTHER INFORMATION

### 1. DIRECTORS' RESPONSIBILITY STATEMENT

This Circular has been seen and approved by the Directors of KPS 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

Neither KPS nor its subsidiaries are involved or engaged in any material litigation, claims or arbitration, either as plaintiff or defendant, and the Directors of KPS do not have any knowledge of any proceedings, pending or threatened against KPS 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 and/or its subsidiary companies.

### 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 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. **Proposed Selective Capital Reduction and Repayment Exercise By Century Bond Berhad ("CBB") Under Section 116 of the Act ("Proposed SCR")**

On 16 April 2019, Perangsang Packaging Sdn Bhd ("PPSB" or "Non-Entitled Shareholder"), a wholly-owned subsidiary of KPS, had served a letter to the board of directors of CBB, setting out PPSB's intention for CBB to undertake a selective capital reduction and repayment under Section 116 of the Act. Upon successful completion of the Proposed SCR, PPSB will hold the entire issued share capital of CBB.

On 22 August 2019, the High Court of Malaya had granted an order confirming the SCR pursuant to Section 116 of the Act, and pursuant thereto all required approvals for the SCR had been duly obtained.

Thereafter, on 20 September 2019, the sealed order had been lodged with the Registrar of Companies in accordance with Section 116(6) of the Act. PPSB had fully settled the SCR offer price of the Proposed SCR to the Entitled Shareholders on 27 September 2019.

CBB became a wholly owned subsidiary of PPSB, which in turn is a wholly owned subsidiary of KPS.

#### b. **Proposed Acquisition of 100% Equity Interest In Toyoplas Manufacturing (Malaysia) Sdn Bhd ("Toyoplas") By Perangsang Dinamik Sdn Bhd ("PDSB"), a wholly-owned subsidiary of KPS, For A Cash Consideration of RM311,250,000**

On 17 May 2019, PDSB had entered into a share sale agreement (the "Agreement") with Toyoplas Consolidated Limited (the "Vendor"), Lim Lai An and Lim Hui Bian for the proposed acquisition of 100% equity interest in Toyoplas (after the Pre-Acquisition Exercise (as defined in the Agreement)) for a cash consideration of RM311,250,000 (equivalent to USD75,000,000) from the Vendor ("Proposed Acquisition").

On 15 August 2019, the Proposed Acquisition has been completed under the terms and conditions of the Agreement, and Toyoplas became a wholly owned subsidiary of PDSB, which in turn is a wholly owned subsidiary of KPS, with immediate effect.

**c. Acceptance of Commodity Murabahah Term Financing-I of up to RM150,000,000 by RHB Islamic Bank Berhad (RHBi) To PDSB, a wholly owned subsidiary of KPS**

On 3 June 2019, PDSB had accepted the Commodity Murabahah Term Financing-i facility of RM150,000,000 (the "Islamic Facilities") from RHBi offered to PDSB.

The Islamic Facilities are intended to be used by PDSB to part finance up to 48.2% of the total acquisition of the 100% equity interest in Toyoplas Manufacturing (Malaysia) Sdn Bhd amounting to RM311,250,000 (equivalent to USD75,000,000) by PDSB from Toyoplas Consolidated Limited ("Proposed Acquisition").

**d. Sale and Purchase of Shares Agreement ("SPSA") in respect of 85% of the equity interest in Taspack Industrial Sdn. Bhd. ("TISB").**

On 11 October 2019, KPS through Polyplus Packages (JB) Sd. Bhd. (the "Purchaser"), a wholly-owned subsidiary of Century Bond Berhad ("CBB") signed the SPSA with (1) Lim Kian Tiong, Soo Yin Seong and Teo Kim Yam (the "Vendors") for the Purchaser to acquire a total sale shares of 297,500 fully-paid shares or 85% of the equity interest in TISB (the "Sale Shares").

Under the SPSA, the Purchase Consideration for the Sale Shares is RM21.25 million only payable by the Purchaser to the Vendors for the purchase of the Sale Shares.

The SPSA was duly completed pursuant the terms stated therein on 26 November 2019 and the Company became a subsidiary of CBB which in turn is a wholly owned subsidiary of KPS.

**e. Shareholders Agreement regulating the relationship between the shareholders of TISB.**

On 11 October 2019, Polyplus Packages (JB) Sd. Bhd, Lim Kian Tiong, Soo Yin Seong and Teo Kim Yam entered into a Shareholders Agreement regulating their relationship as shareholders of TISB and their relationship with each other vis-à-vis their respective investment participation in TISB.

**f. Disposal of leasehold land held under Pajakan Negeri No. Hakmilik 9955, Lot 1702 Seksyen 46, Town and District of Kuala Lumpur, State of Wilayah Persekutuan K.L. ("Land").**

Perangsang Hotel And Properties Sdn Bhd (as vendor) had on 9 July 2020 entered into a Sale and Purchase Agreement with Aturan Lagenda Sdn Bhd (as purchaser) for the disposal of all that Land with an area measuring approximately 3,225 square metres together with one (1) fifteen (15) storey hotel building at a total cash disposal consideration of RM40.50 million ("Disposal").

The said Disposal has yet to be completed as at LPD.

**g. 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 hectare including the building erected on it at a total cash consideration of RM4.2 million ("Purchase").

The said Purchase has yet to be completed as at LPD.

- h. **Proposed Variation of the relevant provisions in the Share Sale Agreement dated 15 May 2019 entered into between Perangsang Dinamik Sdn Bhd (“PDSB”), a wholly-owned subsidiary of Kumpulan Perangsang Selangor Berhad (“KPS”), Lim Tech Consolidated Limited (formerly known as Toyoplas Consolidated Limited) (“Vendor”), Lim Lai An (“LLA”) and Lim Hui Bian (“LHB”) (“SSA”)**

On 25 February 2021, PDSB had entered into a conditional variation agreement with the Vendor, LLA and LHB to vary, amend, modify, delete, add and/or substitute the provisions of the SSA, amongst others, to defer the second-year profit guarantee of RM42,330,000.00 provided by the Vendor, LLA and LHB from financial year ended 31 December 2020 to financial year ending 2021, which is conditional upon the approval of the shareholders of KPS.

The extraordinary general meeting for the Proposed Variation is scheduled to be held on 25 May 2021.

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

Copies of the following documents will be available for inspection at the registered office of KPS 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 44<sup>th</sup> AGM: -

- (a) Constitution of the Company;
- (b) Audited consolidated financial statements of KPS for the past (2) financial years ended 31 December 2019 and 31 December 2020; and
- (c) Material contracts referred to in Section 3 above.