

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 only perused Section 2.3.2 of this Circular in respect of proposed new shareholders' mandate for recurrent related party transactions of a revenue or trading nature on a limited review basis pursuant to Paragraph 4.1(c) of Practice Note 18 of the Main Market Listing Requirements of Bursa Securities. Bursa Securities takes no responsibility for the contents of this Circular, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Circular.



KUMPULAN PERANGSANG SELANGOR BERHAD

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

CIRCULAR TO SHAREHOLDERS

IN RELATION TO THE

**PROPOSED RENEWAL OF EXISTING SHAREHOLDERS' MANDATE AND
NEW 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-Fifth (45th) Annual General Meeting ("AGM") of the Company, which will be conducted entirely through live streaming and online remote voting from the Broadcast Venue at KPS Corporate Office, 17th Floor, Plaza Perangsang, Persiaran Perbandaran, 40000 Shah Alam, Selangor Darul Ehsan, on Tuesday, 7 June 2022 at 10.00 a.m. Notice of the 45th AGM of the Company together with the Form of Proxy are enclosed together with the Annual Report 2021 of the Company, which is available at <http://kps.com.my/index.php/investor-relations/reports>.

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

Last date and time for lodging the Form of Proxy : Sunday, 5 June 2022 at 10.00 a.m.

Date and time of AGM : Tuesday, 7 June 2022 at 10.00 a.m.

This Circular is dated 27 April 2022

DEFINITIONS

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

| | |
|---------------------------------|---|
| “Act” | : Companies Act 2016 |
| “AGM” | : Annual General Meeting |
| “Air Selangor” | : Pengurusan Air Selangor Sdn. Bhd., a wholly-owned subsidiary of ASHB |
| “ASHB” | : Air Selangor Holdings Berhad, a wholly-owned subsidiary of MBI |
| “ASHB Group” | : ASHB and its subsidiary companies |
| “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 |
| “BAC” | : Board Audit Committee of KPS |
| “Bursa Securities” | : Bursa Malaysia Securities Berhad |
| “Cash Band” | : Cash Band (M) Berhad, a wholly-owned subsidiary of KPS |
| “CSSB” | : Central Spectrum (M) Sdn Bhd, an indirect 76.67%-owned subsidiary of MBI via its wholly-owned subsidiary, MSB which is the holding company KHSB |
| “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 27 April 2022 in relation to the Proposed Shareholders’ Mandate |
| “Director(s)” | : Shall have the meaning given in Section 2(1) of the Capital Markets and Services Act 2007 and includes any person who is or was within the preceding 6 months of the date on which the terms of the transaction were agreed upon, a director or chief executive of KPS, its subsidiaries or its holding company |
| “Interested Director(s)” | : Director(s) who are deemed to be Related Parties and are interested in the Proposed Shareholders’ Mandate |
| “Interested Major Shareholders” | : Major Shareholders who are deemed to be Related Parties and are interested in the Proposed Shareholders’ Mandate |
| “Interested Persons Connected” | : Refers to Persons Connected to the Directors and/or Major Shareholders of the Company. |
| “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 |
| “KPS Group” or “the Group” | : KPS and its subsidiary companies |

DEFINITIONS
(Cont'd)

| | | |
|------------------------|---|--|
| “KHSB” | : | Kumpulan Hartanah Selangor Berhad a wholly-owned subsidiary MSB |
| “KPS-HCM” | : | KPS-HCM Sdn. Bhd., a 51%-owned subsidiary of KPS |
| Kyco” | : | Kyco Industries, Inc., an indirect 60%-owned subsidiary of KPS via Kaiserkorp |
| “Listing Requirements” | : | Main Market Listing Requirements of Bursa Securities, including any amendments that may be made from time to time |
| “LPD” | : | 29 March 2022, 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 |
| “MSB” | : | Mantapmurni Sdn. Bhd., a holding company of KHSB |
| “NBSB” | : | Nadi Biru Sdn. Bhd., a wholly-owned subsidiary of KPS |
| “Partner” | : | <p>in relation to any person (referred to as “said Person”), 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 “said Person”) 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>(e) a person, or where the person is a body corporate, the body corporate or its directors, in accordance with whose directions, instructions or wishes the said Person is accustomed or is under an obligation, whether formal or informal, to act;</p> <p>(f) a body corporate in which the said Person, or persons connected with the said Person are entitled to exercise, or control the exercise of, not less than 20% of the votes attached to voting shares in the body corporate; or</p> <p>(g) a body corporate which is a related corporation of the said Person.</p> |

DEFINITIONS
(Cont'd)

| | |
|--|--|
| “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 New Shareholders’ Mandate” | Proposed new shareholders’ mandate for an additional RRPT of a revenue or trading nature entered/to be entered into by KPS Group from the date of forthcoming 45 th AGM to the next AGM of the Company |
| “Proposed Renewal of Existing Shareholders’ Mandate” | Proposed renewal of the 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 45 th AGM to the next AGM of the Company |
| “Proposed Shareholders’ Mandate” or “Proposal” | : Proposed Renewal of Existing Shareholders’ Mandate and Proposed New Shareholders’ Mandate |
| “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 |

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.

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

KUMPULAN PERANGSANG SELANGOR BERHAD

(Registration No. 197501002218/23737-K)
(Incorporated in Malaysia under the Companies Act 1965)

Registered Office:

17th Floor, Plaza Perangsang
Persiaran Perbandaran
40000 Shah Alam
Selangor Darul Ehsan

27 April 2022

Board of Directors

YB Dato' Haris bin Kasim (*Chairman, Non-Independent Non-Executive Director*)
Puan Norita binti Mohd Sidek (*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*)
YBhg Dato' Noorazman bin Abd Aziz (*Independent Non-Executive Director*)
Ms Sharmila d/o Sekarajasekaran (*Independent Non-Executive Director*)
Encik Ahmad Fariz bin Hassan (*Managing Director/Group Chief Executive Officer*)

To: The Shareholders of KPS

Dear Sir/Madam

PROPOSED SHAREHOLDERS' MANDATE

1. INTRODUCTION

On 29 March 2022, the Board announced that the Company proposed to seek the approval of its shareholders for the Proposal at the forthcoming 45th 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 45th AGM of the Company, which will be conducted entirely through live streaming and online remote voting from the KPS Corporate Office, 17th Floor, Plaza Perangsang, Persiaran Perbandaran, 40000 Shah Alam, Selangor Darul Ehsan, on 7 June 2022, Tuesday, at 10.00 a.m., enclosed in the Annual Report 2021 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 45th 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 (%) |
|-----------------------------------|---|-----------------------------------|
| Held by the Company | | |
| 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 |
| Held by BASB | | |
| Kaiserkorp | Investment holding | 60 |
| Held by Kaiserkorp | | |
| Kyco | Investment holding | 100 |
| Kingkoil International Pte Ltd | Investment holding | 100 |
| Held by Kyco | | |
| 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 (%) |
|--|--|-----------------------------------|
| Held by NBSB | | |
| SPT | Contractors and subcontractors for the laying of pipes for all kinds of constructional, structural and civil engineering works | 64 |
| Held by SPT | | |
| Darul Aman Water Solutions Sdn Bhd | Water related projects including but not limited to pipe replacement and pipe rehabilitation projects | 49 |
| Held by PPSB | | |
| CBB | Investment holding and provision of management services | 100 |
| Held by CBB | | |
| 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 and food process packaging; and manufacture, processes and trade in all kinds of food and beverage products including but not limited to coffee and sugar. | 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 |
| Held by Prestige Packages Sdn Bhd | | |
| 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 (%) |
|--|---|-----------------------------------|
| Held by Multiview Enterprise Sdn Bhd | | |
| 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 |
| Held by Brandpak Sdn Bhd | | |
| PT. Prestige Packages Indonesia | Manufacturing and sales of cement paper bags | 5 |
| Held by Pro Pulp Packages Sdn Bhd | | |
| Century Packaging & Printing Sdn Bhd (formerly known as Hongda Century Packing & Printing Sdn Bhd) | Offset printing for corrugated carton boxes and packaging. | 60 |
| Held by Polyplus Packages (JB) Sdn Bhd | | |
| Infinity Packaging Solution Sdn. Bhd. | Offset printing for corrugated carton boxes, pulp moulded products and packaging | 51 |
| Polyplus Packages (PG) Sdn Bhd | Manufacturing and sales of corrugated carton boxes and packaging | 60 |
| Taspack Industrial Sdn Bhd | Process and supply of instruction manual books, boxes and all other packing materials. | 85 |
| PT. Infinity Packaging Solutions | Offset printing for corrugated carton boxes, pulp moulded products, rigid box and all other type of packaging solution provider | 51 |
| Held by Cash Band | | |
| Perangsang Hotel & Properties Sdn Bhd | Property leasing management | 100 |
| Held by Perangsang Dinamik Sdn Bhd | | |
| CPI (Penang) Sdn Bhd | Manufacture, assembly and sale of electronic products and plastic moulded components and parts | 100 |
| Toyoplas Manufacturing (Malaysia) Sdn Bhd | Manufacturing, assembly and sale of plastic injection moulded components and tooling. | 100 |

| Name of Company | Principal Activities | Proportion of Equity Interest (%) |
|---|---|-----------------------------------|
| Held by CPI (Penang) Sdn Bhd | | |
| PCM Manufacturing Sdn Bhd | Secondary processes including silk screening, spray printing & tempo printing. | 60 |
| Held by Toyoplas Manufacturing (Malaysia) Sdn Bhd | | |
| 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 | 99.92 |
| Toyoplas Manufacturing (HK) Co Ltd | Trading and investment holding | 100 |
| Held by Toyoplas Holdings Pte Ltd | | |
| 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) | Manufacturing and selling of plastic injection moulded components | 100 |
| Toyoplas Manufacturing (Bac Giang) Co. Ltd. | Manufacturing and selling of plastic injection moulded components | 100 |
| PT Toyoplas Manufacturing Indonesia | Manufacturing and selling of plastic injection moulded components as well as final assembly | 0.08 |
| Held by Toyoplas Manufacturing (HK) Co. Ltd. | | |
| 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 2021.

2.3 Information on Related Parties and Nature of Transactions

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

| No. | Company within KPS Group | Transacting Related Parties | Nature of Transactions | Estimated Value for Proposed Shareholders' Mandate (from this 45 th AGM to the next AGM) [#] (RM'000) | Estimated Value as disclosed in the Circular to Shareholders dated 25 April 2021 (RM'000) | Actual Value Transacted (from the date of last AGM held on 25 May 2021 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 chemical products, water meters, goods and services, laboratory & monitoring equipment and disinfection system in Selangor and Federal Territories of Kuala Lumpur and Putrajaya by Aqua-Flo to Air Selangor Group+ | 82,000 | 82,000 | 47,973 | <p><i>Interested Major Shareholders</i></p> <ul style="list-style-type: none"> • MBI • DEIG <p><i>Interested Persons Connected</i></p> <ul style="list-style-type: none"> • ASHB • Air Selangor • PKNS • TWNS | <p>DEIG is a major shareholder of KPS with direct shareholding of 57.88%. MBI is a holding company of DEIG.</p> <p>ASHB is a wholly-owned subsidiary of MBI.</p> <p>Air Selangor is a wholly-owned subsidiary of ASHB.</p> <p>PKNS is a substantial shareholder of KPS with direct shareholding of 5.52% and a person connected to DEIG.</p> <p>TWNS is a shareholder of KPS with direct shareholding of 1.56% and a person connected to DEIG.</p> |

| No. | Company within KPS Group | Transacting Related Parties | Nature of Transactions | Estimated Value for Proposed Renewal of Existing Mandate (from this 45 th AGM to the next AGM) # (RM'000) | Estimated Value as disclosed in the Circular to Shareholders dated 25 April 2021 (RM'000) | Actual Value transacted (from the date of last AGM held on 25 May 2021 to the LPD)^ (RM'000) | Interested Related Parties | |
|-----|--------------------------|-----------------------------|--|--|---|--|---|---|
| | | | | | | | Name | Nature of Relationship |
| (b) | SPT* | Air Selangor | Laying of new pipes to replace existing pipes in Selangor and Federal Territories of Kuala Lumpur and Putrajaya by SPT to Air Selangor | 1,500 | 2,000 | 883 | (<i>continue</i>) <i>Interested Directors</i> • YB Dato' Haris bin Kasim • Puan Norita binti Mohd Sidek <i>Former Interested Directors</i> • YB Dato' Nor Azmie bin Diron • Encik Soffan Affendi bin Aminudin | (<i>continue</i>) YB Dato' Haris bin Kasim 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. Puan Norita binti Mohd Sidek sits on the board of MBI. She is also the Chief Executive Officer of MBI and a Non-Independent Non-Executive Director of KPS. YB Dato' Nor Azmie bin Diron had resigned as Chairman and Non-Independent Non-Executive Director of KPS on 1 November 2021. Previously, he sat on the Boards of MBI, DEIG, PKNS, Air Selangor and ASHB prior to his resignation. Encik Soffan Affendi bin Aminudin had resigned as a Non-Independent Non-Executive Director of KPS on 14 March 2022. He was a board representative of MBI in KPS prior to his resignation. |

| No. | Company within KPS Group | Transacting Related Parties | Nature of Transactions | Estimated Value for Proposed Renewal of Existing Mandate (from this 45 th AGM to the next AGM) # (RM'000) | Estimated Value as disclosed in the Circular to Shareholders dated 25 April 2021 (RM'000) | Actual Value transacted (from the date of last AGM held on 25 May 2021 to the LPD)^ (RM'000) | Interested Related Parties | |
|-----|--------------------------|-----------------------------|--|--|---|--|---|--|
| | | | | | | | Name | Nature of Relationship |
| (c) | Aqua-Flo [®] | Sg. Harmoni | Sales of chemical products, laboratory & monitoring equipment and disinfection system by Aqua-Flo to Taliworks | 20,000 | 23,000 | 14,087 ³ | Interested Major Shareholder • Taliworks | Taliworks is a Major Shareholder of Aqua-Flo with direct shareholding of 24%. Sg. Harmoni is a wholly-owned subsidiary of Taliworks. |

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

| No. | Company within KPS Group | Transacting Related Party | Nature of Transaction | Estimated Value for RRPT for 45 th AGM to the next AGM (RM'000) | Interested Related Parties | |
|-----|--------------------------|---------------------------|--|--|---|---|
| | | | | | Name | Nature of Relationship |
| (a) | KPS-HCM** | CSSB | Performing infrastructure works for the development of Phase 3C, Lot 74079, Pulau Indah Industrial Park, Pulau Indah, Mukim Daerah Klang, Darul Selangor Darul Ehsan by KPS-HCM to CSSB [§] KPS-HCM's scope of Works comprises of proper execution and completion of the whole works which include providing all labour, materials, plants, tools, temporary works, etc for the following items: | 8,000 | <p><i>Interested Major Shareholders</i></p> <ul style="list-style-type: none"> • MBI • DEIG • MSB <p><i>Interested Connected Persons</i></p> <ul style="list-style-type: none"> • KHSB • CSSB <p><i>Interested Directors</i></p> <ul style="list-style-type: none"> • YB Dato' Harris bin Kasim | <p>DEIG is a major shareholder of KPS with direct shareholding of 57.88%. MBI is a holding company of DEIG.</p> <p>MSB is a wholly-owned subsidiary of MBI.</p> <p>KHSB is a wholly-owned subsidiary of MSB.</p> <p>CSSB is a wholly-owned subsidiary of KHSB.</p> <p>YB Dato' Harris bin Kasim sits on the Board of MBI and ASHB, and is the Chairman of KHSB and CSSB. He is the Chairman, Non-Independent Non-Executive Director of KPS.</p> <p>Puan Norita binti Mohd Sidek sits on the board of MBI. She is also the Chief Executive Officer of MBI and a Non-Independent Non-Executive Director of KPS.</p> <p>YB Dato' Nor Azmie bin Diron had resigned as Chairman and Non-Independent Non-Executive Director of KPS on 1 November 2021. Previously, he sat on the Boards of MBI, DEIG, PKNS, Air Selangor and ASHB prior to his resignation.</p> |

| No. | Company within KPS Group | Transacting Related Party | Nature of Transaction | Estimated Value for RRPT for 45 th AGM to the next AGM (RM'000) | Interested Related Parties | |
|-----|--------------------------|---------------------------|--|--|---|---|
| | | | | | Name | Nature of Relationship |
| | | | (continue) <ul style="list-style-type: none"> Elevated Water Tank; Flood Detention Pond; Road and Pavement; Drainage Reticulation; Sewerage Reticulation; Water Reticulation; Site Investigation Works; Mechanical and Electrical Works; TNB Sub-station & SSU; and Prime Cost Sum & Provisional Sum. | | (continue) <ul style="list-style-type: none"> Encik Soffan Affendi bin Aminudin | (continue) Encik Soffan Affendi bin Aminudin had resigned as a Non-Independent Non-Executive Director of KPS on 14 March 2022. He was a board representative of MBI in KPS prior to his resignation. |

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.
- + Pursuant to Framework Agreement ("FA") dated 17 October 2018 entered into between Aqua-Flo and Air Selangor for a period of two (2) years commencing from 1 November 2018 to 31 October 2020 for the supply and delivery of chemicals, goods and services as described in Section 2.3(a) above. Subsequently, Aqua-Flo had on 21 October 2021 entered into a FA with Air Selangor for a period of fourteen (14) months commencing from 1 November 2021 to 31 December 2022. The FA shall be extended subject to the same terms, conditions and covenants contained in the FA save for the extended contract period as agreed between Aqua-Flo and Air Selangor.
- @ 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 transactions from the date on which the existing mandate was obtained (i.e. from the date of last AGM held on 25 May 2021) 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.
- ** KPS-HCM is a 51%-owned subsidiary of KPS. The balance 49% of the equity interest in KPS-HCM is owned by HCM Engineering Sdn Bhd, an unrelated entity to KPS Group.
- & Actual value is based on sales of chemicals and other contracts with Sg. Harmoni. There were no transactions with Taliworks (Langkawi) Sdn Bhd ("Taliworks (Langkawi)") since the 44th AGM held on 25 May 2021. As disclosed in Section 2.3(c) of the Circular to Shareholders dated 26 April 2021, effective from 1 November 2020, Taliworks (Langkawi) had surrendered their water operator plants to Syarikat Air Darul Aman Sdn Bhd.
- \$ A dispute has arisen between KPS-HCM and CSSB under the contract arising from the claims made by KPS-HCM. Expected claim on Variation Order ("VO") as instructed by CSSB during the construction period and Idling Claim and Loss & Expenses Claim will be determined via Adjudication Proceeding. All the claims if successful will be included in the Final Project Account (which form part of the Estimated Value of this RRPT). Please refer to KPS's announcement made on 9 February 2022 for further details.

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 2021 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 2022.

2.4 Amount due and owing to KPS Group by Related Parties

As at 31 December 2021, 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 2021 | | | |
|--------------|--------------------|---|---------------------------------|---------------------------------|----------------------------|
| | | 1 year or less (RM'000) | More than 1 to 3 years (RM'000) | More than 3 to 5 years (RM'000) | More than 5 years (RM'000) |
| 1. | Air Selangor Group | 2,833 | - | - | - |
| 2. | Sg. Harmoni | 1,177 | - | - | - |
| Total | | 4,010 | - | - | - |

However, the total outstanding amount due and owing by the Related Parties to KPS Group as at LPD, 29 March 2022 is RM6.2 million comprises RM4.0 million and RM2.2 million by Air Selangor Group and Sg. Harmoni, respectively.

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

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

2.5 Review Procedures for the RRPT

The Group has established the following procedures and guidelines to ensure that 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 BAC for their recommendation to the Board.

Prior to reporting to the BAC, 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 two (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 BAC 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 BAC.

Prior to reporting to the BAC, 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 BAC 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 BAC on a quarterly basis. In the review of such transactions, the BAC may, as it deems fit, request for additional information from independent sources.

- (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 BAC and the Board of Directors shall review the internal audit reports to ascertain that the guidelines and procedures established (as set out in paragraphs (a) to (d) above) to monitor RRPT have been complied with. The review shall be done on a quarterly basis.
- (f) Where any member of the BAC and/or Board ("Person(s)") has an interest (direct or indirect) in the RRPT to be reviewed, such Person(s) must declare his/her interest in the RRPT and abstain from deliberation and voting on the matter at the respective meeting in respect of such transactions.
- (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 & Corporate Services) ("DCEOFCS")</i> after reviewing and verifying by Internal Auditors | <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 BAC | Report to the Board by | Approved by |
|--|---|--|------------------------|-----------------------------------|
| Above RM500,000 to RM1 million | Head of Department/ Head of Subsidiaries | Investment Evaluation Committee ^{^^} after reviewing and verifying by Internal Auditors | BAC | Board |
| More than RM1 million – to seek shareholders' mandate at the AGM | Head of Department/ Head of Subsidiaries | Investment Evaluation Committee ^{^^} after reviewing and verifying by Internal Auditors | BAC | i) Board; and ii) Shareholders |

Note:

^{^^} 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 & Compliance Department.

2.7 Statement by the BAC

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

The BAC 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 BAC will review the procedures and processes annually or whenever the need arises.

2.8 Rationale and Benefit for the Proposed Shareholders' Mandate

The RRPT envisaged under the Proposed Shareholders' Mandate 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 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 Persons 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 | % ⁽¹⁾ | No. of Shares | % ⁽¹⁾ |
| Interested Directors | | | | |
| YB Dato' Haris bin Kasim | - | - | - | - |
| Puan Norita binti Mohd Sidek | - | - | - | - |
| Former Interested Directors | | | | |
| YB Dato' Nor Azmie bin Diron (Resigned on 1 November 2021) | - | - | - | - |
| Encik Soffan Affendi bin Aminudin (Resigned on 14 March 2022) | - | - | - | - |
| Major Shareholders | | | | |
| MBI | - | - | - | - |
| DEIG | 311,023,454 ⁽²⁾ | 57.88 | - | - |
| Interested Persons Connected | | | | |
| Air Selangor | - | - | - | - |
| 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 BAC had on 24 March 2022, reviewed and recommended the RRPT under the Proposed Shareholders' Mandate for Board's consideration. The Interested Directors namely, YB Dato' Haris bin Kasim and Puan Norita binti Mohd Sidek have abstained and will continue to abstain from Board deliberation and voting in respect of the relevant RRPT under the Proposed Shareholders' Mandate at the Board meeting held on 29 March 2022 and subsequent Board meeting (if any).

The Interested Directors, Interested Major Shareholders namely MBI and DEIG and/or Interested Persons Connected will abstain from voting in respect of their direct and indirect shareholdings on the Proposed Shareholders' Mandate at the forthcoming 45th AGM.

The Interested Directors 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 45th 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 45th AGM.

4. APPROVAL REQUIRED

The Proposed Shareholders' Mandate is subject to approval being obtained from our shareholders at the forthcoming 45th AGM.

5. 45th AGM

The 45th AGM of KPS, the Notice of which is set out in the Annual Report 2021 of KPS accompanying this Circular, will be conducted entirely through live streaming and online remote voting from the Broadcast venue at KPS Corporate Office, 17th Floor, Plaza Perangsang, Persiaran Perbandaran, 40000 Shah Alam, Selangor Darul Ehsan, on **Tuesday, 7 June 2022 at 10.00 a.m.** for the purpose of considering and, if thought fit, passing a resolution pertaining to the Proposed Shareholders' Mandate as described herein.

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

6. FURTHER INFORMATION

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

Yours faithfully

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

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

Saved as disclose below 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.

KPS-HCM, a 51% owned subsidiary of KPS, had served a Notice of Adjudication issued under the Construction Industry Payment & Adjudication Act 2012 ("**CIPAA**") against Central Spectrum (M) Sdn Bhd ("**CSSB**") on 9 February 2022 for the total sum of RM10,609,181.90 ("**Adjudicated Sum**"). The claim by KPS-HCM is for works done and/or services rendered for the Adjudicated Sum from 5 July 2017 until 31 December 2020 pursuant to a Letter of Acceptance bearing reference no. CSSB/LA/3C-INFRA/KPS/17/016 dated 19 June 2017 ("**Payment Claim**") whereby KPS-HCM was appointed by CSSB as the contractor for the proposed infrastructure work for the development of Phase 3C, Lot 74079, Pulau Indah Industrial Park, Mukim Klang, Daerah Klang, Selangor Darul Ehsan ("collectively referred to as "**Contract**")

A dispute has arisen between KPS-HCM and CSSB under the Contract arising from the claims made by KPS-HCM. The Payment Claim dated 2 December 2021 was served by KPS-HCM by hand vide a letter ref: RC/LIT/64262/21 and was received on the same date by CSSB. However, no payment response was received by KPS-HCM until the due date. Hence, pursuant to Section 6(4) of CIPAA, if CSSB fails to serve any payment response in a manner provided under the said section of CIPAA, it is deemed that CSSB has disputed the entire Payment Claim. As such, KPS-HCM proceeded with the filing Notice of Adjudication against CSSB. As at to-date CSSB has not filed its adjudication response. The solicitors for KPS-HCM are of the view that based on the current facts of the matter, the outcome of the decision in favour of KPS-HCM is fair.

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. **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 been completed on 7 October 2021.

b. 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 subject to two (2) conditions precedent to be completed as follows:

- (i) The Vendor to acquire consent from the State Authority to transfer the lease over the Property to the Purchaser ("**Consent to Transfer**") within three (3) months from the SPA date; and
- (ii) The Purchaser to acquire consent from the State Authority to charge the lease over the Property to the Purchaser's financier within three (3) months from the date of receipt of the Consent to Transfer.

c. Proposed Variation of the relevant Provisions in the Share Sale Agreement dated 17 May 2019 entered into between Perangsang Dinamik Sdn Bhd ("PDSB"), a wholly-owned subsidiary of KPS, Lim Tech Consolidated Limited (formerly known as Toyoplas Consolidated Limited) ("Vendor"), Lim Lai An ("LLA") and Lim Hui Bian ("LHB") ("SSA") ("Proposed Variation**")**

On 25 February 2021, PDSB had entered into a 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 from financial year ended 31 December 2020 to financial year ending 31 December 2021 at the same profit guarantee amount ("**Variation Agreement**").

The Variation Agreement was conditional upon the approval of the shareholders of KPS. The condition precedent was fulfilled on 25 May 2021 as the approval was obtained in an Extraordinary General Meeting held on the said date and accordingly, the Variation Agreement has become unconditional in accordance with the terms of the Variation Agreement effective on the same date.

d. Disposal by Toyoplas Manufacturing (Malaysia) Sdn Bhd ("TMM" or "Vendor"), an Indirect Wholly-Owned Subsidiary of KPS of Three (3) Pieces of Leasehold Lands held under Pajakan Negeri 39990, 39991 and 39992, Lots 108687, 108688 and 108689, Mukim Plentong, Daerah Johor Bahru, Negeri Johor and the Buildings Erected thereon together with the Fixtures and Fittings attached thereto to Wiley Development Sdn Bhd ("WDSB" or "Purchaser") for a total disposal price of RM22.5 Million to be Satisfied Entirely in Cash ("Disposal of the Properties**")**

TMM had entered into the following agreements with the Purchaser pertaining to the Disposal:

- (j) the sale and purchase agreement dated 31 March 2021 ("**SPA1**") for the disposal of one (1) piece of leasehold land held under Pajakan Negeri 39990 Lot 108687, Mukim Plentong, Daerah Johor Bahru, Negeri Johor measuring approximately 3,884 square meters together with a one and a half (1.5) storey detached factory erected thereon ("**Property 1**") for a disposal price of RM7.5 million to be satisfied entirely in cash, upon the terms and subject to the conditions contained in the SPA1;
- (ii) the sale and purchase agreement dated 7 April 2021 ("**SPA2**") for the disposal of one (1) piece of leasehold land held under Pajakan Negeri 39991 Lot 108688, Mukim Plentong, Daerah Johor Bahru, Negeri Johor measuring approximately 3,948 square meters together with a one and a half (1.5) storey detached factory erected thereon ("**Property 2**") for a disposal price of RM7.5 million to be satisfied entirely in cash, upon the terms and subject to the conditions contained in the SPA2; and

- (iii) the sale and purchase agreement dated 7 April 2021 (“**SPA3**”) for the disposal of one (1) piece of leasehold land held under Pajakan Negeri 39992 Lot 108689, Mukim Plentong, Daerah Johor Bahru, Negeri Johor measuring approximately 4,012 square meters together with a one and a half (1.5) storey detached factory erected thereon (“**Property 3**”) for a disposal price of RM7.5 million to be satisfied entirely in cash, upon the terms and subject to the conditions contained in the SPA3;

(SPA1, SPA2 & SPA3 are collectively referred to as the “**SPAs**” and Property 1, Property 2 and Property 3 are collectively referred to as the “**Properties**”).

The Disposal of the Properties has been completed on 30 September 2021, in accordance with the terms of the SPAs.

e. Framework Agreement entered into between Aqua-Flo and Air Selangor for the Supply and Delivery of Chemicals to Air Selangor’s Water Treatment Plants from 1 November 2021 to 31 December 2022

On 21 October 2021, Aqua-Flo entered into a Framework Agreement (“**FA**”) with Air Selangor for the supply and delivery of chemicals (“**Supply**”) to Air Selangor’s water treatment plants for a period of fourteen (14) months from 1 November 2021 to 31 December 2022 (“**Expiry Date**”) for a total estimated contract sum of RM91,575,876.00 (“**Estimated Contract Sum**”) (“collectively referred to as “**Contract**”).

Air Selangor has the option to extend the Contract Period for a further term of twelve (12) months by giving Aqua-Flo not less than one month notice in writing prior to Expiry Date (“**Extended Contract Period**”) and thereafter, the FA shall be extended accordingly subject to the same terms, conditions and covenants contained in the FA save for the Extended Contract Period.

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

In the event that the Parties fail to reach an agreement, the FA shall automatically expire at the end of the Contract Period or the Extended Contract Period.

4. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection at the registered office of KPS at 17th 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 45th AGM:

- (a) Constitution of the Company;
- (b) Audited consolidated financial statements of KPS for the past (2) financial years ended 31 December 2020 and 31 December 2021;
- (c) Material contracts referred to in Section 3 of **Appendix I** above; and
- (d) The relevant cause papers in relation to material litigation referred to in Section 2 of **Appendix I** above.