



Press Release

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PERANGSANG SELANGOR ACQUIRES MAJORITY STAKE IN AQUA-FLO, AS IT PURSUES REALIGNED INVESTMENT STRATEGY

KUALA LUMPUR, 25 MAY 2016 – Kumpulan Perangsang Selangor Berhad (“Perangsang Selangor” or the “Company”), has successfully increased the Company’s stake in its existing investment in Aqua-Flo Sdn. Bhd. (“AFSB”). Following the completion of the exercise, Perangsang Selangor will now hold a 51% stake in AFSB which is involved in the sale of chemicals and equipment for the potable water industry and has been posting steady profits from 2003. Looking to the years ahead, the prospects for AFSB’s business are positive as well, as the company was recently awarded three (3) new contracts from Konsortium Air Selangor Sdn. Bhd, PNSB Water Sdn Bhd and Konsortium ABASS Sdn Bhd respectively, with a total estimated value of RM 98.11 million over a period of two years.

Chairman of Perangsang Selangor, Yang Mulia Raja Dato’ Haji Idris Raja Kamarudin (“YM Raja Dato’ Idris”) shared, “This proposed increase in our stake in AFSB is directly in line with our new investment blueprint and will allow Perangsang Selangor to capture greater top-line and bottom-line revenue at the holding level. It is important to note that while Perangsang Selangor is not directly involved in the management or operations of the assets we acquire; the interests of the Company are represented by highly experienced professionals from within the sector the investment is involved in. These experts bring added value to a target acquisition’s business and can provide strategic guidance if required. Already being implemented, this investment strategy not only insulates Perangsang from operational risks, but also makes the Company an attractive proposition to partners, who are seeking to add value to their business.”

Perangsang Selangor is currently embarking on a recalibration of their investment portfolio and will be looking to acquire assets which meet strict investment criteria. Target acquisitions are required to be mature, and immediately income generating as well as having a dedicated dividend policy in place. In addition, the Company is focusing on potential acquisitions that are either a market leader in their industry or have the potential to become market leader.

YM Raja Dato’ Idris further added, “The Board of Directors (“**the Board**”) of Perangsang Selangor is optimistic of the Company’s prospects in the coming months as we realign our investment portfolio, driven by the strategic investment blueprint we have in place. The resulting diversification in our asset

base will insulate us from fluctuations in any particular sector, while all possessing the same investment requirements and criteria, which will allow us to deliver on our mandate to create value for our shareholders, while maintaining sustained dividend pay-outs as well as achieving a strong valuation in the capital markets.”

The acquisition of the majority stake in AFSB involved Perangsang Selangor signing three (3) Sale and Purchase of Shares Agreements (“**SPA**”) entailing:

- i) A proposed acquisition of 15 % of the issued and paid-up capital of AFSB by Perangsang Selangor from Prismachem Sdn. Bhd. (“**Prismachem**”) for a cash consideration of RM 4.9 million.
- ii) A proposed acquisition of 36% of the issued and paid-up capital of AFSB from Hydrovest Sdn. Bhd. (“**HSB**”) (which is a 60% subsidiary of Perangsang Selangor) for a cash consideration of approximately RM 1.88 million.
- iii) Proposed disposal by HSB of 24% of the issued and paid-up capital of AFSB to Taliworks Corporation Berhad (“**TCB**”) for a cash consideration of RM 1.26 million

Perangsang Selangor is currently trading on the Main Market of Bursa Securities under the stock short name KPS and stock code 5843.

ABOUT KUMPULAN PERANGSANG SELANGOR BERHAD

Incorporated in August 1975, **Kumpulan Perangsang Selangor Berhad** (“**Perangsang Selangor**” or the “**Company**”) is a public limited liability company and is currently listed on the Main Market of Bursa Malaysia Securities Berhad. The Company has a varied investment portfolio with assets involved in Infrastructure & Utilities, Oil & Gas, Telecommunications as well as Franchise Licensing. Perangsang Selangor is committed towards making significant contributions to human capital, intellectual, and sustainable developments, whilst strengthening its core businesses to optimise returns for its shareholders.

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