KUMPULAN PERANGSANG SELANGOR BERHAD
(Registration No. 197501002218 / 23737-K)
(Incorporated in Malaysia)

GENERAL ANNOUNCEMENT - OTHERS

KUMPULAN PERANGSANG SELANGOR BERHAD ("KPS BERHAD" OR "COMPANY")

FRAMEWORK AGREEMENTS ENTERED INTO BETWEEN AQUA-FLO SDN BHD AND PENGURUSAN AIR SELANGOR SDN BHD FOR THE SUPPLY AND DELIVERY OF WATER TREATMENT CHEMICALS TO PENGURUSAN AIR SELANGOR SDN BHD FOR A PERIOD OF THREE (3) YEARS (FROM 1 JANUARY 2026 TO 31 DECEMBER 2028)

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1. INTRODUCTION

1.1 Framework Agreements

Pursuant to Paragraph 9.03 of the Main Market Listing Requirements ("**MMLR**") of Bursa Malaysia Securities Berhad ("**Bursa Securities**"), the Board of Directors ("**Board**") of KPS Berhad wishes to announce that Aqua-Flo Sdn Bhd ("**Aqua-Flo**"), a 51%-owned subsidiary of KPS Berhad, had on 21 November 2025 entered into two (2) separate Framework Agreements ("**FAs**") with Pengurusan Air Selangor Sdn Bhd ("**Air Selangor**") in relation to the following contracts (collectively referred to as the "**Contracts**").

a) Supply and Delivery of Chemicals to Water Treatment Plants (Group C - Disinfectants) for a period of three (3) years from 1 January 2026 to 31 December 2028 with an estimated contract sum of RM63,215,900.00 ("**Group C Contract**"); and

b) Supply and Delivery of Chemicals to Water Treatment Plants (Group E - Auxiliary) for a period of three (3) years from 1 January 2026 to 31 December 2028 with an estimated contract sum of RM14,884,625.00 ("**Group E Contract**").

1.2 Contract Period

Both Group C and Group E Contracts shall commence on 1 January 2026 ("**Commencement Date**") and remain in force until 31 December 2028 ("**Expiry Date**" or "**Contract Period**"), unless terminated earlier in accordance with the terms of the respective FAs.

Air Selangor and Aqua-Flo ("**Parties**") may renew the FAs for a further term to be mutually agreed upon by giving not less than one (1) month's written notice prior to the Expiry Date. Thereafter, the Parties shall, as soon as reasonably practicable, negotiate and mutually agree in writing on the terms and conditions of such renewal.

In the event the Parties fail to reach an agreement, the relevant FAs shall automatically expire at the end of the Contract Period.

1.3 Recurrent Related Party Transaction

The Group C and Group E Contracts constitute Recurrent Related Party Transactions ("**RRPT**s") under Paragraph 10.09 of the MMLR, as they involve the supply and delivery of chemical products by Aqua-Flo to Air Selangor, a related party. These transactions are recurrent, undertaken in the ordinary course of Aqua-Flo's business, and are of a revenue or trading nature essential to its day-to-day operations, covering deliveries within Selangor and the Federal Territories of Kuala Lumpur and Putrajaya.

2. SALIENT TERMS OF THE FRAMEWORK AGREEMENTS

2.1 Prices

2.1.1 The estimated contract sum is based on approximate quantities, with the final contract sum to be determined by the actual quantities stated in purchase orders issued by Air Selangor and/or its Group of Companies. For clarity, Air Selangor and/or its Group of Companies are not obliged to fulfil the estimated contract sum.

2.1.2 The prices shall remain fixed throughout the contract period (including any extension) and will not be subject to fluctuation arising from changes in raw materials, labour, transportation, insurance, taxes, statutory contributions, exchange rates, or other cost factors.

2.2 Performance Bond

2.2.1 Aqua-Flo, as the vendor, is required prior to the Commencement Date or within any other period agreed in writing by Air Selangor, to furnish a performance bond equivalent to five percent (5%) of the estimated contract sum. The performance bond must remain valid throughout the Contract Period and may be provided either as an irrevocable, unconditional bank guarantee payable on demand from a financial institution in Malaysia acceptable to Air Selangor, or in the form of a banker's cheque.

2.3 Termination

2.3.1 Either Air Selangor or Aqua-Flo may terminate the FAs with immediate effect by written notice if the other party becomes insolvent, enters into liquidation, has a receiver appointed over its assets, ceases or threatens to cease its business operations, or otherwise becomes unable to fulfil its obligations under the agreement.

3. EFFECT OF THE CONTRACT

The Group C Group E Contracts, entered into in the ordinary course of business and on an arm's length basis, are expected to contribute positively to the earnings and net assets of the KPS Berhad Group during the financial years ending within the Contract Period.

4. RISK FACTORS

The principal risks associated with the Group C and Group E Contracts include fluctuations in foreign currency exchange rates against Ringgit Malaysia, volatility in global and local chemical product prices, and potential supply chain disruptions of raw materials.

5. DIRECTORS' AND MAJOR SHAREHOLDERS' INTERESTS

Save as disclosed below, none of the Directors and/or Major Shareholders of Aqua-Flo and KPS Berhad as well as persons connected with them, have any interest, direct or indirect, in the Group C Contract and Group E Contract:

(i) Dato' Dr. Ahmad Fadzli bin Ahmad Tajuddin ("**Interested Director**") sits on the Boards of Menteri Besar Selangor Incorporated ("**MBI**"), Air Selangor Holdings Berhad ("**ASHB**"), Air Selangor and Perbadanan Kemajuan Negeri Selangor ("**PKNS**"). He is also the Non-Independent Non-Executive Chairman of KPS Berhad.

(ii) Dato' Ts. Saipolyazan bin Mat Yusop ("**Interested Director**") sits on the Boards of MBI, Darul Ehsan Investment Group ("**DEIG**") and ASHB. He is also the Chief Executive Officer of MBI and a Non-Independent Non-Executive Director of KPS Berhad.

(iii) DEIG is a major shareholder of KPS Berhad with a direct shareholding of 57.88%. Air Selangor is a wholly owned subsidiary of ASHB. MBI is the holding company of DEIG and ASHB. PKNS is a substantial shareholder of KPS Berhad with a direct shareholding of 5.52% and a person connected to DEIG. Tabung Warisan Negeri Selangor is a shareholder of KPS Berhad with a direct shareholding of 1.56% and a person connected to DEIG.

The Interested Directors have abstained, and will continue to abstain, from all deliberations and voting on the relevant resolutions of the Board of KPS Berhad in respect of the RRPT, in accordance with Sections 221 and 222 of the Companies Act 2016, Paragraph 10.08(6) of the MMLR and the Directors' Conflict of Interest Policy of KPS Berhad.

6. STATEMENT BY THE BOARD AUDIT COMMITTEE

The Board Audit Committee, after having taken into consideration the Contracts, is of the view that the Contracts are:

(i) in the best interest of the Company;
(ii) fair, reasonable, and on normal commercial terms;
(iii) not detrimental to the interest of the minority shareholders of the Company; and.
(iv) undertaken at an arms' length basis in the ordinary course of business and is on terms not more favourable to Air Selangor than those generally available to the public.

7. STATEMENT BY THE BOARD OF DIRECTORS

The Board of Directors of KPS Berhad (save for the Interested Directors), after having taken into consideration the Contracts, is of the view that the Contracts are:

(i) in the best interest of the Company;
(ii) fair, reasonable, and on normal commercial terms;
(iii) not detrimental to the interest of the minority shareholders of the Company; and
(iv) undertaken at an arms' length basis in the ordinary course of business and is on terms not more favourable to Air Selangor than those generally available to the public.

8. APPROVAL REQUIRED

The Group C and Group E Contracts are covered under the Shareholders' Mandate for RRPTs approved at the Company's EGM on 28 July 2025. In accordance with Paragraph 10.09 of the MMLR, this mandate authorises KPS Berhad Group to enter such transactions during its validity period, provided they are in the ordinary course of business, on arm's length terms, not more favorable to related parties than to the public, and do not prejudice minority shareholders' interests.

This Announcement is dated 21 November 2025.