

KUMPULAN PERANGSANG SELANGOR BERHAD (“KPS” OR “COMPANY”)

PROPOSED GRANTING OF OPTIONS TO TUAN HAJI ZAIN AZAHARI BIN ZAINAL ABIDIN PURSUANT TO KPS’S EMPLOYEE SHARE OPTION SCHEME (“ESOS” OR “SCHEME”) (“PROPOSED GRANTING”)

1. INTRODUCTION

The Board of Directors of the Company wishes to announce that the Company is proposing to grant Options (as defined in the Bye-Laws of the Scheme) to an Independent Non-Executive Director, namely Tuan Haji Zain Azahari bin Zainal Abidin, pursuant to the Company's ESOS.

The Scheme was implemented on 30 July 2003 and is to be in force for a period of 5 years, subject however, to an extension at the discretion of the Option Committee for a period of up to 5 years commencing from the date of expiration of the first 5 years period.

2. DETAILS OF THE PROPOSED GRANTING

The Company is proposing to offer and to grant, from time to time, to Tuan Haji Zain Azahari bin Zainal Abidin, an Independent Non-Executive Director of KPS, Options to subscribe for such number of new ordinary shares of RM1.00 each (“**Shares**”) in the Company and if such Options are accepted and exercised, to allot and issue such number of new Shares in the Company to him under the Scheme subject always to :-

- (a) the allocation of Options, in aggregate to the Directors and Senior Management of the Company and/or its subsidiaries (which are not dormant) do not exceed 50% of the Shares available under the Scheme; and
- (b) the allocation of Options to any employee or Director of the KPS group of companies (“**KPS Group**”) who meets the criteria of eligibility for participation in the Scheme as set out in the Bye-Laws of the Scheme (“**Eligible Employee**”) who either singly or collectively through his/her associates holds 20% or more in the issued and paid-up share capital of the Company, does not exceed 10% of the Shares available under the Scheme,

subject to such terms and conditions and/or adjustments which may be made in accordance with the provisions of the Bye-Laws of the Scheme.

The Subscription Price at which an Eligible Employee who has accepted the offer made by the Company to participate in the Scheme (“**Offer**”) shall be entitled to subscribe for every new KPS Share, shall be :-

- (a) the weighted average market price of the KPS Shares as shown in the Daily Official List of Bursa Securities for the five (5) market days immediately preceeding the date on which an Offer is made to an Eligible Employee by the ESOS Option Committee with an allowance for a discount (if any) of not more than 10%; or
- (b) the par value of the KPS Shares,

whichever is higher.

The new KPS Shares to be allotted upon the exercise of an Option shall, upon allotment and issue, rank pari passu in all respects with the existing ordinary shares of the Company save and except that the new KPS Shares will not be entitled to any dividends, rights, allotments and/or other distributions which entitlement date precedes the date of allotment of the said Shares.

The proceeds from the exercise of the Options, if any, shall be utilised for the working capital of the KPS Group.

3. RATIONALE FOR THE PROPOSED GRANTING

The purpose of the Proposed Granting is to provide Tuan Haji Zain Azahari bin Zainal Abidin with an opportunity to participate in the equity of the Company.

4. EFFECTS OF THE PROPOSED GRANTING

The Proposed Granting will not have any immediate effect on the share capital, net assets, gearing, earnings, dividend and shareholdings of the substantial shareholders in KPS.

Any effect on the share capital, net assets, gearing, earnings, dividend and shareholdings of the substantial shareholders in KPS will arise until such time when the Options are exercised.

5. CONDITIONS TO THE PROPOSED GRANTING

The Proposed Granting is subject to the approval of the shareholders of KPS at an extraordinary general meeting (“EGM”) to be convened.

6. DIRECTORS’ AND MAJOR SHAREHOLDERS’ INTERESTS

Save for Tuan Haji Zain Azahari bin Zainal Abidin, none of the Directors and major shareholders of KPS as well as persons connected with them have any interest, direct and/or indirect, in the Proposed Granting.

Tuan Haji Zain Azahari bin Zainal Abidin has abstained and will continue to abstain from all deliberations and voting at the Board meetings of the Company in respect of his entitlement under the Scheme and will abstain from voting in respect of his direct and/or indirect interest, if any, on the resolution pertaining to the Proposed Granting to be tabled at an EGM to be convened.

Tuan Haji Zain Azahari bin Zainal Abidin will also ensure that persons connected with him will abstain from voting in respect of their direct and/or indirect interest, if any, on the resolution pertaining to the Proposed Granting to be tabled at an EGM to be convened.

7. DIRECTORS’ STATEMENT

Having considered the rationale for the Proposed Granting, the Board of Directors of KPS (save for Tuan Haji Zain Azahari bin Zainal Abidin) is of the opinion that the Proposed Granting is fair and reasonable and is also in the best interest of the Company.

8. APPLICATIONS TO THE RELEVANT AUTHORITIES

The Proposed Granting does not require the approval of any authority.

This announcement is dated **21st July 2008**.