

KUMPULAN PERANGSANG SELANGOR BERHAD (“KPS” or “THE COMPANY”)

RESTRUCTURING OF WATER INDUSTRY IN SELANGOR – OFFER TO KONSORTIUM ABASS SDN BHD (“ABASS”) FROM THE SELANGOR STATE GOVERNMENT (“STATE GOVERNMENT”)

We refer to our announcement dated 25 June 2009 in respect of the Letter of Offer received by ABASS from the State Government dated 25 June 2009 (“Offer”).

ABASS has on 29 June 2009 replied to the Offer from the State Government that its Board of Directors and the Board of Directors of its holding company, Titisan Modal (M) Sdn Bhd (“Titisan”) in principle accept the offer price from the State Government of RM946 million inclusive of liabilities to be assumed by the State Government and/or retained at ABASS of RM779 million (inclusive of Titisan borrowing) and equity value of RM167 million.

In the reply to the State Government, the Board of Directors of ABASS also seek confirmation from the State Government in respect of the structure of the proposed takeover.

Pending confirmation from the State Government, the acceptance of this offer is subject to the approval of the relevant authorities, the consent of bondholders and lenders of the ABASS and Titisan and the approval of the shareholders of ABASS, Titisan and KPS, if required.

We wish to inform that KPS is 60% owned by Kumpulan Darul Ehsan Berhad (“KDEB”) which in turn is controlled by the State Government via Menteri Besar Incorporated. Accordingly, KPS nominated directors in ABASS and Titisan had abstained from deliberation and making decision in respect of the Offer pursuant to Chapter 10.08 of the Bursa Listing Requirements where the transaction is deemed to be a Related Party Transaction.

KPS will update the Exchange on further development on this matter in due course.

This announcement is dated 29 June 2009.