



# **KUMPULAN PERANGSANG SELANGOR BERHAD**

*(Company No. 23737-K)*

*(Incorporated in Malaysia)*

## **UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE QUARTER ENDED 31 DECEMBER 2017**

**KUMPULAN PERANGSANG SELANGOR BERHAD**  
**Company No. 23737 K**

**A1 Unaudited Condensed Consolidated Income Statement For The Quarter Ended 31 December 2017**

PARTICULARS	INDIVIDUAL QUARTER				CUMULATIVE QUARTER			
	CURRENT YEAR	PRECEDING YEAR	VARIANCE		CURRENT YEAR	PRECEDING YEAR	VARIANCE	
	QUARTER 31/12/2017 RM'000	QUARTER 31/12/2016 RM'000	RM'000	%	TO DATE 31/12/2017 RM'000	CORRESPONDING PERIOD 31/12/2016 RM'000	RM'000	%
Revenue	123,717	62,914	60,803	97	362,024	144,498	217,526	151
Cost of sales	(99,886)	(43,500)	(56,386)	(130)	(274,800)	(99,416)	(175,384)	(176)
Gross profit	23,831	19,414	4,417	23	87,224	45,082	42,142	93
Other income	1,775	9,553	(7,778)	(81)	6,128	103,250	(97,122)	(94)
Other expenses	(36,138)	(47,694)	11,556	24	(103,753)	(81,873)	(21,880)	(27)
Operating (loss)/profit	(10,532)	(18,727)	8,195	44	(10,401)	66,459	(76,860)	(116)
Finance costs	(4,224)	(2,712)	(1,512)	(56)	(16,047)	(4,174)	(11,873)	(284)
Share of profit/(loss) of associates	8,355	(4,051)	12,406	306	94,675	50,738	43,937	87
(Loss)/profit before tax and zakat	(6,401)	(25,490)	19,089	75	68,227	113,023	(44,796)	(40)
Income tax and zakat	(2,716)	(3,313)	597	18	(7,043)	(11,163)	4,120	37
<b>(Loss)/profit for the period</b>	<b>(9,117)</b>	<b>(28,803)</b>	<b>19,686</b>	<b>68</b>	<b>61,184</b>	<b>101,860</b>	<b>(40,676)</b>	<b>(40)</b>
Attributable to:								
- Owners of the parent	(11,086)	(28,927)	17,841	62	56,659	97,766	(41,107)	(42)
- Non-controlling interests	1,969	124	1,845	1,488	4,525	4,094	431	11
	<b>(9,117)</b>	<b>(28,803)</b>	<b>19,686</b>	<b>68</b>	<b>61,184</b>	<b>101,860</b>	<b>(40,676)</b>	<b>(40)</b>
Earnings per share ("EPS") attributable to owners of the parent (sen per share):								
Basic EPS	(2.2)	(5.8)	3.6	62	11.4	19.6	(8.2)	(42)
Diluted EPS	(2.2)	(5.8)	3.6	62	11.4	19.6	(8.2)	(42)

(The Unaudited Condensed Consolidated Income Statement should be read in conjunction with the Annual Audited Financial Statements for the year ended 31 December 2016 and the accompanying explanatory notes attached to the interim financial statements)

**KUMPULAN PERANGSANG SELANGOR BERHAD**  
**Company No. 23737 K**

**A2 Unaudited Condensed Consolidated Statement of Comprehensive Income For The Quarter Ended 31 December 2017**

PARTICULARS	INDIVIDUAL QUARTER				CUMULATIVE QUARTER			
	CURRENT YEAR	PRECEDING YEAR	VARIANCE		CURRENT YEAR	PRECEDING YEAR	VARIANCE	
	QUARTER 31/12/2017 RM'000	CORRESPONDING QUARTER 31/12/2016 RM'000	RM'000	%	TO DATE 31/12/2017 RM'000	CORRESPONDING PERIOD 31/12/2016 RM'000	RM'000	%
(Loss)/profit for the period	(9,117)	(28,803)	19,686	68	61,184	101,860	(40,676)	(40)
Other comprehensive (loss)/income (net of tax):								
(Loss)/gain on foreign currency translation reserve	(2,206)	3,805	(6,011)	(158)	(4,806)	4,018	(8,824)	(220)
Total comprehensive (loss)/income for the period	<b>(11,323)</b>	<b>(24,998)</b>	<b>13,675</b>	<b>55</b>	<b>56,378</b>	<b>105,878</b>	<b>(49,500)</b>	<b>(47)</b>
Attributable to:								
- Owners of the parent	(12,720)	(26,024)	13,304	51	53,072	100,795	(47,723)	(47)
- Non-controlling interests	1,397	1,026	371	36	3,306	5,083	(1,777)	(35)
	<b>(11,323)</b>	<b>(24,998)</b>	<b>13,675</b>	<b>55</b>	<b>56,378</b>	<b>105,878</b>	<b>(49,500)</b>	<b>(47)</b>

(The Unaudited Condensed Consolidated Income Statement should be read in conjunction with the Annual Audited Financial Statements for the year ended 31 December 2016 and the accompanying explanatory notes attached to the interim financial statements)

**KUMPULAN PERANGSANG SELANGOR BERHAD****Company No. 23737 K****Unaudited Condensed Consolidated Statement of Financial Position****As At 31 December 2017**

	<b>31-Dec-17</b>	<b>31-Dec-16</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	94,531	97,815
Investment properties	95,787	91,787
Investments in associates	1,171,698	1,078,986
Club membership	203	523
Goodwill on consolidation	41,045	37,807
Intangible assets	207,364	214,577
Other receivables	32,334	35,663
Deferred tax assets	1,747	333
	<u>1,644,709</u>	<u>1,557,491</u>
<b>Current assets</b>		
Inventories	84,169	77,994
Receivables	135,673	70,453
Tax recoverable	2,080	1,522
Cash and bank balances	79,044	131,995
	<u>300,966</u>	<u>281,964</u>
<b>TOTAL ASSETS</b>	<u><b>1,945,675</b></u>	<u><b>1,839,455</b></u>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to owners of the parent</b>		
Share capital	538,092	499,004
Share premium	-	39,088
Other reserves	7,442	11,029
Retained earnings	814,359	778,909
<b>Shareholders' equity</b>	<u>1,359,893</u>	<u>1,328,030</u>
<b>Non-controlling interests</b>	<u>93,516</u>	<u>90,522</u>
<b>TOTAL EQUITY</b>	<u>1,453,409</u>	<u>1,418,552</u>
<b>Non-current liabilities</b>		
Borrowings (profit rate bearing)	268,478	159,201
Deferred tax	64,538	65,642
	<u>333,016</u>	<u>224,843</u>
<b>Current liabilities</b>		
Payables	117,564	81,900
Borrowings (profit rate bearing)	39,180	108,178
Taxation	2,277	5,756
Amounts due to immediate holding company	203	203
Amounts due to related companies	26	23
	<u>159,250</u>	<u>196,060</u>
<b>TOTAL LIABILITIES</b>	<u>492,266</u>	<u>420,903</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u><b>1,945,675</b></u>	<u><b>1,839,455</b></u>
Net assets per ordinary share attributable to owners of the parent (RM)	2.73	2.66

(The Unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Audited Financial Statements for the year ended 31 December 2016 and the accompanying explanatory notes attached to the interim financial statements)

**KUMPULAN PERANGSANG SELANGOR BERHAD**  
**Company No. 23737 K**

**Unaudited Condensed Consolidated Statement of Changes In Equity**  
**For the year ended 31 December 2017**

	Attributable to Owners of the Parent									
	{-----} Non Distributable {-----}					Distributable				
	Equity, total RM'000	Equity attributable to owners of the parent, total RM'000	Share capital RM'000	Share premium RM'000	Other reserves, total RM'000	Revaluation reserve RM'000	Foreign currency translation reserve RM'000	General reserve RM'000	Retained Earnings RM'000	Non- controlling Interests RM'000
At 1 January 2017	1,418,552	1,328,030	499,004	39,088	11,029	-	3,029	8,000	778,909	90,522
Total comprehensive income	56,378	53,072	-	-	(3,587)	-	(3,587)	-	56,659	3,306
Transactions with owners:										
Transfer from share premium to share capital	-	-	39,088	(39,088)	-	-	-	-	-	-
Dividend for the financial year ended 31 December 2016	(21,209)	(21,209)	-	-	-	-	-	-	(21,209)	-
Accretion of interest in subsidiaries	3,622	-	-	-	-	-	-	-	-	3,622
Dividend of subsidiaries	(3,934)	-	-	-	-	-	-	-	-	(3,934)
	(21,521)	(21,209)	39,088	(39,088)	-	-	-	-	(21,209)	(312)
<b>At 31 December 2017</b>	<b>1,453,409</b>	<b>1,359,893</b>	<b>538,092</b>	<b>-</b>	<b>7,442</b>	<b>-</b>	<b>(558)</b>	<b>8,000</b>	<b>814,359</b>	<b>93,516</b>
	-	-	-	-	-	-	-	-	-	-
At 1 January 2016	1,254,647	1,237,215	499,004	39,088	8,000	-	-	8,000	691,123	17,432
Total comprehensive income	105,878	100,795	-	-	3,029	-	3,029	-	97,766	5,083
Transactions with owners:										
Dividend for the financial year ended 31 December 2015	(9,980)	(9,980)	-	-	-	-	-	-	(9,980)	-
Dilution of interest in subsidiaries	(3,635)	-	-	-	-	-	-	-	-	(3,635)
Acquisition of subsidiaries	72,430	-	-	-	-	-	-	-	-	72,430
Dividend of subsidiaries	(788)	-	-	-	-	-	-	-	-	(788)
	58,027	(9,980)	-	-	-	-	-	-	(9,980)	68,007
<b>At 31 December 2016</b>	<b>1,418,552</b>	<b>1,328,030</b>	<b>499,004</b>	<b>39,088</b>	<b>11,029</b>	<b>-</b>	<b>3,029</b>	<b>8,000</b>	<b>778,909</b>	<b>90,522</b>

(The Unaudited Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Audited Financial Statements for the year ended 31 December 2016 and the accompanying explanatory notes attached to the interim financial statements)

**KUMPULAN PERANGSANG SELANGOR BERHAD**  
**Company No. 23737 K**

**Unaudited Condensed Consolidated Statement of Cash Flow**  
**For The Year Ended 31 December 2017**

	<u>31-Dec-17</u> RM'000	<u>31-Dec-16</u> RM'000
<b>Cash Flows From Operating Activities</b>		
Profit before tax and zakat	68,227	113,023
- Continuing operations	-	-
- Discontinued operations	-	-
Adjustment for non-cash items	(81,076)	33,476
Adjustment for non-operating items	15,803	(150,706)
Operating profit/(loss) before working capital changes	2,954	(4,207)
(Increase)/decrease in working capital:		
Net change in current assets	(71,272)	5,474
Net change in current liabilities	38,551	(2,755)
Cash used in operating activities	(29,767)	(1,488)
Tax and zakat paid, net of refunds received	(11,959)	(11,908)
<b>Net cash used in operating activities</b>	<b>(41,726)</b>	<b>(13,396)</b>
<b>Cash Flows From Investing Activities</b>		
Dividends received	1,050	-
Profit rate received	974	1,246
Profit from Islamic short term placement	244	34
Purchase of property, plant and equipment	(13,711)	(3,862)
Purchase of intangible assets	-	(20)
Acquisition of subsidiaries	4,584	(229,467)
Proceeds from assets held for disposal	-	60,000
Proceeds from disposal of property, plant and equipment	-	84
Net movements in money market deposits	(3,084)	59,176
<b>Net cash used in investing activities</b>	<b>(9,943)</b>	<b>(112,809)</b>
<b>Cash Flows From Financing Activities</b>		
Dividend paid	(21,209)	(10,768)
Dividend paid to non-controlling interest	(3,934)	-
Profit rate paid	(16,047)	(4,174)
Repayment of borrowings	(101,000)	(30,000)
Drawdown of borrowings	141,331	267,000
Repayment of obligations under finance leases	(52)	(91)
Net movements in deposits with licensed banks	1,321	4,411
<b>Net cash generated from financing activities</b>	<b>410</b>	<b>226,378</b>
Net (decrease)/increase in cash and cash equivalents	(51,259)	100,173
Effect of exchange rate changes on cash and cash equivalents	(3,455)	2,851
Cash and cash equivalents at 1 January	122,681	19,657
Cash and cash equivalents at 31 December	<b>67,967</b>	<b>122,681</b>
Cash and cash equivalents included in the statement cash flows comprise:		
	As at <u>31-Dec-17</u>	As at <u>31-Dec-16</u>
Cash and bank balances	79,044	131,995
Less:		
Deposits with licensed banks with maturity period of more than 3 months	(6,357)	(7,678)
Money market deposits	(4,720)	(1,636)
	<b>67,967</b>	<b>122,681</b>

(The Unaudited Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Annual Audited Financial Statements for the year ended 31 December 2016 and the accompanying explanatory notes attached to the interim financial statements)

## KUMPULAN PERANGSANG SELANGOR BERHAD

Company No. 23737-K  
(Incorporated in Malaysia)

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### UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2017

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#### A. NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS

##### A1 Basis of preparation

The interim financial statements are unaudited and have been prepared in accordance with the requirement of FRS 134 Interim Financial Reporting and paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

The interim financial statements should be read in conjunction with the Group's audited financial statements for the financial year ended 31 December 2016. The explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to understand the changes in the financial position and performance of the Group since the financial year ended 31 December 2016.

##### A2 Significant Accounting Policies

The significant accounting policies adopted in preparing the interim financial statements are consistent with those of the audited financial statements for the financial year ended 31 December 2016 except for the adoption of the following new and revised Financial Reporting Standards (FRSs) and Amendments to FRSs with effect from 1 January 2017.

###### A2.1 Adoption of FRSs and Amendments to FRSs

On 1 January 2017, the Group adopted the following new and amended FRSs mandatory for annual financial periods beginning on or after 1 January 2017.

###### 1 January 2018

MFRS 2	Classification and Measurement of Share-based Payment Transactions (Amendments to MFRS 2)
MFRS 9	Financial Instruments
MFRS 15	Revenue from Contracts with Customers

The Group has not completed its assessment of the financial effects of the differences between Financial Reporting Standards and accounting standards under the MFRS Framework. Accordingly, the consolidated financial performance and financial position as disclosed in these financial statements for the year ended 31 December 2017 could be different if prepared under the MFRS Framework.

The Group considers that it is achieving its scheduled milestones and expects to be in a position to fully comply with the requirements of the MFRS Framework for the financial year ending 31 December 2018.

###### A2.2 Standards issued but not yet effective

The Group has not adopted the following standards and interpretations that have been issued but not yet effective:

###### 1 January 2019

MFRS 16	Leases
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The Group plans to apply the abovementioned MFRS in the annual financial statements when they become effective and that the adoption of these standards is expected not to have any material impact on the financial statements of the Group in the period of initial application.

## **KUMPULAN PERANGSANG SELANGOR BERHAD**

Company No. 23737-K  
(Incorporated in Malaysia)

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### **UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2017**

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#### **A2.3 Malaysian Financial Reporting Standards (“MFRS Framework”)**

On 19 November 2011, the Malaysian Accounting Standards Boards (“MASB”) issued a new MASB approved accounting framework, the Malaysian Financial Reporting Standards (MFRS Framework).

The MFRS Framework is to be applied by all Entities Other Than Private Entities for annual periods beginning on or after 1 January 2012, with the exception of entities that are within the scope of MFRS 141 Agriculture (MFRS 141) and IC Interpretation 15 Agreements for Construction of Real Estate (IC 15), including its parent, significant investor and venture (herein called “Transitioning Entities”).

On 7 August 2013, the MASB issued another announcement that Transitioning Entities would only be required to adopt the MFRS framework for the annual periods beginning on or after 1 January 2015. Subsequently, on 2 September 2014, MASB has further announced that Transitioning Entities shall be required to apply the MFRS Framework for annual periods beginning on or after 1 January 2017.

On 28 October 2015, the MASB issued another announcement that the Transitioning Entities would only be required to adopt the MFRS Framework for the annual periods beginning on or after 1 January 2018.

The Group falls within the scope definition of Transitioning Entities and have opted to defer adoption of the new MFRS Framework. Accordingly, the Group will be required to prepare financial statements using the MFRS Framework in its first MFRS financial statements for the year ending 31 December 2018. In presenting its first MFRS financial statements, the Group will be required to restate the comparative financial statements to amounts reflecting the application of MFRS Framework.

The Group is in the process of making its assessment of the financial effects of the differences between Financial Reporting Standards and accounting standards under the MFRS Framework. Accordingly, the consolidated financial performance and financial position as disclosed in these unaudited interim financial statements for the year 31 December 2017 could be different if prepared under the MFRS Framework.

The Group expects to be in a position to fully comply with the requirements of the MFRS Framework for the financial year ending 31 December 2018.

#### **A3 Audit report of preceding annual financial statements**

The audited consolidated financial statements for the financial year ended 31 December 2016 were not subject to any audit qualification.

#### **A4 Seasonal or cyclical factors**

The Group’s operations are not affected by seasonal or cyclical factors.

#### **A5 Unusual items affecting assets, liabilities, equity, net income or cash flows**

Other than those stated in the notes, there were no other items affecting the assets, liabilities, equity, net income or cash flows of the Group that were unusual because of their nature, size or incidence during the current quarter.

#### **A6 Material changes in estimates**

There was no material change in estimates of amounts reported in prior interim period that have a material effect in the period under review.



**KUMPULAN PERANGSANG SELANGOR BERHAD**

Company No. 23737-K  
(Incorporated in Malaysia)

**UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE FOURTH QUARTER  
ENDED 31 DECEMBER 2017**
**A7 Debt and equity securities**

There was no issuance, cancellation, repurchase, resale and repayment of debt securities during the current year except that the Company has secured a Term Loan Facility amounting to RM100.0 million from Bank Islam Malaysia Berhad. The Term Loan Facility is for working capital purposes.

**A8 Dividend paid**

There was no dividend paid during the current quarter.

**A9 Segmental Information**

	3 months ended		12 months ended	
	31.12.2017	31.12.2016	31.12.2017	31.12.2016
	RM'000	RM'000	RM'000	RM'000
<b>Segment Revenue</b>				
Manufacturing	50,071	25,848	174,181	25,848
Trading	25,097	23,653	101,338	83,864
Licensing	10,518	9,614	36,038	20,169
Investment holding and property investment	6,542	40,819	101,666	50,690
Infrastructure and utilities	38,614	-	41,087	-
Hospitality	-	-	-	1,619
Total revenue including inter-segment sales	130,842	99,934	454,310	182,190
Eliminations	(7,125)	(37,020)	(92,286)	(37,692)
Total	123,717	62,914	362,024	144,498
<b>Segment Results</b>				
Manufacturing	980	3,937	11,092	3,937
Trading	1,025	1,131	7,606	6,499
Licensing	907	(2,093)	1,218	1,762
Investment holding and property investment	(15,999)	(25,984)	40,218	49,357
Infrastructure and utilities *	6,452	(7,516)	86,202	37,639
Hospitality	-	-	-	(413)
Oil and gas *	2,885	3,038	11,153	14,595
Telecommunication *	492	427	(1,257)	(1,496)
Total (loss)/profit	(3,258)	(27,060)	156,232	111,880
Eliminations	(3,143)	1,570	(88,005)	1,143
(Loss)/profit before tax	(6,401)	(25,490)	68,227	113,023

\* Inclusive of share of profit of associates

**A10 Valuation of property, plant and equipment**

Property, plant and equipment, other than freehold land are stated at cost less accumulated depreciation and any impairment losses. Freehold land is stated at cost less any impairment losses and is not depreciated. The Group has not carried out any valuation of its property, plant and equipment during the current quarter.

## KUMPULAN PERANGSANG SELANGOR BERHAD

Company No. 23737-K  
(Incorporated in Malaysia)

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### UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2017

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#### A11 Material events subsequent to the end of the reporting period

Save as disclosed below, there were no other material events subsequent to the end of the reporting period which is likely to substantially affect the results of the operations of the Group:

(i) Formation of an indirect subsidiary

Kyco Industries, Inc. ("Kyco"), an indirect 60%-owned subsidiary of the Company, has on 22 January 2018 formed a wholly-owned subsidiary named King Koil Manufacturing West, LLC ("KKMW") under the Delaware Limited Liability Company Act of the State of Delaware, the United States of America. Subsequently, a Members' Agreement was signed on 29 January 2018 with a US-based partner on a 60:40 equity basis on a total initial capital contribution of USD3.3 million (approximately RM13.0 million). Kyco's portion of the investment is funded via internally generated funds.

The intended principal activities of KKMW are to carry out the business of the production, sale and distribution of mattresses, related bedding and sleep products as well as any other activities necessary or incidental thereto.

(ii) Acceptance of Term Loan Facility granted by Ambank Islamic Berhad

Perangsang Dinamik Sdn Bhd ("PDSB") a wholly-owned subsidiary of Perangsang Selangor had on 30 January 2018 accepted a Term Loan Facility of up to RM200.0 million ("Facility") from AmBank Islamic Berhad. The Facility is intended to be used for financing PDSB's potential future investment or acquisition.

(iii) Proposed acquisition of 100% equity interest in CPI (Penang) Sdn Bhd ("CPI") by the Company and its nominee, Perangsang Dinamik Sdn Bhd ("PDSB"), a wholly-owned subsidiary of the Company

On 14 February 2018, the Company and its nominee, PDSB, had entered into a conditional share sale agreement with HK Resources Sdn Bhd and TCS Resources Sdn Bhd ("TCSR") and Mr. Lim Lai Chin ("LLC"), the Chief Executive Officer of CPI as the primary obligor for the Profit Guarantee and TCSR, whereby the Company agreed to acquire 10,000,000 ordinary shares in CPI, representing 100% of the issued share capital of CPI for a total cash consideration of RM250,000,000 ("SSA"), upon completion of the terms and conditions contained in the SSA ("Proposed Acquisition").

Perangsang Selangor nominates its wholly-owned subsidiary, PDSB to be the purchaser and transferee of the Sale Shares in respect of the Proposed Acquisition.

Upon completion of the Proposed Acquisition, CPI will become an indirect subsidiary of the Company.

## KUMPULAN PERANGSANG SELANGOR BERHAD

Company No. 23737-K  
(Incorporated in Malaysia)

### UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2017

#### A12 Changes in the composition of the Group

There were no other changes in the composition of the Group for the year ended 31 December 2017 including business combination, acquisition or disposal of subsidiaries, long term investments and restructuring except for the subscription of additional 1,715,000 new ordinary shares in KPS-HCM Sdn Bhd ("KPS-HCM").

On 21 June 2017, the Company had entered into a Subscription Agreement with HCM Engineering Sdn Bhd and KPS-HCM for the subscription of additional 1,715,000 new ordinary shares in its 30% associated company, KPS-HCM for a total cash consideration of RM1,715,000.

The Subscription Agreement was completed on 22 June 2017. Following the completion of the Subscription Agreement, KPS-HCM has become a 51% owned subsidiary of the Company.

#### A13 Capital Commitments

The amount of commitments not provided for in the unaudited interim financial statements as at 31 December 2017 is as follows:

	<b>RM'000</b>
Property, plant and equipment:	
(i) Approved but not contracted for	<u>25,777</u>
(ii) Approved and contracted for	<u>277</u>

#### A14 Significant Related Party Transactions

The following are the related party transactions of the Group:

	<b>3 months ended</b>		<b>12 months ended</b>	
	<b>31.12.2017</b>	<b>31.12.2016</b>	<b>31.12.2017</b>	<b>31.12.2016</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Sale of goods to a subsidiary company of non-controlling interest:				
- Sungai Harmoni Sdn Bhd	4,313	4,558	17,202	16,504
- Taliworks (Langkawi) Sdn Bhd	456	403	1,852	1,442
Sale of goods to related companies:				
- Konsortium Abass Sdn Bhd	2,194	2,369	9,684	10,148
- PNSB Water Sdn Bhd	9,419	9,271	38,101	25,056
- Konsortium Air Selangor Sdn Bhd	267	330	1,119	1,410
Management fee received from immediate holding company	-	-	-	23
Management fees received from related company:				
- Konsortium Air Selangor Sdn Bhd	-	-	-	15
Rental income received from immediate holding company	-	20	-	81
Rental income received from related companies:				
- Konsortium Abass Sdn Bhd	-	69	-	278
- Konsortium Air Selangor Sdn Bhd	-	-	-	26
- Hebat Abadi Sdn Bhd	-	17	-	70
- KDEB Waste Management Sdn Bhd	-	21	-	55

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#### A15 Contingent liabilities and contingent assets

The contingent liabilities as at 31 December 2017 are as follows:

i) <b>Secured:</b>	<b>RM'000</b>
a) Provision of proportionate corporate guarantee for an associate:	
i) For financing/refinancing of the credit facilities for the purchase consideration of business and identifiable assets	20,729
ii) Working capital and issuance of bank guarantees	28,000
Sub-total	<u>48,729</u>
ii) <b>Unsecured</b>	<b>RM'000</b>
a) Performance guarantees to third parties	<u>677</u>

There were no contingent assets as at the reporting date.

#### B. ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA SECURITIES BERHAD LISTING REQUIREMENTS

##### B1 Performance review

###### a) Current quarter against previous year corresponding quarter

Group revenue increased significantly to RM123.7 million compared with RM62.9 million for the corresponding quarter 2016, representing an increase in revenue by 97% or RM60.8 million. This was largely attributable to revenue from the manufacturing business of Century Bond Bhd ("CBB") of RM50.1 million which was acquired in November 2016. The revenue from trading business of Aqua Flo Sdn Bhd ("Aqua Flo") increased to RM25.1 million as well as revenue from the infrastructure business, KPS-HCM Sdn Bhd ("KPS-HCM") of RM34.5 million. In addition to that, licensing sector of King Koil recorded a higher revenue by RM0.9 million.

Share of profit of associates increased by RM12.4 million as compared to corresponding quarter 2016 mainly due to higher contributions from SPLASH. For the current quarter ended 31 December 2017, the Group registered a loss before tax of RM6.4 million as compared to a loss before tax of RM25.5 million for the corresponding quarter 2016.

Performance of the respective operating business segments for the fourth quarter ended 31 December 2017 as compared to the preceding year corresponding quarter is analysed as follows:

###### 1. Manufacturing

Arising from acquisition of CBB in November 2016, the Group has consolidated the results of CBB with revenue contributions of RM50.1 million. 77% or RM38.8 million of the sector's revenue was from paper packaging and the remaining was from plastic packaging and others.

For the current quarter, this sector posted a profit before tax of RM1.0 million as compared to RM3.9 million in the corresponding quarter 2016 due to the higher raw material cost and foreign exchange losses.

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#### 2. Trading

Revenue of RM25.1 million was 6% or RM1.4 million higher than the corresponding quarter's revenue of RM23.7 million. The increase in revenue was attributed to supply of chemicals to new customers secured in first half of 2017.

For the current quarter, this sector posted a profit before tax of RM1.0 million as compared to RM1.1 million in the corresponding quarter 2016.

#### 3. Licensing

The licensing sector posted RM10.5 million revenue to the Group during the current quarter as compared to RM9.6 million in the corresponding quarter 2016. For the current quarter, this sector posted a profit before tax of RM0.9 million as compared to RM2.1 million in the corresponding quarter 2016 due to the higher marketing and administrative expenses.

#### 4. Infrastructure and utilities

Arising from acquisition of KPS-HCM in June 2017, the Group has consolidated the results of KPS-HCM and Smartpipe Technology Sdn Bhd with revenue of RM38.6 million. Infrastructure and utilities sector recorded a profit of RM6.5 million as compared to corresponding quarter 2016 with loss of RM7.5 million, an improvement by RM14.0 million. The higher profit recorded in the current quarter is mainly due to profit recorded by KPS-HCM and share of results from Syarikat Pengeluar Air Selangor Holdings Berhad ("SPLASH"), a 30% associated company which improved by RM12.5 million due to lower impairment loss on trade receivables and accounting impact of IC 12. SPRINT posted share of loss of RM0.2 million as compared to profit of RM0.6 million for the corresponding quarter 2016 due to higher finance expenses and amortisation of highway development expenditure.

#### 5. Oil and gas

NGC Energy Sdn Bhd ("NGC Energy") registered a profit after tax of RM7.2 million as compared to a profit of RM7.6 million in the corresponding quarter of 2016 mainly due to the higher cost of sales. Thus, the Group's share of profit was RM2.9 million as compared to share of profit of RM3.0 million in the corresponding quarter 2016.

#### 6. Telecommunication

The Group's share of profit from Ceres Telecom Sdn Bhd ("Ceres") for the current quarter was RM0.5 million as compared to a share of profit of RM0.4 million for the corresponding quarter 2016.

#### 7. Investment holding and property investment

Investment holding and property investment recorded revenue of RM6.5 million as compared to RM40.8 million in the corresponding quarter 2016 due to no dividend income in the current quarter. This sector recorded a lower loss before tax of RM16.0 million as compared to a loss of RM26.0 million in the corresponding quarter 2016.

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b) Current year to-date against previous year to-date

For the twelve months ended 31 December 2017, the Group registered revenue of RM362.0 million as compared to RM144.5 million in the corresponding period 2016, representing an increase in revenue by RM217.5 million or 151%. The significant increase was mainly due to full year revenue of RM174.2 million from manufacturing sector namely Century Bond Bhd coupled with higher revenue from licensing and trading sector by RM17.5 million and RM15.9 million respectively. In addition to that, there was also revenue recorded by infrastructure and utilities sector of RM41.1 million.

The Group's profit before tax for the current year of RM68.2 million was 52% lower or RM44.8 million lower than the corresponding period 2016 of RM113.0 million mainly due to realised gain from assets held for disposal of RM97.5 million recorded in 2016.

Performance of the respective operating business segments for the twelve months ended 31 December 2017 as compared to the preceding year corresponding period is analysed as follows:

1. Manufacturing

The manufacturing sector contributed higher revenue and profit before tax of RM174.2 million and RM11.1 million respectively arising from the consolidation of full year as opposed to 2 months results in corresponding year 2016.

2. Trading

Trading sector recorded revenue of RM101.3 million as compared to corresponding period 2016 of RM83.9 million. Profit before tax of RM7.6 million is higher than the profit before tax in the corresponding year of RM6.5 million due to higher revenue from sale of chemicals arising from the new contracts secured in first half of 2017.

3. Licensing

The licensing sector recorded revenue of RM36.0 million as compared to corresponding year 2016 of RM20.2 million. Profit before tax was RM1.2 million as compared to corresponding year 2016 of RM1.8 million due to higher marketing and administrative expenses.

4. Infrastructure and utilities

The infrastructure and utilities sector recorded revenue of RM41.1 million from infrastructure project in Pulau Indah secured by KPS-HCM.

Profit from the infrastructure and utilities sector for the current year of RM86.2 million was 129% higher than corresponding period's profit of RM37.6 million mainly due to higher share of profits contributed by the associated companies, primarily from SPLASH.

5. Oil and gas

For the current year, NGC Energy registered profit after tax of RM27.9 million which translated into the Group's share of profit of RM11.2 million as compared to share of profit of RM14.6 million for the corresponding year 2016. The lower profit recorded by NGC Energy was mainly due to higher cost of sales resulting in a lower gross profit margin.

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#### 6. Telecommunication

The Group's share of losses for the current year in Ceres was RM1.3 million, lower by RM0.2 million as compared to a loss of RM1.5 million for the corresponding year 2016.

#### 7. Investment holding and property management

The investment holding sector recorded higher revenue of RM101.7 million as compared to RM50.7 million in the corresponding year 2016 due to higher dividend income. This sector recorded a profit before tax of RM40.2 million as compared to a profit before tax of RM49.4 million in the corresponding year 2016 mainly due to realised gain from assets held for disposal of RM97.5 million recorded in 2016.

### B2 Comment on material change in (loss)/profit before tax

The Group recorded a loss before tax of RM6.4 million for the current quarter ended 31 December 2017 as compared to a profit before tax of RM14.7 million in the previous quarter ended 30 September 2017. The loss before tax for the current quarter was mainly due to lower share of profits from associates of RM8.4 million as compared to higher share of profits of RM20.2 million for the previous quarter.

### B3 Commentary on prospects

#### 1. Manufacturing

CBB's primary focus would be on growing its paper bags business. To propel growth in the Malaysian market, CBB plans to strengthen its position in the non-cement sector which has recently generated strong demand and generate better margins.

Regionally, CBB plans to tap into the opportunity of the increasing infrastructure spending and capital projects in South East Asia, which present growth opportunities for CBB.

For King Koil group of companies ("King Koil Group"), its indirect 60%-owned subsidiary, Kyco Industries, Inc. ("Kyco"), had on 22 January 2018 formed a wholly-owned subsidiary named King Koil Manufacturing West, LLC ("KKMW") under the Delaware Limited Liability Company Act of the State of Delaware, the United States of America. The intended principal activities of KKMW are to carry out the business of the production, sale and distribution of mattresses, related bedding and sleep products as well as any other activities necessary or incidental thereto.

The next step for the King Koil Group is to take control of the distribution and product quality in the US market with the setting up of its first owned manufacturing plant, slated to commence operations in 2nd quarter 2018. The change in business model will see higher revenue contribution from the King Koil Group as wholesale revenue increases significantly as compared to royalties from licensing in the US.

#### 2. Trading

Aqua Flo had been awarded three (3) new contracts in May 2016 from PNSB Water Sdn Bhd, Konsortium ABASS Sdn Bhd and Konsortium Air Selangor Sdn. Bhd, respectively, with a cumulative total value of RM98.0 million over a period of two years of which RM77.6 million had been delivered as at 31 December 2017. In anticipation of expiry of these contracts in May 2018, Aqua Flo will re-bid for renewal of these contracts and will continuously bid for other contracts for supply of water treatment chemicals and monitoring equipment. Concurrently, Aqua Flo is embarking on strategic initiatives to enhance future profitability by strengthening operational efficiency and venturing into other water-related businesses.

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#### 3. Licensing

Future growth for the King Koil Group will be largely driven by expansion of market share via direct distribution to retailers and consumers in the USA, which remains as one of two largest bedding markets in the world along with China, with estimated consumption of mattress in excess of USD7 billion in 2015. Initiatives have been put in place to grow the distribution network via conventional brick-and-mortar retailers as well as various online channels.

Success in the brand's home ground will in turn be beneficial to King Koil international licensees in their respective markets around the world.

#### 4. Infrastructure and utilities

The outlook for the water services sector is expected to be positive with opportunities arising from the State Government's consolidation exercise to provide a holistic water services in Selangor, Kuala Lumpur and Putrajaya. In the light of this opportunity, the Group through its wholly owned subsidiary Nadi Biru Sdn Bhd ("Nadi Biru"), has ventured into the water pipe rehabilitation business through its subsidiary, Smartpipe Technology Sdn Bhd ("SPT"). SPT had obtained the product certification and C1 license from Suruhanjaya Perkhidmatan Air Negara and registered as G7 contractor with Construction Industry Development Board which enables SPT to undertake the water and sewerage projects for both conventional and compact pipe technology.

SPT is constantly engaging with various parties and state water agencies to promote the compact pipe technology where it has proven to be a success in several countries including Hong Kong. The Group plan to replicate this success locally.

In November 2017, SPT entered into an agreement with Pengurusan Air Selangor Sdn Bhd ("Air Selangor") for a pilot rehabilitation project using compact pipe technology. The pilot project covers a length of 0.5km in Taman Bukit Anggerik, Cheras and is expected to be completed by Q2 2018.

On road maintenance and infrastructure segment, Perangsang Selangor had increased its stake in KPS-HCM Sdn Bhd ("KPS-HCM") to 51% on 22 June 2017. KPS-HCM was awarded with an infrastructure work for Pulau Indah Industrial Park by the main contractor, Central Spectrum Sdn Bhd. It is envisaged that the current order book of KPS-HCM will contribute positively to the Group's results for the financial years ending 2017-2019. Going forward, KPS-HCM will actively identify and bid for similar projects to enhance the performance of the Group's infrastructure and utility segment.

With the imminent takeover of the Group's 30% equity interest in Syarikat Pengeluar Air Selangor Sdn Bhd ("SPLASH") held through Viable Chip (M) Sdn Bhd, a wholly owned subsidiary of the Company, the Group is continuously assessing business opportunities in sectors where it already has existing investments as well as new business sectors or areas to ensure sustainability of the Group.

#### 5. Oil and gas

The Group remains confident in the long-term prospects of the oil and gas sector as the Group expects an increase in demand for liquefied petroleum gas (LPG) in the commercial sector while demand from domestic sectors shall remain strong over the next few years.

#### 6. Telecommunication

Ceres, a 34.35% associated company, is currently pursuing several initiatives to streamline its business and improve its financial performance; refocusing of its market segment, introducing new products, extending its network of distributors. Efforts are continuously being pursued in order to ensure that Ceres contributes positively to the results of the Group in the future.



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**B4 Profit forecast and profit guarantee**

No profit forecast or profit guarantee was issued during the current quarter.

**B5 Other income/(expenses)**

Included in other income/(expenses) are the following credits/(charges):

	3 months ended		12 months ended	
	31.12.2017	31.12.2016	31.12.2017	31.12.2016
	RM'000	RM'000	RM'000	RM'000
Profit from Islamic short term placement	391	182	635	315
Profit rate income - fixed deposit	232	253	1,458	668
Profit rate income – loans and receivables	214	-	214	-
Gain realised on assets held for disposal	-	-	-	97,470
Loss on disposal of property, plant and equipment	-	(11)	-	(11)
(Loss)/gain on foreign exchange	(734)	1,794	(2,220)	1,810
Reversal of allowance for impairment on:				
- trade receivables	-	113	-	113
- inventories	-	20	-	20
Finance costs	(4,224)	(2,712)	(16,047)	(4,174)
Depreciation of property, plant and equipment	(979)	(2,895)	(3,527)	(7,871)
Depreciation of investment properties	(929)	(24)	(4,314)	(88)
Amortisation of intangible assets	(106)	(27)	(1,116)	(82)
Intangible assets written off	-	(2,059)	-	(2,059)
Property, plant and equipment written off	-	(92)	-	(92)
Bad debts written off	-	(86)	(69)	(86)
Impairment loss on inventories	(378)	(212)	(378)	(212)
Impairment loss on trade receivables	(8,460)	(7,713)	(8,460)	(7,713)
Impairment of goodwill on consolidation	-	-	-	(2,020)
Impairment of club membership	(370)	-	(370)	-
Provision in diminution on an associated company	-	(9,641)	-	(9,641)

Other items not applicable to the Group is gain or loss on derivatives.

**B6 Income tax and zakat expense**

	3 months ended		12 months ended	
	31.12.2017	31.12.2016	31.12.2017	31.12.2016
	RM'000	RM'000	RM'000	RM'000
Income tax expense	3,274	3,159	8,464	11,878
Deferred tax transfer to balance sheet	(585)	-	(1,582)	(1,527)
Income tax expense	2,689	3,159	6,882	10,351
Zakat expense	27	154	161	812
Income tax and zakat expense	2,716	3,313	7,043	11,163

The effective tax rate for the current quarter was higher than the statutory tax rate mainly due to under provision of tax in the previous quarters.

**B7 Status of corporate proposals**

Other than those stated in A11, there were no other corporate proposals during the year ended and subsequent to the reporting period.

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**B8 Borrowings**

The Group borrowings as at 31 December 2017 are as follows:

	As at 4 <sup>th</sup> Quarter 2017	
	Foreign Denomination USD'000	RM Denomination RM'000
<b>Short term borrowings - secured</b>		
Revolving credits	-	39,000
Obligation under finance leases	-	51
Term loan	32	129
<b>Sub total</b>	<b>32</b>	<b>39,180</b>
<b>Long term borrowings – secured</b>		
Obligation under finance leases	-	207
Term loan	3	100,012
Syndicated term loan	-	168,259
<b>Sub total</b>	<b>3</b>	<b>268,478</b>
<b>Total borrowings - secured</b>		
Revolving credits	-	39,000
Obligation under finance leases	-	258
Term loan	35	100,141
Syndicated term loan	-	168,259
<b>Total</b>	<b>35</b>	<b>307,658</b>

	As at 4 <sup>th</sup> Quarter 2016	
	Foreign Denomination USD'000	RM Denomination RM'000
<b>Short term borrowings - secured</b>		
Revolving credits	-	108,000
Obligation under finance leases	-	42
Term loan	30	136
<b>Sub total</b>	<b>30</b>	<b>108,178</b>
<b>Long term borrowings – secured</b>		
Obligation under finance leases	-	46
Term loan	35	155
Syndicated term loan	-	159,000
<b>Sub total</b>	<b>35</b>	<b>159,201</b>
<b>Total borrowings - secured</b>		
Revolving credits	-	108,000
Obligation under finance leases	-	88
Term loan	65	291
Syndicated term loan	-	159,000
<b>Total</b>	<b>65</b>	<b>267,379</b>

**B9 Material litigation**

Neither the Company nor its subsidiary companies have been or are involved in any material litigations, claims or arbitrations either as plaintiffs or defendants and the Directors are not aware of any proceedings, pending or threatened, against the Company or its subsidiary companies or of any facts likely to give rise to any proceedings which might materially affect the financial position or business of the Company or its subsidiary companies

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A final single tier dividend of 4.25 sen per ordinary share amounting to RM21,207,685 in respect of the financial year ended 31 December 2016 which was approved by the shareholders at the Annual General Meeting of the Company held on 25 May 2017 was paid on 18 August 2017.

**B11 Basic (loss)/earnings per share**

The basic (loss)/earnings per share is calculated by dividing the net profit/(loss) attributable to owners of the parent by the weighted average number of shares in issue.

	<b>3 Months Ended 31.12.2017</b>	<b>3 Months Ended 31.12.2016</b>	<b>12 Months Ended 31.12.2017</b>	<b>12 Months Ended 31.12.2016</b>
<b>Basic (loss)/earnings per share</b>				
Net (loss)/profit attributable to owners of the parent (RM'000)	(11,086)	(28,927)	56,659	97,766
Weighted average number of shares in issue ('000)	499,004	499,004	499,004	499,004
Basic EPS (sen)	(2.2)	(5.8)	11.4	19.6

**B12 Realised and unrealised profits or losses disclosures**

The breakdown of retained earnings of the Group as at the reporting date, into realised and unrealised profits, pursuant to the directive is as follows:

	<b>As at 31.12.2017 RM'000</b>	<b>As at 31.12.2016 RM'000</b>
The (accumulated losses)/retained earnings of the Company and its subsidiaries:		
- Realised	(48,022)	8,588
- Unrealised	(5,038)	(3,473)
Add:		
Total share of retained earnings from associates		
- Realised	867,419	773,794
Retained earnings as per financial statements	<u>814,359</u>	<u>778,909</u>

**BY ORDER OF THE BOARD**

**HASHIMAH BINTI HAJI MOHD ISA**  
Company Secretary

Date: 27 February 2018