



# **KUMPULAN PERANGSANG SELANGOR BERHAD**

*(Company No. 23737-K)  
(Incorporated in Malaysia)*

**UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE SECOND QUARTER ENDED 30 JUNE 2018**

A1 Unaudited Condensed Consolidated Income Statement For The Quarter Ended 30 June 2018

PARTICULARS	INDIVIDUAL QUARTER				CUMULATIVE QUARTER			
	CURRENT YEAR	PRECEDING YEAR	VARIANCE		CURRENT YEAR	PRECEDING YEAR	VARIANCE	
	QUARTER 30/6/2018 RM'000	CORRESPONDING QUARTER 30/6/2017 RM'000	RM'000	%	TO DATE 30/6/2018 RM'000	CORRESPONDING PERIOD 30/6/2017 RM'000	RM'000	%
Revenue	161,279	75,948	85,331	112	257,120	152,704	104,416	68
Cost of sales	(127,598)	(55,905)	(71,693)	(128)	(202,006)	(110,666)	(91,340)	(83)
Gross profit	33,681	20,043	13,638	68	55,114	42,038	13,076	31
Other income	3,836	1,318	2,518	191	4,600	2,383	2,217	93
Other expenses	(30,319)	(22,130)	(8,189)	(37)	(56,571)	(42,761)	(13,810)	(32)
Operating profit/(loss)	7,198	(769)	7,967	1,036	3,143	1,660	1,483	89
Finance costs	(9,387)	(4,051)	(5,336)	(132)	(13,284)	(7,801)	(5,483)	(70)
Share of profit of associates	43,780	42,435	1,345	3	67,278	66,099	1,179	2
Profit before tax and zakat	41,591	37,615	3,976	11	57,137	59,958	(2,821)	(5)
Income tax and zakat	(2,158)	(2,024)	(134)	(7)	(3,501)	(3,168)	(333)	(11)
<b>Profit for the period</b>	<b>39,433</b>	<b>35,591</b>	<b>3,842</b>	<b>11</b>	<b>53,636</b>	<b>56,790</b>	<b>(3,154)</b>	<b>(6)</b>
Attributable to:								
- Owners of the parent	38,308	34,671	3,637	10	51,522	54,879	(3,357)	(6)
- Non-controlling interests	1,125	920	205	22	2,114	1,911	203	11
	<b>39,433</b>	<b>35,591</b>	<b>3,842</b>	<b>11</b>	<b>53,636</b>	<b>56,790</b>	<b>(3,154)</b>	<b>(6)</b>
Earnings per share ("EPS") attributable to owners of the parent (sen per share):								
Basic EPS	7.1	6.5	0.7	10	9.6	10.2	(0.6)	(6)
Diluted EPS	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

(The Unaudited Condensed Consolidated Income Statement should be read in conjunction with the Annual Audited Financial Statements for the year ended 31 December 2017 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 30 June 2018**

PARTICULARS	INDIVIDUAL QUARTER				CUMULATIVE QUARTER			
	CURRENT YEAR QUARTER 30/6/2018 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 30/6/2017 RM'000	VARIANCE		CURRENT YEAR TO DATE 30/6/2018 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 30/6/2017 RM'000	VARIANCE	
			RM'000	%			RM'000	%
Profit for the period	39,433	35,591	3,842	11	53,636	56,790	(3,154)	(6)
Other comprehensive income/(loss) (net of tax):								
Profit/(Loss) on foreign currency translation reserve	2,072	(1,664)	3,736	225	(518)	(1,892)	1,374	73
<b>Total comprehensive income for the period</b>	<b>41,505</b>	<b>33,927</b>	<b>7,578</b>	<b>22</b>	<b>53,118</b>	<b>54,898</b>	<b>(1,780)</b>	<b>(3)</b>
Attributable to:								
- Owners of the parent	39,889	33,381	6,508	19	51,141	53,446	(2,305)	(4)
- Non-controlling interests	1,616	546	1,070	196	1,977	1,452	525	36
	<b>41,505</b>	<b>33,927</b>	<b>7,578</b>	<b>22</b>	<b>53,118</b>	<b>54,898</b>	<b>(1,780)</b>	<b>(3)</b>

(The Unaudited Condensed Consolidated Income Statement should be read in conjunction with the Annual Audited Financial Statements for the year ended 31 December 2017 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 30 June 2018**

	<b>Unaudited 30-Jun-18 RM'000</b>	<b>Audited 31-Dec-17 RM'000</b>	<b>Audited 1-Jan-17 RM'000</b>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	140,193	94,602	100,252
Investment properties	96,443	95,863	91,787
Investments in associates	1,238,976	1,171,698	1,078,986
Club membership	203	203	523
Goodwill on consolidation	168,721	41,045	40,322
Intangible assets	206,807	207,456	208,821
Other receivables	34,089	34,095	35,663
Deferred tax assets	477	477	333
	<u>1,885,909</u>	<u>1,645,439</u>	<u>1,556,687</u>
<b>Current assets</b>			
Inventories	72,259	49,324	31,412
Receivables	253,045	170,403	117,035
Tax recoverable	3,934	1,730	1,522
Cash and bank balances	183,280	79,044	131,995
	<u>512,518</u>	<u>300,501</u>	<u>281,964</u>
Non current asset held for sale	23,665	-	-
<b>TOTAL ASSETS</b>	<b><u>2,422,092</u></b>	<b><u>1,945,940</u></b>	<b><u>1,838,651</u></b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity attributable to owners of the parent</b>			
Share capital	537,905	538,092	499,004
Share premium	-	-	39,088
Other reserves	6,779	7,160	11,029
Retained earnings	845,146	816,463	778,909
<b>Shareholders' equity</b>	<u>1,389,830</u>	<u>1,361,715</u>	<u>1,328,030</u>
<b>Non-controlling interests</b>	<u>94,637</u>	<u>93,057</u>	<u>90,692</u>
<b>TOTAL EQUITY</b>	<b><u>1,484,467</u></b>	<b><u>1,454,772</u></b>	<b><u>1,418,722</u></b>
<b>Non-current liabilities</b>			
Payables	50,404	-	-
Borrowings (profit rate bearing)	474,254	225,977	159,201
Deferred tax	66,885	63,683	64,610
	<u>591,543</u>	<u>289,660</u>	<u>223,811</u>
<b>Current liabilities</b>			
Payables	182,823	118,251	81,958
Borrowings (profit rate bearing)	162,174	81,681	108,178
Taxation	847	1,347	5,756
Amounts due to immediate holding company	203	203	203
Amounts due to related companies	35	26	23
	<u>346,082</u>	<u>201,508</u>	<u>196,118</u>
<b>TOTAL LIABILITIES</b>	<b><u>937,625</u></b>	<b><u>491,168</u></b>	<b><u>419,929</u></b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b><u>2,422,092</u></b>	<b><u>1,945,940</u></b>	<b><u>1,838,651</u></b>
Net assets per ordinary share attributable to owners of the parent (RM)	2.59	2.53	2.47

(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 2017 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 Period Ended 30 June 2018**

	Attributable to Owners of the Parent							Distributable	Non-controlling Interests RM'000
	Non 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	Foreign currency translation reserve RM'000	General reserve RM'000	Retained Earnings RM'000	
At 1 January 2018	1,454,772	1,361,715	538,092	-	7,160	(840)	8,000	816,463	93,057
Total comprehensive income	53,118	51,141	-	-	(381)	(381)	-	51,522	1,977
Transactions with owners:									
Dividend for financial year ended 31 December 2017	(22,839)	(22,839)	-	-	-	-	-	(22,839)	-
Dividend of subsidiaries	(397)	-	-	-	-	-	-	-	(397)
Expenses incurred for Bonus Issue	(187)	(187)	(187)	-	-	-	-	-	-
	(23,423)	(23,026)	(187)	-	-	-	-	(22,839)	(397)
<b>At 30 June 2018</b>	<b>1,484,467</b>	<b>1,389,830</b>	<b>537,905</b>	<b>-</b>	<b>6,779</b>	<b>(1,221)</b>	<b>8,000</b>	<b>845,146</b>	<b>94,637</b>
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	54,971	53,519	-	-	(1,360)	(1,360)	-	54,879	1,452
Transactions with owners:									
Transfer to contributed share capital	-	-	39,088	(39,088)	-	-	-	-	-
Dividend for financial year ended 31 December 2016	(21,210)	(21,210)	-	-	-	-	-	(21,210)	-
Accreation of interest in a subsidiary	225	-	-	-	-	-	-	-	225
Dividend of subsidiaries	(3,475)	-	-	-	-	-	-	-	(3,475)
	(24,460)	(21,210)	39,088	(39,088)	-	-	-	(21,210)	(3,250)
<b>At 30 June 2017</b>	<b>1,449,063</b>	<b>1,360,339</b>	<b>538,092</b>	<b>-</b>	<b>9,669</b>	<b>1,669</b>	<b>8,000</b>	<b>812,578</b>	<b>88,724</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 2017 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 Flows**  
**For The Period Ended 30 June 2018**

	6 months ended	
	<u>30-Jun-18</u>	<u>30-Jun-17</u>
	RM'000	RM'000
<b>Cash Flows From Operating Activities</b>		
Profit before tax and zakat	57,137	59,958
Adjustment for non-cash items	(61,960)	(59,826)
Adjustment for non-operating items	13,085	7,708
Operating profit before working capital changes	8,262	7,840
Changes in working capital:		
Net change in current assets	(81,797)	(1,105)
Net change in current liabilities	43,954	(11,542)
Cash used in operating activities	(29,581)	(4,807)
Tax paid, net of refunds received	(5,831)	(4,603)
<b>Net cash used in operating activities</b>	<u>(35,412)</u>	<u>(9,410)</u>
<b>Cash Flows From Investing Activities</b>		
Dividends received	-	1,050
Profit rate received	2,021	624
Acquisition of a subsidiary	(166,436)	-
Profit from Islamic short term placement	199	93
Purchase of property, plant and equipment	(20,535)	(800)
Expenses incurred for Bonus Issue	(187)	-
Net movements in money market deposits	2,203	(378)
<b>Net cash (used in)/generated from investing activities</b>	<u>(182,735)</u>	<u>589</u>
<b>Cash Flows From Financing Activities</b>		
Dividend paid to non-controlling interest of subsidiaries	(397)	(3,475)
Profit rate paid	(13,284)	(7,801)
Repayment of borrowings	(26,266)	(98)
Drawdown of borrowings	364,691	30,260
Net movements in deposits with licensed banks	(11,923)	381
<b>Net cash generated from financing activities</b>	<u>312,821</u>	<u>19,267</u>
Net increase in cash and cash equivalents	94,674	10,446
Effect of exchange rate changes on cash and cash equivalents	(158)	(1,394)
Cash and cash equivalents at 1 January	67,967	122,681
Cash and cash equivalents at 30 June	<u><b>162,483</b></u>	<u><b>131,733</b></u>

Cash and cash equivalents included in the statement cash flows comprise:

	As at	As at
	<u>30-Jun-18</u>	<u>30-Jun-17</u>
Cash and bank balances	183,280	141,044
Less:		
Deposits with licensed banks with maturity period of more than 3 months	(18,280)	(7,297)
Money market deposits	(2,517)	(2,014)
	<u><b>162,483</b></u>	<u><b>131,733</b></u>

(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 2017 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 SECOND QUARTER ENDED 30 JUNE 2018

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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 MFRS 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 2017. The explanatory notes attached to the interim financial statements provide and 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 2017.

##### 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 2017 except for the adoption of MFRS, the following new and amended MFRSs with effect from 1 January 2018.

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

On 1 January 2018, the Group adopted MFRSs and the following new and amended MFRSs mandatory for annual financial periods beginning on or after 1 January 2018.

###### 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
MFRS 140	Transfers of Investment Property (Amendments to MFRS 140)
IC Interpretation 22	Foreign Currency Transactions and Advance Consideration

Annual Improvements to MFRS Standards 2014 – 2016 Cycle

The adoption of the above MFRSs and IC Interpretation did not have any significant financial impact to the results of the Group and the Company for the financial period under review.

###### 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 9	Prepayment Features with Negative Compensation (Amendments to MFRS 9)
MFRS 16	Leases
MFRS 128	Long-term Interests in Associates and Joint Ventures (Amendments to MFRS 128)
IC Interpretation 23	Uncertainty Over Income Tax Treatments

Annual Improvements to MFRS Standards 2015-2017 Cycle

## KUMPULAN PERANGSANG SELANGOR BERHAD

Company No. 23737-K  
(Incorporated in Malaysia)

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### UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE SECOND QUARTER ENDED 30 JUNE 2018

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1 January 2021  
MFRS 17

Insurance Contracts

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

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

With effect from 1 January 2018, the Group has adopted the Malaysian Financial Reporting Standards (“MFRS”) Framework issued by Malaysian Accounting Standards Board (“MASB”) in 2011. The Group falls within the scope definition of Transitioning Entities (“TE”), entities that are within the scope of MFRS 141 Agriculture and IC Interpretation 15 Agreements for Construction of Real Estate, including its parents, significant investor and venture. The TE would only be required to adopt the MFRS Framework for the annual periods beginning on or after 1 January 2018.

MFRS Framework was introduced by the MASB to fully converge Malaysia’s existing Financial Reporting Standards (“FRS”) Framework with the International Financial Reporting Standards (“IFRS”) Framework issued by the International Accounting Standards Board. Whilst all FRSs issued under the previous FRS Framework were equivalent to the MFRSs issued under the MFRS Framework, there are some differences in relation to the transitional provisions and effective dates contained in certain of the FRSs. MFRS 1 “First-time Adoption of MFRS” provides for certain optional exemptions and certain mandatory exception for first-time MFRS adopters.

The adoption of MFRSs did not have any significant financial impact to the results of the Group and the Company for the financial period under review.

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

The audited consolidated financial statements for the financial year ended 31 December 2017 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)

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### UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE SECOND QUARTER ENDED 30 JUNE 2018

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#### A7 Debt and equity securities

Save as disclosed below, there was no issuance, cancellation, repurchase, resale and repayment of debt and equity securities during the current period:

- (i) Bonus issue of 38,381,264 new ordinary shares in the Company

On 30 March 2018, the Company undertook a bonus issue of 38,381,264 new ordinary shares in the Company on the basis of 1 bonus share for every 13 existing shares held on an entitlement date to be determined later ("Bonus Issue").

Listing application has been submitted to Bursa Securities on 12 April 2018. Bursa Securities had, vide its letter dated 23 April 2018, approved the listing subject to the following conditions:

1. Perangsang Selangor and the principal adviser, Affin Hwang Investment Bank Berhad ("Affin Hwang IB") must fully comply with the relevant provisions under the Main Market Listing Requirements ("MMLR") pertaining to the implementation of the Bonus Issue;
2. Perangsang Selangor and Affin Hwang IB to inform Bursa Securities upon completion of the Bonus Issue;
3. Perangsang Selangor to furnish Bursa Securities with a written confirmation of its compliance with the terms and conditions of Bursa Securities' approval once the Bonus Issue is completed; and
4. Perangsang Selangor and Affin Hwang IB are required to make the relevant announcements for the Bonus Issue pursuant to Paragraph 6.35(2)(a) and (b) and 6.35(4) of the MMLR.

The Bonus Issue was approved by the shareholders at the EGM held on 24 May 2018. The Bonus Issue has been completed on 12 June 2018 following the listing of and quotation for 38,381,264 new ordinary shares on the Main Market of Bursa Securities.

- (ii) Acceptance of Bank Guarantee-i facility (BG-i) of RM50.0 million from Bank Islam Malaysia Berhad ("BIMB")

The Company had on 12 June 2018 accepted a BG-i facility of RM50.0 million from BIMB ("the Facility") which has been issued under the Company's wholly-owned subsidiary, Perangsang Dinamik Sdn Bhd ("PDSD"). The facility is being used as financial guarantee issued in relation to acquisition of CPI (Penang) Sdn Bhd.

#### A8 Dividend paid

A single tier final dividend of 4.25 sen per ordinary share amounting to RM22,838,882 in respect of the financial year ended 31 December 2017 was paid on 20 July 2018.

**KUMPULAN PERANGSANG SELANGOR BERHAD**

Company No. 23737-K  
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**UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE SECOND QUARTER  
ENDED 30 JUNE 2018**
**A9 Segmental Information**

	3 months ended		6 months ended	
	30.6.2018 RM'000	30.6.2017 RM'000	30.6.2018 RM'000	30.6.2017 RM'000
<b>Segment Revenue</b>				
Manufacturing	102,895	39,532	146,859	79,128
Trading	27,595	24,758	53,872	49,945
Licensing	7,378	8,309	15,214	17,130
Infrastructure and utilities	30,282	-	50,674	-
Investment holding	2,219	15,081	4,408	18,330
Property investment	-	1,192	611	2,171
Total revenue including inter segment sales	170,369	88,872	271,638	166,704
Eliminations	(9,090)	(12,924)	(14,518)	(14,000)
Total	161,279	75,948	257,120	152,704
<b>Segment Results</b>				
Manufacturing	11,864	2,257	13,676	6,303
Trading	2,131	2,155	4,154	4,320
Licensing	686	296	1,030	812
Infrastructure and utilities *	40,345	41,263	60,715	61,920
Investment holding	(15,840)	2,916	(28,140)	(4,267)
Property investment	(802)	544	(1,299)	819
Oil and gas *	3,492	1,850	8,058	5,345
Telecommunication *	(173)	(678)	(672)	(1,166)
Total profit	41,703	50,603	57,522	74,086
Eliminations	(112)	(12,988)	(385)	(14,128)
Profit before tax and zakat	41,591	37,615	57,137	59,958

\* 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.

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

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 other than:

- (i) Acceptance of letter of award by Smartpipe Technology Sdn Bhd ("SPT")

On 2 July 2018, SPT, an indirect 60% owned subsidiary of the Company has accepted the letter of award dated 25 June 2018 for a total estimated contract sum of RM20.0 million for the proposed pipe replacement at Hulu Langat and Kuala Lumpur ("Contract") from Pengurusan Air Selangor Sdn Bhd ("Air Selangor"), a wholly-owned subsidiary of Kumpulan Darul Ehsan Berhad.

## KUMPULAN PERANGSANG SELANGOR BERHAD

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### UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE SECOND QUARTER ENDED 30 JUNE 2018

The contract will cover 16.3 kilometres and is estimated to be completed within 15 months from its commencement date on 9 July 2018.

- (ii) Proposed purchase of 100% equity interest held by Syarikat Pengeluar Air Selangor Holdings Berhad ("SPLASH Holdings") in Syarikat Pengeluar Air Sungai Selangor Sdn Bhd ("SPLASH") by Air Selangor

On 3 August 2018, the Company's indirect 30% associated company, SPLASH Holdings received a Letter of Offer from Air Selangor in respect of Air Selangor's proposed purchase of 100% equity interest held by SPLASH Holdings in SPLASH ("the Offer") for a total purchase consideration of RM2.55 billion.

Subsequently, on 9 August 2018, SPLASH Holdings had accepted the Offer. Air Selangor and SPLASH Holdings are expected to finalise the terms and conditions of the share purchase agreement by 14 September 2018.

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

There were no changes in the composition of the Group for the period ended 30 June 2018 including business combination, acquisition or disposal of subsidiaries, long term investments and restructuring.

#### A13 Capital Commitments

The amount of commitments not provided for in the unaudited interim financial statements as at 30 June 2018 is as follows:

	<b>RM'000</b>
Property, plant and equipment:	
(i) Approved but not contracted for	<u>36,199</u>
(ii) Approved and contracted for	<u>9,207</u>

#### A14 Significant Related Party Transactions

The following are the related party transactions of the Group:

	<b>3 months ended</b>		<b>6 months ended</b>	
	<b>30.6.2018</b>	<b>30.6.2017</b>	<b>30.6.2018</b>	<b>30.6.2017</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	4,438	4,284	8,600	8,793
- Taliworks (Langkawi) Sdn Bhd	350	484	661	898
Sale of goods to related companies:				
- Konsortium Abass Sdn Bhd	2,016	2,458	3,950	4,727
- PNSB Water Sdn Bhd	9,212	9,257	18,711	19,115
- Konsortium Air Selangor Sdn Bhd	280	293	582	589
- Pengurusan Air Selangor Sdn Bhd	173	-	265	-
Rental income received from immediate holding company	-	-	-	13
Rental income received from ultimate holding company	75	62	148	62

**KUMPULAN PERANGSANG SELANGOR BERHAD**

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**UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE SECOND QUARTER  
ENDED 30 JUNE 2018**

	3 months ended		6 months ended	
	30.6.2018 RM'000	30.6.2017 RM'000	30.6.2018 RM'000	30.6.2017 RM'000
Rental income received from related companies:				
- Konsortium Abass Sdn Bhd	-	-	-	46
- Hebat Abadi Sdn Bhd	-	-	-	11
Rental expenses payable to related companies:				
- Konsortium Abass Sdn Bhd	(3)	-	(6)	-
- Konsortium Air Selangor Sdn Bhd	(2)	-	(3)	-

**A15 Contingent liabilities and contingent assets**

The contingent liabilities as at 30 June 2018 are as follows:

	RM'000
i) <b>Secured:</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	14,772
ii) Working capital and issuance of bank guarantees	28,000
Sub-total	<u>42,772</u>
ii) <b>Unsecured</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 RM161.3 million compared with RM75.9 million for the corresponding quarter 2017, representing an increase in revenue by 112% or RM85.4 million. This was largely attributable to revenue from KPS-HCM Sdn Bhd ("KPS-HCM") of RM21.2 million and from the new subsidiaries, CPI (Penang) Sdn Bhd ("CPI") of RM39.7 million and King Koil Manufacturing West, LLC ("KKMW") of RM16.5 million.

For the current quarter ended 30 June 2018, the Group registered a profit before tax and zakat of RM41.6 million as compared to a profit before tax and zakat of RM37.6 million for the corresponding quarter 2017. Higher profit in current quarter mainly from CPI's contribution as well as higher share of profit from associates.

Performance of the respective operating business segments for the second quarter ended 30 June 2018 as compared to the preceding year corresponding quarter is analysed as follows:

1. Manufacturing

This sector contributed the highest increased in revenue mainly from the new subsidiaries; CPI of RM39.7 million and KKMW of RM16.5 million. Century Bond Bhd ("CBB") contributed revenue of

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RM46.7 million, higher than corresponding quarter 2017 by RM7.2 million. 47% or RM22.0 million of CBB'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 RM11.9 million as compared to RM2.3 million in the corresponding quarter 2017, higher mainly due to consolidation of CPI's three months results of RM8.3 million.

#### 2. Trading

Revenue of RM27.6 million was 11% or RM2.8 million higher than the corresponding quarter's revenue of RM24.8 million mainly from higher sales of water chemicals.

For the current quarter, this sector posted a profit before tax of RM2.1 million, similar to the corresponding quarter 2017.

#### 3. Licensing

This sector recorded RM7.4 million revenue to the Group during the current quarter as compared to RM8.3 million in the corresponding quarter 2017 mainly due to lower licensing revenue from the US licensees. For the current quarter, this sector posted a profit before tax of RM0.7 million as compared to profit before tax of RM0.3 million in the corresponding quarter 2017.

#### 4. Infrastructure and utilities

Arising from acquisition of KPS-HCM in June 2017, the Group has consolidated the revenue of KPS-HCM by RM21.2 million. Infrastructure and utilities sector recorded a profit of RM40.3 million as compared to corresponding quarter 2017 with profit of RM41.3 million. SPLASH and Sistem Penyuraian Trafik KL Barat Holdings Sdn Bhd ("SPRINT") posted share of profit of RM40.6 million and share of loss of RM0.5 million respectively as compared to share of profit of RM23.8 million and share of loss of RM3.0 million respectively for the corresponding quarter 2017.

#### 5. Oil and gas

NGC Energy Sdn Bhd ("NGC Energy") registered a profit after tax of RM8.7 million as compared to a profit after tax of RM4.6 million in the corresponding quarter of 2017 mainly due to the higher revenue from industrial and commercial ("I&C") segment. The Group's share of profit was RM3.5 million as compared to share of profit of RM1.8 million in the corresponding quarter 2017 due to higher price recorded from I&C segment.

#### 6. Telecommunication

The Group's share of loss from Ceres Telecom Sdn Bhd ("Ceres") for the current quarter was RM0.2 million, as compared to a share of loss of RM0.7 million for the corresponding quarter 2017.

#### 7. Investment holding.

Investment holding recorded revenue of RM2.2 million as compared to RM15.1 million in the corresponding quarter 2017, mainly from dividend received during the corresponding period. Consequently, this sector recorded a loss before tax and zakat of RM15.8 million as compared to a profit before tax of RM2.9 million in the corresponding quarter 2017 coupled with the finance cost incurred in the current quarter in financing CPI acquisition.

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#### 8. Property Investment

Property investment recorded nil revenue as compared to RM1.2 million in the corresponding quarter 2017, lower revenue due to no leasing income at Quality Hotel City Centre starting from current quarter. This sector recorded a loss before tax and zakat of RM0.8 million as compared to a profit before tax of RM0.5 million in the corresponding quarter 2017.

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

For the six months ended 30 June 2018, the Group registered revenue of RM257.1 million as compared to RM152.7 million in the corresponding period 2017, representing an increase in revenue by RM104.4 million or 68%. The significant increase was mainly due to revenue from KPS-HCM which was consolidated from July 2017, CPI which was acquired in March 2018 and KKMW which commenced operations in May 2018.

The Group's profit before tax and zakat for the current period of RM57.1 million was 5% lower or RM2.8 million than the corresponding period 2017 of RM59.9 million mainly due to higher finance cost in current period.

Performance of the respective operating business segments for the six months ended 30 June 2018 as compared to the preceding year corresponding period is analysed as follows:

#### 1. Manufacturing

The manufacturing sector contributed a revenue of RM146.9 million and profit before tax of RM13.7 million as compared to corresponding period 2017 revenue of RM79.1 million and profit before tax of RM6.3 million. Higher revenue and profit before tax in current period is mainly due to three months contributions from CPI and one month results from KKMW.

#### 2. Trading

Trading sector posted a profit before tax of RM4.2 million on the back of total revenue of RM53.9 million. The current period revenue was higher by 8% or RM4.0 million due to higher revenue from sale of chemicals.

#### 3. Licensing

The licensing sector recorded revenue of RM15.2 million as compared to corresponding period 2017 of RM17.1 million on the back of lower licensing revenue from US licensees. Profit before tax was RM1.0 million as compared to corresponding period 2017 of RM0.8 million.

#### 4. Infrastructure and utilities

This sector recorded consolidated revenue of RM36.2 million as compared to nil in the corresponding quarter 2017 as the consolidation of KPS-HCM results only started from July 2017. Profit from the infrastructure and utilities sector for the current period of RM60.7 million was 2% lower than corresponding period's profit of RM61.9 million mainly due to lower share of profits contributed by the associated companies.

#### 5. Oil and gas

For the current period, NGC Energy registered profit after tax of RM20.1 million which translated into the Group's share of profit of RM8.1 million as compared to share of profit of RM5.3 million for the corresponding quarter 2017 due to higher price recorded from I&C segment.

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#### 6. Telecommunication

The Group's share of losses for the current period in Ceres was RM0.7 million, lower by RM0.5 million as compared to share of losses of RM1.2 million for the corresponding period 2017, mainly due to lower expenses incurred.

#### 7. Investment holding

Investment holding sector recorded lower revenue of RM4.4 million as compared to RM18.3 million in the corresponding period 2017 due to dividend income received during the corresponding period. Consequently, this sector recorded a higher loss before tax of RM28.1 million as compared to a loss before tax of RM4.3 million in the corresponding period 2017 coupled with the finance cost incurred in the current quarter in financing CPI acquisition.

#### 8. Property Investment

Property investment sector recorded lower revenue of RM0.6 million as compared to RM2.2 million in the corresponding period 2017, lower revenue due to no leasing income at Quality Hotel City Centre starting from current quarter. This sector recorded a loss before tax of RM1.3 million as compared to a profit before tax of RM0.8 million in the corresponding period 2017.

### **B2 Comment on material change in profit before tax and zakat**

The Group recorded a profit before tax and zakat of RM41.6 million for the current quarter ended 30 June 2018 as compared to a profit before tax and zakat of RM15.5 million in the previous quarter ended 31 March 2018. The improved results for the current quarter was mainly from consolidation of CPI results of RM8.3 million and higher share of profit of associates of RM43.8 million as compared to RM23.5 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 better margins.

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

The King Koil group of companies ("King Koil Group") had its first manufacturing plant in the US commence its operations in May 2018. By end of June, the Arizona-based plant has commence delivery of King Koil beds and foundations to customers primarily in California, including a major client ranked in the Top 100 US Furniture Retailers (per Furniture Today). Market reception to the products and service level has been positive and will pave the way for continuing revenue growth under the manufacturing segment.

CPI (Penang) Sdn Bhd ("CPI"), being the latest addition to Perangsang Selangor family, will continue to focus on its high precision plastic injection moulding segment which currently contributes the majority of its revenue to-date, while gradually exploring the tremendous potential that the box-build segment possesses. With the recent land acquisition made in Bayan Lepas, Penang, CPI is committed in bolstering its presence into becoming one of the prominent players in the industry whilst maintaining its

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competitive edge by providing end-to-end solutions to the market.

#### 2. Trading

Aqua-Flo had participated in the tender for the supply and delivery of water treatment chemicals to water treatment plants under Air Selangor for a duration of two years with an optional extension for another year in March 2018. Pending the outcome of the tender results, Aqua-Flo had received a letter of extension on 3 May 2018 from Air Selangor for the extension of the existing contracts to 31 October 2018, valued at RM25.1 million.

Aqua-Flo also continuously bid for other contracts for the supply and delivery of water treatment chemicals and monitoring equipment. Concurrently, Aqua-Flo is embarking on strategic initiatives to improve future profitability by strengthening operational efficiency and venturing into other water related businesses.

#### 3. Licensing

While the King Koil Group changes direction for its licensing business in the US market, it remains focused on growing the International licensing segment. Growth from this segment will be driven by i) continuous engagement with the licensees and supporting their market expansion efforts; and ii) adding more territories to the King Koil network, which already covers over 80 countries worldwide. Strengthening the brand power in the US is expected to have positive impact on the International licensing segment by increasing the brand value in other markets, and attracting manufacturers of high calibre and capabilities to join the King Koil group of licensees.

#### 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, 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 is registered as a G7 contractor with the Construction Industry Development Board which enables SPT to undertake water and sewerage projects for both conventional and Compact Pipe ® technology.

SPT is constantly engaging 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. This success has recently been replicated locally – in July 2018, SPT had successfully completed the installation of Compact Pipe ® as part of a pilot rehabilitation project in Cheras, Kuala Lumpur as per its agreement with Pengurusan Air Selangor Sdn Bhd. With the completion of this pilot project, being the first of its kind in Malaysia, SPT has demonstrated its readiness in employing this cutting-edge technology in the Malaysian market.

On the infrastructure and utilities, KPS-HCM Sdn Bhd ("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 year ending 2018. 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 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.



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#### 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 in the industrial and 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 and 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.

#### 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		6 months ended	
	30.6.2018	30.6.2017	30.6.2018	30.6.2017
	RM'000	RM'000	RM'000	RM'000
Profit from Islamic short term placement	159	77	199	93
Profit rate income - fixed deposit	424	362	591	624
Loss on foreign exchange	(244)	(1,413)	(414)	(1,311)
Finance costs	(9,387)	(4,051)	(13,284)	(7,801)
Depreciation of property, plant and equipment	(3,775)	(881)	(5,762)	(1,925)
Depreciation of investment properties	(200)	(1,051)	(1,197)	(2,102)
Amortisation of intangible assets	(256)	(402)	(513)	(652)
Bad debts written off	-	-	-	(69)

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

#### B6 Income tax expense

	3 months ended		6 months ended	
	30.6.2018	30.6.2017	30.6.2018	30.6.2017
	RM'000	RM'000	RM'000	RM'000
Income tax expense	1,727	2,143	3,139	3,778
Deferred tax transfer to balance sheet	(69)	(190)	(138)	(681)
Income tax expense	1,658	1,953	3,001	3,097
Zakat expense	500	71	500	71
Income tax and zakat expense	2,158	2,024	3,501	3,168

#### B7 Status of corporate proposals

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

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**B8 Borrowings**

The Group borrowings as at 30 June 2018 are as follows:

	As at 2 <sup>nd</sup> Quarter 2018	
	Foreign Denomination USD'000	RM Denomination RM'000
<b>Short term borrowings - secured</b>		
Revolving credits	-	65,000
Obligation under finance leases	-	119
Term loan	22	34,649
Syndicated term loan	-	49,643
Letter of credit	-	2,787
Overdraft	-	9,976
<b>Sub total</b>	<b>22</b>	<b>162,174</b>
<b>Long term borrowings – secured</b>		
Revolving credits		65,000
Obligation under finance leases	-	471
Term loan	768	111,417
Syndicated term loan	-	297,366
<b>Sub total</b>	<b>768</b>	<b>474,254</b>
<b>Total borrowings - secured</b>		
Revolving credits	-	130,000
Obligation under finance leases	-	590
Term loan	790	146,066
Syndicated term loan	-	347,009
Letter of credit	-	2,787
Overdraft	-	9,976
<b>Total</b>	<b>790</b>	<b>636,428</b>
	As at 2 <sup>nd</sup> Quarter 2017	
	Foreign Denomination USD'000	RM Denomination RM'000
<b>Short term borrowings - secured</b>		
Revolving credits	-	129,000
Obligation under finance leases	-	21
Syndicated term loan	-	21,250
Term loan	31	134
<b>Sub total</b>	<b>31</b>	<b>150,405</b>
<b>Long term borrowings – secured</b>		
Obligation under finance leases	-	46
Term loan	19	81
Syndicated term loan	-	147,009
<b>Sub total</b>	<b>19</b>	<b>147,136</b>
<b>Total borrowings - secured</b>		
Revolving credits	-	129,000
Obligation under finance leases	-	67
Term loan	50	215
Syndicated term loan	-	168,259
<b>Total</b>	<b>50</b>	<b>297,541</b>

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#### B9 Material litigation

Save as disclosed below, 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.

Perangsang Hotel & Properties Sdn Bhd (“PHP”), a wholly-owned subsidiary of Cash Band (M) Berhad, which in turn is a wholly-owned subsidiary of the Company, has on 8 August 2018 via its solicitors Messrs Shearn Delamore & Co. filed and served the Writ of Summons and Statement of Claim both dated 6 August 2018 against Leo Hospitality Sdn Bhd (“LHSB”) for a claim arising out of the Lease Agreement which was entered into between PHP and LHSB on 27 December 2016 (“Lease Agreement”).

PHP’s claims as set out under the Statement of Claim are as follows:

- (i) RM3,820,489.64 being the outstanding Lease Fee and Sales Commission Fee together with interest thereon at the rate of 4.5% per annum from 20 March 2018, or from such other date as the Court deems fit, to the date of full payment.
- (ii) RM4,531,966.56 being the outstanding Monthly Instalments together with interest at the rate of 4.5% per annum from 20 March 2018, or from such other date as the Court deems fit, to the date of full payment.
- (iii) RM81,252.17 being the outstanding utilities from Tenaga Nasional Berhad, SYABAS and Telekom together with interest thereon at the rate of 5% per annum from the date of filing the Writ of Summons, or from such other date as the Court deems fit, to the date of full payment.
- (iv) RM1,269.32 being the outstanding payment to City-Link Express Sdn Bhd together with interest thereon at the rate of 5% per annum from the date of filing the Writ of Summons, or from such other date as the Court deems fit, to the date of full payment.
- (v) A declaration that the Plaintiff is entitled to forfeit the Deposit of RM450,000 that has been paid to the Plaintiff.
- (vi) General damages, together with interest thereon at the rate of 5% per annum from the date of filing the Writ of Summons, or from such other date as the Court deems fit, to the date of full payment.
- (vii) Costs.
- (viii) Such further or other relief as the Court may deem fit.

The civil suit is fixed for case management on 7 September 2018 at High Court of Malaya at Shah Alam.

#### B10 Dividend

No interim dividend has been recommended or declared for this financial period.

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**B11 Earnings per share (“EPS”)**

## (a) Basic EPS

The basic EPS is calculated by dividing the net profit attributable to owners of the parent by the weighted average number of shares in issue.

	<b>3 months ended</b>		<b>6 months ended</b>	
	<b>30.6.2018</b>	<b>30.6.2017</b>	<b>30.6.2018</b>	<b>30.6.2017</b>
Net profit attributable to owners of the parent (RM'000)	38,308	34,671	51,522	54,879
Weighted average number of shares in issue ('000)	537,385	537,385 <sup>^</sup>	537,385	537,385 <sup>^</sup>
Basic EPS	7.1	6.5	9.6	10.2

**Note:**

<sup>^</sup> On 12 June 2018, the Company completed the bonus issue of 38,381,264 new ordinary shares of the Company. The comparative figures have been restated to reflect the effects of the bonus issue.

## (b) Diluted EPS

Diluted EPS were not computed as the Company does not have any dilutive potential ordinary shares in issue for the current quarter.

**BY ORDER OF THE BOARD**

**HASHIMAH BINTI HAJI MOHD ISA**  
Company Secretary

Date: 29 August 2018