KUMPULAN PERANGSANG SELANGOR BERHAD

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

UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2018

KUMPULAN PERANGSANG SELANGOR BERHAD
Company No. 23737 K

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

PARTICULARS	INDIVIDUAL QUARTER CURRENT YEAR QUARTER 30/9/2018 RM'000	INDIVIDUAL QUARTER PRECEDING YEAR CORRESPONDING QUARTER 30/9/2017 RM'000	VARIANCE RM'000	VARIANCE %	CUMULATIVE QUARTER CURRENT YEAR TO DATE 30/9/2018 RM'000	CUMULATIVE QUARTER PRECEDING YEAR CORRESPONDING PERIOD 30/9/2017 RM'000	VARIANCE RM'000	VARIANCE %
Revenue	153,644	85,602	68,042	79	410,764	238,306	172,458	72
Cost of sales	(119,136)	(64,248)	(54,888)	(85)	(321,142)	(174,914)	(146,228)	(84)
Gross profit	34,508	21,354	13,154	62	89,622	63,392	26,230	41
Other income	5,048	1,969	3,079	156	9,648	4,352	5,296	122
Other expenses	(28,831)	(24,852)	(3,979)	(16)	(85,401)	(67,612)	(17,789)	(26)
Operating profit/(loss)	10,725	(1,529)	12,254	801	13,869	132	13,737	10,407
Finance costs	(9,807)	(4,020)	(5,787)	(144)	(23,091)	(11,823)	(11,268)	(95)
Share of (loss)/profit of associates	(266,783)	20,221	(287,004)	(1,419)	(199,505)	86,320	(285,825)	(331)
(Loss)/Profit before tax and zakat	(265,865)	14,672	(280,537)	(1,912)	(208,727)	74,629	(283,356)	(380)
Income tax and zakat	(6,605)	(1,160)	(5,445)	(469)	(10,106)	(4,328)	(5,778)	(134)
(Loss)/Profit for the period	**(272,470)**	**13,512**	**(285,982)**	**(2,117)**	**(218,833)**	**70,301**	**(289,134)**	**(411)**
Attributable to:								
- Owners of the parent	(274,574)	12,867	(287,441)	(2,234)	(223,051)	67,745	(290,796)	(429)
- Non-controlling interests	2,104	645	1,459	226	4,218	2,556	1,662	65
	(272,470)	**13,512**	**(285,982)**	**(2,117)**	**(218,833)**	**70,301**	**(289,134)**	**(411)**
Earnings per share ("EPS") attributable to owners of the parent (sen per share):								
Basic EPS	(51.1)	2.4	(53.5)	(2,234)	(41.5)	12.6	(54.1)	(429)
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 September 2018

PARTICULARS	INDIVIDUAL QUARTER CURRENT YEAR QUARTER 30/9/2018 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 30/9/2017 RM'000	VARIANCE RM'000	 %	CUMULATIVE QUARTER CURRENT YEAR TO DATE 30/9/2018 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 30/9/2017 RM'000	VARIANCE RM'000	 %
(Loss)/Profit for the period	(272,470)	13,512	(285,982)	(2,117)	(218,833)	70,301	(289,134)	(411)
Other comprehensive (loss)/income (net of tax):								
Loss on foreign currency translation reserve	(84)	(707)	623	88	(602)	(2,599)	1,997	77
Total comprehensive (loss)/income for the period	**(272,554)**	**12,805**	**(285,359)**	**(2,228)**	**(219,435)**	**67,702**	**(287,137)**	**(424)**
Attributable to:								
- Owners of the parent	(274,402)	12,346	(286,748)	(2,323)	(223,259)	65,792	(289,051)	(439)
- Non-controlling interests	1,848	459	1,389	303	3,824	1,910	1,914	100
	(272,554)	**12,805**	**(285,359)**	**(2,228)**	**(219,435)**	**67,702**	**(287,137)**	**(424)**

(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 September 2018

	Unaudited 30-Sep-18 RM'000	Audited 31-Dec-17 RM'000	Audited 1-Jan-17 RM'000
ASSETS			
Non-current assets			
Property, plant and equipment	147,697	94,602	100,252
Investment properties	95,405	95,863	91,787
Investments in associates	952,061	1,171,698	1,078,986
Club membership	203	203	523
Goodwill on consolidation	168,720	41,045	40,322
Intangible assets	206,495	207,456	208,821
Other receivables	44,169	34,095	35,663
Deferred tax assets	534	477	333
	1,615,284	1,645,439	1,556,687
Current assets			
Inventories	77,921	49,324	31,412
Receivables	260,966	170,403	117,035
Tax recoverable	5,864	1,730	1,522
Cash and bank balances	129,507	79,044	131,995
	474,258	300,501	281,964
Non current asset held for sale	23,603	-	-
TOTAL ASSETS	**2,113,145**	**1,945,940**	**1,838,651**
EQUITY AND LIABILITIES			
Equity attributable to owners of the parent			
Share capital	537,905	538,092	499,004
Other reserves	6,952	7,160	11,029
Retained earnings	570,573	816,463	778,909
Shareholders' equity	1,115,430	1,361,715	1,328,030
Non-controlling interests	96,376	93,057	90,692
TOTAL EQUITY	1,211,806	1,454,772	1,418,722
Non-current liabilities			
Payables	50,919	-	-
Borrowings (profit rate bearing)	414,376	225,977	159,201
Deferred tax	68,867	63,683	64,610
	534,162	289,660	223,811
Current liabilities			
Payables	168,386	118,251	81,958
Borrowings (profit rate bearing)	166,840	81,681	108,178
Taxation	1,586	1,347	5,756
Amounts due to immediate and ultimate holding company	30,331	203	203
Amounts due to related companies	34	26	23
	367,177	201,508	196,118
TOTAL LIABILITIES	901,339	491,168	419,929
TOTAL EQUITY AND LIABILITIES	**2,113,145**	**1,945,940**	**1,838,651**
Net assets per ordinary share attributable to owners of the parent (RM)	2.08	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 September 2018

		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	Foreign currency translation reserve RM'000	General reserve RM'000	Retained Earnings RM'000	Non-controlling Interests 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 (loss)/income	(219,435)	(223,259)	-	-	(208)	(208)	-	(223,051)	3,824
Transactions with owners:									
Dividend for financial year ended 31 December 2017	(22,839)	(22,839)	-	-	-	-	-	(22,839)	-
Dividend of subsidiaries	(1,812)	-	-	-	-	-	-	-	(1,812)
Subscription of additional interest in subsidiaries	1,307	-	-	-	-	-	-	-	1,307
Expenses incurred for Bonus Issue	(187)	(187)	(187)	-	-	-	-	-	-
	(23,531)	(23,026)	(187)	-	-	-	-	(22,839)	(505)
At 30 September 2018	**1,211,806**	**1,115,430**	**537,905**	**-**	**6,952**	**(1,048)**	**8,000**	**570,573**	**96,376**
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/(loss)	67,702	65,792	-	-	(1,953)	(1,953)	-	67,745	1,910
Transactions with owners:									
Transfer to contributed share capital	-	-	39,088	(39,088)	-	-	-	-	-
Dividend for financial year ended 31 December 2016	(21,209)	(21,209)	-	-	-	-	-	(21,209)	-
Accreation of interest in a subsidiary	2,540	-	-	-	-	-	-	-	2,540
Dividend of subsidiaries	(3,905)	-	-	-	-	-	-	-	(3,905)
	(22,574)	(21,209)	39,088	(39,088)	-	-	-	(21,209)	(1,365)
At 30 September 2017	**1,463,680**	**1,372,613**	**538,092**	**-**	**9,076**	**1,076**	**8,000**	**825,445**	**91,067**

(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 September 2018

	9 months ended	
	30-Sep-18	30-Sep-17
	RM'000	RM'000
Cash Flows From Operating Activities		
(Loss)/Profit before tax and zakat	(208,727)	74,629
Adjustment for non-cash items	208,035	(77,500)
Adjustment for non-operating items	22,461	11,579
Operating profit before working capital changes	21,769	8,708
Changes in working capital:		
Net change in current assets	(113,337)	(25,449)
Net change in current liabilites	103,297	4,496
Cash generated from/(used in) operating activities	11,729	(12,245)
Tax paid, net of refunds received	(14,243)	(8,388)
Net cash used in operating activities	(2,514)	(20,633)
Cash Flows From Investing Activities		
Dividends received	18,000	1,050
Profit rate received	2,344	974
Acquisition of a subsidiaries	(165,003)	2,315
Profit from Islamic short term placement	630	244
Purchase of property, plant and equipment	(27,941)	(3,472)
Expenses incurred for Bonus Issue	(187)	-
Net movements in money market deposits	2,781	(1,768)
Net cash used in investing activities	(169,376)	(657)
Cash Flows From Financing Activities		
Dividend paid	(22,839)	(21,209)
Dividend paid to non-controlling interest of subsidiaries	(1,813)	(3,905)
Profit rate paid	(23,091)	(11,823)
Repayment of borrowings	(69,899)	(32)
Drawdown of borrowings	343,117	24,147
Net movements in deposits with licensed banks	(31,276)	224
Net cash generated from/(used in) financing activities	194,199	(12,598)
Net increase/(decrease) in cash and cash equivalents	22,309	(33,888)
Effect of exchange rate changes on cash and cash equivalents	(341)	(1,394)
Cash and cash equivalents at 1 January	67,967	122,681
Cash and cash equivalents at 30 September	**89,935**	**87,399**

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

	As at 30-Sep-18	As at 30-Sep-17
Cash and bank balances	129,507	98,257
Less:		
Deposits with licensed banks with maturity period of more than 3 months	(37,633)	(7,454)
Money market deposits	(1,939)	(3,404)
	89,935	**87,399**

(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)

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 new and amended standards and interpretations that have been issued but not yet effective:

1 January 2019

MFRS 16	Leases
IC Interpretation 23	Uncertainty Over Income Tax Treatments
Amendments to MFRS 9	Prepayment Features with Negative Compensation
Amendments to MFRS 119	Plan Amendment, Curtailment or Settlement
Amendments to MFRS 128	Long-term Interests in Associates and Joint Ventures

Annual Improvements to MFRS Standards 2015-2017 Cycle

1 January 2020	
Amendments to MFRS 3	Business Combinations
Amendments to MFRS 14	Regulatory Deferral Accounts
Amendments to MFRS 101	Presentation of Financial Statements
Amendments to MFRS 108	Accounting Policies, Changes in Accounting Estimates and Errors
Amendments to MFRS 134	Interim Financial Reporting
Amendments to MFRS 137	Provisions, Contingent Liabilities and Contingent Assets
Amendments to MFRS 138	Intangible Assets
Amendment to IC Interpretation 12	Service Concession Arrangements
Amendment to IC Interpretation 19	Extinguishing Financial Liabilities with Equity Instruments
Amendment to IC Interpretation 22	Foreign Currency Transactions and Advance Consideration
Amendments to IC Interpretation 132	Intangible Assets—Web Site Costs
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 financial 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.

A7 Debt and equity securities

There was no issuance, cancellation, repurchase, resale and repayment of debt and equity securities during the period under review.

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.

A9 Segmental Information

	3 months ended		9 months ended	
	30.9.2018	30.9.2017	30.9.2018	30.9.2017
	RM'000	RM'000	RM'000	RM'000
Segment Revenue				
Manufacturing	101,512	44,981	248,371	124,109
Trading	28,256	26,296	82,128	76,241
Licensing	8,008	8,390	23,222	25,520
Infrastructure and utilities	16,613	2,473	67,287	2,473
Investment holding	41,686	73,359	46,094	91,689
Property investment	-	1,264	611	3,435
Total revenue including inter segment sales	196,075	156,763	467,713	323,467
Eliminations	(42,431)	(71,161)	(56,949)	(85,161)
Total	153,644	85,602	410,764	238,306
Segment Results				
Manufacturing	12,924	3,809	26,600	10,112
Trading	3,389	2,261	7,543	6,581
Licensing	2,088	(501)	3,118	311
Infrastructure and utilities *	(268,533)	17,828	(207,818)	79,748
Investment holding	15,122	58,854	(13,018)	54,587
Property investment	(831)	800	(2,130)	1,619
Oil and gas *	2,775	2,923	10,833	8,268
Telecommunication *	(639)	(583)	(1,310)	(1,749)
Total (loss)/profit	(233,705)	85,391	(176,182)	159,477
Eliminations	(32,160)	(70,719)	(32,545)	(84,848)
(Loss)/Profit before tax and zakat	(265,865)	14,672	(208,727)	74,629

* Inclusive of share of (loss)/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) Framework Agreement ("FA") entered into between Aqua Flo Sdn Bhd ("Aqua Flo") and Pengurusan Air Selangor Sdn Bhd ("Air Selangor")

On 17 October 2018, Aqua Flo, a 51%-owned subsidiary of the Company, had entered into a FA with Air Selangor for the supply and delivery of chemicals to water treatment plants in Selangor and Federal Territories of Kuala Lumpur and Putrajaya for a period of two (2) years commencing from 1 November 2018 until 31 October 2020 for a total estimated contract sum of RM162.5 million.

(ii) Incorporation of a wholly-owned subsidiary, Perangsang Capital Sdn Bhd ("PCSB")

On 10 October 2018, the Company subscribed two (2) ordinary shares in PCSB representing 100% equity interest for a total consideration of RM2.00.

A12 Changes in the composition of the Group

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

(iii) Dissolution of Hydrovest Sdn Bhd ("Hydrovest")

Hydrovest, a 60%-owned subsidiary of the Company was dissolved on 12 July 2018.

(iv) Dissolution of Selangor Tiles Sdn Bhd ("Selangor Tiles")

Selangor Tiles, a 86%-owned subsidiary of the Company was dissolved on 14 August 2018.

(v) Disposal of 100% of equity stake in Cengreen Global Sdn Bhd ("Cengreen")

On 24 August 2018, Prestige Packages Sdn Bhd ("Prestige Packages"), a wholly-owned subsidiary of Century Bond Bhd ("CBB"), which in turn is an indirect 98.9%-owned subsidiary of the Company via Perangsang Packaging Sdn Bhd, had entered into a Share Sale Agreement with Global Highmarks Sdn Bhd ("Global Highmarks") to dispose of its entire 100% equity stake in Cengreen to Global Highmarks for a cash consideration of RM1.0 million ("Disposal").

The Disposal was completed on 29 October 2018.

A13 Capital Commitments

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

	RM'000
Property, plant and equipment:	
(i) Approved but not contracted for	28,076
(ii) Approved and contracted for	5,044

A14 Significant Related Party Transactions

The following are the related party transactions of the Group:

	3 months ended		9 months ended	
	30.9.2018 RM'000	30.9.2017 RM'000	30.9.2018 RM'000	30.9.2017 RM'000
Sale of goods to a subsidiary company of non-controlling interest:				
- Sungai Harmoni Sdn Bhd	4,143	4,096	12,743	12,889
- Taliworks (Langkawi) Sdn Bhd	383	498	1,045	1,396
Sale of goods to related companies:				
- Konsortium Abass Sdn Bhd	2,156	2,763	6,107	7,490
- PNSB Water Sdn Bhd	10,306	9,568	29,017	28,683
- Konsortium Air Selangor Sdn Bhd	328	263	910	853
- Pengurusan Air Selangor Sdn Bhd	302	-	567	-
Rental income received from immediate holding company	-	-	-	13
Rental income received from ultimate holding company	70	-	218	-
Rental income received from related companies:				
- Konsortium Abass Sdn Bhd	-	-	-	46
- Hebat Abadi Sdn Bhd	-	-	-	11
- KDEB Waste Management Sdn Bhd	-	-	-	14
Rental expenses payable to related companies:				
- Konsortium Abass Sdn Bhd	(3)	-	(9)	-
- Konsortium Air Selangor Sdn Bhd	(2)	-	(5)	-

A15 Contingent liabilities and contingent assets

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

	RM'000
i) **Secured:**	
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	28,706
ii) Working capital and issuance of bank guarantees	28,000
Sub-total	56,706
ii) **Unsecured**	
a) Performance guarantees to third parties	677

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 RM153.6 million compared with RM85.6 million for the corresponding quarter 2017, representing an increase in revenue by 79% or RM68.0 million. This was largely attributable to revenue from the new subsidiaries, CPI (Penang) Sdn Bhd ("CPI") of RM40.5 million and King Koil Manufacturing West, LLC ("KKMW") of RM12.7 million as well as higher revenue from KPS-HCM Sdn Bhd ("KPS-HCM") of RM11.1 million.

For the current quarter ended 30 September 2018, the Group registered a loss before tax and zakat of RM265.9 million as compared to a profit before tax and zakat of RM14.7 million for the corresponding quarter 2017. Loss in current quarter mainly from share of loss from associates, specifically on SPLASH.

Performance of the respective operating business segments for the third quarter ended 30 September 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 RM40.5 million and KKMW of RM12.7 million. Century Bond Bhd ("CBB") contributed revenue of RM48.3 million, higher than corresponding quarter 2017 by RM3.3 million. 45% or RM21.6 million of CBB's revenue was from paper business and the remaining was from carton, plastic and consumer businesses.

   For the current quarter, this sector posted a profit before tax of RM12.9 million as compared to RM3.8 million in the corresponding quarter 2017, higher mainly due to consolidation of CPI's six months results.

2. Trading

   Revenue of RM28.3 million was 8% or RM2.0 million higher than the corresponding quarter's revenue of RM26.3 million mainly from higher sales of water chemicals.

   In line with higher revenue, this sector posted a higher profit before tax of RM3.4 million as compared to RM2.3 million in the corresponding quarter 2017.

3. Licensing

   This sector recorded RM8.0 million revenue to the Group during the current quarter as compared to RM8.4 million in the corresponding quarter 2017 mainly due to foreign exchange movement as the licensing amount is similar at USD2.0 million.

   For the current quarter, this sector posted a profit before tax of RM2.1 million as compared to loss before tax of RM0.5 million in the corresponding quarter 2017 mainly due to

4. Infrastructure and utilities

   Revenue of RM16.6 million was RM14.1 million higher than the corresponding quarter's revenue of RM2.5 million mainly contributed by KPS-HCM.

Infrastructure and utilities sector recorded a loss of RM268.5 million as compared to corresponding quarter 2017 with profit of RM17.6 million. SPLASH and Sistem Penyuraian Trafik KL Barat Holdings Sdn Bhd ("SPRINT") posted share of loss of RM268.7 million and RM0.2 million respectively as compared to share of profit of RM18.1 million and share of loss of RM0.3 million respectively for the corresponding quarter 2017. Huge losses at SPLASH mainly due to impairment losses on intangible asset and receivables.

5. Oil and gas

NGC Energy Sdn Bhd ("NGC Energy") registered a profit after tax of RM7.0 million as compared to a profit after tax of RM7.3 million in the corresponding quarter of 2017. The Group's share of profit was RM2.8 million as compared to share of profit of RM2.9 million in the corresponding quarter 2017.

6. Telecommunication

The Group's share of loss from Ceres Telecom Sdn Bhd ("Ceres") for the current quarter was RM0.6 million, similar to the corresponding quarter 2017. The Group had on 29 October 2018 disposed of its investment in Ceres.

7. Investment holding

Investment holding recorded revenue of RM41.7 million, lower than the corresponding quarter 2017 by RM31.7 million mainly due to lower dividend received from subsidiaries.

In line with the lower dividend received from subsidiaries, this sector recorded a profit before tax and zakat of RM15.1 million as compared to RM58.9 million in the corresponding quarter 2017.

8. Property Investment

Property investment recorded nil revenue as compared to RM1.3 million in the corresponding quarter 2017, due to no leasing income at Quality Hotel City Centre starting from April 2018. This sector recorded a loss before tax and zakat of RM0.8 million as compared to a profit before tax of RM0.8 million in the corresponding quarter 2017.

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

For the nine months ended 30 September 2018, the Group registered revenue of RM410.8 million as compared to RM238.3 million in the corresponding period 2017, representing an increase in revenue by RM172.5 million or 72%. The significant increase was mainly due to revenue from CPI which was acquired in March 2018 and KKMW which commenced operations in May 2018. The significant increase in revenue is also due to revenue from KPS-HCM in corresponding period 2017 was consolidated for three (3) months as compared to nine (9) months in current period.

The Group's loss before tax and zakat for the current period of RM208.7 million as compared to profit before tax and zakat of RM74.6 million in the corresponding period 2017, mainly due to share of loss of associates, specifically on SPLASH.

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

1. Manufacturing

   The manufacturing sector contributed a revenue of RM248.4 million and profit before tax of RM26.6 million as compared to corresponding period 2017 revenue of RM124.1 million and profit before tax of RM10.1 million. Higher revenue and profit before tax in current period is mainly due to six months contributions from CPI and four months results from KKMW.

2. Trading

   Trading sector posted a profit before tax of RM7.5 million on the back of total revenue of RM82.1 million. The current period revenue was higher by 8% or RM5.9 million as compared to corresponding period 2017 due to higher revenue from sale of chemicals.

3. Licensing

   The licensing sector recorded revenue of RM23.2 million as compared to corresponding period 2017 of RM25.5 million on the back of lower licensing revenue from US licensees. Profit before tax was RM3.1 million as compared to corresponding period 2017 of RM0.3 million.

4. Infrastructure and utilities

   This sector recorded consolidated revenue of RM67.3 million as compared to RM2.5 million in the corresponding quarter 2017 as the consolidation of KPS-HCM results only started from July 2017. Loss from the infrastructure and utilities sector for the current period is RM207.8 million as compared to the corresponding period's profit of RM79.7 million mainly due to share of losses contributed by the associated companies, specifically from SPLASH due to impairment losses on intangible asset and receivables in current period.

5. Oil and gas

   For the current period, NGC Energy registered profit after tax of RM27.1 million which translated into the Group's share of profit of RM10.8 million as compared to share of profit of RM8.3 million for the corresponding quarter 2017 due to higher price recorded from I&C segment.

6. Telecommunication

   The Group's share of losses for the current period in Ceres was RM1.3 million, lower by RM0.4 million as compared to share of losses of RM1.7 million for the corresponding period 2017, mainly due to lower expenses incurred. The Group had on 29 October 2018 disposed of its investment in Ceres.

7. Investment holding

   Investment holding sector recorded lower revenue of RM46.1 million as compared to RM91.7 million in the corresponding period 2017. This sector recorded a loss before tax of RM13.0 million as compared to a profit before tax of RM54.6 million in the corresponding period 2017 mainly due to finance cost incurred in financing CPI acquisition.

8. Property Investment

   Property investment sector recorded lower revenue of RM0.6 million as compared to RM3.4 million in the corresponding period 2017, due to no leasing income at Quality Hotel City Centre starting from April 2018. This sector recorded a loss before tax of RM2.1 million as compared to a profit before tax of RM1.6 million in the corresponding period 2017.

B2 Comment on material change in profit before tax and zakat

The Group recorded a loss before tax and zakat of RM265.9 million for the current quarter ended 30 September 2018 as compared to a profit before tax and zakat of RM41.6 million in the previous quarter ended 30 June 2018. The lower results for the current quarter was mainly from share of losses of associates of RM266.8 million as compared to share of profit of RM43.8 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. The plant is delivering King Koil mattresses to a growing network of customers comprising furniture and bedding specialty retailers in California, Arizona and other surrounding states. The products are also exported to customers in markets with viable demand for Made-in-USA products. Continuous efforts are being invested into optimising the plant operations, growing the distribution network and developing products to drive revenue growth under the manufacturing segment.

   CPI (Penang) Sdn Bhd ("CPI") continues 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 competitive edge by providing end-to-end solutions to the market.

2. Trading

   Aqua Flo had secured Air Selangor tender for the supply and delivery of water treatment chemicals to water treatment plants for a duration of two years effective 1 November 2018 to 31 October 2020 with an optional extension for another year. The estimated contract sum is RM162.5 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. Further to that, SPT had also successfully completed a similar pilot pipe rehabilitation project with Perbadanan Bekalan Air Pulau Pinang, at Bagan Luar, Penang. With the completion of these pilot projects, 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") is progressively completing the infrastructure work at Pulau Indah Infrastructure Park, Phase 3C. KPS-HCM will continue to actively identify and participate in tender bid for other similar projects to further strengthen the current book order and 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 grow the Group further.

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

In line with the Group's strategy of enhancing value in its core businesses to generate sustainable returns for all of its stakeholders, the Group's wholly owned subsidiary, Perangsang Telco Sdn Bhd ("PTSB"), had on 29 October 2018 disposed of its entire 34.35% interest in Ceres to a non-related company.

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		9 months ended	
	30.9.2018 RM'000	30.9.2017 RM'000	30.9.2018 RM'000	30.9.2017 RM'000
Profit from Islamic short term placement	431	151	630	244
Profit rate income - fixed deposit	1,753	350	2,344	974
Loss on foreign exchange	(905)	(175)	(1,132)	(1,486)
Finance costs	(9,807)	(4,020)	(23,091)	(11,823)
Depreciation of property, plant and equipment	(2,347)	(626)	(7,757)	(2,520)
Depreciation of investment properties	(1,722)	(1,283)	(3,030)	(3,385)
Amortisation of intangible assets	(257)	(328)	(1,105)	(1,010)
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		9 months ended	
	30.9.2018 RM'000	30.9.2017 RM'000	30.9.2018 RM'000	30.9.2017 RM'000
Income tax expense	6,675	1,412	9,843	5,190
Deferred tax transfer to balance sheet	(70)	(315)	(208)	(996)
Income tax expense	6,605	1,097	9,665	4,194
Zakat expense	-	63	500	134
Income tax and zakat expense	6,605	1,160	10,165	4,328

B7 Status of corporate proposals

There were no other corporate proposals during the period ended and subsequent to the reporting period other than the proposed disposal of 100% equity interest held by Syarikat Pengeluar Air Selangor Holdings Berhad ("SPLASH Holdings") in Syarikat Pengeluar Air Sungai Selangor Sdn Bhd ("SPLASH") to Air Selangor ("Proposed Disposal").

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.

On 28 September 2018, SPLASH Holdings had entered into a conditional share purchase agreement with Air Selangor for the proposed disposal of its entire 50,000,000 ordinary shares and 350,000,000 Redeemable Unsecured Loan Stocks ("RULS") in SPLASH to Air Selangor for a total cash disposal consideration of RM2.55 billion.

The Proposed Disposal is conditional upon and subject to the fulfilment or waiver of conditions precedent within a period of three (3) months from the date of the execution of the SPA, or such other date as may be mutually agreed in writing by Air Selangor and SPLASH Holdings.

The completion date shall be a date no later than 14 calendar days from the date the last condition precedent is satisfied or waived.

B8 Borrowings

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

	As at 3rd Quarter 2018	
	Foreign Denomination USD'000	**RM Denomination RM'000**
Short term borrowings - secured		
Revolving credits	-	65,000
Obligation under finance leases	-	415
Term loan	282	47,376
Syndicated term loan	-	49,643
Trust receipt	-	4,406
Sub total	**282**	**166,840**
Long term borrowings – secured		
Revolving credits	-	16,000
Obligation under finance leases	-	1,744
Term loan	381	109,891
Syndicated term loan	-	286,741
Sub total	**381**	**414,376**
Total borrowings - secured		
Revolving credits	-	81,000
Obligation under finance leases	-	2,159
Term loan	663	157,267
Syndicated term loan	-	336,384
Trust receipt	-	4,406
Total	**663**	**581,216**

	As at 3rd Quarter 2017	
	Foreign Denomination USD'000	**RM Denomination RM'000**
Short term borrowings - secured		
Revolving credits	-	123,000
Obligation under finance leases	-	10
Syndicated term loan	-	21,250
Term loan	31	133
Sub total	**31**	**144,393**
Long term borrowings – secured		
Obligation under finance leases	-	46
Term loan	11	46
Syndicated term loan	-	147,009
Sub total	**11**	**147,101**
Total borrowings - secured		
Revolving credits	-	123,000
Obligation under finance leases	-	56
Term loan	42	179
Syndicated term loan	-	168,259
Total	**42**	**291,494**

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, had 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, Syarikat Bekalan Air Selangor Sdn Bhd and Telekom Malaysia Berhad 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; and

(viii) Such further or other relief as the Court may deem fit.

The first Case Management fixed on 7 September 2018 was heard before the Registrar at the High Court of Shah Alam, where the following transpired:

(i) PHP informed the Registrar that PHP will proceed to file an application of Judgment of Default in defence against LHSB, since LHSB failed to file its Memorandum of Appearance and defence, which the latter shall be filed on or before 5 September 2018.

(ii) The Registrar directed as follows:
   a) PHP to file its application for the Judgment in Default on or before 21 September 2018;
   b) PHP to file its written submission on or before 3 October 2018; and
   c) A further date for Case Management is fixed on 3 October 2018.

As directed by the High Court, PHP has filed the application for Judgment in Default of Defence on 21 September 2018 followed by the written submission which was filed on 2 October 2018.

The Registrar had on 3 October 2018 adjourned all cases including PHP's Application for Judgment in Default of Defence to 12 November 2018.

On 12 November 2018, Shah Alam High Court has fixed the hearing of the PHP's Application to enter Judgment in Default of Defence on 4 January 2019.

B10 Dividend

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

B11 (Loss)/Earnings per share ("EPS")

(a) Basic EPS

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

	3 months ended		**9 months ended**	
	30.9.2018	**30.9.2017**	**30.9.2018**	**30.9.2017**
Net (loss)/profit attributable to owners of the parent (RM'000)	(274,574)	12,867	(223,051)	67,745
Weighted average number of shares in issue ('000)	537,385	537,385^	537,385	537,385^
Basic EPS (Sen)	(51.1)	2.4	(41.5)	12.6

Note:
^ 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 November 2018