



# **KUMPULAN PERANGSANG SELANGOR BERHAD**

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

**UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE SECOND QUARTER ENDED 30 JUNE 2019**

A1 Unaudited Condensed Consolidated Income Statement For The Quarter Ended 30 June 2019

PARTICULARS	INDIVIDUAL QUARTER				CUMULATIVE QUARTER			
	CURRENT YEAR QUARTER 30/6/2019 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 30/6/2018 RM'000	VARIANCE		CURRENT YEAR TO DATE 30/6/2019 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 30/6/2018 RM'000	VARIANCE	
			RM'000	%			RM'000	%
Revenue	159,163	161,279	(2,116)	(1)	316,624	257,120	59,504	23
Cost of sales	(121,283)	(127,598)	6,315	5	(240,427)	(202,006)	(38,421)	(19)
Gross profit	37,880	33,681	4,199	12	76,197	55,114	21,083	38
Other income	5,501	3,836	1,665	43	10,063	4,600	5,463	119
Other expenses	(29,964)	(30,319)	355	1	(59,645)	(56,571)	(3,074)	(5)
Operating profit	13,417	7,198	6,219	86	26,615	3,143	23,472	747
Finance costs	(7,634)	(9,387)	1,753	19	(17,196)	(13,284)	(3,912)	(29)
Share of profit of associates	4,059	43,780	(39,721)	(91)	7,599	67,278	(59,679)	(89)
Profit before tax and zakat	9,842	41,591	(31,749)	(76)	17,018	57,137	(40,119)	(70)
Income tax and zakat	(5,102)	(2,158)	(2,944)	(136)	(9,777)	(3,501)	(6,276)	(179)
<b>Profit for the period</b>	<b>4,740</b>	<b>39,433</b>	<b>(34,693)</b>	<b>(88)</b>	<b>7,241</b>	<b>53,636</b>	<b>(46,395)</b>	<b>(86)</b>
Attributable to:								
- Owners of the parent	2,932	38,308	(35,376)	(92)	4,100	51,522	(47,422)	(92)
- Non-controlling interests	1,808	1,125	683	61	3,141	2,114	1,027	49
	<b>4,740</b>	<b>39,433</b>	<b>(34,693)</b>	<b>(88)</b>	<b>7,241</b>	<b>53,636</b>	<b>(46,395)</b>	<b>(86)</b>
Earnings per share ("EPS") attributable to owners of the parent (sen per share):								
Basic EPS	0.5	7.1	(6.6)	(92)	0.8	9.6	(8.8)	(92)
Diluted EPS	0.5	7.1	(6.6)	(92)	0.8	9.6	(8.8)	(92)

(The Unaudited Condensed Consolidated Income Statement should be read in conjunction with the Annual Audited Financial Statements for the year ended 31 December 2018 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 2019**

PARTICULARS	INDIVIDUAL QUARTER				CUMULATIVE QUARTER			
	CURRENT YEAR QUARTER 30/6/2019 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 30/6/2018 RM'000	VARIANCE		CURRENT YEAR TO DATE 30/6/2019 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 30/6/2018 RM'000	VARIANCE	
			RM'000	%			RM'000	%
Profit for the period	4,740	39,433	(34,693)	(88)	7,241	53,636	(46,395)	(86)
Other comprehensive income/(loss) (net of tax):								
Foreign currency translation reserve	1,134	2,072	(938)	(45)	392	(518)	910	176
<b>Total comprehensive income for the period</b>	<b>5,874</b>	<b>41,505</b>	<b>(35,631)</b>	<b>(86)</b>	<b>7,633</b>	<b>53,118</b>	<b>(45,485)</b>	<b>(86)</b>
Attributable to:								
- Owners of the parent	3,715	39,889	(36,174)	(91)	4,458	51,141	(46,683)	(91)
- Non-controlling interests	2,159	1,616	543	34	3,175	1,977	1,198	61
	<b>5,874</b>	<b>41,505</b>	<b>(35,631)</b>	<b>(86)</b>	<b>7,633</b>	<b>53,118</b>	<b>(45,485)</b>	<b>(86)</b>

(The Unaudited Condensed Consolidated Income Statement should be read in conjunction with the Annual Audited Financial Statements for the year ended 31 December 2018 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 2019**

	<b>Unaudited 30-Jun-19 RM'000</b>	<b>Audited 31-Dec-18 RM'000</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	187,765	157,596
Investment properties	89,188	92,433
Investments in associates	323,990	929,891
Intangible assets	235,261	207,264
Goodwill on consolidation	132,203	170,794
Long term receivable	25,551	25,551
Deferred tax assets	357	353
Club memberships	203	203
	<u>994,518</u>	<u>1,584,085</u>
<b>Current assets</b>		
Inventories	84,821	82,409
Trade and other receivables	282,351	293,128
Cash and bank balances and short term funds	406,133	166,448
Current tax assets	7,752	6,853
	<u>781,057</u>	<u>548,838</u>
Non-current assets held for sale	102	24,200
<b>TOTAL ASSETS</b>	<b><u>1,775,677</u></b>	<b><u>2,157,123</u></b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to owners of the parent</b>		
Share capital	537,927	537,927
Foreign currency translation reserve	1,499	1,141
Retained earnings	401,213	595,140
<b>Shareholders' equity</b>	<u>940,639</u>	<u>1,134,208</u>
<b>Non-controlling interests</b>	<u>111,605</u>	<u>108,430</u>
<b>TOTAL EQUITY</b>	<u>1,052,244</u>	<u>1,242,638</u>
<b>Non-current liabilities</b>		
Other payable	52,431	51,424
Loans and borrowings	335,591	405,650
Deferred tax liabilities	81,941	69,342
	<u>469,963</u>	<u>526,416</u>
<b>Current liabilities</b>		
Loans and borrowings	88,111	205,486
Trade and other payables	157,779	170,055
Contract liabilities	4,348	8,490
Current tax liabilities	3,232	4,038
	<u>253,470</u>	<u>388,069</u>
<b>TOTAL LIABILITIES</b>	<u>723,433</u>	<u>914,485</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b><u>1,775,677</u></b>	<b><u>2,157,123</u></b>
Net assets per ordinary share attributable to owners of the parent (RM)	1.75	2.11

(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 2018 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 2019**

	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	Foreign currency translation reserve RM'000	Retained Earnings RM'000	Non- controlling Interests RM'000
At 1 January 2019	1,242,638	1,134,208	537,927	1,141	595,140	108,430
Profit net of tax and zakat	7,241	4,100	-	-	4,100	3,141
Gain on foreign currency translations	392	358	-	358	-	34
Total comprehensive income	<u>7,633</u>	<u>4,458</u>	<u>-</u>	<u>358</u>	<u>4,100</u>	<u>3,175</u>
Transactions with owners:						
Dividend for financial year ended 31 December 2018	(22,839)	(22,839)	-	-	(22,839)	-
Special dividend for financial year ending 31 December 2019	(175,188)	(175,188)	-	-	(175,188)	-
	(198,027)	(198,027)	-	-	(198,027)	-
<b>At 30 June 2019</b>	<b><u>1,052,244</u></b>	<b><u>940,639</u></b>	<b><u>537,927</u></b>	<b><u>1,499</u></b>	<b><u>401,213</u></b>	<b><u>111,605</u></b>
At 1 January 2018	1,454,546	1,361,579	538,092	(976)	824,463	92,967
Profit net of tax and zakat	53,636	51,522	-	-	51,522	2,114
Loss on foreign currency translations	(518)	(381)	-	(381)	-	(137)
Total comprehensive income / (loss)	<u>53,118</u>	<u>51,141</u>	<u>-</u>	<u>(381)</u>	<u>51,522</u>	<u>1,977</u>
Transactions with owners:						
Dividend for financial year ended 31 December 2017	(22,839)	(22,839)	-	-	(22,839)	-
Dividend to non-controlling interests	(397)	-	-	-	-	(397)
	(23,236)	(22,839)	-	-	(22,839)	(397)
Expenses incurred for Bonus Issue	(187)	(187)	(187)	-	-	-
<b>At 30 June 2018</b>	<b><u>1,484,241</u></b>	<b><u>1,389,694</u></b>	<b><u>537,905</u></b>	<b><u>-</u></b>	<b><u>853,146</u></b>	<b><u>94,547</u></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 2018 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 2019**

	6 months ended	
	<u>30-Jun-19</u> RM'000	<u>30-Jun-18</u> RM'000
<b>Cash Flows From Operating Activities</b>		
Profit before tax and zakat	17,018	57,137
Adjustment for non-cash items	4,107	(61,960)
Adjustment for non-operating items	10,125	13,085
Operating profit before working capital changes	31,250	8,262
Changes in working capital:		
Net change in current assets	151,597	(81,797)
Net change in current liabilities	(196,990)	43,954
Cash used in operating activities	(14,143)	(29,581)
Tax and zakat paid, net of refunds received	(10,024)	(5,831)
<b>Net cash used in operating activities</b>	<b>(24,167)</b>	<b>(35,412)</b>
<b>Cash Flows From Investing Activities</b>		
Dividends received	613,500	-
Interest received	92	-
Profit rate received	3,686	2,021
Acquisition of a subsidiary	-	(166,436)
Profit from Islamic short term placement	63	199
Purchase of property, plant and equipment	(9,404)	(20,535)
Expenses incurred for Bonus Issue	-	(187)
Net movements in money market deposits	(199,262)	2,203
<b>Net cash generated/(used in) from investing activities</b>	<b>408,675</b>	<b>(182,735)</b>
<b>Cash Flows From Financing Activities</b>		
Dividend paid to non-controlling interest of subsidiaries	-	(397)
Dividend paid	(175,188)	-
Profit rate paid	(13,480)	(13,284)
Repayment of borrowings	(489,590)	(26,266)
Drawdown of borrowings	334,355	364,691
Repayment of obligations under finance leases	(110)	-
Net movements in deposits with licensed banks	(17,912)	(11,923)
<b>Net cash (used in)/generated from financing activities</b>	<b>(361,925)</b>	<b>312,821</b>
Net increase in cash and cash equivalents	22,583	94,674
Effect of exchange rate changes on cash and cash equivalents	(75)	(158)
Cash and cash equivalents at 1 January	75,718	67,967
Cash and cash equivalents at 30 June	<b>98,226</b>	<b>162,483</b>
Cash and cash equivalents included in the statement cash flows comprise:		
	<b>As at</b>	<b>As at</b>
	<b><u>30-Jun-19</u></b>	<b><u>30-Jun-18</u></b>
Cash and bank balances	406,133	183,280
Less:		
Deposits with licensed banks with maturity period of more than 3 months	(82,286)	(18,280)
Money market deposits	(225,621)	(2,517)
	<b>98,226</b>	<b>162,483</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 2018 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 2019

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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 2018. 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 2018.

##### 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 2018 except for the adoption of MFRS, the following new and amended MFRSs with effect from 1 January 2019.

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

On 1 January 2019, the Group adopted MFRSs and the following new and amended MFRSs mandatory for annual financial periods beginning on or after 1 January 2019.

###### 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

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 2020

Amendments to MFRS 3	Definition of a Business
Amendments to MFRS 101	Definition of Material
Amendments to MFRS 108	Definition of Material
Amendments to References to the Conceptual Framework in MFRS Standards	

###### 1 January 2021

MFRS 17	Insurance Contracts
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###### Deferred

Amendments to MFRS10 and MFRS128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
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## **KUMPULAN PERANGSANG SELANGOR BERHAD**

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### **UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE SECOND QUARTER ENDED 30 JUNE 2019**

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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.

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

The audited consolidated financial statements for the financial year ended 31 December 2018 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 other than acceptance of Commodity Murabahah Term Financing-i Facility of up to RM150,000,000 ("Islamic Facilities") offered by RHB Islamic Bank Berhad to Perangsang Dinamik Sdn Bhd ("PDSB"), a wholly-owned subsidiary of Perangsang Selangor.

The Islamic Facilities were used by PDSB to part finance up to 48.2% of the total acquisition price of 100% equity interest in Toyoplas Manufacturing (Malaysia) Sdn. Bhd. ("TMM"), amounting to RM311,250,000. Further details on the acquisition is disclosed under item B7(ii) to this announcement.

#### **A8 Dividend paid**

Following the conclusion of the divestment of Syarikat Pengeluar Air Selangor Sdn Bhd ("SPLASH") by Syarikat Pengeluar Air Selangor Holdings Berhad ("SPLASH Holdings"), an indirect 30% associated company of Perangsang Selangor, a special dividend of 32.6 sen per ordinary share amounting to RM175,187,635 in respect of the financial year ending 31 December 2019 was paid on 28 May 2019.

A single tier final dividend of 4.25 sen per ordinary share amounting to RM22,838,888 in respect of the financial year ended 31 December 2018 was paid on 19 July 2019.



**KUMPULAN PERANGSANG SELANGOR BERHAD**

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**UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE SECOND QUARTER  
ENDED 30 JUNE 2019**


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**A9 Segmental Information**

	3 months ended		6 months ended	
	30.6.2019	30.6.2018	30.6.2019	30.6.2018
	RM'000	RM'000	RM'000	RM'000
<b>Segment Revenue</b>				
Manufacturing	109,697	102,895	215,345	146,859
Trading	26,473	27,595	52,361	53,872
Licensing	8,042	7,378	19,270	15,214
Infrastructure and utilities	12,692	30,282	26,937	50,674
Investment holding	297	-	11,555	-
Property investment	2,486	2,219	5,393	5,019
Total revenue including inter segment	159,687	170,369	330,861	271,638
Sales/dividend				
Eliminations	(524)	(9,090)	(14,237)	(14,518)
Total	159,163	161,279	316,624	257,120
<b>Segment Results</b>				
Manufacturing	12,992	11,017	23,741	13,676
Trading	2,434	2,131	4,312	4,154
Licensing	1,786	1,533	6,886	1,030
Infrastructure and utilities *	2,794	40,345	4,827	60,715
Investment holding	(12,708)	(15,840)	(16,213)	(28,140)
Property investment	(463)	(802)	(163)	(1,299)
Oil and gas *	2,043	3,492	4,028	8,058
Telecommunication *	-	(173)	-	(672)
Total profit including inter segment	8,878	41,703	27,418	57,522
sales/dividend				
Eliminations	964	(112)	(10,400)	(385)
Profit before tax and zakat	9,842	41,591	17,018	57,137

\* 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 those mentioned under item B7 in this announcement.

## KUMPULAN PERANGSANG SELANGOR BERHAD

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### UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE SECOND QUARTER ENDED 30 JUNE 2019

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

There were no changes in the composition of the Group for the period ended 30 June 2019 including business combination, acquisition or disposal of subsidiaries, long term investments and restructuring other than the Proposed Selective Capital Reduction ("Proposed SCR") and repayment exercise to be undertaken by Century Bond Bhd ("CBB"), a 98.98%, indirect subsidiary company of Perangsang Selangor.

On 16 April 2019, Perangsang Packaging Sdn Bhd ("PPSB"), a wholly-owned subsidiary of Perangsang Selangor, has served a letter to the Board of CBB, setting out PPSB's intention for CBB to undertake the Proposed SCR and repayment exercise under Section 116 of the Companies Act, 2016.

The Proposed SCR is conditional and subject to the following being obtained:

- (a) the consent from the Securities Commission Malaysia for the circular and the independent advice letter to be issued to the shareholders of CBB;
- (b) the approval of the Entitled Shareholders via a special resolution at an extraordinary general meeting ("EGM") to be convened which is required to be approved by at least a majority in number of the Entitled Shareholders and 75% in value of all CBB Shares held by the Entitled Shareholders that are cast either in person or by proxy at the EGM, and the value of the votes cast against the Proposed SCR must not be more than 10% of the votes attaching to all CBB Shares held by the Entitled Shareholders;
- (c) the grant of an order by the High Court of Malaya approving the reduction of the share capital of CBB pursuant to Section 116 of the Act ("Order");
- (d) the consent from relevant creditors / lenders of CBB, if required; and
- (e) the approvals / consents of any other regulatory authorities and/or third parties, if required.

The Proposed SCR had obtained the approval from CBB shareholders at an extraordinary general meeting held on 20 June 2019. Subsequently, on 22 August 2019 the High Court of Malaya approved the reduction of the share capital of CBB pursuant to Section 116 of the Act ("Order").

Upon successful completion of the Proposed SCR, PPSB will hold the entire issued share capital of CBB.

#### A13 Capital Commitments

The amount of commitments not provided for in the unaudited interim financial statements as at 30 June 2019 is as follows:

	<b>RM'000</b>
Property, plant and equipment:	
(i) Approved but not contracted for	<u>81,961</u>
(ii) Approved and contracted for	<u>31,947</u>

**KUMPULAN PERANGSANG SELANGOR BERHAD**

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**UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE SECOND QUARTER  
ENDED 30 JUNE 2019**


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**A14 Significant Related Party Transactions**

The following are the related party transactions of the Group:

	3 months ended		6 months ended	
	30.6.2019 RM'000	30.6.2018 RM'000	30.6.2019 RM'000	30.6.2018 RM'000
Sale of goods to a subsidiary company of non-controlling interest:				
- Sungai Harmoni Sdn Bhd	4,433	4,438	8,390	8,600
- Taliworks (Langkawi) Sdn Bhd	405	350	716	661
Sale of goods to related companies:				
- Konsortium Abass Sdn Bhd	2,050	2,016	3,962	3,950
- PNSB Water Sdn Bhd	8,947	9,212	18,269	18,711
- Konsortium Air Selangor Sdn Bhd	288	280	526	582
- Pengurusan Air Selangor Sdn Bhd	700	173	1,150	265
Construction revenue from related company:				
- Pengurusan Air Selangor Sdn Bhd	219	-	365	-
Rental income received from ultimate holding company	71	70	141	140
Rental expenses payable to related companies:				
- Konsortium Abass Sdn Bhd	(3)	(3)	(6)	(6)
- Konsortium Air Selangor Sdn Bhd	(2)	(2)	(3)	(3)

**A15 Contingent liabilities and contingent assets**

The contingent liabilities as at 30 June 2019 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	2,887
ii) Working capital and issuance of bank guarantees	50,982
Sub-total	<u>53,869</u>
ii) <b>Unsecured</b>	
a) Provision of performance guarantees to third parties	677
b) Provision of proportionate corporate guarantee to a related party	4,447
Sub-total	<u>5,124</u>

There were no contingent assets as at the reporting date.

## KUMPULAN PERANGSANG SELANGOR BERHAD

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### UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE SECOND QUARTER ENDED 30 JUNE 2019

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#### 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 stood at RM159.1 million compared with RM161.3 million for the corresponding quarter 2018, a marginal decrease in revenue by 1% or RM2.1 million.

For the current quarter ended 30 June 2019, the Group registered a profit before tax and zakat of RM9.8 million as compared to a profit before tax and zakat of RM41.6 million for the corresponding quarter 2018. Lower profit in current quarter from the absence of SPLASH contribution following its disposal.

Performance of the respective operating business segments for the second quarter ended 30 June 2019 as compared to the preceding year corresponding quarter is analysed as follows:

1. Manufacturing

This sector contributed the highest increased in revenue by RM6.8 million; CPI revenue of RM42.6 million, higher than corresponding quarter 2018 by RM2.9 million and King Koil Manufacturing West, LLC (“KKMW”) of RM19.2 million, 16% higher than corresponding quarter 2018 of RM16.5 million. CBB contributed revenue of RM47.8 million, higher than corresponding quarter 2018 by RM1.2 million mainly from paper business.

For the current quarter, this sector posted a profit before tax of RM12.9 million, higher than RM11.0 million in the corresponding quarter 2018 mainly due to the higher profit before tax at CBB and CPI from the increased in revenue.

2. Trading

Revenue of RM26.5 million was 4% or RM1.1 million lower than the corresponding quarter’s revenue of RM27.6 million mainly due to lower sales of water chemicals.

For the current quarter, this sector posted a profit before tax of RM2.4 million, slightly higher than the corresponding quarter’s 2018 profit before tax of RM2.1 million mainly due to higher gross profit during the quarter under review.

3. Licensing

This sector recorded RM8.0 million revenue during the current quarter as compared to RM7.4 million in the corresponding quarter 2018 mainly due to higher licensing revenue from the international licensees. For the current quarter, this sector posted a profit before tax of RM1.8 million as compared to a profit before tax of RM0.7 million in the corresponding quarter 2018 mainly due to higher gross profit during the quarter as compared to corresponding quarter 2018.

4. Infrastructure and utilities

Revenue of RM12.7 million was lower by RM17.6 million as compared to corresponding quarter’s revenue of RM30.3 million mainly due to lower revenue at KPS-HCM Sdn Bhd (“KPS-HCM”) as the infrastructure work at Pulau Indah is nearing completion.

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This sector recorded a profit before tax of RM2.8 million as compared to corresponding quarter 2018 profit of RM40.3 million. Lower profit before tax mainly due to the absence of SPLASH contribution following its disposal.

#### 5. Investment holding

The sector recorded revenue of RM0.3 million as compared to nil revenue in the corresponding quarter 2018 due to quarterly management fee charged as compared to annually in 2018. The sector recorded a loss before tax and zakat of RM12.7 million as compared to a loss before tax of RM15.8 million in the corresponding quarter 2018 mainly due to lower finance costs arising from the debt repayments made during the quarter.

#### 6. Property Investment

Property investment recorded revenue of RM2.5 million as compared to RM2.2 million revenue in the corresponding quarter 2018, mainly due to rental free period given to Summit Hotel KL City Centre during the corresponding quarter 2018. Arising from the higher revenue, this sector recorded a lower loss before tax and zakat of RM0.5 million as compared to a loss before tax of RM0.8 million in the corresponding quarter 2018.

#### 7. Oil and gas

NGC Energy Sdn Bhd (“NGC Energy”) registered a lower profit after tax of RM5.1 million as compared to a profit after tax of RM8.7 million in the corresponding quarter of 2018 mainly due to lower revenue from Industrial and Commercial (“I&C”) segment and lower gross profit recorded due to higher direct cost. The Group’s share of profit was recorded at RM2.0 million as compared to RM3.5 million in the corresponding quarter 2018.

#### 8. Telecommunication

The Group had on 29 October 2018 disposed of its investment in Ceres Telecom Sdn Bhd.

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

For the six months ended 30 June 2019, the Group registered revenue of RM316.6 million as compared to RM257.1 million in the corresponding period 2018, representing an increase in revenue by RM59.5 million or 23%. Higher revenue was mainly due to full six (6) months results of CPI compared to three (3) months in the corresponding period 2018.

The Group’s profit before tax and zakat for the current period of RM17.0 million was 70% or RM40.1 million lower than the corresponding period 2018 of RM57.1 million mainly due to the absence of SPLASH contribution following its disposal.

Performance of the respective operating business segments for the six months ended 30 June 2019 as compared to the preceding year corresponding period is analysed as follows:

#### 1. Manufacturing

The manufacturing sector contributed a revenue of RM215.3 million and profit before tax of RM23.7 million as compared to corresponding period 2018 revenue of RM146.9 million and profit before tax of RM13.7 million. Higher manufacturing results in current period is mainly due to full six (6) months results of CPI compared to three (3) months in the corresponding period 2018.

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#### 2. Trading

Trading sector posted a profit before tax of RM4.3 million from revenue of RM52.4 million. The current period revenue was lower by 3% or RM1.5 million due to lower revenue from sale of water chemicals.

#### 3. Licensing

The licensing sector recorded revenue of RM19.3 million as compared to corresponding period 2018 of RM15.2 million representing an increase in revenue by 27% or RM4.1 million primarily attributed to higher revenue from international licensees. Profit before tax was RM6.9 million as compared to corresponding period 2018 of RM1.0 million mainly contributed by the increase in revenue, higher gross profit and lower admin expenses during the period under review.

#### 4. Infrastructure and utilities

Lower revenue of RM26.9 million as compared to RM50.7 million in the corresponding period 2018 mainly due to lower revenue at KPS-HCM Sdn Bhd ("KPS-HCM") as the infrastructure work at Pulau Indah is nearing completion. Profit before tax for the current period of RM4.8 million was 92% lower than corresponding period of RM60.7 million mainly due to the absence of SPLASH contribution following its disposal.

#### 5. Investment holding

Investment holding sector recorded higher revenue of RM11.6 million as compared to nil revenue in the corresponding period 2018 due to higher dividend income received during the corresponding period. This sector recorded a lower loss before tax of RM16.2 million as compared to a loss before tax of RM28.1 million in the corresponding period 2018 mainly due to the dividend income received during the period under review.

#### 6. Property Investment

Property investment sector recorded higher revenue of RM5.4 million as compared to RM5.0 million in the corresponding period 2018 mainly due to rental free period given to Summit Hotel KL City Centre during the corresponding period 2018. Arising from the higher revenue and lower admin expenses, this sector recorded a lower loss before tax of RM0.2 million as compared to loss before tax of RM1.3 million in the corresponding period 2018.

#### 7. Oil and gas

For the current period, NGC Energy registered profit after tax of RM10.1 million which translated into the Group's share of profit of RM4.0 million as compared to corresponding period 2018 profit after tax of RM20.1 million and Group's share of profit of RM8.1 million. Lower share of profit in current period mainly due to lower revenue from I&C segment and lower gross profit due to higher direct cost.

#### 8. Telecommunication

The Group had on 29 October 2018 disposed of its investment in Ceres Telecom Sdn Bhd.

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#### **B2 Comparison with preceding quarter's results**

The current quarter Group revenue increased by 1.0% or RM1.7 million to RM159.2 million as compared to RM157.5 million recorded in the 1<sup>st</sup> quarter of 2019 due to higher revenue from manufacturing sector. In line with higher revenue and lower finance cost, the Group profit before tax increased to RM9.8 million from RM7.2 million recorded in the preceding quarter. This led to the increase in Group profit after tax from RM2.5 million in the preceding quarter to RM4.7 million.

#### **B3 Commentary on prospects**

##### **1. Manufacturing**

Over the years, CBB has increased its exposure to the non-cement sector by increasing its presence in the drymix segment and expanded to Ipoh to cater for the limestone market, specifically to diversify its sector exposure. CBB's other segments such as carton, plastics and consumer manufacturing have been growing steadily and is able to complement CBB as a total packaging solutions provider.

CPI continues to focus on its high precision plastic injection moulding segment which currently contributes the majority of its revenue to-date, while gradually positioning itself as an end-to-end electronic manufacturing services ("EMS") provider. As the revenue stream from its plastics division grows at a steady rate, CPI now focuses on growing the electronics division in line with the company's overall growth strategy.

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 mostly of furniture and bedding specialty retailers in California, Washington 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.

##### **2. Trading**

Aqua-Flo Sdn Bhd is embarking on strategic initiatives to increase sales and future profitability by strengthening operational efficiency, introducing new products and actively bidding for contracts for the supply and delivery of water treatment chemicals and related equipment.

##### **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.

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#### 4. Infrastructure and utilities

Smartpipe Technology Sdn Bhd (“SPT”) continues to make its presence within the pipe rehabilitation and replacement segments. It has constantly been engaging various parties and state water agencies to promote pipe rehabilitations utilising the Compact Pipe ® technology, while also offering solutions via the conventional method. SPT had increased its effort in engaging state water agencies, offering them holistic solutions with targeted approach by focusing on the States with high NRW figures caused by high usage of Asbestos Cement (“AC”) pipes.

KPS-HCM is progressively completing the infrastructure work at Pulau Indah Infrastructure Park, Phase 3C.

#### 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.

#### 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	
	30.6.2019	30.6.2018	30.6.2019	30.6.2018
	RM'000	RM'000	RM'000	RM'000
Interest income	31	-	92	-
Profit from Islamic short-term placement	41	159	63	199
Profit rate income - fixed deposit	3,043	1,854	3,686	2,021
Gain / (Loss) on foreign exchange	775	(244)	110	(414)
Finance costs	(7,634)	(9,387)	(17,196)	(13,284)
Depreciation of property, plant and equipment	(3,943)	(3,775)	(7,970)	(5,762)
Depreciation of investment properties	(1,467)	(200)	(2,805)	(1,197)
Amortisation of intangible assets	(842)	(256)	(1,681)	(513)

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

#### B6 Income tax expense

	3 months ended		6 months ended	
	30.6.2019	30.6.2018	30.6.2019	30.6.2018
	RM'000	RM'000	RM'000	RM'000
Income tax expense	4,764	1,727	9,666	3,139
Deferred tax recognised in income statement	(227)	(69)	(454)	(138)
Income tax expense	4,537	1,658	9,212	3,001
Zakat expense	565	500	565	500
Income tax and zakat expense	5,102	2,158	9,777	3,501



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#### B7 Status of corporate proposals

There were no other corporate proposals during the period ended and subsequent to the reporting period other than:

- (i) 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 Pengurusan Air Selangor Sdn Bhd (“Air Selangor”) (“Disposal”).

On 3 August 2018, SPLASH Holdings being the Group’s 30% associated company held through Viable Chip (M) Sdn Bhd, a wholly owned subsidiary of the Company, 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.

On 15 April 2019, SPLASH Holdings and Air Selangor have mutually agreed to extend the Cut Off Date to fulfil the Conditions Precedent in the SPA from 15 April 2019 to 30 April 2019. The 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 Disposal was completed on 24 April 2019 and on even date, SPLASH Holdings had received the upfront sum of RM1.9 billion from Air Selangor. Accordingly, SPLASH has ceased to be a subsidiary of SPLASH Holdings with effect from 24 April 2019.

- (ii) Proposed Acquisition of 100% Equity Interest in Toyoplas Manufacturing (Malaysia) Sdn Bhd. (“TMM”).

On 17 May 2019, the Group’s wholly owned subsidiary, Perangsang Dinamik Sdn Bhd (“PDSB”), had entered into conditional Share Sale Agreement (“SSA”) with Toyoplas Consolidated Limited (“TCL” or “Vendor”), Lim Lai An (“LLA”) and Lim Hui Bian (“LHB”) (LLA and LHB are collectively referred to as “Guarantors” and individually as “Guarantor”) for the proposed acquisition of 100% equity interest in TMM for a cash consideration of RM311,250,000 (“Proposed Acquisition”).

The Proposed Acquisition entails the acquisition of the entire issued shares of TMM including the additional ordinary shares to be issued by TMM to the Vendor pursuant to the pre-acquisition exercise of TMM involving the following:

- (i) acquisition of 100% equity interest of Toyoplas Holdings Pte Ltd (“THS”) from the Vendor by TMM;
- (ii) acquisition of 100% equity interest of PT Toyoplas Manufacturing Indonesia (“TMI”) (in the proportion of 99.2% equity interest of TMI from LLA by TMM and 0.08% equity interest of TMI from Lis Nurhayati by THS; and
- (iii) disposal of 100% equity interest of PT Toyoplas Technology Indonesia (“TMIT”) by TMI.

The Proposed Acquisition had obtained the approval from the Company’s shareholders at an extraordinary general meeting held on 24 July 2019.

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Conditions Precedent have been fulfilled on 31 July 2019 and the SSA has become unconditional in accordance with the terms of the SSA.

The Proposed Acquisition was completed on 15 August 2019 and on even date, TMM became a wholly-owned subsidiary of PDSB, which in turn is a wholly-owned subsidiary of Perangsang Selangor.

- (iii) Proposed Offer to Purchase all the securities held by Sistem Penyuraian Trafik KL Barat Holdings Sdn Bhd ("SPRINT Holdings"), a 20% Associated Company of Perangsang Selangor, in Sistem Penyuraian Trafik KL Barat Sdn Bhd ("SPRINT") By Minister Of Finance (Incorporated) ("MOF Inc") ("Proposed Acquisition").

SPRINT Holdings had on 21 June 2019, received a Letter of Offer dated on even date from MOF Inc in respect of MOF Inc's offer to acquire all the securities (including all ordinary shares, preference shares and loan stocks) of SPRINT ("SPRINT Offer"). SPRINT is a wholly-owned subsidiary of SPRINT Holdings.

The Board of Directors of Perangsang Selangor ("Board") had on 2 July 2019 deliberated on the SPRINT Offer and has resolved to vote in favour of accepting the SPRINT Offer at the SPRINT Holdings.

Upon acceptance of the SPRINT Offer and subject to (i) satisfactory due diligence findings (ii) the execution of a definitive agreement in respect of the offer, (iii) the approval of the Cabinet of Malaysia, and (iv) SPRINT Holdings adherence to the terms of the offer, each party will each use all reasonable endeavours to negotiate and finalise the terms of the definitive agreement in respect of the offer including detailed procedures for Completion, which will incorporate all the principal terms and conditions set forth in the offer, by 30 August 2019 or any other day and time that SPRINT Holdings and either MOF Inc or SPV may mutually agree in writing ("Cut-Off Date"). From the date of acceptance of the SPRINT Offer until the Cut-Off Date, SPRINT Holdings shall deal with MOF Inc and/or SPV exclusively on the Proposed Acquisition.

On 29 August 2019, MOF Inc and SPRINT Holdings have mutually agreed to extend the Cut-Off Date to negotiate and finalise the terms of the definitive agreement from 30 August 2019 to 31 October 2019 in respect of the SPRINT Offer.

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**B8 Borrowings**

The Group borrowings as at 30 June 2019 are as follows:

<b>As at 2<sup>nd</sup> Quarter 2019</b>			
	<b>Foreign Denomination USD'000</b>	<b>RM Denomination RM'000</b>	<b>Total Borrowings RM'000</b>
<b>Short term borrowings - secured</b>			
Revolving credits	-	8,000	8,000
Obligation under finance leases	-	572	572
Term loan	404	55,472	57,145
Trust receipt	-	22,394	22,394
<b>Sub total</b>	<b>404</b>	<b>86,438</b>	<b>88,111</b>
<b>Long term borrowings – secured</b>			
Obligation under finance leases	-	1,921	1,921
Term loan	886	330,000	333,669
<b>Sub total</b>	<b>886</b>	<b>331,921</b>	<b>335,590</b>
<b>Total borrowings - secured</b>			
Revolving credits	-	8,000	8,000
Obligation under finance leases	-	2,493	2,493
Term loan	1,290	385,472	390,814
Trust receipt	-	22,394	22,394
<b>Total</b>	<b>1,290</b>	<b>418,359</b>	<b>423,701</b>
<b>As at 2<sup>nd</sup> Quarter 2018</b>			
	<b>Foreign Denomination USD'000</b>	<b>RM Denomination RM'000</b>	<b>Total Borrowings RM'000</b>
<b>Short term borrowings - secured</b>			
Revolving credits	-	65,000	65,000
Obligation under finance leases	-	119	119
Term loan	22	34,561	34,649
Syndicated term loan	-	49,643	49,643
Letter of credit	-	2,787	2,787
Overdraft	-	9,976	9,976
<b>Sub total</b>	<b>22</b>	<b>162,086</b>	<b>162,174</b>
<b>Long term borrowings – secured</b>			
Revolving credits	-	65,000	65,000
Obligation under finance leases	-	471	471
Term loan	768	108,314	111,417
Syndicated term loan	-	297,366	297,366
<b>Sub total</b>	<b>768</b>	<b>471,151</b>	<b>474,254</b>
<b>Total borrowings - secured</b>			
Revolving credits	-	130,000	130,000
Obligation under finance leases	-	590	590
Term loan	790	142,875	146,066
Syndicated term loan	-	347,009	347,009
Letter of credit	-	2,787	2,787
Overdraft	-	9,976	9,976
<b>Total</b>	<b>790</b>	<b>633,237</b>	<b>636,428</b>

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**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.

**B10 Dividend**

A special dividend of 32.6 sen per ordinary share amounting to RM175,187,635 in respect of the financial year ending 31 December 2019 was declared on 26 April 2019 and paid on 28 May 2019. Further details on the special dividend is disclosed under item A8 to this announcement.

**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>30.6.2019</b>	<b>30.6.2018</b>	<b>30.6.2019</b>	<b>30.6.2018</b>
Net profit attributable to owners of the parent (RM'000)	2,932	38,308	4,100	51,522
Weighted average number of shares in issue ('000)	537,385	537,385	537,385	537,385
Basic EPS	0.5	7.1	0.8	9.6

**(b) Diluted EPS**

The diluted earnings per ordinary share equals basic earnings per ordinary share because there were no potential dilutive ordinary shares as at the end of the reporting period.

**BY ORDER OF THE BOARD**

**HASHIMAH BINTI HAJI MOHD ISA**  
Company Secretary

Date: 29 August 2019