



KUMPULAN PERANGSANG SELANGOR BERHAD

(Company No. 197501002218/(23737-K))

(Incorporated in Malaysia)

UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2019

A1 Unaudited Condensed Consolidated Income Statement For The Quarter Ended 31 December 2019

PARTICULARS	INDIVIDUAL QUARTER				CUMULATIVE QUARTER			
	CURRENT YEAR QUARTER 31/12/2019 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 31/12/2018 RM'000	VARIANCE		CURRENT YEAR TO DATE 31/12/2019 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 31/12/2018 RM'000	VARIANCE	
			RM'000	%			RM'000	%
Revenue	297,915	171,549	126,366	74	867,485	582,313	285,172	49
Cost of sales	(219,895)	(132,231)	(87,664)	(66)	(660,294)	(453,373)	(206,921)	(46)
Gross profit	78,020	39,318	38,702	98	207,191	128,940	78,251	61
Other income	10,163	28,917	(18,754)	(65)	29,356	38,565	(9,209)	(24)
Other expenses	(60,411)	(30,646)	(29,765)	(97)	(163,870)	(116,047)	(47,823)	(41)
Operating profit	27,772	37,589	(9,817)	(26)	72,677	51,458	21,219	41
Finance costs	(9,485)	(10,431)	946	9	(35,191)	(33,522)	(1,669)	(5)
Share of profit/(loss) of associates	4,285	1,930	2,355	122	16,398	(197,575)	213,973	108
Profit/(Loss) before tax and zakat	22,572	29,088	(6,516)	(22)	53,884	(179,639)	233,523	130
Income tax and zakat	(7,316)	(7,012)	(304)	(4)	(23,295)	(17,118)	(6,177)	(36)
Profit/(Loss) for the period	15,256	22,076	(6,820)	(31)	30,589	(196,757)	227,346	116
Attributable to:								
- Owners of the parent	17,526	17,502	24	-	28,281	(205,549)	233,830	114
- Non-controlling interests	(2,270)	4,574	(6,844)	(150)	2,308	8,792	(6,484)	(74)
	15,256	22,076	(6,820)	(31)	30,589	(196,757)	227,346	116
Earnings/(Loss) per share ("EPS") attributable to owners of the parent (sen per share):								
Basic EPS	3.3	3.3	-	-	5.3	(38.2)	43.5	114
Diluted EPS	3.3	3.3	-	-	5.3	(38.2)	43.5	114

(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. 197501002218 (23737-K)

A2 Unaudited Condensed Consolidated Statement of Comprehensive Income For The Quarter Ended 31 December 2019

PARTICULARS	INDIVIDUAL QUARTER				CUMULATIVE QUARTER			
	CURRENT YEAR QUARTER 31/12/2019 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 31/12/2018 RM'000	VARIANCE RM'000 %		CURRENT YEAR TO DATE 31/12/2019 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 31/12/2018 RM'000	VARIANCE RM'000 %	
Profit/(Loss) for the period	15,256	22,076	(6,820)	(31)	30,589	(196,757)	227,346	116
Other comprehensive (loss)/income (net of tax):								
Foreign currency translation reserve	(8,683)	4,809	(13,492)	(281)	(6,479)	4,207	(10,686)	(254)
Total comprehensive income/(loss) for the period	6,573	26,885	(20,312)	(311)	24,110	(192,550)	216,660	(138)
Attributable to:								
- Owners of the parent	10,390	19,827	(9,437)	(48)	23,096	(203,432)	226,528	111
- Non-controlling interests	(3,817)	7,058	(10,875)	(154)	1,014	10,882	(9,868)	(91)
	6,573	26,885	(20,312)	(76)	24,110	(192,550)	216,660	113

(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. 197501002218 (23737-K)

Unaudited Condensed Consolidated Statement of Financial Position
As At 31 December 2019

	Unaudited 31-Dec-19 RM'000	Audited 31-Dec-18 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	434,049	157,596
Right use of asset	26,229	-
Investment properties	88,116	92,433
Investments in associates	324,789	929,891
Intangible assets	250,171	207,264
Goodwill on consolidation	186,051	170,794
Long term receivable	101,465	25,551
Deferred tax assets	2,937	353
Club memberships	153	203
	<u>1,413,960</u>	<u>1,584,085</u>
Current assets		
Inventories	143,528	82,409
Trade and other receivables	375,572	293,128
Cash and bank balances and short term funds	271,764	166,448
Current tax assets	8,933	6,853
	<u>799,797</u>	<u>548,838</u>
Assets of disposal group classified as held for sale	92,189	24,200
TOTAL ASSETS	<u>2,305,946</u>	<u>2,157,123</u>
EQUITY AND LIABILITIES		
Equity attributable to owners of the parent		
Share capital	537,927	537,927
Foreign currency translation reserve	449	1,141
Other reserves	903	-
Retained earnings	419,564	595,140
Shareholders' equity	<u>958,843</u>	<u>1,134,208</u>
Non-controlling interests	<u>109,174</u>	<u>108,430</u>
TOTAL EQUITY	<u>1,068,017</u>	<u>1,242,638</u>
Non-current liabilities		
Other payables	91,705	51,424
Loans and borrowings	507,700	405,650
Lease liabilities	19,092	-
Deferred tax liabilities	105,280	69,342
	<u>723,777</u>	<u>526,416</u>
Current liabilities		
Loans and borrowings	108,911	205,486
Lease liabilities	5,609	-
Trade and other payables	305,363	170,055
Contract liabilities	6,165	8,490
Current tax liabilities	8,972	4,038
	<u>435,020</u>	<u>388,069</u>
Liabilities of disposal group classified as held for sale	79,132	-
TOTAL LIABILITIES	<u>1,237,929</u>	<u>914,485</u>
TOTAL EQUITY AND LIABILITIES	<u>2,305,946</u>	<u>2,157,123</u>
Net assets per ordinary share attributable to owners of the parent (RM)	1.78	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. 197501002218 (23737-K)

Unaudited Condensed Consolidated Statement of Changes In Equity
For The Period Ended 31 December 2019

	Attributable to Owners of the Parent						
	Equity, total RM'000	Equity attributable to owners of the parent, total RM'000	Non Distributable			Distributable	
			Share capital RM'000	Foreign currency translation reserve RM'000	Other reserves 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
Effect on adoption of MFRS 16	(435)	(435)	-	-	-	(435)	-
Restated balance at 1 January 2019	1,242,203	1,133,773	537,927	1,141	-	594,705	108,430
Profit net of tax and zakat	30,589	28,281	-	-	-	28,281	2,308
Gain on foreign currency translations	(6,479)	(5,185)	-	(692)	(18)	(4,475)	(1,294)
Total comprehensive income	24,110	23,096	-	(692)	(18)	23,806	1,014
Transactions with owners:							
Dividend for financial year ended 31 December 2018	(22,839)	(22,839)	-	-	-	(22,839)	-
Special dividend for financial year ended 31 December 2019	(175,187)	(175,187)	-	-	-	(175,187)	-
Acquisition of a subsidiary	4,083	-	-	-	-	-	4,083
Appropriation to statutory reserves	-	-	-	-	921	(921)	-
Dividend to non-controlling interests	(2,203)	-	-	-	-	-	(2,203)
Selective Capital Reduction	(2,150)	-	-	-	-	-	(2,150)
	(198,296)	(198,026)	-	-	921	(198,947)	(270)
At 31 December 2019	1,068,017	958,843	537,927	449	903	419,564	109,174
At 1 January 2018	1,454,546	1,361,579	538,092	(976)	-	824,463	92,967
Loss net of tax and zakat	(196,757)	(205,549)	-	-	-	(205,549)	8,792
Loss on foreign currency translations	4,207	2,117	-	2,117	-	-	2,090
Total comprehensive (loss)/income	(192,550)	(203,432)	-	2,117	-	(205,549)	10,882
Transactions with owners:							
Dissolution of subsidiary	(2,421)	(935)	-	-	-	(935)	(1,486)
Dividend for financial year ended 31 December 2017	(22,839)	(22,839)	-	-	-	(22,839)	-
Dividend to non-controlling interests	(1,927)	-	-	-	-	-	(1,927)
Subscription of additional interest in subsidiaries	7,994	-	-	-	-	-	7,994
	(19,193)	(23,774)	-	-	-	(23,774)	4,581
Expenses incurred for Bonus Issue	(165)	(165)	(165)	-	-	-	-
At 31 December 2018	1,242,638	1,134,208	537,927	1,141	-	595,140	108,430

(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. 197501002218 (23737-K)

Unaudited Condensed Consolidated Statement of Cash Flows
For The Year Ended 31 December 2019

	12 months ended	
	<u>31-Dec-19</u>	<u>31-Dec-18</u>
	RM'000	RM'000
Cash Flows From Operating Activities		
Profit/(loss) before tax and zakat	53,884	(179,639)
Adjustment for non-cash items	68,732	211,097
Adjustment for non-operating items	<u>17,812</u>	<u>22,101</u>
Operating profit before working capital changes	140,428	53,559
Changes in working capital:		
Net change in current assets	(87,090)	(89,400)
Net change in current liabilities	<u>(28,311)</u>	<u>32,533</u>
Cash generated from/(used in) operating activities	25,027	(3,308)
Tax and zakat paid, net of refunds received	<u>(23,295)</u>	<u>(17,799)</u>
Net cash generated from/(used in) operating activities	<u>1,732</u>	<u>(21,107)</u>
Cash Flows From Investing Activities		
Dividend received	501,502	42,000
Profit rate/interest income received	13,294	11,421
Acquisition and subscription additional interest in subsidiaries	(303,060)	(146,227)
Purchase of:		
- property, plant and equipment	(49,976)	(29,633)
- investment properties	-	(4,316)
- intangible assets	-	(306)
Proceeds from disposal of:		
- property, plant and equipment	27,515	101
- associate	-	100
Dissolution/Disposal of subsidiaries	-	979
Proceeds from associate capital reduction	119,997	-
Placement of short term funds	<u>(44,923)</u>	<u>(19,973)</u>
Net cash generated from/(used in) investing activities	<u>264,349</u>	<u>(145,854)</u>
Cash Flows From Financing Activities		
Dividend paid to non-controlling interest of subsidiaries	(2,204)	(1,927)
Dividend paid	(198,026)	(22,839)
Profit rate paid	(35,179)	(33,522)
Repayment of borrowings	(532,392)	(239,515)
Drawdown of borrowings	570,706	532,902
Net movements in deposits with licensed banks	<u>(14,309)</u>	<u>(24,319)</u>
Net cash (used in)/generated from financing activities	<u>(211,404)</u>	<u>210,780</u>
Net increase in cash and cash equivalents	54,677	43,999
Effect of exchange rate changes on cash and cash equivalents	(86)	(838)
Cash and cash equivalents at 1 January	<u>75,718</u>	<u>32,557</u>
Cash and cash equivalents at 31 December	<u>130,309</u>	<u>75,718</u>
Cash and cash equivalents included in the statement cash flows comprise:		
	As at	As at
	<u>31-Dec-19</u>	<u>31-Dec-18</u>
Cash and bank balances	271,764	123,698
Less:		
Deposits with licensed banks with maturity period of more than 3 months	(74,454)	(31,946)
Money market deposits	<u>(67,001)</u>	<u>(16,034)</u>
	<u>130,309</u>	<u>75,718</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 2018 and the accompanying explanatory notes attached to the interim financial statements)

KUMPULAN PERANGSANG SELANGOR BERHAD

Company No. 197501002218 / (23737-K)

(Incorporated in Malaysia)

UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2019

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
Amendments to MFRS 3	Annual Improvements to MFRS Standards 2015 - 2017 Cycle
Amendments to MFRS 11	Annual Improvements to MFRS Standards 2015 - 2017 Cycle
Amendments to MFRS 112	Annual Improvements to MFRS Standards 2015 - 2017 Cycle
Amendments to MFRS 123	Annual Improvements to MFRS Standards 2015 - 2017 Cycle

The initial application of the above accounting standards, amendments and interpretations did have material impact to the current period and prior period financial statements of the Group except as mentioned below:

MFRS 16, Leases

The Group adopted MFRS 16, Leases on 1 January 2019. MFRS 16 replaces the guidance in MFRS 117, Leases, IC Interpretation 4, Determining whether an Arrangement contains a Lease, IC Interpretation 115, Operating Leases – Incentives and IC Interpretation 127, Evaluating the Substance of Transactions Involving the Legal Form of a Lease.

MFRS 16 introduces a single, on-balance sheet lease accounting model for lessees. A lessee recognises a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligations to make lease payments. There are recognition exemptions for short-term leases and leases of low-value items.

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UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2019

A2 Significant accounting policies (continued)

A2.1 Adoption of MFRSs and Amendments to MFRSs (continued)

MFRS 16, Leases (continued)

Lessor accounting remains similar to the current standard which continues to be classified as finance or operating lease.

Right-of-use assets and prepaid lease properties are included under property, plant and equipment in the statement of financial position. The lease liabilities are separately disclosed in the statement of financial position.

As allowed by the transitional provision of MFRS 16, the Group has elected the modified retrospective approach with no restatement of comparative and cumulative adjustments resulting from the initial application of MFRS 16 are recognised in retained earnings and reserves as at 1 January 2019, as disclosed below:

	Impact of adoption of MFRS 16 to opening balance at 1 January 2019 RM'000
Statement of financial position	
Increase in right-of-use assets	15,495
Decrease in retained earnings	435
Increase in lease liabilities	15,930

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	
Amendments to MFRS 9, MFRS 139 and MFRS 7 Interest Rate Benchmark Reform	

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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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 in the period of initial application.

KUMPULAN PERANGSANG SELANGOR BERHAD

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UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2019**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 current quarter.

A8 Dividend paid

- (i) A special dividend of 32.6 sen per ordinary share amounting to RM175,187,635 in respect of the financial year ended 31 December 2019 was paid on 28 May 2019; and
- (ii) 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.

A9 Segmental information

	3 months ended		12 months ended	
	31.12.2019	31.12.2018	31.12.2019	31.12.2018
	RM'000	RM'000	RM'000	RM'000
Segment Revenue				
Manufacturing	240,080	109,177	651,463	357,548
Trading	34,826	28,941	117,410	111,068
Licensing	8,715	7,113	36,286	30,335
Infrastructure and utilities	11,930	25,121	54,841	92,407
Investment holding	343	1,117	1,154	1,120
Property investment	2,767	2,943	10,804	10,173
Total revenue including inter segment sales	298,661	174,412	871,958	602,651
Eliminations	(746)	(2,863)	(4,473)	(20,338)
Total	297,915	171,549	867,485	582,313

KUMPULAN PERANGSANG SELANGOR BERHAD

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**UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE FOURTH QUARTER
ENDED 31 DECEMBER 2019**

	3 months ended		12 months ended	
	31.12.2019	31.12.2018	31.12.2019	31.12.2018
	RM'000	RM'000	RM'000	RM'000
Segment Results				
Manufacturing	37,887	15,709	80,746	42,309
Trading	1,225	1,847	7,929	9,389
Licensing	962	16,525	9,693	19,643
Infrastructure and utilities *	1,732	2,221	9,462	(205,598)
Investment holding	(8,656)	(4,452)	(31,613)	(20,567)
Property investment	3,353	1,049	2,491	(1,458)
Oil and gas *	2,162	1,303	8,587	12,136
Telecommunication *	-	-	-	(1,310)
Total profit/(loss)	38,665	34,202	87,295	(145,456)
Eliminations	(16,093)	(5,114)	(33,411)	(34,183)
Profit/(Loss) before tax and zakat	22,572	29,088	53,884	(179,639)

* Inclusive of share of profit/(loss) 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 reporting period.

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.

A12 Changes in the composition of the Group

There were no other changes in the composition of the Group for the period ended 31 December 2019 including business combination, acquisition or disposal of subsidiaries, long term investments and restructuring except for:

- (i) Acquisition of 85% shareholding in Taspak Industrial Sdn Bhd ("Taspak") via Polyplus Packages (JB) Sdn Bhd ("Polyplus JB"), wholly owned subsidiary of Century Bond Bhd ("CBB")

On 11 October 2019, CBB via its wholly owned subsidiary, Polyplus JB entered into a conditional Sale and Purchase of Shares Agreement ("SPA") with Lim Kian Tiong, Teo Kim Yam and Soo Yin Seong for the acquisition of 85% equity stake in Taspak for a total consideration of RM21.25 million. Taspak is an end-to-end production of offset carton boxes and is also involved in the manufacturing of instruction manuals.

Conditions precedent have been fulfilled on 6 November 2019 and the SPA has become unconditional in accordance with the terms of the SPA.

On 26 November 2019, the acquisition was completed and Taspak became the subsidiary of CBB.

KUMPULAN PERANGSANG SELANGOR BERHAD

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UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2019**A13 Capital commitments**

The amount of commitments not provided for in the unaudited interim financial statements as at 31 December 2019 is as follows:

	RM'000
Property, plant and equipment:	
(i) Approved but not contracted for	<u>102,102</u>
(ii) Approved and contracted for	<u>16,458</u>

A14 Significant related party transactions

The following are the related party transactions of the Group:

	3 months ended		12 months ended	
	31.12.2019	31.12.2018	31.12.2019	31.12.2018
	RM'000	RM'000	RM'000	RM'000
Sale of goods to subsidiary companies of non-controlling interest:				
- Sungai Harmoni Sdn Bhd	5,266	4,674	18,227	17,417
- Taliworks (Langkawi) Sdn Bhd	416	385	1,495	1,357
Sale of goods to related companies:				
- Konsortium Abass Sdn Bhd	-	2,082	4,107	8,189
- PNSB Water Sdn Bhd	-	9,587	21,268	38,604
- Konsortium Air Selangor Sdn Bhd	-	234	685	1,144
- Pengurusan Air Selangor Sdn Bhd	12,749	622	15,050	1,189
Infrastructure revenue from Pengurusan Air Selangor Sdn Bhd	2,525	-	3,331	-
Rental income received from ultimate holding company	70	70	282	358
Rental expenses payable to related companies:				
- Konsortium Abass Sdn Bhd	-	(3)	(9)	(15)
- Konsortium Air Selangor Sdn Bhd	-	(2)	(5)	(9)
- Pengurusan Air Selangor Sdn Bhd	(5)	-	(5)	-

A15 Contingent liabilities and contingent assets

The contingent liabilities as at 31 December 2019 are as follows:

i) Secured:	RM'000
a) Provision of proportionate corporate guarantee for an associate:	
i) Working capital and issuance of bank guarantees	<u>36,000</u>
ii) Unsecured	
a) Performance guarantees to third parties	677
b) Provision of proportionate corporate guarantee to a related party	<u>4,447</u>
	<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 FOURTH QUARTER ENDED 31 DECEMBER 2019

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 RM297.9 million compared with RM171.5 million for the corresponding quarter 2018, representing an increase in revenue by 74% or RM126.4 million. The higher revenue was largely attributable to revenue from the new subsidiary namely Toyoplas Manufacturing Sdn Bhd ("TMM") of RM120.3 million as well as higher revenue from King Koil Manufacturing West, LLC ("KKMW") by RM7.1 million and CBB by RM2.8 million.

Despite higher profit contribution from the manufacturing sector for the current quarter ended 31 December 2019, the Group registered a profit before tax and zakat of RM22.6 million as compared to corresponding quarter 2018 of RM29.1 million, a reduction of RM6.5 million or 22% due to lower profit from King Koil Licensing Company Inc ("KKLC").

Performance of the respective operating business segments for the fourth quarter ended 31 December 2019 as compared to the preceding year corresponding quarter is analysed as follows:

1. Manufacturing

The manufacturing sector recorded 120% revenue growth, contributing RM240.1 million to the Group's revenue as compared to RM109.2 million in the corresponding quarter last year. This sector contributed the highest increase in Group's revenue mainly from the new subsidiary, TMM of RM120.3 million. CBB contributed RM53.7 million in revenue, higher than the corresponding quarter 2018 by RM2.8 million on higher traction from the carton business. KKMW contributed revenue of RM18.2 million, higher by RM7.1 million or 63% on higher capacity utilisation, additional new retailers and stronger sales of the premium bedding lines. CPI posted revenue contribution of RM47.8 million, higher than the corresponding quarter 2018 by RM0.6 million.

For the current quarter, this sector posted a profit before tax of RM37.9 million as compared to RM15.7 million in the corresponding quarter 2018, higher by RM22.2 million which was mainly due to the contribution from the newly acquired subsidiary, TMM.

2. Trading

Revenue of RM34.8 million was RM5.9 million or 20% higher than the corresponding quarter's revenue of RM28.9 million from higher sale of water chemicals.

However, this sector posted a lower profit before tax of RM1.2 million as compared to RM1.8 million recorded in the corresponding quarter 2018 due to the impairment loss on trade receivables of RM1.1 million recorded during the current quarter.

3. Licensing

This sector recorded RM8.7 million revenue during the current quarter as compared to RM7.1 million in the corresponding quarter 2018 mainly due to higher licensing revenue from the international licensees.

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For the current quarter, this sector posted a profit before tax of RM0.9 million as compared to RM16.5 million in the corresponding quarter 2018, which was mainly derived from a one-off licensee fee of RM12.1 million obtained from one of the international licensees.

4. Infrastructure and utilities

Revenue of RM11.9 million was lower by RM13.2 million as compared to corresponding quarter's revenue of RM25.1 million due to lower revenue at KPS-HCM Sdn Bhd ("KPS-HCM") as the infrastructure work at Pulau Indah is nearing completion.

With lower revenue during the quarter, this sector recorded lower profit before tax of RM1.7 million as compared to RM2.2 million recorded in the corresponding quarter 2018.

5. Investment holding

Investment holding revenue is primarily derived from the management fee charged to subsidiaries. Lower revenue recorded this quarter against that in the corresponding quarter 2018 due to management fee being charged quarterly in 2019 against annually in 2018.

This sector recorded a higher loss before tax and zakat of RM8.7 million as compared to a loss before tax of RM6.4 million in the corresponding quarter 2018, due to higher depreciation and amortisation of intangible assets arising from the acquisition of subsidiaries.

6. Property investment

Property investment registered lower revenue of RM2.8 million as compared to RM2.9 million in the corresponding quarter 2018, mainly due to lower rental income at Summit Hotel KL City Centre.

This sector recorded a higher profit before tax of RM3.4 million as compared to a profit before tax of RM1.0 million in the corresponding quarter 2018, due to interest income accretion from amount due from Setia Eco Park amounting to RM1.7 million.

7. Oil and gas

NGC Energy Sdn Bhd ("NGC Energy") registered a higher profit after tax of RM5.4 million as compared to a profit after tax of RM3.2 million in the corresponding quarter of 2018. This was mainly due to higher revenue from Industrial and Commercial ("I&C") segment. The Group's share of profit was RM2.2 million as compared to RM1.3 million in the corresponding quarter 2018.

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

For the twelve months ended 31 December 2019, the Group's revenue was RM867.5 million as compared to RM582.3 million in the corresponding period 2018, representing a significant increase of RM285.2 million or 49%. The higher revenue was attributed to RM194.2 million contributed by the newly acquired subsidiary namely TMM. In addition, the higher revenue was due to the consolidation of twelve months results of CPI and KKMW as compared to nine months and six months in corresponding period 2018, respectively.

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The Group recorded a profit before tax of RM53.9 million as compared to a loss before tax of RM179.6 million in the corresponding period 2018. Profit during the period is mainly derived from the manufacturing sector and share of profit from associates whilst the loss recorded in the corresponding period 2018 was due to share of loss of associates, specifically from Syarikat Pengeluar Air Selangor Holdings Berhad (“SPLASH Holdings”).

Performance of the respective operating business segments for the twelve months ended 31 December 2019 as compared to the preceding year corresponding period is analysed as follows:

1. Manufacturing

The manufacturing sector contributed revenue of RM651.5 million as compared to RM357.5 million in the corresponding period 2018 revenue. The significant jump in revenue of RM294.0 million or 82% during the current period was mainly due to contribution from the newly acquired subsidiary TMM, with revenue contribution of RM194.2 million. In addition, the full twelve months result from CPI and KKMW as compared to nine months and six months in corresponding period 2018 also led to the increase in revenue by RM53.1 million and RM34.8 million, respectively. CBB also contributed higher revenue by RM11.8 million from higher sales in carton business.

Profit before tax was RM80.7 million as compared to RM42.3 million in the corresponding period 2018, higher by RM38.4 million or 91%. This was attributable to profit contribution from TMM as well as higher profit before tax from CPI and CBB.

2. Trading

Trading sector recorded revenue of RM117.4 million with profit before tax of RM7.9 million. The current period revenue was higher by RM6.3 million or 6% as compared to RM111.1 million in the corresponding period 2018, due to higher revenue from sale of water chemicals. However, profit before tax was lower by RM1.5 million, mainly due to impairment loss on the trade receivables recognised in the current period.

3. Licensing

The licensing sector recorded revenue of RM36.3 million as compared to RM30.3 million in the corresponding period 2018, representing an increase of RM6.0 million or 20%, primarily attributed to higher revenue from international licensees. Lower profit before tax of RM9.7 million recorded as compared to RM19.6 million in the corresponding period 2018, due to higher income derived in 2018 arising from a one-off licensee fee of RM12.1 million, obtained from one of the international licensees.

4. Infrastructure and utilities

Lower revenue of RM54.8 million as compared to RM92.4 million in the corresponding period 2018 was mainly due to lower revenue at KPS-HCM as the infrastructure work at Pulau Indah is nearing completion.

This sector recorded a profit before tax of RM9.5 million as compared to a loss before tax of RM205.6 million in the corresponding period 2018. As opposed to that in the corresponding period 2018, profit in the current period was attributable to higher share of profits by RM8.6 million from SPRINT, which in turn was due to the toll compensation received by SPRINT from the Federal Government. The loss recorded in the corresponding period 2018 was from share of loss of associates, specifically from SPLASH Holdings.

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5. Investment holding

Investment holding sector recorded slightly higher revenue of RM1.2 million as compared to RM1.1 million in the corresponding period 2018 due to higher management fee charged to subsidiaries during the period under review.

This sector recorded a higher loss before tax of RM31.6 million as compared to RM20.6 million in the corresponding period 2018 due to higher finance costs and amortisation of intangible assets arising from the acquisition of subsidiaries during the period under review.

6. Property investment

Property investment sector recorded higher revenue of RM10.8 million as compared to RM10.2 million in the corresponding period 2018 due to full year's rental recognised as compared to six months rental free period given to the lessee in the corresponding period 2018.

Arising from the higher revenue and given the recognition of interest income accretion from amount due from Setia Eco Park amounting to RM1.7 million and lower administrative costs, this sector recorded a profit before tax of RM2.5 million as compared to a loss before tax of RM1.5 million in the corresponding period 2018.

7. Oil and gas

NGC Energy registered a profit after tax of RM21.5 million which translated into the Group's share of profit of RM8.6 million, as compared to RM30.3 million profit after tax translating into Group's share of profit of RM12.1 million in the corresponding period 2018. The lower share of profit in the current period was mainly due to lower revenue from I&C segment.

8. Telecommunication

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

B2 Comparison with preceding quarter's results

The current quarter Group revenue increased by RM45.0 million or 18% to RM297.9 million as compared to RM252.9 million recorded in the third quarter of 2019. This was due to higher revenue from manufacturing sector arising from the consolidation of TMM's results starting from August 2019. In line with higher revenue and profit contribution from TMM, the Group's profit before tax increased to RM22.6 million from RM14.3 million recorded in the preceding quarter. This led to the increase in the Group's profit after tax from RM8.1 million in the preceding quarter to RM15.3 million during the quarter under review.

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B3 Commentary on prospects

1. Manufacturing

Over the years, CBB has diversified its earnings base away from paper bags division into other divisions such as carton, plastic and consumer manufacturing. These segments have been growing steadily and has been pioneering CBB's growth over the years. CBB will continue its business efforts in these growth segments via new product developments as well as acquiring new customers, both locally and in the region.

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 increasing brand awareness, optimising the plant operations, growing the distribution network and developing products to drive revenue growth under the manufacturing segment.

The acquisition of Toyoplas Manufacturing (Malaysia) Sdn Bhd ("TMM") and its group of companies (collectively "TMM Group") was completed on 15th August 2019. Post-acquisition, Perangsang Selangor's presence in the plastic injection moulding industry following its investment in CPI was further solidified, enabling the larger group to capture broader customer segments across multiple industries by benefitting from TMM Group's multi-geographical footprint across China, Malaysia and Indonesia.

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

The King Koil Group remains focused on growing the International licensing segment, via 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. In December 2019, King Koil Licensing Company Inc ("KKLC") agreed to grant the license for Bangladesh to its current licensee in India, who has proven capable of penetrating a complex, developing market. The license for Bangladesh comes into effect on 1 January 2020.

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

KPS-HCM completed the main infrastructure work at Pulau Indah Infrastructure Park, Phase 3C. The company is focusing on securing new projects going forward.

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 non-revenue water figures caused by high usage of Asbestos Cement pipes.

On 6th November 2019, SPT formed a joint venture (“JV”) with Menteri Besar Kedah Incorporated (“MBI Kedah”) to undertake non-revenue water (“NRW”) and other water-related projects to remedy the NRW situation in Kedah. The JV company, which has been incorporated as Darul Aman Water Solutions Sdn Bhd (“DAWS”), will be 51% held by MBI Kedah and 49% by SPT. DAWS is expected to mobilise NRW and water-related projects in Kedah, restoring the sustainability of water supply for the state.

5. Oil and gas

The Group remains confident in the long-term prospects of the oil and gas sector as the from expected increase in demand for Liquefied Petroleum Gas in the I&C sector while demand from domestic sector is forecasted to 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		12 months ended	
	31.12.2019	31.12.2018	31.12.2019	31.12.2018
	RM'000	RM'000	RM'000	RM'000
Interest income	108	-	272	-
Profit from Islamic short term placement	238	264	343	894
Profit rate income - fixed deposit	1,056	279	6,553	2,623
Negative goodwill	1,887	-	1,887	-
(Loss)/Gain on foreign exchange	(2,256)	1,475	125	343
Finance costs	(9,485)	(10,431)	(35,191)	(33,522)
Depreciation of property, plant and equipment	(7,585)	(5,055)	(22,419)	(12,812)
Depreciation of investment properties	(906)	(1,838)	(4,744)	(4,868)
Amortisation of intangible assets	(4,109)	(235)	(7,183)	(1,340)
Impairment of an associate company	-	(2,132)	-	(2,132)
Impairment loss on trade receivables	(1,167)	(447)	(1,167)	(447)
Impairment loss on inventories	(749)	-	(749)	-

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

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	3 months ended		12 months ended	
	31.12.2019	31.12.2018	31.12.2019	31.12.2018
	RM'000	RM'000	RM'000	RM'000
Income tax expense	6,954	6,457	22,294	16,270
Deferred tax recognised in income statement	135	555	(96)	348
Income tax expense	7,089	7,012	22,198	16,618
Zakat expense	227	-	1,097	500
Income tax and zakat expense	7,316	7,012	23,295	17,118

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 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 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 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 Special Purpose Vehicle ("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.

On 31 October 2019, MOF Inc and SPRINT Holdings have further agreed to the following in respect of SPRINT Offer: -

- (i) the Cut-Off Date to negotiate and finalise the terms of the definitive agreements shall be extended from 31 October 2019 to 31 December 2019;
- (ii) the Long Stop Date to satisfy the Conditions Precedent shall be extended from 29 November 2019 to 29 February 2020; and
- (iii) the date of Completion shall be extended from 31 December 2019 to a date which shall be no later than 31 March 2020.

Save for the aforementioned extensions, all other terms contained in the SPRINT Offer shall continue to be in full force and effect.

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The Group borrowings as at 31 December 2019 are as follows:

	As at 4 th Quarter 2019		
	Foreign Denomination RM'000 (USD)	RM Denomination RM'000	Total Borrowings RM'000
Short term borrowings - secured			
Revolving credits	7,576	53,924	61,500
Obligation under finance leases	-	1,566	1,566
Term loan	4,846	15,253	20,099
Banker's acceptance	-	519	519
Trust receipt	5,643	18,558	24,201
Overdraft	-	1,026	1,026
Sub total	18,065	90,846	108,911
Long term borrowings - secured			
Obligation under finance leases	-	2,757	2,757
Term loan	3,170	501,773	504,943
Sub total	3,170	504,530	507,700
Total borrowings - secured			
Revolving credits	7,576	53,924	61,500
Obligation under finance leases	-	4,323	4,323
Term loan	8,016	517,026	525,042
Banker's acceptance	-	519	519
Trust receipt	5,643	18,558	24,201
Overdraft	-	1,026	1,026
Total	21,235	595,376	616,611
	As at 4 th Quarter 2018		
	Foreign Denomination RM'000 (USD)	RM Denomination RM'000	Total Borrowings RM'000
Short term borrowings - secured			
Revolving credits	-	65,000	65,000
Obligation under finance leases	-	89	89
Term loan	1,671	71,531	73,202
Syndicated term loan	-	42,500	42,500
Trust receipt	-	24,695	24,695
Sub total	1,671	203,815	205,486
Long term borrowings – secured			
Obligation under finance leases	-	2,186	2,186
Term loan	4,561	315,644	320,205
Syndicated term loan	-	83,259	83,259
Sub total	4,561	401,089	405,650
Total borrowings - secured			
Revolving credits	-	65,000	65,000
Obligation under finance leases	-	2,275	2,275
Term loan	6,232	387,175	393,407
Syndicated term loan	-	125,759	125,759
Trust receipt	-	24,695	24,695
Total	6,232	604,904	611,136

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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

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

B11 Earnings/(Loss) per share ("EPS")**(a) Basic EPS**

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

	3 months ended		12 months ended	
	31.12.2019	31.12.2018	31.12.2019	31.12.2018
Net profit/(loss) attributable to owners of the parent (RM'000)	17,526	17,502	28,281	(205,549)
Weighted average number of shares in issue ('000)	537,385	537,385	537,385	537,385
Basic EPS (Sen)	3.3	3.3	5.3	(38.2)

(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: 27 February 2020