



**PRESS RELEASE**  
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## **KPS Stands Firm in the Year, Delivering Strong Quarterly PATAMI**

- **PATAMI YoY remains strong on broader earnings base and higher contribution from core businesses**
- **YTD results affirm Group's determination for continuum of earnings momentum forward, setting benchmark for future performance**

Shah Alam, Malaysia, 27 February 2020 - **Kumpulan Perangsang Selangor Berhad** ("KPS" or "the Company" or "the Group", Bursa: 5843; Bloomberg: KUPS MK; Reuters: KPSB.KL) today reported its strongest quarterly results, having set in place robust development plans for its core businesses, most of which showing better performance. Results this quarter showcased a new subsidiary contribution from Toyoplas Manufacturing (Malaysia) Sdn Bhd ("Toyoplas") and full year contributions from CPI (Penang) Sdn Bhd ("CPI") and King Koil Manufacturing West, LLC ("KKMW"). For the quarter ended 31 December 2019, KPS posted a revenue of RM297.9 million, 73.7% jump from RM171.5 million it recorded in the corresponding quarter last year. With broader earnings base and higher contribution from the core businesses, Group's PATAMI remained strong at RM17.5 million, as it was in the corresponding quarter last year.

### **HIGHLIGHTS FOR THE QUARTER ENDED 31 DECEMBER 2019**

**Manufacturing** businesses posted a stellar 119.9% growth, contributing RM240.1 million, or 80.6%, to the Group's revenue, compared to RM109.2 million in the corresponding quarter last year. The performance of this segment of business was boosted by the contribution from Toyoplas, along with that from other manufacturing entities such as CPI, Century Bond Bhd ("CBB") and KKMW.

Toyoplas contributed RM120.3 million in revenue, driven mainly by consumer electronics and industrial tools divisions, operating out from its plants in China, Indonesia and Malaysia. CPI posted stable revenue contribution of RM47.8 million, growing 1.5% from the corresponding quarter last year. CBB maintained its influence, contributing RM53.7 million to the Group. During the quarter, CBB posted 5.5% in revenue growth on higher traction from the carton division. Lastly, KKMW contributed the remaining revenue of RM18.3 million, growing by 64.9% on higher capacity utilisation, additional new retailers and stronger sales in the premium bedding lines.

A further RM34.8 million of the Group's revenue was derived from the **trading** business, represented by Aqua-Flo Sdn Bhd ("Aqua-Flo"), whose revenue grew by 20.4% from RM28.9 million in the corresponding quarter last year. At RM34.8 million, Aqua-Flo contributed 11.7% to the Group's revenue.



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The **licensing** business, King Koil Licensing Company LLC ("KKLC") contributed RM8.7 million. During the quarter, KKLC grew its revenue by 22.5% from RM7.1 million in the corresponding quarter last year. This was supported by steady traction from international royalty fees. KKLC contributed 2.9% to the Group's revenue this quarter.

The **infrastructure** business which is represented by KPS-HCM Sdn Bhd ("KPS-HCM") and Smartpipe Technology Sdn Bhd ("Smartpipe") contributed RM9.1 million and RM2.8 million, respectively. Revenue contribution from KPS-HCM was lower as the infrastructure works at Pulau Indah were nearing completion. Having adjusted for inter-group sales, revenue from the infrastructure business moderated to RM11.5 million, lowered by 50.5% YoY. The infrastructure business contributed 3.9% to the Group's revenue this quarter.

The remaining revenue contribution of RM2.8 million, or 0.9%, was from investment holding and property investment, after inter-company elimination.

The Group's operating profit moderated by 26.1% to RM27.8 million from RM37.6 million, given lower other income and higher other expenses which arose mainly from Toyoplas' acquisition. Recall that other income in the corresponding quarter last year was aided primarily by a one-off licensee fee amounting to RM12.1 million from one of KKLC's international licensees.

Further optimisation of the balance sheet has resulted in lower finance costs. KPS also recorded RM4.3 million share-of-profit from associates this quarter, which was made up by contributions from NGC Energy Sdn Bhd and SPRINT. With broader earnings base and higher contribution from the core businesses, the Group posted a healthy Profit before Tax and Zakat of RM22.6 million, although lower in comparison to that in the corresponding quarter last year of RM29.1 million. Adjusted for non-controlling interests, KPS recorded a Profit After Tax and Minority Interests ("PATAMI") of RM17.5 million.

**KPS' Managing Director/Group Chief Executive Officer, Ahmad Fariz Hassan** said:

"2019 was a transformational year for KPS with new earnings dynamics post the SPLASH disposal shedding brighter lights on the earnings visibility. I am pleased with the progress and results we have delivered this year, seeing the expansion in both revenue and PATAMI flowing stronger into the fourth quarter. We have been consistently delivering financial commitments and at the same time creating sustainable value to our shareholders. We closed the year with the strongest quarterly results, solidifying our position despite the challenging business landscape."

## **HIGHLIGHTS FOR THE YEAR ENDED 31 DECEMBER 2019**

For the 12 months ended 31 December 2019, the Group posted a revenue of RM867.5 million, an increase by 49.0%, as compared to RM582.3 million it recorded in the corresponding period in 2018. Of the total revenue, manufacturing businesses grew by 82.2%, contributing RM651.5 million, or 75.1%. The trading, infrastructure and licensing businesses remained significant, contributing RM117.4 million or 13.5%, RM51.5 million or 5.9%, and RM36.3 million or 4.2% to the Group's revenue, respectively. Property investments contributed for the remaining RM10.8 million or 1.2%.



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KPS posted a healthy growth of 41.2% in operating performance, registering operating profit of RM72.7 million, as compared to RM51.5 million in the corresponding period last year. This was attributed to the inaugural contribution from Toyoplas as well as full-year contributions from CPI and KKMW.

The Group's share of profit from associates made a strong turnaround from the loss position in the corresponding period last year. As opposed to share of loss of RM197.6 million previously, it registered a share of profit of RM16.4 million this year. This gave rise to Profit Before Tax of RM53.9 million against Loss Before Tax of RM179.6 million. Adjusting for tax and minority interests, the Group posted a healthy PATAMI of RM28.3 million, staging a strong turnaround from a loss position of RM205.5 million last year.

"Over the years, we have managed to grow our business and made a significant improvement in earnings visibility. The businesses we had acquired in recent years have delivered the results and positioned us for long-term growth. Our YTD results indeed affirm the Group's determination for continuum of earnings momentum forward, setting a new benchmark for KPS' future performance.

Looking ahead, we are cautiously optimistic of the Group's prospect, taking into consideration the macroeconomic, geopolitical and socio-demographic risks such as moderating global growth, persistent US-China trade tension and recently dire phenomenon of Covid-19, which is affecting the stability of global supply chain and ultimately, the overall economic growth. Whilst we take cognisance of these challenges, we shall endeavour to improve the Group's prospect further by focussing on an improvement in operational efficiency, penetration of new market segments and on expansion of product mix and services across the subsidiaries. These shall form the basis of our plan for stronger business momentum for the Group going forward," Ahmad Fariz commented on the Group's prospect and business outlook in 2020.

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### **About Kumpulan Perangsang Selangor Berhad ([www.perangsangselangor.com](http://www.perangsangselangor.com))**

Incorporated on 11 August 1975, Kumpulan Perangsang Selangor Berhad ("KPS" or "the Company" or "the Group") is a public limited liability company listed on the Main Market of Bursa Malaysia Securities Berhad under the Industrial Products & Services Sector. KPS has core investments in the Manufacturing sector, as well as businesses in the Trading, Licensing and Infrastructure sectors. While strengthening our business to optimise returns, KPS is committed to providing significant contributions towards sustainable development in the areas of economic, environment and social for the benefits of all stakeholders.

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