



**KUMPULAN PERANGSANG SELANGOR BERHAD**

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

*(Incorporated in Malaysia)*

**UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE QUARTER ENDED 31 MARCH 2022**

A1 Unaudited Condensed Consolidated Income Statement For The Quarter Ended 31 March 2022

PARTICULARS	INDIVIDUAL QUARTER				CUMULATIVE QUARTER			
	CURRENT YEAR QUARTER 31/03/2022 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 31/03/2021 RM'000	VARIANCE		CURRENT YEAR TO DATE 31/03/2022 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 31/03/2021 RM'000	VARIANCE	
			RM'000	%			RM'000	%
Revenue	329,177	308,393	20,784	7	329,177	308,393	20,784	7
Cost of sales	(260,191)	(251,715)	(8,476)	(3)	(260,191)	(251,715)	(8,476)	(3)
Gross profit	68,986	56,678	12,308	22	68,986	56,678	12,308	22
Other income	14,433	13,938	495	4	14,433	13,938	495	4
Other expenses	(50,079)	(46,335)	(3,744)	(8)	(50,079)	(46,335)	(3,744)	(8)
Operating profit	33,340	24,281	9,059	37	33,340	24,281	9,059	37
Finance costs	(5,236)	(6,289)	1,053	17	(5,236)	(6,289)	1,053	17
Share of (loss)/profit of associates	(4,203)	1,014	(5,217)	(514)	(4,203)	1,014	(5,217)	(514)
Profit before tax and zakat	23,901	19,006	4,895	26	23,901	19,006	4,895	26
Income tax and zakat	(7,506)	(6,775)	(731)	(11)	(7,506)	(6,775)	(731)	(11)
<b>Profit for the period</b>	<b>16,395</b>	<b>12,231</b>	<b>4,164</b>	<b>34</b>	<b>16,395</b>	<b>12,231</b>	<b>4,164</b>	<b>34</b>
Attributable to:								
- Owners of the parent	10,332	11,003	(671)	(6)	10,332	11,003	(671)	(6)
- Non-controlling interests	6,063	1,228	4,835	394	6,063	1,228	4,835	394
	<b>16,395</b>	<b>12,231</b>	<b>4,164</b>	<b>34</b>	<b>16,395</b>	<b>12,231</b>	<b>4,164</b>	<b>34</b>
Earnings per share ("EPS") attributable to owners of the parent (sen per share):								
Basic EPS	1.9	2.0	(0.1)	(6)	1.9	2.0	(0.1)	(6)
Diluted EPS	1.9	2.0	(0.1)	(6)	1.9	2.0	(0.1)	(6)

(The Unaudited Condensed Consolidated Income Statement should be read in conjunction with the Annual Audited Financial Statements for the year ended 31 December 2021 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 March 2022**

PARTICULARS	INDIVIDUAL QUARTER				CUMULATIVE QUARTER			
	CURRENT YEAR QUARTER 31/03/2022 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 31/03/2021 RM'000	VARIANCE		CURRENT YEAR TO DATE 31/03/2022 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 31/03/2021 RM'000	VARIANCE	
			RM'000	%			RM'000	%
Profit for the period	16,395	12,231	4,164	34	16,395	12,231	4,164	34
Other comprehensive income (net of tax):								
Foreign currency translation reserve	2,620	6,332	(3,712)	(59)	2,620	6,332	(3,712)	(59)
Re-measurement of post employment-benefits	-	(4)	4	100	-	(4)	4	100
<b>Total comprehensive income for the period</b>	<b>19,015</b>	<b>18,559</b>	<b>456</b>	<b>2</b>	<b>19,015</b>	<b>18,559</b>	<b>456</b>	<b>2</b>
Attributable to:								
- Owners of the parent	12,753	16,527	(3,774)	(23)	12,753	16,527	(3,774)	(23)
- Non-controlling interests	6,262	2,032	4,230	208	6,262	2,032	4,230	208
	<b>19,015</b>	<b>18,559</b>	<b>456</b>	<b>2</b>	<b>19,015</b>	<b>18,559</b>	<b>456</b>	<b>2</b>

(The Unaudited Condensed Consolidated Income Statement should be read in conjunction with the Annual Audited Financial Statements for the year ended 31 December 2021 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 March 2022**

	<b>Unaudited 31-Mar-22 RM'000</b>	<b>Audited 31-Dec-21 RM'000</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	397,931	387,715
Right-of-use assets	90,388	99,817
Investment properties	45,983	46,602
Investments in associates	154,667	158,870
Intangible assets	249,675	251,340
Goodwill on consolidation	186,879	186,879
Long term receivable	1,129	1,403
Deferred tax assets	1,657	1,080
Club memberships	153	153
	<u>1,128,462</u>	<u>1,133,859</u>
<b>Current assets</b>		
Inventories	204,005	203,936
Trade and other receivables	471,287	476,721
Cash and bank balances and short term funds	413,385	461,802
Current tax assets	11,312	7,434
	<u>1,099,989</u>	<u>1,149,893</u>
<b>TOTAL ASSETS</b>	<b><u>2,228,451</u></b>	<b><u>2,283,752</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	16,396	13,975
Capital reserves	3,163	3,163
Retained earnings	492,920	485,324
<b>Shareholders' equity</b>	<u>1,050,406</u>	<u>1,040,389</u>
<b>Non-controlling interests</b>	<u>126,743</u>	<u>120,631</u>
<b>TOTAL EQUITY</b>	<b><u>1,177,149</u></b>	<b><u>1,161,020</u></b>
<b>Non-current liabilities</b>		
Other payables	2,169	2,048
Loans and borrowings	366,472	412,153
Lease liabilities	19,236	20,625
Deferred tax liabilities	106,937	107,085
Post-employment benefits	11,134	11,083
	<u>505,948</u>	<u>552,994</u>
<b>Current liabilities</b>		
Trade and other payables	362,992	357,316
Loans and borrowings	149,640	179,576
Lease liabilities	12,691	13,108
Contract liabilities	14,328	13,265
Current tax liabilities	5,703	6,473
	<u>545,354</u>	<u>569,738</u>
<b>TOTAL LIABILITIES</b>	<b><u>1,051,302</u></b>	<b><u>1,122,732</u></b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b><u>2,228,451</u></b>	<b><u>2,283,752</u></b>
Net assets per ordinary share attributable to owners of the parent (RM)	1.95	1.94

(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 2021 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 Year Ended 31 March 2022**

	Share capital RM'000	Foreign currency translation reserve RM'000	Other reserve RM'000	Retained earnings RM'000	Total equity attributable to owners of the parent RM'000	Non- controlling interests RM'000	Total equity RM'000
At 1 January 2022	537,927	13,975	3,163	485,324	1,040,389	120,631	1,161,020
Profit net of tax and zakat	-	-	-	10,332	10,332	6,063	16,395
Re-measurement of post-employment benefits	-	-	-	-	-	-	-
Gain on foreign currency translations	-	2,421	-	-	2,421	199	2,620
Total comprehensive income	-	2,421	-	10,332	12,753	6,262	19,015
Transactions with owners:							
Dividends paid to non-controlling interests	-	-	-	-	-	(150)	(150)
Dividend paid to a preference shareholder of a subsidiary	-	-	-	(2,736)	(2,736)	-	(2,736)
	-	-	-	(2,736)	(2,736)	(150)	(2,886)
<b>At 31 March 2022</b>	<b>537,927</b>	<b>16,396</b>	<b>3,163</b>	<b>492,920</b>	<b>1,050,406</b>	<b>126,743</b>	<b>1,177,149</b>
At 1 January 2021	537,927	(482)	1,927	454,260	993,632	111,835	1,105,467
Profit net of tax and zakat	-	-	-	11,003	11,003	1,228	12,231
Re-measurement of post-employment benefits	-	-	-	(4)	(4)	-	(4)
Gain on foreign currency translations	-	5,528	-	-	5,528	804	6,332
Total comprehensive income	-	5,528	-	10,999	16,527	2,032	18,559
Transactions with owners:							
Transfer of shares to minority shareholders	-	-	315	-	315	(315)	-
Re-measurement of post-employment benefits	-	-	(28)	-	(28)	-	(28)
Appropriation to statutory reserves	-	-	84	(84)	-	-	-
	-	-	371	(84)	287	(315)	(28)
<b>At 31 March 2021</b>	<b>537,927</b>	<b>5,046</b>	<b>2,298</b>	<b>465,175</b>	<b>1,010,446</b>	<b>113,552</b>	<b>1,123,998</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 2021 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 March 2022**

	3 months ended	
	<u>31-Mar-22</u>	<u>31-Mar-21</u>
	RM'000	RM'000
<b>Cash Flows From Operating Activities</b>		
Profit before tax and zakat	23,901	19,006
Adjustment for non-cash items	13,464	22,170
Adjustment for non-operating items	<u>3,654</u>	<u>(4,414)</u>
Operating profit before working capital changes	41,019	36,762
Changes in working capital:		
Net change in current assets	51,734	(22,152)
Net change in current liabilities	<u>(39,321)</u>	<u>68,884</u>
Cash generated from operating activities	53,432	83,494
Tax and zakat paid, net of refunds received	<u>(7,911)</u>	<u>(4,504)</u>
<b>Net cash generated from operating activities</b>	<u>45,521</u>	<u>78,990</u>
<b>Cash Flows From Investing Activities</b>		
Dividend received	-	1,600
Profit rate/ interest income received	1,461	908
Gain on fair value of short term funds	40	984
Purchase of :		
- property, plant and equipments	(9,620)	(12,619)
- investment properties	(24)	-
Proceeds from disposal of :		
- property, plant and equipment	12	7,903
Net movements in money market deposits	<u>41,691</u>	<u>(24,207)</u>
<b>Net cash generated from/(used in) investing activities</b>	<u>33,560</u>	<u>(25,431)</u>
<b>Cash Flows From Financing Activities</b>		
Dividend paid to non-controlling interest of a subsidiary	(150)	-
Dividend paid to a preference shareholder of a subsidiary	(2,736)	-
Issuance of shares	-	122
Profit rate paid	(5,236)	(6,289)
Repayment of borrowings	(143,078)	(79,400)
Drawdown of borrowings	67,297	13,818
Repayment of obligations under finance leases	(2,140)	-
Net movements in deposits with licensed banks	<u>(67)</u>	<u>(51)</u>
<b>Net cash used in financing activities</b>	<u>(86,110)</u>	<u>(71,800)</u>
Net decrease in cash and cash equivalents	(7,029)	(18,241)
Effect of exchange rate changes on cash and cash equivalents	265	(3,440)
Cash and cash equivalents at 1 January	<u>162,442</u>	<u>186,961</u>
<b>Cash and cash equivalents at 31 March</b>	<u>155,678</u>	<u>165,280</u>
Cash and cash equivalents included in the statement cash flows comprise:		
	<b>As at</b>	<b>As at</b>
	<u>31-Mar-22</u>	<u>31-Mar-21</u>
Cash and bank balances	413,385	444,636
Less:		
Deposits with licensed banks with maturity period of more than 3 months	(34,551)	(40,092)
Money market deposits	<u>(223,156)</u>	<u>(239,264)</u>
	<u>155,678</u>	<u>165,280</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 2021 and the accompanying explanatory notes attached to the interim financial statements)

## KUMPULAN PERANGSANG SELANGOR BERHAD

Company No. 197501002218 / (23737-K)

(Incorporated in Malaysia)

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### UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE FIRST QUARTER ENDED 31 MARCH 2022

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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 Kumpulan Perangsang Selangor Berhad's ("the Company") audited financial statements for the financial year ended 31 December 2021. The explanatory notes attached to the interim financial statements explain events and transactions that are significant for an understanding of the changes in the financial position and performance of the Company and its subsidiaries ("the Group") since the financial year ended 31 December 2021.

##### 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 2021 except for the adoption of MFRS, the following new and amended MFRSs with effect from 1 January 2022.

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

On 1 January 2022, the Group adopted MFRSs and the following new and amended MFRSs are mandatory for annual financial periods beginning on or after 1 January 2022:

###### 1 January 2022

MFRS 1, MFRS 9	Annual Improvements to MFRS Standards 2018 - 2020
Amendments to MFRS 3	Reference to Conceptual Framework
Amendments to MFRS 116	Property, Plant and Equipment – Proceeds before Intended Use
Amendments to MFRS 137	Onerous Contracts – Costs of Fulfilling a Contract

The initial application of the above accounting standards, amendments and interpretations did not have a material impact on the current period and prior period financial statements of the Group.

###### 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 are not yet effective:

###### 1 January 2023

MFRS 17	Insurance Contracts
Amendments to MFRS 17	Insurance Contracts
Amendments to MFRS 17	Initial Application of MFRS 17 and MFRS 9 - Comparative Information
Amendments to MFRS 101	Classification of Liabilities as Current or Non-current
Amendments to MFRS 101	Disclosure of Accounting Policies
Amendments to MFRS 108	Definition of Accounting Estimates
Amendments to MFRS 112	Deferred Tax Related to Assets and Liabilities Arising From a Single Transaction

**KUMPULAN PERANGSANG SELANGOR BERHAD**

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(Incorporated in Malaysia)

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**UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE FIRST QUARTER ENDED  
31 MARCH 2022**

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**A2.2 Standards issued but not yet effective (continued)**

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.

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

The audited consolidated financial statements for the financial year ended 31 December 2021 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, no other items were 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 were no material changes in estimates of amounts reported in the prior interim period has a material effect in the period under review.

**A7 Debt and equity securities**

During the current quarter, there was no issuance, cancellation, repurchase, resale and repayment of debt and equity securities.

**A8 Dividend paid**

There was no dividend paid during the current quarter.



**KUMPULAN PERANGSANG SELANGOR BERHAD**

Company No. 197501002218 / (23737-K)

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**UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE FIRST QUARTER ENDED  
31 MARCH 2022****A9 Segmental Information**

Segment Revenue	3 months ended					
	31.03.2022			31.03.2021		
	External Revenue	Inter-Segment Revenue	Total Revenue	External Revenue	Inter-Segment Revenue	Total Revenue
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Manufacturing	270,979	-	270,979	266,990	-	266,990
Trading	34,652	-	34,652	26,587	-	26,587
Licensing	21,298	-	21,298	9,370	-	9,370
Infrastructure	-	-	-	3,254	-	3,254
Investment holding	500	(500)	-	723	(631)	92
Property investment	2,248	-	2,248	2,100	-	2,100
<b>Total Revenue</b>	<b>329,677</b>	<b>(500)</b>	<b>329,177</b>	<b>309,024</b>	<b>(631)</b>	<b>308,393</b>

Segment Results	3 months ended	
	31.03.2022	31.03.2021
	RM'000	RM'000
Manufacturing	11,875	18,290
Trading	2,352	2,139
Licensing	16,574	4,956
Infrastructure *	(5,255)	(184)
Investment holding	(3,204)	(7,382)
Property investment	678	300
Oil & Gas *	881	887
<b>Total Profit Before Tax and Zakat</b>	<b>23,901</b>	<b>19,006</b>

\* 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 or valuation less accumulated depreciation and any impairment losses. Freehold land is stated at cost or valuation less any impairment losses and is not depreciated.

## **KUMPULAN PERANGSANG SELANGOR BERHAD**

Company No. 197501002218 / (23737-K)

(Incorporated in Malaysia)

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### **UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE FIRST QUARTER ENDED 31 MARCH 2022**

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#### **A11 Material and subsequent events**

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 except for:

**(i) Living with 2019 Novel Coronavirus (“Covid-19”) disease**

The COVID-19 pandemic, which started in 2020, remained an international concern as the number of COVID-19 cases continued to increase with the appearance of various variants of concern. As a result, the Movement Control Order (“MCO”) initially imposed by the Government of Malaysia had subsequently entered into various phases of the MCO, followed by the announcement of the National Recovery Plan (“NRP”) in June 2021, which details a roadmap to control the COVID-19 pandemic while progressively reopening society and the economic sectors towards the new normal under four progressive phases. The Government of Malaysia has announced Malaysia’s transition to endemic phase of Covid-19 on 1st April 2022.

The Group has business presence in Malaysia, the People’s Republic of China (“PRC”), Indonesia, Vietnam, and the United States of America (“USA”), as well as extended value chains in Hong Kong and the Eurozone. All these countries have implemented movement controls/restrictions or other similar measures that curtail the capacity of the labour force, affecting the overall business cycles of the Group.

Where affected, the Group’s operations have been challenged by the disruption in the supply chain, limited production capacity due to shortage of raw material, and as a result, slower inventory movement driven by the reduced end-demand from customers.

The Group expects its business operations to gradually return to normal operating levels, aided by the progressive roll-out of mass vaccination programmes globally. The timing of the Group’s recovery from the impact caused by the Covid-19 pandemic will affect the level of business of the Group.

Based on the assessment of the Group, there is no significant impact arising from the COVID-19 in respect of the judgements and assumptions used in the preparation of the financial statements for the financial period ended 31 March 2022. The Group will continue to assess the impact of the COVID-19 on the financial statements of the Group for the financial year ending 31 December 2022.

**(ii) Russia-Ukraine Conflict**

The Russia-Ukraine conflict resulted in the imposition of various economic sanctions on Russia by several countries across the world. These developments resulted in soaring global commodities and energy prices and supply chain disruption.

As at the date of this report, the Russia-Ukraine conflict is still evolving and remains unpredictable. Consequently, the Group and the Company are unable to estimate the financial effects of the situation at this juncture. The Group and the Company are actively monitoring and managing the operations of the Group and the Company to minimise any impact arising from these developments.

## KUMPULAN PERANGSANG SELANGOR BERHAD

Company No. 197501002218 / (23737-K)

(Incorporated in Malaysia)

### UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE FIRST QUARTER ENDED 31 MARCH 2022

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

There were no other changes in the composition of the Group for the period ended 31 March 2022, including business combination, acquisition or disposal of subsidiaries, long term investments and restructuring except for the striking off of Selangor Amal Holdings Sdn Bhd (“SAH”), the wholly owned subsidiary of the Company. SAH is a dormant company since 2006. On 19 January 2022, SAH has been struck off from the register and dissolved following the publication of the notice of striking off pursuant to Section 551(1) of the Company Act 2016.

#### A13 Capital commitments

The amount of commitments not provided for in the unaudited interim financial statements as of 31 March 2022 is as follows:

	<b>RM'000</b>
Property, plant, and equipment:	
(i) Approved but not contracted for	<u>29,038</u>
(ii) Approved and contracted for	<u>18,450</u>

#### A14 Significant related party transactions

The following are the related party transactions of the Group:

	<b>3 months ended</b>	
	<b>31.03.2022</b>	<b>31.03.2021</b>
	<b>RM'000</b>	<b>RM'000</b>
Sales of products to a subsidiary company of non-controlling interest	4,502	3,666
Sale of products to related companies	14,567	12,176
Infrastructure revenue from a related company	-	340
Rental income from related companies	77	-
Rental and other expenses charged by related companies	(12)	(14)

#### A15 Contingent liabilities and contingent assets

The contingent liabilities as of 31 March 2022 are as follows:

i) <b>Secured:</b>	<b>RM'000</b>
Provision of proportionate corporate guarantee for an associate for working capital and issuance of bank guarantees	<u>44,586</u>
ii) <b>Unsecured</b>	
Performance guarantees to third parties	<u>677</u>

There were no contingent assets as at the reporting date.

## KUMPULAN PERANGSANG SELANGOR BERHAD

Company No. 197501002218 / (23737-K)

(Incorporated in Malaysia)

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### UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE FIRST QUARTER ENDED 31 MARCH 2022

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## B. ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA SECURITIES BERHAD LISTING REQUIREMENTS

### B1 Performance review

#### Current quarter against previous year corresponding quarter

Group revenue increased to RM329.2 million compared with RM308.4 million for the corresponding quarter 2021, representing an increase in revenue by 7% or RM20.8 million. The increase in revenue was attributable primarily to higher revenue from King Koil Manufacturing West, LLC (“KKMW”) by RM13.6 million, King Koil Licensing Company Inc (“KKLC”) by RM12.0 million and Aqua-Flo Sdn Bhd (“Aqua-Flo”) by RM8.1 million coupled with higher revenue from King Koil Sales Inc (“KCSI”), CPI (Penang) Sdn Bhd (“CPI”) and Century Bond Bhd (“CBB”) by RM5.2 million, RM3.1 million and RM0.3 million respectively netted off with lower revenue from Toyoplas Manufacturing (Malaysia) Sdn Bhd (“Toyoplas”), KPS-HCM Sdn Bhd (“KPS-HCM”) and Smartpipe Technology Sdn Bhd (“SPT”) by RM18.3 million, RM2.8 million and RM0.3 million respectively.

In line with higher revenue, the Group registered higher gross profit (“GP”) and GP margin mainly contributed by KKMW from the increase in sales price with favourable sales mix. The Group also recorded higher profit before tax and zakat of RM23.9 million as compared to corresponding quarter 2021’s profit before tax and zakat of RM19.0 million due to the reversal of impairment loss on cash generating unit of RM4.8 million and lower finance costs netted off with share of loss from associates, specifically from Sistem Penyuraian Trafik KI Barat Sdn Bhd (“SPRINT”) by RM3.9 million.

Performance of the respective operating business segments for the first quarter ended 31 March 2022 as compared to the preceding year corresponding quarter is analysed as follows:

#### 1. Manufacturing

The manufacturing sector recorded only 1% revenue growth, contributing RM271.0 million or 82% to the Group’s revenue compared to RM267.0 million in the corresponding quarter last year. The highest contributor is from Toyoplas with revenue of RM107.4 million. However, the revenue was lower by RM18.3 million or 15% compared to corresponding quarter 2021 due to lower sales at China and Indonesia. For China, it was mainly due to border issue for land deliveries to Vietnam coupled with several lockdown resulted from the risen of COVID-19 cases. For Indonesia, lower revenue led by congestion at US port, which is point of delivery for its products.

CBB posted a revenue contribution of RM59.4 million, higher by RM0.3 million or 1% from higher traction from the paper division. CPI also recorded higher revenue of RM53.9 million, higher than the corresponding quarter 2021 by RM3.1 million.

Meanwhile, KKMW contributed revenue of RM40.8 million, higher by RM13.6 million or 50% primarily due to strong turnaround by new and existing customers. KCSI also recorded higher revenue by RM5.2 million during the quarter due to persistent consumer demand.

However, this sector posted a lower profit before tax and zakat of RM11.9 million compared to RM18.3 million in the corresponding quarter 2021. Toyoplas posted a lower profit before tax and zakat by RM5.8 million led by a lower GP margin as a result of lower revenue as well as ongoing supply chain issues and cross border delivery congestion coupled with lower other income due to the recognition of gain on disposal of property, plant and equipment of RM5.0 million in corresponding quarter 2021. CPI and CBB also posted a lower profit before tax and zakat by RM1.3 million and RM1.1 million respectively also resulted from lower GP margin during the quarter.

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#### 1. Manufacturing (continued)

However, KKMW recorded higher profit before tax and zakat by RM1.7 million, resulted from the price hike of old products to offset the increase in material price coupled with favourable sales mix which led to higher GP margin during the quarter.

#### 2. Trading

Revenue of RM34.7 million was RM8.1 million or 30% higher than the corresponding quarter's revenue of RM26.6 million from the higher sale of water chemicals by Aqua-Flo Sdn Bhd ("Aqua-Flo").

In line with higher revenue, this sector recorded higher profit before tax and zakat of RM2.4 million compared to RM2.1 million in the corresponding quarter 2021.

#### 3. Licensing

This sector recorded significant increase in revenue of RM21.3 million during the current quarter compared to RM9.4 million in the corresponding quarter 2021, due to excess licensing revenue from international licensees mainly from China and Ireland coupled with upfront payment made by existing customer for renewal of long-term licensing agreement.

In line with higher revenue posted, this sector recorded a higher profit before tax of RM16.6 million compared to RM5.0 million in the corresponding quarter of 2021.

#### 4. Infrastructure

This sector has not secured any new project since the completion of the previous project . Hence, no revenue was recorded as compared to corresponding quarter 2021.

Higher loss before tax and zakat of RM5.3 million as compared to loss before tax and zakat of RM0.2 million recorded in the corresponding quarter 2021. The variance was also mainly resulted from the share of loss of an associate, specifically from SPRINT by RM3.9 million due to the recognition of additional amortisation on highway development expenditure during the quarter.

#### 5. Investment holding

This sector recorded lower loss before tax and zakat due to lower administrative costs during the quarter, led by the reversal on impairment on cash generating unit of RM4.8 million coupled with recognition of interest income amounting to RM1.7 million arising from the profit guarantee deferment.

#### 6. Property investment

Property investment registered revenue of RM2.2 million, slightly higher by RM0.1 million compared to corresponding quarter of 2021, which mainly derived from rental income at Plaza Perangsang and Wisma SAP.

The sector recorded a profit before tax and zakat of RM0.7 million as compared to a profit before tax and zakat of RM0.3 million in the corresponding quarter 2021 due to lower administrative cost during the quarter.

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#### **7. Oil and gas**

NGC Energy Sdn Bhd (“NGC Energy”) registered a profit after tax of RM2.2 million similar as corresponding quarter of 2021. The revenue was mainly from the Industrial and Commercial (“I&C”) segment and domestic sales of Liquefied Petroleum Gas (“LPG”). The Group’s share of profit was RM0.9 million during the quarter.

#### **B2 Comparison with the preceding quarter’s results**

The current quarter Group revenue decreased by RM6.7 million or 2% to RM329.2 million compared to RM335.9 million recorded in the fourth quarter of 2021. This was due to lower revenue from the manufacturing sector led by the ongoing supply chain issues coupled with the delivery and shipping backlogs as a result of the emergence of COVID-19 Omicron wave. The Group’s recorded slightly higher profit before tax and zakat of RM23.9 million compared to profit before tax and zakat of RM22.8 million in the preceding quarter, arising from higher other income during the quarter. However, profit after tax and zakat of RM16.4 million was lower during the quarter under review due to higher tax recognised compared to a profit after tax and zakat of RM20.8 million in the preceding quarter.

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

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

CBB started the year of 2022 on a positive note riding on the improving economic condition since 4Q2021. However, CBB remains cautious of the challenges ahead especially with the prolonged disruption in supply chains and business uncertainties that is expected to continue throughout 2022. This is further compounded by the Russia’s invasion of Ukraine that is creating further instability and unpredictability in the business. CBB is continuously building its resilience and agility in managing our supply chain issue (availability of raw material and price instability) to ensure a better performance for the year. This is further guided by our diversified business segments, disciplined business operations and continued adherence to relevant SOP’s and regulations whilst maintaining the safety and wellbeing of our employees.

The theme of the challenges faced by CPI has generally been similar with other businesses since the onset of the pandemic, namely supply disruptions (materials availability and price fluctuations), disruptions to operations (shut down or operating restrictions of own, customers’ & suppliers’ plants) as well as business sustainability (limited business development activities arising from global Covid-19 containment measures) – some had begun to show signs of improvements in 2021 albeit gradually, thus allowing CPI to be part of the ongoing global recovery. Unfortunately, this comeback was hampered by the threat of further disruptions arising from the Russia-Ukraine war – while no immediate impact was observed to the supply chain, there have been concerns over some materials availability and scarcity (ultimately pricing) which might take place in 2H 2022, forcing CPI and other businesses to maintain vigilance amidst these uncertainties. Over the next quarter, CPI seeks to preserve close communications with its stakeholders for optimum coordination in handling these difficulties.

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#### 1. Manufacturing (continued)

The performance of Toyoplas took a turn in 1Q2022 from the recovery path it was on since the second half of 2020. Demand in the industrial tools segment trended down to normalise to pre-pandemic levels while other sectors were heavily impacted by the global shortage of electronic components. In addition to that, Toyoplas operations in China had to observe operational shutdown imposed by the local governments during a local spike in COVID-19 cases. However, the negative impact of these factors was partly cushioned by the diverse operations Toyoplas has across multiple countries and its diverse clientele. Outlook in the near term is uncertain due to the dominance of the highly transmissible COVID-19 omicron variant in global cases and as the effects of the Russia – Ukraine war unfold in the supply chain.

Consecutive quarters of strong demand for the US furnishing industry came to a halt in March as consumer sentiment was driven down by inflation concerns, as well as lack of confidence in government economic policies and uncertainties on the outcome and ultimate impact of the Russian invasion of Ukraine. Full year inflation is expected to reach the highest in the US since the 1980s, led by escalating gas prices. With such negative outlook on the uncertainties ahead, consumers opted to conserve their income instead of spending despite the strong job growth post-pandemic. As retailers reported at least 30 – 50% decrease in store traffic, KKMW's recovery from the supply chain challenges of last year took a downturn along with the rest of the industry. Given the lack of visibility on how the next few months will unfold, KKMW is continuously engaging with its customers while maintaining close monitoring of its costs and organisation structure for the agility to respond efficiently as consumers' reaction to perceived and actual inflationary pressure continue to develop.

#### 2. Trading

Aqua-Flo recorded higher sales of water chemicals attributed mainly due to rainy season during beginning of the year. Aqua-Flo has also successfully secured one (1) water meter purchase order from Air Selangor amounting to RM0.61 million and successfully delivered the water meters to Air Selangor in February 2022. Subsequently, on 4 April 2022, Aqua-Flo executed the Framework Agreement for the supply of water meters to Air Selangor amounting to RM18.15 million. Aqua-Flo is focused on growth and shall pursue new business opportunities by continuously participating in new tenders to supply chemicals, related equipment, and water meters.

#### 3. Licensing

King Koil's network of international licensees has not escaped the economic impact of the COVID-19 pandemic in their respective markets to various degrees, just as our manufacturing operations are experiencing in the US market. King Koil Licensing Company Inc remains supportive of the licensees through the current uncertainties to ensure that they will emerge from the pandemic relatively unscathed and ready for the eventual rebound.

#### 4. Infrastructure

Central Spectrum (M) Sdn Bhd ("CSSB") and its consultants have submitted the final list of defects to be rectified by KPS-HCM. As such, KPS-HCM is targeting to obtain the Certificate of Making Good Defects by 2Q2022. Concurrently, KPS-HCM is working toward finalising the Project Account with CSSB.

SPT is in the process of completing the final phase work of pipe connection in Jalan Cheras-Kajang that was disrupted at the beginning of the year due to the flood incident in Selangor. SPT targets to obtain the final Certificate of Practical Completion in 2Q2022 subject to authority's permit approval on the final pipe connection.

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#### 4. Infrastructure (continued)

SPT is committed to complete the project and ensure a smooth DLP towards handing over the completed project to Air Selangor at the end of DLP.

#### 5. Oil and gas

The beginning of 2022 has shown some signs of improvement in the volume and NGC is expected to continue with the momentum especially for the I&C segment. NGC will continue to target higher growth and higher I&C customers which is in line with NGC's long-term strategy. NGC Energy will also continue its effort to gain more market access for Domestic segment. NGC Energy remain cautious about the uncertainty of a challenging operating environment.

#### 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	
	31.03.2022	31.03.2021
	RM'000	RM'000
Profit rate/Interest income from deposits with licensed bank	1,254	484
Interest income from profit guarantee deferment	1,700	-
Gain on the fair value of short-term funds	40	878
Gain on foreign exchange	5,029	5,210
Writeback of impairment	5,093	15
Finance costs	(5,236)	(6,289)
Loss on foreign exchange	(4,188)	(4,673)
Depreciation of property, plant and equipment	(10,631)	(10,565)
Depreciation of investment properties	(617)	(574)
Amortisation of intangible assets	(1,297)	(1,240)
Impairment of receivables	(334)	(35)
Impairment on inventories	(817)	(852)

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



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	3 months ended	
	31.03.2022	31.03.2021
	RM'000	RM'000
Income tax expense	7,914	7,141
Deferred tax recognised in income statement	(408)	(366)
Income tax expense	7,506	6,775
Zakat expense	-	-
Income tax and zakat expense	7,506	6,775

**B7 Status of corporate proposals**

There were no other corporate proposals during the period ended and subsequent to the reporting period except for the proposed disposal of all the securities of Sistem Penyuraian Trafik KI Barat Sdn Bhd ("SPRINT") held By Sistem Penyuraian Trafik KI Barat Holdings Sdn Bhd ("SPRINT Holdings") to Amanat Lebuhraya Rakyat Berhad ("ALR") ("Proposed Disposal").

On 2 April 2022, SPRINT Holdings received a conditional Letter of Offer from ALR in respect of ALR's proposed purchase of 100% equity interest held by SPRINT Holdings in SPRINT ("SPRINT Offer") at an enterprise value of RM1,808 million, subject to adjustment or modification in the manner to be set out in the definitive agreement to be executed between the parties.

Pursuant to Paragraph 9.03 of Bursa Malaysia Securities Berhad Main Market Listing Requirements, the Board of KPS had announced on 18 April 2022 that the Company's 20% associated company, SPRINT Holdings, has accepted the SPRINT Offer and the written acceptance has been delivered by SPRINT Holdings to ALR on the even date. SPRINT Holdings expects to commence negotiations with ALR to finalise the terms and conditions of the definitive agreement for the Proposed Disposal and to execute the definitive agreement subject to the following:

- (a) the completion of due diligence exercise on SPRINT, to the satisfaction of ALR;
- (b) approval by the relevant regulatory authority (including the Government of Malaysia ("GoM")) for the Offer to the satisfaction of ALR;
- (c) execution by SPRINT and the GoM of a supplemental concession agreement based on terms and conditions to be approved by ALR;
- (d) approval of an income tax exemption and stamp duty exemption from GoM for ALR and SPRINT upon completion of the Offer, to the satisfaction of ALR; and
- (e) the requisite shareholders' approval(s) of the respective shareholders of SPRINT Holdings for the disposal of SPRINT by SPRINT Holdings in accordance with the terms of the agreed format of the definitive agreement.

The Board of KPS will make the appropriate detailed announcements in relation to the Offer in due course.

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The Group borrowings as of 31 March 2022 are as follows:

<b>As at 1<sup>st</sup> Quarter 2022</b>			
	<b>Foreign Denomination RM'000 (USD)</b>	<b>Foreign Denomination RM'000 (USD)</b>	<b>Total Borrowings RM'000</b>
<b>Short term borrowings - secured</b>			
Revolving credits	8,475	32,794	41,269
Term loan	1,240	76,238	77,478
Banker's acceptance	-	4,719	4,719
Trust receipt	9,527	16,111	25,638
Overdraft	-	536	536
<b>Subtotal</b>	<b>19,242</b>	<b>130,398</b>	<b>149,640</b>
<b>Long term borrowings - secured</b>			
Term loan	1,819	364,653	366,472
<b>Subtotal</b>	<b>1,819</b>	<b>364,653</b>	<b>366,472</b>
<b>Total borrowings - secured</b>			
Revolving credits	8,475	32,794	41,269
Term loan	3,059	440,891	443,950
Banker's acceptance	-	4,719	4,719
Trust receipt	9,527	16,111	25,638
Overdraft	-	536	536
<b>Total</b>	<b>21,061</b>	<b>495,051</b>	<b>516,112</b>
<b>As at 1<sup>st</sup> Quarter 2021</b>			
	<b>Foreign Denomination RM'000 (USD)</b>	<b>RM Denomination RM'000</b>	<b>Total Borrowings RM'000</b>
<b>Short term borrowings - secured</b>			
Revolving credits	8,292	17,988	26,280
Term loan	1,425	105,750	107,175
Banker's acceptance	-	3,186	3,186
Trust receipt	7,436	16,913	24,349
Overdraft	-	759	759
<b>Subtotal</b>	<b>17,153</b>	<b>144,596</b>	<b>161,749</b>
<b>Long term borrowings - secured</b>			
Term loan	3,649	427,629	431,278
<b>Subtotal</b>	<b>3,649</b>	<b>427,629</b>	<b>431,278</b>
<b>Total borrowings - secured</b>			
Revolving credits	8,292	17,988	26,280
Term loan	5,074	533,379	538,453
Banker's acceptance	-	3,186	3,186
Trust receipt	7,436	16,913	24,349
Overdraft	-	759	759
<b>Total</b>	<b>20,802</b>	<b>572,225</b>	<b>593,027</b>

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#### B9 Material litigation

Save as disclosed below, neither the Company nor its subsidiary companies have been or are involved in any material litigations, claims or arbitrations either as plaintiffs or defendants and the Directors are not aware of any proceedings, pending or threatened, against the Company or its subsidiary companies or of any facts likely to give rise to any proceedings which might materially affect the financial position or business of the Company or its subsidiary companies.

**(i) Notice of Adjudication issued under Construction Industry Payment and Adjudication Act 2012 ("CIPAA") against Central Spectrum (M) Sdn Bhd ("CSSB") by KPS-HCM Sdn Bhd ("KPS-HCM")**

KPS-HCM has on 9 February 2022, received a notification from its appointed solicitors that a Notice of Adjudication against CSSB had been issued under CIPAA for the total sum of RM10,609,181.90 ("Adjudicated Sum"). Breakdown of which are as follows:

- (a) RM4,360,000.00 for the payment of first moiety of retention sum;
- (b) RM818,188.18 for the payment of wrongful deduction claims for work done of flood detention pond;
- (c) RM1,135,849.25 for the payment of idling claims due to the stop-work order instruction by CSSB;
- (d) RM4,295,144.45 for the payment of loss and expenses claims for five (5) extensions of time; and
- (e) Interest for total Adjudicated Sum from the payment claim date until full and final settlement and all costs incurred in the proceedings under CIPAA.

The claim by KPS-HCM is for works done and/or services rendered for the Adjudicated Sum from 5 July 2017 until 31 December 2020 pursuant to a Letter of Acceptance bearing reference no. CSSB/LA/3C-INFRA/KPS/17/016 dated 19 June 2017 whereby KPS-HCM was appointed by CSSB as the contractor for the proposed infrastructure work for the development of phase 3C, lot 74079, Pulau Indah Industrial Park, Mukim Klang, Daerah Klang, Selangor Darul Ehsan ("Contract").

A dispute has arisen between KPS-HCM and CSSB under the Contract arising from the claims made by KPS-HCM. The Payment Claim dated 2 December 2021 was served by KPS-HCM by hand vide a letter ref: RC/LIT/64262/21 and was received on the same date by CSSB. However, no Payment Response was received by KPS-HCM until the due date.

Hence, pursuant to Section 6(4) of CIPAA, if CSSB fails to serve any Payment Response in a manner provided under this section, it is deemed that CSSB has disputed the entire Payment Claim. As such, KPS-HCM proceeded with the filing Notice of Adjudication against CSSB.

On 29 March 2022, KPS-HCM served the adjudication claim on CSSB (Form 7). Subsequently, CSSB submitted the adjudication response on KPS-HCM on 21 April 2022. The adjudicator has instructed KPS-HCM to submit its reply on CSSB by 10 May 2022. The judgement from Adjudicator is targeted in June 2022.

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#### B9 Material litigation (continued)

- (ii) **Writ of Summons and Statement of Claim from 39 former employees of Quality Hotel City Centre (“QHCC”) being the hotel owned by Perangsang Hotel and Properties Sdn Bhd (“PHP”) against PHP, Kumpulan Perangsang Selangor Berhad (“KPS”) and Leo Hospitality Sdn Bhd (In liquidation) (“Leo”)**

On 25 May 2022, KPS together with PHP has received a letter dated 24 May 2022 from the solicitors representing 39 former employees of QHCC (“Plaintiffs”) accompanied by a Writ of Summons and Statement of Claim both dated 13 May 2022 (“Claim”) issued by the Kuala Lumpur High Court (“High Court”) demanding inter-alia the following Claim:

- a. Loss of retrenchment benefits totalling RM2,777,952.21 (“Amount”);
- b. Interest at the rate of 5% per annum on the Amount from 19 March 2018 or from such other date as determined by the High Court; and
- c. Other relief as the High Court deems fit.

Pursuant to a change of business direction whereby it was decided by the Board of KPS and PHP that, PHP exited the hospitality sector and accordingly, ceased operations of QHCC in 2017. All employees of QHCC including the Plaintiffs were offered employment and/or absorbed by Leo, the company that took over the hotel operations of QHCC, since 2017 on similar terms and conditions.

The Plaintiffs are alleging among others that KPS and/or PHP have misrepresented the Plaintiffs into believing that Leo was credible to fulfil its obligation as the new employer and therefore caused the Plaintiffs to have suffered losses under retrenchment benefits totalling RM2,777,952.21.

The Claim is not expected to have any material financial impact on KPS Group for the financial year ending 31 December 2022.

#### B10 Dividend

A single-tier final dividend of 2.5 sen per ordinary share of approximately RM13,434,635 in respect of the financial year ended 31 December 2021 was declared on 29 March 2022 which is subject to the shareholders’ approval at the Annual General Meeting on 7 June 2022 and to be paid on 6 July 2022.

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**B11 Earnings per share (“EPS”)**

## (a) Basic EPS

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

	<b>3 months ended</b>	
	<b>31.03.2022</b>	<b>31.03.2021</b>
Net profit attributable to owners of the parent (RM'000)	10,332	11,003
Weighted average number of shares in issue ('000)	537,385	537,385
Basic EPS	1.9	2.0

## (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****SELFIA BINTI MUHAMMAD EFFENDI**  
Company Secretary

Date: 27 May 2022