



**KUMPULAN PERANGSANG SELANGOR BERHAD**

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

*(Incorporated in Malaysia)*

**UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE QUARTER ENDED 30 SEPTEMBER 2022**

A1 Unaudited Condensed Consolidated Income Statement For The Quarter Ended 30 September 2022

PARTICULARS	INDIVIDUAL QUARTER				CUMULATIVE QUARTER			
	CURRENT YEAR QUARTER 30/09/2022 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 30/09/2021 RM'000	VARIANCE		CURRENT YEAR TO DATE 30/09/2022 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 30/09/2021 RM'000	VARIANCE	
			RM'000	%			RM'000	%
Revenue	382,766	360,097	22,669	6	1,037,457	992,240	45,217	5
Cost of sales	(301,324)	(285,013)	(16,311)	(6)	(824,603)	(804,303)	(20,300)	(3)
Gross profit	81,442	75,084	6,358	8	212,854	187,937	24,917	13
Other income	20,398	15,464	4,934	32	50,416	40,595	9,821	24
Other expenses	(67,810)	(50,187)	(17,623)	(35)	(177,399)	(148,022)	(29,377)	(20)
Operating profit	34,030	40,361	(6,331)	(16)	85,871	80,510	5,361	7
Finance costs	(5,749)	(5,958)	209	4	(16,203)	(18,252)	2,049	11
Share of (loss)/profit of associates	(1,813)	1,858	(3,671)	(198)	(7,395)	2,686	(10,081)	(375)
Profit before tax and zakat	26,468	36,261	(9,793)	(27)	62,273	64,944	(2,671)	(4)
Income tax and zakat	(9,538)	(8,190)	(1,348)	(16)	(24,213)	(21,827)	(2,386)	(11)
<b>Profit for the period</b>	<b>16,930</b>	<b>28,071</b>	<b>(11,141)</b>	<b>(40)</b>	<b>38,060</b>	<b>43,117</b>	<b>(5,057)</b>	<b>(12)</b>
Attributable to:								
- Owners of the parent	14,015	25,650	(11,635)	(45)	26,988	38,295	(11,307)	(30)
- Non-controlling interests	2,915	2,421	494	20	11,072	4,822	6,250	130
	<b>16,930</b>	<b>28,071</b>	<b>(11,141)</b>	<b>(40)</b>	<b>38,060</b>	<b>43,117</b>	<b>(5,057)</b>	<b>(12)</b>
Earnings per share ("EPS") attributable to owners of the parent (sen per share):								
Basic EPS	2.6	4.8	(2.2)	(45)	5.0	7.1	(2.1)	(30)
Diluted EPS	2.6	4.8	(2.2)	(45)	5.0	7.1	(2.1)	(30)

(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 30 September 2022**

PARTICULARS	INDIVIDUAL QUARTER				CUMULATIVE QUARTER			
	CURRENT YEAR QUARTER 30/09/2022 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 30/09/2021 RM'000	VARIANCE		CURRENT YEAR TO DATE 30/09/2022 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 30/09/2021 RM'000	VARIANCE	
			RM'000	%			RM'000	%
Profit for the period	16,930	28,071	(11,141)	(40)	38,060	43,117	(5,057)	(12)
Other comprehensive income (net of tax):								
Foreign currency translation reserve	7,161	1,971	5,190	263	14,717	11,326	3,391	30
<b>Total comprehensive income for the period</b>	<b>24,091</b>	<b>30,042</b>	<b>(5,951)</b>	<b>(20)</b>	<b>52,777</b>	<b>54,443</b>	<b>(1,666)</b>	<b>(3)</b>
Attributable to:								
- Owners of the parent	18,569	27,430	(8,861)	(32)	37,437	48,648	(11,211)	(23)
- Non-controlling interests	5,522	2,612	2,910	111	15,340	5,795	9,545	165
	<b>24,091</b>	<b>30,042</b>	<b>(5,951)</b>	<b>(20)</b>	<b>52,777</b>	<b>54,443</b>	<b>(1,666)</b>	<b>(3)</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 30 September 2022**

	<b>Unaudited 30-Sep-22 RM'000</b>	<b>Audited 31-Dec-21 RM'000</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	408,868	387,715
Right-of-use assets	97,616	99,817
Investment properties	44,823	46,602
Investments in associates	151,476	158,870
Intangible assets	245,891	251,340
Goodwill on consolidation	186,879	186,879
Long term receivable	2,214	1,403
Deferred tax assets	1,730	1,080
Club memberships	153	153
	<u>1,139,650</u>	<u>1,133,859</u>
<b>Current assets</b>		
Inventories	205,717	203,936
Trade and other receivables	478,503	476,721
Cash and bank balances and short term funds	361,027	461,802
Current tax assets	6,719	7,434
	<u>1,051,966</u>	<u>1,149,893</u>
<b>TOTAL ASSETS</b>	<b><u>2,191,616</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	24,424	13,975
Capital reserves	4,200	3,163
Retained earnings	495,104	485,324
<b>Shareholders' equity</b>	<u>1,061,655</u>	<u>1,040,389</u>
<b>Non-controlling interests</b>	<u>134,151</u>	<u>120,631</u>
<b>TOTAL EQUITY</b>	<b><u>1,195,806</u></b>	<b><u>1,161,020</u></b>
<b>Non-current liabilities</b>		
Other payables	2,089	2,048
Loans and borrowings	345,804	412,153
Lease liabilities	18,257	20,625
Deferred tax liabilities	106,186	107,085
Post-employment benefits	13,780	11,083
	<u>486,116</u>	<u>552,994</u>
<b>Current liabilities</b>		
Trade and other payables	293,891	357,316
Loans and borrowings	171,575	179,576
Lease liabilities	14,856	13,108
Contract liabilities	14,232	13,265
Current tax liabilities	15,140	6,473
	<u>509,694</u>	<u>569,738</u>
<b>TOTAL LIABILITIES</b>	<b><u>995,810</u></b>	<b><u>1,122,732</u></b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b><u>2,191,616</u></b>	<b><u>2,283,752</u></b>
Net assets per ordinary share attributable to owners of the parent (RM)	1.98	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 Period Ended 30 September 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	-	-	-	26,988	26,988	11,072	38,060
Gain on foreign currency translations	-	10,449	-	-	10,449	4,268	14,717
Total comprehensive income	-	10,449	-	26,988	37,437	15,340	52,777
Transactions with owners:							
Final dividend for financial year ended 31 December 2021	-	-	-	(13,435)	(13,435)	-	(13,435)
Dividends paid to non-controlling interests	-	-	-	-	-	(1,820)	(1,820)
Dividend paid to a preference shareholder of a subsidiary	-	-	-	(2,736)	(2,736)	-	(2,736)
Appropriation to statutory reserves	-	-	1,037	(1,037)	-	-	-
	-	-	1,037	(17,208)	(16,171)	(1,820)	(17,991)
<b>At 30 September 2022</b>	<b>537,927</b>	<b>24,424</b>	<b>4,200</b>	<b>495,104</b>	<b>1,061,655</b>	<b>134,151</b>	<b>1,195,806</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	-	-	-	38,295	38,295	4,822	43,117
Gain on foreign currency translations	-	10,353	-	-	10,353	973	11,326
Total comprehensive income	-	10,353	-	38,295	48,648	5,795	54,443
Transactions with owners:							
Dividend for financial year ended 31 December 2020	-	-	-	(13,434)	(13,434)	-	(13,434)
Dividends paid to non-controlling interests	-	-	-	-	-	(1,717)	(1,717)
Dividend paid to a preference shareholder of a subsidiary	-	-	-	(2,167)	(2,167)	-	(2,167)
Transfer of shares to minority shareholders	-	-	315	-	315	(315)	-
Re-measurement of post-employment benefits	-	-	(28)	-	(28)	-	(28)
Appropriation to statutory reserves	-	-	452	(452)	-	-	-
	-	-	739	(16,053)	(15,314)	(2,032)	(17,346)
<b>At 30 September 2021</b>	<b>537,927</b>	<b>9,871</b>	<b>2,666</b>	<b>476,502</b>	<b>1,026,966</b>	<b>115,598</b>	<b>1,142,564</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 Period Ended 30 September 2022**

	9 months ended	
	<u>30-Sep-22</u>	<u>30-Sep-21</u>
	RM'000	RM'000
<b>Cash Flows From Operating Activities</b>		
Profit before tax and zakat	62,273	64,944
Adjustment for non-cash items	70,477	36,711
Adjustment for non-operating items	<u>(21,174)</u>	<u>(18,746)</u>
Operating profit before working capital changes	111,576	82,909
Changes in working capital:		
Net change in current assets	48,377	(40,043)
Net change in current liabilities	<u>(97,332)</u>	<u>6,291</u>
Cash generated from operating activities	62,621	49,157
Tax and zakat paid, net of refunds received	<u>(19,593)</u>	<u>(19,019)</u>
<b>Net cash generated from operating activities</b>	<u>43,028</u>	<u>30,138</u>
<b>Cash Flows From Investing Activities</b>		
Dividend received	-	6,000
Profit rate/ interest income received	5,980	2,592
Gain on fair value of short term funds	106	2,664
Purchase of :		
- property, plant and equipments	(39,905)	(43,142)
- investment properties	(62)	-
Proceeds from disposal of :		
- property, plant and equipment	2,202	8,658
Net movements in money market deposits	<u>88,757</u>	<u>18,378</u>
<b>Net cash generated from/(used in) investing activities</b>	<u>57,078</u>	<u>(4,850)</u>
<b>Cash Flows From Financing Activities</b>		
Dividends paid to shareholders	(13,435)	(13,434)
Dividend paid to non-controlling interest of a subsidiary	(150)	(400)
Dividend paid to a preference shareholder of a subsidiary	(2,736)	(2,167)
Issuance of shares	-	122
Profit rate paid	(16,203)	(18,252)
Repayment of borrowings	(295,127)	(223,843)
Drawdown of borrowings	218,437	172,482
Repayment of obligations under finance leases	(8,625)	(8,122)
Proceeds from lease liabilities	595	-
Net movements in deposits with licensed banks	<u>(237)</u>	<u>(205)</u>
<b>Net cash used in financing activities</b>	<u>(117,481)</u>	<u>(93,819)</u>
Net decrease in cash and cash equivalents	(17,375)	(68,531)
Effect of exchange rate changes on cash and cash equivalents	5,148	7,319
Cash and cash equivalents at 1 January	<u>162,442</u>	<u>186,961</u>
<b>Cash and cash equivalents at 30 September</b>	<u>150,215</u>	<u>125,749</u>
Cash and cash equivalents included in the statement cash flows comprise:		
	<b>As at</b>	<b>As at</b>
	<u>30-Sep-22</u>	<u>30-Sep-21</u>
Cash and bank balances	361,027	362,031
Less:		
Deposits with licensed banks with maturity period of more than 3 months	(27,724)	(42,908)
Money market deposits	<u>(183,088)</u>	<u>(193,374)</u>
	<u>150,215</u>	<u>125,749</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 THIRD QUARTER ENDED 30 SEPTEMBER 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 THIRD QUARTER ENDED 30 SEPTEMBER 2022**

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#### **A2 Significant accounting policies (continued)**

##### **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**

A single-tier final dividend of 2.5 sen per ordinary share amounting to RM13,434,647 for the financial year ended 31 December 2021 was paid on 6 July 2022.



**KUMPULAN PERANGSANG SELANGOR BERHAD**

Company No. 197501002218 / (23737-K)

(Incorporated in Malaysia)

**UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE THIRD QUARTER ENDED  
30 SEPTEMBER 2022****A9 Segmental Information**

Segment Revenue	3 months ended					
	30.09.2022			30.09.2021		
	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	323,100	-	323,100	319,019	-	319,019
Trading	43,323	-	43,323	30,506	-	30,506
Licensing	9,844	-	9,844	8,617	-	8,617
Infrastructure	4,219	-	4,219	(258)	-	(258)
Investment holding	494	(494)	-	611	(611)	-
Property investment	2,280	-	2,280	2,213	-	2,213
<b>Total Revenue</b>	<b>383,260</b>	<b>(494)</b>	<b>382,766</b>	<b>360,708</b>	<b>(611)</b>	<b>360,097</b>

Segment Revenue	9 months ended					
	30.09.2022			30.09.2021		
	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	866,795	-	866,795	862,619	-	862,619
Trading	118,293	-	118,293	86,764	-	86,764
Licensing	40,872	-	40,872	26,637	-	26,637
Infrastructure	4,696	-	4,696	9,588	-	9,588
Investment holding	1,559	(1,559)	-	1,874	(1,874)	-
Property investment	6,801	-	6,801	6,632	-	6,632
<b>Total Revenue</b>	<b>1,039,016</b>	<b>(1,559)</b>	<b>1,037,457</b>	<b>994,114</b>	<b>(1,874)</b>	<b>992,240</b>

Segment Results	3 months ended		9 months ended	
	30.09.2022	30.09.2021	30.09.2022	30.09.2021
	RM'000	RM'000	RM'000	RM'000
Manufacturing	28,821	38,079	57,587	68,788
Trading	1,998	2,395	6,547	6,795
Licensing	5,248	4,112	26,161	14,302
Infrastructure *	(132)	517	(7,112)	(89)
Investment holding	(9,554)	(8,540)	(23,289)	(26,417)
Property investment	368	(139)	1,468	541
Oil & Gas *	(281)	(163)	911	1,024
<b>Total Profit Before Tax and Zakat</b>	<b>26,468</b>	<b>36,261</b>	<b>62,273</b>	<b>64,944</b>

\* Inclusive of share of profit of associates

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(Incorporated in Malaysia)

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### UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2022

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#### 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.

#### 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 30 September 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.

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### UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2022

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

There were no other changes in the composition of the Group for the period ended 30 September 2022, including business combination, acquisition or disposal of subsidiaries, long term investments and restructuring except for:

**(i) Striking off of Brisdale International Hotel Sdn. Bhd. (“BIH”)**

BIH, the wholly owned indirect subsidiary of the Company via Cash Band (M) Berhad. BIH has ceased its operation since 2015. On 22 July 2022, BIH has been struck off from the register and dissolved following the publication of the notice of striking off pursuant to Section 551(3) of the Company Act 2016.

**(ii) Voluntary winding up of Toyoplas Manufacturing (Nanning) Co. Ltd. (“TMN”)**

TMN an indirect wholly-owned subsidiary of Toyoplas Manufacturing (Malaysia) Sdn Bhd (“Toyoplas”), which in turn is an indirect wholly-owned subsidiary of the Company, had on 30 August 2022 commenced its voluntary winding-up. The company was principally involved in the production and sale of plastic moulds, plastic accessories for electrical appliances, electrical appliances and accessories and communication products. It has ceased its operations since 26 August 2022 and is currently dormant.

There are no expected losses on the voluntary winding-up, and the Group is not expected to incur any financial nor operational impact therefrom. The completion of the voluntary winding-up proceedings is subject to clearance of the relevant authorities in the PRC.

**(iii) Member’s voluntary winding up of Cenbond Packages Sdn Bhd**

Cenbond Packages Sdn Bhd (“Cenbond Packages”), a wholly owned subsidiary of Century Bond Bhd had commenced its member’s voluntary winding up on 1 November 2021. Cenbond Packages was a dormant company when the member’s voluntary winding up was commenced.

The final meeting was held on 8 August 2022 and the Company shall be dissolved on the expiration of three months after the lodging of the return with the Registrar of Companies and Official Receiver.

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**UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE THIRD QUARTER ENDED  
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The amount of commitments not provided for in the unaudited interim financial statements as of 30 September 2022 is as follows:

	<b>RM'000</b>
Property, plant, and equipment:	
(i) Approved but not contracted for	<u>24,873</u>
(ii) Approved and contracted for	<u>13,155</u>

**A14 Significant related party transactions**

The following are the related party transactions of the Group:

	<b>3 months ended</b>		<b>9 months ended</b>	
	<b>30.9.2022</b>	<b>30.9.2021</b>	<b>30.9.2022</b>	<b>30.9.2021</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Sales of products to a subsidiary company of	4,080	3,841	13,011	12,125
Sale of products to related companies	22,293	14,950	55,428	40,247
Infrastructure revenue from a related	-	253	-	1,990
Rental income from related companies	77	77	231	103
Rental and other expenses charged by related companies	(12)	(12)	(35)	(38)

**A15 Contingent liabilities and contingent assets**

The contingent liabilities as of 30 September 2022 are as follows:

i) <b>Secured:</b>	<b>RM'000</b>
Provision of proportionate corporate guarantee for an associate for revolving credits and issuance of bank guarantees	<u>42,186</u>
ii) <b>Unsecured</b>	
Performance guarantees to third parties	<u>568</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 THIRD QUARTER ENDED 30 SEPTEMBER 2022

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

##### B1 Performance review

###### a) Current quarter against previous year corresponding quarter

Group revenue increased to RM382.8 million compared with RM360.1 million for the corresponding quarter 2021, representing an increase in revenue by 6% or RM22.7 million. The increase in revenue was attributable primarily to higher revenue from the trading sector by RM12.8 million or 42%, licensing sector by RM1.3 million and manufacturing subsidiaries namely Toyoplas Manufacturing (Malaysia) Sdn Bhd (“Toyoplas”) by RM15.7 million, Century Bond Bhd (“CBB”) by RM12.9 million, and CPI (Penang) Sdn Bhd (“CPI”) by RM6.6 million. netted off with lower revenue from King Koil Manufacturing West, LLC (“KKMW”) by RM24.7, million, and King Koil Sales Inc (“KCSI”) by RM6.5 million.

In line with higher revenue, the Group registered higher gross profit (“GP”) and GP margin mainly contributed by improved margin at KKMW resulted from improved product mix as well as from CBB due to higher average selling price of paper division. However, the Group recorded lower profit before tax and zakat of RM26.5 million as compared to corresponding quarter 2021 profit before tax and zakat of RM36.3 million due to the absence of a one-off gain on the disposal of properties at Toyoplas amounting to RM10.3 million recognised in corresponding quarter 2021, coupled with higher share of losses from associates in the current quarter.

Performance of the respective operating business segments for the third quarter ended 30 September 2022 as compared to the preceding year corresponding quarter is analysed as follows:

##### 1. Manufacturing

The manufacturing sector recorded higher revenue by 1%, contributing RM323.1 million or 84% to the Group’s revenue compared to RM319.0 million in the corresponding quarter last year. The highest contributor is from Toyoplas with revenue of RM169.9 million compared to RM154.2 million recorded in the corresponding quarter 2021, with 10% increased due to new projects from existing customers which lifted Malaysia and China sales respectively.

CBB posted a revenue contribution of RM64.1 million, higher by RM12.9 million or 25% from higher traction from the paper division. CPI also recorded higher revenue of RM57.0 million, higher than the corresponding quarter 2021 by RM6.6 million mainly derived from higher sales on all business segments except for healthcare.

Meanwhile, KKMW contributed revenue of RM29.3 million, lower by RM24.7 million due the contract termination of one major customer. KCSI also recorded lower revenue by RM6.5 million during the quarter.

Despite of the higher revenue, this sector posted a lower profit before tax and zakat of RM28.8 million compared to RM38.1 million in the corresponding quarter 2021 led by lower profit before tax and zakat at Toyoplas by RM11.4 million derived from lower GP margin and other income with higher administrative expenses during the quarter.

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#### B1 Performance review (continued)

##### a) Current quarter against previous year corresponding quarter (continued)

###### 1. Manufacturing (continued)

KKMW also posted loss before tax and zakat of RM0.3 million, lower by RM1.5 million in line with lower revenue during the quarter. However, CBB and CPI recorded higher profit before tax and zakat by RM2.7 million and RM1.4 million respectively resulted from the higher revenue.

###### 2. Trading

Revenue of RM43.3 million was RM12.8 million or 42% higher than the corresponding quarter's revenue of RM30.5 million from the higher sale of water chemicals arising from new contracts secured and sale of water meter by Aqua-Flo.

However, this sector recorded lower profit before tax and zakat of RM2.0 million compared to RM2.4 million in the corresponding quarter 2021. The reason for the lower profit before tax and zakat is because of higher cost of sales incurred for the new contracts secured for water chemicals and water meter.

###### 3. Licensing

This sector recorded an increase in revenue of RM9.8 million during the current quarter compared to RM8.7 million in the corresponding quarter 2021, due to higher licensing revenue from the international licensees.

In line with higher revenue, this sector recorded higher profit before tax of RM5.2 million compared to RM4.1 million in the corresponding quarter of 2021.

###### 4. Infrastructure

This sector includes results of subsidiaries; KPS-HCM and SPT as well as share of profits and loss from associate companies namely Sistem Penyuraian Trafik KI Barat Holdings Sdn Bhd ("SPRINT Holdings") and Perangsang Water Management Sdn Bhd.

KPS-HCM recorder higher revenue due to final claim mainly derived from Variation Order on road resurfacing works amounting to RM4.2 million. Meanwhile, SPT have not secured any new project since the completion of their existing project.

However, despite of higher revenue recorded, this sector contributed to share of loss from associates of RM1.5 million, which has resulted to loss before tax and zakat of RM0.1 million as compared to profit before tax and zakat of RM0.5 million recorded in the corresponding quarter 2021.

###### 5. Investment holding

This sector recorded RM9.6 million loss before tax and zakat, higher loss compared to RM8.5 million due to reversal of impairment made back during the corresponding quarter 2021.

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#### B1 Performance review (continued)

##### a) Current quarter against previous year corresponding quarter (continued)

###### 6. Property investment

Property investment registered revenue of RM2.3 million, slightly higher than corresponding quarter 2021 of RM2.2 million due to higher rental income at Plaza Perangsang and Wisma SAP.

In line with higher revenue, the sector recorded higher profit before tax and zakat of RM0.4 million compared to loss before tax and zakat of RM0.1 million during the corresponding quarter 2021.

###### 7. Oil and gas

NGC Energy Sdn Bhd ("NGC Energy") registered a slightly higher loss after tax and zakat of RM0.8 million compared to loss of RM0.6 million during the corresponding quarter of 2021. The Group's share of loss was RM0.3 million during the quarter.

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

For the nine months ended 30 September 2022, the Group registered revenue of RM1,037.5 million compared to RM992.2 million in the corresponding period 2021, representing an increase in revenue by RM45.2 million or 5%. Higher revenue was mainly due to one off upfront payment made by existing customer for renewal of long-term licensing agreement and better performance at trading sector.

The Group's profit before tax and zakat for the current period of RM62.3 million was 4% or RM2.7 million lower than the corresponding period 2021 of RM64.9 million, mainly due to lower contributions from manufacturing sector netted off with higher contributions from licensing sectors. Higher administrative expenses recorded coupled with lower share of profit from associates also led to the decrease in profit before tax and zakat during the period.

Performance of the respective operating business segments for the nine months ended 30 September 2022 as compared to the preceding year corresponding period is analysed as follows:

###### 1. Manufacturing

The manufacturing sector contributed revenue of RM866.8 million and profit before tax and zakat of RM57.6 million compared to corresponding period 2021 revenue of RM862.6 million and profit before tax and zakat of RM68.8 million.

The increase in revenue of RM4.2 million was mainly from CPI by RM16.4 million and CBB by RM11.7 million offset by lower revenue at KKMW by RM11.2 million, Toyoplas by RM10.0 million and KCSI by RM2.8 million.

However, this sector shows lower profits in the current period resulting from a decrease in profit before tax and zakat from Toyoplas by RM13.3 million as a result from the absence in one off gain from properties' disposal whilst CPI recorded lower profit before tax and zakat by RM0.4 million. KKMW, CBB and KCSI recorded increase in profit before tax and zakat by RM1.7 million, RM0.7 million and RM0.4 million respectively.

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#### B1 Performance review (continued)

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

###### 2. Trading

The trading sector posted revenue of RM118.3 million, higher by 36% or RM31.5 million due to higher revenue from the sale of water chemicals and water meter.

Despite of higher revenue recorded, this sector shows lower profit before tax and zakat by RM0.2 million, 4% lower than the corresponding period 2021 due to lower GP margin during the period.

###### 3. Licensing

The licensing sector recorded revenue of RM40.9 million as compared to the corresponding period 2021 of RM26.6 million, representing an increase in revenue by 53% or RM14.2 million primarily attributed to one off revenue on the upfront payment made by existing customer for renewal of long-term licensing agreement.

The one-off revenue has also resulted higher profit before tax and zakat by RM11.9 million in the current period as compared to corresponding period 2021.

###### 4. Infrastructure

Lower revenue of RM4.7 million compared to RM9.6 million in the corresponding period 2021 was mainly due to lower revenue at KPS-HCM and SPT due to project completion.

In line with lower revenue, this sector recorded loss before tax and zakat for the current period of RM7.1 million, more than 100% lower than the corresponding period profit before tax and zakat of RM0.1 million. Higher loss recorded was also due to the share of loss from SPRINT of RM9.0 million compared to the share of loss of RM0.7 million recorded in the corresponding period 2021.

###### 5. Investment holding

This sector recorded a lower loss before tax and zakat of RM23.3 million as compared to a loss before tax and zakat of RM26.4 million in the corresponding period 2021 due to higher other income led by the reversal of impairment on cash generating units during the period under review.

###### 6. Property Investment

The property investment sector recorded slightly higher revenue of RM6.8 million than RM6.6 million in the corresponding period in 2021, mainly due to higher rental income at KPS.

However, this sector recorded slightly lower profit before tax and zakat of RM0.9 million compared to profit before tax and zakat of RM1.0 million due to higher administrative costs.

###### 7. Oil and gas

For the current period, NGC Energy registered profit after tax of RM2.3 million, which translated into the Group's share of profit of RM0.9 million, similar to corresponding period 2021.



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

The current quarter Group revenue is higher by RM57.3 million or 18% to RM382.8 million compared to RM325.5 million recorded in the second quarter of 2022. This was due to stronger performance at manufacturing sector. The Group's recorded a profit before tax and zakat of RM26.5 million compared to profit before tax and zakat of RM11.9 million in the preceding quarter, arising from higher revenue. This led to the profit after tax and zakat of RM16.9 million during the quarter under review compared to a profit after tax and zakat of RM4.7 million in the preceding quarter.

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

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

The continuous positive note riding on the improving economic condition since early of 2022 translated into a better performance of CBB for the first 9 months of the year. However, CBB remains cautious of the challenges ahead especially with the prolonged disruption in supply chains (mainly shortage of paper rolls and electronic components) and business uncertainties that is expected to continue throughout 2022 and highly likely to persist in 2023 as well. 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, established strategic initiatives and operational excellence.

In general, CPI continued to demonstrate resilience amidst the prolonged market volatility and disruptions stemming from the Covid-19 pandemic, which did show some signs of improvement over time. While that is still being dealt with, it would be premature to assume that the recovery will be smooth sailing particularly considering the emergence of the other interruptions e.g. the high interest rate environment & inflationary pressures alongside the energy crisis, all of which had and will continue to intensify pressure on the overall market demand over the next quarter and even next year. As no businesses will likely make it out of these turbulences unscathed, CPI strives to keep agile in order to mitigate any impending impact towards its business.

The financial performance of Toyoplas improved significantly in 3Q2022, catching up on production backlogs in the previous quarter mainly as a result of the lockdown in Shanghai. Toyoplas remains cautious on the outlook for the coming quarter characterised by potential slower end-market demand as well as ongoing supply chain issues particularly on the shortage of electronic components and increased material cost which has yet to normalise to pre-pandemic condition, albeit gradual easing seen over the past few months. In addition to that, COVID-19 remains a real challenge for Toyoplas' operations in China, evident by the latest partial lockdowns in Shanghai in October. Nonetheless, should a full lockdown occur, it would be partly cushioned by operations in Vietnam, which will see production levels increase with the slew of additional projects transferred from China recently and commencement of operations of the new plant there.

Consecutive quarters of strong demand for the US furnishing industry came to a halt in March 2022 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, hitting directly on consumers' day-to-day spending needs with food, electricity and gasoline prices increasing by 10.4%, 13.7% and 59.9% just in the past year (source: US Bureau of Labour Statistics). Paired with rising interest rates and housing rent, this understandably has immediate negative impact on consumers' spending on discretionary items, house furnishing included.

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#### B3 Commentary on prospects (continued)

##### 1. Manufacturing (continued)

Retailers now must invest more marketing dollars to pull traffic to their stores, and KKMW worked collaboratively with key customers over the summer promotional calendar to offer attractive deals for consumers. This ability to work in partnership with our customers will be a key competitive advantage as current market conditions are expected to persist through the next year, and King Koil's focus on high-end lines allows healthy margins to still be shared with the retailers.

##### 2. Trading

Aqua-Flo recorded higher sales of water chemicals year-to-date 2022 compared to the same period last year attributed mainly due to the rainy season during the beginning of the year, supported by revenue from new contracts awarded in March and June for the new line of chemicals to customers. Through the water meter contract obtained from Pengurusan Air Selangor Sdn Bhd ("Air Selangor") in April 2022, revenue from the water meter segment has materialized at RM15.6 million and is expected to increase until end of the year. In order to ensure competitiveness in tender participation, Aqua-Flo continues to exert a concerted effort to monitor the current trends of pricing from suppliers as a result of the market uncertainties leading to supply chain disruption due to surrounding raw material costs, severe weakening of Ringgit compared to USD and higher transportation costs which have impacted Aqua-Flo margin year-to-date. Aqua-Flo is committed to expansion and will persistently look for new prospects for all business segments.

##### 3. Licensing

As the world continues to recover from the worst of the COVID-19 pandemic, KKLC seeks more proactive ways and closer engagement to support its network of international licensees to navigate the paths to recovery in their respective markets.

##### 4. Infrastructure

Statement of Final Account between KPS-HCM and Central Spectrum Sdn Bhd has been finalised and signed by all relevant parties. KPS-HCM is targeting to obtain the Certificate of Making Good Defects by fourth quarter 2022.

SPT has successfully completed Package-12 project for the balance final work of pipe connection in Jalan Cheras-Kajang on 11 May 2022 as per the schedule according to the permit granted by Air Selangor. Certificate of Practical Completion ("CPC") application was submitted thereafter, having approval granted by Air Selangor after inspection was conducted. With the completion of Package-12 project along with the CPC, SPT is undergoing a Defect Liability Period for 18 months towards handing over the project to Air Selangor.

##### 5. Oil and gas

In third quarter 2022, sales for the Domestic segment improved even though the market movement and recovery were slower than anticipated which had impacted the Industrial & Commercial ("I&C") segment. NGC Energy will continue its effort to target more I&C customers which is in line with NGC Energy'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.

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No profit forecast or profit guarantee was issued during the current quarter.

**B5 Other income/(expenses)**

Included in other income/(expenses) are the following credits/(charges):

	3 months ended		9 months ended	
	30.9.2022	30.9.2021	30.9.2022	30.9.2021
	RM'000	RM'000	RM'000	RM'000
Profit rate/Interest income from the deposit with licensed bank	1,587	492	4,317	2,592
Interest income from profit guarantee deferment	-	-	1,663	-
Gain on the fair value of short-term funds	26	699	106	2,664
Gain on foreign exchange	16,929	1,857	34,528	12,603
Writeback of impairment	266	156	5,417	188
Finance costs	(5,749)	(5,958)	(16,203)	(18,252)
Loss on foreign exchange	(15,856)	(1,091)	(30,876)	(10,790)
Depreciation of property, plant and equipment	(13,255)	(11,020)	(34,926)	(32,194)
Depreciation of investment properties	(608)	(575)	(1,825)	(1,723)
Amortisation of intangible assets	(1,321)	(1,271)	(3,924)	(3,777)
Impairment of receivables	(301)	-	(842)	(147)
Impairment on inventories	(467)	(100)	(1,790)	(961)
Impairment on property, plant, and equipment	-	(1,056)	-	(1,056)
Impairment on goodwill	-	(126)	-	(126)

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

**B6 Income tax expense**

	3 months ended		9 months ended	
	30.9.2022	30.9.2021	30.9.2022	30.9.2021
	RM'000	RM'000	RM'000	RM'000
Income tax expense	9,675	8,503	23,376	20,210
Deferred tax recognised in income statement	(325)	(313)	(1,213)	(883)
Income tax expense	9,350	8,190	22,163	19,327
Zakat expense	188	-	2,050	2,500
Income tax and zakat expense	9,538	8,190	24,213	21,827

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#### **B7 Status of corporate proposals**

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

On 2 April 2022, SPRINT Holdings received a conditional Letter of Offer (“CLOO”) 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.

On 18 April 2022, 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 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.

On 8 June 2022, SPRINT Holdings and ALR have agreed and finalised the terms and conditions of the draft share sale and purchase agreement.

On 5 August 2022, all the conditions as set out in CLOO have been fulfilled. Accordingly, on even date, SPRINT Holdings had entered into the finalised share sale and purchase agreement with ALR for the Disposal.

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#### **B7 Status of corporate proposals (continued)**

The Board of KPS had further announced that the Share Sale and Purchase Agreement (“SSPA”) has become unconditional on 13 October 2022 following the fulfilment of the conditions precedent stipulated in the SSPA in respect of the Disposal. As such, the Disposal was completed on 13 October 2022 in accordance with the terms and conditions of the SSPA.

Following the above, SPRINT Holdings, being a 20% associated company of KPS, had on 13 October 2022 received a total sum of RM863.0 million from ALR. Accordingly, SPRINT has ceased to be a subsidiary of SPRINT Holdings.

Subsequently on 25 October 2022, the Company has received its 20% of the proceeds from the Disposal amounting to RM172.6 million from SPRINT Holdings in the form of dividend of RM43.8 million and redemption of non-cumulative redeemable preference shares of RM128.8 million. The Board of KPS has on 25 November 2022 approved the declaration of a special dividend of 4.5 sen per ordinary share for the financial year ending 31 December 2022. The dividend will be payable on 30 December 2022 to shareholders registered in the Records of Depositors at the close of business on 12 December 2022.

The remaining proceeds from the Disposal is expected to be utilised by KPS for meeting KPS’s overall strategies set by the Board at an appropriate time, including but not limited to, maintaining and/or expanding its on-going business, achieving a lean balance sheet and/or executing other purposes to ensure the continued sustainability of KPS’s performance, as may be determined by the Board.

KPS will disclose the application of the utilisation of Proceeds and its breakdown, including the timeframe for full utilisation of Proceeds in KPS’ quarterly reports submitted to Bursa Securities pursuant to Paragraph 9.22 of the MMLR.

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The Group borrowings as of 30 September 2022 are as follows:

As at 3 <sup>rd</sup> Quarter 2022			
Foreign Denomination RM'000 (USD)	RM Denomination RM'000	Total Borrowings RM'000	
<b>Short term borrowings - secured</b>			
Revolving credits	16,233	40,154	56,387
Term loan	1,200	70,476	71,676
Banker's acceptance	-	11,773	11,773
Trust receipt	9,846	21,472	31,318
Overdraft	-	421	421
<b>Subtotal</b>	<b>27,279</b>	<b>144,296</b>	<b>171,575</b>
<b>Long term borrowings - secured</b>			
Term loan	1,649	344,155	345,804
<b>Subtotal</b>	<b>1,649</b>	<b>344,155</b>	<b>345,804</b>
<b>Total borrowings - secured</b>			
Revolving credits	16,233	40,154	56,387
Term loan	2,849	414,631	417,480
Banker's acceptance	-	11,773	11,773
Trust receipt	9,846	21,472	31,318
Overdraft	-	421	421
<b>Total</b>	<b>28,928</b>	<b>488,451</b>	<b>517,379</b>
As at 3 <sup>rd</sup> Quarter 2021			
Foreign Denomination RM'000 (RMB)	Foreign Denomination RM'000 (USD)	RM Denomination RM'000	Total Borrowings RM'000
<b>Short term borrowings - secured</b>			
Revolving credits	9,834	6,942	29,514
Term loan	-	1,303	89,162
Banker's acceptance	-	-	4,601
Trust receipt	-	8,332	14,672
Overdraft	-	-	649
<b>Subtotal</b>	<b>9,834</b>	<b>16,577</b>	<b>138,598</b>
<b>Long term borrowings - secured</b>			
Term loan	-	5,121	397,999
<b>Subtotal</b>	<b>-</b>	<b>5,121</b>	<b>397,999</b>
<b>Total borrowings - secured</b>			
Revolving credits	9,834	6,942	29,514
Term loan	-	6,424	487,161
Banker's acceptance	-	-	4,601
Trust receipt	-	8,332	14,672
Overdraft	-	-	649
<b>Total</b>	<b>9,834</b>	<b>21,698</b>	<b>536,597</b>

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#### B9 Material litigations

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.

On 7 July 2022, KPS-HCM has received a Notice of Arbitration pursuant to Article 2.2 of the Pertubuhan Akitek Malaysia ("PAM") Arbitration Rules dated 7 July 2022 from CSSB initiating arbitration against KPS-HCM ("Arbitration Proceeding").

## KUMPULAN PERANGSANG SELANGOR BERHAD

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### UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2022

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#### B9 Material litigations (continued)

(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") (continued)**

Breakdown of the claim by CSSB are as follows:

- a. A ruling and/or declaration that KPS-HCM is not entitled to the idling claims of RM1,135,849.25 and the loss and expenses claims amounting to RM4,295,144.45;
- b. Losses of RM763,000.00 for the appointment of Grand Capital Builder Sdn Bhd as third-party contractor in respect of Flood Detention Pond ("FDP") works; and
- c. All cost arising from the arbitration proceedings, which include legal costs and arbitrator's fees.

The adjudicator had delivered his decision on 14 July 2022. The adjudication decision is as follows:

- (a) KPS-HCM's claim for the 1st moiety of retention sum of RM4,360,000.00 is allowed;
- (b) The payment certificate for the 1st moiety of retention sum is varied to the extent that the date of its issuance is 30 April 2021 and the amount payable thereunder is RM4,360,000.00;
- (c) KPS-HCM is entitled to be paid interest on the said sum of RM4,360,000.00 at the simple rate of 10% per annum from 16 April 2021 to 15 April 2022 amounting to RM436,000;
- (d) KPS-HCM is entitled to be paid interest on the said sum of RM4.36 million at the simple rate of 6.4% per annum (5.4% + 1.0%) from 16 April 2022 to 14 July 2022 amounting to RM68,804.38 and thereafter until full settlement; and
- (e) All other principal claims of KPS-HCM are disallowed.

CSSB has made the full payment based on the adjudication decision above amounting to RM4,930,330.34 on 20 July 2022. KPS-HCM has on the same date issued a letter to CSSB on settlement terms and CSSB agreed to the settlement terms and on 2 August 2022 has informed the President of PAM of CSSB's withdrawal of the Arbitration Proceeding.

(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.



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### UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2022

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#### B9 Material litigations (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”) (continued)**

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.

On 8 June 2022, KPS has filed its Memorandum of Appearance in the High Court through its solicitors namely, Messrs Justin Wee.

PHP and KPS have filed their respective statement of defence to High Court on 4 July 2022 and subsequently received the Plaintiffs’ Reply to Statement of Defence on 27 July 2022.

KPS and PHP have on 4 August 2022 filed a striking-out application against the Plaintiffs’ action on the grounds that the Plaintiffs’ action against KPS and PHP is an abuse of the process of the court and ought to be struck out.

The Board of KPS wishes to announce that PHP and KPS had on 19 September 2022 attended the Case Management and the Court has directed as follows:

1. all parties to file their respective written submission on or before 19 October 2022;
2. any submission in reply to be filled on or before 9 November 2022; and
3. the Striking Out Application will be heard on 14 December 2022.

KPS will make the necessary announcement on further development of this matter in due course.

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

#### B10 Dividend

The Board of Directors had approved and declared :

- i) A single-tier interim dividend of 2.0 sen per ordinary share of RM10,747,708 in respect of the financial year ending 31 December 2022.; and
- ii) A single-tier special dividend of 4.5 sen per ordinary share of RM24,182,342 in respect of the financial year ending 31 December 2022.

Both dividends will be payable on 30 December 2022 to shareholders registered in the Records of Depositors at the close of business on 12 December 2022.

**KUMPULAN PERANGSANG SELANGOR BERHAD**

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**UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE THIRD QUARTER ENDED  
30 SEPTEMBER 2022****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>9 months ended</b>	
	<b>30.9.2022</b>	<b>30.9.2021</b>	<b>30.9.2022</b>	<b>30.9.2021</b>
Net profit attributable to owners of the parent (RM'000)	14,015	25,650	26,988	38,295
Weighted average number of shares in issue ('000)	537,385	537,385	537,385	537,385
Basic EPS	2.6	4.8	5.0	7.1

## (a) 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: 25 November 2022