



KUMPULAN PERANGSANG SELANGOR BERHAD

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

(Incorporated in Malaysia)

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

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

PARTICULARS	INDIVIDUAL QUARTER				CUMULATIVE QUARTER			
	CURRENT YEAR QUARTER 31/12/2022 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 31/12/2021 RM'000	VARIANCE		CURRENT YEAR TO DATE 31/12/2022 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 31/12/2021 RM'000	VARIANCE	
			RM'000	%			RM'000	%
Revenue	322,079	335,908	(13,829)	(4)	1,359,536	1,328,148	31,388	2
Cost of sales	(251,167)	(268,346)	17,179	6	(1,075,771)	(1,072,649)	(3,122)	(0)
Gross profit	70,912	67,562	3,350	5	283,765	255,499	28,266	11
Other income	28,073	12,247	15,826	129	78,489	52,842	25,647	49
Other expenses	(168,307)	(55,534)	(112,773)	(203)	(345,705)	(203,556)	(142,149)	(70)
Operating (loss)/profit	(69,322)	24,275	(93,597)	(386)	16,549	104,785	(88,236)	(84)
Finance costs	(6,509)	(5,887)	(622)	(11)	(22,711)	(24,139)	1,428	6
Share of profit of associates	131,615	4,591	127,024	2,767	124,220	7,277	116,943	1,607
Profit before tax and zakat	55,784	22,979	32,805	143	118,058	87,923	30,135	34
Income tax and zakat	(7,431)	(2,212)	(5,219)	(236)	(31,645)	(24,039)	(7,606)	(32)
Profit for the period	48,353	20,767	27,586	133	86,413	63,884	22,529	35
Attributable to:								
- Owners of the parent	46,749	18,905	27,844	147	73,737	57,200	16,537	29
- Non-controlling interests	1,604	1,862	(258)	(14)	12,676	6,684	5,992	90
	48,353	20,767	27,586	133	86,413	63,884	22,529	35
Earnings per share ("EPS") attributable to owners of the parent (sen per share):								
Basic EPS	8.7	3.5	5.2	147	13.7	10.6	3.1	29
Diluted EPS	8.7	3.5	5.2	147	13.7	10.6	3.1	29

(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 December 2022

PARTICULARS	INDIVIDUAL QUARTER				CUMULATIVE QUARTER			
	CURRENT YEAR QUARTER 31/12/2022	PRECEDING YEAR CORRESPONDING QUARTER 31/12/2021	VARIANCE		CURRENT YEAR TO DATE 31/12/2022	PRECEDING YEAR CORRESPONDING PERIOD 31/12/2021	VARIANCE	
	RM'000	RM'000	RM'000	%	RM'000	RM'000	RM'000	%
Profit for the period	48,353	20,767	27,586	133	86,413	63,884	22,529	35
Other comprehensive (loss)/income (net of tax):								
Foreign currency translation reserve	(7,999)	7,891	(15,890)	(201)	6,718	19,217	(12,499)	(65)
Re-measurement of post employment-benefits	(479)	1,133	(1,612)	(142)	(479)	1,133	(1,612)	(142)
Total comprehensive income for the period	39,875	29,791	10,084	34	92,652	84,234	8,418	10
Attributable to:								
- Owners of the parent	36,123	24,143	11,980	50	73,560	72,790	770	1
- Non-controlling interests	3,752	5,648	(1,896)	(34)	19,092	11,444	7,648	67
	39,875	29,791	10,084	34	92,652	84,234	8,418	10

(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 December 2022

	Unaudited 31-Dec-22 RM'000	Audited 31-Dec-21 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	387,992	387,715
Right-of-use assets	93,528	99,817
Investment properties	37,500	46,602
Investments in associates	35,587	158,870
Intangible assets	254,473	251,340
Goodwill on consolidation	187,220	186,879
Long term receivable	1,728	1,403
Deferred tax assets	1,267	1,080
Club memberships	153	153
	<u>999,448</u>	<u>1,133,859</u>
Current assets		
Inventories	183,634	203,936
Trade and other receivables	416,823	476,721
Cash and bank balances and short term funds	544,562	461,802
Current tax assets	9,256	7,434
	<u>1,154,275</u>	<u>1,149,893</u>
Non current asset held for sale	<u>5,923</u>	<u>-</u>
TOTAL ASSETS	<u>2,159,646</u>	<u>2,283,752</u>
EQUITY AND LIABILITIES		
Equity attributable to owners of the parent		
Share capital	537,927	537,927
Foreign currency translation reserve	14,277	13,975
Capital reserves	4,272	3,163
Retained earnings	506,378	485,324
Shareholders' equity	<u>1,062,854</u>	<u>1,040,389</u>
Non-controlling interests	<u>137,662</u>	<u>120,631</u>
TOTAL EQUITY	<u>1,200,516</u>	<u>1,161,020</u>
Non-current liabilities		
Other payables	2,019	2,048
Loans and borrowings	391,399	412,153
Lease liabilities	14,048	20,625
Deferred tax liabilities	108,811	107,085
Post-employment benefits	9,854	11,083
	<u>526,131</u>	<u>552,994</u>
Current liabilities		
Trade and other payables	245,674	357,316
Loans and borrowings	146,151	179,576
Lease liabilities	16,034	13,108
Contract liabilities	16,042	13,265
Current tax liabilities	9,098	6,473
	<u>432,999</u>	<u>569,738</u>
TOTAL LIABILITIES	<u>959,130</u>	<u>1,122,732</u>
TOTAL EQUITY AND LIABILITIES	<u>2,159,646</u>	<u>2,283,752</u>
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 Year Ended 31 December 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	-	-	-	73,737	73,737	12,676	86,413
Gain on foreign currency translations	-	302	-	-	302	6,416	6,718
Total comprehensive income	-	302	-	73,258	73,560	19,092	92,652
Transactions with owners:							
Final dividend for financial year ended 31 December 2021	-	-	-	(13,435)	(13,435)	-	(13,435)
Interim and special dividend for financial year ended 31 December 2022	-	-	-	(34,930)	(34,930)	-	(34,930)
Dividends paid to non-controlling interests	-	-	-	-	-	(2,061)	(2,061)
Dividend paid to a preference shareholder of a subsidiary	-	-	-	(2,736)	(2,736)	-	(2,736)
Liquidation of a subsidiary	-	-	-	6	6	-	6
	-	-	-	(51,095)	(51,095)	(2,061)	(53,156)
Transfer from retained earnings	-	-	1,109	(1,109)	-	-	-
At 31 December 2022	537,927	14,277	4,272	506,378	1,062,854	137,662	1,200,516
At 1 January 2021	537,927	(482)	1,927	454,260	993,632	111,835	1,105,467
Profit net of tax and zakat	-	-	-	57,200	57,200	6,684	63,884
Re-measurement of post-employment benefits	-	-	-	1,133	1,133	-	1,133
Gain on foreign currency translations	-	14,457	-	-	14,457	4,760	19,217
Total comprehensive income	-	14,457	-	58,333	72,790	11,444	84,234
Transactions with owners:							
Dividend for financial year ended 31 December 2020	-	-	-	(24,182)	(24,182)	-	(24,182)
Dividends paid to non-controlling interests	-	-	-	-	-	(2,455)	(2,455)
Dividend paid to a preference shareholder of a subsidiary	-	-	-	(2,167)	(2,167)	-	(2,167)
Issuance of shares to non-controlling interests	-	-	-	-	-	123	123
Disposal of shares to non-controlling interest	-	-	-	316	316	(316)	-
	-	-	-	(26,033)	(26,033)	(2,648)	(28,681)
Transfer from retained earnings	-	-	1,236	(1,236)	-	-	-
At 31 December 2021	537,927	13,975	3,163	485,324	1,040,389	120,631	1,161,020

(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 December 2022

	12 months ended	
	<u>31-Dec-22</u>	<u>31-Dec-21</u>
	RM'000	RM'000
Cash Flows From Operating Activities		
Profit before tax and zakat	118,058	87,923
Adjustment for non-cash items	57,617	54,327
Adjustment for non-operating items	<u>(100,664)</u>	<u>(6,460)</u>
Operating profit before working capital changes	75,011	135,790
Changes in working capital:		
Net change in current assets	296,694	4,684
Net change in current liabilities	<u>(126,702)</u>	<u>(19,858)</u>
Cash generated from operating activities	245,003	120,616
Contribution paid for post-employment benefits	(1,558)	(181)
Dividend received from associate	49,880	8,000
Tax and zakat paid, net of refunds received	<u>(27,857)</u>	<u>(24,080)</u>
Net cash generated from operating activities	<u>265,468</u>	<u>104,355</u>
Cash Flows From Investing Activities		
Profit rate/ interest income received	9,810	5,606
Capital redemption	128,000	-
Purchase of:		
Purchase of :		
- property, plant and equipments	(37,276)	(61,334)
- investment properties	(1,349)	(645)
- intangible assets	-	(953)
Payment of right-of-use assets	(5,210)	(12,621)
Proceeds from disposal of :		
- property, plant and equipment	373	23,733
- assets held for sale	-	40,500
- a subsidiary	-	1
Placement of short term funds	<u>(209,068)</u>	<u>(50,824)</u>
Net cash used in investing activities	<u>(114,720)</u>	<u>(56,537)</u>
Cash Flows From Financing Activities		
Dividends paid to shareholders	(48,365)	(24,182)
Dividend paid to non-controlling interest of a subsidiary	(2,061)	(2,455)
Dividend paid to a preference shareholder of a subsidiary	(2,736)	(2,167)
Profit rate paid	(22,711)	(22,181)
Repayment of borrowings	(367,294)	(119,034)
Drawdown of borrowings	312,116	94,557
Repayment of obligations under finance leases	(11,428)	(15,922)
Proceeds from lease liabilities	595	-
Net movement in intercompany balances	1,350	6,381
Net movements in deposits with licensed banks	<u>3,541</u>	<u>4,775</u>
Net cash used in financing activities	<u>(136,993)</u>	<u>(80,228)</u>
Net increase/(decrease) in cash and cash equivalents	13,755	(32,410)
Effect of exchange rate changes on cash and cash equivalents	(8,493)	7,855
Cash and cash equivalents at 1 January	<u>162,442</u>	<u>186,979</u>
Cash and cash equivalents at 31 December	<u><u>167,704</u></u>	<u><u>162,424</u></u>
Cash and cash equivalents included in the statement cash flows comprise:		
	As at	As at
	<u>31-Dec-22</u>	<u>31-Dec-21</u>
Cash and bank balances	544,562	461,802
Less:		
Deposits with licensed banks with maturity period of more than 3 months	(25,463)	(33,835)
Money market deposits	<u>(351,395)</u>	<u>(265,543)</u>
	<u><u>167,704</u></u>	<u><u>162,424</u></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)

UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2022

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	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

Company No. 197501002218 / (23737-K)

(Incorporated in Malaysia)

UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2022

A2 Significant accounting policies (continued)

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

1 January 2024

Amendments to MFRS 16	Lease Liability in a Sale and Leaseback
Amendments to MFRS 101	Classification of Liabilities as Current or Non-current
Amendments to MFRS 101	Non-current Liabilities with Covenants

Deferred

Amendments to MFRS 10 and MFRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
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The Group plans to apply the abovementioned MFRSs in the annual financial statements when they become effective. The adoption of these standards is not expected to have any material financial impact on the financial statements of the Group in the period of initial application.

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 interim dividend of 2.0 sen per ordinary share amounting to RM10,747,708 and a single-tier special dividend of 4.5 sen per ordinary share of RM24,182,354 for the financial year ended 31 December 2022 were paid on 30 December 2022.

KUMPULAN PERANGSANG SELANGOR BERHAD

Company No. 197501002218 / (23737-K)

(Incorporated in Malaysia)

**UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE FOURTH QUARTER ENDED
31 DECEMBER 2022****A9 Segmental Information**

Segment Revenue	3 months ended					
	31.12.2022			31.12.2021		
	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	269,235	-	269,235	289,625	-	289,625
Trading	40,042	-	40,042	35,122	-	35,122
Licensing	9,999	-	9,999	8,874	-	8,874
Infrastructure	508	-	508	-	-	-
Investment holding	577	(577)	-	689	(689)	-
Property investment	2,295	-	2,295	2,287	-	2,287
Total Revenue	322,656	(577)	322,079	336,597	(689)	335,908

Segment Revenue	12 months ended					
	31.12.2022			31.12.2021		
	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	1,136,030	-	1,136,030	1,152,244	-	1,152,244
Trading	158,335	-	158,335	121,886	-	121,886
Licensing	50,871	-	50,871	35,511	-	35,511
Infrastructure	5,204	-	5,204	9,588	-	9,588
Investment holding	2,136	(2,136)	-	2,563	(2,563)	-
Property investment	9,096	-	9,096	8,919	-	8,919
Total Revenue	1,361,672	(2,136)	1,359,536	1,330,711	(2,563)	1,328,148

Segment Results	3 months ended		12 months ended	
	31.12.2022	31.12.2021	31.12.2022	31.12.2021
	RM'000	RM'000	RM'000	RM'000
Manufacturing	2,310	26,937	59,897	95,725
Trading	1,254	1,780	7,802	8,575
Licensing	6,275	3,159	32,436	17,461
Infrastructure *	130,571	3,773	123,459	3,683
Investment holding	(82,607)	(15,441)	(105,896)	(41,857)
Property investment	(2,824)	1,869	(1,356)	2,410
Oil & Gas *	805	902	1,716	1,926
Total Profit Before Tax and Zakat	55,784	22,979	118,058	87,923

* Inclusive of share of profit of associates

KUMPULAN PERANGSANG SELANGOR BERHAD

Company No. 197501002218 / (23737-K)

(Incorporated in Malaysia)

UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2022

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 year ended 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

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(Incorporated in Malaysia)

UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2022

A12 Changes in the composition of the Group

There were no other changes in the composition of the Group for the year ended 31 December 2022, including business combination, acquisition or disposal of subsidiaries, long term investments and restructuring except for:

(i) 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 Company had been dissolved by end of November 2022, on the expiration of three months after the lodging of the return with the Registrar and Official Receiver.

(ii) Acquisition of 100% Equity Interest in MDS Advance Sdn Bhd. ("MDS")

On 1 December 2022, the Group's wholly owned subsidiary, Perangsang Dinamik Sdn Bhd ("PDSB" or "Purchaser"), had entered into conditional Share Sale Agreement ("SSA") with Gan Lian Ban ("GLB") and Chuah Mooi Kheng ("CMK") (GLB and CMK are collectively referred to as "Vendors") for the acquisition of 100% equity interest in MDS for a cash consideration of RM85,000,000 ("Acquisition").

The Acquisition entails the acquisition of the Sale Shares from the Vendors by the Purchaser for a total cash consideration of RM85,000,000.00 in the proportion as set out below:

- (i) 51% equity interest in MDS from GLB for a cash consideration of RM43,350,000; and
- (ii) 49% equity interest in MDS from CMK for a cash consideration of RM41,650,000.

On 13 January 2023, conditions precedent have been fulfilled and on the even date, the SSA has become unconditional and the acquisition was completed, which in turn MDS became an indirect subsidiary of KPS.

A13 Capital commitments

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

	RM'000
Property, plant, and equipment:	
(i) Approved but not contracted for	<u>22,864</u>
(ii) Approved and contracted for	<u>14,060</u>

KUMPULAN PERANGSANG SELANGOR BERHAD

Company No. 197501002218 / (23737-K)

(Incorporated in Malaysia)

**UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE FOURTH QUARTER ENDED
31 DECEMBER 2022****A14 Significant related party transactions**

The following are the related party transactions of the Group:

	3 months ended		12 months ended	
	31.12.2022	31.12.2021	31.12.2022	31.12.2021
	RM'000	RM'000	RM'000	RM'000
Sales of products to subsidiaries of non-controlling interest	4,648	4,267	17,659	16,392
Sale of products to related companies	16,829	15,521	72,257	58,230
Infrastructure revenue from a company related company	-	-	477	1,990
Rental income from related companies	77	77	308	180
Rental and other expenses charged by related companies	(12)	(12)	(47)	(49)

A15 Contingent liabilities and contingent assets

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

i) Secured:	RM'000
Provision of proportionate corporate guarantee for an associate for revolving credits and issuance of bank guarantees	<u>32,986</u>
ii) Unsecured	
Performance guarantees to third parties	<u>318</u>

There were no contingent assets as at the reporting date.

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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 slightly decreased to RM322.1 million compared with RM335.9 million for the corresponding quarter 2021, representing a decrease in revenue by 4% or RM13.8 million. The decrease in revenue was attributable primarily to lower revenue from the manufacturing sector by RM20.4 million netted off with higher revenue from trading and licensing sector by RM4.9 million and RM1.1 million respectively.

Despite lower revenue recorded during the quarter, the Group registered a higher profit before tax and zakat by RM32.8 million or more than 100% resulted by higher gross profit ("GP") and GP margin coupled with higher share of profit from associates, namely Sistem Penyuraian Trafik KI Barat Holdings Sdn Bhd ("SPRINT Holdings") by RM126.9 million arising from the gain on disposal of SPRINT during the period. However, the profit before tax and zakat narrowed down as a result from the impairment on investment of associates particularly on NGC Energy Sdn Bhd ("NGC") and SPRINT amounting to RM67.3 million and RM1.5 million respectively coupled with higher administrative expenses resulted from the one-off costs associated with the corporate restructuring plan in China, Indonesia and Vietnam, as part of streamlining the operation of Toyoplas Manufacturing (Malaysia) Sdn Bhd ("Toyoplas") group.

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

1. Manufacturing

The manufacturing sector recorded lower revenue by 7%, contributing RM269.2 million or 84% to the Group's revenue compared to RM289.6 million in the corresponding quarter last year. The decrease in revenue mainly led by the lower revenue contributed by King Koil Manufacturing West, LLC ("KKMW") of RM26.9 million, with 36% decreased due to the cessation of one major customer and sales were better in corresponding quarter 2021 as they were clearing sales backlog resulted from supply chain issue. King Koil Sales Inc ("KCSI") also recorded lower revenue by RM8.1 million during the quarter.

Century Bond Bhd ("CBB") posted a revenue contribution of RM59.7 million, lower by RM5.9 million or 9% from lower traction from the offset division, due to global chip shortage that caused lower demand of offset cartoon boxes from customers.

Meanwhile, Toyoplas continue to be the highest revenue contributor with RM124.8 million recorded during the quarter, 6% or RM6.5 million increased compared to corresponding quarter 2021, driven mainly by new projects in Malaysia on accessories for vacuum cleaners and China on Wi-Fi access points.

CPI (Penang) Sdn Bhd ("CPI") also recorded higher revenue of RM54.3 million, higher than the corresponding quarter 2021 by RM2.0 million mainly derived from higher sales on all business segments except for healthcare and automotive.

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B1 Performance review (continued)

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

1. Manufacturing (continued)

In line with lower revenue, this sector recorded significantly lower profit before tax and zakat of RM2.3 million compared to RM26.9 million in the corresponding quarter 2021, led by lower profit before tax and zakat at Toyoplas by RM26.6 million derived from lower GP margin and higher administrative expenses mainly from the one-off cost associated with the corporate restructuring plan in China, Indonesia and Vietnam, in line with long term operational consolidation and diversification plan.

KKMW also posted loss before tax and zakat of RM1.5 million, lower by RM1.1 million in line with lower revenue during the quarter. However, CPI recorded higher profit before tax and zakat by RM2.4 million resulted from the higher revenue. CBB also recorded higher profit before tax despite of lower revenue resulting from higher GP margin.

2. Trading

Revenue of RM40.0 million was RM4.9 million or 14% higher than the corresponding quarter's revenue of RM35.1 million from the higher sale of water chemicals and water meter by Aqua-Flo.

However, this sector recorded lower profit before tax and zakat of RM1.3 million compared to RM1.8 million in the corresponding quarter 2021. Lower GP margin resulted from higher cost of sales incurred for the new contracts secured for water chemicals and water meter had reduce the profit before tax and zakat during the quarter.

3. Licensing

This sector recorded an increase in revenue of RM10.0 million during the current quarter compared to RM8.9 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 RM6.3 million compared to RM3.2 million in the corresponding quarter of 2021.

4. Infrastructure

This sector includes results of subsidiaries; KPS-HCM Sdn Bhd ("KPS-HCM") and Smartpipe Technology Sdn Bhd ("SPT") as well as share of profits from associate companies namely SPRINT Holdings, SPLASH Holdings and Perangsang Water Management Sdn Bhd.

SPT recorded higher revenue due to final claim mainly derived from Variation Order on Pulau Indah project amounting to RM0.6 million. Meanwhile, KPS-HCM have not secured any new project since the completion of its existing project.

Apart from higher revenue recorded, this sector contributed to higher share of profit from associates of RM127.1 million, mainly from the gain on disposal of SPRINT during the period which has resulted to profit before tax and zakat of RM130.6 million for this sector as compared to profit before tax and zakat of RM3.8 million recorded in the corresponding quarter 2021.

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B1 Performance review (continued)

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

5. Investment holding

This sector recorded RM82.6 million loss before tax and zakat, higher loss compared to RM15.4 million mainly due to provision on impairment made on investment on associates namely NGC and SPRINT Holdings amounting to RM67.3 million and RM1.5 million respectively.

6. Property investment

Property investment maintained its revenue at RM2.3 million, contributed by rental income at Plaza Perangsang and Wisma SAP.

The sector however recorded loss before tax and zakat of RM2.8 million compared to profit before tax and zakat of RM1.9 million, led by the impairment on investment property as well as plant, property and equipment at Plaza Perangsang amounting to RM3.1 million during the quarter.

7. Oil and gas

NGC Energy Sdn Bhd (“NGC Energy”) registered a slightly lower profit after tax and zakat of RM2.0 million compared to profit of RM2.3 million during the corresponding quarter of 2021. The Group’s share of profit was RM0.8 million during the quarter.

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

For the twelve months ended 31 December 2022, the Group registered revenue of RM1,359.5 million compared to RM1,328.1 million in the corresponding year 2021, representing an increase in revenue by RM31.4 million or 2%. Higher revenue recorded resulted from better performance at trading sector and licensing sector due to the new contract secured and one-off upfront payment made by an existing customer for renewal of long-term licensing agreement respectively.

The Group’s profit before tax and zakat for the current year of RM118.1 million was 34% or RM30.1 million higher than the corresponding year 2021 of RM87.9 million, due to higher share of profits from associates, mainly from SPRINT Holdings resulted from the gain on disposal of SPRINT amounting to RM128.7 million netted off with lower contributions from manufacturing sectors coupled with higher other expenses which led by the impairment on assets during the year.

Performance of the respective operating business segments for the twelve months ended 31 December 2022 as compared to the preceding year is analysed as follows:

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B1 Performance review (continued)

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

1. Manufacturing

The manufacturing sector contributed revenue of RM1,136.0 million and profit before tax and zakat of RM59.9 million compared to corresponding year 2021 revenue of RM1,152.2 million and profit before tax and zakat of RM95.7 million.

The decrease in revenue of RM16.2 million was mainly from KKMW, KCSI and TMM by RM26.2 million, RM10.9 million and RM3.5 million respectively offset by higher revenue at CPI by RM18.5 million and CBB by RM5.8 million.

In line with lower revenue, this sector shows lower profits in the current period resulting from a decrease in profit before tax and zakat from Toyoplas by RM39.9 million due to the costs associated with the corporate restructuring plan in China, Indonesia and Vietnam and the absence in one off gain from properties' disposal in corresponding year and KKMW by RM0.6 million. Meanwhile, CPI recorded higher profit before tax and zakat by RM2.0 million whilst CBB and KCSI recorded increase in profit before tax and zakat by RM1.1 million and RM0.3 million respectively.

2. Trading

The trading sector posted revenue of RM158.3 million, higher by 30% or RM36.4 million due to higher revenue from the sale of water chemicals and water meter.

Despite of higher revenue recorded, this sector shows slightly lower profit before tax and zakat by RM0.8 million, 9% lower than the corresponding year 2021 due to lower GP margin during the year.

3. Licensing

The licensing sector recorded revenue of RM50.9 million as compared to the corresponding year 2021 of RM35.5 million, representing an increase in revenue by 43% or RM15.4 million primarily attributed to one off revenue on the upfront payment made by an existing customer for renewal of long-term licensing agreement.

The one-off revenue has also resulted to a higher profit before tax and zakat by RM15.0 million in the current year as compared to the corresponding year 2021.

4. Infrastructure

Lower revenue of RM5.2 million compared to RM9.6 million in the corresponding year 2021 was mainly due to lower revenue at KPS-HCM and SPT resulted from project completion.

However, this sector recorded a higher profit before tax and zakat due to huge share of profits at SPRINT Holdings arising from the gain on disposal of SPRINT which led to a higher profit before tax and zakat by RM119.8 million.

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B1 Performance review (continued)

c) Current year-to-date against previous year to-date (continued)

5. Investment holding

This sector recorded a higher loss before tax and zakat of RM105.9 million as compared to a loss before tax and zakat of RM41.9 million in the corresponding year 2021 due to the impairment on investment in associates recognised during the year.

6. Property Investment

The property investment sector recorded slightly higher revenue of RM9.1 million than RM8.9 million in the corresponding year in 2021, mainly due to higher rental income at KPS.

However, this sector recorded loss before tax and zakat of RM1.4 million compared to profit before tax and zakat of RM2.4 million due to the impairment on investment property as well as plant, property and equipment at Plaza Perangsang.

7. Oil and gas

For the current year, NGC Energy registered profit after tax of RM4.3 million, which translated into the Group's share of profit of RM1.7 million, lower than the corresponding year 2021 by RM0.2 million.

B2 Comparison with the preceding quarter's results

The current quarter Group revenue is lower by RM60.7 million or 16% to RM322.1 million compared to RM382.8 million recorded in the third quarter of 2022. This was due to weakened performance at manufacturing sector. However, the Group's recorded a higher profit before tax and zakat of RM55.8 million compared to profit before tax and zakat of RM26.5 million in the preceding quarter, arising from higher share of profit from associates. This led to the profit after tax and zakat of RM48.4 million during the quarter under review compared to a profit after tax and zakat of RM16.9 million in the preceding quarter.

B3 Commentary on prospects

1. Manufacturing

CBB has demonstrated continued strength in 2022, building on the momentum it gained emerging from the pandemic, and surpassing expectations from the prior two years. The positive note riding on the improving economic condition since early of 2022 translated into a better performance of CBB for the year despite the global headwinds, geopolitical tensions and economic uncertainty. However, CBB remains cautious of the challenges ahead with elevated inflationary pressures and demand conditions in US and Europe that is expected to incur in 2023. Despite this, CBB is continuously building its resilience and agility guided by our diversified business segments, established strategic initiatives and operational excellence.

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B3 Commentary on prospects (continued)

1. Manufacturing (continued)

Well into the third year of the Covid-19 pandemic, its disruptions to the dynamics of the global market were still not completely halted – for CPI in FY2022, this largely translated into disrupted materials procurement by certain customers which in turn had affected sales sustainability, and material prices, which, although had begun to be on a downward trajectory, remained at a level higher than pre-pandemic, all while having to absorb the unavoidable additional operating costs from the introduction of minimum wages in Malaysia. FY2022 also saw the emergence of other forms of interruptions e.g. the high interest rate environment and inflationary pressures alongside the energy crisis, all of which had and will likely continue to intensify pressure on the overall market demand even in FY2023. Having considered all these, CPI strives to keep agile to ensure that it is always prepared for any further challenges that might pose a threat towards its business.

The financial performance from operations of Toyoplas moderated in 4Q2022 following a significant improvement in 3Q2022, as production tapers down from the holiday sales period in line with the normal quarterly cyclical production period. Toyoplas remains cautious on the outlook for 2023 which is a mixed bag, characterised fundamentally by a challenging economic environment anticipated in most markets due to inflationary pressures to end-consumers which was already prominent in 2022. On a positive note, the general slowdown in demand has brought about gradual improvements on the supply-chain end. However, major issues like material prices and lead times of electronic components remain worse off than pre-pandemic. Other than that, the risk of operational disruption in our China sites have been minimised with the relaxation of the government's Zero-Covid Policy. Looking ahead, Toyoplas shall continue to practice its prudent cost management efforts and operational efficiencies while forging ahead with its sales growth and diversification plan for long-term sustainability of the business.

Inflation remains a major concern for the US economy with experts forecasting moderate and gradual decline only to start towards the end of 2022. However, rebound on spending on home furnishing and other 'deferrable expense' can be expected to take longer as high mortgage rates continue to depress housing build, purchase and renovations. Overall furniture orders had reportedly declined by 30% in October 2022 compared to 2021, when conversely the industry was experiencing surging demand post-pandemic and supply chain constraints.

Retailers however are more prepared for the challenges ahead as compared to early in 2022 when retail traffic came to a halt in response to sky-high inflation and the start of the Russia-Ukraine conflict. In making considered and selective changes to store floors, King Koil is at an advantage due to product differentiation, high retail and wholesale margins as well as our ability to customise the brand's signature collections to meet customers' needs. Management's collective experience and well-established relationship with big name retailers will be key in navigating persistent challenges and outperforming the competition.

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B3 Commentary on prospects (continued)

2. Trading

Aqua-Flo had a strong revenue performance in FY2022, increasing by 30% from FY2021. It recorded higher sales of water chemicals through its main business segment, chemical trading, compared to the same period last year, resulting mainly from the encouraging water usage since the reopening of the economic sector in 4Q2021, combined with the rainy season in 1Q2022, and revenue materialised from contracts awarded in the first 9 months of FY2022. The revenue performance is further supported by the income from the segment water meter contract secured from Pengurusan Air Selangor Sdn Bhd ("Air Selangor") in April 2022, which provided approximately RM18.00 million in revenue. Due to the increased sales composition of imported products, particularly on Polyaluminium Chloride and water meter, it has impacted the overall margin, following the increase in freight charges, weakening of the local currency, and low margins for imported products via earlier tenders awarded to Aqua-Flo. Such tender pricing is a strategic business decision that would preserve positive customer relations and enable Aqua-Flo with favourable circumstances for future chemical tenders from the same customer.

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 in 2022, and higher transportation costs which have impacted Aqua-Flo's margin. 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 ("CSSB") has been finalised and signed by all relevant parties. KPS-HCM has also finalised the Statement of Final Account with the respective sub-contractors. The Certificate of Making Good Defects was issued in 4Q2022. No more outstanding payment from CSSB. KPS-HCM is expected to settle all payments to sub-contractors by 1Q2023.

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. Having obtained the CPC, SPT is undergoing an 18-month Defect Liability Period in anticipation for the project's handover to Air Selangor in 2023.

5. Oil and gas

In fourth 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 remains 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		12 months ended	
	31.12.2022	31.12.2021	31.12.2022	31.12.2021
	RM'000	RM'000	RM'000	RM'000
Profit rate/Interest income from the deposit with licensed bank	2,013	-	6,330	2,458
Interest income from profit guarantee deferment	-	-	1,663	-
Gain on the fair value of short-term funds	1,711	484	1,817	3,148
Gain on foreign exchange	20,811	3,728	55,339	16,331
Reversal of impairment on receivables	564	1,986	1,204	3,796
Reversal of impairment on cash generating units	-	-	4,777	-
Finance costs	(6,509)	(5,887)	(22,711)	(24,139)
Loss on foreign exchange	(20,668)	(6,625)	(51,544)	(17,415)
Depreciation of property, plant and equipment	(10,874)	(9,908)	(45,800)	(45,934)
Depreciation of investment properties	(610)	(485)	(2,435)	(2,208)
Amortisation of intangible assets	(1,346)	(1,589)	(5,270)	(5,366)
Impairment of receivables	(122)	(1,311)	(964)	(2,179)
(Impairment) / reversal of impairment on inventories	(1,177)	800	(2,967)	913
Impairment on investment property	(1,897)	-	(1,897)	-
Impairment on property, plant, and equipment	(10,697)	(2,045)	(10,697)	(3,101)
Impairment on intangible asset	(634)	-	(634)	-
Impairment on goodwill	(663)	-	(663)	(126)
Impairment on investment in an associate	(68,824)	-	(68,824)	-
Impairment on right of use assets	(2,130)	-	(2,130)	-

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

B6 Income tax expense

	3 months ended		12 months ended	
	31.12.2022	31.12.2021	31.12.2022	31.12.2021
	RM'000	RM'000	RM'000	RM'000
Income tax expense	5,138	(800)	28,515	19,409
Deferred tax recognised in income statement	(707)	3,012	(1,920)	2,130
Income tax expense	4,431	2,212	26,595	21,539
Zakat expense	3,000	-	5,050	2,500
Income tax and zakat expense	7,431	2,212	31,645	24,039

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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.

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.

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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 ("Proceeds"). 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 ended 31 December 2022 and the dividend was paid on 30 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, as tabulated below:

	Purpose	Proposed/Actual Utilisation (RM'000)	Utilisation Timeframe
1	Special dividend	24,182	December 2022
2	Acquisition of new subsidiary, MDS Advance Sdn Bhd: - Upon completion - After first year Profit Guarantee - After second year Profit Guarantee	68,000 8,000 9,000	January 2023 2024 2025
3	Principal repayment for existing term loan	18,000	2023
4	Working capital	45,418	2023

SPRINT Holdings had on 31 January 2023 received a letter dated 30 January 2023 from ALR requesting for an extension of the Warranty Claim Period (which has expired on 31 January 2023).

ALR has informed that due to the untimely demise of its late Chairman, Allahyarham Tan Sri Azlan bin Mohd Zainol, on 12 January 2023, the ALR Board is presently inquorate pursuant to the Constitution of ALR. As a result, the ALR Board is not in a position to decide on the Warranty Claims until a new shareholder/Director is appointed.

The board of directors of SPRINT Holdings has responded to ALR that it is agreeable to provide an indulgence of an additional month (i.e., up to 28 February 2023) for ALR to finalise and submit their claims (if any) against Vendor's Warranties. However, that substantive end-date to which the events and/or terms that the claims relate to, remains to be 31 January 2023.

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

As at 4 th Quarter 2022			
Foreign Denomination RM'000 (USD)	RM Denomination RM'000	Total Borrowings RM'000	
Short term borrowings - secured			
Revolving credits	15,792	70,014	85,806
Term loan	1,316	22,473	23,789
Banker's acceptance	-	15,792	15,792
Trust receipt	11,624	8,777	20,401
Overdraft	-	363	363
Subtotal	28,732	117,419	146,151
Long term borrowings - secured			
Term loan	1,321	390,078	391,399
Subtotal	1,321	390,078	391,399
Total borrowings - secured			
Revolving credits	15,792	70,014	85,806
Term loan	2,637	412,551	415,188
Banker's acceptance	-	15,792	15,792
Trust receipt	11,624	8,777	20,401
Overdraft	-	363	363
Total	30,053	507,497	537,550
As at 4 th Quarter 2021			
Foreign Denomination RM'000 (RMB)	Foreign Denomination RM'000 (USD)	RM Denomination RM'000	Total Borrowings RM'000
Short term borrowings - secured			
Revolving credits	4,810	8,352	70,142
Term loan	-	1,297	82,471
Banker's acceptance	-	-	3,500
Trust receipt	-	8,335	22,871
Overdraft	-	-	592
Subtotal	4,810	17,984	179,576
Long term borrowings - secured			
Term loan	-	1,963	412,153
Subtotal	-	1,963	412,153
Total borrowings - secured			
Revolving credits	4,810	8,352	70,142
Term loan	-	3,260	494,624
Banker's acceptance	-	-	3,500
Trust receipt	-	8,335	22,871
Overdraft	-	-	592
Total	4,810	19,947	591,729

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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) **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.

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.

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.

KUMPULAN PERANGSANG SELANGOR BERHAD

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UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2022

B9 Material litigations (continued)

- (i) **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)**

On 13 December 2022, the Court has adjourned the Striking Out Application hearing which was fixed on 14 December 2022 to 2 March 2023.

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 ended 31 December 2022.

B10 Dividend

On 25 November 2022, the Board of Directors had approved and declared a single-tier interim dividend of 2.0 sen per ordinary share amounting to RM10,747,708 and a single-tier special dividend of 4.5 sen per ordinary share of RM24,182,354 for the financial year ended 31 December 2022. The dividend was paid on 30 December 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.

	3 months ended		12 months ended	
	31.12.2022	31.12.2021	31.12.2022	31.12.2021
Net profit attributable to owners of the parent (RM'000)	46,749	18,905	73,737	57,200
Weighted average number of shares in issue ('000)	537,385	537,385	537,385	537,385
Basic EPS	8.7	3.5	13.7	10.6

- (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.

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31 DECEMBER 2022**

BY ORDER OF THE BOARD

SELFIA BINTI MUHAMMAD EFFENDI
Company Secretary

Date: 27 February 2023