



KUMPULAN PERANGSANG SELANGOR BERHAD

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

(Incorporated in Malaysia)

**UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE QUARTER ENDED 30 JUNE 2023**

A1 Unaudited Condensed Consolidated Income Statement For The Quarter Ended 30 June 2023

PARTICULARS	INDIVIDUAL QUARTER				CUMULATIVE QUARTER			
	CURRENT YEAR QUARTER 30/06/2023	PRECEDING YEAR CORRESPONDING QUARTER 30/06/2022	VARIANCE		CURRENT YEAR TO DATE 30/06/2023	PRECEDING YEAR CORRESPONDING PERIOD 30/06/2022	VARIANCE	
	RM'000	RM'000	RM'000	%	RM'000	RM'000	RM'000	%
Revenue	301,457	325,514	(24,057)	(7)	576,483	654,691	(78,208)	(12)
Cost of sales	(237,926)	(263,088)	25,162	10	(457,801)	(523,280)	65,479	13
Gross profit	63,531	62,426	1,105	2	118,682	131,411	(12,729)	(10)
Other income	19,527	15,586	3,941	25	41,463	30,018	11,445	38
Other expenses	(64,270)	(59,512)	(4,758)	(8)	(129,381)	(109,590)	(19,791)	(18)
Operating profit	18,788	18,500	288	2	30,764	51,839	(21,075)	(41)
Finance costs	(7,122)	(5,218)	(1,904)	(36)	(14,005)	(10,454)	(3,551)	(34)
Share of (loss)/profit of associates	(107)	(1,378)	1,271	92	1,259	(5,581)	6,840	123
Profit before tax and zakat	11,559	11,904	(345)	(3)	18,018	35,804	(17,786)	(50)
Income tax and zakat	(4,785)	(7,169)	2,384	33	(8,313)	(14,675)	6,362	43
Profit for the period	6,774	4,735	2,039	43	9,705	21,129	(11,424)	(54)
Attributable to:								
- Owners of the parent	4,101	2,641	1,460	55	4,131	12,973	(8,842)	(68)
- Non-controlling interests	2,673	2,094	579	28	5,574	8,156	(2,582)	(32)
	6,774	4,735	2,039	43	9,705	21,129	(11,424)	(54)
Earnings per share ("EPS") attributable to owners of the parent (sen per share):								
Basic EPS	0.8	0.5	0.3	55	0.8	2.4	(1.6)	(68)
Diluted EPS	0.8	0.5	0.3	55	0.8	2.4	(1.6)	(68)

(The Unaudited Condensed Consolidated Income Statement should be read in conjunction with the Annual Audited Financial Statements for the year ended 31 December 2022 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 June 2023

PARTICULARS	INDIVIDUAL QUARTER				CUMULATIVE QUARTER			
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	VARIANCE		CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD	VARIANCE	
	30/06/2023 RM'000	30/06/2022 RM'000	RM'000	%	30/06/2023 RM'000	30/06/2022 RM'000	RM'000	%
Profit for the period	6,774	4,735	2,039	43	9,705	21,129	(11,424)	(54)
Other comprehensive income (net of tax):								
Foreign currency translation reserve	12,906	4,936	7,970	161	14,921	7,556	7,365	97
Total comprehensive income for the period	19,680	9,671	10,009	103	24,626	28,685	(4,059)	(14)
Attributable to:								
- Owners of the parent	13,426	6,115	7,311	120	14,493	18,868	(4,375)	(23)
- Non-controlling interests	6,254	3,556	2,698	76	10,133	9,817	316	3
	19,680	9,671	10,009	103	24,626	28,685	(4,059)	(14)

(The Unaudited Condensed Consolidated Income Statement should be read in conjunction with the Annual Audited Financial Statements for the year ended 31 December 2022 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 June 2023

	Unaudited 30-Jun-23 RM'000	Audited 31-Dec-22 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	409,864	386,254
Right-of-use assets	93,138	94,986
Investment properties	36,151	36,995
Investments in associates	27,346	35,587
Intangible assets	267,117	255,399
Goodwill on consolidation	232,639	187,220
Long term receivable	1,440	1,728
Deferred tax assets	712	935
Club memberships	153	153
	<u>1,068,560</u>	<u>999,257</u>
Current assets		
Inventories	176,256	184,359
Trade and other receivables	346,011	417,898
Cash and bank balances and short term funds	482,027	546,239
Current tax assets	11,093	9,859
	<u>1,015,387</u>	<u>1,158,355</u>
Non current asset held for sale	<u>-</u>	<u>5,923</u>
TOTAL ASSETS	<u>2,083,947</u>	<u>2,163,535</u>
EQUITY AND LIABILITIES		
Equity attributable to owners of the parent		
Share capital	537,927	537,927
Foreign currency translation reserve	25,958	15,596
Capital reserves	4,273	4,273
Retained earnings	493,615	505,847
Shareholders' equity	<u>1,061,773</u>	<u>1,063,643</u>
Non-controlling interests	<u>144,816</u>	<u>137,635</u>
TOTAL EQUITY	<u>1,206,589</u>	<u>1,201,278</u>
Non-current liabilities		
Other payables	17,306	2,019
Loans and borrowings	382,882	387,707
Lease liabilities	16,104	18,343
Deferred tax liabilities	112,947	109,151
Post-employment benefits	10,044	9,854
	<u>539,283</u>	<u>527,074</u>
Current liabilities		
Trade and other payables	201,058	246,209
Loans and borrowings	92,885	150,093
Lease liabilities	19,628	12,205
Contract liabilities	18,009	16,042
Current tax liabilities	6,495	10,634
	<u>338,075</u>	<u>435,183</u>
TOTAL LIABILITIES	<u>877,358</u>	<u>962,257</u>
TOTAL EQUITY AND LIABILITIES	<u>2,083,947</u>	<u>2,163,535</u>
Net assets per ordinary share attributable to owners of the parent (RM)	1.98	1.98

(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 2022 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 June 2023

	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 2023	537,927	15,596	4,273	505,847	1,063,643	137,635	1,201,278
Profit net of tax and zakat	-	-	-	4,131	4,131	5,574	9,705
Gain on foreign currency translations	-	10,362	-	-	10,362	4,559	14,921
Total comprehensive income	-	10,362	-	4,131	14,493	10,133	24,626
Transactions with owners:							
Final dividend for financial year ended 31 December 2022	-	-	-	(13,435)	(13,435)	-	(13,435)
Dividends paid to non-controlling interests	-	-	-	-	-	(2,952)	(2,952)
Dividend paid to a preference shareholder of a subsidiary	-	-	-	(2,928)	(2,928)	-	(2,928)
	-	-	-	(16,363)	(16,363)	(2,952)	(19,315)
At 30 June 2023	537,927	25,958	4,273	493,615	1,061,773	144,816	1,206,589
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	-	-	-	12,973	12,973	8,156	21,129
Gain on foreign currency translations	-	5,895	-	-	5,895	1,661	7,556
Total comprehensive income	-	5,895	-	12,973	18,868	9,817	28,685
Transactions with owners:							
Dividend for financial year ended 31 December 2021	-	-	-	(13,435)	(13,435)	-	(13,435)
Dividends paid to non-controlling interests	-	-	-	-	-	(150)	(150)
Dividend paid to a preference shareholder of a subsidiary	-	-	-	(2,736)	(2,736)	-	(2,736)
Appropriation to statutory reserves	-	-	200	(200)	-	-	-
	-	-	200	(16,371)	(16,171)	(150)	(16,321)
At 30 June 2022	537,927	19,870	3,363	481,926	1,043,086	130,298	1,173,384

(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 2022 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 June 2023

	6 months ended	
	<u>30-Jun-23</u>	<u>30-Jun-22</u>
	RM'000	RM'000
Cash Flows From Operating Activities		
Profit before tax and zakat	18,018	35,804
Adjustment for non-cash items	36,210	37,963
Adjustment for non-operating items	191	(3,696)
Operating profit before working capital changes	54,419	70,071
Changes in working capital:		
Net change in current assets	71,354	113,931
Net change in current liabilities	(36,571)	(112,712)
Cash generated from operating activities	89,202	71,290
Contribution paid for post-employment benefits	(279)	-
Dividend received from an associate	9,500	-
Tax and zakat paid, net of refunds received	(8,605)	(13,810)
Net cash generated from operating activities	89,818	57,480
Cash Flows From Investing Activities		
Profit rate/ interest income received	2,508	3,196
Acquisition of additional interest in a subsidiary	(57,707)	-
Purchase of :		
- property, plant and equipments	(20,008)	(26,916)
Proceeds from disposal of :		
- property, plant and equipment	6,069	837
- investment property	8,000	-
Placement of short term funds	121,413	53,475
Net cash from investing activities	60,275	30,592
Cash Flows From Financing Activities		
Dividends paid to shareholders	(13,435)	-
Dividend paid to non-controlling interest of a subsidiary	(2,952)	(150)
Dividend paid to a preference shareholder of a subsidiary	(2,928)	(2,886)
Profit rate paid	(14,005)	(10,454)
Repayment of borrowings	(173,662)	(109,981)
Drawdown of borrowings	109,116	40,362
Repayment of obligations under finance leases	(2,687)	(1,265)
Net movements in deposits with licensed banks	(4,054)	109
Net cash used in financing activities	(104,607)	(84,265)
Net increase in cash and cash equivalents	45,486	3,807
Effect of exchange rate changes on cash and cash equivalents	7,228	1,352
Cash and cash equivalents at 1 January	168,582	162,442
Cash and cash equivalents at 30 June	221,296	167,601
Cash and cash equivalents included in the statement cash flows comprise:		
	As at	As at
	<u>30-Jun-23</u>	<u>30-Jun-22</u>
Cash and bank balances	482,027	413,566
Less:		
Deposits with licensed banks with maturity period of more than 3 months	(21,933)	(27,524)
Money market deposits	(238,798)	(218,441)
	221,296	167,601

(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 2022 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 SECOND QUARTER ENDED 30 JUNE 2023

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 2022. 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 2022.

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 2022 except for the adoption of MFRS, the following new and amended MFRSs with effect from 1 January 2023.

A2.1 Adoption of MFRSs and Amendments to MFRSs

On 1 January 2023, the Group adopted MFRSs and the following new and amended MFRSs are mandatory for annual financial periods beginning on or after 1 January 2023:

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
Amendments to MFRS 112	International Tax Reform – Pillar Two Model Rules (Paragraph 88B – 88D)

2 June 2023

Amendments to MFRS 112	International Tax Reform – Pillar Two Model Rules (Paragraph 4A and 88A)
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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.

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UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE SECOND QUARTER ENDED 30 JUNE 2023

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 2024

Amendments to MFRS 16	Lease Liability in a Sale and Leaseback
Amendments to MFRS 101	Non-current Liabilities with Covenants
Amendments to MFRS 107 and MFRS 7	Supplier Finance Arrangements

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 2022 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.

KUMPULAN PERANGSANG SELANGOR BERHAD

Company No. 197501002218 / (23737-K)

(Incorporated in Malaysia)

**UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE SECOND QUARTER ENDED
30 JUNE 2023****A8 Dividend paid**

A single-tier final dividend of 2.5 sen per ordinary share amounting to RM13,434,635 for the financial year ended 31 December 2022 was paid on 20 June 2023.

A9 Segmental Information

Segment Revenue	3 months ended					
	30.06.2023			30.06.2022		
	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	246,328	-	246,328	272,716	-	272,716
Trading	43,048	-	43,048	40,318	-	40,318
Licensing	9,950	-	9,950	9,730	-	9,730
Infrastructure	-	-	-	477	-	477
Investment holding	595	(595)	-	565	(565)	-
Property investment	2,131	-	2,131	2,273	-	2,273
Total Revenue	302,052	(595)	301,457	326,079	(565)	325,514

Segment Revenue	6 months ended					
	30.06.2023			30.06.2022		
	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	473,797	-	473,797	543,694	-	543,694
Trading	79,023	-	79,023	74,971	-	74,971
Licensing	19,431	-	19,431	31,029	-	31,029
Infrastructure	-	-	-	477	-	477
Investment holding	1,135	(1,135)	-	1,065	(1,065)	-
Property investment	4,232	-	4,232	4,520	-	4,520
Total Revenue	577,618	(1,135)	576,483	655,756	(1,065)	654,691

Segment Results	3 months ended		6 months ended	
	30.06.2023	30.06.2022	30.06.2023	30.06.2022
	RM'000	RM'000	RM'000	RM'000
Manufacturing	12,053	16,891	21,402	28,766
Trading	2,481	2,197	4,648	4,549
Licensing	5,409	4,339	9,587	20,913
Infrastructure *	780	(1,725)	921	(6,980)
Investment holding	(8,939)	(10,531)	(19,817)	(13,736)
Property investment	153	422	617	1,100
Oil & Gas *	(378)	311	660	1,192
Total Profit Before Tax and Zakat	11,559	11,904	18,018	35,804

* Inclusive of share of profit of associates

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UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE SECOND QUARTER ENDED 30 JUNE 2023

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.

A12 Changes in the composition of the Group

There were no other changes in the composition of the Group for the period ended 30 June 2023, including business combination, acquisition or disposal of subsidiaries, long term investments and restructuring except for the:

(i) 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.

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

Reference is made the announcement made by the Company on 30 August 2022 in relation to the commencement of the voluntary winding-up of TMN. Unless otherwise stated, all abbreviations used throughout this announcement shall have the same meanings as defined in the announcement dated 30 August 2022.

The Company wishes to announce that the voluntary winding-up process of TMN had been completed and TMN had been duly wound-up on 17 July 2023, pursuant to a notification received from PRC's State Administration for Industry and Commerce on the same date.

KUMPULAN PERANGSANG SELANGOR BERHAD

Company No. 197501002218 / (23737-K)

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**UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE SECOND QUARTER ENDED
30 JUNE 2023****A13 Capital commitments**

The amount of commitments not provided for in the unaudited interim financial statements as of 30 June 2023 is as follows:

	RM'000
Property, plant, and equipment:	
(i) Approved but not contracted for	<u>45,060</u>
(ii) Approved and contracted for	<u>14,224</u>
Share of capital commitment of an associate	<u>2,947</u>

A14 Significant related party transactions

The following are the related party transactions of the Group:

	3 months ended		6 months ended	
	30.6.2023	30.6.2022	30.6.2023	30.6.2022
	RM'000	RM'000	RM'000	RM'000
Sales of products to a subsidiary company of non-controlling interest	4,189	4,430	8,184	8,932
Sale of products to related companies	22,673	14,063	37,896	28,630
Infrastructure revenue from a related company	-	477	-	477
Rental income from related companies	77	77	154	154
Rental and other expenses charged by related companies	(9)	(12)	(20)	(24)
Rental charged by a related party	(33)	-	(66)	-

A15 Contingent liabilities and contingent assets

The contingent liabilities as of 30 June 2023 are as follows:

	RM'000
Secured:	
(i) Provision of proportionate corporate guarantee for an associate Working capital and issuance of bank guarantees	<u>26,067</u>
(ii) Performance guarantees to third parties	<u>7,349</u>
Unsecured:	
(i) Performance guarantees to third parties	<u>2,262</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 SECOND QUARTER ENDED 30 JUNE 2023

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 decreased to RM301.5 million compared with RM325.5 million for the corresponding quarter 2022, representing a decrease in revenue by 7% or RM24.1 million. The decrease in revenue was attributable primarily to lower revenue from the manufacturing sector by RM26.4 million and infrastructure sector by RM0.5 million netted off with a higher revenue from trading and licensing sector, by RM2.7 million and RM0.2 million respectively.

The Group registered slightly lower profit before tax and zakat by RM0.3 million or 3% resulted from lower revenue coupled with loss impact on foreign exchange and higher finance costs. However, the reduction in profit before tax and zakat were narrowed down due to higher gross profit ("GP") and GP margin, higher other income, and absence of share of loss from SPRINT, following its disposal in Q4 2022.

Performance of the respective operating business segments for the second quarter ended 30 June 2023 as compared to the preceding year corresponding quarter is analysed as follows:

1. Manufacturing

The manufacturing sector recorded lower revenue by 10%, contributing RM246.3 million or 82% to the Group's revenue compared to RM272.7 million in the corresponding quarter last year. The decrease in revenue mainly led by the lower revenue contributed from Toyoplas Manufacturing (Malaysia) Sdn Bhd ("Toyoplas") of RM90.8 million, lower by RM32.7 million or 27% as compared to the preceding year corresponding quarter mainly resulted from the absence of the top customer in Indonesia during the year.

Meanwhile, CPI (Penang) Sdn Bhd ("CPI") also recorded lower revenue by RM3.9 million, mainly derived from lower sales on all business segments except for automotive. Apart from that, King Koil Manufacturing West, LLC ("KKMW") recorded lower revenue by RM2.1 million which led by the weakening consumer demand and the cessation of a major customer during the quarter.

However, revenue improved at Century Bond Bhd ("CBB") by RM3.8 million mainly from higher traction from the paper and consumer division. King Koil Sales Inc ("KCSI") also recorded higher revenue by RM2.9 million. The new contribution from newly acquired subsidiary, MDS Advance Sdn Bhd ("MDS") of RM5.4 million during the quarter also improved the revenue contribution from this sector.

This sector recorded lower profit before tax and zakat of RM12.1 million compared to RM16.9 million in the corresponding quarter 2022, led by lower profit before tax and zakat at Toyoplas by RM5.3 million resulted from lower revenue, increased in net loss on foreign exchange coupled with higher finance costs in tandem with higher loan drawdown and the increase in interest rates. CBB also recorded lower profit before tax and zakat by RM3.6 million due to lower GP and GP margin resulted from higher average paper cost.

Meanwhile, MDS recorded profit before tax and zakat of RM2.6 million whilst KKMW recorded higher profit before tax and zakat by RM1.5 million led by improved GP margin during the quarter.

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UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE SECOND QUARTER ENDED 30 JUNE 2023

B1 Performance review (continued)

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

2. Trading

Revenue of RM43.0 million was RM2.7 million or 7% higher than the corresponding quarter's revenue of RM40.3 million from the mainly from higher sales of water chemicals and water meters.

In line with higher revenue, this sector recorded higher profit before tax and zakat of RM2.5 million compared to RM2.2 million in the corresponding quarter 2022.

3. Licensing

This sector recorded an increase in revenue of RM10.1 million during the current quarter compared to RM9.6 million in the corresponding quarter 2022 due to higher licensing revenue from the international licensees.

In line with higher revenue, this sector recorded higher profit before tax of RM5.5 million compared to RM4.3 million in the corresponding quarter of 2022.

4. Infrastructure

This sector includes results of operating subsidiaries, namely KPS-HCM and SPT and share of profit from associates. No revenue recorded by KPS-HCM and SPT due to project completion and no project secured during the quarter.

However, profit before tax and zakat is RM0.8 million, higher by RM2.5 million, compared to RM1.7 million loss before tax and zakat recorded in corresponding quarter. The improved results led by the absence of share of loss from SPRINT of RM2.1 million recorded in corresponding quarter 2022.

5. Investment holding

This sector recorded a lower loss before tax and zakat of RM8.9 million, as compared to RM10.5 million loss mainly due to higher other income recognised during the end of second quarter resulted from gain on disposal of Wisma SAP amounting to RM2.1 million.

6. Property investment

Property investment recorded slightly lower revenue of RM2.1 million compared to RM2.3 million revenue recorded in corresponding quarter 2022. This was led by lower contribution of rental income at Plaza Perangsang and Wisma SAP.

In line with lower revenue, the sector recorded lower profit before tax and zakat of RM0.2 million compared to profit before tax and zakat of RM0.4 million during the corresponding quarter of 2022.

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B1 Performance review (continued)

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

7. Oil and gas

NGC Energy Sdn Bhd (“NGC Energy”) registered loss after tax and zakat of RM0.9 million compared to profit of RM0.8 million during the corresponding quarter of 2022. Hence, the Group’s share of loss was RM0.4 million compared to share of profit of RM0.3 million recognised in corresponding quarter 2022.

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

For the six months ended 30 June 2023, the Group registered revenue of RM576.5 million compared to RM654.7 million in the corresponding period 2022, representing a decrease in revenue by RM78.2 million or 12% resulted from lower revenue at manufacturing and licensing sector. This was mainly due to weakening consumer demand and the cessation of major customers during the period under review. The absence of one-off upfront payment made by an existing customer for the renewal of long-term licensing agreement also affecting the revenue contribution during the period.

The Group’s profit before tax and zakat for the current period of RM18.0 million was 50% or RM17.8 million lower than the corresponding period 2022 of RM35.8 million, mainly due to lower contributions from all sectors except for infrastructure sector. Higher finance costs and nett impact on foreign exchange loss recorded also led to the decrease in profit before tax and zakat during the period.

Performance of the respective operating business segments for the six months ended 30 June 2023 as compared to the preceding year corresponding period is analysed as follows:

1. Manufacturing

The manufacturing sector contributed revenue of RM473.8 million and profit before tax and zakat of RM21.4 million compared to corresponding period 2022 revenue of RM543.7 million and profit before tax and zakat of RM28.8 million.

The decrease in revenue of RM69.9 million was mainly from Toyoplas by RM58.7 million, KKMW by RM13.4 million, CPI by RM10.0 million, KKSI by RM2.1 million offset by higher sales at CBB by RM3.0 million coupled with new contributions from newly acquired subsidiary, MDS of RM11.2 million.

Resulted from lower revenue, this sector shows lower profits in the current period led by the decrease in profit before tax and zakat from Toyoplas by RM7.1 million. Even though CBB contributed to higher revenue, lower profit before tax and zakat by RM5.9 million had been recorded due to lower GP margin following the increased in average paper costs.

CPI and KKSI both also recorded lower profit before tax and zakat by RM0.8 million and RM0.2 million respectively. However, KKMW recorded increase in profit before tax and zakat by RM2.3 million led by the improved GP margin whilst MDS contributed to RM4.3 million profit before tax and zakat during the period.

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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 RM79.0 million, higher by 5% or RM4.1 million due to higher revenue from the sale of water chemicals and water meters.

Even with higher revenue, lower GP margin had caused this sector to record only slight increase in profit before tax and zakat of RM4.6 million as compared to RM4.5 million recorded in corresponding quarter 2022.

3. Licensing

The licensing sector recorded lower revenue of RM19.5 million as compared to the corresponding period 2022 of RM31.0 million, representing a decrease in revenue by 37% or RM11.5 million primarily led by the absence one off revenue on the upfront payment made by existing customer for renewal of long-term licensing agreement in 2022, amounting to RM10.0 million.

This has resulted in lower profit before tax and zakat by RM11.3 million in the current period as compared to corresponding period 2022.

4. Infrastructure

No revenue recorded due to project completion and no new project secured during the period.

However, this sector recorded higher profit before tax and zakat for the current period of RM0.9 million, more than 100% higher than the corresponding period loss before tax and zakat of RM7.0 million. This was mainly due to the absence of share of loss from SPRINT of RM7.2 million which being recorded in corresponding period 2022.

5. Investment holding

This sector recorded a higher loss before tax and zakat of RM19.8 million as compared to a loss before tax and zakat of RM13.7 million in the corresponding period 2022 due to lower other income recorded since there was a reversal of impairment in cash generating units of RM4.8 million and interest income amounting to RM1.7 million arising from the profit guarantee deferment recognised in the corresponding period 2022.

There was also an additional cost of RM0.6 million incurred coupled with additional amortisation expenses on intangible assets of RM0.8 million in acquiring the new subsidiary during the period which led to the increase in loss before tax and zakat for this sector. However, the losses being narrowed down by the gain on disposal of Wisma SAP during the period under review.

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B1 Performance review (continued)

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

6. Property Investment

The property investment sector recorded lower revenue of RM4.2 million compared to RM4.5 million in the corresponding period in 2022, mainly due to lower rental income at Plaza Perangsang and Wisma SAP.

Hence, this sector recorded a lower profit before tax and zakat of RM0.6 million compared to profit before tax and zakat of RM1.1 million recorded in corresponding quarter 2022.

7. Oil and gas

For the current period, NGC Energy registered profit after tax of RM1.7 million, which translated into the Group's share of profit of RM0.7 million as compared to corresponding period 2022 profit after tax of RM3.0 million and Group's share of profit of RM1.2 million. The lower share of profit in current period mainly due to lower revenue from Industrial and Commercial ("I&C") segment and domestic sales of Liquefied Petroleum Gas ("LPG").

B2 Comparison with the preceding quarter's results

The current quarter Group revenue is higher by RM26.4 million or 10% to RM301.5 million compared to RM275.0 million recorded in the first quarter of 2023. This was due to improved performance at manufacturing sector. In line with higher revenue and improved GP margin, the Group's recorded a better profit before tax and zakat of RM11.6 million compared to profit before tax and zakat of RM6.5 million in the preceding quarter. This led to the profit after tax and zakat of RM6.8 million during the quarter under review compared to a profit after tax and zakat of RM2.9 million in the preceding quarter.

B3 Commentary on prospects

1. Manufacturing

Despite market expectations of slower growth globally, CBB recorded higher revenue against the same period last year as a result from its diversified business segments. Despite slower sales in the Electrical and Electronics sector effecting major OEM's, revenue from the paper and consumer division is holding up. However, CBB is not spared from the increasing operating costs that has been affecting everyone such as higher raw material costs, higher labour costs and higher utilities costs amongst others. Notwithstanding all these challenges, CBB is currently optimizing its other cost line items and is increasing its operational excellence to mitigate these impacts to ensure a healthy and sustainable growth in the future.

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B3 Commentary on prospects (continued)

1. Manufacturing (continued)

CPI has seen the slower global economic growth affecting its customers across all sectors as they contend with high inventory levels amid weakened end-consumers demand with very few exceptions. Earlier expectations of potential recovery in the second half of the year are tempered as the outlook remains uncertain in current high interest rate environment, inflationary pressures, and energy crisis. The intensified pressure on overall market demand in 2023 together with unavoidable impact from introduction of minimum wages since FY2022 and higher electricity tariff in Malaysia put strain on margins but is partly mitigated by softening material prices compared to FY2022. In this challenging operating environment, CPI will aim to keep vigilant on cost management and expand business development efforts to minimise the impact on its long-term growth and profitability.

Toyoplas saw pockets of improvement in 2Q2023 from the prior quarter although weakness in end-consumer demand which is affecting customers across all segments continue to impede growth. Other than that, foreign exchange fluctuation, particularly USD against local currencies, has been challenging to manage. These factors are expected to linger and continue to affect financial performance in the remaining part of the year. Nonetheless, Toyoplas remain steadfast in its commitments to prudent cost management as well as sales growth and diversification plan which would bear fruit in the longer term.

MDS's revenue growth was impeded by the decline in end-consumer demand in 2Q2023 compared to 1Q2023 due to the current economic situation. Although the contribution from the medical sector was very encouraging in 1Q2023, contributing to 46% year-on-year revenue growth, this sector was also affected in 2Q2023. However, MDS is capable in retaining its revenue performance in 1H2023 as compared to the same period last year. Since the acquisition of MDS earlier this year, the strategic approach in production processes improvement and cost management control has begun to deliver results and effectively increased margins, contributing to a 51% year-on-year growth for the 1H2023 PBT. MDS remains committed in exploring innovative automation technology to reduce labor-related risks while enhancing overall efficiency and will deploy it when the current economic situation and demand allows.

Kaiserkorp continued having to operate in a tough environment as the economic turbulences in the U.S. seen in the prior quarters persisted in Q2, mainly the inflationary pressure – the headline inflation might seem to have dramatically decreased to 3.0% in Jun from 6.4% in January, but core Personal Consumption Expenditures (PCE) inflation, which is what the U.S. Federal Reserve is mainly benchmarking against, remain sticky at 4.6% in Jun with barely any movements from its January rate (U.S. Federal Reserve's target is 2.0%). On the other hand, the interest rate hike had been on a pause since its last increase in May, but remain at a high level in addition to potentially being increased further before the year ends to combat the inflation. Q2 also saw market uncertainties brought upon by the U.S.'s debt ceiling issue (albeit this was resolved as the ceiling was suspended until 2025), while its Supreme Court's rejection of the student loan forgiveness proposal might translate into further pressure on discretionary spending as loan repayment resumes in Q3 after a 3-year break. Pressure on the market from all of the above will likely continue in 2H, and Kaiserkorp will continue to monitor the market development and keep close communications with its retailers in navigating through these challenges.

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B3 Commentary on prospects (continued)

2. Trading

Aqua-Flo had a strong revenue performance in 2Q2023, increasing by 5.4% from 2Q2022. 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 rainy season in 1Q2023, and revenue materialized from contracts awarded in FY2022. The revenue performance is further supported by the income from the segment water meter contract secured from Pengurusan Air Selangor Sdn Bhd in February 2023, which provided RM10.11 million in revenue. Due to the increased sales composition of imported products, particularly for Polyaluminium Chloride and water meters, it has impacted the overall margin, following the increase in freight charges 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, and higher transportation costs which have impacted Aqua-Flo's margin. Aqua-Flo 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, King Koil Licensing Company Inc 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

All contractual certificates for Pulau Indah Phase 3C Project i.e. Certificate of Making Good Defect (CMGD), Statement Final Account and Final Certificate were successfully secured from Central Spectrum (M) Sdn Bhd ("CSSB") and CSSB's respective consultants in 2022. Final Account and Final Certificate for all sub-contractors were finalized and accepted by them in December 2022. The payments were released to sub-contractors in stages an accordance to agreed instalment schedule. As at to-date, no more outstanding payment to the sub-contractors.

Smartpipe Technology Sdn Bhd ("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 2Q2023, sales for the Domestic segment improved as compared to last year 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		6 months ended	
	30.6.2023	30.6.2022	30.6.2023	30.6.2022
	RM'000	RM'000	RM'000	RM'000
Profit rate/Interest income from the deposit with licensed bank	1,429	1,269	2,508	2,730
Interest income from profit guarantee deferment	-	-	-	1,663
Gain on the fair value of short-term funds	1,922	40	3,939	80
Gain on foreign exchange	14,269	12,570	30,569	17,599
Writeback of impairment	14	58	74	5,151
Reversal / (impairment) of impairment on inventories	599	(506)	806	(1,323)
Finance costs	(7,122)	(5,218)	(14,005)	(10,454)
Loss on foreign exchange	(14,878)	(10,832)	(32,000)	(15,020)
Depreciation of property, plant and equipment	(12,496)	(11,040)	(23,760)	(21,671)
Depreciation of investment properties	(478)	(600)	(958)	(1,217)
Amortisation of intangible assets	(1,823)	(1,306)	(3,666)	(2,603)
Impairment of receivables	(154)	(207)	(319)	(541)

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

B6 Income tax expense

	3 months ended		6 months ended	
	30.6.2023	30.6.2022	30.6.2023	30.6.2022
	RM'000	RM'000	RM'000	RM'000
Income tax expense	4,946	5,787	9,029	13,701
Deferred tax recognised in income statement	(161)	(480)	(716)	(888)
Income tax expense	4,785	5,307	8,313	12,813
Zakat expense	-	1,862	-	1,862
Income tax and zakat expense	4,785	7,169	8,313	14,675

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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 disposal of all the securities of Sistem Penyuraian Trafik KI 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.

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.

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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).

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.

On 24 February 2023, SPRINT Holdings had received a letter of even date from ALR in which ALR notified SPRINT Holdings of the Warranty Claim in respect of SPRINT for a sum of RM2.02 million ("ALR Warranty Claim"). On 28 February 2023, ALR has paid SPRINT Holdings the Net Retention Sum (inclusive of interest) of RM4.7 million. Subsequently, on 4 April 2023, SPRINT Holdings has agreed to accept all the claims from ALR in the total sum of RM2.02 million. The claims are in respect of final survey fees for right of way gazette, replacement of Police Expressway Mobile Patrol Vehicles and enhancement of RFID lanes.

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The Group borrowings as of 30 June 2023 are as follows:

As at 2 nd Quarter 2023			As at 2 nd Quarter 2022		
Foreign Denomination	RM Denomination	Total Borrowings	Foreign Denomination	RM Denomination	Total Borrowings
RM'000 (USD)	RM'000	RM'000	RM'000 (USD)	RM'000	RM'000

Short term borrowings – secured

Revolving credits	10,262	-	10,262	2,965	10,105	13,070
Term loans	298	27,544	27,842	122	21,276	21,398

Short term borrowings – unsecured

Revolving credits	-	9,000	9,000	-	17,000	17,000
Term loans	793	-	793	681	48,023	48,704
Banker's acceptance	-	1,980	1,980	-	6,286	6,286
Overdraft	-	-	-	-	478	478
Trust receipt	2,648	40,360	43,008	1,006	48,777	49,783
Subtotal	14,001	78,884	92,885	4,774	151,945	156,719

Long term borrowings – secured

Term loans	-	124,860	124,860	-	154,797	154,797
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Long term borrowings – unsecured

Term loans	1,022	257,000	258,022	1,738	209,000	210,738
Subtotal	1,022	381,860	382,882	1,738	363,797	365,535

Total borrowings

Revolving credits	10,262	9,000	19,262	2,965	27,105	30,070
Term loans	2,113	409,404	411,517	2,541	433,096	435,637
Banker's acceptance	-	1,980	1,980	-	6,286	6,286
Trust receipt	2,648	40,360	43,008	1,006	48,777	49,783
Overdraft	-	-	-	-	478	478
Total	15,023	460,744	475,767	6,512	515,742	522,254

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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.

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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.

The Court had heard the Striking Out Application on 2 March 2023 and has fixed the decision of the said hearing to be held on 11 April 2023, at 2.30pm.

On 11 April 2023, the Court has allowed the Plaintiffs to submit further submission by 25 April 2023 and KPS Berhad and PHP may put in their submission in reply by 3 May 2023. The Court has further fixed the hearing and decision of the Striking Out Application to be held on 16 May 2023.

On 16 May 2023, the Court has dismissed KPS Berhad and PHP’s Striking Out Application with global cost of RM7,000.00 and granted judgement in default against LEO.

The Court has further fixed the next case management on 24 July 2023 and fixed the trial dates from 17 to 20 June 2024 at 10.30am.

KPS had further announced on 24 July 2023 whereby the Court has fixed the next case management on 11 September 2023 and reminded parties to strictly comply with the pre-trial directions made by the Court.

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

B10 Dividend

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

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(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		6 months ended	
	30.6.2023	30.6.2022	30.6.2023	30.6.2022
Net profit attributable to owners of the parent (RM'000)	4,101	2,641	4,131	12,973
Weighted average number of shares in issue ('000)	537,385	537,385	537,385	537,385
Basic EPS	0.8	0.5	0.8	2.4

(b) Diluted EPS

The diluted earnings per ordinary share equals basic earnings per ordinary share because there were no potential dilutive ordinary shares as at the end of the reporting period.

BY ORDER OF THE BOARD**SELFIA BINTI MUHAMMAD EFFENDI**
Company Secretary

Date: 28 August 2023