



KUMPULAN PERANGSANG SELANGOR BERHAD

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

(Incorporated in Malaysia)

**UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE QUARTER ENDED 31 DECEMBER 2023**

A1 Unaudited Condensed Consolidated Income Statement For The Quarter Ended 31 December 2023

PARTICULARS	INDIVIDUAL QUARTER				CUMULATIVE QUARTER			
	CURRENT YEAR	PRECEDING YEAR	VARIANCE		CURRENT YEAR	PRECEDING YEAR	VARIANCE	
	QUARTER 31/12/2023 RM'000	CORRESPONDING QUARTER 31/12/2022 RM'000	RM'000	%	TO DATE 31/12/2023 RM'000	CORRESPONDING PERIOD 31/12/2022 RM'000	RM'000	%
Continuing operations								
Revenue	273,450	282,722	(9,272)	(3)	1,046,115	1,161,530	(115,415)	(10)
Cost of sales	(236,202)	(229,361)	(6,841)	(3)	(877,759)	(964,227)	86,468	9
Gross profit	37,248	53,361	(16,113)	(30)	168,356	197,303	(28,947)	(15)
Other income	7,679	26,998	(19,319)	(72)	61,563	72,483	(10,920)	(15)
Other expenses	(41,262)	(154,433)	113,171	73	(190,357)	(283,999)	93,642	33
Operating profit/(loss)	3,665	(74,074)	77,739	105	39,562	(14,213)	53,775	378
Finance costs	(6,498)	(6,306)	(192)	(3)	(26,711)	(21,966)	(4,745)	(22)
Share of profit of associates	1,607	131,616	(130,009)	(99)	3,794	124,221	(120,427)	(97)
(Loss)/Profit before tax and zakat	(1,226)	51,236	(52,462)	(102)	16,645	88,042	(71,397)	(81)
Income tax and zakat	(4,780)	(7,186)	2,406	33	(15,423)	(26,163)	10,740	41
(Loss)/Profit for the period	(6,006)	44,050	(50,056)	(114)	1,222	61,879	(60,657)	(98)
Discontinuing operations*								
Profit from discontinuing operations, net of tax	6,977	3,751	3,226	86	18,050	23,982	(5,932)	(25)
Profit for the period	971	47,801	(46,830)	(98)	19,272	85,861	(66,589)	(78)
Attributable to:								
Owners of the parent								
- from continuing operations	(6,075)	43,658	(49,733)	(114)	(1,744)	58,357	(60,101)	(103)
- from discontinuing operations	4,408	2,567	1,841	72	10,466	14,856	(4,390)	(30)
	(1,667)	46,225	(47,892)	104	8,722	73,213	(64,491)	(88)
Non-controlling interests								
- from continuing operations	69	392	(323)	(82)	2,966	3,522	(556)	(16)
- from discontinuing operations	2,569	1,184	1,385	117	7,584	9,126	(1,542)	(17)
	2,638	1,576	1,062	67	10,550	12,648	(2,098)	(17)
	971	47,801	(46,830)	(98)	19,272	85,861	(66,589)	(78)
Earnings per share ("EPS") attributable to owners of the parent (sen per share):								
Basic EPS								
- from continuing operations	(1.1)	8.1	(9.2)	(113)	(0.3)	10.8	(11.1)	(103)
- from discontinuing operations	0.8	0.5	0.3	72	1.9	2.8	(0.9)	(33)
Diluted EPS								
- from continuing operations	(1.1)	8.1	(9.2)	(113)	(0.3)	10.8	(11.1)	(103)
- from discontinuing operations	0.8	0.5	0.3	72	1.9	2.8	(0.9)	(33)

* Pursuant to the corporate proposal as disclosed in Note B7 of this report, the disposal group held for distribution was presented as discontinuing operations in line with the requirements of MFRS 5 Non-current Assets held for Sale and Discontinued Operations.

(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 31 December 2023

PARTICULARS	INDIVIDUAL QUARTER				CUMULATIVE QUARTER			
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	VARIANCE		CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD	VARIANCE	
	31/12/2023 RM'000	31/12/2022 RM'000	RM'000	%	31/12/2023 RM'000	31/12/2022 RM'000	RM'000	%
Profit for the period	971	47,801	(46,830)	(98)	19,272	85,861	(66,589)	(78)
Other comprehensive (loss)/income (net of tax):								
Foreign currency translation reserve								
- from continuing operations	(2,407)	(9,370)	6,963	74	6,050	(3,591)	9,641	268
- from discontinuing operations	5,658	2,691	2,967	110	12,792	11,629	1,163	10
	3,251	(6,679)	9,930	149	18,842	8,038	10,804	134
Re-measurement of post employment-benefits	(311)	(479)	168	35	(311)	(479)	168	35
Total comprehensive income for the period	3,911	40,643	(36,732)	(90)	37,803	93,420	(55,617)	(60)
Attributable to:								
Owners of the parent								
- from continuing operations	(7,791)	34,599	(42,390)	(123)	3,953	54,223	(50,270)	(93)
- from discontinuing operations	6,061	2,320	3,741	161	16,512	20,132	(3,620)	(18)
	(1,730)	36,919	(38,649)	(105)	20,465	74,355	(53,890)	(72)
Non-controlling interests								
- from continuing operations	(933)	(398)	(535)	(134)	3,008	3,587	(579)	(16)
- from discontinuing operations	6,574	4,122	2,452	59	14,330	15,478	(1,148)	(7)
	5,641	3,724	1,917	51	17,338	19,065	(1,727)	(9)
	3,911	40,643	(36,732)	(90)	37,803	93,420	(55,617)	(60)

(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 31 December 2023

	Unaudited 31-Dec-23 RM'000	Audited 31-Dec-22 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	404,250	386,254
Right-of-use assets	77,816	94,986
Investment properties	2,168	36,995
Investments in associates	33,933	35,587
Intangible assets	49,464	255,399
Goodwill on consolidation	213,465	187,220
Long term receivable	908	1,728
Deferred tax assets	2,124	935
Club memberships	153	153
	<u>784,281</u>	<u>999,257</u>
Current assets		
Inventories	123,709	184,359
Trade and other receivables	314,961	417,898
Cash and bank balances and short term funds	440,801	546,239
Current tax assets	11,599	9,859
	<u>891,070</u>	<u>1,158,355</u>
Assets of disposal group classified as held for sale	439,988	5,923
TOTAL ASSETS	<u>2,115,339</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	27,650	15,596
Capital reserves	3,406	4,273
Retained earnings	493,388	505,847
Shareholders' equity	<u>1,062,371</u>	<u>1,063,643</u>
Non-controlling interests	<u>149,994</u>	<u>137,635</u>
TOTAL EQUITY	<u>1,212,365</u>	<u>1,201,278</u>
Non-current liabilities		
Other payables	13,661	2,019
Loans and borrowings	359,236	387,707
Lease liabilities	16,233	18,343
Deferred tax liabilities	51,338	109,151
Post-employment benefits	9,970	9,854
	<u>450,438</u>	<u>527,074</u>
Current liabilities		
Trade and other payables	220,081	246,209
Loans and borrowings	107,119	150,093
Lease liabilities	11,622	12,205
Contract liabilities	10,020	16,042
Current tax liabilities	3,774	10,634
	<u>352,616</u>	<u>435,183</u>
Liabilities of disposal group classified as held for sale	99,920	-
TOTAL LIABILITIES	<u>902,974</u>	<u>962,257</u>
TOTAL EQUITY AND LIABILITIES	<u>2,115,339</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 Year Ended 31 December 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	-	-	-	8,722	8,722	10,550	19,272
Re-measurement of post-employment benefits	-	-	-	(311)	(311)	-	(311)
Gain on foreign currency translations	-	12,054	-	-	12,054	6,788	18,842
Total comprehensive income	-	12,054	-	8,411	20,465	17,338	37,803
Transactions with owners:							
Final dividend for financial year ended 31 December 2022	-	-	-	(13,435)	(13,435)	-	(13,435)
Interim dividend for financial year ended 31 December 2023	-	-	-	(5,374)	(5,374)	-	(5,374)
Dividends paid to non-controlling interests	-	-	-	-	-	(4,979)	(4,979)
Dividend paid to a preference shareholder of a subsidiary	-	-	-	(2,928)	(2,928)	-	(2,928)
Appropriation to statutory reserves	-	-	(867)	867	-	-	-
	-	-	(867)	(20,870)	(21,737)	(4,979)	(26,716)
At 31 December 2023	537,927	27,650	3,406	493,388	1,062,371	149,994	1,212,365
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	-	-	-	73,213	73,213	12,648	85,861
Re-measurement of post-employment benefits	-	-	-	(479)	(479)	-	(479)
Gain on foreign currency translations	-	1,621	-	-	1,621	6,417	8,038
Total comprehensive income	-	1,621	-	72,734	74,355	19,065	93,420
Transactions with owners:							
Dividend for financial year ended 31 December 2021	-	-	-	(13,434)	(13,434)	-	(13,434)
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	-	-	-	(2,737)	(2,737)	-	(2,737)
Appropriation to statutory reserves	-	-	1,110	(1,110)	-	-	-
	-	-	1,110	(52,211)	(51,101)	(2,061)	(53,162)
At 31 December 2022	537,927	15,596	4,273	505,847	1,063,643	137,635	1,201,278

(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 Cash Flows
For The Year Ended 31 December 2023

	12 months ended	
	<u>31-Dec-23</u>	<u>31-Dec-22</u>
	RM'000	RM'000
Cash Flows From Operating Activities		
Profit before tax and zakat		
- Continuing operations	16,645	88,042
- Discontinuing operations	25,424	30,322
Adjustment for non-cash items	87,624	15,025
Adjustment for non-operating items	<u>(36,612)</u>	<u>5,646</u>
Operating profit before working capital changes	93,081	139,035
Changes in working capital:		
Net change in current assets	125,415	77,451
Net change in current liabilities	<u>(26,265)</u>	<u>(100,393)</u>
Cash generated from operating activities	192,231	116,093
Contribution paid for post-employment benefits	(572)	(44)
Dividend received from an associates	11,500	49,880
Tax and zakat paid, net of refunds received	<u>(22,413)</u>	<u>(34,408)</u>
Net cash generated from operating activities	<u>180,746</u>	<u>131,521</u>
Cash Flows From Investing Activities		
Profit rate/ interest income received	5,192	4,083
Acquisition of additional interest in a subsidiary	(57,707)	-
Purchase of :		
- property, plant and equipments	(42,373)	(47,708)
- investment properties	(492)	(1,348)
- intangible assets	(433)	(623)
- right-of-use assets	-	(94)
Proceeds from redemption of preference shares in an associate	-	128,800
Proceeds from disposal of :		
- property, plant and equipment	258	9,429
- investment property	8,000	-
Placement of short term funds	<u>106,932</u>	<u>(84,423)</u>
Net cash from investing activities	<u>19,377</u>	<u>8,116</u>
Cash Flows From Financing Activities		
Dividends paid to shareholders	(18,809)	(48,364)
Dividend paid to non-controlling interest of a subsidiary	(4,979)	(2,061)
Dividend paid to a preference shareholder of a subsidiary	(2,928)	(2,737)
Profit rate paid	(27,479)	(21,003)
Repayment of borrowings	(290,543)	(481,859)
Drawdown of borrowings	215,441	426,935
Repayment of obligations under finance leases	(9,003)	(15,844)
Net movement in intercompany balances	(82)	535
Net movements in deposits with licensed banks	<u>(454)</u>	<u>8,584</u>
Net cash used in financing activities	<u>(138,836)</u>	<u>(135,814)</u>
Net increase in cash and cash equivalents	61,287	3,823
Effect of exchange rate changes on cash and cash equivalents	5,610	(120)
Cash and cash equivalents at 1 January	<u>165,118</u>	<u>161,415</u>
Cash and cash equivalents at 31 December	<u>232,015</u>	<u>165,118</u>

Cash and cash equivalents included in the statement cash flows comprise:

	As at	As at
	<u>31-Dec-23</u>	<u>31-Dec-22</u>
Cash and bank balances	440,801	546,239
Less:		
Deposits with licensed banks with maturity period of more than 3 months	(22,604)	(20,514)
Deposit pledged with licensed banks	(5,875)	(5,746)
Money market deposits	(253,384)	(354,861)
Cash and cash equivalent include in disposal group classified as held for sale	<u>73,077</u>	<u>-</u>
	<u>232,015</u>	<u>165,118</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 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 FOURTH QUARTER ENDED 31 DECEMBER 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 ("KPS Berhad" or "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 ("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.

KUMPULAN PERANGSANG SELANGOR BERHAD

Company No. 197501002218 / (23737-K)

(Incorporated in Malaysia)

UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 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

1 January 2025

Amendments to MFRS 121	Lack of Exchangeability
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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 FOURTH QUARTER ENDED
31 DECEMBER 2023****A8 Dividend paid**

A single-tier interim dividend of 1.0 sen per ordinary share amounting to RM5,373,854 for the financial year ended 31 December 2023 were paid on 29 December 2023.

A9 Segmental Information

Segment Revenue	3 months ended					
	31.12.2023			31.12.2022		
	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	231,030	(184)	230,846	240,016	-	240,016
Trading	40,390	-	40,390	40,042	-	40,042
Infrastructure	302	-	302	508	-	508
Investment holding	732	(732)	-	716	(716)	-
Property investment	1,912	-	1,912	2,156	-	2,156
Total Continuing Operation	274,366	(916)	273,450	283,438	(716)	282,722
Discontinuing Operations						
Manufacturing	31,818	-	31,818	30,440	-	30,440
Licensing	13,889	-	13,889	9,999	-	9,999
Total Discontinuing Operations	45,707	-	45,707	40,439	-	40,439
Total Revenue	320,073	(916)	319,157	323,877	(716)	323,161

Segment Revenue	12 months ended					
	31.12.2023			31.12.2022		
	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	877,757	(184)	877,573	989,034	-	989,034
Trading	160,078	-	160,078	158,335	-	158,335
Infrastructure	302	-	302	5,204	-	5,204
Investment holding	2,446	(2,446)	-	2,275	(2,275)	-
Property investment	8,162	-	8,162	8,957	-	8,957
Total Continuing Operation	1,048,745	(2,630)	1,046,115	1,163,805	(2,275)	1,161,530
Discontinuing Operations						
Manufacturing	138,889	-	138,889	148,217	-	148,217
Licensing	43,505	-	43,505	50,871	-	50,871
Total Discontinuing Operations	182,394	-	182,394	199,088	-	199,088
Total Revenue	1,231,139	(2,630)	1,228,509	1,362,893	(2,275)	1,360,618

KUMPULAN PERANGSANG SELANGOR BERHAD

Company No. 197501002218 / (23737-K)

(Incorporated in Malaysia)

**UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE FOURTH QUARTER ENDED
31 DECEMBER 2023****A9 Segmental Information (continued)**

Segment Results	3 months ended		12 months ended	
	31.12.2023	31.12.2022	31.12.2023	31.12.2022
	RM'000	RM'000	RM'000	RM'000
Manufacturing	(21)	4,079	37,930	62,360
Trading	1,359	1,255	8,327	7,802
Infrastructure *	1,046	130,571	2,876	123,459
Investment holding	(2,748)	(81,792)	(35,798)	(105,081)
Property investment	(1,386)	(3,682)	1,468	(2,214)
Oil & Gas *	524	805	1,842	1,716
(Loss)/Profit Before Tax and Zakat on Continuing Operations	(1,226)	51,236	16,645	88,042
Manufacturing	(1,128)	(1,420)	1,166	(2,114)
Licensing	9,548	6,275	24,258	32,436
Profit Before Tax and Zakat on Discontinuing Operations	8,420	4,855	25,424	30,322
Total Profit Before Tax and Zakat	7,194	56,091	42,069	118,364

* Inclusive of share of profit of associates

A10 Valuation of property, plant, and equipment

Property, plant, and equipment other than freehold land are stated at cost or valuation less accumulated depreciation and any impairment losses. Freehold land is stated at cost or valuation less any impairment losses and is not depreciated.

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 year ended 31 December 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").

KUMPULAN PERANGSANG SELANGOR BERHAD

Company No. 197501002218 / (23737-K)

(Incorporated in Malaysia)

UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2023

A12 Changes in the composition of the Group (continued)

(i) Acquisition of 100% Equity Interest in MDS Advance Sdn Bhd. (“MDS”) (continued)

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 Berhad.

(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.

(iii) Voluntary Winding-up of Toyoplas Manufacturing (Shanghai Songjiang) Co. Ltd. (“TMS”)

On 29 December 2023, Toyoplas Manufacturing (Shanghai Songjiang) Co. Ltd. (“TMS”), an indirect wholly-owned subsidiary of Toyoplas Manufacturing (Malaysia) Sdn Bhd (“TMM”), which in turn is an indirect wholly-owned subsidiary of KPS Berhad, commenced its voluntary winding-up.

TMS was incorporated in 2002 in PRC with an authorised and paid-up capital of USD5.5 million. The company was principally involved in the production and sale of precision plastic moulds and precision plastic accessories for electrical appliances. TMS is not a major subsidiary of KPS Berhad, considering its level of contribution to the profit before tax and total assets employed of KPS Berhad and its subsidiaries (“KPS Berhad Group”).

Considering the larger trade diversion and supply chain diversification strategies within the industry, TMM and its subsidiaries (“TMM Group”) intend to consolidate its operations in PRC while expanding its operations outside of PRC together with its key customers which have been growing their presence in Vietnam where TMM Group had recently opened a new factory. The existing plastic injection business and production capacity of TMS shall be transferred to TMM Group’s factories in Vietnam and Malaysia while mould fabrication which is an upstream activity shall be consolidated to TMM Group’s remaining factory in PRC located in Dongguan. The voluntary winding-up of TMS is a key component of TMM Group’s effort to streamline its resources and operations, which involves the re-alignment of operational capacities closer to customers and in a more cost-efficient environment.

KUMPULAN PERANGSANG SELANGOR BERHAD

Company No. 197501002218 / (23737-K)

(Incorporated in Malaysia)

UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2023

A12 Changes in the composition of the Group (continued)

(ii) **Voluntary Winding-up of Toyoplas Manufacturing (Shanghai Songjiang) Co. Ltd. ("TMS") (continued)**

There are no expected losses on the voluntary winding-up, and KPS Berhad Group is not expected to incur any financial impact therefrom. The completion of the voluntary winding-up proceedings is subject to clearance of the relevant authorities in the PRC.

None of the Directors or major shareholders of KPS Berhad and/or persons connected with them have any interests, direct or indirect in the voluntary winding-up of TMS.

A13 Capital commitments

The amount of commitments not provided for in the unaudited interim financial statements as of 31 December 2023 is as follows:

	RM'000
Property, plant, and equipment:	
(i) Approved but not contracted for	<u>41,922</u>
(ii) Approved and contracted for	<u>10,477</u>
Share of capital commitment of an associate	<u>1,320</u>

A14 Significant related party transactions

The following are the related party transactions of the Group:

	3 months ended		12 months ended	
	31.12.2023	31.12.2022	31.12.2023	31.12.2022
	RM'000	RM'000	RM'000	RM'000
Construction revenue from related companies	302	-	302	477
Sales of products to a subsidiary company of non-controlling interest	4,431	4,648	17,020	17,659
Sale of products to related companies	18,941	16,829	75,737	72,257
Rental income from related companies	122	77	515	308
Rental expenses charged by a related company	-	(3)	(3)	(12)
Waste disposal services provided by related companies	(9)	(9)	(35)	(35)

KUMPULAN PERANGSANG SELANGOR BERHAD

Company No. 197501002218 / (23737-K)

(Incorporated in Malaysia)

**UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE FOURTH QUARTER ENDED
31 DECEMBER 2023****A15 Contingent liabilities and contingent assets**

The contingent liabilities as of 31 December 2023 are as follows:

Secured:	RM'000
(i) Provision of proportionate corporate guarantee for an associate Working capital and issuance of bank guarantees	<u>16,586</u>
(ii) Performance guarantees to third parties	<u>7,857</u>
Unsecured:	
(i) Performance guarantees to third parties	<u>2,210</u>

There were no contingent assets as at the reporting date.

**B. ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA SECURITIES
BERHAD LISTING REQUIREMENTS****B1 Performance review****a) Current quarter against previous year corresponding quarter****Continuing operations**

The Group recorded a slightly lower revenue of RM273.5 million compared with RM282.7 million for the corresponding quarter 2022, representing a decrease in revenue by 3% or RM9.3 million. The reduction in revenue was due to lower revenue in all sectors except for trading sector. Manufacturing sector experienced a decrease by RM9.2 million and infrastructure by RM0.2 million. Meanwhile, the trading sector's revenue saw an improvement by RM0.3 million.

The Group experienced a significant drop in profit before tax and zakat during the quarter, exceeding 100% or RM52.5 million. This decrease was mainly due to a lower share of profit from associates, particularly from Sistem Penyuraian Trafik KL Barat Holdings Sdn Bhd ("SPRINT Holdings") resulted from the absence of gain on disposal of SPRINT of RM128.7 million recognised in the same quarter of 2022. Lower revenue and other income, together with additional costs associated with corporate restructuring plan in China and higher finance costs also contributed to the reduction in profit. However, the impact was partially offset by reduced administrative expenses, mainly due to the absence of impairment on investments in associates, specifically NGC Energy Sdn Bhd ("NGC Energy") and SPRINT Holdings, amounting to RM67.3 million and RM1.5 million, respectively.

KUMPULAN PERANGSANG SELANGOR BERHAD

Company No. 197501002218 / (23737-K)

(Incorporated in Malaysia)

UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2023

B1 Performance review (continued)

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

Performance of the respective operating business segments for the fourth quarter ended 31 December 2023 as compared to the preceding year corresponding quarter is analysed as follows:

1. Manufacturing

The manufacturing sector recorded lower revenue by 4%, contributing RM230.8 million or 84% to the Group's revenue from continuing operations compared to RM240.0 million in the corresponding quarter last year. The decrease in revenue mainly led by lower revenue contributed from Toyoplas Manufacturing (Malaysia) Sdn Bhd ("Toyoplas") of RM105.7 million, reduced by RM20.2 million or 16% as compared to the preceding year corresponding quarter mainly resulted from the absence of the top customer in Indonesia during the period.

Meanwhile, CPI (Penang) Sdn Bhd ("CPI") also recorded a lower revenue by RM3.8 million, mainly derived from lower sales on all business segments except for automotive segment.

Nevertheless, Century Bond Bhd ("CBB") saw an increase in revenue by RM9.2 million led by higher traction from all division except for offset division. The new contribution from newly acquired subsidiary, MDS Advance Sdn Bhd ("MDS") of RM5.7 million during the quarter also enhanced the revenue contribution from this sector.

This sector experienced a loss before tax and zakat RM0.1 million as compared to a profit of RM4.1 million in the corresponding quarter 2022. This reduction was mainly from CBB due to the impairment on inventories of RM7.2 million. The reduction in profit before tax and zakat was also due to lower contributions at CPI by RM2.9 million attributable to a decrease in gross profit ("GP") and GP margin, which led by several factors such as increased electricity tariffs and additional costs associated with the new plant.

However, the reduction in profit before tax and zakat was mitigated by the result improvement at Toyoplas, with reduced loss before tax and zakat by RM5.2 million, primarily from the absence of costs related to the corporate restructuring plan in Indonesia and Vietnam, which were accounted for in the corresponding quarter of 2022. New contribution from MDS of RM3.0 million also narrowed the impact of loss before tax and zakat of this sector during the quarter.

2. Trading

The revenue for this quarter amounted to RM40.4 million, showing an increase of RM0.4 million or 1% compared to the corresponding quarter's revenue of RM40.0 million. This improved in revenue was attributed by higher sales in water meters.

Align with the rise in revenue, the sector also contributed higher profit before tax and zakat totalling RM1.4 million, surpassing the RM1.3 million recorded in the corresponding quarter of 2022.

KUMPULAN PERANGSANG SELANGOR BERHAD

Company No. 197501002218 / (23737-K)

(Incorporated in Malaysia)

UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2023

B1 Performance review (continued)

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

3. Infrastructure

This sector includes results of operating subsidiaries, namely KPS-HCM Sdn Bhd (“KPS-HCM”) and Smartpipe Technology Sdn Bhd (“SPT”) and share of profit from associates. SPT recorded revenue of RM0.3 million on pipe replacement project. Meanwhile, no revenue recorded by KPS-HCM due to project completion and no project secured during the quarter.

Profit before tax and zakat stands at RM1.0 million, a significant decrease of RM129.6 million mainly due to the absence of the RM128.7 million gain on disposal of SPRINT during the corresponding quarter 2022. Additionally, the reduction in share of profit from Syarikat Pengeluar Air Selangor Holdings Bhd (SPLASH Holdings) by RM0.4 million also impacted the sector's overall profit contribution. Additionally, there was an improvement in the share of profit from Perangsang Water Management Sdn Bhd (“PWM”), an increase by RM0.3 million from the RM0.3 million recorded in the corresponding quarter of 2022.

4. Investment holding

This sector recorded reduced loss before tax and zakat of RM2.7 million, as compared to RM81.8 million loss recorded in corresponding quarter 2022. This favourable impact was led by the absence of provision on impairment made in 2022 on investment on associates namely NGC Energy and SPRINT Holdings amounting to RM67.3 million and RM1.5 million respectively. Lower administrative expenses also led to the improvement in this sector's results.

5. Property investment

Property investment reported a modest decrease in revenue, totalling RM1.9 million compared to the RM2.2 million recorded in the corresponding quarter of 2022. This was led by lower contribution of rental income at Plaza Perangsang and the absence of rental income from Wisma SAP, following its disposal in the first half of the year.

This sector, however, recorded lower loss before tax and zakat by RM2.3 million, driven by lower expenses incurred during the quarter compared to the corresponding quarter of 2022, of which the impairment loss on investment property, as well as property, plant, and equipment amounting to RM3.1 million, had been recognised.

6. Oil and gas

NGC Energy registered profit after tax and zakat of RM1.3 million compared to profit of RM2.0 million during the corresponding quarter of 2022. Hence, the Group's share of profit was RM0.5 million million compared to share of profit of RM0.8 million recognised in corresponding quarter 2022.

KUMPULAN PERANGSANG SELANGOR BERHAD

Company No. 197501002218 / (23737-K)

(Incorporated in Malaysia)

**UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE FOURTH QUARTER ENDED
31 DECEMBER 2023****B1 Performance review (continued)****a) Current quarter against previous year corresponding quarter (continued)****Discontinuing operations**

Particulars	3 months ended		Variance
	31.12.2023	31.12.2022	
	RM'000	RM'000	%
Revenue	45,707	40,439	13
Cost of sales	(23,917)	(22,978)	(4)
Gross profit	21,790	17,461	25
Other income	1,672	284	>100
Other expenses	(14,265)	(12,735)	(12)
Operating profit	9,197	5,010	84
Finance costs	(777)	(155)	->(100)
Profit before tax and zakat	8,420	4,855	73
Income tax and zakat	(1,443)	(1,104)	(31)
Profit for the period	6,977	3,751	86

The revenue shows an improvement by 13% or RM5.3 million mainly led by higher international royalty revenue from King Koil Licensing Company, Inc ("KKLC") by RM3.9 million. Revenue also improved at King Koil Sales Inc ("KCSI") by RM1.5 million mainly from new sales to an existing customer. However, the increased in revenue at KKLC and KCSI was mitigated by lower revenue from King Koil Manufacturing West, LLC ("KKMW") by RM0.2 million which led by the weakening consumer demand during the quarter.

Corresponding to the increase in revenue, the discontinuing operations recorded higher profit before tax and zakat of RM8.4 million, compared to RM4.9 million in the corresponding quarter of 2022.

b) Current year-to-date against previous year to-date**Continuing operations**

For the twelve months ended 31 December 2023, the Group registered revenue of RM1,046.1 million compared to RM1,161.5 million in the corresponding year 2022, representing a decrease in revenue by RM115.4 million or 10% resulted from lower revenue at all sectors except for trading sector. This was primary caused by weakening consumer demand and the cessation of major customers during the year under review.

The Group's profit before tax and zakat for the current year amounted to RM16.6 million, reflecting a decrease of 81% or RM71.4 million compared to the corresponding period in 2022. This decline is primarily attributed to a lower share of profit from associates, mainly due to the absence of the gain on disposal of SPRINT amounting to RM128.7 million. Additionally, the impact of foreign exchange losses along with increased finance costs further contributed to the overall decrease in profit before tax and zakat during this year. However, the impact was narrowed down due the reduction in other expenses which was mainly relates to impairment losses recognised in corresponding year 2022.

KUMPULAN PERANGSANG SELANGOR BERHAD

Company No. 197501002218 / (23737-K)

(Incorporated in Malaysia)

UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2023

B1 Performance review (continued)

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

Performance of the respective operating business segments for the twelve months ended 31 December 2023 as compared to the preceding year corresponding period is analysed as follows:

1. Manufacturing

The manufacturing sector contributed revenue of RM877.6 million and profit before tax and zakat of RM37.9 million compared to corresponding year 2022 revenue of RM989.0 million and profit before tax and zakat of RM62.4 million.

The decrease in revenue of RM111.5 million was mainly from Toyoplas by RM134.7 million and CPI by RM14.7 million. However, the reduction in revenue at these two companies were partially offset by higher sales at CBB by RM15.9 million along with contributions from newly acquired subsidiary, MDS of RM22.0 million.

This sector recorded a reduced profits in the current year. This decline is primarily driven by CBB, which recorded a loss of RM2.1 million as compared to profit before tax and zakat of RM16.8 million recognised in preceding year. This was mainly due to impairment on inventories recognised during the year, along with a lower gross profit margin resulting from increased average paper costs and higher factory overhead costs. Resulted from the decreased in revenue and the impact of foreign exchange losses, Toyoplas also recorded a loss before tax and zakat of RM1.9 million as compared to profit of RM7.6 million in the corresponding year 2022. On the other hand, CPI recorded a lower profit before tax by RM5.7 million due to lower revenue contributed during the year.

Meanwhile, MDS contributed to RM9.6 million profit before tax and zakat for this sector during the year.

2. Trading

The trading sector posted revenue of RM160.1 million, higher by 1% or RM1.7 million primarily due to higher revenue from the sale of water meters and chemicals.

In line with the increase in revenue, this sector experienced an increase in profit before tax and zakat of RM8.3 million as compared to RM7.8 million recorded in corresponding year 2022.

3. Infrastructure

Revenue was RM0.3 million from pipe replacement project at SPT. However, no revenue recorded at KPS-HCM due to project completion and no new project secured during the year.

However, this sector recorded a lower profit before tax and zakat for the current year of RM2.9 million, 98% lower than the corresponding year profit before tax and zakat of RM123.5 million. This was mainly due to the absence of gain on SPRINT disposal of RM128.7 million which being recorded in corresponding year 2022.

KUMPULAN PERANGSANG SELANGOR BERHAD

Company No. 197501002218 / (23737-K)

(Incorporated in Malaysia)

**UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE FOURTH QUARTER ENDED
31 DECEMBER 2023****B1 Performance review (continued)****b) Current year-to-date against previous year to-date (continued)**

4. Investment holding

This sector decreased its loss before tax and zakat to RM35.8 million, compared to RM105.1 million in 2022. The improvement was mainly due to the absence of impairment losses on investment in associates which was recognised in the corresponding year of 2022, amounting to RM68.8 million.

5. Property Investment

The property investment sector recorded lower revenue of RM8.2 million compared to RM9.0 million in the corresponding year in 2022, mainly due to lower rental income at Plaza Perangsang and Wisma SAP.

Nevertheless, this sector reported a profit before tax and zakat of RM1.5 million compared to the loss of RM2.2 million in the corresponding year of 2022. This improvement resulted from a gain on the disposal of Wisma SAP amounting to RM2.1 million and the absence of an impairment loss on investment property, which was recognised in 2022.

6. Oil and gas

For the current year, NGC Energy registered profit after tax of RM4.6 million, which translated into the Group's share of profit of RM1.8 million as compared to corresponding year 2022 profit after tax of RM4.3 million and Group's share of profit of RM1.7 million.

Higher share of profit in the current year mainly due to higher revenue from Industrial and Commercial segment and domestic sales of Liquefied Petroleum Gas.

Discontinuing operations

Particulars	12 months ended		Variance
	31.12.2023	31.12.2022	
	RM'000	RM'000	%
Revenue	182,394	199,088	(8)
Cost of sales	(101,525)	(112,715)	10
Gross profit	80,869	86,373	(6)
Other income	3,070	438	>100
Other expenses	(57,390)	(55,791)	(3)
Operating profit	26,549	31,020	(14)
Finance costs	(1,125)	(698)	(61)
Profit before tax and zakat	25,424	30,322	(16)
Income tax and zakat	(7,374)	(6,340)	(16)
Profit for the year	18,050	23,982	(25)

KUMPULAN PERANGSANG SELANGOR BERHAD

Company No. 197501002218 / (23737-K)

(Incorporated in Malaysia)

**UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE FOURTH QUARTER ENDED
31 DECEMBER 2023****B1 Performance review (continued)****b) Current year-to-date against previous year to-date (continued)****Discontinuing operations (continued)**

Revenue declined by 8% mainly due to the absence of one-off upfront payment made by an existing customer for the renewal of long-term licensing agreement amounting to RM10.0 million which was recognised in 2022 coupled with the absence of a major customer.

KKMW experienced a decline in sales by RM14.2 million due to weak customer demand throughout the year. KKLC recorded lower revenue of RM43.5 million compared to the corresponding period in 2022 of RM50.9 million, representing a decrease in revenue by 15% or RM7.4 million. Meanwhile, KCSI showed an increase in revenue by RM4.9 million.

Impacted by lower revenue, profit before tax and zakat were also lower by 16% or RM4.9 million. KKLC, representing the licensing sector, recorded lower profit before tax and zakat by RM8.1 million. Lower revenue generation had an impact on the absorption of fixed costs, which in turn affected profitability. KCSI also recorded lower profit before tax and zakat by RM0.2 million resulted from lower GP margin. Meanwhile, KKMW, representing the manufacturing sector, recorded higher profit before tax and zakat by RM3.4 million due to an improved GP margin during the year.

B2 Comparison with the preceding quarter's results

Particulars	3 months ended		Variance
	31.12.2023	30.09.2023	
	RM'000	RM'000	%
Revenue	273,450	285,897	(4)
Cost of sales	(236,202)	(234,317)	(1)
Gross profit	37,248	51,580	(28)
Other income	17,486	14,471	21
Other expenses	(51,069)	(48,969)	(4)
Operating profit	3,665	17,082	(96)
Finance costs	(6,498)	(6,450)	(1)
Share of profit from associates	1,607	929	73
(Loss)/Profit before tax and zakat	(1,226)	11,561	->100
Income tax and zakat	(4,780)	(6,800)	(30)
(Loss)/Profit for the period	(6,006)	4,761	->(100)
Profit from discontinuing operation	6,977	3,835	82
Profit for the period	971	8,596	->(100)

KUMPULAN PERANGSANG SELANGOR BERHAD

Company No. 197501002218 / (23737-K)

(Incorporated in Malaysia)

UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2023

B2 Comparison with the preceding quarter's results (continued)

Continuing operations

The current quarter Group revenue is lower by RM12.4 million or 4% to RM273.5 million compared to RM285.9 million recorded in the third quarter of 2023. This was due to weak performance at manufacturing and trading sector. In line with lower revenue with higher administrative expenses led by impairment provision during the quarter coupled with the cost associated with corporate restructuring plan in China, the Group's recorded a loss before tax and zakat of RM1.2 million compared to profit before tax and zakat of RM11.6 million in the preceding quarter. This led to the loss after tax and zakat of RM6.0 million during the quarter under review compared to a profit after tax and zakat of RM4.8 million in the preceding quarter.

Discontinuing operations

The discontinuing operation have recorded a higher profit before tax and zakat of RM7.0 million compared to RM3.8 million recorded in the previous quarter. The improved in GP margin coupled with the increase in other income led by the reversal of impairment on trade receivables had improved the profit contributions during the quarter.

B3 Commentary on prospects

1. Manufacturing

The world's gross domestic product ("GDP") is forecasted to remain at 3.1% in 2024 with greater than expected resilience from emerging market and developing economies. However, still below the historical average GDP of 3.8% in due to the slow recovery of domestic demand. Malaysia's GDP in the fourth quarter of 2023 grew at 3.4% against 3.3% in the third quarter, steered by service sector as the primary driver despite the positive growth across all sectors. However, market remain uncertain throughout 2024 with exogenous factors such as geopolitical tensions in Ukraine and Palestine, which could serve to slow down the recovery of external demand and heighten commodity prices.

KPS Group was hit by lower demand from the electrical and electronic sector, in tandem with the softening market demand due to the evolving market conditions such as high interest rate environment and inflationary pressures alongside with energy crisis. Supply chains are in overstocked position after expectations of end-customer's demand growth did not materialise and customers redesigning models for a cost down in anticipating a cost optimisation. KPS Group is not spared from the higher material and operating costs that had affected all sectors as dictated by market or government forces including increase of Sales and Service Tax ("SST") and water tariff. Red sea crisis has given a greater pressure to the global trade and shipping transportation due to the re-routing to longer distance and extra sailing time alongside with increase in shipping related costs. In addition, foreign exchange fluctuations, particularly USD against local currencies, had been challenging to manage and seen to persist in 2024.

In the U.S., the country's macroeconomic turbulences had overall translated into weak consumer demand and spending, particularly on discretionary spending, throughout 2023. Businesses continued having to operate in a high inflation & high interest rate environment – mortgage rates which hover around 7% as at end-2023 (elevated if compared with 2022 and 2021 average rates of approximately 5% and 3% respectively), coupled with home prices that rose substantially during the pandemic had deteriorated housing affordability, which in turn had affected the home furnishing industry. Outlook will predominantly be hinged upon any further movements in interest rates which is the U.S. Federal Reserve's tool to curb inflation.

KUMPULAN PERANGSANG SELANGOR BERHAD

Company No. 197501002218 / (23737-K)

(Incorporated in Malaysia)

**UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE FOURTH QUARTER ENDED
31 DECEMBER 2023****B3 Commentary on prospects (continued)**

1. Manufacturing (continued)

In light of the factors mentioned earlier, KPS Group is committed to actively observing market trends and prudently controlling expenses to safeguard its profit margins. Concurrently, the company will channel its efforts into broadening and diversifying its revenue streams, with the overarching goal of securing sustained growth and ultimately ensuring profitability in the long run.

2. Trading

Strong revenue performance recorded from trading sales of water chemicals supported by the materialised revenue from contracts awarded in FY2022 and 1H2023. A comparable performance will be expected in FY2024 following the additional contracts secured at the end of FY2023, which includes those from critical customers. As supply chain disruption remains uncertain due to surrounding raw material costs and the uncertainty of the value of the local currency, the company continues to undertake a concerted effort to monitor current pricing trends from suppliers and to look for emerging possibilities in all business segments.

B4 Profit forecast and profit guarantee

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

B5 Other income/(expenses)

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

Continuing operations

	3 months ended		12 months ended	
	31.12.2023	31.12.2022	31.12.2023	31.12.2022
	RM'000	RM'000	RM'000	RM'000
Profit rate/Interest income from the deposit with licensed bank	495	1,684	3,179	2,796
Interest income from profit guarantee deferment	-	-	-	1,663
Gain on the fair value of short-term funds	1,561	1,711	7,147	4,895
Gain on foreign exchange	5,383	20,795	44,168	55,323
Reversal of impairment on receivables	-	-	1,128	542
Reversal of impairment on cash generating units	-	-	-	4,777
(Provision) / reversal of impairment on inventories	(7,976)	(890)	(7,804)	(2,680)
Finance costs	(6,498)	(6,306)	(26,711)	(21,966)
Loss on foreign exchange	(7,332)	(20,642)	(48,372)	(44,272)
Depreciation of property, plant and equipment	(11,323)	(9,945)	(43,480)	(41,121)
Depreciation of investment properties	(479)	(505)	(1,916)	(2,330)
Amortisation of intangible assets	(1,664)	(1,701)	(6,574)	(5,122)
Impairment of receivables	(29)	(229)	(30)	(807)
Impairment on investment property	-	(2,702)	-	(2,702)
Reversal / (Impairment) on property, plant, and equipment	3,551	(10,004)	3,551	(10,004)
Reversal / (Impairment) on intangible asset	204	(862)	204	(862)
Impairment on goodwill	-	(663)	-	(663)
Reversal/(Impairment) on investment in an associate	6,051	(68,824)	6,051	(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.

KUMPULAN PERANGSANG SELANGOR BERHAD

Company No. 197501002218 / (23737-K)

(Incorporated in Malaysia)

**UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE FOURTH QUARTER ENDED
31 DECEMBER 2023****B5 Other income/(expenses) (continued)****Discontinuing operations**

	3 months ended		12 months ended	
	31.12.2023	31.12.2022	31.12.2023	31.12.2022
	RM'000	RM'000	RM'000	RM'000
Profit rate/Interest income from the deposit with licensed bank	636	283	2,013	410
Gain on foreign exchange	5	-	5	-
Reversal of impairment on receivables	1,154	368	1,154	368
Finance costs	(777)	(155)	(1,125)	(698)
Loss on foreign exchange	-	(33)	-	(33)
Depreciation of property, plant and equipment	(2,511)	(1,256)	(5,724)	(5,006)
Amortisation of intangible assets	(189)	(205)	(725)	(708)
Impairment of receivables	(64)	-	(351)	(166)

B6 Income tax expense

	3 months ended		12 months ended	
	31.12.2023	31.12.2022	31.12.2023	31.12.2022
	RM'000	RM'000	RM'000	RM'000
<u>Continuing Operations</u>				
Income tax expense	7,204	4,363	17,910	22,503
Deferred tax recognised in income statement	(3,325)	(823)	(4,248)	(2,036)
Income tax expense	3,879	3,540	13,662	20,467
Zakat expense	901	3,646	1,761	5,696
Income tax and zakat expense	4,780	7,186	15,423	26,163
<u>Discontinuing Operations</u>				
Income tax expense	1,442	1,104	7,373	6,340
Zakat expense	1	-	1	-
Income tax and zakat expense	1,443	1,104	7,374	6,340

B7 Status of corporate proposals

There were no other corporate proposals during the period ended and subsequent to the reporting period except for:

- (i) **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”)**

The Disposal was completed on 13 October 2022 upon receipt of a total sum of RM863.0 million by SPRINT Holdings from ALR. Accordingly, SPRINT has ceased to be a subsidiary of SPRINT Holdings.

On 25 October 2022, the Company had 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”).

KUMPULAN PERANGSANG SELANGOR BERHAD

Company No. 197501002218 / (23737-K)

(Incorporated in Malaysia)

**UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE FOURTH QUARTER ENDED
31 DECEMBER 2023****B7 Status of corporate proposals (continued)**

- (i) **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”) (continued)**

The Proceeds from the Disposal has and will be utilised by KPS Berhad for the following purposes:

No.	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 Quarter 3, 2024 Quarter 3, 2025
3	Principal repayment for existing term loan	18,000	August 2023
4	Working capital	45,418	2023

- (ii) **Proposed Divestment by Bold Approach Sdn Bhd, a Wholly-Owned Subsidiary of KPS Berhad ("Bold Approach"), of its 50.00% Equity Interest in Kaiserkorp Corporation Sdn Bhd ("Kaiserkorp") To AI Dream (HK) Limited ("AI Dream") for a Cash Consideration ("Proposed Divestment")**

KPS Berhad, Bold Approach and Yeoh Jin Hoe ("YJH") had on 9 January 2024, entered into a conditional share sale agreement (“SSA”) with AI Dream for the following:

- (a) the divestment by Bold Approach of 44,618,685 ordinary shares in Kaiserkorp, representing its 50.00% equity interest in Kaiserkorp to AI Dream for a cash consideration of RM265.48 million; and
- (b) the divestment by YJH, who is a director and shareholder of Kaiserkorp, of 26,771,211 ordinary shares in Kaiserkorp, representing his 30.00% equity interest in Kaiserkorp to AI Dream for a cash consideration.

Completion shall take place on the 10th business day following the satisfaction or waiver (to the extent permitted under the SSA) of the Conditions Precedent or such other day mutually agreed in writing between the Vendors and the Purchaser. The Proposed Divestment is subject to the approval of the Company’s shareholders at an extraordinary general meeting to be convened on 6 March 2024.

Upon completion of the Proposed Divestment, Kaiserkorp will cease to be a subsidiary of Bold Approach and Bold Approach will be holding 10.00% equity interest in Kaiserkorp.

The Proceeds from the Proposed Divestment will be utilised by KPS Berhad for the following purposes:

No.	Purpose	Proposed Utilisation (RM'000)	Estimated Timeframe
1	Repayment of borrowings	184,000	Within 12 months
2	Working capital	56,400	Within 36 months
3	Special dividend	24,200	Within 12 months
4	Defray estimated expenses for the Proposed Divestment	880	Within 12 months

KUMPULAN PERANGSANG SELANGOR BERHAD

Company No. 197501002218 / (23737-K)

(Incorporated in Malaysia)

**UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE FOURTH QUARTER ENDED
31 DECEMBER 2023****B8 Borrowings**

The Group borrowings as of 31 December 2023 are as follows:

As at 4 th Quarter 2023			As at 4 th 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

Banker's Acceptance	-	-	-	1,352	1,352
Revolving credits	5,738	-	5,738	-	15,791
Term loans	152	27,966	28,118	27,352	27,352
Factoring	-	-	-	12,631	12,631

Short term borrowings – unsecured

Banker's acceptance	-	-	-	12,998	12,998
Revolving credits	-	41,000	41,000	40,000	40,000
Term loans	-	-	-	742	742
Trust receipt	562	31,701	32,263	30,014	39,227

Subtotal	6,452	100,667	107,119	38,377	111,716	150,093
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Long term borrowings – secured

Term loans	-	102,236	102,236	-	129,387	129,387
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Long term borrowings – unsecured

Term loans	-	257,000	257,000	1,320	257,000	258,320
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Subtotal	-	359,236	359,236	1,320	386,387	387,707
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Total borrowings

Revolving credits	5,738	41,000	46,738	15,791	40,000	55,791
Banker's acceptance	-	-	-	-	14,350	14,350
Term loans	152	387,202	387,354	2,062	413,739	415,801
Trust receipt	562	31,701	32,263	9,213	30,014	39,227
Factoring	-	-	-	12,631	-	12,631
Total	6,452	459,903	466,355	39,697	498,103	537,800

KUMPULAN PERANGSANG SELANGOR BERHAD

Company No. 197501002218 / (23737-K)

(Incorporated in Malaysia)

UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2023

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 Berhad”) and Leo Hospitality Sdn Bhd (In liquidation) (“Leo”)**

On 25 May 2022, KPS Berhad 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 Berhad 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.

On 15 May 2019, Leo has been wound up vide Kuala Lumpur High Court (“High Court”) Winding-Up Suit No. WA28NCC-207-03/2019. KPS Berhad and PHP filed the Memorandum of Appearance in the High Court on 8 June 2022. Subsequently, on 20 June 2022, the High Court directed PHP and KPS to file their respective Statement of Defence by 4 July 2022 and for the Plaintiffs to file their Reply by 18 July 2022.

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

On 4 July 2022, PHP and KPS filed their Statement of Defence and the High Court fixed a case management to be heard on 20 July 2022. On 29 July 2022, KPS Berhad and PHP received the Plaintiffs’ Reply and the High Court fixed the next case management to be heard on 18 August 2022.

On 4 August 2022, considering the facts of the Claim, and upon obtaining legal advice from our appointed solicitor, KPS Berhad and PHP filed a striking-out application together with affidavit in support against the Plaintiffs’ action (“Striking Out Application”). The High Court fixed the matter for case management on 19 September 2022.

KUMPULAN PERANGSANG SELANGOR BERHAD

Company No. 197501002218 / (23737-K)

(Incorporated in Malaysia)

UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2023

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 Berhad”) and Leo Hospitality Sdn Bhd (In liquidation) (“Leo”) (continued)**

On 19 September 2022, the High Court directed for all parties to file their respective written submission for the Striking Out Application by 19 October 2022, reply to the said written submission by 9 November 2022, and fixed the hearing for the Striking Out Application to be heard on 14 December 2022 which was postponed to 2 March 2023. The Striking Out Application was heard on 2 March 2023 and the decision by the High Court was delivered on 11 April 2023.

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

On 16 May 2023, the Court 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 further fixed the next case management on 24 July 2023 and fixed the trial dates from 17 to 20 June 2024.

At the final case management held on 9 October 2023, the Court rescheduled the trial dates from 17- 20 June 2024 to 24 - 27 February 2025 to enable all parties to strictly comply with all directions given by the Court.

The Claim is not expected to have any material financial and operational impact on KPS Berhad Group for the financial year ended 31 December 2023 and for the financial year ending 31 December 2024.

- (ii) **Writ Of Summons and Statement of Claim from Tan Kok Heong, Tan Kok Cheng, and Tan Kok Gea (“Plaintiffs”) against Menteri Besar Selangor (Pemerbadanan), KPS Berhad, and Pentadbir Tanah Daerah Kuala Langat (Defendants)**

On 14 November 2023, KPS Berhad received a letter from the solicitors representing the Plaintiffs accompanied by a sealed Amended Writ dated 10 November 2023 and Statement of Claim (“Claim”) dated 6 November 2023 issued by the Shah Alam High Court (“High Court”) (collectively “First Suit”) demanding inter-alia, the following Claim:

- a. Declaration that the Plaintiffs are the previous landowners of Hakmilik C.T.21341, Lot 3322, Mukim Tanjong Dua Belas, Daerah Kuala Langat, Selangor measuring land areas of approximately 4.331 acres (“Land 21341”) and Hakmilik C.T. 21331, Lot 3312, Mukim Tanjong Dua Belas, Daerah Kuala Langat, Selangor measuring land areas of approximately 4.875 acres (“Land 21331”) (Land 21331 and Land 21341 collectively referred to as “Lands”) which were part of the mining scheme under KPS Berhad at Brooklyn and Sungai Kelambu, Banting, Selangor;
- b. Declaration that the Land Replacement Agreement (Perjanjian Penggantian Tanah) issued by 1st and 2nd Defendants to the Plaintiffs are valid;
- c. Declaration that the Defendants have breached the trust and repudiated the Land Replacement Agreement as the Defendants failed to give the replacement lands to the Plaintiffs;

KUMPULAN PERANGSANG SELANGOR BERHAD

Company No. 197501002218 / (23737-K)

(Incorporated in Malaysia)

UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2023

B9 Material litigations (continued)

(ii) **Writ Of Summons and Statement of Claim from Tan Kok Heong, Tan Kok Cheng, and Tan Kok Gea (“Plaintiffs”) against Menteri Besar Selangor (Pemerbadanan), KPS Berhad, and Pentadbir Tanah Daerah Kuala Langat (continued)**

- d. Damages compensation for the 2 lands to the Plaintiffs based on market rate as at the date of judgement; or in the alternative, based on the previous land assessments made by the Inland Revenue Board;
- e. General damages;
- f. Interest in the rate 5% per annum on the damages compensation under paragraph (d) above from 22 December 2023 until the final settlement date;
- g. Cost and other related cost; and
- h. Other relief(s) as the High Court deems fit.

The 1st and 2nd Plaintiffs are alleging that the Lands were previously owned by their deceased parents, namely Ang Kua and Tan Hooy. The 3rd Plaintiff is alleging that he is the appointed administrator of the deceased parents.

The Plaintiffs decided to amend its First Suit to include new parties, and as such has withdrawn the First Suit as per the Notice of Discontinuance dated 13 December 2023.

On 4 January 2024, KPS Berhad received a letter dated 4 January 2024 from the solicitors representing the Plaintiffs accompanied by a sealed Writ dated 22 December 2023 and Statement of Claim (“Claim”) dated 22 December 2023 issued by the High Court (collectively “Second Suit”).

This Second Suit arose from the First Suit and save for the fact that this Second Suit includes Menteri Besar Selangor and Kerajaan Negeri Selangor, the Plaintiffs are demanding similar claims against the Defendants as claimed in the First Suit. Other than KPS Berhad the Defendants of this Second Suit also includes Menteri Besar Selangor, Kerajaan Negeri Selangor, and Pentadbir Tanah Daerah Kuala Langat

At the case management held on 23 January 2024 the Court gave the following directions:-

- (a) The Defendants’ are to file their respective Defence on or before 22 February 2024;
- (b) The Plaintiffs’ are to file their Reply to Defence on or before 19 March 2024; and
- (c) The next case management is scheduled on 20 March 2024 for the Court to give pre-trial case management directions.

On 22 February 2024, KPS Berhad filed its Statement of Defence to the Court.

The Claim is not expected to have any material financial and operational impact on KPS Berhad Group for the financial year ended 31 December 2023 and for the financial year ending 31 December 2024.

KUMPULAN PERANGSANG SELANGOR BERHAD

Company No. 197501002218 / (23737-K)

(Incorporated in Malaysia)

**UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE FOURTH QUARTER ENDED
31 DECEMBER 2023****B10 Dividend**

On 27 November 2023, the Board of Directors had approved and declared a single-tier interim dividend of 1.0 sen per ordinary share of RM5,373,854 in respect of the financial year ended 31 December 2023 which were paid on 29 December 2023.

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	
	31.12.2023	31.12.2022	31.12.2023	31.12.2022
Net (loss)/profit attributable to owners of the parent (RM'000)				
- Continuing operations	(6,075)	43,658	(1,744)	58,357
- Discontinuing operations	4,408	2,567	10,466	14,856
	<u>(1,667)</u>	<u>46,225</u>	<u>8,722</u>	<u>73,213</u>
Weighted average number of shares in issue ('000)	537,385	537,385	537,385	537,385
Basic EPS				
- Continuing operations	(1.1)	8.1	(0.3)	10.8
- Discontinuing operations	0.8	0.5	1.9	2.8
	<u>(0.3)</u>	<u>8.6</u>	<u>1.6</u>	<u>13.6</u>

(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: 26 February 2024