



KUMPULAN PERANGSANG SELANGOR BERHAD

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

(Incorporated in Malaysia)

**UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE QUARTER ENDED 30 JUNE 2024**

A1 Unaudited Condensed Consolidated Income Statement For The Quarter Ended 30 June 2024

PARTICULARS	INDIVIDUAL QUARTER				CUMULATIVE QUARTER			
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	VARIANCE		CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD	VARIANCE	
	30/06/2024 RM'000	30/06/2023 RM'000	RM'000	%	30/06/2024 RM'000	30/06/2023 RM'000	RM'000	%
Continuing operations								
Revenue	280,717	255,098	25,619	10	514,554	486,767	27,787	6
Cost of sales	(232,160)	(211,962)	(20,198)	(10)	(426,942)	(407,239)	(19,703)	(5)
Gross profit	48,557	43,136	5,421	13	87,612	79,528	8,084	10
Other income	13,737	19,041	(5,304)	(28)	131,002	40,643	90,359	222
Other expenses	(41,692)	(50,165)	8,473	17	(136,249)	(101,356)	(34,893)	(34)
Operating profit	20,602	12,012	8,590	72	82,365	18,815	63,550	338
Finance costs	(6,222)	(7,003)	781	11	(12,520)	(13,764)	1,244	9
Share of profit of associates	1,060	(107)	1,167	1,091	1,622	1,259	363	29
Profit before tax and zakat	15,440	4,902	10,538	215	71,467	6,310	65,157	1,033
Income tax and zakat	(5,330)	(1,257)	(4,073)	(324)	(13,585)	(3,843)	(9,742)	(253)
Profit from continuing operations	10,110	3,645	6,465	177	57,882	2,467	55,415	2,246
Discontinued operations*								
Profit from discontinued operations, net of tax	-	3,129	(3,129)	(100)	2,564	7,238	(4,674)	(65)
Profit for the period	10,110	6,774	3,336	49	60,446	9,705	50,741	523
Attributable to:								
Owners of the parent								
- from continuing operations	8,849	2,527	6,322	250	55,835	312	55,523	17,796
- from discontinued operations	-	1,574	(1,574)	(100)	1,492	3,819	(2,327)	(61)
	<u>8,849</u>	<u>4,101</u>	<u>4,748</u>	<u>116</u>	<u>57,327</u>	<u>4,131</u>	<u>53,196</u>	<u>1,288</u>
Non-controlling interests								
- from continuing operations	1,261	1,119	142	13	2,047	2,155	(108)	(5)
- from discontinued operations	-	1,554	(1,554)	(100)	1,072	3,419	(2,347)	(69)
	<u>1,261</u>	<u>2,673</u>	<u>(1,412)</u>	<u>(53)</u>	<u>3,119</u>	<u>5,574</u>	<u>(2,455)</u>	<u>(44)</u>
	10,110	6,774	3,336	49	60,446	9,705	50,741	523
Earnings per share ("EPS") attributable to owners of the parent (sen per share):								
Basic EPS								
- from continuing operations	1.6	0.5	1.1	229	10.4	0.1	10.2	17,624
- from discontinued operations	-	0.3	(0.3)	(100)	0.3	0.7	(0.4)	(61)
Diluted EPS								
- from continuing operations	1.6	0.5	1.1	229	10.4	0.1	10.2	17,624
- from discontinued operations	-	0.3	(0.3)	(100)	0.3	0.7	(0.4)	(61)

* Pursuant to the corporate proposal as disclosed in Note B7 of this report, the disposal group held for disposal was presented as discontinued 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 2023 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 2024

PARTICULARS	INDIVIDUAL QUARTER				CUMULATIVE QUARTER			
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	VARIANCE		CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD	VARIANCE	
	30/06/2024 RM'000	30/06/2023 RM'000	RM'000	%	30/06/2024 RM'000	30/06/2023 RM'000	RM'000	%
Profit for the period	10,110	6,774	3,336	49	60,446	9,705	50,741	523
Other comprehensive income (net of tax):								
Foreign currency translation reserve								
- from continuing operations	(4,433)	6,546	(10,979)	(168)	(507)	8,069	(8,576)	(106)
- from discontinued operations	-	6,360	(6,360)	(100)	4,242	6,852	(2,610)	(38)
	<u>(4,433)</u>	<u>12,906</u>	<u>(17,339)</u>	<u>(134)</u>	<u>3,735</u>	<u>14,921</u>	<u>(11,186)</u>	<u>(75)</u>
Total comprehensive income for the period	5,677	19,680	(14,003)	(71)	64,181	24,626	39,555	161
Attributable to:								
Owners of the parent								
- from continuing operations	3,400	7,937	(4,537)	(57)	55,296	6,458	48,838	756
- from discontinued operations	-	5,489	(5,489)	(100)	4,097	8,035	(3,938)	(49)
	<u>3,400</u>	<u>13,426</u>	<u>(10,026)</u>	<u>(75)</u>	<u>59,393</u>	<u>14,493</u>	<u>44,900</u>	<u>310</u>
Non-controlling interests								
- from continuing operations	2,277	2,253	24	1	2,078	4,077	(1,999)	(49)
- from discontinued operations	-	4,001	(4,001)	(100)	2,710	6,056	(3,346)	(55)
	<u>2,277</u>	<u>6,254</u>	<u>(3,977)</u>	<u>(64)</u>	<u>4,788</u>	<u>10,133</u>	<u>(5,345)</u>	<u>(53)</u>
	5,677	19,680	(14,003)	(71)	64,181	24,626	39,555	161

(The Unaudited Condensed Consolidated Income Statement should be read in conjunction with the Annual Audited Financial Statements for the year ended 31 December 2023 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 2024

	Unaudited	Audited
	30-Jun-24	31-Dec-23
	RM'000	RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	386,223	394,454
Right-of-use assets	81,312	85,212
Other investment	19,443	-
Investment properties	2,915	2,943
Investments in associates	35,555	33,933
Intangible assets	46,345	50,732
Goodwill on consolidation	213,465	213,465
Long term receivable	1,185	908
Deferred tax assets	2,140	2,082
Club memberships	153	153
	<u>788,736</u>	<u>783,882</u>
Current assets		
Inventories	130,532	125,120
Trade and other receivables	316,392	316,887
Cash and bank balances and short term funds	610,221	440,572
Current tax assets	8,178	7,472
	<u>1,065,323</u>	<u>890,051</u>
Assets of disposal group classified as held for sale	45,384	440,113
TOTAL ASSETS	<u>1,899,443</u>	<u>2,114,046</u>
EQUITY AND LIABILITIES		
Equity attributable to owners of the parent		
Share capital	537,927	537,927
Foreign currency translation reserve	14,095	27,644
Capital reserves	3,038	2,976
Retained earnings	534,897	493,963
Shareholders' equity	<u>1,089,957</u>	<u>1,062,510</u>
Non-controlling interests	<u>37,649</u>	<u>149,980</u>
TOTAL EQUITY	<u>1,127,606</u>	<u>1,212,490</u>
Non-current liabilities		
Other payables	10,795	11,430
Loans and borrowings	357,734	359,237
Lease liabilities	13,007	14,719
Deferred tax liabilities	50,189	51,016
Post-employment benefits	10,816	9,970
	<u>442,541</u>	<u>446,372</u>
Current liabilities		
Trade and other payables	235,978	220,073
Loans and borrowings	71,507	107,118
Lease liabilities	8,253	14,069
Contract liabilities	10,846	10,021
Current tax liabilities	2,712	3,983
	<u>329,296</u>	<u>355,264</u>
Liabilities of disposal group classified as held for sale	-	99,920
TOTAL LIABILITIES	<u>771,837</u>	<u>901,556</u>
TOTAL EQUITY AND LIABILITIES	<u>1,899,443</u>	<u>2,114,046</u>
Net assets per ordinary share attributable to owners of the parent (RM)	2.03	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 2023 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 Period Ended 30 June 2024

	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 2024	537,927	27,644	2,976	493,963	1,062,510	149,980	1,212,490
Profit net of tax and zakat	-	-	-	57,327	57,327	3,119	60,446
Gain on foreign currency translations	-	2,066	-	-	2,066	1,669	3,735
Total comprehensive income	-	2,066	-	57,327	59,393	4,788	64,181
Transactions with owners:							
Final dividend for financial year ended 31 December 2023	-	-	-	(5,374)	(5,374)	-	(5,374)
Special dividend for financial year ended 31 December 2024	-	-	-	(24,182)	(24,182)	-	(24,182)
Disposal of a subsidiary	-	(15,615)	-	15,615	-	(117,119)	(117,119)
Dividend paid to a preference shareholder of a subsidiary	-	-	-	(2,452)	(2,452)	-	(2,452)
Appropriation to statutory reserves	-	-	62	-	62	-	62
	-	(15,615)	62	(16,393)	(31,946)	(117,119)	(149,065)
At 30 June 2024	537,927	14,095	3,038	534,897	1,089,957	37,649	1,127,606
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:							
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

(The Unaudited Condensed Consolidated Income Statement should be read in conjunction with the Annual Audited Financial Statements for the year ended 31 December 2023 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 2024

	6 months ended	
	<u>30-Jun-24</u>	<u>30-Jun-23</u>
	RM'000	RM'000
Cash Flows From Operating Activities		
Profit before tax and zakat		
- Continuing operations	71,467	6,310
- Discontinued operations	3,485	11,708
Adjustment for non-cash items	(85,050)	36,210
Adjustment for non-operating items	4,273	191
Operating (loss)/profit before working capital changes	(5,825)	54,419
Changes in working capital:		
Net change in current assets	102,563	70,595
Net change in current liabilities	(86,486)	(36,571)
Cash generated from operating activities	10,252	88,443
Contribution paid for post-employment benefits	(582)	(279)
Dividend received from an associates	-	9,500
Tax and zakat paid, net of refunds received	(13,585)	(8,605)
Net cash (used in)/generated from operating activities	<u>(3,915)</u>	<u>89,059</u>
Cash Flows From Investing Activities		
Profit rate/ interest income received	7,250	2,508
Payment of balance consideration on acquisition of a subsidiary/ Acquisition of a subsidiary	(8,000)	(56,948)
- property, plant and equipments	(9,681)	(20,008)
Proceeds from disposal of :		
- property, plant and equipments	527	6,069
- investment property	315	8,000
- a subsidiary	271,458	-
(Placement)/Withdrawal of short term funds	(158,681)	121,413
Net cash from investing activities	<u>103,188</u>	<u>61,034</u>
Cash Flows From Financing Activities		
Dividends paid to shareholders	(29,556)	(13,435)
Dividend paid to non-controlling interest of a subsidiary	-	(2,952)
Dividend paid to a preference shareholder of a subsidiary	(2,452)	(2,928)
Profit rate paid	(12,681)	(14,005)
Repayment of borrowings	(43,219)	(173,662)
Drawdown of borrowings	5,000	109,116
Repayment of obligations under finance leases	(4,576)	(2,687)
Net movements in deposits with licensed banks	901	(4,054)
Net cash used in financing activities	<u>(86,583)</u>	<u>(104,607)</u>
Net increase in cash and cash equivalents	12,690	45,486
Effect of exchange rate changes on cash and cash equivalents	(810)	7,228
Cash and cash equivalents at 1 January	159,874	168,582
Cash and cash equivalents at 30 June	<u>171,754</u>	<u>221,296</u>

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

	As at	As at
	<u>30-Jun-24</u>	<u>30-Jun-23</u>
Cash and bank balances	610,221	482,027
Less:		
Deposits with licensed banks with maturity period of more than 3 months	(16,232)	(21,933)
Deposit pledged with licensed banks	(13,650)	-
Money market deposits	(408,585)	(238,798)
	<u>171,754</u>	<u>221,296</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 2023 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 2024

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 2023. 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 2023.

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 2023 except for the adoption of MFRS, the following new and amended MFRSs with effect from 1 January 2024.

A2.1 Adoption of MFRSs and Amendments to MFRSs

On 1 January 2024, the Group adopted MFRSs and the following new and amended MFRSs are mandatory for annual financial periods beginning on or after 1 January 2024:

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

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

A2.2 Standards issued but not yet effective

The Group has not adopted the following new and amended standards and interpretations that have been issued but are not yet effective:

1 January 2025

Amendments to MFRS 121	Lack of Exchangeability
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1 January 2027

MFRS 18	Presentation and Disclosure in Financial Statements
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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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KUMPULAN PERANGSANG SELANGOR BERHAD

Company No. 197501002218 / (23737-K)

(Incorporated in Malaysia)

UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE SECOND QUARTER ENDED 30 JUNE 2024

A2 Significant accounting policies (continued)

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

The Group plans to apply the abovementioned MFRSs in the annual financial statements when they become effective. The adoption of these standards is not expected to have any material financial impact on the financial statements of the Group in the period of initial application.

A3 Audit report of preceding annual financial statements

The audited consolidated financial statements for the financial year ended 31 December 2023 were not subject to any audit qualification.

A4 Seasonal or cyclical factors

The Group's operations are not affected by seasonal or cyclical factors.

A5 Unusual items affecting assets, liabilities, equity, net income or cash flows

Other than those stated in the notes, no other items were affecting the assets, liabilities, equity, net income or cash flows of the Group that were unusual because of their nature, size or incidence during the current quarter.

A6 Material changes in estimates

There were no material changes in estimates of amounts reported in the prior interim period has a material effect in the period under review.

A7 Debt and equity securities

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

A8 Dividend paid

- i) A special dividend of 4.5 sen per ordinary share of RM24,182,342 in respect of the financial year ending 31 December 2024 was paid on 30 April 2024; and
- ii) A single-tier final dividend of 1.0 sen per ordinary share amounting to RM RM5,373,854 for the financial year ended 31 December 2023 was paid on 25 June 2024.

KUMPULAN PERANGSANG SELANGOR BERHAD

Company No. 197501002218 / (23737-K)

(Incorporated in Malaysia)

**UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE SECOND QUARTER ENDED
30 JUNE 2024****A9 Segmental Information**

Segment Revenue	3 months ended					
	30.06.2024			30.06.2023		
	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	225,462	(92)	225,370	209,919	-	209,919
Trading	53,366	-	53,366	43,048	-	43,048
Investment holding	503	(503)	-	595	(595)	-
Property investment	1,981	-	1,981	2,131	-	2,131
Total Continuing Operations	281,312	(595)	280,717	255,693	(595)	255,098
Discontinued Operations						
Manufacturing	-	-	-	36,409	-	36,409
Licensing	-	-	-	9,950	-	9,950
Total Discontinued Operations	-	-	-	46,359	-	46,359
Total Revenue	281,312	(595)	280,717	302,052	(595)	301,457

Segment Revenue	6 months ended					
	30.06.2024			30.06.2023		
	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	418,143	(146)	417,997	403,512	-	403,512
Trading	92,641	-	92,641	79,023	-	79,023
Investment holding	1,017	(1,017)	-	1,135	(1,135)	-
Property investment	3,916	-	3,916	4,232	-	4,232
Total Continuing Operations	515,717	(1,163)	514,554	487,902	(1,135)	486,767
Discontinued Operations						
Manufacturing	21,267	-	21,267	70,285	-	70,285
Licensing	7,034	-	7,034	19,431	-	19,431
Total Discontinued Operations	28,301	-	28,301	89,716	-	89,716
Total Revenue	544,018	(1,163)	542,855	577,618	(1,135)	576,483

KUMPULAN PERANGSANG SELANGOR BERHAD

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**UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE SECOND QUARTER ENDED
30 JUNE 2024****A9 Segmental Information (continued)**

Segment Results	3 months ended		6 months ended	
	30.06.2024	30.06.2023	30.06.2024	30.06.2023
	RM'000	RM'000	RM'000	RM'000
Manufacturing	19,814	10,805	29,587	19,281
Trading	4,313	2,481	6,764	4,648
Infrastructure *	954	780	845	921
Investment holding	(10,604)	(11,016)	32,032	(21,894)
Property investment	833	2,230	1,418	2,694
Oil & Gas *	130	(378)	821	660
Profit Before Tax and Zakat on Continuing Operations	15,440	4,902	71,467	6,310
Manufacturing	-	1,248	142	2,121
Licensing	-	5,409	3,343	9,587
Profit Before Tax and Zakat on Discontinued Operations	-	6,657	3,485	11,708
Total Profit Before Tax and Zakat	15,440	11,559	74,952	18,018

* 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.

KUMPULAN PERANGSANG SELANGOR BERHAD

Company No. 197501002218 / (23737-K)

(Incorporated in Malaysia)

UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE SECOND QUARTER ENDED 30 JUNE 2024

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 2024, including business combination, acquisition or disposal of subsidiaries, long term investments and restructuring except for the:

- (i) **Divestment by Bold Approach Sdn Bhd (“Bold Approach”), a wholly-owned subsidiary of the Company, of its 50% equity interest in Kaiserkorp Corporation Sdn Bhd (“Kaiserkorp”) to AI Dream (HK) Limited (“AI Dream” or “Purchaser”) for a cash consideration (“Divestment”)**

The Company, 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:

- (i) the divestment by Bold Approach of 44,618,685 ordinary shares in Kaiserkorp, representing its 50% equity interest in Kaiserkorp to AI Dream for a cash consideration of USD57,463,605 (equivalent to RM271,458,070); and
- (ii) the divestment by YJH, who is a director and shareholder of Kaiserkorp, of 26,771,211 ordinary shares in Kaiserkorp, representing his 30% equity interest in Kaiserkorp to AI Dream for a cash consideration.

The Divestment was approved by the Company’s shareholders at an extraordinary general meeting held on 6 March 2024.

The Divestment was completed on 20 March 2024 and consequently Kaiserkorp has ceased to be a subsidiary of Bold Approach and Bold Approach now holds only 10% equity interest in Kaiserkorp as other investment.

A13 Capital commitments

The amount of commitments not provided for in the unaudited interim financial statements as of 30 June 2024 is as follows:

	RM’000
Property, plant, and equipment:	
(i) Approved but not contracted for	<u>44,285</u>
(ii) Approved and contracted for	<u>4,912</u>
Share of capital commitment of an associate	<u>4,276</u>

KUMPULAN PERANGSANG SELANGOR BERHAD

Company No. 197501002218 / (23737-K)

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**UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE SECOND QUARTER ENDED
30 JUNE 2024****A14 Significant related party transactions**

The following are the related party transactions of the Group:

	3 months ended		6 months ended	
	30.06.2024	30.06.2023	30.06.2024	30.06.2023
	RM'000	RM'000	RM'000	RM'000
Sales of products to a subsidiary company of non-controlling interest	4,986	4,189	9,950	8,184
Sale of products to related companies	29,188	22,673	47,661	37,896
Rental income from related companies	122	77	244	154
Rental expenses charged by a related company	-	-	-	(3)
Rental expenses charged by a related party	(33)	(33)	(66)	(66)
Waste disposal services provided by related companies	(9)	(9)	(17)	(17)

A15 Contingent liabilities and contingent assets

The contingent liabilities as of 30 June 2024 are as follows:

	RM'000
Secured:	
(i) Provision of proportionate corporate guarantee for an associate Working capital and issuance of bank guarantees	<u>26,986</u>
(ii) Performance guarantees to third parties	<u>12,076</u>
Unsecured:	
(i) Performance guarantees to third parties	<u>2,210</u>

There were no contingent assets as at the reporting date.

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

B1 Performance review

a) Current quarter against previous year corresponding quarter

Continuing operations

The Group recorded higher revenue of RM280.7 million compared to RM255.1 million in the corresponding quarter of 2023, representing a 10% increase, or RM25.6 million. This increase in revenue was driven by a rise of RM15.5 million in the manufacturing sector and RM10.3 million in the trading sector, offset by lower revenue from the property investment sector.

In line with higher revenue, the Group's profit before tax and zakat for the quarter saw an improvement of more than 100%, or RM10.5 million. This increase was mainly driven by the improvement in profit before tax and zakat across all sectors except for the property investment sector. Additionally, a net gain on foreign exchange, lower finance costs with the improved in share of profit from associates also contributed to the increase.

Performance of the respective operating business segments for the second quarter ended 30 June 2024 as compared to the preceding year corresponding quarter is analysed as follows:

1. Manufacturing

The manufacturing sector recorded a 7% increase in revenue, contributing RM225.4 million or 80% to the Group's revenue from continuing operations, compared to RM209.9 million in the corresponding quarter last year. This increase was mainly due to higher revenue from Toyoplas Manufacturing (Malaysia) Sdn Bhd ("Toyoplas"), which improved by RM18.0 million or 20%, reaching RM108.8 million, primarily due to higher orders from the main customers.

CPI (Penang) Sdn Bhd ("CPI") also recorded higher revenue by RM5.0 million, mainly derived from higher sales across all business segments except for the automotive segment.

Meanwhile, Century Bond Bhd ("CBB") saw a decrease in revenue by RM5.5 million, led by lower traction in the offset and paper divisions. MDS Advance Sdn Bhd ("MDS") also showed a slight reduction in revenue by RM2.1 million, attributed to overstocking issue impacting sales orders during the quarter.

In line with the increased revenue, this sector experienced a higher profit before tax and zakat of RM19.8 million compared to RM10.8 million in the corresponding quarter of 2023. This improvement was mainly driven by better results at Toyoplas, with an increase by RM9.5 million. The enhanced performance is attributable to an increase in gross profit ("GP"), along with a net gain on foreign exchange, coupled with lower administrative costs resulting from a reduced cost structure following the corporate restructuring exercise.

CBB also showed an improved profit before tax and zakat by RM1.9 million, due to an improved GP margin. However, the results were impacted by reduced profit before tax and zakat at MDS and CPI, with decreases of RM2.2 million and RM0.2 million, respectively.

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B1 Performance review (continued)

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

Continuing operations (continued)

2. Trading

The revenue for this quarter amounted to RM53.4 million, an increase of RM10.4 million or 24% compared to the corresponding quarter's revenue of RM43.0 million. This improvement was attributed to higher sales in all segments, mainly in water chemicals, due to higher demand during the quarter. Aligned with the rise in revenue, the sector also contributed higher profit before tax and zakat totalling RM4.3 million, surpassing the RM2.5 million recorded in the corresponding quarter of 2023.

3. Infrastructure

This sector includes the results of two (2) subsidiaries, namely KPS-HCM Sdn Bhd ("KPS-HCM") and Smartpipe Technology Sdn Bhd ("SPT"), as well as share of profits from associates. No revenue was recorded by KPS-HCM and SPT since no projects were secured during the quarter.

This sector recorded a profit before tax and zakat of RM1.0 million, compared to RM0.8 million in the corresponding quarter of 2023.

4. Investment holding

This sector recorded a loss before tax and zakat of RM10.6 million, as compared to a loss before tax and zakat of RM11.0 million recorded in the corresponding quarter 2023. The improvement in results was mainly due to slightly lower administrative expenses during the quarter.

5. Property investment

Property investment reported a slight decrease in revenue, totalling RM2.0 million compared to RM2.1 million recorded in the corresponding quarter of 2023. This was due to the absence of rental income from Wisma SAP.

As a result of the lower recorded revenue and the absence of the gain on disposal of Wisma SAP, which was recognised during the corresponding quarter of 2023, this sector contributed much lower profit before tax and zakat of RM0.8 million compared to RM2.2 million in the corresponding quarter of 2023.

6. Oil and gas

NGC Energy Sdn Bhd registered a profit after tax and zakat of RM0.3 million compared to loss before tax and zakat of RM0.9 million during the corresponding quarter of 2023. Hence, the Group's share of profit was RM0.1 million compared to share of loss of RM0.4 million recognised in corresponding quarter 2023. Higher profit during the current period is mainly due to increased revenue from Liquefied Petroleum Gas ("LPG") domestic sales, and higher contributions from Industrial and Commercial segments.

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**UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE SECOND QUARTER ENDED
30 JUNE 2024****B1 Performance review (continued)****a) Current quarter against previous year corresponding quarter (continued)****Discontinued operations**

Nil contribution from discontinued operations has been recorded since the disposal of Kaisercorp was completed on 20th March 2024. The detailed breakdown of the income statement for Kaisercorp for the corresponding quarter in 2023 is disclosed below:

Particulars	3 months ended
	30.06.2023
	RM'000
Revenue	46,359
Cost of sales	(25,963)
Gross profit	20,396
Other income	486
Other expenses	(14,106)
Operating profit	6,776
Finance costs	(119)
Profit before tax and zakat	6,657
Income tax and zakat	(3,528)
Profit for the period	3,129

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

For the six months ended 30 June 2024, the Group registered revenue of RM514.6 million compared to RM486.8 million in the corresponding period of 2023, representing an increase in revenue of RM27.8 million or 6%. This increase resulted from higher revenue in all sectors.

The Group's profit before tax and zakat for the current period amounted to RM71.5 million, reflecting an increase of over 100% or RM65.2 million compared to the corresponding period in 2023. This increase was mainly driven by a gain of RM106.5 million from the disposal of a 50% equity interest in Kaisercorp Corporation Sdn Bhd ("Kaisercorp"). Additionally, a higher GP margin, a net gain on foreign exchange, and lower finance costs also contributed to the increase. However, the impact were partially offset by higher other expenses recorded during the period.

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B1 Performance review (continued)

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

Performance of the respective operating business segments for the six months ended 30 June 2024 as compared to the preceding year corresponding period is analysed as follows:

1. Manufacturing

The manufacturing sector contributed revenue of RM418.0 million and profit before tax and zakat of RM29.6 million compared to corresponding period 2023 revenue of RM403.5 million and profit before tax and zakat of RM19.3 million.

The increase in revenue of RM14.5 million was mainly driven by CPI, which saw an increase of RM10.7 million due to higher demand for existing models. Toyoplas also recorded higher revenue, increasing by RM6.8 million led by higher sales orders during the period. Meanwhile, CBB recorded a slight increase in revenue of RM0.7 million. However, these increases were partially offset by a decrease in revenue at MDS, which declined by RM3.7 million.

Following the increase in revenue, this sector recorded a higher profit before tax and zakat of RM29.6 million for the period, compared to RM19.3 million in the corresponding period of 2023. This increase was primarily driven by Toyoplas, which saw a rise in profit before tax and zakat by RM8.5 million due to a higher GP margin, coupled with net gain on foreign exchange, and lower administrative expenses. Additionally, CBB contributed to the higher profit before tax and zakat with an increase of RM3.1 million, resulting from higher revenue and a better GP margin. CPI also recorded a higher profit before tax and zakat by RM1.2 million.

Meanwhile, MDS contributed a lower profit before tax and zakat of RM2.5 million during the period, impacted by the lower revenue recorded.

2. Trading

The trading sector posted revenue of RM92.6 million, higher by 17% or RM13.6 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 RM6.8 million as compared to RM4.6 million recorded in corresponding period 2023.

3. Infrastructure

No revenue was recorded by the operating subsidiaries, namely KPS-HCM and SPT since no projects were secured during the period.

This sector recorded slightly lower profit before tax and zakat for the current period of RM0.8 million, lower than the corresponding period profit before tax and zakat by RM0.1 million. This was mainly led by lower share of profit from PWM by RM0.4 million and loss impact at KPS-HCM.

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**UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE SECOND QUARTER ENDED
30 JUNE 2024****B1 Performance review (continued)****b) Current year-to-date against previous year to-date (continued)**

4. Investment holding

This sector recorded a higher profit before tax and zakat of RM32.0 million, as compared to a loss before tax and zakat of RM21.9 million recorded in the corresponding quarter 2023. The improvement in results was mainly due to the gain on disposal of 50% equity interest in Kaiserkorp amounting to RM106.5 million.

5. Property Investment

The property investment sector recorded lower revenue of RM3.9 million compared to RM4.2 million in the corresponding year in 2023, mainly due to the absence of rental income from Wisma SAP.

Impacted by lower revenue and the absence of gain on disposal of Wisma SAP which was recognised in corresponding period 2023, this sector reported a lower profit before tax and zakat by RM1.3 million.

6. Oil and gas

For the current year, NGC Energy registered profit after tax of RM2.1 million, which translated into the Group's share of profit of RM0.8 million as compared to corresponding period 2023 profit after tax of RM1.7 million and Group's share of profit of RM0.7 million.

Higher share of profit in the current year is mainly due to increased revenue from LPG domestic sales.

Discontinued operations

Particulars	6 months ended		Variance
	30.06.2024	30.06.2023	
	RM'000	RM'000	%
Revenue	28,301	89,716	(68)
Cost of sales	(15,255)	(50,562)	70
Gross profit	13,046	39,154	(67)
Other income	495	820	(40)
Other expenses	(9,895)	(28,025)	65
Operating profit	3,646	11,949	(69)
Finance costs	(161)	(241)	33
Profit before tax and zakat	3,485	11,708	(70)
Income tax and zakat	(921)	(4,470)	79
Profit for the period	2,564	7,238	(65)

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30 JUNE 2024****B1 Performance review (continued)****b) Current year-to-date against previous year to-date (continued)****Discontinued operations (continued)**

The revenue decreased by 68% or RM61.4 million due to the softening of consumer demand and the consolidation of only two months' results following the divestment of Kaiserkorp on 20 March 2024, instead of full six months' results as reported in the corresponding period.

Corresponding to the decrease in revenue, the discontinued operations recorded lower profit before tax and zakat of RM3.5 million, compared to RM11.7 million in the corresponding period of 2023.

B2 Comparison with the preceding quarter's results

Particulars	3 months ended		Variance
	30.06.2024	31.03.2024	
	RM'000	RM'000	%
Revenue	280,717	233,837	20
Cost of sales	(231,150)	(194,782)	(19)
Gross profit	49,567	39,055	27
Other income	13,737	117,265	(88)
Other expenses	(42,702)	(94,557)	55
Operating profit	20,602	61,763	(67)
Finance costs	(6,222)	(6,298)	1
Share of profit from associates	1,060	562	89
Profit before tax and zakat from continuing operations	15,440	56,027	(72)
Income tax and zakat	(5,330)	(8,255)	35
Profit for the period	10,110	47,772	(79)
Profit from discontinued operations	-	2,564	(100)
Profit for the period	10,110	50,336	(80)

Continuing operations

The Group's revenue for the current quarter increased by RM46.9 million, or 20%, to RM280.7 million, compared to RM233.8 million recorded in the first quarter of 2024. This growth was primarily driven by improved performance across all sectors. The trading sector showed an increase in revenue by RM14.1 million, mainly from higher sales of water meter. Meanwhile, manufacturing sector also showed an increase in revenue due to a recovery in market demand, which boosted sales orders during the quarter.

However, the Group reported a lower profit before tax and zakat of RM15.4 million, huge reduction from the preceding quarter's profit, which included a RM106.5 million gain from the disposal of a 50% equity interest in Kaiserkorp. This impact was partially offset by lower administrative expenses recorded during the current quarter. Consequently, the Group achieved a profit after tax and zakat of RM10.1 million, compared to RM47.8 million in the preceding quarter.

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

Discontinued operations

Nil contribution from the discontinued operations during the quarter, following the completion of its disposal on 20 March 2024.

B3 Commentary on prospects

1. Manufacturing

The International Monetary Fund (IMF) is forecasting an overall steady growth in the global economy for 2024 and 2025, with expectations for demand recovery tempered by persistent inflation and further geopolitical tensions. KPS Berhad Group continues to execute its strategic initiatives, steering through the challenges whilst striving to capitalise on the new potential opportunities. These challenges span from managing escalating operational costs and adapting to continuous market uncertainties to mitigating the impact of geopolitical tensions along the supply chain.

Our operations, particularly in the Electrical and Electronic ("E&E") sector, are currently adjusting to certain market fluctuations as short-term outlook for advanced economies, particularly the US and Japan, remain volatile. The situation is further complicated by the escalating situation in the Red Sea, which have significantly reshaped shipping and global trade, leading to extended routes, increased sailing time and consequently, higher shipping costs.

Given these factors, KPS Berhad Group is vigilantly monitoring market changes and managing costs to preserve profit margins. The Group is taking strategic steps to mitigate any disruptions in production and supply chains while concentrating its efforts towards expanding and diversifying revenue streams. This approach is aimed at ensuring long-term growth and profitability by enhancing the operational efficiencies and streamlining processes to meet changing market conditions.

2. Trading

Following the award of a major contract earlier this year, demand for water meter sales is expected to continue to support growth. This expected increase in demand is supported by water authorities' initiative in their water meter replacement project and supply of water meters for new development. While in the water chemicals trading segment, revenue performance is expected to be comparable, attributable to considerable demand from major customers. Although supply chain disruption remains unpredictable due to the volatility of raw material costs and the value of the local currency, the company continues to make a concerted effort to monitor current supplier pricing trends and pursue emerging opportunities across all business segments.

B4 Profit forecast and profit guarantee

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

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30 JUNE 2024****B5 Other income/(expenses)**

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

Continuing operations

	3 months ended		6 months ended	
	30.06.2024	30.06.2023	30.06.2024	30.06.2023
	RM'000	RM'000	RM'000	RM'000
Profit rate/Interest income from the deposit with licensed bank	989	943	1,800	1,708
Gain on the fair value of short-term funds	3,576	1,922	5,449	3,939
Gain on foreign exchange	5,047	14,269	10,985	30,569
Gain on disposal of a subsidiary	-	-	106,543	-
Reversal of impairment on receivables	-	14	53	74
Reversal of impairment on inventories	820	599	1,066	806
Reversal of impairment on property, plant & equipment	198	-	198	-
Provision for long-term incentive plan	-	-	(50,950)	-
Finance costs	(6,222)	(7,003)	(12,520)	(13,764)
Loss on foreign exchange	(3,958)	(14,878)	(8,459)	(32,000)
Depreciation of property, plant, and equipment	(10,070)	(11,383)	(19,666)	(21,444)
Depreciation of investment properties	-	(478)	-	(958)
Amortisation of intangible assets	(1,643)	(1,823)	(3,286)	(3,273)
Impairment of receivables	(534)	(96)	(534)	(96)

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

Discontinued operations

	3 months ended		6 months ended	
	30.06.2024	30.06.2023	30.06.2024	30.06.2023
	RM'000	RM'000	RM'000	RM'000
Profit rate/Interest income from the deposit with licensed bank	-	486	471	800
Finance costs	-	(119)	(161)	(241)
Depreciation of property, plant and equipment	-	(1,113)	(990)	(2,316)
Amortisation of intangible assets	-	(187)	(64)	(393)
Impairment of receivables	-	(58)	-	(223)

B6 Income tax expense

	3 months ended		6 months ended	
	30.06.2024	30.06.2023	30.06.2024	30.06.2023
	RM'000	RM'000	RM'000	RM'000
<u>Continuing Operations</u>				
Income tax expense	5,761	1,418	10,403	4,559
Deferred tax recognised in income statement	(468)	(161)	(956)	(716)
Income tax expense	5,293	1,257	9,447	3,843
Zakat expense	37	-	4,138	-
Income tax and zakat expense	5,330	1,257	13,585	3,843
<u>Discontinued Operations</u>				
Income tax expense	-	3,528	921	4,470

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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:

(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”).

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 March 2024 March 2025
3	Principal repayment for existing term loan	18,000	August 2023
4	Working capital	45,418	January to December 2023

(ii) **Divestment by Bold Approach Sdn Bhd (“Bold Approach”), a wholly-owned subsidiary of the Company, of its 50% equity interest in KaiserCorp Corporation Sdn Bhd (“KaiserCorp”) to AI Dream (HK) Limited (“AI Dream” or “Purchaser”) for a cash consideration (“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:

- (i) the divestment by Bold Approach of 44,618,685 ordinary shares in KaiserCorp, representing its 50% equity interest in KaiserCorp to AI Dream for a cash consideration of USD57,463,605 (equivalent to RM271,458,070); and
- (ii) the divestment by YJH, who is a director and shareholder of KaiserCorp, of 26,771,211 ordinary shares in KaiserCorp, representing his 30% equity interest in KaiserCorp to AI Dream for a cash consideration.

The Divestment was approved by the Company’s shareholders at an extraordinary general meeting held on 6 March 2024 and was completed on 20 March 2024. Consequently, KaiserCorp has ceased to be a subsidiary of Bold Approach and Bold Approach now holds only 10% equity interest in KaiserCorp as other investment.

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30 JUNE 2024****B7 Status of corporate proposals (continued)**

- (iii) **Divestment by Bold Approach Sdn Bhd (“Bold Approach”), a wholly-owned subsidiary of the Company, of its 50% equity interest in KaiserCorp Corporation Sdn Bhd (“KaiserCorp”) to AI Dream (HK) Limited (“AI Dream” or “Purchaser”) for a cash consideration (“Divestment”) (continued)**

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

No.	Purpose	Proposed/Actual Utilisation (RM'000)	Utilisation Timeframe
1	Repayment of borrowings	184,000	Within 12 months
2	Working capital	56,400	Within 36 months
3	Special dividend	24,200	April 2024
4	Defray estimated expenses for the Proposed Divestment	880	January to March 2024

- (iv) **Proposed disposal of Plaza Perangsang by the Company to Perbadanan Kemajuan Negeri Selangor (“Proposed Disposal”)**

On 29 February 2024, the Company entered into a conditional sale and purchase agreement (“the Agreement”) with Perbadanan Kemajuan Negeri Selangor (“PKNS” or the “Purchaser”) to dispose a 26-storey tower block with 4-storey podium block and 3-storey basement car park known as “Plaza Perangsang” erected on part of the land held under H.S.(D) 92260, Lot PT 6, Bandar Shah Alam, Daerah Petaling, Selangor Darul Ehsan and bearing postal address at Plaza Perangsang, Persiaran Perbandaran, 40000 Shah Alam, Selangor Darul Ehsan (the “Property”) for a total cash consideration of RM46,000,000.

Pursuant to Paragraph 10.08 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, the Proposed Disposal is deemed to be a related party transaction as PKNS is a substantial shareholder of the Company and a person connected to Darul Ehsan Investment Group Berhad, an immediate holding company and a major shareholder of the Company, which in turn is a wholly-owned subsidiary of Menteri Besar Selangor (Pemerbadanan).

The parties shall assist each other to ensure that the Conditions Precedent are fulfilled within six (6) months from the date of the Agreement, or such other extended period as may be mutually agreed.

On 1 July 2024, KPS Berhad’s solicitors confirmed that the Balance Disposal Price had been fully settled by PKNS. Hence, the Proposed Disposal was completed on that date.

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

No.	Purpose	Proposed/Actual Utilisation (RM'000)	Utilisation Timeframe
1	Repayment of borrowings	44,110	July to September 2024
2	Disposal related expenses	1,890	September 2024

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30 JUNE 2024****B8 Borrowings**

The Group borrowings as of 30 June 2024 are as follows:

As at 2 nd Quarter 2024	As at 2 nd Quarter 2023		
Total Borrowings	Foreign Denomination	RM Denomination	Total Borrowings
RM'000	RM'000 (USD)	RM'000	RM'000

Short term borrowings – secured

Revolving credits	-	10,262	-	10,262
Term loans	25,251	298	27,544	27,842

Short term borrowings – unsecured

Banker's acceptance	-	-	1,980	1,980
Revolving credits	13,000	-	9,000	9,000
Term loans	-	793	-	793
Trust receipts	33,256	2,648	40,360	43,008

Subtotal	71,507	14,001	78,884	92,885
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Long term borrowings – secured

Term loans	100,734	-	124,860	124,860
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Long term borrowings – unsecured

Term loans	257,000	1,022	257,000	258,022
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Subtotal	357,734	1,022	381,860	382,882
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Total borrowings – unsecured

Banker's acceptance	-	-	1,980	1,980
Revolving credits	13,000	10,262	9,000	19,262
Term loans	382,985	2,113	409,404	411,517
Trust receipts	33,256	2,648	40,360	43,008
Subtotal	429,241	15,023	460,744	475,767

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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 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 Berhad 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 Berhad 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”). KPS Berhad and PHP received the Plaintiffs’ Affidavit in Reply on 26 August 2022 and the High Court fixed the matter for case management on 19 September 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 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 Company has not recognised any potential liability in respect of the claims in the financial statements of the Company up to the reporting date pending further developments at the Court of Appeal, as the Company believes that there are strong grounds to argue the case.

- (ii) **Writ of Summons and Statement of Claim from (1) Tan Kok Heong, (2) Tan Kok Cheng, and (3) Tan Kok Gea (“Plaintiffs”) against (1) Menteri Besar Selangor, (2) Kerajaan Negeri Selangor, (3) KPS Berhad, and (4) 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;
- 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;

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B9 Material litigations (continued)

(ii) **Writ Of Summons and Statement of Claim from (1) Tan Kok Heong, (2) Tan Kok Cheng, and (3) Tan Kok Gea (“Plaintiffs”) against (1) Menteri Besar Selangor, (2) Kerajaan Negeri Selangor, (3) KPS Berhad, and (4) Pentadbir Tanah Daerah Kuala Langat (“Defendants”) (continued)**

- e. General damages;
- f. Interest in the rate 5% per annum on the damages compensation under paragraph (d) above from 10 November 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.

KPS Berhad received the Plaintiffs’ Reply to Defence dated 19 March 2024 on 20 March 2024.

Meanwhile, pursuant to the case management on 20 March 2024 and only concluded on 21 March 2024, the Court has scheduled the next case management on 25 April 2024 for the respective parties to inform the Court of their intention in mediating the Suit, if any.

On 22 April 2024, the Company has filed its Amended Statement of Defence dated 22 April 2024 and Notice of Application for Order 33 Rule 2 and 5 dated 23 April 2024 together with its Affidavit in Support dated 19 April 2024 at the High Court.

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B9 Material litigations (continued)

(ii) Writ Of Summons and Statement of Claim from (1) Tan Kok Heong, (2) Tan Kok Cheng, and (3) Tan Kok Gea (“Plaintiffs”) against (1) Menteri Besar Selangor, (2) Kerajaan Negeri Selangor, (3) KPS Berhad, and (4) Pentadbir Tanah Daerah Kuala Langat (“Defendants”) (continued)

On the case management dated 25 April 2024, which was only concluded on 29 April 2024, the Court has directed that the filing of pleadings and pre-trial documents of the Suit are now suspended, pending the disposal of the Company’s Notice of Application for Order 33 Rule 2 and 5 dated 23 April 2024 (“Enclosure 14”) and the 1st, 2nd and 4th Defendants’ Striking Out Application (“Enclosure 16”).

In relation to Enclosure 14, the Court has directed the Parties as follows:

- i) the Plaintiffs’ Affidavit in Reply is to be filed on or before 16 May 2024;
- ii) the Company’s Affidavit in Reply is to be filed on or before 6 June 2024;
- iii) Written Submissions are to be filed on or before 27 June 2024; and
- iv) Written Submissions in Reply are to be filed on or before 18 July 2024.

The Court has further fixed the case management for Enclosure 14 on 19 July 2024.

KPS Berhad has received documents from the Plaintiffs on 16 May 2024:-

- i) The Plaintiffs’ Affidavit in Reply to oppose the striking out application filed by the 1st, 2nd, and 4th Defendants (Enclosure 18);
- ii) The Plaintiff’s Affidavit in Reply to oppose the Order 33 application (Enclosure 19); and
- iii) Notice of Intention to use Enclosure 18 Affidavit during the hearing of Enclosure 19 (Enclosure 20).

On 5 June 2024, the Company has responded to the Plaintiff;s Enclosure 19 by filing a reply to the affidavit.

The Parties on 20 June 2024 obtained the direction from the High Court as follows:-

- i) Parties to file their respective submissions on or before 12 July 2024; and
- ii) Parties to file their respective submissions in reply on or before 26 July 2024.

The Court has further fixed the case management for Enclosure 14 on 19 July 2024.

On 12 July 2024, the Company has filed the written submission (“Enclosure 29”) and bundle of authorities (Enclosure 30 and 31) in respect to Order 33 application.

On the case management held on 19 July 2024, the court has fixed the hearing date for the following application :

- i) In relation to Order 33 application on 12 September 2024; and
- ii) In relation to the striking out application filed by the 1st, 2nd and 4th Defendants on 12 September 2024.

The case management for Enclosure 1 (being the main action) is postponed pending the disposal of the application filed by the Defendants.

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B9 Material litigations (continued)

- (ii) **Writ Of Summons and Statement of Claim from (1) Tan Kok Heong, (2) Tan Kok Cheng, and (3) Tan Kok Gea (“Plaintiffs”) against (1) Menteri Besar Selangor, (2) Kerajaan Negeri Selangor, (3) KPS Berhad, and (4) Pentadbir Tanah Daerah Kuala Langat (“Defendants”) (continued)**

On 26 July 2024, the Company has filed and served the Supplementary Bundle of Authorities (Enclosure 36) on the Plaintiff’s solicitor and Selangor State Legal Advisor on 26 July 2024. The Company has also received the Plaintiff’s Submission in Reply on 26 July 2024.

The Company has not recognised any potential liability in respect of the claims in the financial statements of the Company up to the reporting date pending further developments, as the Company believes that there are strong grounds to argue the case.

B10 Dividend

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

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		6 months ended	
	30.06.2024	30.06.2023	30.06.2024	30.06.2023
Net profit/(loss) attributable to owners of the parent (RM'000)				
- Continuing operations	8,849	2,527	55,835	312
- Discontinued operations	-	1,574	1,492	3,819
	<u>8,849</u>	<u>4,101</u>	<u>57,327</u>	<u>4,131</u>
Weighted average number of shares in issue ('000)	537,385	537,385	537,385	537,385
Basic EPS				
- Continuing operations	1.6	0.5	10.4	0.1
- Discontinued operations	-	0.3	0.3	0.7
	<u>1.6</u>	<u>0.8</u>	<u>10.7</u>	<u>0.8</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.

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**UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE SECOND QUARTER ENDED
30 JUNE 2024**

BY ORDER OF THE BOARD

SELFIA BINTI MUHAMMAD EFFENDI
Company Secretary

Date: 27 August 2024