

KPS CONSORTIUM BERHAD
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2021

	Note	As at 31 <u>Mar 2021</u> RM	As at 31 <u>Dec 2020</u> RM
ASSETS			
Non-current assets			
Property, plant and equipment		77,704,496	79,003,942
Goodwill and other intangible assets		43,151,039	43,151,039
Investment properties		42,470,000	42,470,000
Investment in associates		1	1
Deferred tax assets		1,692,434	1,692,434
		<u>165,017,970</u>	<u>166,317,416</u>
Current Assets			
Inventories		92,054,872	92,407,689
Trade and other receivables		209,280,514	192,768,976
Cash & cash equivalents		43,870,354	40,454,627
		<u>345,205,740</u>	<u>325,631,292</u>
TOTAL ASSETS		<u><u>510,223,710</u></u>	<u><u>491,948,708</u></u>
EQUITY AND LIABILITIES			
Equity attributable to owners of the parent:			
Share Capital		153,228,000	153,228,000
Other reserves		3,135,255	3,135,255
Retained profit		107,423,545	104,985,749
		<u>263,786,800</u>	<u>261,349,004</u>
Non - controlling interest		495,619	472,701
Total equity		<u>264,282,419</u>	<u>261,821,705</u>
Non-current liabilities			
Bank borrowings		28,287,022	33,362,832
Financial liabilities		54,882	73,775
Deferred tax liabilities		669,200	669,200
Long term provisions			
		<u>29,011,104</u>	<u>34,105,807</u>
Current Liabilities			
Trade and other payables		83,257,031	72,669,650
Borrowings		133,044,622	123,319,667
Current tax payable		628,534	31,879
Financial liabilities classified as held for trading			
		<u>216,930,187</u>	<u>196,021,196</u>
Total Liabilities		245,941,291	230,127,003
TOTAL EQUITY AND LIABILITIES		<u><u>510,223,710</u></u>	<u><u>491,948,708</u></u>

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2020)

KPS CONSORTIUM BERHAD
CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE QUARTER ENDED 31 MARCH 2021

	INDIVIDUAL QUARTER				CUMULATIVE PERIOD			
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CHANGES	%	CURRENT YEAR-TO-DATE	PRECEDING YEAR CORRESPONDING PERIOD	CHANGES	%
	31 Mar 2021	31 Mar 2020			31 Mar 2021	31 Mar 2020		
Continuing Operations:								
Revenue	193,462,830	231,491,198	(38,028,368)	(16)	193,462,830	231,491,198	(38,028,368)	(16)
Cost of sales	(183,949,119)	(223,712,793)			(183,949,119)	(223,712,793)	39,763,674	
Gross profit	9,513,711	7,778,405	1,735,306	22	9,513,711	7,778,405	1,735,306	22
Interest Income	208,886	244,366			208,886	244,366	(35,480)	
Other income	785,572	823,985			785,572	823,985	(38,413)	
Distribution costs	(2,902,821)	(3,232,960)			(2,902,821)	(3,232,960)	330,139	
Administrative expenses	(1,898,090)	(1,399,674)			(1,898,090)	(1,399,674)	(498,416)	
Depreciation and amortization	(394,572)	(404,243)			(394,572)	(404,243)	9,671	
Other operating expenses	(2,323)	(36)			(2,323)	(36)	(2,287)	
	(4,203,348)	(3,968,562)			(4,203,348)	(3,968,562)	(234,786)	
Finance cost	(1,691,835)	(2,956,732)			(1,691,835)	(2,956,732)	1,264,897	
Net gain / (loss) on financial assets and financial liabilities at fair value	-	-	-	-	-	-	-	-
Share of profits of associates	-	-	-	-	-	-	-	-
Profit/(Loss) before taxation	3,618,528	853,111	2,765,417	324	3,618,528	853,111	2,765,417	324
Income tax expense								
Current	(1,142,670)	(408,539)			(1,142,670)	(408,539)	(734,131)	
Deferred income tax - benefits from previously unrecognised tax loss	(15,144)	67,000			(15,144)	67,000	(82,144)	
Under provision in prior year	-	-			-	-	-	
	(1,157,814)	(341,539)			(1,157,814)	(341,539)	(816,275)	
Profit/(Loss) for the period	2,460,714	511,572	1,949,142	381	2,460,714	511,572	1,949,142	381
Other Comprehensive Income:								
Changes in ownership in a subsidiary	-	-			-	-		
Revaluation of land & buildings upon transfer to investment properties	-	-			-	-		
Other Comprehensive Income net of tax	-	-			-	-		
Total Comprehensive Income for the period	2,460,714	511,572			2,460,714	511,572	1,949,142	
Profit attributable to:								
Owner of the parent	2,437,796	409,326			2,437,796	409,326	2,028,470	
Non-Controlling Interest	22,918	102,246			22,918	102,246	(79,328)	
	2,460,714	511,572			2,460,714	511,572	1,949,142	
Total comprehensive income attributable to:								
Owner of the parent	2,437,796	409,326			2,437,796	409,326	2,028,470	
Non-Controlling Interest	22,918	102,246			22,918	102,246	(79,328)	
	2,460,714	511,572			2,460,714	511,572	1,949,142	
Earnings Per Share (sen)								
- Basic, for profit for the year	1.65	0.28			1.65	0.28		
- Diluted, for profit for the year	1.65	0.28			1.65	0.28		

(The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the with the Audited Financial Statements for the year ended 31 December 2020)

KPS CONSORTIUM BERHAD
CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE QUARTER ENDED 31 MARCH 2021

	<----- Attributable to Owners of the Parent ----->				Non Controlling Interest	Total Equity
	Share Capital	Other Reserve	Accumulated Profit / (Loss)	Total		
	RM	RM	RM	RM	RM	RM
Balance at 1 Jan 2021	153,228,000	3,135,255	104,985,749	261,349,004	472,701	261,821,705
Transfer to no-par value regime						
Effects of changes in stakes in a subsidiary				-		-
Dividend paid						
Total comprehensive income / (loss) for the year			2,437,796	2,437,796	22,918	2,460,714
Balance at 31 March 2021	<u>153,228,000</u>	<u>3,135,255</u>	<u>107,423,545</u>	<u>263,786,800</u>	<u>495,619</u>	<u>264,282,419</u>

Dividend distribution per ordinary share for the quarter is Nil

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE CORRESPONDING QUARTER ENDED 31 MARCH 2020

	<----- Attributable to Owners of the Parent ----->				Non Controlling Interest	Total Equity
	Share Capital	Other Reserve	Accumulated Loss	Total		
	RM	RM	RM	RM	RM	RM
Balance at 1 Jan 2020	153,228,000	3,135,255	114,717,825	271,081,080	1,079,300	272,160,380
Effects of changes in stakes in a subsidiary				-		-
Total comprehensive loss for the year			243,749	243,749	(13,214)	230,535
Balance at 31 March 2020	<u>153,228,000</u>	<u>3,135,255</u>	<u>114,961,574</u>	<u>271,324,829</u>	<u>1,066,086</u>	<u>272,390,915</u>

Dividend distribution per ordinary share for the quarter is Nil

(The Condensed Consolidated Statement Of Changes In Equity should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2020)

OTHER RESERVES

	QUARTER ENDED 31/3/2021	QUARTER ENDED 31/3/2020
Share premium		
Revaluation reserve	3,135,255	3,135,255
Exchange translation reserve		
Fair value reserve		
Hedge reserve		
	<u>3,135,255</u>	<u>3,135,255</u>

KPS CONSORTIUM BERHAD	Current-year-to-date	Preceding year
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW		corresponding
FOR THE QUARTER ENDED 31 MARCH 2021		period
	31/3/2021	31/3/2020
	RM	RM
Profit before tax	3,618,528	853,111
Adjustments for non cash flow:-		
Amortisation of prepaid land lease payment	-	-
Depreciation of		
- property, plant and equipment	1,017,935	1,049,275
- investment properties		
Bad debts written off	-	-
Property, plant and equipment written off	-	-
Loss on disposal of		
- property, plant and equipment		
- investment on properties		
Impairment loss on property, plant and equipment		
Fair value loss / (gain) on investment properties		
Interest expense	1,691,835	2,956,732
Impairment on receivable		
- current year		-
- No longer required	(201,400)	(62,250)
Allowance for slow moving		
- inventories		-
- inventories no longer required	(2,204)	(584)
- Inventories written off		
Gain on disposal of		
- property, plant and equipment		
- investment on properties		
- assets held for sales		
Fair value (gain)/loss on investment properties		
Interest income	(208,886)	(244,366)
Bad debts recovered		
Gain on disposal of subsidiary company		
Share of loss/(profit) of associates		
Operating profit before changes in working capital	5,915,808	4,551,918
Changes in working capital		
Inventories	355,021	5,701,007
Receivable	(16,132,703)	17,707,569
Payable	10,587,371	143,665
Bills payable - Banker acceptances	14,199,587	(34,116,514)
Property development cost		
Cash flow from operations	14,925,084	(6,012,355)
Tax paid	(441,932)	(918,018)
Interest received	208,886	244,366
Interest Paid	(1,270,286)	(2,470,787)
Tax refund		
Net cash flows from operating activities	13,421,752	(9,156,794)
Cash Flow From Investing Activities:		
- Interest received	-	-
- Capital work-in-progress incurred		
- Purchase of property, plant and equipment	(15,141)	(89,567)
- Purchase of investment Properties		
- Placement / (withdrawal) of fixed deposit with licensed bank		
- Proceeds from disposal of property, Plant and equipment		
- Proceeds from disposal of asset held for sales		
- Proceeds from disposal of subsidiary		
Net cash flows used in investing activities	(15,141)	(89,567)
Cash Flow From Financing Activities:		
- Dividend paid to non-controlling interests		
- Interest paid	(421,549)	(485,945)
- Drawdown of HP / term loan		
- Repayment of term loan	(1,530,535)	(1,368,848)
- Advance from director / shareholders	-	
- Payment of finance creditors	(91,679)	(459,288)
- Repayment to associate		
Net cash flows from financing activities	(2,043,763)	(2,314,081)
Net Change in Cash & Cash Equivalents	11,362,848	(11,560,442)
Cash & Cash Equivalents at the beginning of the year	31,878,370	47,245,354
Cash & Cash Equivalents at end of period	43,241,218	35,684,912
Note:		
Cash and cash equivalents included in the cash flow statement comprise the following		
balance sheet amounts:	31/3/2021	31/3/2020
	RM	RM
Bank overdrafts	(629,136)	(729,648)
Deposits with licensed banks		
Cash and bank balances	43,870,354	36,414,560
	43,241,218	35,684,912
Less: Fixed deposit pledged as security for banking facilities granted to the subsidiary companies	-	-
Cash and cash equivalents	43,241,218	35,684,912
(The Condensed Consolidated Statement of Cash Flow should be read in conjunction with the Audited Financial statements for the year ended 31 December 2020)		

**KPS CONSORTIUM BERHAD (“KPSCB” or the “Company”) and
GROUP OF COMPANIES (“The Group”)**

NOTES TO THE INTERIM FINANCIAL REPORT

1. Basis of preparation

The interim financial report is unaudited and has been prepared in accordance with the reporting requirements outlined in the Financial Reporting Standards 134 – ‘Interim Financial Reporting’ issued by the Malaysian Accounting Standards Board (“MASB”) and paragraph 9.22 of the Bursa Malaysia Securities Bhd Listing Requirements.

The interim financial report should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 December 2020. The accounting policies and methods of computation adopted by the Group in this interim financial report are consistent with those adopted in the financial statements for the financial year ended 31 December 2020 .

2. Annual Report of the Group’s Preceding Annual Financial Statements

The Auditors’ report of the Group’s most recent annual audited financial statements for the year ended 31 December 2020 was unqualified.

3. Changes in estimates

There were no changes in the estimate of amounts reported in prior quarter in the current financial year or changes in estimates of amounts reported in prior financial years that have a material effect in the current interim period.

4. Dividends paid

There were no dividends paid during the financial year.

5. Segmental Reporting

	<u>3-months ended 31 Mar 2021</u>			
	<u>- Revenue-</u>		<u>Total</u>	<u>Profit/(Loss)</u>
	<u>Internal</u>	<u>External</u>		<u>Before tax</u>
	<u>RM’000</u>	<u>RM’000</u>	<u>RM’000</u>	<u>RM’000</u>
Paper milling		7,334	7,334	(456)
Paper converting		34,791	34,791	723
Trading building materials		147,740	147,740	4,803
Investments/ Management/Contracts		-	-	(56)
Trading – Others		3,598	3,598	87
Unallocated Corp. expenses	-	-	-	

**NOTES TO THE INTERIM FINANCIAL
REPORT (CONT'D)**

Total		193,463	193,463	5,101
Elimination (inter co item)				
Consolidated	0	193,463	193,463	5,101
Financing cost				(1,692)
Interest Income				209
Loss before tax				3,618
Income tax				(1,158)
Loss after tax				2,460

The activities of the Group are carried out in Malaysia and as such segmental reporting by geographical location is not presented.

6. Property, plant and equipment

The valuation of land and buildings has been brought forward, without amendment from the recent audited financial statements for the year ended 31 December 2020.

7. Material events subsequent to the balance sheet date

There are no other material events subsequent to the balance sheet date that has not been reflected in the financial statements.

8. Changes in composition of the Group

There was no change in the composition of the Group during the financial period.

9. Changes in contingent liabilities

Corporate guarantees issued to financial institutions and suppliers for banking and credit facilities respectively granted to subsidiary Companies amounted to RM 308.3 million (2020: RM 308.3 million)

Additional information required by the Main Market's Listing Requirement

1. Review of performance

The Group recorded revenue of RM 193.5 million for the 1st quarter period to 31 March 2021 as compared with RM 231.5 million recorded in the preceding year corresponding quarter period.

Paper milling division turnover was RM 0.5 million higher than previous corresponding year quarter period, paper converting division turnover was higher by RM 5.2 million compared with the previous year quarter, building materials division recorded a lower turnover of RM 34.7 million compared with the preceding year quarter period and other operations divisions reported higher turnover of RM 2.3 million compared with preceding year quarter.

Additional information required by the Main Market's Listing Requirement (Cont'd)

Generally 1st quarter revenue for all divisions revenue turnover had partially recovered except for building materials which continue to be affected by construction industry and continued implementation of Movement Control Order by Malaysian Government since 11 January 2021 due to outbreak of Covid 19 at first quarter 2020 which result in slowdown/ stoppage of construction operations .

2. Variation of results against immediate preceding quarter

The Group recorded a profit before taxation and interest of RM 3.6 million for the 1st quarter to 31 March 2021 as compared to a loss of RM 7.7 million recorded in the preceding 4th quarter 2020.

Comparison of current and immediate preceding quarter is as follows:-

	Paper Milling	Paper Converting	Building Materials Trading	Investment , Management Contract RM'000	Other Trading
	RM'000	RM'000	RM'000		RM'000
Revenue					
Current Quarter	7,334	34,790	147,739	-	3,598
Previous Quarter	7,753	42,067	159,346	-	7,311
Changes - Amount	(414)	(7,277)	(21,607)	-	(3,713)
- %	(5.4%)	(17.3)%	(13.6)%	N/A	(50.8)%

Profit/(loss) before interest/tax

Current Quarter	(456)	723	4,803	(56)	87
Previous Quarter	(949)	(2,429)	0.09	25	(2,948)
Changes - Amount	493	3,152	4,812	71	3,035
- %	51.9 %	(N/A%)	N/A	N/A	N/A

The revenue for the current quarter results were generally lower than the previous quarter but profit before interest and taxation is higher due to provisions for 4th quarter 2020 bad debts of Rm 7.5 million provided ,provision for slow moving stocks Rm 1 million , impairment of investment properties Rm 2.2 mil .

2. Trade Receivables

Trade receivables ageing analysis 31 March 2021	Gross RM '000	Individually Impaired RM '000	Net RM '000
Within credit terms	69,180		69,180
Past due 30-60 Days	26,293		26,293
Past due 60-90 days	28,543		28,543
Past due 90-120 days	25,543		25,543
Past due > 120 days	69,337	(18,212)	51,125
	218,896	(18,212)	200,684

Additional information required by the Main Market's Listing Requirement (Cont'd)

3. Profit Forecast

There were no profit forecasts for the current period.

4. Taxation

<u>3-months to 31 Mar 2020</u>	
<u>RM '000</u>	
Income tax expense	
- current	1,143
- prior year	
Deferred tax-benefits from previous unrecognized tax loss	15
(Over)/Underprovision previous year	
Income tax recognized in Profit and Loss	1,158

5. Unquoted investments and/or properties

There were no disposals of unquoted investments for the quarter under review.

6. Quoted investments

There were no investments in quoted securities as at the end of the reporting period.

7. Status of corporate proposals announced

(a) There were no major corporate proposals announced during the reporting period to date.

(b) The status of utilization of proceeds from any corporate proposal.

This is not applicable.

8. Borrowings and debt securities

Group borrowings and debt securities as at the end of the reporting period:-

Short Term Borrowings

Secured
Bank overdrafts/ Bankers' Acceptances
Term loan
HP Creditors

<u>RM'000</u>
122,999
9,894
151
133,044

Additional information required by the Main Market's Listing Requirement (Cont'd)

Long Term Borrowings

	RM'000
<u>Secured</u>	
Term loan	28,287
HP Creditor	55
	28,342
Total Borrowings	161,3869

9. Gains/Losses arising from Fair Value Changes of Financial Liabilities

There were no gains/losses arising from fair value changes arising from any financial liabilities

10. Derivative Financial Instruments

There were no derivative financial instruments at the date of issuance of this report

11. Material litigation

There was no material litigation, which would have a material adverse effect on the financial results.

13. Dividends

The Board of Directors is not recommending any payment of an interim dividend for the current financial period under review.

14. Earnings per share ("EPS")

a. Basic EPS

The calculation of basic EPS for continuing operations the current year is based on profit of RM 2.5 million for 3 months to 31 March 2021 and the weighted average number of ordinary shares in issue during the current quarter of 147,827,158 ordinary shares.

b. Diluted EPS

No disclosure is requires as the Company does not have any potential ordinary shares.