



## **KUMPULAN PERANGSANG SELANGOR BERHAD**

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

*(Incorporated in Malaysia)*

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

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

PARTICULARS	INDIVIDUAL QUARTER				CUMULATIVE QUARTER			
	CURRENT YEAR	PRECEDING YEAR	VARIANCE		CURRENT YEAR	PRECEDING YEAR	VARIANCE	
	QUARTER 30/09/2023 RM'000	QUARTER 30/09/2022 RM'000	RM'000	%	TO DATE 30/09/2023 RM'000	PERIOD 30/09/2022 RM'000	RM'000	%
Revenue	332,869	382,766	(49,897)	(13)	909,352	1,037,457	(128,105)	(12)
Cost of sales	(261,365)	(301,324)	39,959	13	(719,166)	(824,603)	105,437	13
Gross profit	71,504	81,442	(9,938)	(12)	190,186	212,854	(22,668)	(11)
Other income	15,049	20,398	(5,349)	(26)	56,512	50,416	6,096	12
Other expenses	(64,069)	(67,810)	3,741	6	(193,450)	(177,399)	(16,051)	(9)
Operating profit	22,484	34,030	(11,546)	(34)	53,248	85,871	(32,623)	(38)
Finance costs	(6,556)	(5,749)	(807)	(14)	(20,561)	(16,203)	(4,358)	(27)
Share of profit/(loss) of associates	929	(1,813)	2,742	151	2,188	(7,395)	9,583	130
Profit before tax and zakat	16,857	26,468	(9,611)	(36)	34,875	62,273	(27,398)	(44)
Income tax and zakat	(8,261)	(9,538)	1,277	13	(16,574)	(24,213)	7,639	32
<b>Profit for the period</b>	<b>8,596</b>	<b>16,930</b>	<b>(8,334)</b>	<b>(49)</b>	<b>18,301</b>	<b>38,060</b>	<b>(19,759)</b>	<b>(52)</b>
Attributable to:								
- Owners of the parent	6,258	14,015	(7,757)	(55)	10,389	26,988	(16,599)	(62)
- Non-controlling interests	2,338	2,915	(577)	(20)	7,912	11,072	(3,160)	(29)
	<b>8,596</b>	<b>16,930</b>	<b>(8,334)</b>	<b>(49)</b>	<b>18,301</b>	<b>38,060</b>	<b>(19,759)</b>	<b>(52)</b>
Earnings per share ("EPS") attributable to owners of the parent (sen per share):								
Basic EPS	1.2	2.6	(1.4)	(55)	1.9	5.0	(3.1)	(62)
Diluted EPS	1.2	2.6	(1.4)	(55)	1.9	5.0	(3.1)	(62)

(The Unaudited Condensed Consolidated Income Statement should be read in conjunction with the Annual Audited Financial Statements for the year ended 31 December 2022 and the accompanying explanatory notes attached to the interim financial statements)

**KUMPULAN PERANGSANG SELANGOR BERHAD**  
**Company No. 197501002218 (23737-K)**

**A2 Unaudited Condensed Consolidated Statement of Comprehensive Income For The Quarter Ended 30 September 2023**

PARTICULARS	INDIVIDUAL QUARTER				CUMULATIVE QUARTER			
	CURRENT YEAR	PRECEDING YEAR	VARIANCE		CURRENT YEAR	PRECEDING YEAR	VARIANCE	
	QUARTER 30/09/2023 RM'000	CORRESPONDING QUARTER 30/09/2022 RM'000	RM'000	%	TO DATE 30/09/2023 RM'000	CORRESPONDING PERIOD 30/09/2022 RM'000	RM'000	%
Profit for the period	8,596	16,930	(8,334)	(49)	18,301	38,060	(19,759)	(52)
Other comprehensive income (net of tax):								
Foreign currency translation reserve	670	7,161	(6,491)	(91)	15,590	14,717	873	6
Total comprehensive income for the period	<b>9,266</b>	<b>24,091</b>	<b>(14,825)</b>	<b>(62)</b>	<b>33,891</b>	<b>52,777</b>	<b>(18,886)</b>	<b>(36)</b>
Attributable to:								
- Owners of the parent	7,702	18,569	(10,867)	(59)	22,194	37,437	(15,243)	(41)
- Non-controlling interests	1,564	5,522	(3,958)	(72)	11,697	15,340	(3,643)	(24)
	<b>9,266</b>	<b>24,091</b>	<b>(14,825)</b>	<b>(62)</b>	<b>33,891</b>	<b>52,777</b>	<b>(18,886)</b>	<b>(36)</b>

(The Unaudited Condensed Consolidated Income Statement should be read in conjunction with the Annual Audited Financial Statements for the year ended 31 December 2022 and the accompanying explanatory notes attached to the interim financial statements)

**KUMPULAN PERANGSANG SELANGOR BERHAD**  
**Company No. 197501002218 (23737-K)**

**Unaudited Condensed Consolidated Statement of Financial Position**  
**As At 30 September 2023**

	Unaudited 30-Sep-23 RM'000	Audited 31-Dec-22 RM'000
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	408,257	386,254
Right-of-use assets	90,856	94,986
Investment properties	35,785	36,995
Investments in associates	28,275	35,587
Intangible assets	265,635	255,399
Goodwill on consolidation	232,639	187,220
Long term receivable	1,411	1,728
Deferred tax assets	706	935
Club memberships	153	153
	<u>1,063,717</u>	<u>999,257</u>
<b>Current assets</b>		
Inventories	172,443	184,359
Trade and other receivables	376,337	417,898
Cash and bank balances and short term funds	467,514	546,239
Current tax assets	9,574	9,859
	<u>1,025,868</u>	<u>1,158,355</u>
Non current asset held for sale	<u>-</u>	<u>5,923</u>
<b>TOTAL ASSETS</b>	<b><u>2,089,585</u></b>	<b><u>2,163,535</u></b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to owners of the parent</b>		
Share capital	537,927	537,927
Foreign currency translation reserve	27,401	15,596
Capital reserves	3,698	4,273
Retained earnings	500,448	505,847
<b>Shareholders' equity</b>	<u>1,069,474</u>	<u>1,063,643</u>
<b>Non-controlling interests</b>	<u>144,616</u>	<u>137,635</u>
<b>TOTAL EQUITY</b>	<u>1,214,090</u>	<u>1,201,278</u>
<b>Non-current liabilities</b>		
Other payables	11,438	2,019
Loans and borrowings	361,895	387,707
Lease liabilities	14,016	18,343
Deferred tax liabilities	112,576	109,151
Post-employment benefits	10,488	9,854
	<u>510,413</u>	<u>527,074</u>
<b>Current liabilities</b>		
Trade and other payables	240,438	246,209
Loans and borrowings	85,635	150,093
Lease liabilities	16,590	12,205
Contract liabilities	16,599	16,042
Current tax liabilities	5,820	10,634
	<u>365,082</u>	<u>435,183</u>
<b>TOTAL LIABILITIES</b>	<u>875,495</u>	<u>962,257</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b><u>2,089,585</u></b>	<b><u>2,163,535</u></b>
Net assets per ordinary share attributable to owners of the parent (RM)	1.99	1.98

(The Unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Audited Financial Statements for the year ended 31 December 2022 and the accompanying explanatory notes attached to the interim financial statements)

**KUMPULAN PERANGSANG SELANGOR BERHAD**  
**Company No. 197501002218 (23737-K)**

**Unaudited Condensed Consolidated Statement of Changes In Equity**  
**For The Period Ended 30 September 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	-	-	-	10,389	10,389	7,912	18,301
Gain on foreign currency translations	-	11,805	-	-	11,805	3,785	15,590
Total comprehensive income	-	11,805	-	10,389	22,194	11,697	33,891
Transactions with owners:							
Final dividend for financial year ended 31 December 2022	-	-	-	(13,435)	(13,435)	-	(13,435)
Dividends paid to non-controlling interests	-	-	-	-	-	(4,716)	(4,716)
Dividend paid to a preference shareholder of a subsidiary	-	-	-	(2,928)	(2,928)	-	(2,928)
Appropriation to statutory reserves	-	-	(575)	575	-	-	-
	-	-	(575)	(15,788)	(16,363)	(4,716)	(21,079)
<b>At 30 September 2023</b>	<b>537,927</b>	<b>27,401</b>	<b>3,698</b>	<b>500,448</b>	<b>1,069,474</b>	<b>144,616</b>	<b>1,214,090</b>
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	-	-	-	26,988	26,988	11,072	38,060
Gain on foreign currency translations	-	10,449	-	-	10,449	4,268	14,717
Total comprehensive income	-	10,449	-	26,988	37,437	15,340	52,777
Transactions with owners:							
Dividend for financial year ended 31 December 2021	-	-	-	(13,435)	(13,435)	-	(13,435)
Dividends paid to non-controlling interests	-	-	-	-	-	(1,820)	(1,820)
Dividend paid to a preference shareholder of a subsidiary	-	-	-	(2,736)	(2,736)	-	(2,736)
Appropriation to statutory reserves	-	-	1,037	(1,037)	-	-	-
	-	-	1,037	(17,208)	(16,171)	(1,820)	(17,991)
<b>At 30 September 2022</b>	<b>537,927</b>	<b>24,424</b>	<b>4,200</b>	<b>495,104</b>	<b>1,061,655</b>	<b>134,151</b>	<b>1,195,806</b>

(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 Period Ended 30 September 2023**

	9 months ended	
	<u>30-Sep-23</u>	<u>30-Sep-22</u>
	RM'000	RM'000
<b>Cash Flows From Operating Activities</b>		
Profit before tax and zakat	34,875	62,273
Adjustment for non-cash items	48,623	70,477
Adjustment for non-operating items	8,582	(18,067)
Operating profit before working capital changes	92,080	114,683
Changes in working capital:		
Net change in current assets	77,417	48,377
Net change in current liabilities	(43,045)	(97,332)
Cash generated from operating activities	126,452	65,728
Contribution paid for post-employment benefits	(124)	(1,331)
Dividend received from an associate	9,500	-
Tax and zakat paid, net of refunds received	(14,231)	(19,593)
<b>Net cash generated from operating activities</b>	<b>121,597</b>	<b>44,804</b>
<b>Cash Flows From Investing Activities</b>		
Profit rate/ interest income received	4,061	5,980
Acquisition of additional interest in a subsidiary	(57,707)	-
Purchase of :		
- property, plant and equipments	(27,657)	(39,905)
- investment properties	(110)	(62)
Proceeds from disposal of :		
- property, plant and equipment	246	2,202
- investment property	8,000	-
Placement of short term funds	142,587	88,757
<b>Net cash from investing activities</b>	<b>69,420</b>	<b>56,972</b>
<b>Cash Flows From Financing Activities</b>		
Dividends paid to shareholders	(13,435)	(13,435)
Dividend paid to non-controlling interest of a subsidiary	(4,716)	(1,820)
Dividend paid to a preference shareholder of a subsidiary	(2,928)	(2,736)
Profit rate paid	(20,561)	(16,203)
Repayment of borrowings	(238,268)	(295,127)
Drawdown of borrowings	144,833	218,437
Repayment of obligations under finance leases	(3,100)	(8,625)
Proceeds from lease liabilities	-	595
Net movements in deposits with licensed banks	(4,223)	(237)
<b>Net cash used in financing activities</b>	<b>(142,398)</b>	<b>(119,151)</b>
Net increase in cash and cash equivalents	48,619	(17,375)
Effect of exchange rate changes on cash and cash equivalents	5,696	5,148
Cash and cash equivalents at 1 January	168,582	162,442
<b>Cash and cash equivalents at 30 September</b>	<b>222,897</b>	<b>150,215</b>

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

	<u>As at</u>	<u>As at</u>
	<u>30-Sep-23</u>	<u>30-Sep-22</u>
Cash and bank balances	467,514	361,027
Less:		
Deposits with licensed banks with maturity period of more than 3 months	(34,880)	(27,724)
Money market deposits	(209,737)	(183,088)
	<b>222,897</b>	<b>150,215</b>

(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 THIRD QUARTER ENDED  
30 SEPTEMBER 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)

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**UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE THIRD QUARTER ENDED  
30 SEPTEMBER 2023**

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**A2.2 Standards issued but not yet effective**

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

**1 January 2024**

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

**Deferred**

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

**A3 Audit report of preceding annual financial statements**

The audited consolidated financial statements for the financial year ended 31 December 2022 were not subject to any audit qualification.

**A4 Seasonal or cyclical factors**

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

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

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

**A6 Material changes in estimates**

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

**A7 Debt and equity securities**

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



**KUMPULAN PERANGSANG SELANGOR BERHAD**

Company No. 197501002218 / (23737-K)

(Incorporated in Malaysia)

**UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE THIRD QUARTER ENDED  
30 SEPTEMBER 2023****A8 Dividend paid**

There was no dividend paid during the current quarter.

**A9 Segmental Information**

Segment Revenue	3 months ended					
	30.09.2023			30.09.2022		
	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	280,001	-	280,001	323,100	-	323,100
Trading	40,665	-	40,665	43,323	-	43,323
Licensing	10,186	-	10,186	9,844	-	9,844
Infrastructure	-	-	-	4,219	-	4,219
Investment holding	579	(579)	-	494	(494)	-
Property investment	2,017	-	2,017	2,280	-	2,280
<b>Total Revenue</b>	<b>333,348</b>	<b>(579)</b>	<b>332,869</b>	<b>383,260</b>	<b>(494)</b>	<b>382,766</b>

Segment Revenue	9 months ended					
	30.09.2023			30.09.2022		
	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	753,798	-	753,798	866,795	-	866,795
Trading	119,688	-	119,688	118,293	-	118,293
Licensing	29,617	-	29,617	40,872	-	40,872
Infrastructure	-	-	-	4,696	-	4,696
Investment holding	1,714	(1,714)	-	1,559	(1,559)	-
Property investment	6,249	-	6,249	6,801	-	6,801
<b>Total Revenue</b>	<b>911,066</b>	<b>(1,714)</b>	<b>909,352</b>	<b>1,039,016</b>	<b>(1,559)</b>	<b>1,037,457</b>

Segment Results	3 months ended		9 months ended	
	30.09.2023	30.09.2022	30.09.2023	30.09.2022
	RM'000	RM'000	RM'000	RM'000
Manufacturing	18,842	28,821	40,244	57,587
Trading	2,320	1,998	6,968	6,547
Licensing	5,123	5,248	14,710	26,161
Infrastructure *	909	(132)	1,831	(7,112)
Investment holding	(11,155)	(9,554)	(33,050)	(23,289)
Property investment	160	368	2,854	1,468
Oil & Gas *	658	(281)	1,318	911
<b>Total Profit Before Tax and Zakat</b>	<b>16,857</b>	<b>26,468</b>	<b>34,875</b>	<b>62,273</b>

\* Inclusive of share of profit of associates

**KUMPULAN PERANGSANG SELANGOR BERHAD**

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**UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE THIRD QUARTER ENDED  
30 SEPTEMBER 2023**

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**A10 Valuation of property, plant, and equipment**

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

**A11 Material and subsequent events**

There were no other material events subsequent to the end of the reporting period which is likely to substantially affect the results of the operations of the Group.

**A12 Changes in the composition of the Group**

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

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

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

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

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

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

**KUMPULAN PERANGSANG SELANGOR BERHAD**

Company No. 197501002218 / (23737-K)

(Incorporated in Malaysia)

**UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE THIRD QUARTER ENDED  
30 SEPTEMBER 2023****A13 Capital commitments**

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

	<b>RM'000</b>
Property, plant, and equipment:	
(i) Approved but not contracted for	<u>51,193</u>
(ii) Approved and contracted for	<u>9,768</u>
Share of capital commitment of an associate	<u>2,194</u>

**A14 Significant related party transactions**

The following are the related party transactions of the Group:

	<b>3 months ended</b>		<b>9 months ended</b>	
	<b>30.9.2023</b>	<b>30.9.2022</b>	<b>30.9.2023</b>	<b>30.9.2022</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Sales of products to a subsidiary company of non-controlling interest	4,406	4,080	12,589	13,011
Sale of products to related companies	18,900	22,293	56,796	55,428
Rental income from related companies	77	77	231	231
Rental and other expenses charged by related companies	(9)	(12)	(29)	(35)

**A15 Contingent liabilities and contingent assets**

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

<b>Secured:</b>	<b>RM'000</b>
(i) Provision of proportionate corporate guarantee for an associate Working capital and issuance of bank guarantees	<u>19,267</u>
(ii) Performance guarantees to third parties	<u>7,313</u>
<b>Unsecured:</b>	
(i) Performance guarantees to third parties	<u>2,262</u>

There were no contingent assets as at the reporting date.

## KUMPULAN PERANGSANG SELANGOR BERHAD

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### UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2023

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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

The Group recorded a lower revenue of RM332.9 million compared with RM382.8 million for the corresponding quarter 2022, representing a decrease in revenue by 13% or RM49.9 million. The reduction in revenue was due to lower revenue in all sectors except for licensing. Specifically, the manufacturing sector experienced a decrease by RM43.1 million, infrastructure and trading sector declined by RM4.2 million and RM2.7 million respectively, and property investment decreased by RM0.3 million. Meanwhile, the licensing sector's revenue saw a slight improvement by RM0.3 million.

The Group registered lower profit before tax and zakat by RM9.6 million or 36% attributed to reduced revenue and loss impact on foreign exchange, higher finance costs and higher administrative expenses. However, this decline in profit was partially mitigated by higher interest income, absence of a share of loss from SPRINT, following its disposal in Q4 2022 and recognition of the reversal of impairment on trade receivables, attributed to the recovery of the outstanding debts.

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

#### 1. Manufacturing

The manufacturing sector recorded lower revenue by 13%, contributing RM280.0 million or 84% to the Group's revenue compared to RM323.1 million in the corresponding quarter last year. The decrease in revenue mainly led by the lower revenue contributed from Toyoplas Manufacturing (Malaysia) Sdn Bhd ("Toyoplas") of RM114.1 million, lower by RM55.8 million or 33% as compared to the preceding year corresponding quarter mainly resulted from the absence of the top customer in Indonesia during the year.

Meanwhile, CPI (Penang) Sdn Bhd ("CPI") also recorded lower revenue by RM0.9 million, mainly derived from lower sales on all business segments except for automotive and others segment. Apart from that, King Koil Manufacturing West, LLC ("KKMW") recorded lower revenue by RM0.6 million which led by the weakening consumer demand and the cessation of a major customer during the quarter.

Nevertheless, King Koil Sales Inc ("KKS") saw an increase in revenue by RM5.5 million led by new sales to an existing customer. Meanwhile, revenue improved at Century Bond Bhd ("CBB") by RM3.8 million mainly from higher traction from the paper and consumer division. The new contribution from newly acquired subsidiary, MDS Advance Sdn Bhd ("MDS") of RM5.1 million during the quarter also enhanced the revenue contribution from this sector.

This sector recorded lower profit before tax and zakat of RM18.8 million compared to RM28.8 million in the corresponding quarter 2022. This decline was primarily driven by Toyoplas, which experienced a decrease in profit before tax and zakat by RM7.7 million due to reduced revenue, increased net loss on foreign exchange, and higher finance costs resulting from higher loan drawdown and rising interest rates. CBB also saw a decrease in profit before tax and zakat by RM3.5 million, attributed to lower gross profit ("GP") and GP margin caused by higher average paper costs. Additionally, CPI's profit before tax and zakat declined due to lower GP margin, stemming from increased electricity tariff and additional costs related to the new plant.

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**B1 Performance review (continued)****a) Current quarter against previous year corresponding quarter (continued)****1. Manufacturing (continued)**

MDS on the other hand recorded profit before tax and zakat of RM2.3 million whilst KKMW recorded higher profit before tax and zakat by RM0.5 million driven by improved GP margin during the quarter.

**2. Trading**

The revenue for this quarter amounted to RM40.7 million, showing a decrease of RM2.6 million or 6% compared to the corresponding quarter's revenue of RM43.3 million. This decline was primarily due to lower sales in water meters.

Nevertheless, despite the drop in revenue, the sector managed to achieve a slightly higher profit before tax and zakat of RM2.3 million, compared to RM2.0 million in the corresponding quarter of 2022. This increase was attributed to a higher gross profit margin during the quarter.

**3. Licensing**

This sector recorded an increase in revenue of RM10.2 million during the current quarter compared to RM9.8 million in the corresponding quarter 2022 due to higher licensing revenue from the international licensees.

Nevertheless, this sector reported a slightly reduced profit before tax and zakat of RM5.1 million, compared to RM5.2 million in the corresponding quarter of 2022, due to the higher average foreign exchange rate experienced during the quarter.

**4. Infrastructure**

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

However, profit before tax and zakat is RM0.9 million, higher by RM1.0 million, compared to RM0.1 million loss before tax and zakat recorded in corresponding quarter. The improved results led by the absence of the RM1.8 million share of loss from SPRINT in the corresponding quarter of 2022, although it was partially offset by the minimal contribution from operating subsidiaries during the quarter.

**5. Investment holding**

This sector recorded a higher loss before tax and zakat of RM11.2 million, as compared to RM9.6 million loss which mainly due to higher administrative expenses, increased finance cost resulted from higher interest rates and additional depreciation and amortisation cost following the acquisition of MDS.

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**B1 Performance review (continued)****b) Current quarter against previous year corresponding quarter (continued)****6. Property investment**

Property investment recorded slightly lower revenue of RM2.0 million compared to RM2.3 million revenue recorded in corresponding quarter 2022. This was led by lower contribution of rental income at Plaza Perangsang and the absence of rental income from Wisma SAP, following its disposal in the previous quarter.

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

**7. Oil and gas**

NGC Energy Sdn Bhd ("NGC Energy") registered profit after tax and zakat of RM1.5 million compared to loss of RM0.8 million during the corresponding quarter of 2022. Hence, the Group's share of profit was RM0.6 million compared to share of loss of RM0.3 million recognised in corresponding quarter 2022.

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

For the nine months ended 30 September 2023, the Group registered revenue of RM909.4 million compared to RM1,037.5 million in the corresponding period 2022, representing a decrease in revenue by RM128.1 million or 12% resulted from lower revenue at manufacturing and licensing sector. This was primary caused by weakening consumer demand and the cessation of major customers during the period under review. The absence of one-off upfront payment made by an existing customer for the renewal of long-term licensing agreement also affecting the revenue contribution during the period.

The Group's profit before tax and zakat for the current period amounted to RM34.9 million, reflecting a decrease of 44% or RM27.4 million compared to the corresponding period in 2022, also due to reduced contributions from the manufacturing and licensing sector. Additionally, the increase in finance costs and the negative impact of foreign exchange losses further contributed to the decline in profit before tax and zakat during this period.

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

**1. Manufacturing**

The manufacturing sector contributed revenue of RM753.8 million and profit before tax and zakat of RM40.2 million compared to corresponding period 2022 revenue of RM866.8 million and profit before tax and zakat of RM57.6 million.

The decrease in revenue of RM113.0 million was mainly from Toyoplas by RM114.5 million, KKMW by RM14.0 million and CPI by RM10.9 million. However, these losses were partially offset by higher sales at CBB by RM6.9 million, KKS by RM3.4 million along with contributions from newly acquired subsidiary, MDS of RM16.3 million.

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**B1 Performance review (continued)**

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

**1. Manufacturing (continued)**

Resulted from lower revenue, this sector shows lower profits in the current period led by the decrease in profit before tax and zakat from Toyoplas by RM14.7 million. Even though CBB contributed to higher revenue, lower profit before tax and zakat by RM9.5 million had been recorded due to lower GP margin following the increased in average paper costs and higher factory overhead costs.

CPI and KCSI both also recorded lower profit before tax and zakat with reductions by RM2.8 million and RM0.2 million respectively. In contrast, KKMW recorded increase in profit before tax and zakat rising by RM2.8 million led by the improved GP margin whilst MDS contributed to RM6.6 million profit before tax and zakat during the period.

**2. Trading**

The trading sector posted revenue of RM119.7 million, higher by 1% or RM1.4 million primarily due to higher revenue from the sale of water chemicals and equipment.

In line with the increase in revenue, this sector experienced an increase in profit before tax and zakat of RM7.0 million as compared to RM6.5 million recorded in corresponding quarter 2022.

**3. Licensing**

The licensing sector recorded lower revenue of RM29.6 million as compared to the corresponding period 2022 of RM40.9 million, representing a decrease in revenue by 28% or RM11.3 million primarily led by the absence of one-off revenue on the upfront payment made by an existing customer for renewal of long-term licensing agreement in 2022, amounting to RM10.0 million.

This has resulted in lower profit before tax and zakat by RM11.5 million in the current period as compared to the corresponding period 2022.

**4. Infrastructure**

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

However, this sector recorded a higher profit before tax and zakat for the current period of RM1.8 million, more than 100% higher than the corresponding period loss before tax and zakat of RM7.1 million. This was mainly due to the absence of share of loss from SPRINT of RM9.0 million which being recorded in corresponding period 2022 but narrowed down by lower contribution of KPS-HCM by RM0.3 million.

**5. Investment holding**

This sector recorded a higher loss before tax and zakat of RM33.1 million as compared to a loss before tax and zakat of RM23.3 million in the corresponding period 2022 due to a decrease in other income, resulting from the reversal of impairment in cash-generating units of RM4.8 million and interest income of RM1.7 million, which arose from the profit guarantee deferment recognised in the corresponding period of 2022.

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**B1 Performance review (continued)****c) Current year-to-date against previous year to-date (continued)****5. Investment holding (continued)**

There was also an additional cost of RM0.6 million incurred coupled with additional amortisation expenses on intangible assets of RM1.5 million in acquiring the new subsidiary during the period which led to the increase in loss before tax and zakat for this sector.

**6. Property Investment**

The property investment sector recorded lower revenue of RM6.2 million compared to RM6.8 million in the corresponding period in 2022, mainly due to lower rental income at Plaza Perangsang and Wisma SAP.

Nevertheless, this sector recorded higher profit before tax and zakat of RM2.9 million compared to RM1.5 million in corresponding period 2022 resulted from gain on disposal of Wisma SAP of RM2.1 being recognised during the period.

**7. Oil and gas**

For the current period, NGC Energy registered profit after tax of RM3.3 million, which translated into the Group's share of profit of RM1.3 million as compared to corresponding period 2022 profit after tax of RM2.3 million and Group's share of profit of RM0.9 million. Higher share of profit in the current period mainly due to higher revenue from Industrial and Commercial ("I&C") segment and domestic sales of Liquefied Petroleum Gas ("LPG").

**B2 Comparison with the preceding quarter's results**

The current quarter Group revenue is higher by RM31.4 million or 10% to RM332.9 million compared to RM301.5 million recorded in the second quarter of 2023. This was due to improved performance at manufacturing sector. In line with higher revenue and slight improvement in GP margin, the Group's recorded a better profit before tax and zakat of RM16.9 million compared to profit before tax and zakat of RM11.6 million in the preceding quarter. This led to the profit after tax and zakat of RM8.6 million during the quarter under review compared to a profit after tax and zakat of RM6.8 million in the preceding quarter.



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#### **B3 Commentary on prospects**

##### **1. Manufacturing**

The global economy remains slow, with the world's gross domestic product ("GDP") forecasted to decrease to 2.9% in 2024, in line with the slow recovery of domestic demand, inflationary pressure and the slowdown in China's recovery that was dragged by unresolved real estate problems. Malaysia's GDP in the third quarter of 2023 grew by 3.3% against 2.9% in the second quarter, steered by service and construction sectors' performance which remained modest. However, it was concluded that the economic growth year-to-date is moderate if compared with the same period last year.

KPS Berhad Group was hit by lower demand from the electrical and electronic ("E&E") sector, in tandem with Malaysia's manufacturing sector that declined marginally by 0.1% in this quarter. Despite the slower growth in E&E that had affected major Original Equipment Manufacturer ("OEMs"), the growth from construction customers is holding up. However, KPS Berhad Group is not spared from the higher material and operating costs that had affected all sectors. In addition, foreign exchange fluctuations, particularly USD against local currencies, had been challenging to manage and continued to affect the financial performance in 2023.

In the U.S., the country's macroeconomic turbulences had overall translated into weak consumer demand and spending. Businesses continued having to operate in a high inflation and high interest rate environment – mortgage rates which hover around 8% in October 2023, 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 predominance hinged upon any further increases or cuts in interest rates by the U.S.' Federal Reserve in its attempt to curb inflation.

Taking all of the above into consideration, KPS Berhad Group shall continue to monitor the market development and diligently manage costs to preserve profit margins while concentrating its efforts towards expanding and diversifying revenue streams to ensure long-term growth and ultimately profitability.

##### **2. Trading**

Strong revenue performance recorded from trading sales of water chemicals supported by the materialised revenue from contracts awarded in FY2022 and 1Q2023. As supply chain disruption remain uncertain due to surrounding raw material costs, the company continues putting forth a concerted effort to monitor current trends in pricing from suppliers and persistently looking for new prospects for 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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Included in other income/(expenses) are the following credits/(charges):

	<b>3 months ended</b>		<b>9 months ended</b>	
	<b>30.9.2023</b>	<b>30.9.2022</b>	<b>30.9.2023</b>	<b>30.9.2022</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Profit rate/Interest income from the deposit with licensed bank	1,553	1,587	4,061	4,317
Interest income from profit guarantee deferment	-	-	-	1,663
Gain on the fair value of short-term funds	1,647	26	5,586	106
Gain on foreign exchange	8,216	16,929	38,785	34,528
Writeback of impairment	1,149	266	1,157	5,417
(Provision) / reversal of impairment on inventories	(634)	(467)	172	(1,790)
Finance costs	(6,556)	(5,749)	(20,561)	(16,203)
Loss on foreign exchange	(9,040)	(15,856)	(41,040)	(30,876)
Depreciation of property, plant and equipment	(11,610)	(13,255)	(35,370)	(34,926)
Depreciation of investment properties	(479)	(608)	(1,437)	(1,825)
Amortisation of intangible assets	(1,780)	(1,321)	(5,446)	(3,924)
Impairment of receivables	(64)	(301)	(317)	(842)

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

**B6 Income tax expense**

	<b>3 months ended</b>		<b>9 months ended</b>	
	<b>30.9.2023</b>	<b>30.9.2022</b>	<b>30.9.2023</b>	<b>30.9.2022</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Income tax expense	7,608	9,675	16,637	23,376
Deferred tax recognised in income statement	(207)	(325)	(923)	(1,213)
Income tax expense	7,401	9,350	15,714	22,163
Zakat expense	860	188	860	2,050
Income tax and zakat expense	8,261	9,538	16,574	24,213

**B7 Status of corporate proposals**

There were no other corporate proposals during the period ended and subsequent to the reporting period except for the disposal of all the securities of Sistem Penyuraian Trafik KL 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 has 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 has received its 20% of the proceeds from the Disposal amounting to RM172.6 million from SPRINT Holdings in the form of dividend of RM43.8 million and redemption of non-cumulative redeemable preference shares of RM128.8 million ("Proceeds").

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The Proceeds from the Disposal has and will be utilised by KPS Berhad for meeting KPS Berhad's overall strategies set by the Board at an appropriate time, including but not limited to, maintaining and/or expanding its on-going business, achieving a lean balance sheet and/or executing other purposes to ensure the continued sustainability of KPS Berhad's performance, as may be determined by the Board, as tabulated below:

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

**B8 Borrowings**

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

As at 3 <sup>rd</sup> Quarter 2023			As at 3 <sup>rd</sup> Quarter 2022		
Foreign Denomination	RM Denomination	Total Borrowings	Foreign Denomination	RM Denomination	Total Borrowings
RM'000 (USD)	RM'000	RM'000	RM'000 (USD)	RM'000	RM'000

**Short term borrowings – secured**

Revolving credits	5,865	-	5,865	16,233	-	16,233
Term loans	225	28,420	28,645	482	22,476	22,958
Banker's Acceptance	-	-	-	-	2,467	2,467

**Short term borrowings – unsecured**

Revolving credits	-	9,000	9,000	-	40,154	40,154
Term loans	794	-	794	718	48,000	48,718
Banker's acceptance	-	-	-	-	9,306	9,306
Overdraft	-	-	-	-	421	421
Trust receipt	-	41,331	41,331	9,846	21,472	31,318
<b>Subtotal</b>	<b>6,884</b>	<b>78,751</b>	<b>85,635</b>	<b>27,279</b>	<b>144,296</b>	<b>171,575</b>

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Term loans	-	104,071	104,071	-	135,155	135,155
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**Long term borrowings – unsecured**

Term loans	824	257,000	257,824	1,649	209,000	210,649
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<b>Subtotal</b>	<b>824</b>	<b>361,071</b>	<b>361,895</b>	<b>1,649</b>	<b>344,155</b>	<b>345,804</b>
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**Total borrowings**

Revolving credits	5,865	9,000	14,865	16,233	40,154	56,387
Term loans	1,843	389,491	391,334	2,849	414,631	417,480
Banker's acceptance	-	-	-	-	11,773	11,773
Trust receipt	-	41,331	41,331	9,846	21,472	31,318
Overdraft	-	-	-	-	421	421
<b>Total</b>	<b>7,708</b>	<b>439,822</b>	<b>447,530</b>	<b>28,928</b>	<b>488,451</b>	<b>517,379</b>

**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:

- Loss of retrenchment benefits totalling RM2,777,952.21 ("Amount");
- 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
- 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.

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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)**

The Plaintiffs are alleging among others that KPS Berhad and/or PHP have misrepresented the Plaintiffs into believing that Leo was credible to fulfil its obligation as the new employer and therefore caused the Plaintiffs to have suffered losses under retrenchment benefits totalling RM2,777,952.21.

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

PHP and KPS Berhad have filed their respective statement of defence to High Court on 4 July 2022 and subsequently received the Plaintiffs' Reply to Statement of Defence on 27 July 2022.

KPS Berhad and PHP have on 4 August 2022 filed a striking-out application against the Plaintiffs' action on the grounds that the Plaintiffs' action against KPS Berhad and PHP is an abuse of the process of the court and ought to be struck out.

PHP and KPS Berhad had on 19 September 2022 attended the Case Management and the Court has directed as follows:

1. all parties to file their respective written submission on or before 19 October 2022;
2. any submission in reply to be filled on or before 9 November 2022; and
3. the Striking Out Application will be heard on 14 December 2022.

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

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

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

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

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

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

On 11 September 2023, the Court has fixed a final case management on 9 October 2023 for parties to comply with all directions given by the Court.

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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 9 October 2023, KPS Berhad announced that the Court has 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.

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

- (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**

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 “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;
- 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 are alleging that there was an agreement that the Lands will be replaced with land located at Brooklyn, Kuala Langat. Further, the Plaintiffs are alleging that amongst others, the Defendants defrauded and/or have conspired to defraud the Defendants on both Lands, resulting the Lands being sold off to a third party.

**KUMPULAN PERANGSANG SELANGOR BERHAD**

Company No. 197501002218 / (23737-K)

(Incorporated in Malaysia)

**UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE THIRD QUARTER ENDED  
30 SEPTEMBER 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)**

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

The Suit is fixed for case management on 5 December 2023 by way of e-Review before the Court Registrar. KPS Berhad will take all necessary steps to robustly defend the Suit and will be filing a defence to the Suit.

KPS Berhad will make further announcements on any material developments of the matter from time to time.

**B10 Dividend**

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 ending 31 December 2023 which will be payable on 29 December 2023 to shareholders registered in the Records of Depositors at the close of business on 12 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.

	<b>3 months ended</b>		<b>9 months ended</b>	
	<b>30.9.2023</b>	<b>30.9.2022</b>	<b>30.9.2023</b>	<b>30.9.2022</b>
Net profit attributable to owners of the parent (RM'000)	6,258	14,015	10,389	26,988
Weighted average number of shares in issue ('000)	537,385	537,385	537,385	537,385
Basic EPS	1.2	2.6	1.9	5.0

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**UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE THIRD QUARTER ENDED  
30 SEPTEMBER 2023**

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**B11 Earnings per share ("EPS") (continued)****(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: 27 November 2023