



KUMPULAN PERANGSANG SELANGOR BERHAD

*(Company No. 23737-K)
(Incorporated in Malaysia)*

**UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE QUARTER ENDED 30 SEPTEMBER 2016**

KUMPULAN PERANGSANG SELANGOR BERHAD
Company No. 23737 K

A1 Unaudited Condensed Consolidated Income Statement
For the quarter ended 30 September 2016

PARTICULARS	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 30/09/2016 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 30/09/2015 RM'000	CURRENT YEAR TO DATE 30/09/2016 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 30/09/2015 RM'000
<u>Continuing operations</u>				
Revenue	35,486	16,738	79,965	53,794
Cost of sales	(22,670)	(13,889)	(54,843)	(40,988)
Gross profit	12,816	2,849	25,122	12,806
Other income	508	435	93,332	1,851
Other expenses	(14,370)	(6,257)	(32,857)	(17,970)
Operating (loss)/profit	(1,046)	(2,973)	85,597	(3,313)
Finance costs	(908)	(2,865)	(1,462)	(8,453)
Share of (loss)/profit of associates	(16,004)	1,066	54,789	67,885
(Loss)/profit before tax	(17,958)	(4,772)	138,924	56,119
Income tax and zakat	(4,502)	(404)	(7,831)	(1,307)
(Loss)/profit from continuing operations	(22,460)	(5,176)	131,093	54,812
<u>Discontinued operations</u>				
Loss from discontinued operations, net of tax	-	(2,466)	(433)	(12,046)
(Loss)/profit for the period	(22,460)	(7,642)	130,660	42,766
(Loss)/profit attributable to owners of the parent:				
- Continuing operations	(24,215)	(5,879)	127,124	52,387
- Discontinued operations	-	(2,306)	(433)	(11,434)
	(24,215)	(8,185)	126,691	40,953
- Non-controlling interests	1,755	543	3,969	1,813
	(22,460)	(7,642)	130,660	42,766
(Loss)/earnings per share ("EPS") attributable to owners of the parent:				
Basic EPS (sen)				
- Continuing operations	(4.9)	(1.2)	25.5	10.5
- Discontinued operations	-	(0.5)	(0.1)	(2.3)
Diluted EPS (sen)				
- Continuing operations	(4.9)	(1.2)	25.5	10.5
- Discontinued operations	-	(0.5)	(0.1)	(2.3)

(The Unaudited Condensed Consolidated Income Statement should be read in conjunction with the Annual Audited Financial Statements for the year ended 31 December 2015 and the accompanying explanatory notes attached to the interim financial statements)

KUMPULAN PERANGSANG SELANGOR BERHAD
Company No. 23737 K

A2 Unaudited Condensed Consolidated Statement of Comprehensive Income
For the quarter ended 30 September 2016

PARTICULARS	INDIVIDUAL	QUARTER	CUMULATIVE	QUARTER
	CURRENT YEAR QUARTER 30/09/2016 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 30/09/2015 RM'000	CURRENT YEAR TO DATE 30/09/2016 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 30/09/2015 RM'000
(Loss)/profit for the period	(22,460)	(7,642)	130,660	42,766
Other comprehensive income:				
Gain on foreign currency translation reserve	889	-	214	-
Total other comprehensive income/(loss), net of tax	889	-	214	-
Total comprehensive (loss)/income for the period	(21,571)	(7,642)	130,874	42,766
Attributable to owners of the parent:				
- Continuing operations	(23,681)	(5,879)	127,252	50,081
- Discontinued operations	-	(2,306)	(433)	(9,128)
	(23,681)	(8,185)	126,819	40,953
- Non-controlling interests	2,110	543	4,055	1,813
	(21,571)	(7,642)	130,874	42,766

(The Unaudited Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Annual Audited Financial Statements for the year ended 31 December 2015 and the accompanying explanatory notes attached to the interim financial statements)

KUMPULAN PERANGSANG SELANGOR BERHAD

Company No. 23737 K

Unaudited Condensed Consolidated Statement of Financial Position

As at 30 September 2016

	30-Sep-16	Audited
	RM'000	31-Dec-15
		RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	131,704	130,619
Investment properties	6,445	6,510
Investments in associates	1,092,678	1,037,889
Investment in securities	11,202	-
Club membership	523	523
Goodwill on consolidation	99,834	2,020
Intangible asset	2,205	-
Other receivables	33,658	-
	<u>1,378,249</u>	<u>1,177,561</u>
Current assets		
Inventories	2,630	1,186
Receivables	95,770	47,888
Tax recoverable	15	265
Cash and bank balances	45,314	92,558
	<u>143,729</u>	<u>141,897</u>
Assets of disposal group classified as held for sale	-	42,530
	<u>1,521,978</u>	<u>1,361,988</u>
TOTAL ASSETS	1,521,978	1,361,988
EQUITY AND LIABILITIES		
Equity attributable to owners of the parent		
Share capital	499,004	499,004
Share premium	39,088	39,088
Other reserves	8,128	8,000
Retained earnings	807,832	691,123
Shareholders' equity	<u>1,354,052</u>	<u>1,237,215</u>
Non-controlling interests	28,192	17,432
TOTAL EQUITY	<u>1,382,244</u>	<u>1,254,647</u>
Non-current liabilities		
Borrowings (interest bearing)	1,746	88
Deferred tax	31	31
	<u>1,777</u>	<u>119</u>
Current liabilities		
Payables	45,131	76,716
Borrowings	86,311	30,042
Taxation	6,515	464
	<u>137,957</u>	<u>107,222</u>
TOTAL LIABILITIES	<u>139,734</u>	<u>107,341</u>
TOTAL EQUITY AND LIABILITIES	1,521,978	1,361,988
Net assets per ordinary share attributable to owners of the parent (RM)	2.71	2.48

(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 2015 and the accompanying explanatory notes attached to the interim financial statements)

KUMPULAN PERANGSANG SELANGOR BERHAD
Company No. 23737 K

Unaudited Condensed Consolidated Statement of Changes In Equity
For the period ended 30 September 2016

	Attributable to Owners of the Parent									
	{----- Non Distributable -----}					Distributable				
	Equity, total RM'000	Equity attributable to owners of the parent, total RM'000	Share capital RM'000	Share premium RM'000	Other reserves, total RM'000	Revaluation reserve RM'000	Foreign currency translation reserve RM'000	General reserve RM'000	Retained Earnings RM'000	Non-controlling Interests RM'000
At 1 January 2016	1,254,644	1,237,213	499,004	39,088	8,000	-	-	8,000	691,121	17,431
Total comprehensive income	130,874	126,819	-	-	128	-	128	-	126,691	4,055
Transactions with owners:										
Dividend for the financial year ended 31 December 2015	(9,980)	(9,980)	-	-	-	-	-	-	(9,980)	-
Dilution of interest in a subsidiary	(4,086)	-	-	-	-	-	-	-	-	(4,086)
Acquisition of subsidiaries	11,200	-	-	-	-	-	-	-	-	11,200
Dividend of subsidiaries	(408)	-	-	-	-	-	-	-	-	(408)
	(3,274)	(9,980)	-	-	-	-	-	-	(9,980)	6,706
At 30 September 2016	1,382,244	1,354,052	499,004	39,088	8,128	-	128	8,000	807,832	28,192
At 1 January 2015	1,223,141	1,200,354	499,004	39,088	110,080	102,080	-	8,000	552,182	22,787
Total comprehensive income	42,766	40,953	-	-	-	-	-	-	40,953	1,813
Transactions with owners:										
Dividend for the financial year ended 31 December 2014	(9,980)	(9,980)	-	-	-	-	-	-	(9,980)	-
Dividend for the financial year ended 31 December 2015	(9,980)	(9,980)	-	-	-	-	-	-	(9,980)	-
Dividend of subsidiaries	(240)	-	-	-	-	-	-	-	-	(240)
	(20,200)	(19,960)	-	-	-	-	-	-	(19,960)	(240)
At 30 September 2015	1,245,707	1,221,347	499,004	39,088	110,080	102,080	-	8,000	573,175	24,360

(The Unaudited Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Audited Financial Statements for the year ended 31 December 2015 and the accompanying explanatory notes attached to the interim financial statements)

KUMPULAN PERANGSANG SELANGOR BERHAD
Company No. 23737 K

Unaudited Condensed Consolidated Statement of Cash Flows
For the period ended 30 September 2016

	9 months ended 30-Sep-16 RM'000	9 months ended 30-Sep-15 RM'000
Cash Flows From Operating Activities		
Profit/(loss) before tax and zakat		
- Continuing operations	138,924	56,119
- Discontinued operations	(413)	524
Adjustment for non-cash items	(139,273)	(994)
Adjustment for non-operating items	1,174	48,522
Operating profit before working capital changes	412	104,171
(Increase)/decrease in working capital:		
Net change in current assets	(34,695)	(72,422)
Net change in current liabilities	3,025	4,174
Cash (used in)/generated from operating activities	(31,258)	35,923
Tax and zakat paid, net of refunds received	(1,792)	(4,336)
Net cash (used in)/generated from operating activities	(33,050)	31,587
Cash Flows From Investing Activities		
Dividends received	-	600
Interest received	415	302
Profit from Islamic short term placement	133	1,330
Purchase of property, plant and equipment	(2,362)	(1,740)
Acquisition of subsidiaries	(105,820)	-
Purchase of investment securities	(11,202)	-
Proceeds from assets held for disposal	60,000	91
Net movements in money market deposits	59,739	55,305
Investment in associates	-	(5,400)
Net cash generated from investing activities	903	50,488
Cash Flows From Financing Activities		
Dividend paid	(9,980)	(20,200)
Interest paid	(1,307)	(68,721)
Proceeds from government soft loan	-	2,038
Repayment of borrowings	(30,071)	(37)
Drawdown of borrowings	86,000	-
Net movements in deposits with licensed banks	3,511	-
Net cash generated from/(used in) financing activities	48,153	(86,920)
Net increase/(decrease) in cash and cash equivalents	16,006	(4,845)
Cash and cash equivalents at 1 January	19,657	69,809
Cash and cash equivalents at 30 September	35,663	64,964
Cash and cash equivalents included in the statement cash flows comprise:		
	As at <u>30-Sep-16</u>	As at <u>30-Sep-15</u>
Cash and bank balances	45,314	104,324
Less:		
Deposits with licensed banks with maturity period of more than 3 months	(8,578)	(8,614)
Money market deposits	(1,073)	(30,746)
	35,663	64,964

(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 2015 and the accompanying explanatory notes attached to the interim financial statements)

KUMPULAN PERANGSANG SELANGOR BERHAD

Company No. 23737-K
(Incorporated in Malaysia)

UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2016

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 FRS 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 Group's audited financial statements for the financial year ended 31 December 2015. The explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to understand the changes in the financial position and performance of the Group since the financial year ended 31 December 2015.

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 2015 except for the adoption of the following new and revised Financial Reporting Standards (FRSs) and Amendments to FRSs with effect from 1 January 2016.

A2.1 Adoption of FRSs and Amendments to FRSs

On 1 January 2016, the Group adopted the following new and amended FRSs mandatory for annual financial periods beginning on or after 1 January 2016.

1 January 2016

FRS 14	Regulatory Deferral Accounts
Amendments to FRSs	Annual Improvements to FRSs 2012-2014 Cycle
Amendments to FRS 10, FRS 12 and FRS 128	Investment Entities: Applying the Consolidation Exception Associate or Joint Venture
Amendments to FRS 11	Accounting for Acquisitions of Interests in Joint Operations
Amendments to FRS 101	Disclosure Initiative
Amendments to FRS 116 and FRS 138	Clarification of Acceptable Methods of Depreciation and Amortisation
Amendments to FRS 127	Equity Method in Separate Financial Statements

The adoption of the above amendments to standards did not have any significant impact on the financial statements of the Group.

A2.2 Standards issued but not yet effective

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

1 January 2018

MFRS 9	Financial Instruments
MFRS 15	Revenue from Contracts with Customers

The Group plans to apply the abovementioned FRSs in the annual financial statements when they become effective and that the adoption of these Standards will have no material impact on the financial statements of the Group in the period of initial application.

KUMPULAN PERANGSANG SELANGOR BERHAD

Company No. 23737-K
(Incorporated in Malaysia)

UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2016

A2.3 Malaysian Financial Reporting Standards (“MFRS Framework”)

On 19 November 2011, the Malaysian Accounting Standards Boards (“MASB”) issued a new MASB approved accounting framework, the Malaysian Financial Reporting Standards (MFRS Framework).

The MFRS Framework is to be applied by all Entities Other Than Private Entities for annual periods beginning on or after 1 January 2012, with the exception of entities that are within the scope of MFRS 141 Agriculture (MFRS 141) and IC Interpretation 15 Agreements for Construction of Real Estate (IC 15), including its parent, significant investor and venture (herein called “Transitioning Entities”).

On 7 August 2013, the MASB issued another announcement that Transitioning Entities would only be required to adopt the MFRS framework for the annual periods beginning on or after 1 January 2015. Subsequently, on 2 September 2014, MASB has further announced that Transitioning Entities shall be required to apply the MFRS Framework for annual periods beginning on or after 1 January 2017.

On 28 October 2015, the MASB issued another announcement that the Transitioning Entities would only be required to adopt the MFRS Framework for the annual periods beginning on or after 1 January 2018.

The Group falls within the scope definition of Transitioning Entities and have opted to defer adoption of the new MFRS Framework. Accordingly, the Group will be required to prepare financial statements using the MFRS Framework in its first MFRS financial statements for the year ending 31 December 2018. In presenting its first MFRS financial statements, the Group will be required to restate the comparative financial statements to amounts reflecting the application of MFRS Framework.

The Group is in the process of making its assessment of the financial effects of the differences between Financial Reporting Standards and accounting standards under the MFRS Framework. Accordingly, the consolidated financial performance and financial position as disclosed in these unaudited interim financial statements for the period ended 30 September 2016 could be different if prepared under the MFRS Framework.

The Group expects to be in a position to fully comply with the requirements of the MFRS Framework for the financial year ending 31 December 2018.

A3 Audit report of preceding annual financial statements

The audited consolidated financial statements for the financial year ended 31 December 2015 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, there were no other items 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 was no material change in estimates of amounts reported in prior interim period that have a material effect in the period under review.

KUMPULAN PERANGSANG SELANGOR BERHAD

Company No. 23737-K
(Incorporated in Malaysia)

**UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE THIRD QUARTER
ENDED 30 SEPTEMBER 2016**
A7 Debt and equity securities

There was no issuance, cancellation, repurchase, resale and repayment of debt securities during the current quarter.

A8 Dividend paid

A final single-tier dividend of 2 sen per ordinary share amounting to RM9,980,082 in respect of the financial year ended 31 December 2015 was paid on 22 August 2016.

A9 Segmental Information

	3 months ended		9 months ended	
	30.09.2016	30.09.2015	30.09.2016	30.09.2015
	RM'000	RM'000	RM'000	RM'000
Segment Revenue				
<u>Continuing Operations:</u>				
Trading	24,175	15,638	60,211	46,931
Licensing	7,881	-	10,555	-
Investment holding	2,340	1,242	7,300	7,907
Others	1,110	-	2,571	-
Total revenue including inter-segment sales	35,506	16,880	80,637	54,838
Elimination of inter-segment sales	(20)	(142)	(672)	(1,044)
Total Continuing Operations	35,486	16,738	79,965	53,794
<u>Discontinued Operations:</u>				
Infrastructure and utilities	-	48,970	-	143,275
Hospitality	-	3,102	1,619	10,056
Total Discontinued Operations	-	52,072	1,619	153,331
Total Revenue	35,486	68,810	81,584	207,125
Segment Results				
<u>Continuing operations:</u>				
Infrastructure and utilities *	(19,699)	1,452	45,155	70,229
Trading	1,936	1,475	5,326	5,019
Licensing	2,579	-	3,855	-
Oil and gas	4,364	524	11,557	930
Telecommunication	(669)	(910)	(1,923)	(3,274)
Investment holding	(6,853)	(6,739)	74,944	(14,523)
Others	148	-	460	-
Total (loss)/profit	(18,194)	(4,198)	139,374	58,381
Eliminations	236	(574)	(450)	(2,262)
(Loss)/profit before tax	(17,958)	(4,772)	138,924	56,119
<u>Discontinued Operations:</u>				
Infrastructure and utilities	-	2,223	-	6,935
Hospitality	-	(917)	(413)	(5,447)
Golf club and recreational facilities	-	25	-	(964)
Profit/(loss) before tax	-	1,331	(413)	524
Total (loss)/profit before tax	(17,958)	(3,441)	138,511	56,643

* Share of (loss)/profit of associates

There is no segmental information analysis by geographical location as the Group operates predominantly in Malaysia.

KUMPULAN PERANGSANG SELANGOR BERHAD

Company No. 23737-K
(Incorporated in Malaysia)

UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2016

A10 Valuation of property, plant and equipment

Property, plant and equipment, other than freehold land are stated at cost less accumulated depreciation and any impairment losses. Freehold land is stated at cost less any impairment losses and is not depreciated. The Group has not carried out any valuation of its property, plant and equipment during the current quarter.

A11 Material events subsequent to the end of the interim period

There were no 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 current quarter including business combination, acquisition or disposal of subsidiaries and long term investments, restructuring and discontinuing operations.

A13 Capital Commitments

The amount of commitments not provided for in the unaudited interim financial statements as at 30 September 2016 is as follows:

	RM'000
Property, plant and equipment:	
(i) Approved but not contracted for	<u>25,517</u>
(ii) Approved and contracted for	<u>693</u>

A14 Significant Related Party Transactions

The following are the related party transactions of the Group:

	3 month ended		9 months ended	
	30.09.2016	30.09.2015	30.09.2016	30.09.2015
	RM'000	RM'000	RM'000	RM'000
Sale of goods to a subsidiary company of non-controlling interest:				
- Sungai Harmoni Sdn Bhd	4,386	3,924	11,946	11,764
- Taliworks (Langkawi) Sdn Bhd	426	334	1,039	871
Sale of goods to related companies:				
- Konsortium Abass Sdn Bhd	2,817	-	7,779	-
- PNSB Water Sdn Bhd	9,591	-	15,785	-
- Konsortium Air Selangor Sdn Bhd	386	241	1,080	762
Management fee received from immediate holding company	(23)	(1,118)	23	127
Management fees received from related company:				
- Konsortium Air Selangor Sdn Bhd	-	9	15	27
- Kumpulan Hartanah Selangor Sdn Bhd	-	28	-	85
- KDEB Waste Management Sdn Bhd	-	9	-	26
- Hebat Abadi Sdn Bhd	-	2	-	5
- Central Spectrum (M) Sdn Bhd	-	3	-	9

KUMPULAN PERANGSANG SELANGOR BERHAD

Company No. 23737-K
(Incorporated in Malaysia)

**UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE THIRD QUARTER
ENDED 30 SEPTEMBER 2016**

	3 month ended		9 months ended	
	30.09.2016	30.09.2015	30.09.2016	30.09.2015
	RM'000	RM'000	RM'000	RM'000
Rental income received from immediate holding company	20	32	61	75
Rental income received from related companies:				
- Konsortium Abass Sdn Bhd	69	-	208	-
- Konsortium Air Selangor Sdn Bhd	-	19	26	58
- KDEB Waste Management Sdn Bhd	21	241	34	762
- Hebat Abadi Sdn Bhd	14	17	50	46
- Kumpulan Hartanah Selangor Berhad	-	64	15	445
Management fee paid to a related company:				
- Konsortium Air Selangor Sdn Bhd	-	(34)	-	(90)

A15 Contingent liabilities and contingent assets

The contingent liabilities as at 30 September 2016 are as follows:

i) Secured:	RM'000
a) Provision of proportionate corporate guarantee for an associate:	
i) For financing/refinancing of the credit facilities for the purchase consideration of business and identifiable assets	30,629
ii) Working capital and issuance of bank guarantees	28,000
Sub-total	<u>58,629</u>
ii) Unsecured	
a) Performance guarantees to third parties	<u>677</u>
Total	<u>59,306</u>

There were no contingent assets as at the reporting date.

B. ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA SECURITIES BERHAD LISTING REQUIREMENTS**B1 Performance review**

- a) Current quarter against previous year corresponding quarter

Continuing Operations

The Group registered revenue of RM35.49 million as compared to RM16.74 million for the corresponding quarter 2015, representing an increase in revenue by 112% or RM18.75 million. The significant increase in revenue was mainly due to higher revenue recorded by the trading sector from sales of chemicals by RM8.54 million coupled with revenue contribution from a newly acquired subsidiary in licensing sector with revenue of RM7.88 million.

For the current quarter ended 30 September 2016, the Group registered a loss before tax of RM17.96 million as compared to a loss of RM4.77 million for the preceding year corresponding quarter 2015, an increase in loss by RM13.19 million. Higher losses in the current quarter was mainly due to share of losses of associates of RM16.0 million as compared to share of profit of associates of RM1.07 million.

KUMPULAN PERANGSANG SELANGOR BERHAD

Company No. 23737-K
(Incorporated in Malaysia)

UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2016

Performance of the respective operating business segments for the third quarter ended 30 September 2016 as compared to the preceding year corresponding quarter is analysed as follows:

1. Infrastructure and utilities

For the current quarter, infrastructure and utilities sector recorded a loss of RM19.70 million as compared to the corresponding year quarter's profit of RM1.45 million, an adverse variance of RM21.15 million. Higher losses recorded in the current quarter was mainly due to higher share of losses of Syarikat Pengeluar Air Selangor Holdings Berhad ("SPLASH Holding"), a 30% associated company. The share of losses from SPLASH Holdings for the current quarter was RM19.65 million as compared to share of loss of RM0.59 million in Q3 2015 and was due to impairment loss on trade receivables and accounting impact of IC 12.

2. Trading

Trading sector revenue of RM24.16 million was 55% or RM8.54 million higher than the corresponding quarter's revenue of RM15.64 million. The significant increase in revenue was attributed to supply of chemicals to PNSB Water Sdn Bhd, a new contract which Aqua Flo Sdn Bhd secured in May 2016.

Correspondingly, on current quarter against corresponding quarter 2015 comparison, profit before tax for the current quarter was higher by RM0.46 million in line with increase in revenue. However, the profit margin has slightly deteriorated due to increase in raw material prices.

3. Licensing

Arising from the completion of 60% equity interest in KaiserCorp Corporation Sdn Bhd ("KaiserCorp") on 23 May 2016, the Group has consolidated the result of KaiserCorp group. KaiserCorp wholly-owns King Koil Licensing Company Inc ("KKLC") which owns King Koil® mattress brand licensing business and other related trademarks registered in the USA and around the world. The profit from licensing business for the current quarter was RM2.58 million on the back of revenue of RM7.88 million.

4. Oil and gas

For the current quarter, NGC Energy Sdn Bhd ("NGC Energy") registered a higher profit after tax of RM10.91 million as compared to a profit of RM1.31 million in the corresponding quarter of 2015. Despite NGC Energy's revenue has decreased by 8% as compared to preceding quarter 2015, NGC Energy recorded a higher profit than Q3 2015 by RM9.60 million due to higher government incentive under the Automatic Pricing Mechanism which came into effect in 1 June 2015 coupled with gain on disposal of a piece of land located in Penang of RM5.30 million. As a result, the Group's share of profit was higher at RM4.36 million as compared to a share of profit of RM0.52 million in the corresponding quarter 2015.

5. Telecommunication

The Group's share of loss from Ceres Telecom Sdn Bhd ("Ceres") for the current quarter was RM0.67 million as compared to a share of loss of RM0.91 million for the corresponding quarter of 2015. The lower loss of Ceres was due to higher revenue coupled with lower marketing and administrative costs as compared to corresponding quarter 2015.

KUMPULAN PERANGSANG SELANGOR BERHAD

Company No. 23737-K
(Incorporated in Malaysia)

UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2016

6. Investment holding

Investment holding recorded revenue of RM2.34 million as compared to RM1.24 million in the corresponding quarter 2015 due to higher rental income but reduced by lower management fees. This sector recorded a loss before tax of RM6.85 million as compared to a loss of RM6.74 million in the corresponding quarter 2015.

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

Continuing Operations

For the nine months ended 30 September 2016, the Group registered revenue of RM79.97 million as compared to RM53.79 million in the corresponding period 2015, representing an increase in revenue by RM26.18 million or 49%. The increase was mainly due to higher revenue from trading sector by RM13.28 million coupled with revenue from newly acquired subsidiary in licensing sector of RM10.56 million. Revenue from others was derived from lease income arising from the leasing of Quality Hotel City Centre building.

The Group's profit before tax for the current period of RM138.92 million was 178% higher than the corresponding period 2015 of RM56.12 million mainly due to gain realised from assets held for disposal of RM91.13 million but reduced by lower share of profit from associated companies by RM13.10 million.

Performance of the respective operating business segments for the nine months ended 30 September 2016 as compared to the preceding year corresponding period is analysed as follows:

1. Infrastructure and utilities

Profit from the infrastructure and utilities sector for the current period of RM45.16 million was 36% lower than corresponding period's profit of RM70.23 million mainly due to lower share of profits contributed by Syarikat Pengeluar Air Selangor Holdings Berhad ("SPLASH Holding"), a 30% associated company. Lower share of profit from SPLASH Holdings for the current period by RM18.83 million was due to higher impairment loss on trade receivables and accounting impact of IC 12 in the current period as compared to corresponding period 2015.

2. Trading

For the period ended 30 September 2016, trading sector posted a profit before tax of RM5.33 million on the back of total revenue of RM60.21 million. The current period revenue was higher by 28% or RM13.28 million due to higher revenue from sale of chemicals as a result of the new contract secured with PNSB Water Sdn Bhd in May 2016. However, profit margin has slightly deteriorated due to increase in raw material prices.

3. Licensing

The licensing sector contributed to a revenue and profit before tax of RM10.56 million and RM3.86 million respectively arising from the newly acquired subsidiary namely KaiserCorp in May 2016.

4. Oil and gas

For the current period, NGC Energy registered profit after tax of RM28.89 million which translated into the Group's share of profit of RM11.56 million as compared to share of profit of RM0.93 million for the corresponding quarter 2015. The higher profit recorded by NGC Energy was mainly due to lower cost of sale as a result of increase in the government subsidy under the Assets Pricing Mechanism coupled with lower fair value adjustment on derivatives, administrative and financial

KUMPULAN PERANGSANG SELANGOR BERHAD

Company No. 23737-K
(Incorporated in Malaysia)

UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2016

cost. The company also recorded a gain on disposal of a piece of land located in Penang of RM5.30 million.

5. Telecommunication

The Group's share of losses for the current period in Ceres was RM1.92 million, lower by RM1.35 million as compared to a loss of RM3.27 million for the corresponding period 2015.

6. Investment holding

The investment holding sector recorded lower revenue of RM7.30 million as compared to RM7.91 million in the corresponding period 2015 mainly due to lower management fee and rental income. Despite of the lower revenue, this sector recorded a profit before tax of RM74.94 million as compared to a loss before tax of RM14.52 million the corresponding period 2015 mainly due to gain realised from assets held for disposal of RM91.13 million.

Discontinued Operations

1. Infrastructure and utilities

The revenue and profit were from Titisan Modal (M) Sdn Bhd's group which was disposed in December 2015.

2. Golf club and recreational facilities

There was no revenue from the golf club and recreational facilities sector as the club had ceased operation with effect from 1 January 2015.

3. Hospitality

There was no revenue from the hospitality sector as Perangsang Hotel & Properties Sdn Bhd, a wholly owned subsidiary of Cash Band (M) Sdn Bhd had changed its business operation from hotel operation to leasing with effect from 1 March 2016.

B2 Comment on material change in (loss)/profit before tax

The Group recorded a loss before tax of RM17.96 million for the current quarter ended 30 September 2016 as compared to a profit of RM37.06 million in the previous quarter ended 30 June 2016. The loss before tax for the current quarter was mainly due to share of losses of associates of RM16.00 million as compared to share of profits of RM37.98 million for the previous quarter.

B3 Commentary on prospects

1. Infrastructure and utilities

Following the completion of the Group's equity interest in TMSB in December 2015, the Group will continue to be involved in the infrastructure and utilities (via the Group's 30% equity interest in Syarikat Pengeluar Air Selangor Sdn Bhd ("SPLASH") held through Viable Chip (M) Sdn Bhd, a wholly owned subsidiary of the Company. The Selangor State Government through Kumpulan Darul Ehsan Berhad ("KDEB") had, on 26 February 2014, made offers to all the shareholders of SPLASH (including our Group) for the purchase of their respective equity interest in SPLASH with the objective of consolidating the water services industry in Selangor. However, the offers from KDEB were deemed to have lapsed on 10 March 2014 as the shareholders of SPLASH were unable to reach a final decision in accepting the indicative terms and conditions set out in KDEB's offer letter dated 26

KUMPULAN PERANGSANG SELANGOR BERHAD

Company No. 23737-K
(Incorporated in Malaysia)

UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2016

February 2014. Given the intention of the Selangor State Government to complete the proposed restructuring of the water supply industry in the State of Selangor and Federal Territories of Kuala Lumpur and Putrajaya, a fresh offer for SPLASH may be made in the future.

The outlook for the water services sector is expected to be positive with opportunities arising from the State Government's consolidation exercise to provide a holistic water services in Selangor, Kuala Lumpur and Putrajaya. In the light of this opportunity, the Group through its wholly owned subsidiary Nadi Biru Sdn Bhd ("Nadi Biru"), has ventured into the water pipe rehabilitation business. Nadi Biru

has acquired a 51% stake in Smartpipe Technology Sdn Bhd with an investment of RM5.10 million to offer integrated solutions to facilitate maintenance of water distribution systems.

2. Trading

The Company had on 25 May 2016 entered into agreements with Prismachem Sdn Bhd and Hydrovest Sdn Bhd to enable the Company to directly hold 51% equity stake in Aqua Flo Sdn Bhd ("AFSB") which is involved in the sale of chemicals and equipment for the potable water industry. The prospects for trading sector are positive as AFSB has been recently awarded three (3) new contracts from Konsortium Air Selangor Sdn. Bhd, PNSB Water Sdn Bhd and Konsortium ABASS Sdn Bhd respectively, with a total estimated value of RM98.11 million over a period of two years.

The Group would also look into and explore possibility to strengthen the sector's revenue base and profitability by expanding its market reach to other states, capitalising on its vast experience in the water industry. The water and wastewater treatment in Malaysia is expected to grow in tandem with the Malaysian socio-economic growth. Demands are anticipated to be primarily driven by the municipal needs for providing water and sanitary services, including industry verticals e.g. food and beverages, power, automotive and palm oil. Further to support the growth, factors e.g. urbanization and population growth, manufacturing and industrialization as well as stringent regulatory governance will propel the market, of which AFSB could benefit from.

3. Licensing

The Group had on 23 May 2016 completed the acquisition of 60% equity stake in Kaisercorp Corporation Sdn Bhd, which wholly-owns King Koil Licensing Company Inc ("KKLC"). KKLC owns King Koil® mattress brand licensing business and other related trademarks registered in the USA and around the world. The acquisition of a global franchising and licensing investment with a global franchisee turnover of over USD 1 billion will provide the Group with immense opportunities to further enhance the brand visibility globally, directly creating value to Perangsang Selangor's shareholders.

4. Oil and gas

Future outlook for the oil and gas sector will be challenging due to the weaker Ringgit Malaysia against the US Dollar. However, during the first quarter of 2016, oil prices have recovered from its low of USD29 per barrel in January 2016 to USD46 per barrel in September 2016. The Group remains confident in the long-term prospects of the oil and gas sector as the Group expects an increase in demand for liquefied petroleum gas in the domestic and commercial sectors over the next few years.

5. Telecommunication

For the telecommunication sector, Ceres Telecom Sdn Bhd ("Ceres"), a 34.35% associated company, is currently pursuing several initiatives to streamline its business and improve its financial performance; refocusing of its market segment, introducing new products, extending its network of distributors. Efforts are continuously being pursued in order to ensure that Ceres contributes positively to the results of the Group in the future.

KUMPULAN PERANGSANG SELANGOR BERHAD

Company No. 23737-K
(Incorporated in Malaysia)

UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2016

6. Hospitality

For the hospitality sector, the Group is continuously assessing its investments in this sector. Perangsang Hotel & Properties Sdn Bhd (“PHP”), a wholly owned subsidiary of Cash Band (M) Sdn Bhd had on 12 May 2016 signed a leasing agreement with a third party to lease out its Quality Hotel City Centre building whereby PHP will receive rental income together with revenue sharing of 15 to 20 per cent of the gross revenue generated from the hotel operations. Arising from the leasing arrangement, the nature of business and revenue for PHP has changed from hotel operations to an income from lease.

7. Packaging and manufacturing

The Group is continuously assessing business opportunities in sectors where it already has existing investments as well as new business sectors or areas to ensure sustainability of the Group. The Group is actively engaging potential partners and is focusing to acquire assets which meet its investment criteria that include amongst others, controlling stake in mature and immediately income generating assets as well as having a dedicated dividend policy in place. The Group had on 11 August 2016 entered into conditional share sale agreement with C B Equities Sdn Bhd and other vendors to acquire 71.44% equity interest in Century Bond Berhad (“CBB”) (“Proposed Acquisition”). Pursuant to Section 218(2) of the Capital Markets & Services Act, 2007 and Rule 4.01 of the Malaysian Code on Take-Overs and Mergers, 2016, PPSB was obliged to extend an MGO for all remaining CBB Shares not already owned by PPSB after the Proposed Acquisition for a cash consideration of RM1.75 per CBB Share (“Proposed MGO”). The Proposed Acquisition and Proposed MGO were approved by the shareholders of the Company at an Extraordinary General Meeting on 31 October 2016 and the Proposed Acquisition was completed on 8 November 2016. At the date of this report, PPSB holds 87.26% of CBB shares.

This new acquisition satisfies the stringent investment criteria as CBB has shown steady financial performance with healthy margins as well as cash reserves and thus has the ability to pay out dividends. In addition, its position as market leader coupled with further growth potential regionally, integrates seamlessly with the Company’s investment strategy moving forward.

B4 Profit forecast and profit guarantee

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

B5 Other operating income/(expenses)

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

	3 months ended		9 months ended	
	30.09.2016	30.09.2015	30.09.2016	30.09.2015
	RM’000	RM’000	RM’000	RM’000
Notional income on unwinding of discounting of:				
- concession receivables	-	4,748	-	14,089
- imputed interest income	-	2,620	-	7,861
- loan and receivables	-	1,255	-	3,767
Profit from Islamic short term placement	54	316	133	1,330
Interest income - fixed deposit	148	97	415	302
Gain realised on assets held for disposal	-	-	91,128	-
Gain/(loss) on disposal of property, plant and equipment	-	10	-	(44)
Gain/(loss) on foreign exchange	4	(28)	16	(41)
Finance costs	(908)	(22,938)	(1,307)	(68,810)
Depreciation of property, plant and equipment	(1,837)	(1,984)	(4,976)	(5,910)
Depreciation of investment properties	(21)	(22)	(64)	(65)
Amortisation of concession rights	-	(4,187)	-	(12,559)

KUMPULAN PERANGSANG SELANGOR BERHAD

Company No. 23737-K
(Incorporated in Malaysia)

**UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE THIRD QUARTER
ENDED 30 SEPTEMBER 2016**

	3 months ended		9 months ended	
	30.09.2016	30.09.2015	30.09.2016	30.09.2015
	RM'000	RM'000	RM'000	RM'000
Amortisation of intangible assets	(55)	-	(55)	-
Impairment loss on trade receivables	-	(16,413)	-	(48,248)
Impairment of goodwill on consolidation	-	-	(2,020)	-

Other items not applicable to the Group are write off of receivables, write off of inventories and gain or loss on derivatives.

B6 Income tax and zakat expense

	3 months ended		9 months ended	
	30.09.2016	30.09.2015	30.09.2016	30.09.2015
	RM'000	RM'000	RM'000	RM'000
Continuing operations:				
Income tax expense	4,447	404	7,185	1,293
Zakat expense	55	-	646	14
Income tax and zakat expense	<u>4,502</u>	<u>404</u>	<u>7,831</u>	<u>1,307</u>
Discontinued operations:				
Income tax expense	-	4,815	8	15,373
Deferred tax transfer to balance sheet	-	(1,047)	-	(3,140)
Income tax expense	-	3,768	8	12,233
Zakat expense	-	29	12	337
Income tax and zakat expense	<u>-</u>	<u>3,797</u>	<u>20</u>	<u>12,570</u>
Total income tax and zakat expense	<u>4,502</u>	<u>4,201</u>	<u>7,851</u>	<u>13,877</u>

The effective tax rate for the current quarter was higher than the statutory tax rate mainly due to under provision of tax in the previous quarter.

B7 Status of corporate proposals

There are no other corporate proposals announced but not completed as at the date of this report except for the proposed acquisition of 85,729,266 shares of RM0.50 each in Century Bond Berhad ("CBB") ("CBB Shares"), by Perangsang Packaging Sdn Bhd ("PPSB"), a wholly owned subsidiary of the Company, from C B Equities Sdn Bhd ("CBE") and other vendors ("Proposed Acquisition").

The Company and PPSB had on 11 August 2016, entered into conditional share sale agreement with CBE and other vendors whereby PPSB agrees to acquire a total of 85,729,266 CBB Shares, representing approximately 71.44% equity interest in CBB, for a total cash consideration of RM150,026,215.50 or RM1.75 per CBB Share. Upon completion of the Proposed Acquisition, PPSB will hold approximately 71.44% equity interest in CBB. Accordingly, pursuant to Section 218(2) of the Capital Markets & Services Act, 2007 and Rule 4.01 of the Malaysian Code on Take-Overs and Mergers, 2016, PPSB will be obliged to extend an MGO for all remaining CBB Shares not already owned by PPSB after the Proposed Acquisition for a cash consideration of RM1.75 per CBB Share ("Proposed MGO").

The Proposed Acquisition and Proposed MGO were approved by the shareholders of the Company at an Extraordinary General Meeting on 31 October 2016. The Proposed Acquisition was completed on 8 November 2016 in accordance with the Share Sale Agreement. Following the completion of the Proposed

KUMPULAN PERANGSANG SELANGOR BERHAD

Company No. 23737-K
(Incorporated in Malaysia)

UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2016

Acquisition, PPSB's shareholding in CBB has increased from approximately 8.74% to approximately 80.18% of CBB shares. Hence, CBB is now a subsidiary of PPSB, which in turn is a subsidiary of Perangsang Selangor. The Offer Document for the Proposed MGO was despatched to the shareholders of CBB on 21 November 2016 and the first closing date for the Proposed MGO is on 13 December 2016. At the date of this report, PPSB holds 87.26% of CBB shares.

B8 Borrowings

The Group borrowings as at 30 September 2016 are as follows:

	RM'000
Short term borrowings	
Secured	86,311
Long term borrowings	
Secured	1,746
Total Borrowings	<u>88,057</u>

B9 Material litigation

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.

B10 Dividends

A final single-tier dividend of 2 sen per ordinary share amounting to RM9,980,082 in respect of the financial year ended 31 December 2015 which was approved by the shareholders at the Annual General Meeting of the Company held on 27 May 2016 was paid on 22 August 2016.

KUMPULAN PERANGSANG SELANGOR BERHAD

Company No. 23737-K
(Incorporated in Malaysia)

**UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE THIRD QUARTER
ENDED 30 SEPTEMBER 2016**

B11 (Loss)/earnings per share**Basic earnings per share**

The basic (loss)/earnings per share is calculated by dividing the net profit/(loss) attributable to owners of the parent by the weighted average number of shares in issue.

	3 Months Ended 30.09.2016	3 Months Ended 30.09.2015	9 Months Ended 30.09.2016	9 Months Ended 30.09.2015
Basic (loss)/earnings per share				
Net (loss)/profit attributable to owners of the parent (RM'000)				
- Continuing operations	(24,216)	(5,878)	127,124	52,386
- Discontinued operation	-	(2,306)	(433)	(11,434)
Weighted average number of shares in issue ('000)	499,004	499,004	499,004	499,004
Basic EPS (sen)				
- Continuing operations	(4.9)	(1.2)	25.5	10.5
- Discontinued operation	-	(0.5)	(0.1)	(2.3)

B12 Realised and unrealised profits or losses disclosures

The breakdown of retained earnings of the Group as at the reporting date, into realised and unrealised profits, pursuant to the directive is as follows:

	As at 30.09.2016 RM'000	As at 31.12.2015 RM'000
The retained earnings/(accumulated losses) of the Company and its subsidiaries:		
- Realised	29,986	(17,622)
Add:		
Total share of retained earnings from associates		
- Realised	777,846	708,745
Retained earnings as per financial statements	<u>807,832</u>	<u>691,123</u>

BY ORDER OF THE BOARD

HASHIMAH BINTI HAJI MOHD ISA
Company Secretary

Date: 29 November 2016