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Kumpulan Perangsang Selangor revenue more than double to RM161.3 million in 2Q18

- ***Maiden contributions from manufacturing businesses CPI and King Koil Manufacturing West, and growth from KPS-HCM boost topline***
- ***Generated operating profit of RM7.2 million from RM0.8 million operating loss a year ago***

Kuala Lumpur, Malaysia, 30 August 2018 – Diversified group **Kumpulan Perangsang Selangor Berhad** (KPS, Bursa: 5843; Bloomberg: KUPS:MK; Reuters: KPSB.KL) more than doubled its Group revenue in the second quarter ended 30 June 2018 (2Q18) to RM161.3 million from RM75.9 million a year ago, on new subsidiaries' contributions from CPI (Penang) Sdn Bhd ("CPI") and King Koil Manufacturing West, LLC ("KKMW"), as well as strong contributions from KPS-HCM Sdn Bhd ("KPS-HCM").

The remarkable 2Q18 revenue growth was largely driven by the manufacturing segment which increased 160.5% from RM39.5 million to RM102.9 million. The segment was boosted by maiden contributions of the Group's new subsidiaries, namely 3-month contribution of RM39.7 million from Electronic Manufacturing Services player CPI and 1-month contribution of RM16.5 million from KKMW. On top of new contributions, Century Bond Bhd ("CBB") also reported 18.2% higher sales of RM46.7 million compared to RM39.5 million previous year. Overall, the manufacturing segment contributed the lion's share of 63.8% of 2Q18 revenue.

Additionally, the Group's trading business through Aqua-Flo grew 11.3% year-on-year from RM24.8 million to RM27.6 million or 17.1% of Group turnover, on higher sales water chemicals.

A further RM30.3 million or 18.8% of 2Q18 topline was derived from the Group's infrastructure and utilities segment under KPS-HCM, while the licensing business under Kaiserkorp brought in RM7.4 million or 4.6% of 2Q18 revenue. The balance RM2.2 million was derived from the investment holding segment.

In line with revenue growth, the Group's core businesses continued to improve its financial performance, reporting RM7.2 million operating profit in 2Q18 from RM0.8 million operating loss a year ago.

KPS' profit attributable to shareholders after tax and zakat rose 10.4% to RM38.3 million in 2Q18 versus RM34.7 million in the previous year. The rise in profitability was moderated by finance cost to fund the Group's acquisitions and aided by higher share of profits from associates.



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KPS' Chief Executive Officer Ahmad Fariz Hassan said:

"The encouraging 2Q18 results are borne from our continuous implementation of the Business Transformation Plan to optimise the performance of our investee companies. This could only have been attained with our hands-on approach, close collaboration and strong working relationship with the key management of each subsidiary to spur better performance.

Even with the significant improvements thus far, we are relentlessly pursuing the next growth cycle across the various segments, encompassing key strategies of entering new markets and expanding our product range, accompanied by cost optimization to maintain a lean structure. We are optimistic that these strategies would accord us greater returns for all stakeholders in a sustainable manner."

Among the notable expansion plans currently undertaken by KPS' investee companies are the capacity expansion of CPI, extension of product range and new market expansion for CBB, and shift of King Koil's licensing business model in the U.S market to direct manufacturing and distribution of products.

On 9 August 2018, KPS' 30% associate company Syarikat Pengeluar Air Selangor Holdings Berhad ("SPLASH Holdings") has accepted a takeover offer from Pengurusan Air Selangor Sdn Bhd ("Air Selangor") to acquire 100% equity interest of Syarikat Pengeluar Air Sungai Selangor Sdn Bhd ("SPLASH") for a total purchase consideration of RM2.55 billion.

SPLASH Holdings and Air Selangor expect to finalise the terms and conditions of sale and purchase of SPLASH through a share purchase agreement by 14 September 2018. The acquisition of SPLASH by Air Selangor is undertaken as part of the consolidation and restructuring of the water industry in Selangor, Kuala Lumpur and Putrajaya by the state and federal governments.

In addition, KPS recently also announced the disposal of 100% stake in a non-core asset namely Cengreen Global Sdn Bhd ("Cengreen") which is held via Prestige Packages Sdn Bhd, a wholly-owned subsidiary of CBB. Cengreen is a multi-level marketing company that distributes beauty and health products.

Commenting on KPS's non-core asset disposal, Fariz said:

"The recent sale of non-core asset is in line with our strategic direction to streamline our investment portfolio, which in turn enables us to fully-focus on steering the direction of our core businesses to become leading companies within the region and global arena."

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About Kumpulan Perangsang Selangor Berhad (www.perangsangselangor.com)

Incorporated in August 1975, Kumpulan Perangsang Selangor Berhad (“KPS” or the “Company”) is a public limited liability company listed on the Main Market of Bursa Malaysia Securities Berhad. The Company has a varied investment portfolio with assets involved in Manufacturing, Trading, Licensing, Infrastructure and Utility, Oil and Gas as well as Telecommunications. KPS is committed towards making significant contributions to human capital, intellectual, and sustainable developments, whilst strengthening its core businesses to optimise returns for its shareholders.

Issued for and on behalf of KUMPULAN PERANGSANG SELANGOR BERHAD by Aquilas Advisory (Malaysia) Sdn Bhd. For media enquiries, please contact:

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