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## **Kumpulan Perangsang Selangor Berhad records 3Q18 operating profit of RM10.7 million from operating loss a year ago**

- ***Investee companies raised 3Q18 topline 79% to RM153.6 million from RM85.6 million a year ago; driven by higher contributions from manufacturing businesses***
- ***Group core EBITDA grew 2.5 times to RM53.6 million from RM20.9 million last year***

**Kuala Lumpur, Malaysia, 29 November 2018 – Kumpulan Perangsang Selangor Berhad** (“KPS”, Bursa: 5843; Bloomberg: KUPS:MK; Reuters: KPSB.KL) reported 3Q18 operating profit of RM10.7 million in the third quarter ended 30 September 2018 (“3Q18”) from RM1.5 million in operating loss a year ago, as investee companies continued to improve their financial performance.

Group revenue increased by 79% to RM153.6 million compared to RM85.6 million a year ago.

Of total 3Q18 revenue, contributions from manufacturing segment increased 126% to RM101.5 million from RM45.0 million last year. This growth was driven by Century Bond Bhd’s (“CBB”) revenue performance to-date, which grew 7% year-on-year from RM45.0 million to RM48.3 million. On top of the improved performance CBB, the manufacturing segment was also boosted by RM40.5 million from CPI (Penang) Sdn Bhd, and RM12.7 million from King Koil manufacturing arm in the United States. Overall, the manufacturing segment contributed the lion’s share of 66% of 3Q18 revenue.

Under KPS’s trading segment, Aqua-Flo Sdn Bhd grew by 8% to RM28.3 million, or 18% of Group turnover, from RM26.3 million, on higher sales of water chemicals. From the infrastructure segment, KPS-HCM Sdn Bhd brought in RM16.6 million, or 11%, to 3Q18 topline, while the King Koil’s licensing business generated RM8.0 million or 5% of 3Q18 revenue.

KPS’s core earnings before interest, tax, depreciation and amortisation (“EBITDA”) improved 2.5 times to RM53.6 million from RM20.9 million a year ago. The jump in EBITDA was mainly due to stronger financial performance from the manufacturing businesses.



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### **KPS' Chief Executive Officer Ahmad Fariz Hassan said:**

“The steady growth trajectory achieved by our core businesses are backed by steadfast commitment in implementing Value Creation Plans via the execution of strategic plans and cost optimisation for investee companies, which over the long run, will generate sustainable returns for all our stakeholders.

Guided by this strategy, we shall continue our efforts in enhancing value and nurturing the core competencies of our high-growth investee companies, shaping them to become leading companies in the regional and global arena.”

The Group, however, recorded net loss attributable to shareholders after tax and zakat of RM274.6 million in 3Q18. This was due to share of loss from associates; but mainly from 30%-owned associate Syarikat Pengeluar Air Selangor Holdings Berhad (“SPLASH Holdings”), which was in turn attributable to SPLASH Holdings’ one-off and non-cash impairment losses, recognised on the intangible asset and receivables of its wholly owned subsidiary, Syarikat Pengeluar Air Selangor Sdn Bhd (“SPLASH”).

Recall that on 9 August 2018, SPLASH Holdings accepted a takeover offer from Pengurusan Air Selangor Sdn Bhd to acquire 100% equity interest of SPLASH for a total purchase consideration of RM2.55 billion.

In relation to this, post completion of the divestment, KPS stands to receive total gross proceeds of RM765.0 million.

Commenting on KPS’s prospects, Fariz said:

“Moving forward, with the conclusion of our involvement in SPLASH, we shall solidify our expansion plans across all core businesses further, catalysing KPS into next growth frontier.”

“The divestment is also a step forward for us in enhancing shareholders value and achieving a healthier balance sheet, simultaneously ensuring continued sustainability of the Group’s overall business performance,” Fariz added.

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### **About Kumpulan Perangsang Selangor Berhad ([www.perangsangselangor.com](http://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 core assets involved in Manufacturing, Trading, Licensing and Infrastructure. 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.

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