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Kumpulan Perangsang Selangor ends FY2017 on a high note

- ***Revenue rises 150.5% to RM362.0 million on full-year results from acquired businesses, impressive growth from existing subsidiaries***
- ***Pre-tax profit jumps 340.1% to RM68.2 million from RM15.5 million***

Kuala Lumpur, Malaysia, 27 February 2018 – Diversified group **Kumpulan Perangsang Selangor Berhad** (KPS, Bursa: 5843; Bloomberg: KUPS:MK; Reuters: KPSB.KL) reported a 150.5% jump in group revenue to RM362.0 million in the financial year ended 31 December 2017 (FY2017) from RM144.5 million in the previous year, on impressive growth from existing subsidiaries and full-year contributions from acquired businesses of Century Bond Bhd (“CBB”) and Kaiserkorp Corporation Sdn Bhd (“Kaiserkorp”).

Of the total FY2017 revenue, the manufacturing business of CBB made up the majority with 48.1% contribution, followed by trading business of Aqua-Flo Sdn Bhd with 28.1%. The infrastructure and utilities segment under KPS-HCM Sdn Bhd brought in 11.3%, while the licensing business under Kaiserkorp contributed 10.0%.

The jump in revenue, as well as higher share of profits from associated companies for the year led to the profit before tax (PBT) to improve significantly by 341.2% to RM68.2 million compared to normalised PBT of RM15.5 million in the previous year (excluding RM97.5 million in one-off realised gain from assets held for disposal). The growth in share of profits from associated companies from RM50.7 million a year ago to RM94.7 million was primarily from Syarikat Pengeluar Air Selangor Holdings Berhad as a result of lower impairment loss on trade receivables and the impact of IC Interpretation 12 Service Concession Arrangements in FY2017.

The resulting profit attributable to shareholders after tax and zakat also increased to RM56.7 million in FY2017, from normalised bottom line of RM0.3 million in FY2016.

KPS’ Chief Executive Officer Ahmad Fariz Hassan said:

“We are starting to see the fruits of the strategic initiatives under our Business Transformation Plan to grow beyond borders, by taking controlling stakes in expansion-focused businesses and nurturing their core competencies to realise their full potential.

We intend to maintain this expansionary pace with our subsidiaries, and have already hit the ground running in the new year by kickstarting the new business model for King Koil which will see its first manufacturing plant in Arizona commencing operations in the second quarter. This would accord us greater control of the distribution and product quality, grow market share in King Koil’s home ground in the US, and ultimately boost top and bottom line contributions to the KPS Group.

Another auspicious start to our year is the recent acquisition of CPI (Penang) Sdn Bhd (CPI), a standout in the Electronic Manufacturing Services (EMS) sector as demonstrated by its strong double-digit margins. We’re extending our full support for CPI to capitalise on the immense growth potential of the EMS sector upon completion of the transaction.

Our long term strategy is to continue with this momentum, and go all out to build well-diversified revenue base across multiple industries.”



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KPS has undertaken two strategic initiatives in the current financial year.

On 22 January 2018, KPS' indirect 60%-owned subsidiary Kyco Industries, Inc (Kyco) formed a wholly-owned subsidiary named King Koil Manufacturing West, LLC (KKMW). Subsequently, a members' agreement was signed on 29 January 2018 with a US-based partner on a 60:40 equity basis on a total initial capital contribution of USD3.3 million (approximately RM13 million). Kyco' portion of the investment is funded via internal financing. The intended principal activities of KKMW are the production, sale and distribution of mattresses and related bedding and sleep products.

On 14 February 2018, KPS entered into a conditional Share Sale Agreement for the acquisition of 100% equity stake in CPI for purchase consideration of RM250 million. CPI offers complete EMS solution to its customers, from end-to-end plastic injection moulding services encompassing product design or conceptualisation, tool fabrication and production, to complete box-build services. Its plastic injection moulding division focuses on engineering thermoplastics (ETP) with higher-performing thermal and mechanical properties. Over 50% of the annual revenue is derived from exports while local sales are primarily to Malaysia-based subsidiaries of multinational groups.

The acquisition, which is targeted for completion before the end of the first quarter ending 31 March 2018, comes with a profit guarantee of RM25 million in FY2018 and RM26 million in FY2019.

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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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