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Kumpulan Perangsang Selangor unit forms joint venture with China-based Honda Printing

- ***CBB to hold 60% of joint venture (JV) company; expands capabilities with offset carton box production for local manufacturers***
- ***JV expected to contribute to KPS's earnings from second quarter of 2018 onwards***

Shah Alam, Malaysia, 9 April 2018 – Diversified group **Kumpulan Perangsang Selangor Berhad's** (KPS, Bursa: 5843; Bloomberg: KUPS:MK; Reuters: KPSB.KL) subsidiary Century Bond Bhd (CBB) had entered into a JV with China-based Honda Printing Holdings Limited (Honda Printing) to produce offset carton boxes for the manufacturing sector.

The JV is between CBB's wholly-owned subsidiary Pro Pulp Packages Sdn Bhd (Pro Pulp) and Honda Printing Holdings Limited (Honda Printing) who would hold 60% and 40% stakes respectively in the JV company Imej Harmoni Sdn Bhd with a combined investment of RM2.87million.

CBB currently manufactures a wide array of packaging solutions including carton boxes. This JV with Honda Printing Holdings Limited would enable CBB to extend its value-chain further into offset carton boxes, where the outer layer of the box is laminated by a printed sheet to provide finer and more vibrant printing.

KPS' Chief Executive Officer Ahmad Fariz Hassan said:

“This JV combines the expertise of two companies in the downstream production of carton boxes and the upstream services of design and printing.

With this, the JV would greatly enhance CBB's capabilities, extend our product range into offset carton box production and open up new markets in the future. Moreover, the JV would have a strong cost advantage compared to other players, leveraging on CBB's current expertise in producing the raw material of carton boxes.

The JV company, which would set up operations within CBB's premises in Johor, would take over Honda Printing existing supply contracts to customers in Malaysia with additional available production capacity, granting us the opportunity to further expand the business beyond its present clientele to serve manufacturers nationwide.”

Established in the 1995, Honda Printing is a professional printing, packaging and design solution provider. Headquartered in Shenzhen, China, Honda Printing serves numerous multinational clients in the manufacturing across China, Malaysia, Vietnam and the United States of America.

The factory operations of the JV company would be located in Johor Bahru and have a built-up area of 18,000 square feet with a total production capacity of 16 million pieces per year.



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Barring unforeseen circumstances, operations of the JV company are expected to commence in the second quarter of the financial year ending 31 December 2018 (FY2018) and contribute to earnings henceforth.

CBB was the largest contributor to KPS' revenue in the financial year ended 31 December 2017 with RM174.1 million sales, representing 48% of the Group's total revenue of RM361.5 million. KPS owns 99% stake in CBB.

Ahmad Fariz added: "This JV with an established global player signifies our commitment to improving our capabilities to penetrate high-growth markets, in order to sustain our financial performance going forward. We are very positive of the prospects of our manufacturing segment through CBB and look forward to grow the manufacturing business further."

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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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