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Kumpulan Perangsang Selangor Berhad takes majority stake in KPS-HCM

- ***Increases stake in infrastructure and road maintenance company by 21.0% to hold 51.0% equity***
- ***KPS-HCM recently awarded RM174.4 million contract for infrastructure works in Pulau Indah, commencing July 2017***

Shah Alam, Malaysia, 21 June 2017 – Diversified group **Kumpulan Perangsang Selangor Berhad (KPS)**, Bursa: 5843; Bloomberg: KUPS:MK; Reuters: KPSB.KL) announced today that it had raised its shareholdings in KPS-HCM Sdn Bhd (KPS-HCM) to hold majority stake in the company that does infrastructure works and road maintenance.

KPS-HCM is involved in road and highway construction as well as road maintenance and rehabilitation in the State of Selangor. The company is a partnership between KPS and HCM Engineering Sdn Bhd (HCM Engineering), a subsidiary of Protasco Berhad.

Prior to this corporate exercise, KPS and HCM Engineering held 30.0% and 70.0% stakes respectively in KPS-HCM. With this, KPS had subscribed to an additional 1.715 million shares for total consideration of RM1.715 million to increase its shareholding to 51.0%. Resulting from the increase in stake, KPS-HCM will become a subsidiary of KPS upon completion of the subscription of shares.

KPS-HCM has recently been awarded by Central Spectrum (M) Sdn Bhd a total contract sum of RM174.4 million to undertake the proposed infrastructure works for the development of Phase 3C, Lot 74079, Pulau Indah Industrial Park, Pulau Indah (the Works). The Works are to be completed within 18 months commencing from 5 July 2017 to 5 January 2019 and are expected to contribute positively to the results of KPS Group for the financial years ending 31 December 2017 to 2019.

“Holding a majority stake in KPS-HCM enables us to steer its future growth direction and consolidate its future results into the Group’s top and bottom lines, compared to only equity-accounting its share of profits as an associate.

In fact, this newly-secured contract spurs us to continue tendering for similar projects in order to sustain the performance of our infrastructure and utility segment going forward.

We envisage for KPS-HCM to move beyond its existing scope of road construction, maintenance, refurbishment and rehabilitation, to provide general civil engineering works, building construction and maintenance for both public and private sector.”

Ahmad Fariz Hassan
Chief Executive Officer of Kumpulan Perangsang Selangor Berhad



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This move was in line with the Group's direction under the Strategic Business Plan where KPS would hold a majority stake in companies under its portfolio, and harness their potential for future expansion.

KPS had undertaken a similar exercise in 2016, where it increased its shareholding in Aqua-Flo Sdn Bhd to hold a direct 51.0% stake, from an indirect stake of 36.0% equity in the water treatment chemicals and equipment trader. Aqua-Flo had secured three contracts with a cumulative total of RM98.1 million in May 2016, to be delivered over a two-year period.

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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