



**PRESS RELEASE**  
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## **KPS' subsidiary announces King Koil's new strategy for U.S. market**

- ***In-house manufacturing and direct sales to retailers to enable King Koil have greater control of product quality and distribution***
- ***Forms strategic partnership with long-term licensee to manufacture and distribute King Koil products to northeast and Midwest***
- ***Plans to set up first manufacturing facility by second quarter of 2018***

**Kuala Lumpur, Malaysia, 11 January 2018** – Diversified group **Kumpulan Perangsang Selangor Berhad** (KPS, Bursa: 5843; Bloomberg: KUPS:MK; Reuters: KPSB.KL) announced a new business strategy for its subsidiary, King Koil Licensing Company, Inc (“KKLC”) in the United States (U.S.) market.

KPS first acquired its 60% stake in the US-based King Koil mattress brand licensing business from prominent Malaysian businessman Mr. Yeoh Jin Hoe in May 2016. Mr. Yeoh remains as 40% shareholder of the venture.

King Koil today has presence in over 80 countries including the U.S., via licensed manufacturing arrangement between KKLC and 27 mattress manufacturers worldwide. The company is maintaining the licensing business model for its international markets, as it represents high growth potential with steady stream of revenue from royalty payments while requiring lower operating costs and minimal capital expenditure. However, changing dynamics in the U.S. bedding industry in the past 24 months have created accessibility issues and triggered the need to re-assess the brand's strategy in one of the largest mattress markets in the world.

The new U.S. strategy entails King Koil gradually taking over its product distribution throughout the country upon expiry of its current license agreements over the next three years. As a start, the company is well underway to launch its first manufacturing facility for direct distribution in the Western region of the US by the second quarter of 2018.

Another initiative under the new strategy involves a strategic partnership with one of KKLC's top-performing licensees, Blue Bell Mattress. In addition to their long-held licence in the Northeast region, the strategic partnership will see Blue Bell manufacturing and distributing King Koil products in the Midwest region of the US under a contract manufacturing arrangement.

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

“The change of business model in the US will immediately give King Koil a larger revenue base as we move from royalties from licensing, to wholesale revenue from selling our own products. In the longer run, we will be seeing sustainable growth coming from having greater control of product quality and distribution in the market, translating into higher sales volume and profits.

It's an exciting prospect for us, especially with the collective experience and capabilities of the new management team brought in since our investment. We expect to see positive impact from the new strategy to the Group financials starting in the current financial year.”



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King Koil's new management team holds a wealth of industry-related experience, notably in manufacturing, sales and licensing. Heading the team is US bedding industry veteran David Binke who was appointed as Chief Executive Officer (CEO) in September 2017. Over his career, David has played numerous instrumental roles in market expansion and operational improvements with various bedding companies, most recently as the CEO of luxury mattress firm, E.S. Klufft.

Latest additions to the management team are Howard Galant, joining as the Executive Vice President of sales for King Koil's Western Division from E.S. Klufft; and Gary Wells, who is taking up the position of Chief Financial and Information Officer from his previous role as a consultant in finance for top mattress company Serta Simmons Bedding. They join Jayapal Seshadri, previously King Koil's General Counsel based in Asia who is taking up an expanded role as Executive Vice President of licensing and compliance at the Chicago headquarters.

Owen Shoemaker, as King Koil's Chief Operating Officer is taking a more focused role with KKLC's International licensing network as the brand aims to be a more valuable partner to its licensees globally, in tandem with the market expansion initiatives in the US.

### **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 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.

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**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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