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12

2Q20

Results Briefing



16

KPS CerDik Programme



24

Board Retreat 01/2020



CORPORATE SUSTAINABILITY WORKSHOP

(page: 4-7)





Page	Contents
4-7	Corporate Sustainability Workshops for KPS and its Subsidiary Companies
8-9	Editor's Note
10	Contribution to Surau Al-Firdaus
11	Contribution of Hand Sanitisers to Pejabat Pendidikan Daerah ("PPD")
12-13	2Q20 Results Briefing
14-15	Waste Management Training Programmes for KPS' Manufacturing Arm
16-17	KPS CerDik Programme
18	Post-Natal Entrepreneurship Programme
19	The KPS Caregiver Programme
20	KPS Lifeguarding And Swimming Instructor Certification Course
21	KPS Junior Cycling Programme
22	Basic Occupational First Aid Training Programme
23	Signing Ceremony between KPS and Training Providers
24	Board Retreat 01/2020

"Reducing our levels of consumption will not be a sacrifice but a bonus if we simply redefine the meaning of the word 'success' " – David Wann



Corporate Sustainability Workshops for KPS and its Subsidiary Companies

16 July 2020: Employees who form the Corporate Sustainability Champion ("CSC") committee started trickling into the conference room early morning, perhaps with some feeling of uncertainty. It was the first gathering of some 20 employees during the Recovery Movement Control Order ("RMCO") period and another was perhaps mixed feelings towards the subject matter of Corporate Sustainability.

The programme was organised by the IRSC department. Puan Suzila Khairuddin, Deputy Chief Executive Officer (Finance & Corporate Services) opened the session with a welcome address and introduced Janice Monteiro-Lewis, CEO and Michael Lai, Senior Consultant from Monteiro Lewis Communications Sdn Bhd ("MLC") as well as their team who were facilitating the session.

This was the first programme spearheaded by the CSC in preparation for the Group's Sustainability Report for the financial year 2020.

Corporate Sustainability at its core, is about meeting the needs of the present without comprising the ability of future generations to meet theirs. The aim of the workshop was to deepen the participants' awareness about Corporate Sustainability and to guide them in creating long-term stakeholders' value through the implementation of a business strategy that focuses on the Economic, Environmental and Social ("EES") dimensions of doing business.

As it was important to cascade such business practices down to its wholly-owned subsidiaries, the workshops were subsequently conducted in Johor Bahru, at Century Bond Bhd ("CBB") on 24 August 2020 and Toyoplas Manufacturing (Malaysia) Sdn Bhd ("Toyoplas") on 25 August 2020. Participants from Taspak Industrial Sdn Bhd and CBB's Nilai office were also in attendance. In Penang, the workshop was held at CPI (Penang) Sdn Bhd ("CPI") on 1 September 2020.



During the workshops, the consultants urged the participants to share their thoughts and ideas through exercises that were specifically prepared. As much as possible, the objective was to create a comfortable and engaging atmosphere.

Detailed explanations on the concept of Corporate Sustainability, particularly on how to embed sustainability into business operations and corporate activities were emphasised. There were also in-depth

discussions about business directions and the integration of Corporate Sustainability in KPS, including measures to address considerations raised by the COVID-19 pandemic. It was important that the participants understand that effective management of the EES pillars require proper planning from the get-go, being proactive and ensuring action is taken. A lot of issues can be tackled by communicating and collaborating with one another rather than working in silos.



CORPORATE

In improving the reporting regime, MLC presented the Interactive Cloud System digital platform, an initiative which digitalises data & information collation, collaboration and storage. This custom-built solution aims to simplify work processes, improves efficiency, reduces downtime, optimises employee productivity and frees up unnecessary data storage space. This platform acts as one-stop-centre for all matters about the Annual and Sustainability Reports.

Participants realised the importance of the buy-in of every individual within the organisation and how their roles and responsibilities translate into realistically achieving the Group's sustainability goals.

They were also made to see those good habits and practices contribute to better outcomes. The workshops also allowed participants to share their thoughts on how to overcome challenges, individually and collectively as well as their experiences, in both their personal and work lives during the lockdown period.

John Oo, a Senior Executive from CPI said "this year's Sustainability workshop is an improvement from the previous year as there were more in-depth coverage and examples were given to us for a better understanding of the subject matter."



CBB's Quality Assurance Manager, Mohd Nadjib Mohd Isa quoted "as it was my first time attending this workshop, I believe that more input could be given to assist the company to develop suitable and better policies to achieve more sustainability goals."

From the feedback by employees at the workshops, they appreciated the value of undergoing this exercise and felt empowered to tackle the pain points especially in sifting through the data for submissions. Overall, there was a sense of pride in their past achievements and also in the steps that they have been taking to address EES issues and opportunities.



Editor's Note

“There are decades where nothing happens and there are weeks where decades happen.”

- Vladimir Lenin

When Lenin came up with those words, I am sure he had the Russian revolutionary politics in mind. But had he lived a century longer he would witness two epidemiological evils that disrupted humanity to a biblical proportion: the Spanish Flu and COVID-19, both took the world's centre stage in just a matter of weeks but altered, and would continue to change in the case of COVID-19, the course of human lives decades to come. The Spanish Flu infected about 500 million people with 10% mortality. The statistics for COVID-19 pandemic is still developing but given the interconnectedness of our global ecosystem today, one can only imagine that its impact will be disastrous, permeably changing the way of life of many from a multivariate social, economic, and even spiritual perspectives, for years, and perhaps decades, to come.

I am already scunnered to utter anything about the pandemic because how it upends everything that is orderly and begets a crisis subjecting us all to this horrible mess. It seems we have given the virus way too much credit for its infamy. Alas, it would be a total waste if post this crisis, the world did not change its ways for the better; we, as a global ecosystem, did

**FOR
WHAT
IS WORTH,
LENIN
IS
RIGHT**

not triumph over for a stronger economic immunity; we, as a business entity did not upstage our strategic determination and operational efficiency; we, as a people and an individual, did not re-emerge a better version of ourselves. The pandemic has affected us so much so that it would be ashamed if we did not find a creative way forward to win the battle. We have the freedom now to do something different than before.

Otherwise, all that the pandemic will leave us with is just a sad painting.

How can we win though? We will not know exactly until we get there. That is for sure. The pandemic is unprecedented for a reason. But this much is true: the road to recovery is going to be a long one. Just like how one would recover from the virus, the journey will be roughened by spells of fevers, palpitations, dizziness and devastating tiredness and repeated fatigue. Really, the nature has pressed its reset button. While we cannot simply press Ctrl+Alt+Z to free ourselves from this mess, we have in our hands an empty diary for this historic period. It is up to us what to write in it.

For what is worth, I guess Lenin is right.



Views expressed herein are those of the author and do not necessary represent those of KPS.

“Expecto patronum!”



Contribution to Surau Al-Firdaus

29 July 2020: KPS donated a RM10,000 fund to Surau Al-Firdaus which partly damaged caused by the fire on 19 July 2020. The surau which is located at Taman Banting Baru in Banting, Selangor can accommodate up to 400 congregation and has been serving the local community for 12 years. KPS was represented by Mohd Fauzi Mohd Ghazali, IRSC Associate Director who presented the contribution to the surau representative, Hasmi Azli Hassan.



Contribution of Hand Sanitisers to PPD

15 July - 2 September 2020: KPS distributed hand sanitisers to schools, encouraging the students to improve their personal hygiene practices whilst at school. A total of 155 hand sanitisers were successfully distributed to SMK Seksyen 7 Shah Alam, SMK Seksyen 18 Shah Alam, SK Seksyen 7 Shah Alam, Maahad Tahfiz Al-Quran Sabil Ar-Rasyad, Maahad Turath Islami, TTDI Jaya Shah Alam, and Sekolah Agama Menengah Tinggi Tengku Ampuan Jemaah Section 11, Shah Alam.



28 August 2020: The handover of 345 bottles of hand sanitisers to PPD Petaling Perdana was held at the Petaling Perdana District Office, represented Norazlan Jantan, IRSC to PPD Petaling Perdana Chief District Education Officer, Encik Abu Mansor Sathri and the Deputy District Education Officer, Puan Wan Fauziah Wan Abdullah. The hand sanitisers were distributed accordingly to 50 secondary and primary schools in the district.



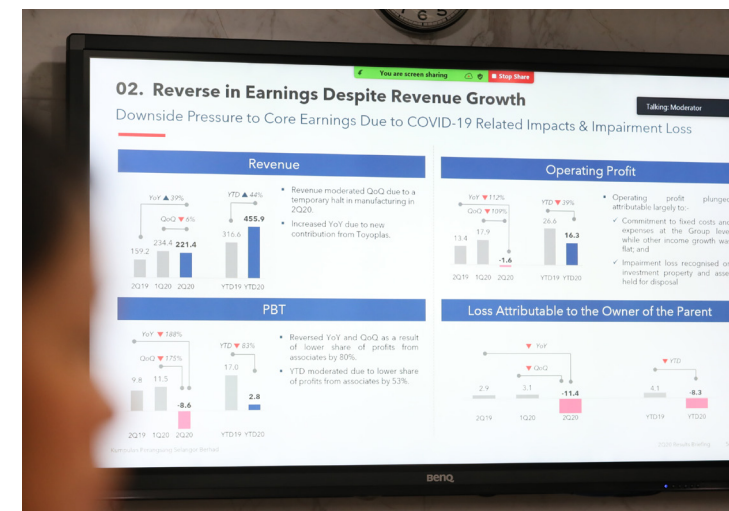
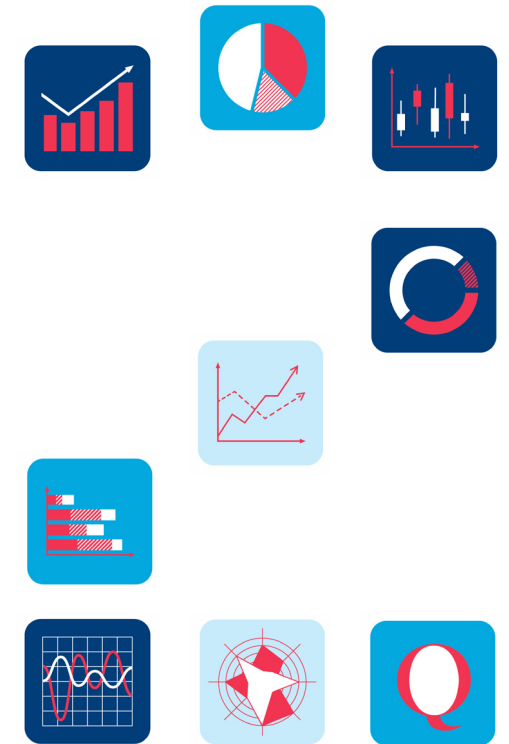
2Q20 Results Briefing



2 September 2020: KPS held its second-quarter 2020 results briefing via an online platform, keeping the analysts and fund managers apprised of the Group's business updates and prospects.

COVID-19 has put a damper on the performance of KPS' manufacturing business which saw a decline in capacity utilisation of its packaging, plastic injection moulding and mattress manufacturing plants. Despite reporting a 39% year-on-year growth in revenue to RM221.5 million for the quarter ended 30 June 2020, the Group recorded an operating loss of RM1.6 million on heavy expenses, subsequently registering RM11.4 million Loss Attributable to the Owners of the Parent.

With the permeating impact of the pandemic expected to continue, KPS is cautious of its business outlook. However, the Group is determined to improve its business prospect by focussing on improvement in operational efficiency, stabilising the supply chain and creating new demand. These efforts will see KPS penetrate new market segments and expand product offerings, putting the Group on a stronger footing in bridging recovery and regaining business momentum.



Waste Management Training Programmes for KPS' Manufacturing Arm

21 September 2020: In recent years, the government has been focussing on encouraging companies to reduce industrial waste generated from manufacturing activities and to manage waste effectively. Responding to the call, while at the same time executing KPS' sustainability mission, the IRSC department organised Waste Management Training Programmes for KPS' manufacturing subsidiaries.

The trainings took place at Toyoplas, CBB and CPI on 21, 22 and 29 September 2020 respectively, and were conducted by Dr Theng Lee Chong, a Waste Management expert from SoluWaste Management Consultants.



Dr Theng Lee Chong

Waste Management expert from SoluWaste Management Consultants.



The purpose of the training sessions was to expose participants on all facets of waste management which includes municipal solid wastes and scheduled wastes. In particular, new laws and regulations were emphasised, enforcements in the context of the manufacturing sector and for the participants to gain insights onto the government's current incentives. This was also an ideal platform for the employees concerned to address issues and challenges with regards to waste management.

Managing waste through recycle, reduce and reuse of manufacturing materials are the key to achieve success in waste reduction efforts, as highlighted by Dr Theng. After the informative sessions and site visits at every company, the management team and Dr Theng engaged in in-depth discussions on their existing waste management potential and problems. Dr Theng provided recommendations on practical solutions for execution to ensure compliance with the local authority as well as managing waste efficiently. It has also paved the way for the subsidiaries to seek further advice and guidance in improving their waste management efforts.



By implementing best practices in waste management, KPS' manufacturing subsidiaries are able to refine how wastes are being generated and to rethink their ability to use resources efficiently. This augurs well for the development of a sustainable future by ensuring business and operational excellence.



TOYO
TOYOPLAS

21 September 2020



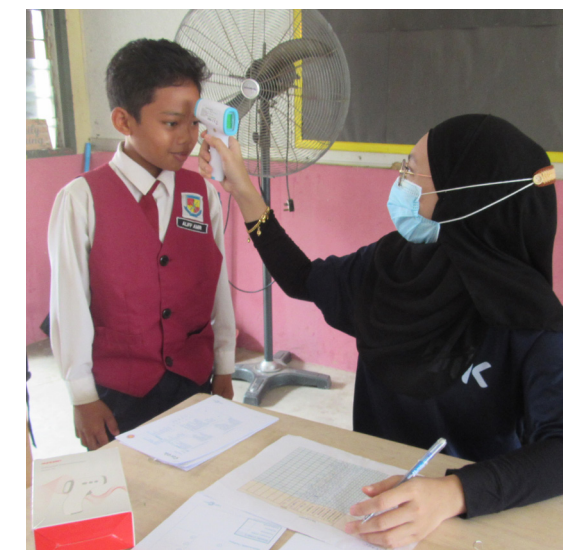
22 September 2020

CPI

29 September 2020

KPS CerDik Programme

EDUCATION



"The entire program had to be reviewed and redesigned accordingly in order to comply with the guidelines that requires all activities to embrace the social distancing requirements".

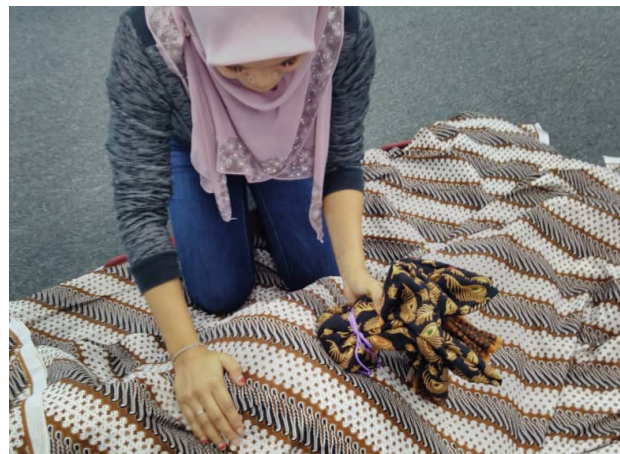


The CerDik 2020 Programme that was affected by the imposition of the Movement Control Order ("MCO") resumed on 22 and 23 July at SK(A) Bukit Cheding and SK(A) Bukit Kemandol respectively after obtaining the permission from the Selangor State Education Department on 6 July 2020. The final session for SK(A) Bukit Kemandol was delivered on 1 October, whilst session for SK(A) Bukit Cheding will be delivered on 7 October 2020.

Due to the MCO and the cancellation of UPSR examination this year which disrupted the study momentum for the students at SK(A) Bukit Cheding. However, the programme was able to realign the students' interest including their mindset to ensure that the overall objective of keeping them in school is still achievable. Further discussions with the respective school's principal and teachers involved, have also indicated that this programme has provided the necessary support as well as complements the efforts by the teachers in instilling a positive mindset amongst the students.

Post-Natal Entrepreneurship Programme

KPS aided 30 participants from the B40 group through the Post Natal Services programme. The programme's objective is to reduce unemployment rate amongst the B40 youths and at the same time to improve their socio-economic status by strengthening their entrepreneurial competitiveness within the community. The programme which was held throughout July and August consists of a fully equipped theory and practical classes.



The KPS Caregiver Programme

The KPS Caregiver Programme is coming to an end with 40 participants completing their theory and practical sessions. Classes were conducted online via the Zoom video conferencing platform and despite the shift in environment, participants were able to adapt well and diligently follow through with the sessions. Following the completion of the programme, 94% of the participants are employed to the Home Care industry while the remaining are venturing into starting their own caregiving services business.



KPS Lifeguarding And Swimming Instructor Certification Course

KPS in collaboration with Supersharkz Sdn Bhd implemented lifeguarding and swimming instructor certification course for juvenile delinquents. The objective of the programme was to equip them with the required soft skills and technical skills as well as providing them with an opportunity to upskill themselves whilst gaining some valuable work experience that they are in dire need of. The programme provided:

- A new and fresh start to their lives
- Opening a job opportunity for them
- Getting and learn a new set of skill
- Certification on the skill learned
- Bring positive transition into their life

The course started from 13 to 30 July 2020. Four juveniles from Sungai Buloh Correctional Centre participated in the course. Under this programme, three participants were assigned for non-administrative tasks whilst one participant was assigned to undertake administrative support for the centre.

The forth juvenile was assigned to undertake Administration duties, to provide essential administrative support to the executives and other departments. Under this role, he was responsible to assist both complex and general administrative duties, allowing their supervisors to carry out their managerial tasks.

Administrative	Non-Administrative
<ul style="list-style-type: none">• Provide essential administrative support to the executives and other departments.• Responsible to assist both complex and general administrative duties	<ul style="list-style-type: none">• Maintaining pool facilities such as checking pool PH, chlorine, salt level and ensure the area is clean and safe• Educating students in basic swimming• Teach participants on safety, effective CPR and first aid



KPS Junior Cycling Programme



KPS in collaboration with ST Budiman Resources held its KPS Junior Cycling Programme, a talent scouting project, on 5 September 2020 at Plaza Perangsang, Shah Alam. 17 junior cyclists aged 8 to 14 years old from various districts in Selangor and Kuala Lumpur participated in the programme. The programme continued with a series of trainings on 19 and 26 September 2020. The programme was carried out to provide an opportunity for young

cyclists to develop and polish their talents to become professional junior cyclists. Participants went through several tests and practices under a comprehensive module from basic knowledge of bicycle parts, road safety in cycling up to tactics and technics in endurance race. The training will be conducted continuously until December 2020 and only five cyclists will be selected to take part in State selection by Majlis Sukan Negeri Selangor.

Basic Occupational First Aid Training Programme



23 and 24 September 2020, KPS organised a two-day Basic Occupational First Aid, Cardiopulmonary Resuscitation ("CPR") and Automated External Defibrillator ("AED") Training Programme for the selected first aiders consisting KPS employees and Plaza Perangsang tenants.

16 participants were trained by the Malaysian Red Crescent Society on the basic life support skills such as CPR and Heimlich Manoeuvre, a method to treat choking, and other first-aid related topics such as bleeding and wounds, burn and scald, fracture and spinal injuries. The programme consists of theory presentation, practical session, and life-like simulation, upskilling the participants with not only the knowledge but also the skills to handle various emergencies.

The training programme was a KPS' initiative to ensure a practicable workplace, safety and health of its stakeholders. It was also in compliance with the requirements under Section 15(2)(C) of the Occupational Safety and Health Act 1994 (Act 514).

Signing Ceremony between KPS and Training Providers

24 September 2020: KPS and seven training providers have entered into a partnership agreement to continue conducting CSR programmes involving sponsorship worth RM1.17 million. Puan Suzila Khairuddin, DCEOFCs chaired the signing ceremony and also attended by Nur Shazlina Ahmad Kamel from Legal and Compliance Department.

KPS engages local communities by enriching the lives of communities in which operate especially those who are in need.

Our efforts in carrying out these community programmes are guided by an integrated CSR framework. All these core pillars of this framework define our aspirations and the positive impacts we want to have on society.

For the Education pillar, KPS sponsored RM100,000 for CerDik programme, RM494,600 was spent for Entrepreneurship programmes and RM575,400 for "Sports For All" initiative.



Board Retreat

01/2020

26 September 2020: KPS convened its first Board Retreat for the year 2020 with all its Management at the Group and Subsidiary level including Toyoplas, CPI, CBB, Aqua-Flo Sdn Bhd, KaiserCorp Sdn Bhd (King Koil Manufacturing and Licensing) as well as Smartpipe Technology Sdn Bhd.

Held at The Saujana Hotel Kuala Lumpur, the Board Retreat is an annual platform where the management team and the Board of Directors re-engage to discuss strategic plans for the Group's business operations and exchange ideas.

Led by the Managing Director/Group CEO, Ahmad Fariz Hassan and chaired by KPS Chairman, YBhg Dato' Nor Azmie Diron, the discussion revolved around subsidiaries penetrating new market segments and expand product offerings in manoeuvring the Group into the next growth trajectory amidst the new-normal operating environment. With this fruitful session, KPS is looking forward to improving its business prospect to bridge recovery and leading the businesses to a more solid ground in the coming years.

