



# kpsBULLETIN

APRIL - JUNE 2020 EDITION

**4**

43<sup>rd</sup>

Annual General Meeting



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State of Selangor

COVID-19

Special Assistance Fund



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2019 Zakat Payment

Ceremony



## NEW NORMAL





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# KPS 43<sup>rd</sup> Annual General Meeting

**30** June 2020 - Kumpulan Perangsang Selangor Berhad received its shareholders' approval for all resolutions on the agenda at the 43<sup>rd</sup> Annual General Meeting. As part of safety measures given COVID-19 pandemic, and in line with the Guidance Note on the conduct of general meeting issued by the Securities Commission Malaysia on 18 April 2020, the AGM was conducted entirely through live streaming, broadcasted from KPS' Corporate Office. To this effect, arrangements had been made to allow shareholders to vote electronically and transmit questions or remarks to the Board of Directors on the Remote Participation and Voting (RPV) platform via its headquarters in Shah Alam, Selangor.

Managing Director/Group Chief Executive Officer of KPS, Ahmad Fariz Hassan presented the latest update of the Group's financial performance, business activities and future business plan. KPS started 2020 with three challenges in the operating environment:

moderation in global economic growth, ongoing US-China trade tension and escalated risks emerging from COVID-19 pandemic. These challenges caused a subdued outlook, affecting business sentiment globally and locally. The impact of COVID-19 pandemic on KPS' business and its subsidiary operations was first felt in March this year, with the Group experiencing slow recoverability from the disruption in supply chain and reduced demand from customers in China, Indonesia, Malaysia and the US as manufacturing activities around the world started to decline with a less sanguine economic prospect.

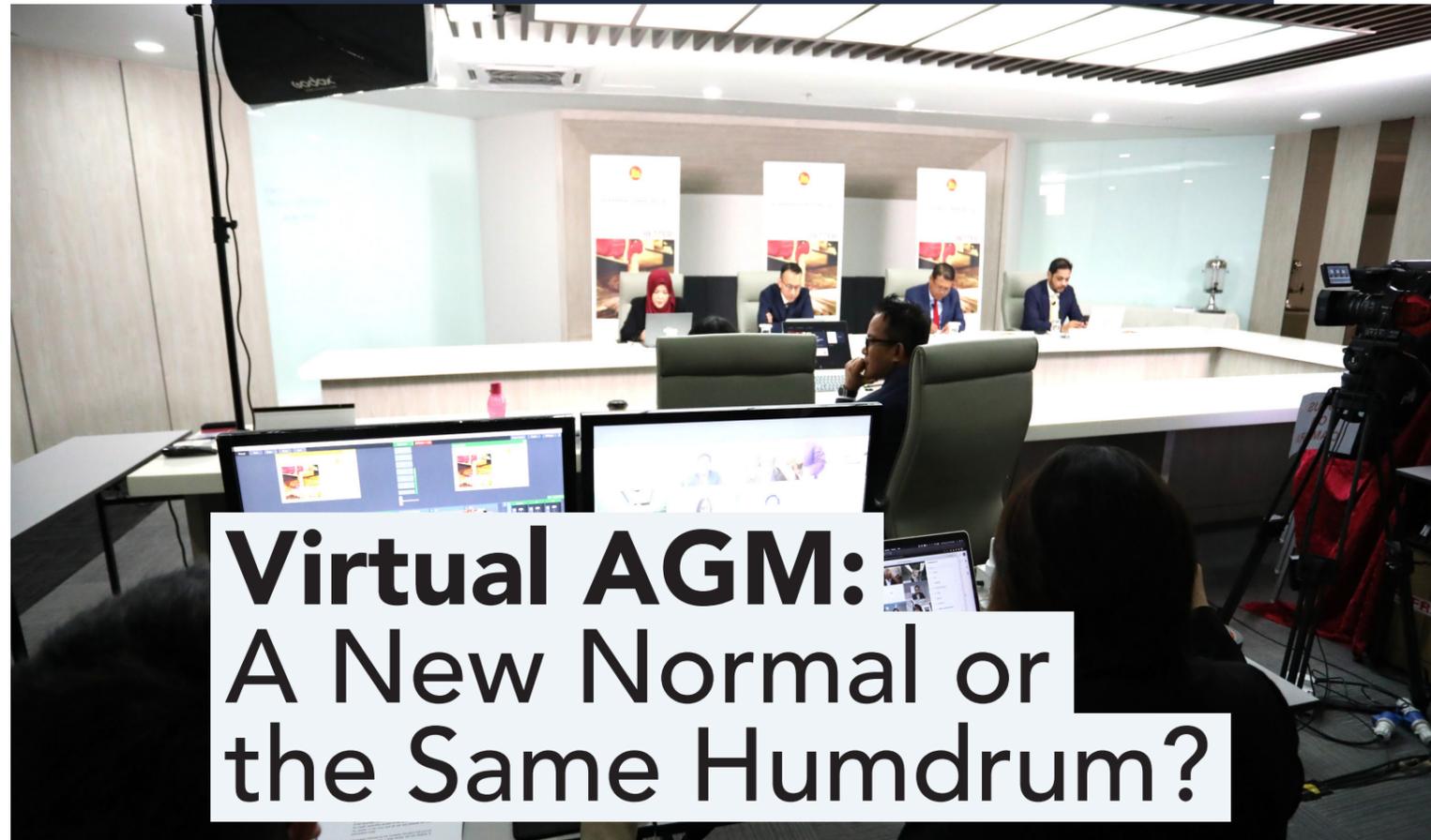
KPS shall continue to monitor closely the performance of its manufacturing businesses, expecting better clarity of a fuller impact of the pandemic on the Group's profitability in the second quarter this year, when the demand of its products normalises to a new equilibrium.



The AGM continued with the commencement of AGM proceedings chaired by the Chairman, YB Dato' Nor Azmie Diron. Nine AGM Resolutions were tabled and approved by the shareholders.



## From the Editor's Desk



# Virtual AGM: A New Normal or the Same Humdrum?

**A**nother year, another great AGM at KPS. Only this time, the 43<sup>rd</sup> AGM was virtual.

To me though, a virtual AGM comes with a higher likelihood that the shareholders will find more things to complain about. Because there are no door gifts to be distributed in the AGM. A virtual AGM

also means that some shareholders will not be able to haul up food into their smuggled food containers; something that would annoy even the most docile of shareholders.

"Dato' Chairman, sir," the first shareholder began asking once the Q&A session opens, as I glanced to a laptop next to me, tilting my eyes downward to read his question that was being fed through the RPV platform on the laptop. I had imagined that the first question would touch aspects concerning the impact of COVID-19 on the Group's business, as the pandemic has floated many issues on financial sustainability amongst corporates around the world.

But the shareholder obviously had better things to worry about.

"Can we have e-coupons instead because the Company is not giving outdoor gifts please," he requested. From an image captured in the video, the MD was at his charming best. "KPS", he said, "would move with the changing expectation and explore the option next year".

Another shareholder demanded that the new Chairman appreciate shareholders' participation in the virtual meeting as they - apparently - had spent a good deal of money and time and exerted immense effort to be in the virtual meeting. He went on to back up his motion, "Because there was no dividend for us this year, it would be a good CSR for KPS to reward participating shareholders."

Well. That bit about no dividend was not quite right. I think the shareholder tried to be cheeky. Although there was an absence of 4.5 sen final dividend for the financial year ended 31 December 2019, in March 2019, we declared a special dividend of 32 sen per share. But somehow that fact about us distributing a lumpy special dividend during the financial year was completely impervious to his hippocampus and thus conveniently slipped into oblivion.

After the twelfth question, came the next, "We can do without the dividend, but you have to give us e-vouchers". Another one bit the dust.

There are still a handful of shareholders who take AGMs seriously though. After the craziness about the e-vouchers faded, a few shareholders expressed - in a very mild-mannered way - concerns on the likelihood of COVID-19 derailing the sustainability of the Group's earnings in 2020 although the first-quarter results looked OK. A few shareholders also voiced their displeasure about KPS' shares having underperformed and sought better returns on their investment, all of which are valid concerns.



AGMs are examples of how some shareholders skewed the real purpose of the meetings towards frolic. But really, ours are benign in comparison to those in other countries. While those who expect door gifts or something in lieu are everywhere on this planet, I hear that in India, the craziness during AGMs has even blurred common social etiquettes. The AGMs in India are more, how do I say, colourful.

I read the other day that United Breweries Limited, who produces one of the best beers in India, so it is reported, is heavily geared. Yet, at its recent AGM, the main request by the shareholders to its Chairman was, "Please give us Kingfisher calendars". This sounds familiar, does it not? Over there they asked for Kingfisher calendars; over here in KPS ours asked for e-vouchers.

The trivia gets more interesting over there.



In a recent case, a global IT consultancy company, Tata Consultancy Services who had posted a set of good numbers given the favourable prospects of the IT industry despite the COVID-19 pandemic thus leaving the shareholders with little to complain about, the Chairman was embarrassed by the shareholders when he was asked of his single status. You heard it right, about the Chairman's single status. Just when you think some shareholders can be bizarre, they take their wacky way to a whole new level. But I must say that the win definitely goes to this one: Consumer product manufacturer Hindustan Unilever Limited's Chairman was baffled, to say the least, when a lady shareholder asked him of his skincare products and facial regime because she found his skin so flawless.

I guess it was not always funny. Other stories relayed Chairmen of some companies lambasting to whining shareholders, "If you don't like this company and the way we run it, you may sell your shares". I like. I like this kind of no-nonsense and gangsterly Chairmen. Although in my twisted mind I am hoping this drama would one day manifest in KPS' own AGMs, I bet my last Shekel that it will never happen in KPS. We are too cool for that.

At the end of the day, it is what it is. AGMs can be exciting, or it can be a drab. The good thing is, at some point, the proceeding will stop. We endure it while it lasts, trying in the process to understand the shareholders' grievances - in whatever shape and forms they may come. We hear them out. As a responsible corporate, we just need to stay focussed on improving the numbers and prospects, ensuring the sustainability of the business.



**As a responsible corporate, we just need to stay focussed on improving the numbers and prospects, ensuring the sustainability of the business.**

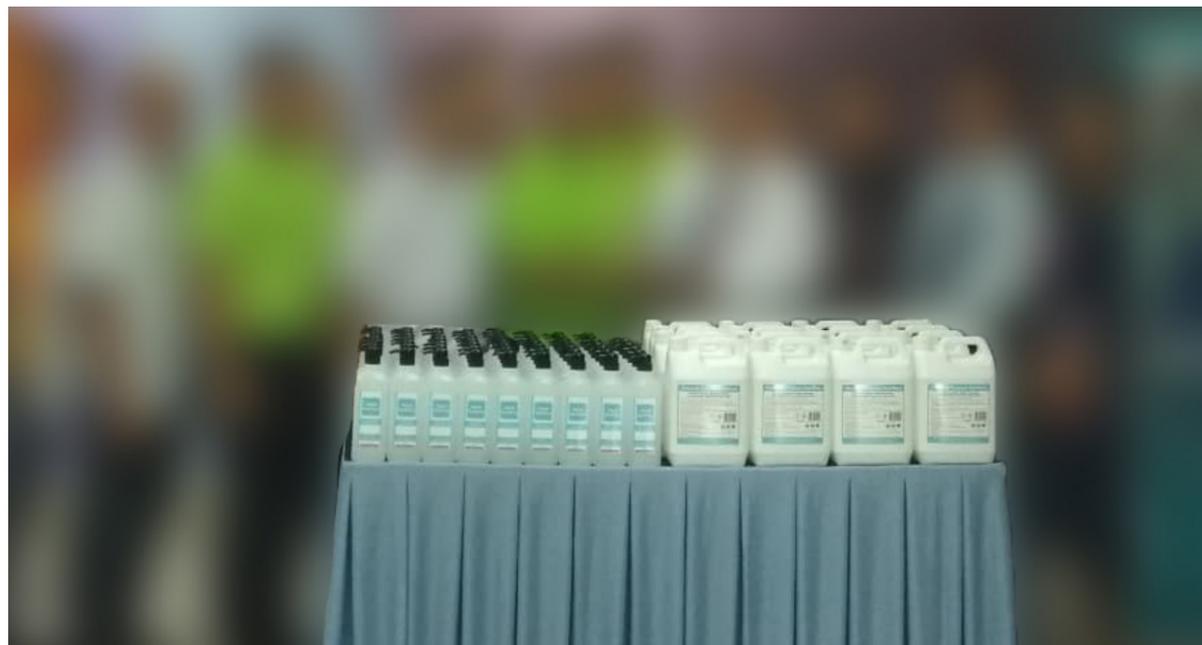
I have always wondered though. Who the heck started this door-gift culture, and when? Did the company who started it want to pass certain controversial resolutions? If so, yes, what better way to do it than pleasing the stomach and doling out gifts. Kudos to them for being brazenly conniving in getting what they want. But for those whose hands are not tied, why bother right?

While we are on this subject, do you know that in Malaysia, the best door gifts ever were by Air Asia Berhad? In 2017, most probably at the apogee of its business success, Air Asia Berhad gave each of its shareholders RM500 flight voucher on top of a very sumptuous breakfast buffet. If you nothing better to do, you can find out more about AGM door gifts ever distributed by listed Malaysian companies here at <https://dividendmagic.com.my/malaysia-agms-doorgifts-and-goody-bags/>.

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

## Contribution of Hand Sanitisers to Schools in Johor

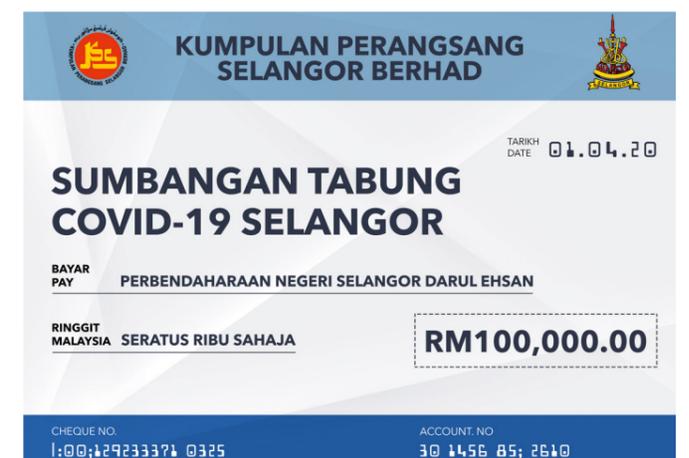
**9** March 2020: Kumpulan Perangsang Selangor Berhad (“KPS”) in collaboration with Century Bond Bhd (“CBB”) contributed 230 bottles of hand sanitisers to 73 schools in Johor as part of the Group’s Sustainability initiative to combat COVID-19 among students. KPS sponsored RM9,800 worth of hand sanitisers from Brandpak Industries Sdn Bhd, a subsidiary company of CBB.



## State of Selangor COVID-19 Special Assistance Fund

**1** April 2020: The State of Selangor through Menteri Besar Selangor (Incorporated) (“MBI”) created a Special Assistance Fund to help ease the burden of the people of Selangor during the COVID-19 crisis, bringing much-needed aid to the State’s healthcare system. KPS played a major role by contributing RM100,000 to the State Special Assistance Fund. Distribution of the fund was managed and coordinated by MBI as the State implementation agency.

Encik Ahmad Fariz Hassan, the Managing Director/Group Chief Executive Officer represented KPS during the contribution ceremony to YAB Dato’ Menteri Besar Selangor, Dato’ Seri Amirudin Shari.



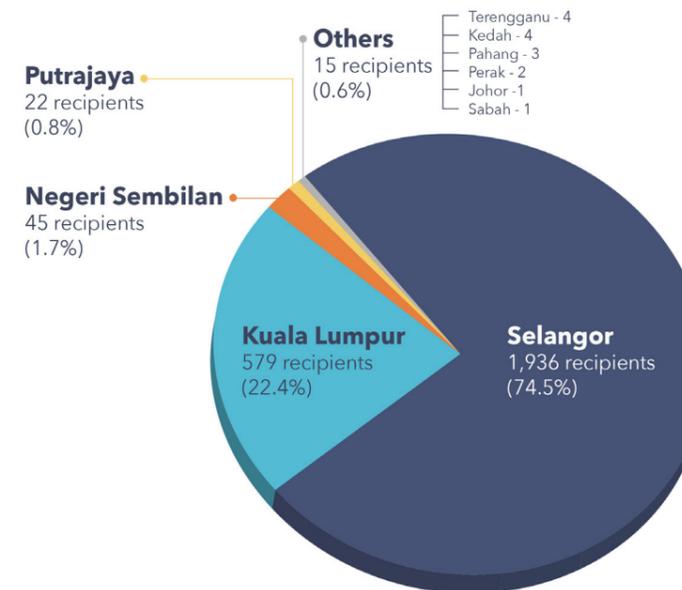
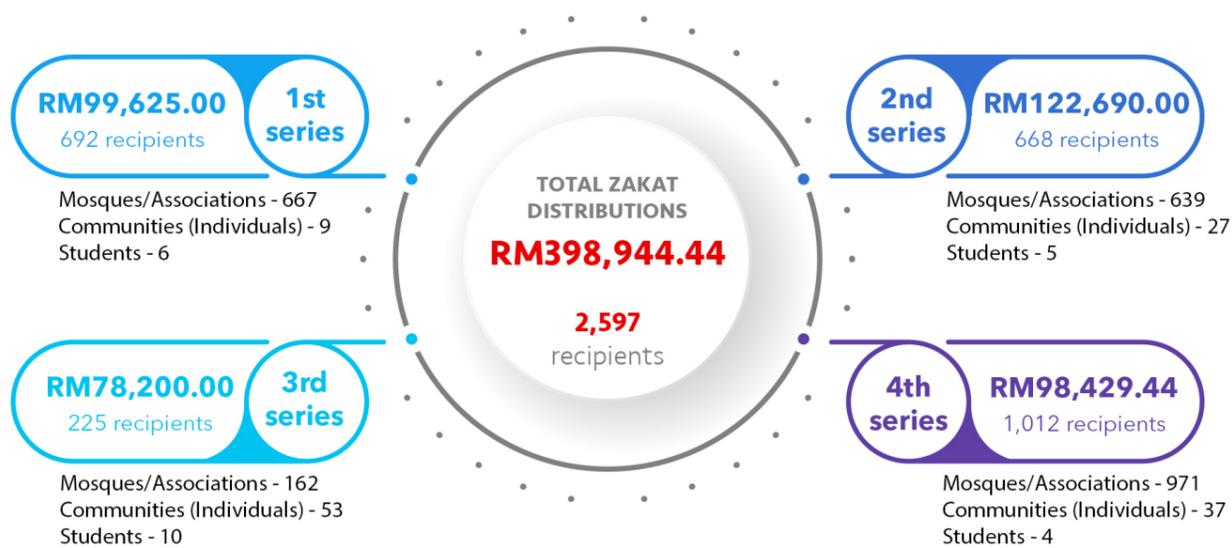
# 2018 Zakat Re-Distribution to the Community

Kumpulan Perangsang Selangor Berhad and its subsidiary companies fulfilled the Zakat payment for 2018 of RM1,063,851.83, out of which RM398,944.44 or 37.5% of the Zakat was redistributed to the needy or less fortunate members of the community. Most middle and lower income individuals were affected by COVID-19 pandemic, putting them under the poverty line.

A total of 2,597 *Asnaf* received AKPS' Zakat contribution involving 22 students and 2,575 less fortunate individuals.



## ZAKAT DISTRIBUTIONS BREAKDOWN



# 3<sup>rd</sup> Contribution of Personal Protective Equipments

8 April 2020: In addressing the dire need of personal protective equipments by the frontliners in fighting COVID-19, KPS provided its 3<sup>rd</sup> contribution of hand sanitisers and protective rubber gloves to Klinik Kesihatan Kelana Jaya. As Petaling Jaya recorded the highest number of positive COVID-19 cases, it was crucial for the fronliners at this clinic to receive adequate protective gears.



# 2019 Zakat Payment Ceremony



13 May 2020: Zakat amounting RM1,520,000 was presented by YB Dato' Nor Azmie Diron as Chairman of Kumpulan Perangsang Selangor Berhad, accompanied by Mohd Fauzi Mohd Ghazali as member of KPS Zakat Panel. His Royal Highness Sultan of Selangor, Sultan Sharafuddin Idris Shah Alhaj Ibni Almarhum Sultan Salahuddin Abdul Aziz

Shah Alhaj was pleased to receive the business Zakat payment during a ceremony held at Bukit Kayangan Palace. Also present at the ceremony, The Regent of Selangor, His Royal Highness Tengku Amir Shah Ibni Sultan Sharafuddin Idris Shah and Dato' Menteri Besar of Selangor, YAB Dato' Seri Amirudin Shari.

# CBB's Plastic Waste Recycling

ENVIRONMENTAL

**12** May 2020 : Waste management initiative particularly recycling programme is part of the Group's Sustainability plan to improve productivity, and at the same time enhance the recycle effort to protect the environment. This effort started in January 2020 when Sustainability Unit held series of discussions with CBB on how we could continue our effort in finding the optimum way and improving the waste reduction in its operations. In 2019, CBB showcased a successful waste management initiative via its recycling of paper carton waste where 100% of the carton trim waste from the production of carton boxes to produce moulded pulp casings.

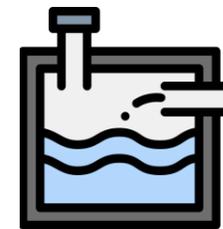
Continuing to this effort, KPS via its Sustainability Unit agreed to assist CBB for the purchase of plastic recycle machine which produces plastic pellets from plastic wastage. This waste recycle initiative is expected to commence in July 2020. Currently, the recycling process of plastic waste is out-sourced to a third-party contractor. This effort shall improve cost efficiency by 50%, produces better quality pellets and improve production time.



# CPI's Wastewater Management

ENVIRONMENTAL

**28** May 2020: One of the Group's manufacturing arm, CPI (Penang) Sdn Bhd ("CPI"), pays special attention to wastewater discharge from its manufacturing activities. The company monitors wastewater discharge on a yearly basis to ensure its compliance with the Environmental Quality (Industrial Effluent) Regulations 2009. In meeting such regulatory standard, KPS Sustainability Unit decided to assist CPI in improving wastewater filtering system addressing the environmental footprint by installing three new grease trap equipments. The installation of three equipments were completed on 14 May 2020 and 28 May 2020 respectively. This wastewater management initiative shall help CPI improve its wastewater discharge and monitoring process to comply with the Department of Environment's Standards.





**13** May 2020: Appointment of Russell Raj George as Assistant Director, Legal & Compliance. Russell was previously from Lee Perara & Tan Advocates & Solicitors Sdn Bhd prior to joining KPS. He graduated from University of London with Bachelor of Laws Degree LLB.

**RUSSELL RAJ GEORGE**  
Assistant Director, Legal & Compliance



**18** May 2020: Appointment of Nurul Natasha Binti Muhammad Shahrum as Senior Executive, Strategic Planning & Investment. Nurul Natasha was previously from Crowe Advisory Sdn Bhd prior to joining KPS. She graduated from the University of Portsmouth, United Kingdom with Bachelor in BA (Hons) of Accountancy and Financial Management.

**NURUL NATASHA MUHAMMAD SHAHRUM**  
Senior Executive, Strategic Planning & Investment



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-Engineering

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GAP is a curated platform for fresh graduates in gaining new knowledge and skills needed for the industry while exploring and getting involved in the day to day operational of the business. Applicants with great individual performance shown throughout the programme may be offered an employment opportunity towards the end of the programme.

Form more details, please visit the website: <http://www.perangsangselangor.com/career.html>

**COVID-19:**  
**EMBRACING THE NEW NORMAL**





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