

## KUMPULAN PERANGSANG SELANGOR BERHAD

(Registration No. 197501002218/ 23737-K)

(Incorporated in Malaysia)

Minutes of the Forty-Sixth Annual General Meeting (“46<sup>th</sup> AGM”) of Kumpulan Perangsang Selangor Berhad (“KPS Berhad or the Company”) held virtually from the Broadcast Venue at KPS Berhad Corporate Office, 17<sup>th</sup> Floor, Plaza Perangsang, Persiaran Perbandaran, 40000 Shah Alam, Selangor Darul Ehsan and via the Boardroom Smart Investor Portal at <https://investor.boardroomlimited.com> on Tuesday, 30 May 2023 at 10.00 a.m.

Present live streaming via Boardroom Smart Investor Portal at <https://investor.boardroomlimited.com> with Remote Participation and Electronic Voting (“RPEV”) facilities : **Members, Corporate Representatives and Proxies**

As per the Attendance List in **Appendix 1**.

Present at KPS Berhad Corporate Office : **Board of Directors (“Board”)**

- 1) YB Dato’ Haris bin Kasim (“Chairman”)
- 2) Encik Ahmad Fariz bin Hassan, Managing Director/ Group Chief Executive Officer (“MD/GCEO”)

Present via Ms Teams platform :

- 1) Puan Norita binti Mohd Sidek
- 2) YBhg Dato’ Ikmal Hijaz bin Hashim, Chairman of Nomination & Remuneration Committee (“NRC”)
- 3) Puan Norliza binti Kamaruddin, Chairman of Sustainability Board Committee (“SBC”)
- 4) YBhg Dato’ Noorazman bin Abd Aziz, Chairman of Board Investment Review Committee (“BIRC”)
- 5) Ms Sharmila Sekarajasekaran Chairman of Board Governance and Risk Committee (“BGRC”)
- 6) YBhg Datuk Syed Izuan bin Syed Kamarulbahrin, Chairman of Board Audit Committee (“BAC”)

Present at KPS Berhad Corporate Office : **Management**

- 1) Puan Suzila binti Khairuddin  
Deputy Chief Executive Officer, Finance and Corporate Services (“DCEOFCS”)
- 2) Encik Azlan bin Abd Jalil  
Deputy Chief Executive Officer, Strategy & Investments (“DCEOSI”)
- 3) Puan Selfia binti Muhammad Effendi  
Company Secretary (“COSEC”)

Present by invitation via MS Teams platform : Mr Rejeesh a/l Subramaniam, Representative from Messrs BDO PLT (External Auditors)

## **CHAIRMAN**

YB Dato' Haris bin Kasim ("Dato' Chairman") presided as Chairman of the 46<sup>th</sup> AGM ("Meeting").

## **NOTICE OF MEETING**

The notice convening the Meeting, having been circulated earlier to all members of the Company via e-communication and duly advertised in "The Star" within the prescribed period, was taken as read.

## **QUORUM**

On behalf of the Board and Management, Dato' Chairman welcomed all shareholders and invited guests who were present remotely from various locations through live streaming to the 46<sup>th</sup> AGM of KPS Berhad.

Thereafter, upon confirmation by the Secretary on the presence of the requisite quorum, Dato' Chairman called the Meeting to order at 10.00 a.m.

## **OPENING REMARKS**

Dato' Chairman informed that the attendance at the 46<sup>th</sup> AGM was restricted to shareholders/proxy holders and authorised representatives of corporate shareholders who have registered to join the Meeting remotely. Dato' Chairman reminded the Meeting that any visual or audio recording of the Meeting was strictly prohibited unless the Company's prior written consent was obtained. He added that the Questions and Answers ("Q&A") session would only be conducted after all the items on the Agenda had been tabled.

Dato' Chairman further reminded the Company had made the necessary effort to ensure smooth live streaming. However, the broadcast quality may be affected by the participants' internet bandwidth connection and stability.

Before proceeding with the Agenda, Dato' Chairman invited the MD/GCEO to provide an overview of the Company's performance for 2022, its achievements, strategy and prospects to the shareholders as per **Appendix 2** attached.

The MD/GCEO thanked the shareholders for their participation and shared his presentation entitled 'Business Review and Prospects'

- i) Report Card;
- ii) Financial Highlights;
- iii) Commitment to Environmental, Social and Governance ("EESG");
- iv) Economic Outlook; and
- v) Managing Prospects.

Following that, Dato' Chairman thanked the MD/GCEO for the presentation and informed the meeting that any questions pertaining to the MD/GCEO's presentation would be addressed during the Q&A session later.

Before Dato' Chairman proceeded to the first (1<sup>st</sup>) item of the Agenda, he drew the shareholders' attention to the procedures in tabling and approving resolutions. The seven (7) ordinary resolutions as set out in the AGM Notice shall be put to the vote by polling as per Bursa Malaysia Securities Berhad ("Bursa Securities")' Main Market Listing Requirements ("MMLR"). Pursuant to Clause

63(3) of the Company's Constitution, voting by poll accords one vote for every one (1) share held by the shareholder.

Thereafter, Dato' Chairman explained the sequence of the flow for the meeting as follows:

- i) To go through all the seven (7) ordinary resolutions as set out in the AGM Notice;
- ii) Q&A session to answer the questions posted by the shareholders/proxies via the Boardroom Smart Investor Portal commencing from 20 April 2023 to 28 May 2023 and live questions posted in the query box during the live streaming.

At this juncture, Dato' Chairman informed the meeting that the Board/Management would endeavour to answer the shareholders' questions posed, and in the event that the Board/Management were unable to answer all the relevant questions during the meeting, the responses to the remaining questions would either be sent via email to the shareholders at the earliest possible after the meeting or posted on the Company's website; and

- iii) Upon conclusion of the Q&A session, all seven (7) resolutions would be put to the vote remotely by using the Remote Participation & Electronic Voting ("RPEV") applications. The Board/Management would also allocate sufficient time for the shareholders to vote via the RPEV during the session.

Dato' Chairman added that the Company had appointed Boardroom Share Registrars Sdn Bhd ("Boardroom") as Poll Administrators and SKY Corporate Services Sdn Bhd ("SKY Corporate Services") as Independent Scrutineers.

Dato' Chairman invited Boardroom to broadcast the video tutorial on the voting procedure and how to raise questions at the meeting through the RPEV application.

Dato' Chairman thanked Boardroom for the video tutorial and proceeded with the following Agenda of the Meeting.

**1. AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 AND THE REPORTS OF DIRECTORS AND AUDITORS**

The Audited Financial Statements for the financial year ended 31 December 2022, together with the Reports of Directors and the Auditors ("AFS") thereon having been circulated to all the shareholders of the Company within the statutory period, were tabled to the meeting for discussion.

It was noted that pursuant to Section 251(1)(a) of the Companies Act 2016 ("CA2016"), the AFS shall be approved by the Board, and as such, no formal approval of the shareholders for the AFS was required. Nevertheless, under Section 244(2)(a) of CA2016, the AFS shall be circulated to the members and laid before the Company at its Annual General Meeting ("AGM").

In view of the above, Dato' Chairman declared that the AFS for the financial year ended 31 December 2022, together with the reports of the Directors and the Auditors laid at this AGM in accordance with Section 340(1)(a) of the CA2016, be and hereby received.

**2. ORDINARY RESOLUTION 1 – DECLARATION OF SINGLE-TIER FINAL DIVIDEND OF 2.5 SEN PER SHARE**

Dato' Chairman proceeded to Ordinary Resolution 1 in relation to the single-tier final dividend of 2.5 sen in respect of the financial year ended 31 December 2022.

The single-tier final dividend, if approved, would be paid on 20 June 2023 to the members based on the Record of Depositors at the close of business on 2 June 2023.

Dato' Chairman informed the meeting that the motion to vote by poll would be conducted after the Q&A session, and henceforth, he proceeded with the next Agenda item.

**3. ORDINARY RESOLUTION 2**

**- RE-ELECTION OF DIRECTOR – YBHG DATUK SYED IZUAN BIN SYED KAMARULBAHRIN (“DATUK SYED IZUAN”)**

The Meeting proceeded to Ordinary Resolution 2 to re-elect Datuk Syed Izuan as Independent Director of the Company, who retired pursuant to Clause 78 of the Company's Constitution.

Dato' Chairman informed the Meeting that Datuk Syed Izuan was subjected to retirement pursuant to Clause 78 of the Company's Constitution and, being eligible for re-election, has offered himself for re-election. Datuk Syed Izuan was appointed to the Board on 15 August 2022, and the profile of Datuk Syed Izuan can be found on page 168 of the Company's Integrated Annual Report 2022 (“IAR 2022”).

Since voting would be conducted on a poll after the Q&A session, the Meeting proceeded with the next item on the Agenda.

**4. ORDINARY RESOLUTION 3**

**- RE-ELECTION OF DIRECTOR – YBHG DATO' IKMAL HIJAZ BIN HASHIM (“DATO' IKMAL”)**

Dato' Chairman proceeded with Ordinary Resolution 3 to re-elect Dato' Ikmal as Senior Independent Director of the Company, who retired pursuant to Clause 76(3) of the Company's Constitution.

Dato' Chairman informed the Meeting that Dato' Ikmal was subjected to retirement pursuant to Clause 76(3) of the Company's Constitution and, being eligible for re-election, has offered himself for re-election. Dato' Ikmal was appointed to the Board on 1 January 2018 and the profile of Dato' Ikmal can be found on page 164 of the Company's IAR 2022.

Since voting would be conducted on a poll after the Q&A session, the Meeting proceeded with the next item on the Agenda.

**5. ORDINARY RESOLUTION 4**

**- RE-ELECTION OF DIRECTOR - PUAN NORLIZA BINTI KAMARUDDIN (“PUAN NORLIZA”)**

The Meeting proceeded with Ordinary Resolution 4 to re-elect Puan Norliza as Independent Director of the Company, who retired pursuant to Clause 76(3) of the Company's Constitution.

Dato' Chairman informed the Meeting that Puan Norliza was subjected to retirement pursuant to Clause 76(3) of the Company's Constitution and, being eligible for re-election, has offered herself for re-election. Puan Norliza was appointed to the Board on 6 April 2018 and the profile of Puan Norliza can be found on page 165 of the Company's IAR 2022.

Since voting would be conducted on a poll after the Q&A session, the Meeting proceeded with the next item on the Agenda.

**6. ORDINARY RESOLUTION 5**

**- PAYMENT OF DIRECTORS' REMUNERATION UP TO AN AMOUNT OF RM1,782,200 IMMEDIATELY AFTER THE 46<sup>TH</sup> AGM UNTIL THE NEXT AGM OF THE COMPANY**

Dato' Chairman proceeded to Ordinary Resolution 5 to consider the recommended payment of Directors' Remuneration to the Directors up to an amount of RM1,782,200 until the next AGM of the Company. Section 230(1) of CA2016 provides, amongst others, that "the fees" of the directors and "any benefits" payable to the directors of a listed company and its subsidiaries shall be approved at a general meeting.

Dato' Chairman elaborated that the payment was in respect of the Directors' fees and benefits payable to the Non-Executive Directors of the Company and its subsidiaries for the period of about twelve (12) months from 30 May 2023 until the next AGM of the Company. Dato' Chairman referred to Explanatory Note 5 on page 401 of the Company's IAR 2022 for more details on the Ordinary Resolution 5.

Since voting would be conducted on a poll after the Q&A session, Dato' Chairman proceeded with the next item on the Agenda.

**7. ORDINARY RESOLUTION 6**

**- PROPOSED RE-APPOINTMENT OF AUDITORS – MESSRS BDO PLT**

Dato' Chairman proceeded to Ordinary Resolution 6 to consider the re-appointment of the retiring Auditors, Messrs BDO PLT, who have indicated their willingness to continue office as Auditors of the Company for the next financial year and to authorise the Directors to fix the Auditors' remuneration.

Dato' Chairman informed the Meeting that the Board recommended approval of the re-appointment of Messrs BDO PLT as the External Auditors of KPS Berhad for 2023 based on the Board Audit Committee's recommendation.

Since voting would be conducted on a poll after the Q&A session, Dato' Chairman proceeded with the next item on the Agenda.

**8. ORDINARY RESOLUTION 7**

**- PROPOSED RENEWAL OF EXISTING SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS ("RRPT") OF A REVENUE OR TRADING NATURE ("PROPOSED SHAREHOLDERS' MANDATE")**

The Meeting proceeded to Ordinary Resolution 7 to obtain the Members' approval for the Proposed Renewal of Shareholders' Mandate for RRPT of a Revenue or Trading nature. The full text of this Ordinary Resolution 7 was set out in the Notice of Meeting.

Dato' Chairman declared that the full text of Ordinary Resolution 7 was taken as read.

Dato' Chairman highlighted that before putting the proposed Ordinary Resolution 7 to vote, those deemed interested in the proposal, including himself as detailed in the Circular to Shareholders dated 20 April 2023, were reminded to abstain from voting on the same. However, he informed the Meeting that he would vote in his capacity as a proxy in accordance with instructions received from non-interested shareholders who have appointed the Chairman of the Meeting as their proxy.

Besides that, Dato' Chairman informed the Meeting that the Ordinary Resolution 7, if passed, will authorize the Directors of the Company to complete and do all such acts, deeds

and things to give effect to the aforesaid shareholders' mandate and transactions contemplated under this resolution.

Since voting will be conducted on a poll after the Q&A session, Dato' Chairman proceeded with the next item on the Agenda.

## 9. ANY OTHER BUSINESS

Upon confirmation by the Company Secretary, Dato' Chairman informed the Meeting that the Company has not received notice to transact any other business in which due notice shall have been given in accordance with the Company's Constitution and the CA2016.

## 10. QUESTIONS AND ANSWER ("Q&A") SESSION

Dato' Chairman informed the Meeting that there were questions received during pre-AGM as well as via the query box. Dato' Chairman invited the MD/GCEO to brief the shareholders by reading out the questions submitted by the shareholders prior to the meeting as well as questions received via query box from the shareholders, corporate representatives, and proxies during the Meeting.

During the 45 minutes Q&A session, the MD/GCEO, DCEOFCS and DCEOSI answered fifteen (15) questions raised during pre and live AGM by the shareholders, corporate representatives, and proxies. Details of which were attached as **Appendix 3**. The answers to the remaining questions would be posted on the Company's website at the earliest possible after the Meeting.

Dato' Chairman concluded the Q&A session and thanked the shareholders, corporate representatives, and proxies for the questions raised.

## 11. VOTING ON THE RESOLUTIONS AND DECLARATION OF POLL RESULTS

Dato' Chairman reiterated that polling at the AGM would be conducted using remote electronic voting. Dato' Chairman adjourned the Meeting at 11.15 a.m. until the casting and verification of the votes were completed by the scrutineer.

Dato' Chairman informed the Meeting that in his capacity as a proxy of the shareholders, he would vote for all seven (7) resolutions in accordance with instructions received from the shareholders who had appointed himself to vote on their behalf.

The Meeting resumed at 11.35 a.m., and Dato' Chairman called the Meeting to order.

The Poll Administrator handed over a summary of the Poll Results to Dato' Chairman for declaration as follows:

Polling Results

RESOLUTION	Vote FOR			Vote AGAINST			TOTAL Vote	
	NO. OF			NO. OF			NO. OF	
	RECORDS	SHARES	%	RECORDS	SHARES	%	RECORDS	SHARES
RESOLUTION 1	285	355,375,001	99.9810	33	67,385	0.0190	318	355,442,386
RESOLUTION 2	252	354,368,859	99.6983	65	1,072,527	0.3017	317	355,441,386
RESOLUTION 3	251	354,368,858	99.6983	66	1,072,528	0.3017	317	355,441,386
RESOLUTION 4	254	354,370,274	99.6987	63	1,071,112	0.3013	317	355,441,386
RESOLUTION 5	229	354,318,983	99.6843	86	1,122,273	0.3157	315	355,441,256
RESOLUTION 6	265	355,315,860	99.9647	51	125,426	0.0353	316	355,441,286
RESOLUTION 7	251	5,025,372	81.9333	62	1,108,121	18.0667	313	6,133,493

**Ordinary Resolution 1:**

- To approve a single tier final dividend of 2.5 sen per share in respect of the financial year ended 31 December 2022.

Based on the votes cast, Dato' Chairman declared that by majority votes of 99.98%, the following motion be and hereby duly carried:

*"THAT a single tier final dividend of 2.5 sen per share in respect of the financial year ended 31 December 2022 be and hereby approved."*

**Ordinary Resolution 2:**

- To re-elect YBhg Datuk Syed Izuan bin Syed Kamarulbahrin, who retires pursuant to Clause 78 of the Company's Constitution and who being eligible, offers himself for re-election.

Based on the votes cast, Dato' Chairman declared that by majority votes of 99.69%, the following motion be and hereby duly carried:

*"THAT YBhg Datuk Syed Izuan bin Syed Kamarulbahrin who retires pursuant to Clause 78 of the Company's Constitution, be re-elected as Director of the Company."*

**Ordinary Resolution 3:**

- To re-elect YBhg Dato' Ikmal Hijaz bin Hashim, who retires pursuant to Clause 76(3) of the Company's Constitution and who being eligible, offers himself for re-election.

Based on the votes cast, Dato' Chairman declared that by majority votes of 99.69%, the following motion be and hereby duly carried:

*"THAT YBhg Dato' Ikmal Hijaz bin Hashim who retires pursuant to Clause 76(3) of the Company's Constitution, be re-elected as Director of the Company."*

**Ordinary Resolution 4:**

- To re-elect Puan Norliza binti Kamaruddin, who retires pursuant to Clause 76(3) of the Company's Constitution and who being eligible, offers herself for re-election.

Based on the votes cast, Dato' Chairman declared that by majority votes of 99.69%, the following motion be and hereby duly carried:

*"THAT Puan Norliza binti Kamaruddin, who retires pursuant to Clause 76(3) of the Company's Constitution, be re-elected as Director of the Company."*

**Ordinary Resolution 5:**

- To approve the payment of Directors' remuneration to the Directors up to an amount of RM1,782,200 from 30 May 2023 (46<sup>th</sup> AGM) until the next AGM of the Company.

- Based on the votes cast, Dato' Chairman declared that by majority votes of 99.68%, the following motion be and hereby duly carried:

*"THAT the payment of Directors' Remuneration to the Directors up to an amount of RM1,782,200 from for the period immediately after the 46<sup>th</sup> AGM until the next AGM of the Company be hereby approved".*

**Ordinary Resolution 6:**

- To re-appoint Messrs BDO PLT as Auditors of the Company and to authorise the Directors to fix their remuneration.

Based on the votes cast, Dato' Chairman declared that by majority votes of 99.96%, the following motion be and hereby duly carried:

*“THAT Messrs. BDO PLT be re-appointed as the Company’s Auditors for the ensuing year AND THAT the Directors be authorised to fix their remuneration.”*

**Ordinary Resolution 7:**

- Proposed Renewal of Existing Shareholders’ Mandate for Recurrent Related Party Transactions (“RRPT”) of a Revenue or Trading Nature.

Based on the votes cast, Dato' Chairman declared that by majority votes of 81.93%, the following motion be and hereby duly carried:

*“THAT subject always to the provisions of the Companies Act 2016 (“CA 2016”) and pursuant to Paragraph 10.09 of the Main Market Listing Requirements (“MMLR”) of Bursa Malaysia Securities Berhad (“Bursa Securities”), KPS Berhad Group be and is hereby authorised to enter into and give effect to the RRPT of a revenue or trading nature with the related parties as set out in Section 2.3 of the Circular to Shareholders dated 20 April 2023 (“Related Parties”) provided that such transactions and/or arrangements are:*

- a) recurrent transactions of a revenue or trading nature;*
- b) necessary for the day-to-day operations;*
- c) undertaken in the ordinary course of business at arm’s length basis and are on normal commercial terms and transaction prices which are not more favourable to the Related Parties than those generally available to the public; and*
- d) not detrimental to the minority shareholders of the Company,*

*(collectively known as “Proposed Shareholders’ Mandate”);*

**AND THAT** *such approval shall continue to be in force until:*

- a) the conclusion of the next AGM of the Company following the AGM at which the Proposed Shareholders’ Mandate is passed, at which time it will lapse unless the authority is renewed by a resolution passed at such AGM; or*
- b) the expiration of the period within which the next AGM of the Company after that date is required to be held under Section 340(2) of the CA 2016 (but must not extend to such extension as may be allowed pursuant to Section 340(4) of the CA 2016); or*
- c) revoked or varied by ordinary resolution passed by the shareholders of the Company in a general meeting*

*whichever is earlier;*

**AND THAT** *the Directors of the Company be and are hereby authorised to complete and do all such acts, deeds and things to give effect to the aforesaid Proposed Shareholders’ Mandate and transactions contemplated under this resolution.”*



**12. CLOSURE**

Dato' Chairman thanked everyone present at the AGM and declared the 46<sup>th</sup> AGM of KPS as concluded at 11.50 a.m.

**CONFIRMED AS A CORRECT RECORD**



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**CHAIRMAN**

Dated: 21 June 2023

# 46<sup>th</sup> Annual General Meeting

## BUSINESS REVIEW & PROSPECTS

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Tuesday | 30 May 2023



Ahmad Fariz Hassan  
Managing Director / Group CEO





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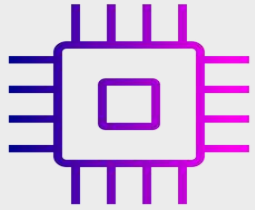
## Report Card

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# Navigating Myriad of Challenges in 2022

A Bumpy Ride in a Volatile, Uncertain, Complex, and Ambiguous Operating Climate

## Supply Chain Disruption



- Supply chain bottleneck of electronic chips: long lead time (24 to 27 weeks)
- Elevated resin prices
- Average paper prices increased by 43% from USD925/mt to USD1322/mt

## Minimum Wages



- Higher OT and labour costs post-minimum wage implementation in May 2022

## Inflation & Interest Rate Hike



- Inflation on the rise



- Increase in OPR from 1.75% to 2.75% (from January to December 2022)

## Weak Consumer Demand



- Softening of consumer sentiment and market demand
- Consumers continue to defer spending due to macroeconomic uncertainty



# Yet, We Overcame

FY2022 Achievements: More Than RM450.0 million of New Projects and Contracts

KEY PERFORMANCE INDICATORS	ACHIEVEMENTS	NEW PROJECTS/CONTRACTS
<b>GROUP REVENUE</b>	<b>RM1,360.6 million</b>	 <p>Full assembly for gardening tools and subassembly for vacuum cleaner accessories</p>
<b>GROUP EBITDA</b>	<b>RM195.3 million</b>	
<b>TOYOPLAS</b> New customers/projects	<b>8</b>	 <p>Plastic parts for WiFi routers and access points, security cameras and security doorbells</p>
<b>CPI</b> New customers/projects	<b>5</b>	 <p>The front bezel of center console, PCB assembly for fuel-dispenser boards, components for CCTV cameras</p>
<b>CBB</b> 1. New customers for offset business 2. New customers for carton business 3. Expansion into Penang for offset business	<b>5</b> <b>4</b> <b>Q4FY2022</b>	 <p>Cement bags, cartons and rigid boxes</p>
<b>KING KOIL</b> 1. KKMW - new customers/projects 2. KKLC - new licensee/ territories/renewal with higher royalties	<b>2</b> <b>3</b>	 <p>Sustainably crafted mattresses</p>
<b>AQUA-FLO</b> 1. New customers 2. New contracts from existing customers	<b>2</b> <b>16</b>	 <p>Water meters and Water chemicals</p>

Note: All pictures shown are for illustration purposes only and do not represent the actual products/parts manufactured for our customers

# Key Corporate Events in 2022

Enhancing Corporate and Business Fundamentals

	<b>Rebranded on 28 February 2022</b>
	<b>Completed the disposal of SPRINT Highway. Paid 4.5 sen special dividend</b> Completed on 13 October 2022 with an equity value of RM863.0 million, received a sum of RM172.6 million for our 20% share in 2022.
	<b>Acquired MDS Advance, a high-precision CNC metal machining business, for RM85.0 million</b> Completed on 13 January 2023 based on a 7.9 EV/EBITDA ratio. The acquisition came with a 2-year profit guarantee of RM17.0 million.
	<b>Commenced operations in Toyoplas' new factory in Bac Giang, North Vietnam</b> The new plant took over Toyoplas Bac Ninh plant's operations in December 2022 and is expected to benefit from the US-China trade tensions.
	<b>Completed the construction of CPI's new EMS factory in Bayan Lepas, Penang</b> Construction of the new plant was completed in 2022, and operations commenced in March 2023. The new plant's built-up is approximately 2.5 times bigger than its previous EMS facility.



# Delivering Financial Commitment to Shareholders

A Total of 9.0 sen Dividend for FY2022

## Dividend Policy



**≥ 30.0%**

of the Group's Normalised Core PATAMI

Dividend policy was approved on 30 March 2021

## FY2022 Total Dividend



**9.0 sen\***

Per Ordinary Share

\* 2.5 sen final dividend - subject to the shareholders' approval at the 46<sup>th</sup> AGM

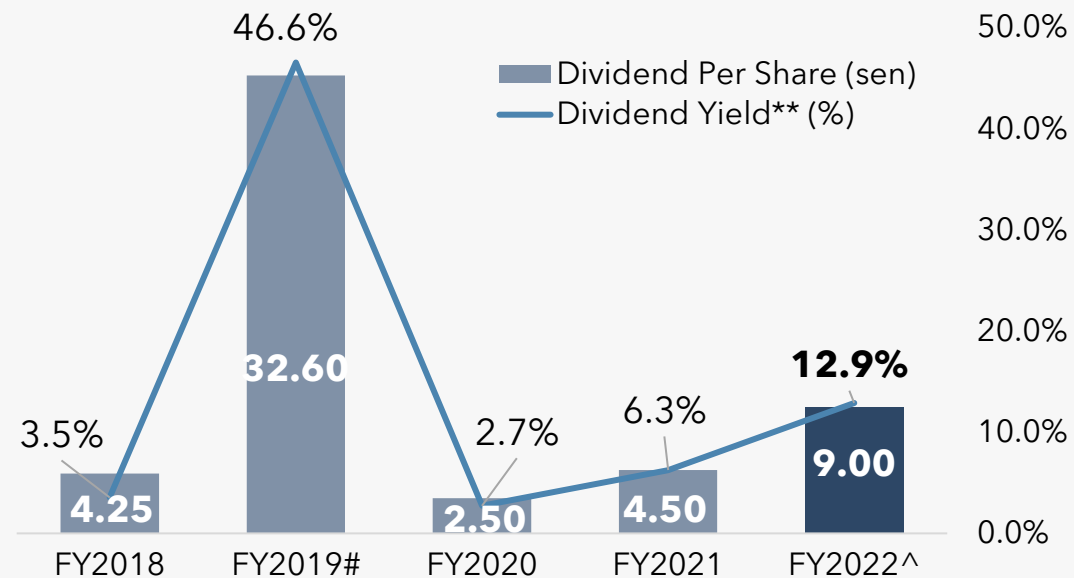
## FY2022 Dividend Yield\*\*



**12.9%**

\*\* Based on the share price as of 31 December 2022

## Sustainable Dividends Over the Years



Dividend Pay-out (RM' mil)	22.8	175.2	13.4	24.2	28.4
Pay-out/ Normalised core PATAMI	>100.0%	>100.0%	63.8%	54.2%	>100.0%

# Special dividend from SPLASH divestment

^ Special dividend from SPRINT divestment



# Awards & Recognitions

Embracing Culture of Excellence

2023



**Best Employer Brand Awards 2023**



**Silver NACRA 2022 Excellence Awards**

Previous years



**Sustainability & CSR Malaysia Awards 2022: Overall Excellence in Community Upliftment Initiatives**



**Sustainability & CSR Malaysia Awards 2022: Long-Standing Excellence in Sustainability**



**Silver NACRA 2020 Excellence Awards**



**Silver Award: Employer of Choice (Private Sector) 2018**



**Platinum NACRA 2021 Excellence Awards**



**Sustainability & CSR Malaysia Awards 2021: Leadership in Sustainable Environment & Social Initiatives**



**Sustainability & CSR Malaysia Awards 2020: Overall Excellence in Education, Entrepreneurship & Community Development**



**Asia Responsible Enterprise Awards 2018**



**MSWG-ASEAN Corporate Governance Awards 2020: Excellence Award for CG Disclosure & Industry Excellence Award**



**CSR Malaysia Awards 2019**



**Best Companies To Work For In Asia 2018**



02

## Financial Highlights

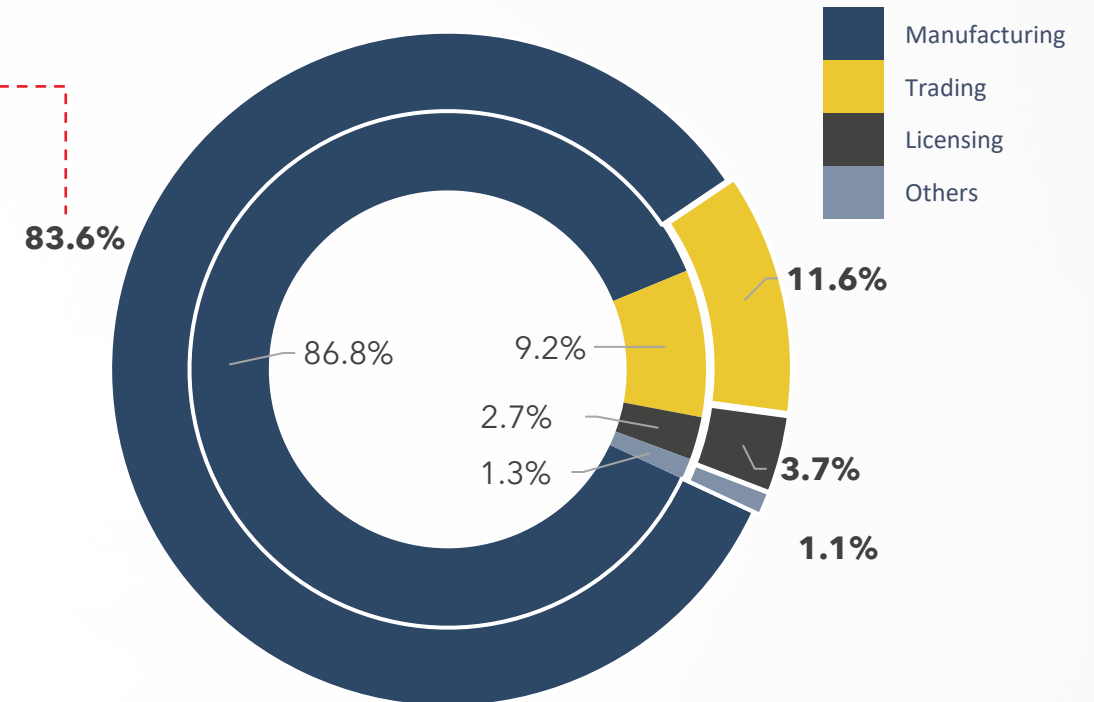
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# Manufacturing Momentum Moderated

Trading and Licensing Provided Balance

SECTOR	FY2022	FY2021	Variance
 Manufacturing	<b>1,137.2</b>	1,152.2	▼ 1.3%
 Trading	<b>158.3</b>	121.9	▲ 29.9%
 Licensing	<b>50.9</b>	35.5	▲ 43.4%
 Infrastructure	<b>5.2</b>	9.6	▼ 45.8%
 Property Inv.	<b>9.0</b>	8.9	▲ 1.1%
<b>TOTAL (RM million)</b>	<b>1,360.6</b>	1,328.1	▲ 2.4%





**FY2022  
REVENUE BREAKDOWN BY SECTOR**



# Manufacturing Contribution Sustained

Despite Normalised Demand and Weaker Retail Sentiment

## MANUFACTURING REVENUE BREAKDOWN

Subsidiary	FY2022	FY2021	YTD Growth
 TOYOPLAS	526.8	529.0	▼ 0.4%
 CPI	220.7	202.2	▲ 9.1%
 KING	241.5	235.7	▲ 2.5%
 KING	148.2	185.3	▼ 20.0%
<b>TOTAL (RM mil)</b>	<b>1,137.2</b>	<b>1,152.2</b>	<b>▼ 1.3%</b>



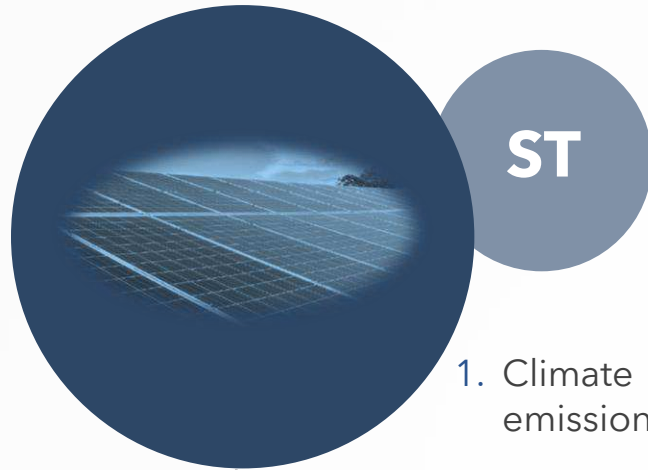
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## Commitment to ESG

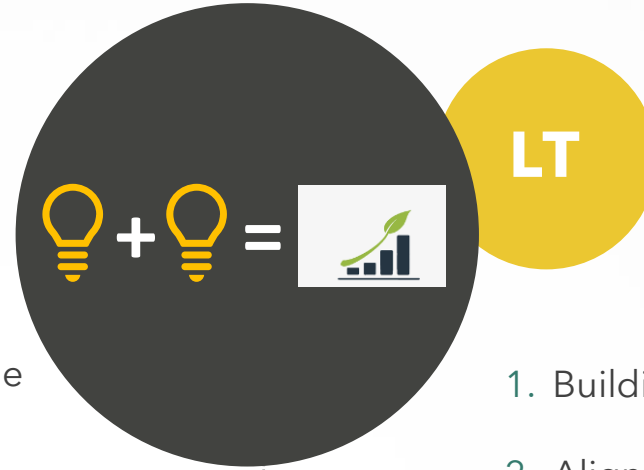
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# Commitment Towards Low Carbon Economy

Gearing Up for 45% GHG Reduction by 2030



1. Climate strategy to include emission reduction.
2. Procuring solar energy through CGPP's Cyberjaya Floating Solar Farm for KPS Berhad and participating subsidiaries.



1. Building climate resilience.
2. Aligning KPS Berhad's climate action by managing physical and transition risks.



# Extending Impact Through Community Development

Sharing Corporate Growth Benefiting > 100,000 Community Members



## EDUCATION

Developing talent and skills of targeted stakeholders.

Provided access to quality education to **40** Orang Asal students



## ENTREPRENEURSHIP

Promoting and enabling business opportunities.

Assisted more than **45** entrepreneurs



## COMMUNITY DEVELOPMENT

Enhancing social progress and stakeholder development.

Assisted more than **27,000** beneficiaries



## ENVIRONMENT, SAFETY & HEALTH

Improving society's quality of life and caring for the environment.

Assisted more than **80,000** beneficiaries





04

## Economic Outlook

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# Anticipating Slowdown in Growth

Resulting in Higher Overall Overheads

01

**Broad base growth remains elusive with sustained headwinds in the global economy, geopolitics and monetary policy**

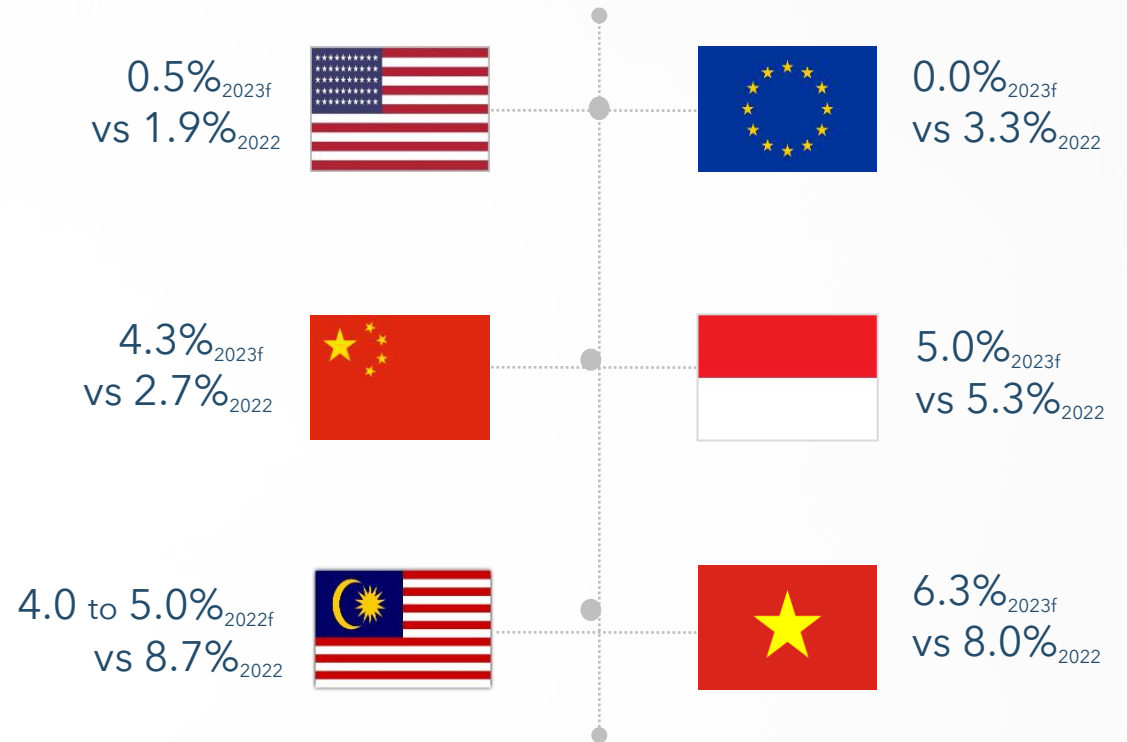
02

**High raw material, commodity and utility prices**

03

**Resulting, higher cost of doing business**

## GDP Growth within our Value Chain:



Source: Chief Economists Outlook: May 2023, World Bank Report and International Monetary Fund



05

## Managing Prospects

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# Ensuring Business Resilience

## Whilst Navigating Operating Challenges



### REVENUE GROWTH AND DIVERSIFICATION

#### Revenue growth strategies to prioritise business development efforts

- Diversifying product mix, increasing reach and expanding into new industries with higher margin opportunities.
- Acquiring new customers and growing together with existing customers



### COST SAVINGS INITIATIVES

#### Operating costs to remain under close monitoring

- Implementing centralised vendor management.
- Consolidating operations to streamline processes to improve efficiency.



### EXPANSION OF CAPACITY AND CAPABILITIES

#### Maintaining competitive advantage with RM51.8 million Capex

- Investing in automation, and onboarding of new machines & technology.
- Leveraging on existing capabilities and resources, exploring options to monetise excess spaces and machines.

# Thank You

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*Investor Relations, Sustainability & Communications*

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**KUMPULAN PERANGSANG SELANGOR BERHAD**

(Registration No. 197501002218 / 23737-K)

(Incorporated in Malaysia)



**APPENDIX 3 OF THE MINUTES OF 46<sup>TH</sup> ANNUAL GENERAL MEETING (“AGM”) OF KUMPULAN PERANGSANG SELANGOR BERHAD (“KPS BERHAD” OR “THE COMPANY”) HELD VIRTUALLY AT KPS BERHAD CORPORATE OFFICE, 17<sup>TH</sup> FLOOR, PLAZA PERANGSANG, PERSIARAN PERBANDARAN, 40000 SHAH ALAM, SELANGOR DARUL EHSAN AND VIA THE BOARDROOM SMART INVESTOR PORTAL AT <https://investor.boardroomlimited.com> ON TUESDAY, 30 MAY 2023 AT 10.00 A.M.**

**THE QUESTIONS WERE READ OUT BY THE MANAGING DIRECTOR/GROUP CHIEF EXECUTIVE OFFICER (“MD/GCEO”) AND JOINTLY ANSWERED BY HIMSELF, DEPUTY CHIEF EXECUTIVE OFFICER (FINANCE & CORPORATE SERVICES) AND DEPUTY CHIEF EXECUTIVE OFFICER (STRATEGY & INVESTMENTS) DURING THE 46<sup>TH</sup> AGM LIVE BROADCAST WHICH WAS RECEIVED FROM THE SHAREHOLDERS/PROXIES OF KPS BERHAD PRIOR TO THE AGM AND DURING THE LIVE AGM MEETING TOGETHER WITH THE RELEVANT MANAGEMENT’S RESPONSES THEREOF:**

<b>NO.</b>	<b>QUESTION OR COMMENT FROM SHAREHOLDERS/ PROXIES OF KPS</b>	<b>THE COMPANY’S ANSWER OR RESPONSE</b>
1.	How much is the financial impact caused by the increase in electricity tariff?	<p>Following the implementation of ICPT (Imbalance Cost Pass Through) on 1 January 2023 the Group is currently experiencing an additional charge of up to 0 20 sen per kWh. The rise in electricity prices during the first quarter of 2023 had a considerable effect, resulting in a total impact of approximately RM 940 K, or 34, on our manufacturing facilities as compared to the corresponding quarter last year. We anticipate that the full-year impact of the tariff increase will be above RM4.0 million.</p> <p>Our main subsidiaries have responded to this challenge by taking decisive measures to mitigate the increasing costs of electricity tariffs. CBB, for example, has taken proactive action by installing solar panels. This forward-looking initiative has resulted in monthly savings of RM40K since January 2023. By adopting solar energy, CBB has not only decreased its dependence on traditional electricity sources but also achieved significant cost reductions.</p> <p>Similarly, Toyoplas and CPI have also recognised the significance of transitioning to renewable energy. They have devised comprehensive plans for the installation of solar panels at their manufacturing facilities. This strategic step is expected to gradually reduce their reliance on conventional electricity, effectively addressing the challenges posed by the electricity hike. With the completion of this initiative, Toyoplas and CPI companies anticipate monthly cost savings of approximately RM75K and RM100K, each</p>

NO.	QUESTION OR COMMENT FROM SHAREHOLDERS/ PROXIES OF KPS	THE COMPANY'S ANSWER OR RESPONSE
2.	<p>What's the outlook on EMS? In the quarter four ("Q4'22") analyst briefing slides, it mentioned that shortages of IC and the slowdown in consumer spending would impact EMS. Have things improved since then?</p>	<p>While the shortages of ICs (Integrated Circuits) are no longer critical, they still have an impact on selective customers. The slowdown in consumer spending has been exacerbated by factors such as inflation, increased interest rates, and concerns of an impending recession. These factors have contributed to the Group's decline in revenue in quarter one ("Q1'23") and are expected to continue exerting pressure on the business going forward.</p> <p>To mitigate the effects of slower demand on revenue generation, we shall consider various business development strategies and tactical initiatives. They include diversifying product offerings, exploring new markets and customer segments, improving operational efficiency, and investing in marketing and sales efforts to stimulate demand. While monitoring closely global economic trends and consumer sentiment, we are committed to ensuring a regular review of our cost management strategy to effectively manage our operating costs while positioning ourselves for future growth.</p> <p>To this effect, we shall enhance operational efficiency by re-evaluating the supply chain and optimising the distribution network and inventory, as well as emphasising R&amp;D when co-developing new products and exploring substitute materials to reduce waste and stay competitive. In alleviating the impact of rising electricity tariffs, we are identifying cost-saving opportunities by reducing energy consumption. We are also planning for additional installations of solar panels, monitoring utility consumption, and identifying energy-saving opportunities, all of which are aimed at significant cost reduction.</p>
3.	<p>Has the price of paper and resin trend downwards?</p>	<p>The resin price, although lower than its peak in 2022, remains at a higher level compared to 2020. Furthermore, the average paper price has stabilised in Q1'23 but is still 45% higher than Q1'22. These factors continue to exert pressure on the KPS Berhad Group's profitability. To address this, the KPS Berhad Group is committed to ensuring operational resilience through the implementation of enhanced revenue growth strategies. This includes prioritising business development efforts, expanding alongside existing customers, and focusing on higher margin opportunities.</p> <p>In addition, the KPS Berhad Group will maintain its focus on cost-efficiency measures and streamline initiatives to maintain lean operations. This approach allows the KPS Berhad Group to build its capacity to support existing and new businesses, creating sustainable value while safeguarding revenue and profitability.</p>

NO.	QUESTION OR COMMENT FROM SHAREHOLDERS/ PROXIES OF KPS	THE COMPANY'S ANSWER OR RESPONSE
4.	<p>The latest Q1'23 results are poor. Why are the results poor after the vendor of the acquired companies completes their profit guarantee period? High revenue but low profit after tax margin?</p>	<p>Consumer sentiment and global economic activity have, since the fourth quarter of 2023, been weak due to a number of macroeconomic shocks, including inflation, fear of recession, and consumer spending. This pressured demand for goods in the manufacturing sector across various industries as inventories built up. For the majority of KPS' manufacturing subsidiaries, this has resulted in lower sales volume and revenue generation, thereby affecting the Group's top line.</p> <p>As a result, although our core manufacturing business provided 83% of the Group's sales for the quarter, or RM 227.5 million, the manufacturing business, which consists of Toyoplas CBB, CPI, MDS Advance, and KKMW recorded decreased revenue by 16% or RM43.5 million, compared with RM271.0 million in the same quarter previous year. However, a new contribution from the recently acquired company, MDS Advance, somewhat offset the decline in manufacturing revenue generation.</p> <p>The slower demand observed in the manufacturing sector was accompanied by the increase in operating costs in part due to the long-term effects of Malaysia's introduction of minimum wages and higher electricity tariffs. These effects had a cascading effect on the supply chain and, ultimately, the financial performance. As a result, these factors have and are expected to continue to, place pressure on profitability going forward. Consequently, compared to RM16.4 million reported in the same quarter the previous year, the Group PAT declined to RM2.9 million, or 82% less.</p>
5.	<p>Is there any plans to list its subsidiaries on the stock market over the next 12 months? The PE ratio of KPS is not reflective of the EMS business of its subsidiaries.</p>	<p>No, as at this juncture, the priority is to focus on growing the subsidiaries, continuously creating values within the KPS Berhad Group and, as a result ensuring the sustainability of the KPS Group's businesses and their profitability.</p>
6.	<p>I would like to suggest that dividend to be declared on every quarter basis instead of every 6 or 12 months basis. The minimum dividend payout should be increased from 30% to 50%.</p>	<p>The decision on dividend frequency hinges on the goal to strike a balance between providing value to shareholders and maintaining the financial stability and growth of the Group. By distributing dividends semi-annually, the Group can ensure it has sufficient cash reserves to meet other financial obligations and operational needs such as working capital and investments. Bi-annual frequency provides a longer interval between payments and thus allows for better management of cash flow.</p> <p>Although our dividend policy is 30% of the core PATAMI, we had been paying more than 50% of the core PATAMI in the past five years.</p>



NO.	QUESTION OR COMMENT FROM SHAREHOLDERS/ PROXIES OF KPS	THE COMPANY'S ANSWER OR RESPONSE
7.	What is the impact of the rising input costs so far? Will KPS Berhad be able to maintain its bottom line going forward?	<p>Input costs have escalated in the past two years and will continue to increase. The impact on the business is imminent, therefore, we have to continue to adapt and adjust the way we conduct our business, to be more efficient and stay resilient.</p> <p>As a result, KPS was able to defend its bottom line in Financial Year ("FY") 2022, the Gross Profit ("GP") margin was 21%, 2% higher than the 19% recorded in FY 2021, supported by favourable sales mix. The normalised Profit Before Tax ("PBT") margin and normalised Profit After Tax ("PAT") margin were 6% and 4%, as compared with 5% and 4% recorded in FY 2021, respectively.</p> <p>For FY 2023, we have set out clear business initiatives that mainly focus on revenue growth with cost-efficiency measures to support business development efforts, which will steer us in the right direction to stay resilient in this demanding operating environment.</p>
8.	Why Toyoplas expands into Vietnam?	<p>Due to the US-China trade war, most of Toyoplas' EMS partners served by Toyoplas operations in China diversified their operations outside of China. As a result of this move downstream, the point of delivery by our Toyoplas China operations moved further away, with a majority of deliveries being made to Vietnam. Cost of doing business in Vietnam is also lower than our operations in Dongguan and Shanghai.</p> <p>Having operations in Vietnam puts Toyoplas in a more advantageous position to obtain new customers considering the market's preference in choosing Vietnam as an offshore manufacturing location.</p>
9.	Why is Toyoplas winding up an entity in Nanning?	<p>Toyoplas Manufacturing (Nanning) Co. Ltd. initiated its winding process on August 30, 2022, with an expected completion date in 2023. The winding-up of the Nanning facility aligns with the completion of the new factory in Vietnam, which is a strategic move aimed at capitalizing on cost advantages and leveraging the ongoing US-China trade war.</p> <p>In Toyoplas as a whole, there was no reduction in capacity or loss of business as a result of the winding-up of Nanning. All major machines and customers served by Nanning were moved to other locations within Toyoplas. The new factory in Vietnam is much larger than Nanning. It can accommodate at least double the previous capacity of the Nanning plant.</p>
10.	Moving forth, how is KPS plan to utilise the cash of RM546.2 million?	<p>The higher cash balance in FY 2022 by RM84.4 million as compared to FY 2021 was mainly due to the proceeds received from the disposal of SPRINT (KPS owned 20%) to Amanat Lebuhraya Rakyat Berhad of which the disposal was completed in October 2022.</p>



NO.	QUESTION OR COMMENT FROM SHAREHOLDERS/ PROXIES OF KPS	THE COMPANY'S ANSWER OR RESPONSE
		<p>Part of the SPRINT disposal proceeds have been utilised for (i) special dividend (ii) acquisition for MDS of RM68.0 million. The remaining proceeds will be utilised for working capital and CAPEX, as well as to be reserved for scheduled repayments of loans &amp; borrowings. The cash reserved is to ensure KPS Berhad Group still have sufficient cash so that it will not disrupt the whole operations and businesses.</p> <p>Nevertheless, the business is still growing, and KPS Berhad Group still explore on any opportunity in the market, but the priority is to ascertain KPS Berhad's Group sustainability before committing any expansion or investment in the future.</p>
11.	What's the outlook for KPS Berhad FY 2023?	<p>We foresee that the operating environment will remain challenging. The weakening demand and rising input costs would challenge growth prospects and earning visibility. With this in mind, we have realigned our expectations on the business's prospects with the current external macro environment and our internal operational dynamics in light of the broader economic downturn.</p> <p>In maintaining operational resilience, KPS Berhad will continue to put revenue growth strategies in place, prioritising business development efforts such as acquiring new revenue streams, growing alongside existing customers, and focusing on higher margin opportunities. In addition, cost efficiency measures and streamlining initiatives will continue to be a focus to ensure lean operations in addition to building its capacity to support the existing and new businesses.</p>
12.	KPS' share price was quite volatile. What were the reasons for the sudden surge in share price and volume?	<p>The volatility in KPS' share price can be attributed to various factors, including speculative trading practices in the exchange and fluctuations in market sentiment. These factors are beyond the Group's control. However, we remain confident that KPS' long-term fundamentals will support its fair valuation.</p>
13.	How are the Sustainability initiatives important to the Company?	<p>KPS always strives to integrate the hopes and expectations of our stakeholders into our business vision and mission. To this end, we are committed to upholding the principle of sustainable development and operations, creating positive economic, environmental, and social impacts to ensure a better tomorrow for our future generations.</p> <p>In this regard, we focus on sustainable practises that are impactful and mutually beneficial, advancing both the Group and the communities in which we operate in terms of shared economic prosperity, contribution to environmental preservation, and the safeguarding and upliftment of society.</p>

NO.	QUESTION OR COMMENT FROM SHAREHOLDERS/ PROXIES OF KPS	THE COMPANY'S ANSWER OR RESPONSE
14.	How do you balance spending on sustainability-related initiatives with dividend to shareholders, and can you provide an update on the company's philanthropic or community investment activities?	<p>As a responsible organisation that invests in ensuring ESG sustainability, KPS Berhad focuses on both growing the business and ensuring sustainable value creation for ALL its stakeholders.</p> <p>In 2022, we are delivering a total dividend of 9.0 sen, or RM48.4 million, for the financial year ended 31 December 2022. This total dividend is equal to 136.7% of FY 2022 core PATAMI, which is much higher than the Group's guidance of a minimum 30% pay-out as per our dividend policy.</p> <p>At the same time, we allocated RM3.2 million in various community development initiatives, benefiting more than 100,000 stakeholders:</p> <ul style="list-style-type: none"> <li>a) The Education Development pillar - RM100,000</li> <li>b) The Entrepreneurship Development pillar - RM200,000</li> <li>c) The Community Development pillar - RM1,646,000</li> <li>d) The Environment, Safety &amp; Health pillar – RM369,000</li> </ul>
15.	Other than waste management, what are the environmental initiatives that KPS Berhad undertook to address its environmental footprint?	<p>As our core business is manufacturing, we continue to play an active role in spurring interest and awareness levels amongst our employees and the community where we operate to fully realise the benefits of co-existing harmoniously with Mother Nature.</p> <p><u>Energy Efficiency</u></p> <p>The Group sources the bulk of its energy needs from the national electricity grid to power buildings and manufacturing operations. We have introduced various initiatives aimed at saving energy while at the same time exploring alternative and renewable sources such as solar systems. This is a fundamental effort on our part to mitigate climate change.</p> <p><u>Circular Economy</u></p> <p>We are also exploring circular economy initiatives on top of our effective waste management practises, which were initiated in 2020. We have already increased the use of recycled materials in our injection moulding applications. Trends are shifting to the approach of designing for recycling, where the subsequent recycling process is considered as early as the design and development stages of production.</p>