2Q21

RESULTS BRIEFING

3 September 2021

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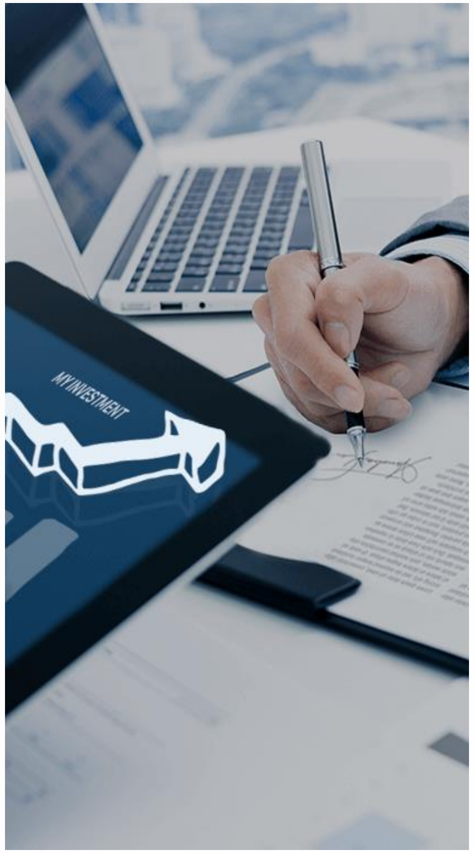


01

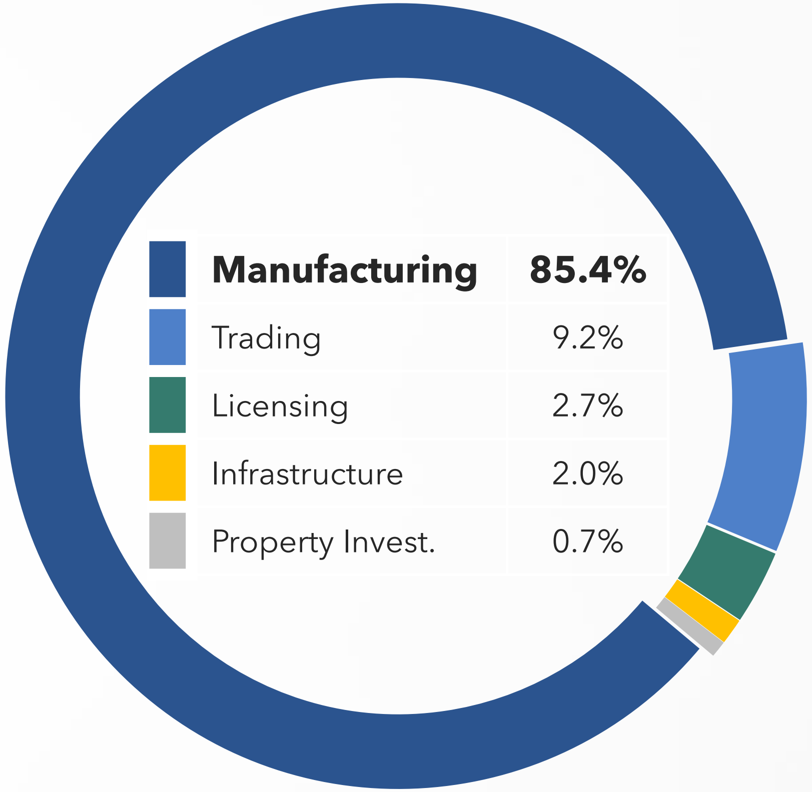
Group Financial Highlights

Positive Secular Demand Across Key Market Helped Stabilise Sales

Manufacturing Grew Steady, Trading Affected by Lockdown

SECTOR	2Q21	2Q20	YoY Growth	1H21	1H20	Growth
Manufacturing	**276.6**	177.9	▲ 55%	**543.6**	363.6	▲ 50%
Trading	**29.7**	30.3	▼ 2%	**56.3**	63.0	▼ 11%
Licensing	**8.6**	7.8	▲ 10%	**18.0**	19.3	▼ 7%
Infrastructure	**6.6**	3.2	▲ 100%	**9.8**	5.0	▲ 96%
Property Inv.	**2.3**	2.3	-	**4.4**	5.0	▼ 12%
TOTAL (RM mil)	**323.8**	221.5	▲ 46%	**632.1**	455.9	▲ 39%

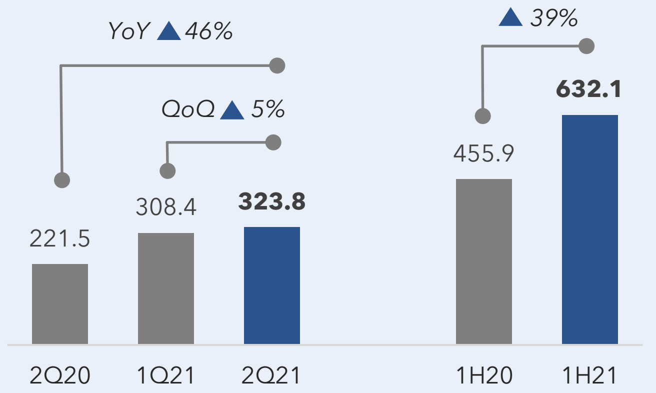
2Q21 REVENUE BREAKDOWN BY SECTOR



2Q21 Recovered from Performance Decline in Prior-year Quarter

But Margins Trimmed at Toyoplas and CPI as Input Costs Escalated

Revenue



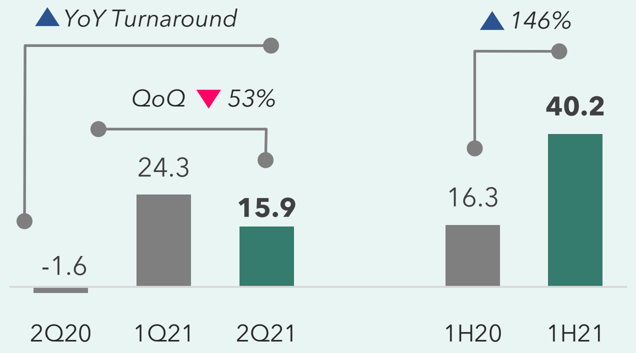
YoY Comparison

- Increased mainly due to higher contribution and improved sales from Manufacturing segment i.e. Toyoplas, CPI, CBB and KKMW.

1H21 vs 1H20

- Higher due to higher contribution and stronger performance of the Manufacturing segment.

Operating Profit



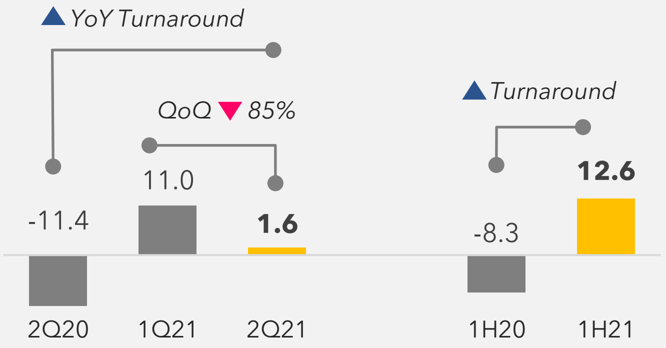
YoY Comparison

- Turned around due to:
  - ✓ higher contribution from all manufacturing subsidiaries.

1H21 vs 1H20

- Increased due to the same reasons as above.

Profit Attributable to Owners of the Parent

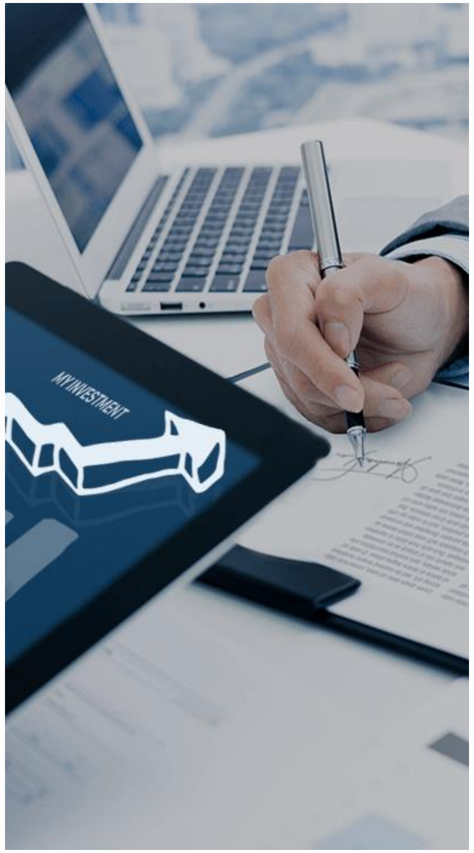


YoY Comparison

- Higher mainly due to:
  - ✓ Higher contribution from CBB, CPI, KKMW and KKLC;
  - ✓ No significant impairment on asset and investment property; and
  - ✓ Lower finance costs.

1H21 vs 1H20

- Higher due to:
  - ✓ Improved contribution from almost all subsidiaries;
  - ✓ Higher other income; and
  - ✓ Lower finance costs



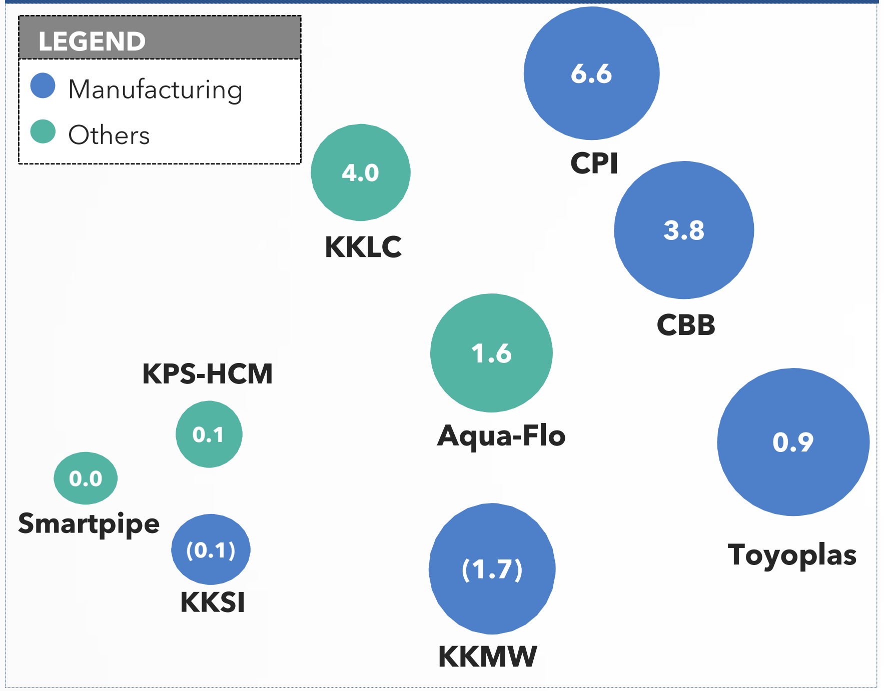
02

Results Segmentation

Contribution Higher from Subsidiaries but Lower from Associates

Cost at IHC Lower YoY due to Absence of Impairment

PAT from Subsidiaries = RM15.2m



Note :
Size of bubbles indicates Revenue (RM'mil) for 2Q21 for each subsidiary.
Numbers inside bubble indicates PAT (RM'mil) for 2Q21 for each subsidiary
X-axis – Revenue (RM'mil)
Y-axis – PAT (RM'mil)

−

Costs at Inv. Holding Co = RM12.2m

Costs	RM' m
Investment Holding	
- *Net Rental Income*	2.2
- *Profit Rate Income*	0.9
- *Management fee*	0.7
- *Admin Cost*	(9.5)
- *Zakat*	(2.4)
Finance Cost	(4.1)
TOTAL	**(12.2)**

\+ **(0.2m)**

NGC	SPRINT	PWM
0.3	-1.2	0.7

=

2.8m

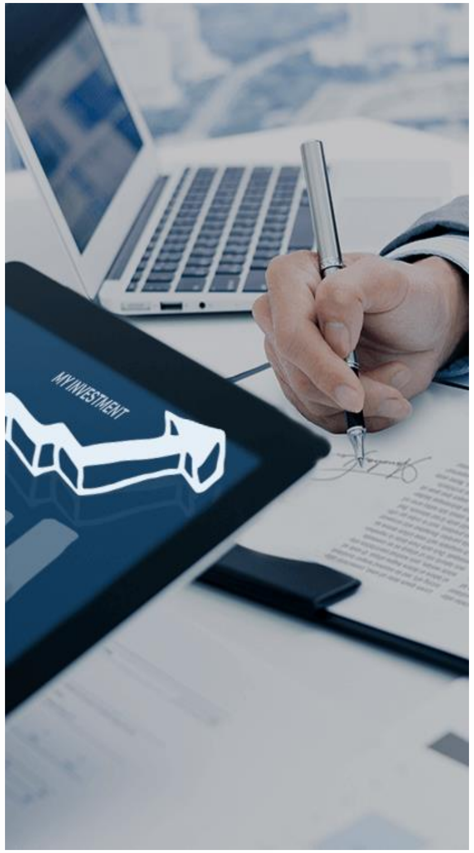
KPS GROUP

1.2m

Non-Controlling Interest

1.6m

GROUP Profit Attributable to Owners of the Parent



03

Subsidiary Highlights

Toyoplas Manufacturing (Malaysia) Sdn Bhd

Sales Cushioned by Industrial Tools Segment, Overall GP Moderated due to Higher Input Cost

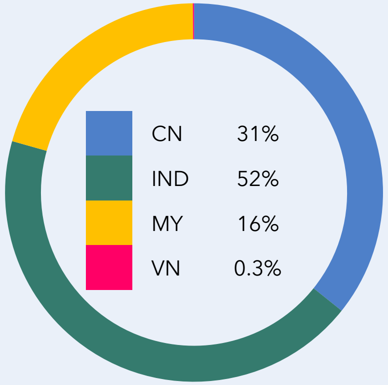
2Q21 HIGHLIGHTS

01 Plant utilisation:
China 65%, Malaysia 50% , Indonesia 85% and Vietnam 15%.

02 Global electronic chips (IC) shortage caused lower order pulls from Contract Manufacturers (CMs). Some end customers have resorted to Securing IC supply themselves instead of solely relying on CMs.

03 GP margin moderated mainly due to higher resin cost and lower absorption of fixed labour and overhead cost.

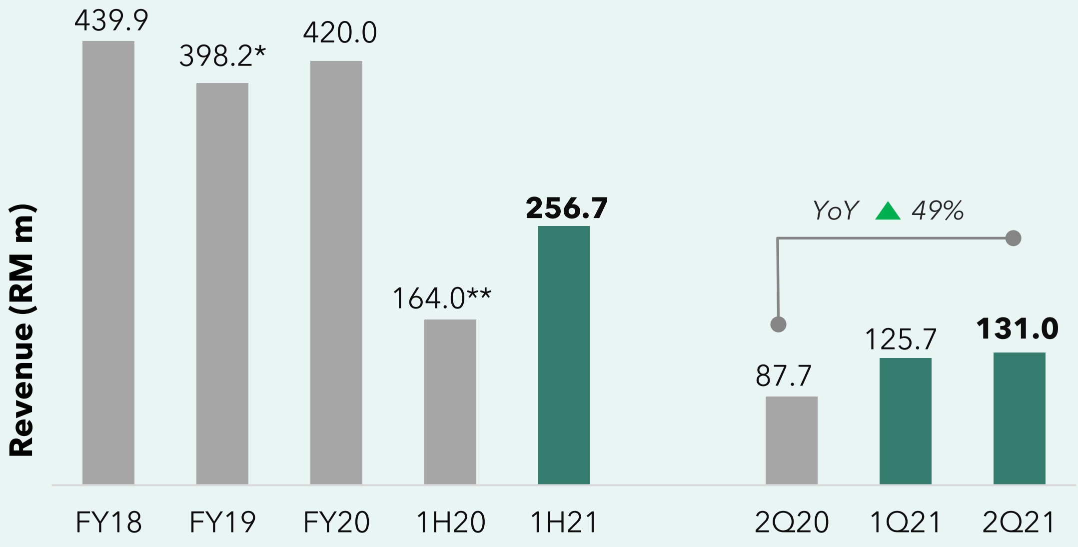
Revenue Breakdown by Country



Revenue Breakdown by Segment

Multimedia & Comms	34%
Consumer Electronics	18%
Industrial Tools	45%
Automotive	3%
Others	-

PERFORMANCE



Note:
**5-month contribution was RM193.6 million.*
***1H20 unaudited figure*

✓ **Revenue YoY** higher by 49%, with increments coming from each country. Indonesia's sales were driven by healthy order volume from Industrial Tools segment, which is not affected by the global shortage of IC, although deliveries are impacted by global vessel shortage.

CPI (Penang) Sdn Bhd

Topline Showed Signs of Recovery, Although Supply Chain Disruptions Continued to Pose Challenges

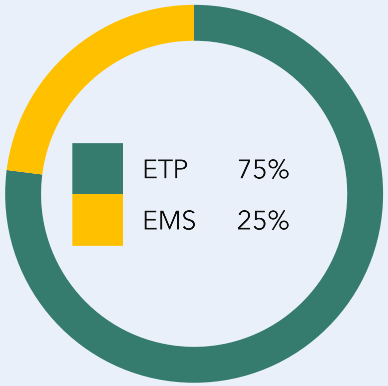
2Q21 HIGHLIGHTS

01 Plant utilisation: 70%

02 Sales sustainability impacted mainly due to severe global shortages of electronic components predominantly faced by the contract manufacturers, while profitability moderated mainly due to the escalating raw material costs.

03 Mitigation plans: Continuous negotiations with customers for potential increase in unit selling price on a case-to-case basis considering the steep increase in costs, to some success and close engagement with customers to prioritise productions given materials supply disruptions.

Revenue Breakdown by Division



Revenue Breakdown by Segment

Automotive	24%
Comms & IT	20%
Healthcare	22%
Others	34%

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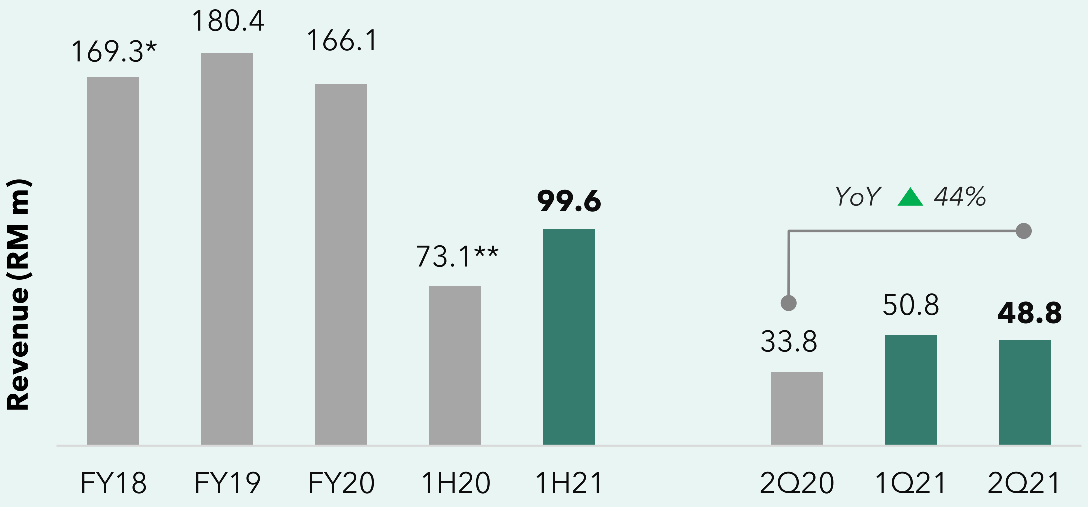


Note:
**Figure is based on 12-month contribution. Acquisition completed on 27 March 2018.*
***Unaudited 1H20 figure*

- ✓ **Revenue YoY** higher due to contribution mainly by Healthcare & Others segments.
- ✓ Revenue composition is quite balanced, with ETP consistently being the main revenue driver.

Century Bond Bhd

Revenue Growth Driven by Offset and Carton Division, GP Higher YoY

2Q21 HIGHLIGHTS

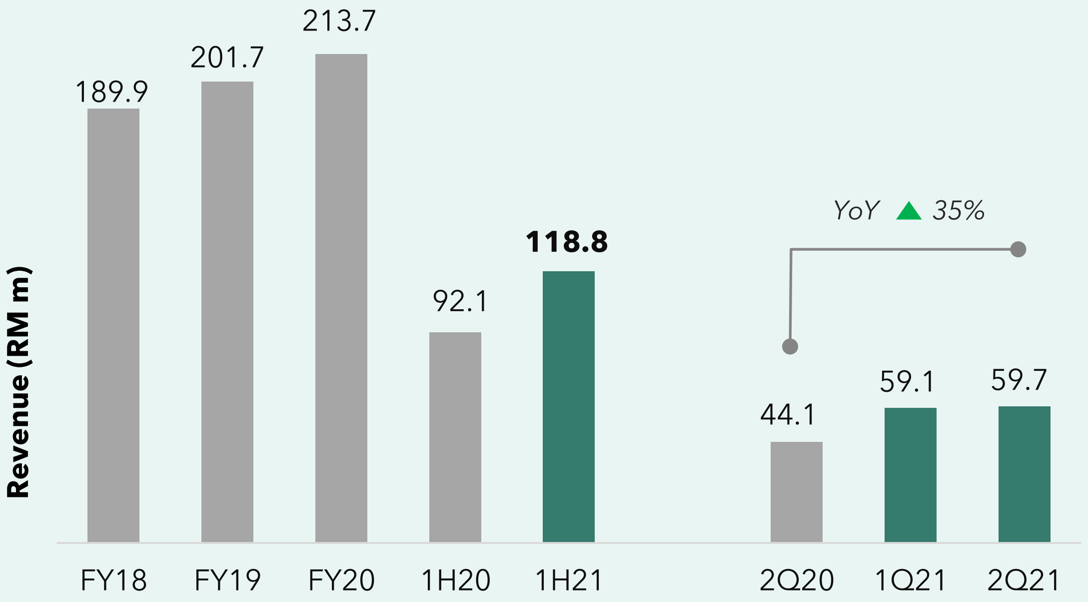
01 Plant utilisation: 47% across five Divisions.

02 Higher GP margin due to increase in sales price for Carton and Paper products.

03 Global shortage and increasing price of paper rolls. Mitigation plans: Procure from various suppliers for paper rolls and mixing papers as an alternative. CBB has also increased sales price to end customers.

Offset	34%
Carton	27%
Paper	25%
Plastic	8%
Consumer (OEM)	6%

PERFORMANCE



✓ **Revenue YoY** : 35% higher contributed by all segment except for OEM, arising from Taspack's new customers coupled with recovering sales post lockdown impact in the corresponding quarter.

King Koil Manufacturing West LLC. & King Koil Sales Inc.

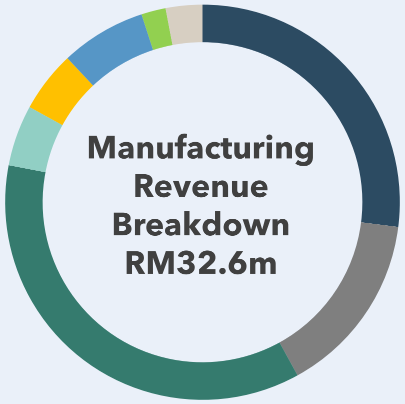
Higher Sales Supported by Steady Retail Sentiment and Customer Demand, GP Improved YoY

2Q21 HIGHLIGHTS

01 Plant utilisation : 38%

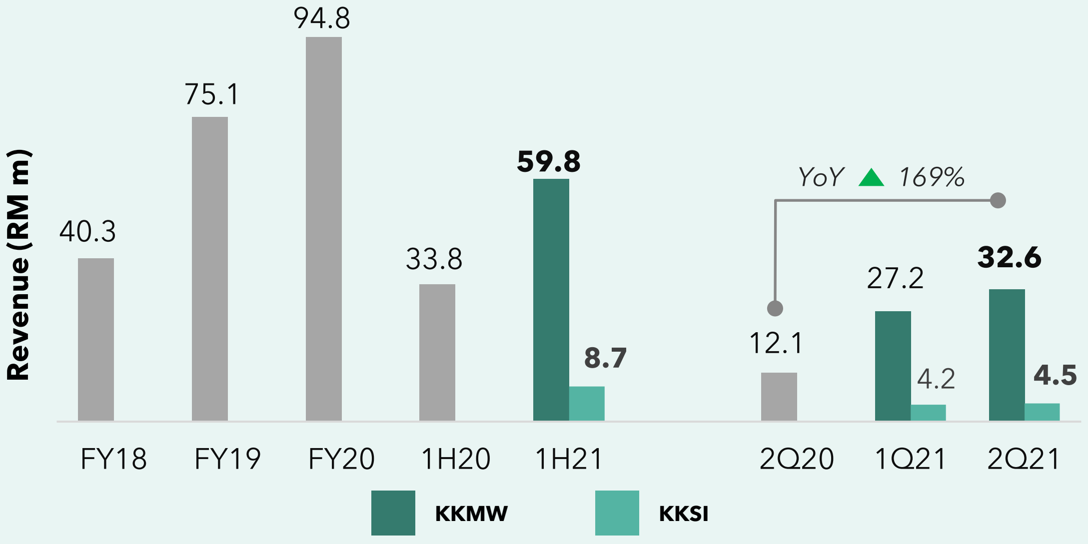
02 KKMW continues to focus on higher-value higher-margin products.

03 Key raw materials shortage (foam) and increase in price of raw materials in the US, which led to supply chain challenge. Mitigation plans: Continuously expand suppliers network for uninterrupted supply and more competitive prices including via imports (from China, Canada and Malaysia).



	Sit N' Sleep	26%
	Direct Ship	10%
	6 New Retailers	44%
	The Dump/Haynes	6%
SW	Southwest	5%
NW	Northwest	5%
MW	Midwest/South/Central	5%
...	Others	-

PERFORMANCE



- ✓ **Revenue YoY** for **KKMW** was higher mainly due to steady retail sentiment and consumer demand in the US, and higher sales from other key customers namely Ashley, Macy's, Jerome's, RC Wiley, as well as higher average unit selling price.
- ✓ The mattress manufacturing revenue was also supported by **OEM contribution** from **KKSI**, amounting to RM4.5 mil. Collectively, KKMW and KKSI contributed RM37.1 mil to the Group revenue.

Thank You

Investor Relations & Strategic Communication

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