Q4'22

RESULTS UPDATE

28 February 2023

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kps

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FY2022 Achievements

FY2022 Achievements

Secured More Than RM450.0 million in New Projects/Contracts

Rebranded on 28 Feb 2022

Disposal of SPRINT Highway

Completed on 13 October 2022 with an equity value of RM863.0 million. KPS' share was RM172.6 million (excluding RM10.8 million government compensation on receivables and retention sum). With this, KPS declared a special dividend of 4.5 sen per share on top of an interim dividend of 2.0 sen per share.

Eight new projects

Up to RM220.0 million in revenue per annum




Five new projects

Up to RM13.9 million in revenue per annum


Two new customers/market

Up to RM8.1 million in revenue per annum

Launched several new collections with >USD3 mil in sales. Secured a new customer (one of the US' largest bedding retailers, to roll out in FY2023). Restructured licensing agreement with a licensee for air mattresses and obtained one-off upfront royalties of RM10.0 million (USD2.5 million). Renewed with Argentina licensee, where minimum royalties to increase by 3% per year, starting with a minimum royalty of RM1.0 million (USD235K) in 2022. Renewed with Brazil licensee (doubled the minimum royalties). Restructured agreement with Yatsan, add Albania and Ukraine)

RM173.5 million contracts to supply water chemicals

A one-year contract to supply water meters worth RM18.1 million

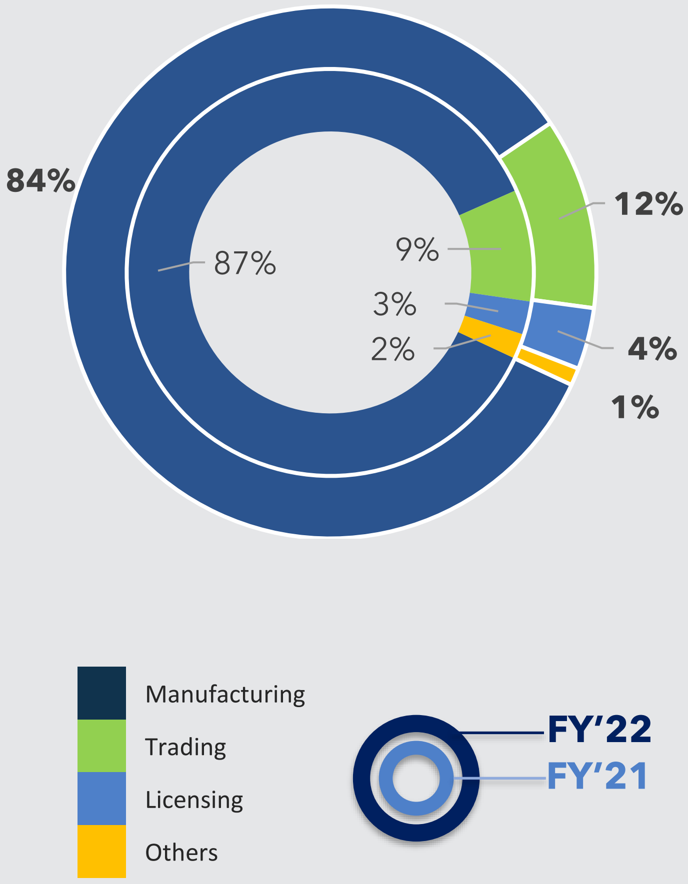
02

Key Financial Highlights

Manufacturing Momentum Moderated, Contributing 84% to Revenue

Trading & Licensing Provided Balance

REVENUE BREAKDOWN BY SECTOR

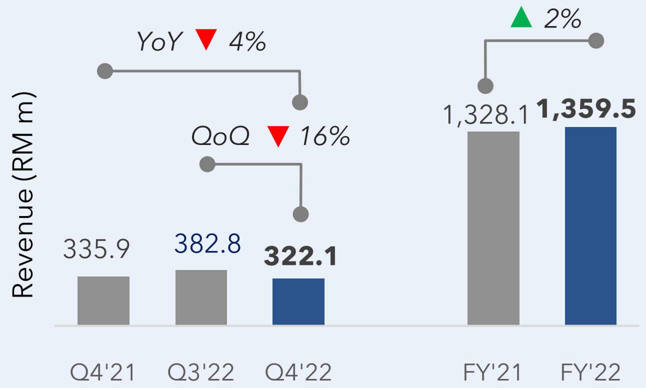


SECTOR	Q4'22	Q4'21	YoY Growth	FY'22	FY'21	Growth
Manufacturing	**269.2**	289.6	▼ 7%	**1,136.0**	1,152.2	▼ 1%
Trading	**40.0**	35.1	▲ 14%	**158.3**	121.9	▲ 30%
Licensing	**10.0**	8.9	▲ 12%	**50.9**	35.5	▲ 43%
Infrastructure	**0.6**	0.0	▲ >100%	**5.2**	9.6	▼ 46%
Others	**2.3**	2.3	▲ 0%	**9.1**	8.9	▲ 2%
TOTAL (RM mil)	**322.1**	335.9	▼ 4%	**1,359.5**	1,328.1	▲ 2%

Steady Topline Amidst Operational Challenges

Bottom Line Boosted by Share of Gain on Disposal of SPRINT

Revenue



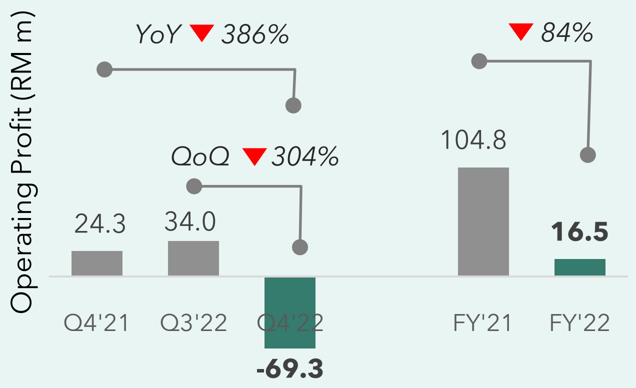
YoY Comparison

- Decreased due to lower contribution from the manufacturing sector which was affected by the normalisation of demand and volatility in the supply of electronic chips ("ICs")

FY'22 vs FY'21

- Increased due to better performance in Trading and Licensing sectors
- Manufacturing sector was hampered by the shortage of ICs and weaker consumer demand, under pinned by inflationary pressures and high interest rates.

Operating Profit/Loss



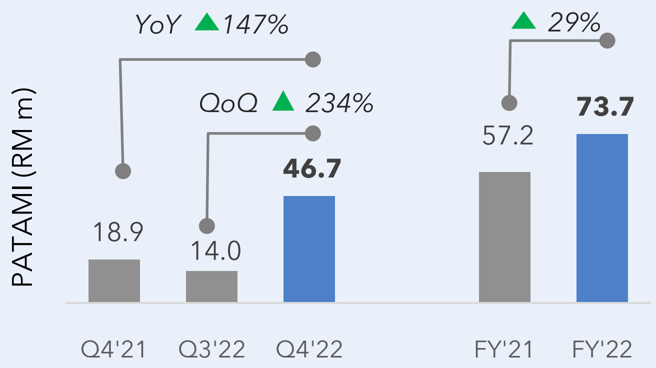
YoY Comparison

- Decreased mainly due to impairments on the investments on NGC Energy Sdn Bhd and Sistem Penyuraian Trafik KL Barat Holdings Sdn Bhd ("SPRINT") amounting to RM67.3 million and RM1.5 million, respectively

FY'22 vs FY'21

- Weighed down by the impairment on investments on associates amounting to RM68.8 million
- One-off gain on disposal of properties from Toyoplas amounting to RM14.8 million in FY'21

Profit Attributable to Owners of the Parent



YoY Comparison

- Increased due to higher share of profit from associates arising from one-off gain on disposal of SPRINT highway amounting to RM128.7 million, which offset the impairments on investment of associates and fixed assets amounting to RM68.8 million and RM16.0 million respectively.

FY'22 vs FY'21

- Increased with higher contribution from share of profits

03

Manufacturing Highlights

Flat Manufacturing Contribution

King Koil Affected by Weak Retail Sentiment in The United States

MANUFACTURING REVENUE BREAKDOWN

Subsidiary	Q4'22	Q4'21	YoY Growth	FY'22	FY'21	YTD Growth
TOYO TOYOPLAS	**124.8**	118.1	▲ 6%	**525.7**	529.0	▼ 1%
CPI	**54.3**	52.3	▲ 4%	**220.7**	202.2	▲ 9%
	59.7	65.6	▼ 9%	**241.4**	235.7	▲ 2%
KING	**30.4**	53.6	▼ 43%	**148.2**	185.3	▼ 20%
TOTAL (RM mil)	**269.2**	289.6	▼ 7%	**1,136.0**	1,152.2	▼ 1%

Toyoplas Manufacturing (Malaysia) Sdn Bhd

Lower Revenue with Shifts in Customer

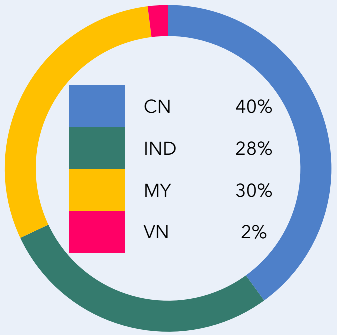
Q4'22 HIGHLIGHTS

01 Utilisation rates are lower in Q4’22 as production ramps down from the peak in Q3’22 for the holiday period.
Indonesia 49%, China 61%, Vietnam 17%, and Malaysia 43%.
(Q3’22: Indonesia 48%, China 74%, Vietnam 10%, and Malaysia 51%).

02 Revenue from Malaysia doubled with contribution from new projects, Vietnam’s revenue improved with products transferred from China whereas Indonesia recorded a lower revenue with the exit of a key assembly customer.

03 Gross profit margin improved with better sales mix in most operations except Malaysia, amid the increase in material costs, minimum wages and additional recruitment costs for foreign workers.

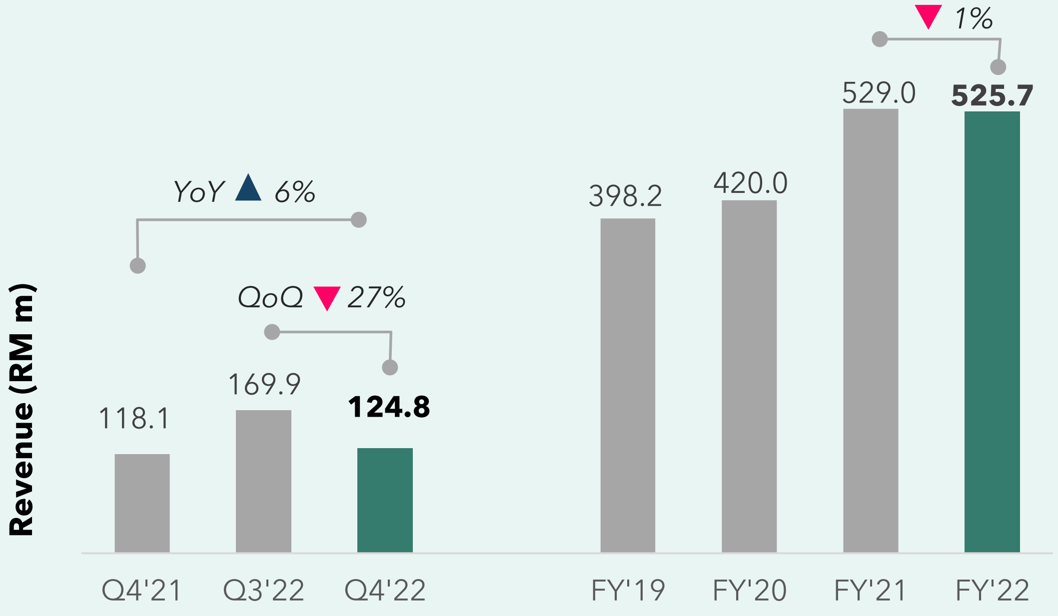
YTD Revenue Breakdown by Country



YTD Revenue Breakdown by Segment

Consumer Electronics	31%
Multimedia & Comms	44%
Industrial Tools	20%
Automotive	3%
Others	2%

PERFORMANCE



FY’22

✓ **Revenue** was only 1% lower. The improved sales performance from new projects in Malaysia (accessories for vacuum cleaners) and China (WiFi access points) compensated for the normalisation of end-consumer demand and the exit of a key customer in Indonesia (DIY products).

CPI (Penang) Sdn Bhd

Revenue Improved by 9%, Challenges on High Input Cost Persist

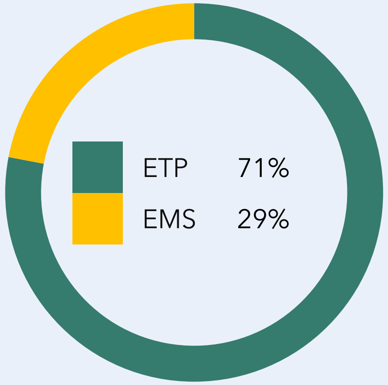
Q4'22 HIGHLIGHTS

01 Plant utilisation moderated at 60% in Q4'22. (Q3'22: 70%)

02 Sales trended higher YoY for all segments except automotive. Global shortages of electronic chips/components remain as one of the key challenges, while signs of slowing orders from certain customers due to softening market demand were observed.

03 Profit margin remains intact by keeping costs in check. Raw material prices were on a slight downward trend towards the end of the quarter but remain elevated.

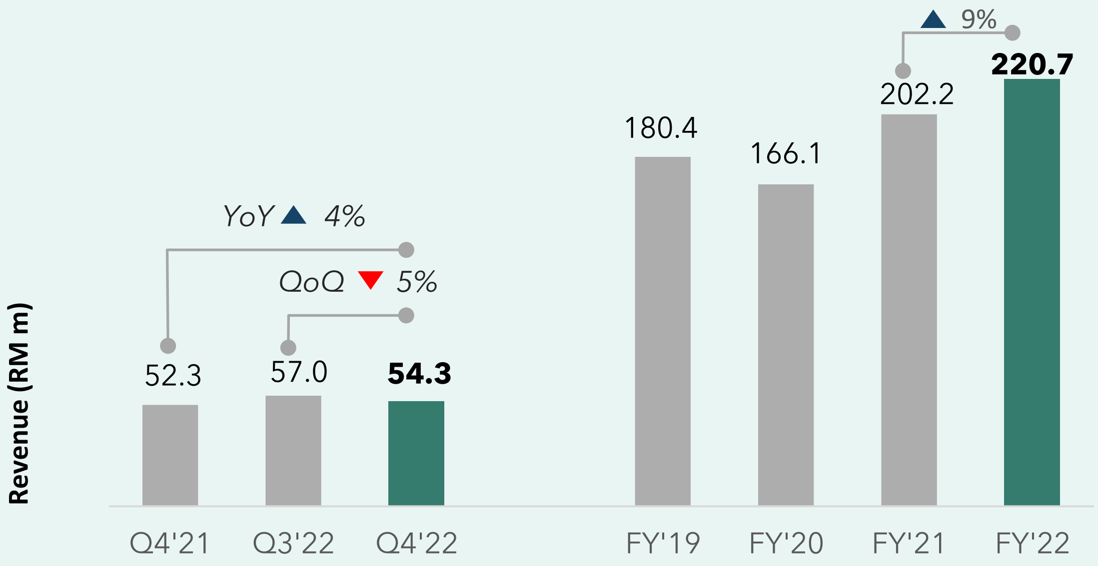
FY'22 Revenue Breakdown by Division



FY'22 Revenue Breakdown by Segment

Comms & IT	26%
Automotive	21%
Healthcare	16%
Others	37%

PERFORMANCE



FY'22

- ✓ **Revenue** was 9% higher, supported by the growth in both EMS and ETP divisions as new projects and orders are secured from existing and new customers.
- ✓ The ability to generate higher sales helps to dilute the impact of high input costs and defended the margins.

Century Bond Bhd

Paper Division Contributed Higher to Both Top and Bottom Lines

Q4'22 HIGHLIGHTS

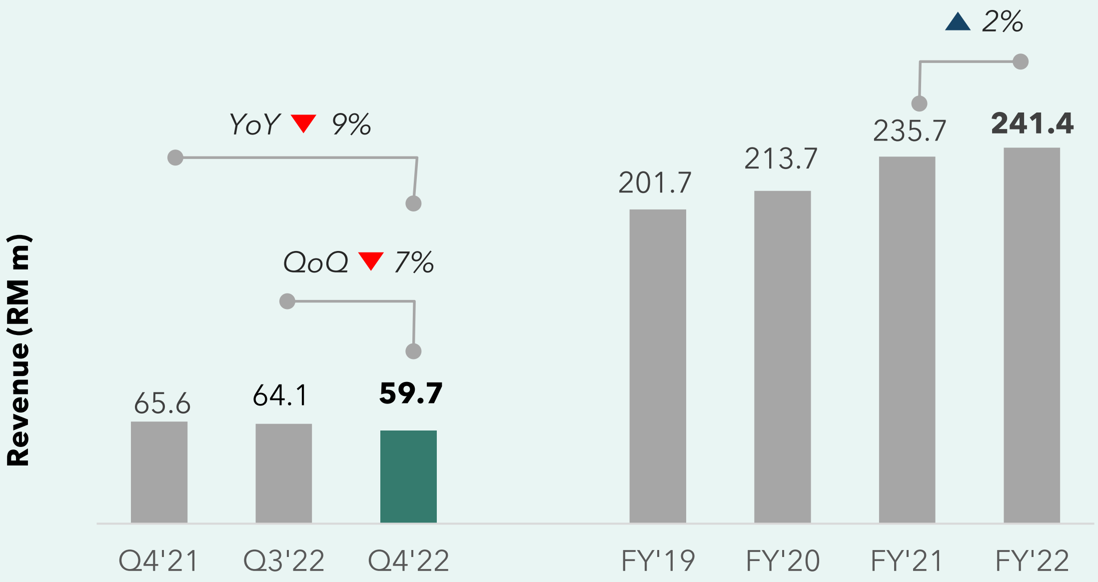
01 Plant utilization at an average of 39% across five divisions. (Q3'22: 41%)

02 The improvement in sales for the Paper division was supported by the increase in demand from the construction industry and new customer acquisition in Indonesia. However, Offset division was impacted by lower order pull from customers affected by the IC shortages.

03 Robust margins supported by the outperformance of the Paper division and cost-saving initiatives.

	Offset	27%
	Paper	34%
	Carton	24%
	Plastic	7%
	Consumer (OEM)	8%

PERFORMANCE



FY'22

✓ **Revenue** was 2% higher, supported by growth from the Paper and OEM divisions. The growth in the Paper division was due to higher sales from cement and drymix customers whereas OEM division was supported by sales from higher value products and new products.

King Koil Manufacturing West LLC.

Retailers Hit by Inflation. Focusing on High Margin Products

Q4'22 HIGHLIGHTS

01 Plant utilisation at 55%. (Q3'22:57 %).

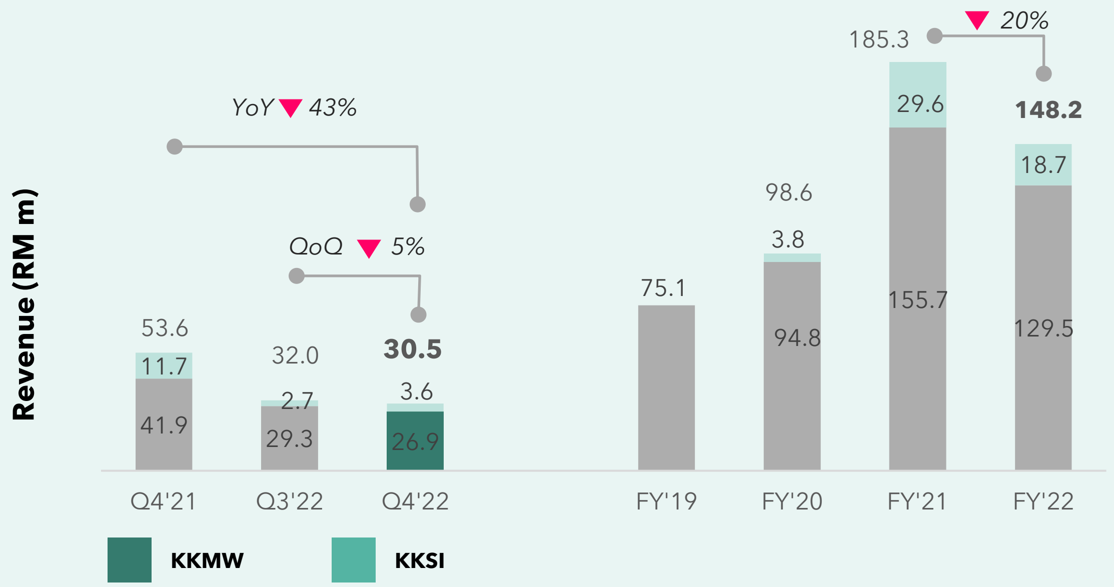
02 Sales were affected by weak consumer sentiments arising from inflation & rising interest rates affecting cost of living. KKMW is aggressively pursuing new customers & new projects for high-margin products. Launched a new sustainability line in January 2023.

03 Raw materials cost, transportation, and other expenses remain at an elevated level.

04 Gross Profit margin improved with the increase in average unit selling price.

SNS	30%
RC Wiley	15%
SNS Direct Ship	10%
Jerome's	6%
Macy's	12%
Mattress Firm	8%
The Dump	2%
BLVD Home	2%
Hom Furniture	2%
Others	15%

PERFORMANCE



FY'22

- ✓ **Revenue** was 20% lower. Mainly because of Ashley's termination, which was affected by the tapering of consumer demand due to inflation and fear of recession.
- ✓ Secured a new customer (the largest bedding specialty retailer in the US). The rollout is in 2023 and will help to cushion the impact from weakening demand.

04

Group's Initiatives for FY2023
Business Focus
CAPEX Planning

Group's Initiatives for FY2023

Revenue Growth Plans with Cost Efficiency Measures to Support Business Development Efforts

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.
- Growing together with existing customers
- Acquiring new customers
- Managing market-specific risks with new customers serving diversified markets.
- Focusing on branding & marketing.

COST SAVINGS INITIATIVES

Operating costs to remain under close monitoring

- Implement centralised vendor management.
- Managing and maintaining optimum headcount & manpower.
- Consolidating operations to streamline processes to improve efficiency.
- Managing currency fluctuations and finance costs.
- Managing and minimising tax exposure.

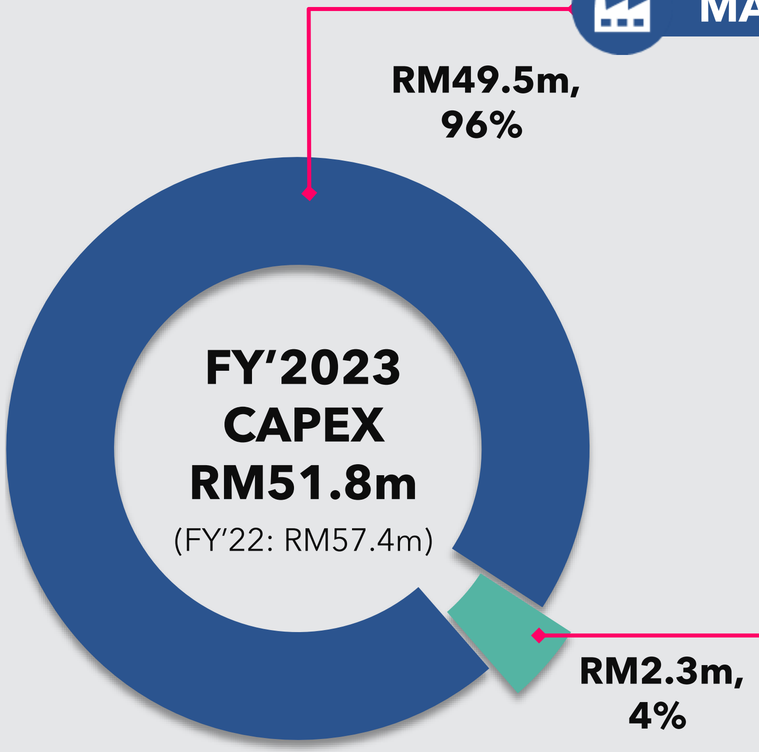
EXPANSION OF CAPACITY AND CAPABILITIES

Continuous capacity & capability building to maintain competitive advantage

- Investing in automation, and onboarding of new machines & technology.
- Shifting production location in line with the movement of customers to lower shipping costs.
- Exploring options to monetise excess spaces and machines.
- Leveraging on existing capabilities and resources.

2023 CAPEX Plan

RM51.8 million to Support Business Growth



MANUFACTURING

TOYOPLAS : RM22.8m

- Machinery & equipment
- Office equipment & software
- Motor vehicles
- Solar panel for TMM
- Relocation provision

CPI : RM16.1m

- Injection moulding machines
- IT hardware & software
- Solar project
- Process automation
- Surface Mount Technology (SMT) Line

CBB : RM8.0m

- Building (renovation & extension)
- New machineries to increase production capacity, IT software & other office equipment
- Infrastructure technology

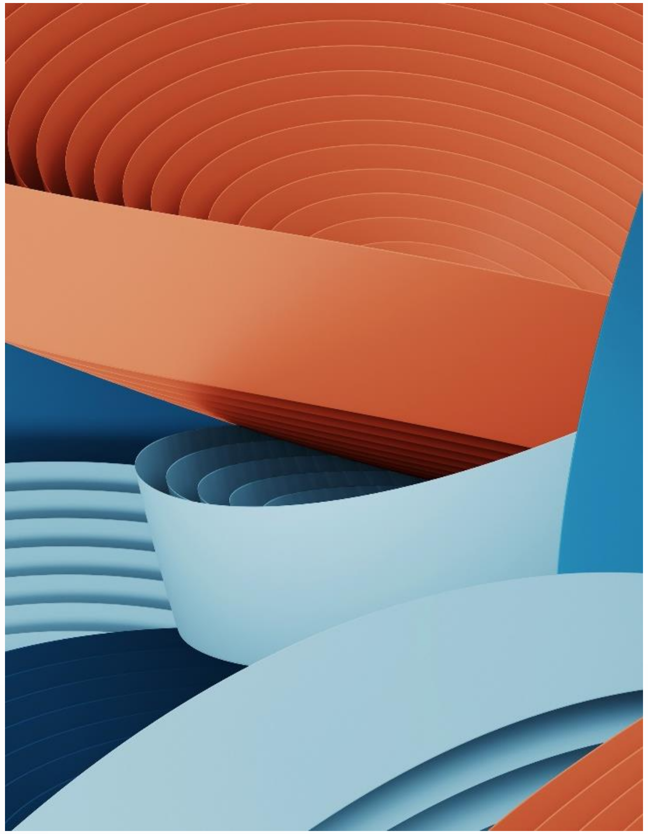
KING KOIL : RM2.6m

- Additional equipment for manufacturing plant & IT

OTHERS

KPS : RM2.3m

- Fire certificate
- Plaza Perangsang & upgrading lift
- Office equipment, IT & others



05

Earnings Guidance

2023 Guidance

Less Robust Prospect Given Demanding Operating Environment

	FY2022 Market Forecast	FY2022 Actual	FY2023 Market Forecast	FY2023 KPS Guidance	5-year CAGR from 2023
REVENUE	RM1.34 bil	RM1.36 bil In Line	RM1.45 bil	Above Expectation In Line Below Expectation	6%
CORE PATAMI	RM35.1 mil	RM 37.7 mil In Line	RM 40.7 mil	Above Expectation In Line Below Expectation	18%

Thank You

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