

**PESONA METRO HOLDINGS BERHAD (Co. No. 957876-T)**

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE SECOND QUARTER ENDED 30 JUNE 2014**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	(Unaudited) Current Year Quarter 30.06.2014 RM'000	(Unaudited) Preceding Year Quarter 30.06.2013 RM'000	(Unaudited) Current Year To Date 30.06.2014 RM'000	(Unaudited) Preceding Year To Date 30.06.2013 RM'000
<b>Revenue</b>	<b>75,596</b>	<b>80,588</b>	<b>139,746</b>	<b>154,325</b>
Cost of sales	(70,206)	(71,438)	(129,575)	(136,824)
<b>Gross profit</b>	<b>5,390</b>	<b>9,150</b>	<b>10,171</b>	<b>17,501</b>
Other operating income	255	304	743	1,027
Selling and administrative expenses	(4,086)	(3,559)	(7,872)	(7,140)
<b>Profit from operations</b>	<b>1,559</b>	<b>5,895</b>	<b>3,042</b>	<b>11,388</b>
Finance costs	(140)	(15)	(201)	(29)
<b>Profit before tax</b>	<b>1,419</b>	<b>5,880</b>	<b>2,841</b>	<b>11,359</b>
Income tax expense	(224)	(1,544)	(893)	(2,968)
<b>Profit for the period</b>	<b>1,195</b>	<b>4,336</b>	<b>1,948</b>	<b>8,391</b>
Other comprehensive income	-	-	-	-
<b>Total comprehensive income for the period</b>	<b>1,195</b>	<b>4,336</b>	<b>1,948</b>	<b>8,391</b>
<b>Total comprehensive income attributable to:</b>				
• Owners of the parent	1,195	4,336	1,948	8,391
• Non-controlling interests	-	-	-	-
<b>Earnings per share (Sen)</b>				
• Basic	0.23	0.93	0.38	1.81
• Diluted	-	-	-	-

The unaudited condensed consolidated statement of comprehensive income should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2013 and the accompanying explanatory notes attached to the interim financial statements.

# PESONA METRO HOLDINGS BERHAD (Co. No. 957876-T)

## UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2014

	(Unaudited) 30.06.2014 RM'000	(Audited) 31.12.2013 RM'000
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	28,832	16,501
Investment properties	1,640	1,640
Trade receivables	12,176	7,165
	42,648	25,306
<b>Current assets</b>		
Inventories	3,432	3,537
Trade and other receivables	96,493	60,655
Amount due from contract customers	4,780	2,141
Tax recoverable	2,485	731
Deposits with licensed financial institutions	49,375	80,712
Cash and bank balances	4,415	7,977
	160,980	155,753
<b>TOTAL ASSETS</b>	<b>203,628</b>	<b>181,059</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to owners of the parent</b>		
Share capital	127,551	127,551
Share premium	8,659	8,659
Reverse acquisition reserve	(91,000)	(91,000)
Retained earnings	42,454	40,506
Total equity attributable to owners of the parent	87,664	85,716
<b>Non-current liabilities</b>		
Hire purchase	6,130	331
Trade payables	10,814	6,778
Deferred tax liabilities	790	790
	17,734	7,899
<b>Current liabilities</b>		
Trade and other payables	61,137	60,495
Amount due to contract customers	34,333	25,722
Bank borrowings	1,317	1,149
Hire purchase	1,443	78
Tax liabilities	-	-
	98,230	87,444
<b>TOTAL LIABILITIES</b>	<b>115,964</b>	<b>95,343</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>203,628</b>	<b>181,059</b>
<b>Net assets per share attributable to owners of the parent (Sen)</b>	<b>17.18</b>	<b>16.80</b>

The unaudited condensed consolidated statement of financial position should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2013 and the accompanying explanatory notes attached to the interim financial statements.

**PESONA METRO HOLDINGS BERHAD (Co. No. 957876-T)**

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
AS AT 30 JUNE 2014**

	<b><u>ATTRIBUTABLE TO OWNERS OF THE PARENT</u></b>				
	<b><u>Non-distributable</u></b>			<b><u>Distributable</u></b>	
	Share capital RM'000	Share premium RM'000	Reverse acquisition reserve RM'000	Retained earnings RM'000	Total RM'000
<b>As at 1 January 2014</b>	<b>127,551</b>	<b>8,659</b>	<b>(91,000)</b>	<b>40,506</b>	<b>85,716</b>
Total comprehensive income for the period	-	-	-	1,948	1,948
<b>As at 30 June 2014</b>	<b>127,551</b>	<b>8,659</b>	<b>(91,000)</b>	<b>42,454</b>	<b>87,664</b>
<b>As at 1 January 2013</b>	<b>115,955</b>	-	<b>(91,000)</b>	<b>38,528</b>	<b>63,483</b>
Total comprehensive income for the period	-	-	-	8,391	4,055
Dividend paid	-	-	-	(4,638)	(4,638)
<b>As at 30 June 2013</b>	<b>115,955</b>	-	<b>(91,000)</b>	<b>42,281</b>	<b>67,236</b>

The unaudited condensed consolidated statement of statement of changes in equity should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2013 and the accompanying explanatory notes attached to the interim financial statements.

## PESONA METRO HOLDINGS BERHAD (Co. No. 957876-T)

### UNAUDITED CONDENSED CONSOLIDATED CASH FLOW STATEMENT FOR THE FIRST QUARTER ENDED 30 JUNE 2014

	(Unaudited) Current Year to date 30.06.2014 RM'000	(Audited) Preceding Year to date 31.12.2013 RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before tax	2,841	15,977
Adjustments for:-		
• Depreciation	2,281	3,345
• Interest income	(861)	(1,355)
• Other non-cash operating items	134	(492)
<b>Operating profit before working capital changes</b>	<b>4,395</b>	<b>17,475</b>
Changes in inventories	213	(651)
Changes in trade and other receivables	(40,849)	(12,898)
Changes in trade and other payables	9,780	6,336
Changes in amounts due from/(to) customers for contract	5,973	23,839
<b>Cash (used in)/generated from operations</b>	<b>(20,488)</b>	<b>34,101</b>
Interest received	861	1,355
Interest paid	(201)	(63)
Tax paid	(2,647)	(6,537)
<b>Net cash (used in)/generated from operating activities</b>	<b>(22,475)</b>	<b>28,866</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(14,652)	(8,090)
Proceeds from disposal of property, plant and equipment	2	1,781
<b>Net cash used in investing activities</b>	<b>(14,650)</b>	<b>(6,309)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Dividend paid to shareholders	(5,102)	(4,638)
Proceeds from issuance of shares	-	20,255
Net change in hire purchase	7,595	(30)
Net change in bank borrowings	168	(319)
Changes in fixed deposits pledged with licensed banks	4,497	1,239
<b>Net cash generated from financing activities</b>	<b>7,158</b>	<b>16,506</b>
<b>Net change in cash and cash equivalents</b>	<b>(29,967)</b>	<b>39,063</b>
Cash and cash equivalents at the beginning of year	70,794	31,711
Effect of exchange translation difference on cash and cash equivalents	(3)	20
<b>Cash and cash equivalents at the end of period</b>	<b>40,824</b>	<b>70,794</b>
<b>Cash and cash equivalents comprise of the following:</b>		
• Deposits with licensed financial institutions	49,375	80,712
• Cash and bank balances	4,415	7,977
	53,790	88,689
Less: Fixed deposits pledged with licensed banks	(12,966)	(17,895)
	<b>40,824</b>	<b>70,794</b>

The unaudited condensed consolidated cash flow statement should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2013 and the accompanying explanatory notes attached to the interim financial statements.

## **PESONA METRO HOLDINGS BERHAD (Co. No. 957876-T)**

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### **A. EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARD ("MFRS") 134: INTERIM FINANCIAL REPORTING**

#### **A1. Basis of preparation**

The interim financial statements are unaudited and have been prepared in accordance with the requirements of MFRS 134: Interim Financial Reporting and paragraph 9.22 of the Bursa Malaysia Securities Berhad ("Bursa Securities") Main Market Listing Requirements.

The interim financial statements should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2013.

The interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Company and its subsidiaries ("The Group") since the financial year ended 31 December 2013.

#### **A2. Changes in Accounting Policies**

The Group has adopted the Malaysian Financial Reporting Standards issued by the Malaysian Accounting Standards Board for accounting period beginning 1 January 2014.

#### **A3. Auditors' Report on Preceding Annual Financial Statements**

The auditors' report of the Group's annual financial statements for the financial year ended 31 December 2013 was not qualified.

#### **A4. Seasonal or Cyclical Factors**

The business operations of the Group are not significantly affected by any seasonal or cyclical factors.

#### **A5. Unusual Items**

There were no other unusual items affecting assets, liabilities, equity, net income or cash flows in the financial quarter under review.

#### **A6. Changes in Estimates**

There was no change in estimates of amounts reported in prior interim periods that had a material effect in the current reporting quarter.

#### **A7. Changes in Debt and Equity Securities**

There were no changes in debt and equity securities during the quarter under review.

## PESONA METRO HOLDINGS BERHAD (Co. No. 957876-T)

### A. EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARD (“MFRS”) 134: INTERIM FINANCIAL REPORTING

#### A8. Dividend Paid

The following dividend was paid during the financial period ended 30 June 2014:

In respect of financial year ended 31 December 2013:

- single tier interim dividend of 1 sen per ordinary share, paid on 26 March 2014, amounting to RM5,102,025.

#### A9. Segmental Reporting

The Group’s segmental report for the 6 months period ended 30 June 2014 is as follows:-

	<b>Investment holding</b>	<b>Construction</b>	<b>Manufacturing</b>	<b>Elimination</b>	<b>Total</b>
	RM’000	RM’000	RM’000	RM’000	RM’000
<b>Revenue</b>					
External sales	431	133,406	5,909	-	139,746
Inter-segment sales	-	6,988	-	(6,988)	-
<b>Total revenue</b>	<b>431</b>	<b>140,394</b>	<b>5,909</b>	<b>(6,988)</b>	<b>139,746</b>
Interest income	431	427	3	-	861
Interest expense	-	-	(201)	-	(201)
Depreciation	-	(1,565)	(716)	-	(2,281)
Loss on disposal of investment	-	-	-	-	-
<b>Results</b>					
Profit/(Loss) from operations	162	3,811	(931)	-	3,042
Finance costs	-	-	(201)	-	(201)
Profit/(Loss) before tax	162	3,811	(1,132)	-	2,841
Income tax expense	(7)	(886)	-	-	(893)
<b>Profit/(Loss) after tax</b>	<b>155</b>	<b>2,925</b>	<b>(1,132)</b>	<b>-</b>	<b>1,948</b>

#### A10. Valuation of Property, Plant and Equipment

The Group's property, plant and equipment are stated at cost. There is no policy of regular revaluation of its property, plant and equipment as at the end of the financial period under review.

#### A11. Material Events Subsequent to the End of the Interim Period

There were no material events subsequent to the end of the interim period.

## PESONA METRO HOLDINGS BERHAD (Co. No. 957876-T)

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### A. EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARD ("MFRS") 134: INTERIM FINANCIAL REPORTING

#### A12. Changes in Composition of the Group

There were no changes in composition of the Group.

#### A.13 Capital Commitments

	As at 30.06.2014 RM'000
Approved and contracted for	
- Purchase of property, plant and equipment	<u>5,286</u>

#### A14. Changes in Contingent Liabilities

	As at 30.06.2014 RM'000
Bank guarantees issued by licensed banks in respect of construction projects	<u>66,478</u>

#### A15. Significant Related Party Transactions

The significant related party transactions during the quarter under review in which directors of the Company have substantial financial interest are as follows:-

	Current Year Quarter 30.06.2014 RM'000	Current Year To date 30.06.2014 RM'000
Provision of construction works to companies in which directors have substantial financial interest	<u>16,080</u>	<u>28,943</u>

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### B. EXPLANATORY NOTES PURSUANT TO PARAGRAPH 9.22 AND PART A OF APPENDIX 9B OF THE LISTING REQUIREMENT OF BURSA SECURITIES

#### B1. Review of Performance

##### Current Year Quarter:

The Group achieved a revenue of RM75.6 million for the quarter under review with 96% and 4% of revenue contributed by construction division and manufacturing division respectively. The revenue decreased by RM5.0 million or 6% as compared to the same quarter last year. The decrease is mainly due to lower construction activities as compared to the same quarter last year.

The Group generated a lower profit before tax of RM1.4 million for the quarter as compared to RM5.8 million in the same quarter last year. The decrease is mainly due to the lower construction revenue, additional cost incurred on a project and the initial start-up cost incurred for IBS plant.

##### Current Year To Date:

The Group achieved a revenue of RM139.8 million for the first half of 2014 with 96% and 4% of revenue contributed by construction division and manufacturing division respectively. The revenue decreased by RM14.6 million or 9% as compared to the same quarter last year. The decrease is mainly due to lower construction activities as compared to the same quarter last year.

The Group generated a lower profit before tax of RM2.8 million for the first half of 2014 as compared to RM11.4 million in the same quarter last year. The decrease is mainly due to the lower construction revenue, additional cost incurred on a project and the initial start-up cost incurred for IBS plant.

#### B2. Comparison with Immediate Preceding Quarter's Results

	Current Quarter	Preceding Quarter	Variance	
	30.06.2014	31.03.2014	RM'000	%
Revenue	75,596	64,150	11,446	18
Profit before tax	1,419	1,421	(2)	-

The increase in revenue is mainly due to the higher construction activities as compared to previous quarter. Despite revenue increased by 18%, the profit before tax remains unchanged due mainly to higher operating expenses incurred during the quarter.



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### B. EXPLANATORY NOTES PURSUANT TO PARAGRAPH 9.22 AND PART A OF APPENDIX 9B OF THE LISTING REQUIREMENT OF BURSA SECURITIES

#### B3. Prospects for the Current Financial Year ending 31 December 2014

As announced on 25 July 2014, the Group secured a new project for the construction of a serviced apartment in Jalan Yap Kwan Seng. This increases the outstanding orders to RM508 million. Works of this contract has commenced in August 2014 and thus, is expected to contribute to the earnings for the financial year 2014.

The newly installed IBS equipment is currently running on full production to supply to internal projects and thus, is expected to improve the performance for the Group in the second half of 2014.

Barring any unforeseen circumstances, we expect the financial performance for the remaining quarters to be satisfactory.

#### B4. Profit Forecast

There was no profit forecast announced in relation to the financial quarter under review.

#### B5. Taxation

	Current Year Quarter 30.06.2014 RM'000	Current Year To date 30.06.2014 RM'000
Current year tax	222	891
Under provision in prior year	2	2
Deferred tax	-	-
	<b>224</b>	<b>893</b>

The effective tax rate is higher than the statutory tax rate due to certain non-allowable expenses.

#### B6. Note to the Statement of Comprehensive Income

The note to the statement of comprehensive income is arrived at after charging or crediting the following items:

	Current Year Quarter 30.06.2014 RM'000	Current Year To date 30.06.2014 RM'000
Interest income	(325)	(861)
Other income	(101)	(254)
Interest expense	140	201
Depreciation charges	1,281	2,281

**B. EXPLANATORY NOTES PURSUANT TO PARAGRAPH 9.22 AND PART A OF APPENDIX 9B OF THE LISTING REQUIREMENT OF BURSA SECURITIES**

**B7. Status of Corporate Proposal**

There is no pending corporate proposal.

Utilisation of the proceeds from the Private Placement as at 30 June 2014:

Purpose	Proposed Utilisation	Actual Utilisation	Intended Timeframe for Utilisation	Deviation		Explanations
	RM'000	RM'000		RM'000	%	
Setting up of the Industrialised Building System ("IBS") plant	10,000	6,808	Within 24 months	-	-	
Working capital	10,258	10,255	Within 12 months	-	-	
Private placement expenses	150	153	Within 1 month	(3)	(2)	*
<b>Total</b>	<b>20,408</b>	<b>17,216</b>		<b>(3)</b>	<b>(2)</b>	

\* The actual expenses incurred pursuant to the Private Placement is higher than the amount budgeted and thus, the deficit was funded out of the portion allocated for working capital.

**B8. Group's Borrowings and Debt Securities**

The Group's borrowings as at 30 June 2014 were as follows:-

	As at 30.06.2014 RM'000
<b>Long term borrowings</b>	
Secured:	
• Hire purchase	6,130
<b>Short term borrowings</b>	
Secured:	
• Export credit refinancing	1,317
• Hire purchase	1,443
	2,760

**B9. Off Balance Sheet Financial Instruments**

The Group does not have any financial instruments with off balance sheet risk.

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### B. EXPLANATORY NOTES PURSUANT TO PARAGRAPH 9.22 AND PART A OF APPENDIX 9B OF THE LISTING REQUIREMENT OF BURSA SECURITIES

#### B10. Material Litigation

During the quarter under review, neither the Group nor the Company involves in any material litigation.

#### B11. Dividend

No dividend has been proposed during the quarter under review.

#### B12. Earnings per Share

	Current Year Quarter 30.06.2014	Current Year To date 30.06.2014
Profit for the period (RM'000)	1,195	1,948
Weighted average number of ordinary shares in issue ('000)	510,203	510,203
Basic earnings per share (sen)	0.23	0.38

#### B13. Realised and unrealised earnings or losses disclosure

	As at 30.06.2014 RM'000
<b>Total retained earnings for the Group:</b>	
• Realised	40,439
• Unrealised	1,209
• Consolidated adjustment	806
	<hr/> <u>42,454</u>

#### B14. Authorisation for Issue

This interim financial report was authorized for issuance by the Board of Directors of the Company on 26 August 2014.