

PESONA METRO HOLDINGS BERHAD (Registration No. 201101029741)(957876-T)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2020**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	(Unaudited) Current Year Quarter 30.9.2020 RM'000	(Audited) Preceding Year Quarter 30.9.2019 RM'000	(Unaudited) Current Year To Date 30.9.2020 RM'000	(Audited) Preceding Year To Date 30.9.2019 RM'000
Revenue	202,260	141,950	478,955	438,177
Cost of sales	(202,998)	(122,742)	(458,934)	(382,020)
Gross profit/(loss)	(738)	19,208	20,021	56,157
Other operating income	798	530	1,529	1,264
Selling and administrative expenses	(8,718)	(9,605)	(30,280)	(28,190)
Profit/(Loss) from operations	(8,658)	10,133	(8,730)	29,231
Finance costs	(2,727)	(2,397)	(8,713)	(6,784)
Profit/(Loss) before tax	(11,385)	7,736	(17,443)	22,447
Income tax expense	(1,706)	(1,804)	(1,349)	(5,415)
Profit/(Loss) for the period	(13,091)	5,932	(18,792)	17,032
Other comprehensive income	-	-	-	-
Total comprehensive income/(loss) for the period	(13,091)	5,932	(18,792)	17,032
Total comprehensive income/(loss) attributable to:				
• Owners of the parent	(13,897)	5,311	(21,195)	15,061
• Non-controlling interests	806	621	2,403	1,971
Earnings/(Loss) per share (Sen)				
• Basic	(2.00)	0.76	(3.05)	2.17
• Diluted	NA	0.67	NA	1.90

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 2019 and the accompanying explanatory notes attached to the interim financial statements.

PESONA METRO HOLDINGS BERHAD (Registration No. 201101029741)(957876-T)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2020**

	(Unaudited) 30.9.2020 RM'000	(Audited) 31.12.2019 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	77,390	79,986
Investment properties	4,197	3,921
Intangible assets	52,848	55,178
Financial receivables	132,548	134,583
Trade receivables	58,817	72,634
	<u>325,800</u>	<u>346,302</u>
Current assets		
Inventories	623	599
Trade and other receivables	299,653	238,297
Contract assets	39,967	37,325
Tax recoverable	696	334
Deposits with licensed financial institutions	48,410	7,562
Cash and bank balances	13,394	70,136
	<u>402,743</u>	<u>354,253</u>
TOTAL ASSETS	<u>728,543</u>	<u>700,555</u>
EQUITY AND LIABILITIES		
Equity attributable to owners of the parent		
Share capital	194,031	194,020
Reverse acquisition reserve	(91,000)	(91,000)
Retained earnings	51,936	80,081
Total equity attributable to owners of the parent	<u>154,967</u>	<u>183,101</u>
Non-controlling interests	14,154	11,751
	<u>169,121</u>	<u>194,852</u>
Non-current liabilities		
Bank borrowings	140,240	140,000
Leases	16,525	18,870
Trade payables	26,378	33,794
Deferred tax liabilities	12,675	13,234
	<u>195,818</u>	<u>205,898</u>
Current liabilities		
Trade and other payables	230,000	176,953
Contract liabilities	56,583	47,866
Bank borrowings	67,145	66,356
Leases	9,876	8,025
Tax payables	-	605
	<u>363,604</u>	<u>299,805</u>
TOTAL LIABILITIES	<u>559,422</u>	<u>505,703</u>
TOTAL EQUITY AND LIABILITIES	<u>728,543</u>	<u>700,555</u>
Net assets per share attributable to owners of the parent (Sen)	<u>22.30</u>	<u>26.35</u>

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 2019 and the accompanying explanatory notes attached to the interim financial statements.

PESONA METRO HOLDINGS BERHAD (Registration No. 201101029741)(957876-T)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
AS AT 30 SEPTEMBER 2020**

	ATTRIBUTABLE TO OWNERS OF THE PARENT				
	<u>Non-distributable</u>		<u>Distributable</u>		
	Share capital	Reverse acquisition reserve	Retained earnings	Non-controlling interests	Total
	RM'000	RM'000	RM'000	RM'000	RM'000
As at 1 January 2020	194,020	(91,000)	80,081	11,751	194,852
Total comprehensive income/(loss) for the period	-	-	(21,195)	2,403	(18,792)
Issuance of shares					
- Conversion of warrant	11	-	-	-	11
Dividend	-	-	(6,950)	-	(6,950)
As at 30 September 2020	194,031	(91,000)	51,936	14,154	169,121
As at 1 January 2019	194,020	(91,000)	75,978	9,161	188,159
Total comprehensive income for the period	-	-	15,061	1,971	17,032
Dividend	-	-	(6,949)	-	(6,949)
As at 30 September 2019	194,020	(91,000)	84,090	11,132	198,242

The unaudited condensed consolidated statement of changes in equity should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2019 and the accompanying explanatory notes attached to the interim financial statements.

PESONA METRO HOLDINGS BERHAD (Registration No. 201101029741)(957876-T)

**UNAUDITED CONDENSED CONSOLIDATED CASH FLOW STATEMENT
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2020**

	(Unaudited) Current Year to date 30.9.2020 RM'000	(Audited) Preceding Year to date 31.12.2019 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit/(Loss) before tax	(17,443)	17,745
Adjustments for:-		
• Amortisation and depreciation	13,522	21,250
• Interest expenses	8,713	9,334
• Other non-cash operating items	2,616	(1,223)
Operating profit before working capital changes	7,408	47,106
Changes in inventories	(53)	124
Changes in trade and other receivables	(45,504)	(53,798)
Changes in trade and other payables	43,865	25,602
Changes in contract assets/liabilities	6,076	(15,461)
Cash generated from operations	11,792	3,573
Interest received	1,210	609
Interest paid	(7,155)	(8,973)
Tax paid	(2,876)	(2,264)
Net cash generated from/(used in) operating activities	2,971	(7,055)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(12,864)	(16,515)
Proceeds from disposal of property, plant and equipment	196	571
Net cash used in investing activities	(12,668)	(15,944)
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividend paid to shareholders	(6,950)	(6,949)
Proceeds from issuance of shares	11	-
Proceeds from issuance of Sukuk	-	150,000
Net change in lease liabilities	(494)	(5,776)
Net change in bank borrowings	3,920	(67,183)
Changes in deposits pledged with financial institutions	(21,075)	(4,707)
Net cash generated from/(used in) financing activities	(24,588)	65,385
Net change in cash and cash equivalents	(34,285)	42,386
Cash and cash equivalents at the beginning of year	63,882	21,494
Effect of exchange translation difference on cash and cash equivalents	1	2
Cash and cash equivalents at the end of period	29,598	63,882
Cash and cash equivalents comprise of the following:		
• Deposits with licensed financial institutions	48,410	7,562
• Cash and bank balances	13,394	67,360
	61,804	74,922
Less: Deposits pledged with licensed financial institutions	(32,206)	(11,040)
	29,598	63,882

The unaudited condensed consolidated cash flow statement should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2019 and the accompanying explanatory notes attached to the interim financial statements.

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 2019.

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 2019.

A2. Changes in Accounting Policies

The Group has adopted the Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia for the accounting period beginning 1 January 2020.

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 2019 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.

PESONA METRO HOLDINGS BERHAD (Registration No. 201101029741)(957876-T)

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

A7. Changes in Debt and Equity Securities

As at 30 September 2020, 45,651 new ordinary shares were issued pursuant to the conversion of warrants. The proceeds amounting to RM11,412.75 have been utilized as working capital of the Group.

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

A8. Dividend Paid

The following dividend was paid during the financial year ending 31 December 2020:

In respect of financial year ended 31 December 2019:

- single tier interim dividend of 1 sen per ordinary share, paid on 22 May 2020, amounting to RM6,949,866.60.

A9. Segmental Reporting

The Group’s segmental report for the financial period ended 30 September 2020 is as follows:-

	Investment holding RM’000	Construction RM’000	Manufacturing RM’000	Concessionaire asset and maintenance RM’000	Elimination RM’000	Total RM’000
Revenue						
External sales	3	458,773	2,342	17,837	-	478,955
Inter-segment sales	5,000	5,116	-	7,569	(17,685)	-
Total revenue	5,003	463,889	2,342	25,406	(17,685)	478,955
Interest income	3	1,148	-	59	-	1,210
Interest expense	-	(3,473)	-	(10,334)	5,094	(8,713)
Amortisation and depreciation	-	(10,463)	(699)	(30)	(2,330)	(13,522)
Impairment of assets	-	-	(3,863)	-	-	(3,863)
Results						
Profit/(Loss) from operations	4,476	(15,641)	(4,736)	19,614	(12,443)	(8,730)
Finance costs	-	(3,473)	-	(10,334)	5,094	(8,713)
Profit/(Loss) before tax	4,476	(19,114)	(4,736)	9,280	(7,349)	(17,443)
Income tax expense	(1)	(1,907)	-	-	559	(1,349)
Profit/(Loss) after tax	4,475	(21,021)	(4,736)	9,280	(6,790)	(18,792)

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

A9. Segmental Reporting (Continued)

The Group’s segmental report for the financial period ended 30 September 2019 is as follows:-

	Investment holding	Construction	Manufacturing	Concessionaire asset and maintenance	Elimination	Total
	RM’000	RM’000	RM’000	RM’000	RM’000	RM’000
Revenue						
External sales	3	417,835	2,354	17,985	-	438,177
Inter-segment sales	-	7,059	-	2,475	(9,534)	-
Total revenue	-	424,894	2,354	20,460	(9,534)	438,177
Interest income	3	2,628	-	121	(2,381)	371
Interest expense	-	(2,617)	(2)	(6,546)	2,381	(6,784)
Amortisation and depreciation	-	(11,724)	(977)	(29)	(2,330)	(15,060)
Impairment of assets	-	-	-	-	-	-
Results						
Profit/(Loss) from operations	(588)	20,523	(943)	14,950	(4,711)	29,231
Finance costs	-	(2,617)	(2)	(6,546)	2,381	(6,784)
Profit/(Loss) before tax	(588)	17,906	(945)	8,404	(2,330)	22,447
Income tax expense	-	(5,940)	-	(34)	559	(5,415)
Profit/(Loss) after tax	(588)	11,966	(945)	8,370	(1,771)	17,032

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 other material events subsequent to the end of the interim period.

A12. Changes in Composition of the Group

There have been no changes in composition of the Group.

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

A.13 Capital Commitments

	As at 30.9.2020 RM'000
Approved and contracted for	
- Purchase of property, plant and equipment	<u>4,998</u>

A14. Changes in Contingent Liabilities

	As at 30.9.2020 RM'000
Bank guarantees issued by licensed banks in respect of construction projects	<u>143,964</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 30.9.2020 RM'000	Current Year To date 30.9.2020 RM'000
Provision of construction works to a company in which directors have substantial financial interest	<u>10,055</u>	<u>14,976</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 RM202 million for the quarter under review. The revenue increased by RM60 million or 42% as compared to the same quarter last year. The increase is mainly due to the higher progress billings recognized from the ongoing projects.

Despite higher revenue, the Group registered a loss before tax of RM11.4 million for the quarter. The loss before tax is mainly due to the additional provision for foreseeable loss of RM9.7 million for the teaching hospital project and the additional cost incurred of RM3.6 million for a completed project.

Current Year To Date:

The Group achieved a revenue of RM480 million for the period ended 30 September 2020 with majority contribution from the construction division. The revenue increased marginally by RM41 million or 9% as compared to the same period last year.

Despite higher revenue, the Group registered a loss before tax of RM17.4 million for the period ended 30 September 2020 as compared to profit before tax of RM22.5 million in the same period last year. The loss before tax is mainly due to the additional provision for foreseeable loss of RM9.7 million for the teaching hospital project and the additional cost incurred of RM3.6 million for a completed project as well as the one-off impairment of IBS equipment amounting to RM3.9 million.

B2. Comparison with Immediate Preceding Quarter's Results

	Current Quarter	Preceding Quarter	Variance	
	30.9.2020	30.6.2020	RM'000	%
	RM'000	RM'000	RM'000	%
Revenue	202,260	103,898	98,362	95%
Profit/(Loss) before tax	(11,385)	(9,853)	(1,532)	(16%)

The revenue increased by 95% due mainly to the higher construction progress recognized from the ongoing projects.

Despite higher revenue, the Group registered a loss before tax of RM11.4 million for the quarter. The loss before tax is mainly due to the additional provision for foreseeable loss of RM9.7 million for the teaching hospital project and the additional cost incurred of RM3.6 million for a completed project.

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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 Financial Year ending 31 December 2020

As at 30 September 2020, the Group has an outstanding order book of RM1.1 billion, comprising 9 ongoing projects. These projects are expected to continue to contribute construction income for the financial year ending 31 December 2020. In addition, the concessionaire and maintenance income, which was not affected by the MCO and CMCO, will provide consistent contribution for the remaining period of year 2020.

However, there are still uncertainties arising from the COVID-19 pandemic. This may affect the performance of the Group for the rest of the year.

B4. Financial Forecast

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

B5. Taxation

	Current Year Quarter 30.9.2020 RM'000	Current Year To date 30.9.2020 RM'000
Current year tax	(14)	(30)
Under provision in prior year	(1,878)	(1,878)
Deferred tax	186	559
	<u>(1,706)</u>	<u>(1,349)</u>

The effective tax rate is higher than the statutory tax rate due to the under provision in prior year tax.

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 30.9.2020 RM'000	Current Year To date 30.9.2020 RM'000
Interest income	(643)	(1,210)
Other income	(34)	(65)
Interest expense	2,727	8,713
Amortisation and depreciation	4,477	13,522
Impairment of assets	-	3,863
Loss/(Gain) on disposal of property, plant and equipment	(44)	(101)

B7. Status of Corporate Proposal

There is no pending corporate proposal.

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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

B8. Group's Borrowings and Debt Securities

The Group's borrowings as at 30 September 2020 were as follows:-

	As at 30.9.2020 RM'000
Long term borrowings	
Secured:	
• Islamic Medium-Term Notes ("Sukuk")	140,000
• Leases and Term Loan	16,765
	<u>156,765</u>
Short term borrowings	
Secured:	
• Islamic Medium-Term Notes ("Sukuk")	10,000
• Structure commodity financing and Contract financing	57,145
• Leases	9,876
	<u>77,021</u>

B9. Off Balance Sheet Financial Instruments

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

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.

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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

B12. Earnings per Share

	Current Year Quarter 30.9.2020	Current Year To date 30.9.2020
Loss for the period attributable to owners (RM'000)	<u>(13,897)</u>	<u>(21,195)</u>
Number of shares:		
Weighted average number of ordinary shares in issue for basic earnings per share ('000)	694,987	694,987
Basic earnings/(loss) per share (Sen)	<u>(2.00)</u>	<u>(3.05)</u>

B13. Realised and unrealised earnings or losses disclosure

	As at 30.9.2020 RM'000
Total retained earnings for the Group:	
• Realised	46,295
• Unrealised	4,835
• Consolidated adjustment	806
	<u>51,936</u>

B14. Authorisation for Issue

This interim financial report was authorized for issuance by the Board of Directors of the Company on 27 November 2020.