

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

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FIRST QUARTER ENDED 31 MARCH 2013**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	(Unaudited) Current Year Quarter 31.3.2013 RM'000	(Unaudited) Preceding Year Quarter 31.3.2012 RM'000	(Unaudited) Current Year To Date 31.3.2013 RM'000	(Unaudited) Preceding Year To Date 31.3.2012 RM'000
Revenue	73,737	N/A	73,737	N/A
Cost of sales	(65,386)	N/A	(65,386)	N/A
Gross profit	8,351	N/A	8,351	N/A
Other operating income	723	N/A	723	N/A
Selling and administrative expenses	(3,581)	N/A	(3,581)	N/A
Profit from operations	5,493	N/A	5,493	N/A
Finance costs	(14)	N/A	(14)	N/A
Profit before tax	5,479	N/A	5,479	N/A
Income tax expense	(1,424)	N/A	(1,424)	N/A
Profit for the period	4,055	N/A	4,055	N/A
Other comprehensive income	-	N/A	-	N/A
Total comprehensive income for the period	4,055	N/A	4,055	N/A
Total comprehensive income attributable to:				
• Owners of the parent	4,055	N/A	4,055	N/A
• Non-controlling interests	-	N/A	-	N/A
Earnings per share (Sen)				
• Basic	0.87	N/A	0.87	N/A
• Diluted	-	N/A	-	N/A

Notes:

- (1) Pesona Metro Holdings Berhad ("PMHB") was incorporated in Malaysia on 19 August 2011 as a special purpose vehicle to assume the listing status of Mithril Berhad pursuant to the Proposed Restructuring Exercise as disclosed in the Explanatory Statement-Cum-Circular dated 11 July 2012. The Proposed Restructuring Exercise was completed on 28 September 2012 and PMHB was listed on 10 October 2012. Accordingly, the first interim financial report on the condensed consolidated statement of comprehensive income is for the financial period commencing from 1 October 2012.
- (2) N/A: Not applicable.

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 2012 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 31 MARCH 2013

	(Unaudited) 31.3.2013 RM'000	(Audited) 31.12.2012 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	14,980	12,818
Investment properties	1,560	1,560
Trade receivables	4,749	4,495
	<u>21,289</u>	<u>18,873</u>
Current assets		
Inventories	2,415	2,710
Trade and other receivables	91,371	50,433
Amount due from customers for contract	1,646	8,271
Deposits with licensed financial institutions	31,812	40,792
Cash and bank balances	1,379	10,053
	<u>128,623</u>	<u>112,259</u>
TOTAL ASSETS	149,912	131,132
EQUITY AND LIABILITIES		
Equity attributable to owners of the parent		
Share capital	115,955	115,955
Reverse acquisition reserve	(91,000)	(91,000)
Retained earnings	42,583	38,528
Total equity attributable to owners of the parent	<u>67,538</u>	<u>63,483</u>
Non-current liabilities		
Bank borrowings	17	17
Trade payables	12,654	11,153
Deferred tax liabilities	830	830
	<u>13,501</u>	<u>12,000</u>
Current liabilities		
Trade and other payables	45,207	44,682
Amount due to customers for contract	20,543	8,012
Bank borrowings	1,381	1,451
Tax liabilities	1,742	1,504
	<u>68,873</u>	<u>55,649</u>
TOTAL LIABILITIES	82,374	67,649
TOTAL EQUITY AND LIABILITIES	149,912	131,132
Net assets per share attributable to owners of the parent (Sen)	14.56	13.69

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 2012 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 31 MARCH 2013**

	ATTRIBUTABLE TO OWNERS OF THE PARENT			Total RM'000
	<u>Non-distributable</u>		<u>Distributable</u>	
	Share capital RM'000	Reverse acquisition reserve RM'000	Retained earnings RM'000	
As at 1 January 2013	115,955	(91,000)	38,528	63,483
Total comprehensive income for the period	-	-	4,055	4,055
As at 31 March 2013	115,955	(91,000)	42,583	67,538

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 2012 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 31 MARCH 2013

	(Unaudited) Current Year to date 31.3.2013 RM'000	(Audited) Preceding Year to date 31.12.2012 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	5,479	17,195
Adjustments for:-		
• Depreciation	752	3,597
• Loss on disposal of investment	-	3,099
• Interest income	(263)	(1,203)
• Other non-cash operating items	(241)	(240)
Operating profit before working capital changes	5,727	22,448
Changes in inventories	345	(364)
Changes in trade and other receivables	(41,198)	9,782
Changes in trade and other payables	2,027	6,840
Changes in amounts due from/(to) customers for contract	19,155	(13,527)
Cash (used in)/generated from operations	(13,944)	25,179
Interest received	263	1,203
Interest paid	(14)	(83)
Tax paid	(1,180)	(4,442)
Net cash (used in)/generated from operating activities	(14,875)	21,857
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(3,107)	(3,338)
Proceeds from disposal of property, plant and equipment	398	364
Net cash used in investing activities	(2,709)	(2,974)
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividend paid to shareholders prior to reverse acquisition	-	(13,500)
Proceeds from issuance of shares	-	10,000
Repayment of bank borrowings	(70)	(1,343)
Changes in fixed deposits pledged with licensed banks	(2,076)	1,110
Net cash used in financing activities	(2,146)	(3,733)
Net increase in cash and cash equivalents	(19,730)	15,150
Cash and cash equivalents at the beginning of period	31,711	16,561
Cash and cash equivalents at the end of period	11,981	31,711
Cash and cash equivalents comprise of the following:		
• Deposits with licensed financial institutions	31,812	40,792
• Cash and bank balances	1,379	10,053
	33,191	50,845
Less: Fixed deposits pledged with licensed banks	(21,210)	(19,134)
	11,981	31,711

The unaudited condensed consolidated cash flow statement should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2012 and the accompanying explanatory notes attached to the interim financial statements.

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

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 2012.

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 2012.

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 2013.

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 2012 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

No dividend was paid during the quarter under review.

A9. Segmental Reporting

The Group’s segmental report for the 3 months period ended 31 March 2013 is as follows:-

	Investment holding	Construction	Manufacturing of polyurethane products	Elimination	Total
	RM’000	RM’000	RM’000	RM’000	RM’000
Revenue					
External sales	69	70,566	3,102	-	73,737
Inter-segment sales	-	2,975	-	(2,975)	-
Total revenue	69	73,541	3,102	(2,975)	73,737
Interest income	-	263	-	-	263
Interest expense	-	(1)	(13)	-	(14)
Depreciation	-	(595)	(157)	-	(752)
Loss on disposal of investment	-	-	-	-	-
Results					
(Loss)/Profit from operations	(70)	5,466	97	-	5,493
Finance costs	-	(1)	(13)	-	(14)
(Loss)/Profit before tax	(70)	5,465	84	-	5,479
Income tax expense	-	(1,424)	-	-	(1,424)
(Loss)/Profit after tax	(70)	4,041	84	-	4,055

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)

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 31.3.2013 RM’000
Approved but not contracted for	
- Purchase of property, plant and equipment	<u>500</u>

A14. Changes in Contingent Liabilities

	As at 31.3.2013 RM’000
Bank guarantees issued by licensed banks in respect of construction projects	
- Secured via placement of fixed deposits	<u>69,291</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 31.3.2013 RM’000	Current Year To date 31.3.2013 RM’000
Provision of construction works to companies in which directors have substantial financial interest	<u>23,093</u>	<u>23,093</u>

The Company will be seeking the shareholders’ approval for the proposed ratification and shareholders’ mandate for the above recurrent related party transactions (“RRPT”) of a revenue or trading nature incurred from the date of admission of PMHB to the official list of Bursa Malaysia Securities Berhad (“Bursa”). Bursa had on 9 January 2013 approved the extension of time for the Company to obtain both the shareholders’ ratification and mandate for the RRPT at the forthcoming Annual General Meeting or Extraordinary General Meeting.

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

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

B1. Review of Performance

The Group achieved a revenue of RM74 million for the quarter under review with 96% and 4% of revenue contributed by construction segment and manufacturing of PU products respectively.

The Group generated a profit before tax of RM5.5 million for the quarter under review. The profit before tax is substantially contributed by the on-going 3 infrastructure and 2 building projects in Malaysia.

B2. Comparison with Immediate Preceding Quarter's Results

	Current Quarter	Preceding Quarter	Variance	
	31.3.2013	31.12.2012	RM'000	%
	RM'000	RM'000	RM'000	%
Revenue	73,737	63,106	10,631	17
Profit before tax	5,479	3,000	2,479	83

Revenue from the Construction Division has improved by 17% as compared to the last quarter. The increase is mainly attributed to the higher percentage of completion recognized for certain projects as the Group strives to meet the targeted completion date.

In line with the increase in revenue, the profit before tax has increased by 83% as compared to the last quarter.

B3. Prospects for the Current Financial Year

As at 31 March 2013, the Group has an outstanding order book of RM300 million, comprising of 5 on-going projects. These projects are expected to contribute positively to the Group's revenue and profit for the remaining quarters.

B4. Profit Forecast

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

As announced on 23 April 2013, pursuant to the acquisition of the entire equity interests of Pesona Metro Sdn Bhd on 12 September 2012, the vendors of Pesona Metro Sdn Bhd, namely Mr. Wie Hock Beng and Mdm. Chak May Teng ("the Vendors") had unconditionally and irrevocably represent, guarantee and warrant to the Company that the aggregated Profit after Tax of Pesona Metro Sdn Bhd Group for the financial year ended 31 December 2012 shall not be less than RM15 million. The auditors, Messrs UHY Chartered Accountant has on 17 April 2013 confirmed that the Profit Guarantee of RM15 million has been achieved and thus, the Guaranteed Profit of Pesona Metro Sdn Bhd Group has been fulfilled by the Vendors.

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

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

B5. Taxation

	Current Year Quarter 31.3.2013 RM'000	Current Year To date 31.3.2013 RM'000
Current year tax	1,424	1,424
(Over)/Under provision in prior year	-	-
Deferred tax	-	-
	1,424	1,424

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 31.3.2013 RM'000	Current Year To date 31.3.2013 RM'000
Interest income	(263)	(263)
Other income	(106)	(106)
Interest expense	14	14
Depreciation charges	752	752
Provision for and write off of receivables	-	-
Provision for and write off of inventories	-	-
Gain on disposal of property, plant and equipment	(209)	(209)
Gain or loss on disposal of quoted or unquoted investment or properties	-	-
Impairment of assets	-	-
Foreign exchange (gain)/loss	(31)	(31)
Gain or loss on derivatives	-	-
Exceptional items	-	-

B7. Status of Corporate Proposal

There is no pending corporate proposal.

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

B. EXPLANATORY NOTES PURSUANT TO PARAGRAPH 9.22 AMD 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 31 March 2013 were as follows:-

	As at 31.3.2013 RM'000
Long term borrowings	
Secured:	
• Term loans	<u>17</u>
Short term borrowings	
Secured:	
• Export credit refinancing	1,281
• Term loans	<u>100</u>
	<u>1,381</u>

B9. Off Balance Sheet Financial Instruments

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

B10. Material Litigation

Pesona Metro Sdn. Bhd. ("PMSB") vs Midaco (M) Sdn. Bhd. ("Midaco") Kota Bharu High Court Civil No.: 22-52-2011

PMSB lodged a claim in the High Court, Kota Bharu on 15 March 2011. PMSB filed an action against Midaco for recovery of RM2.0 million, being the sum paid to third party, Omega Concorf Sdn. Bhd. ("Omega") for the rectification of the defective works by Midaco.

As announced on 7 May 2013, the Company has received a notification that the above suit was fixed at the Kota Bahru High Court for show cause on 7 May 2013. PMSB had instructed its solicitors to discontinue the suit due to lack of witnesses for trial and the case as of 7 May 2013 is withdrawn with no order as to costs.

The case is now officially closed.

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

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

B11. Dividend

No dividend has been proposed during the quarter under review.

B12. Earnings per Share

	Current Year Quarter 31.3.2013	Current Year To date 31.3.2013
Profit for the period (RM'000)	4,055	4,055
Weighted average number of ordinary shares in issue ('000)	463,820	463,820
Basic earnings per share (sen)	0.87	0.87

B13. Realised and unrealised earnings or losses disclosure

	As at 31.3.2013 RM'000
Total retained earnings for the Group:	
• Realised	40,607
• Unrealised	1,170
• Consolidated adjustment	806
	<hr/>
	42,583

B14. Authorisation for Issue

This interim financial report was authorized for issuance by the Board of Directors of the Company on 23 May 2013.