

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

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2018**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	(Unaudited) Current Year Quarter 31.12.2018 RM'000	(Audited) Preceding Year Quarter 31.12.2017 RM'000	(Unaudited) Current Year To Date 31.12.2018 RM'000	(Audited) Preceding Year To Date 31.12.2017 RM'000
<b>Revenue</b>	<b>128,925</b>	<b>90,155</b>	<b>580,813</b>	<b>548,760</b>
Cost of sales	(113,481)	(71,946)	(514,438)	(485,290)
<b>Gross profit</b>	<b>15,444</b>	<b>18,209</b>	<b>66,375</b>	<b>63,470</b>
Other operating income	605	478	2,491	5,320
Selling and administrative expenses	(14,936)	(11,939)	(43,918)	(35,991)
<b>Profit from operations</b>	<b>1,113</b>	<b>6,748</b>	<b>24,948</b>	<b>32,799</b>
Finance costs	(2,962)	(2,105)	(10,890)	(3,564)
<b>Profit/(Loss) before tax</b>	<b>(1,849)</b>	<b>4,643</b>	<b>14,058</b>	<b>29,235</b>
Income tax expense	(955)	(1,018)	(4,567)	(8,552)
<b>Profit/(Loss) for the period</b>	<b>(2,804)</b>	<b>3,625</b>	<b>9,491</b>	<b>20,683</b>
Other comprehensive income	-	-	-	-
<b>Total comprehensive income for the period</b>	<b>(2,804)</b>	<b>3,625</b>	<b>9,491</b>	<b>20,683</b>
<b>Total comprehensive income attributable to:</b>				
• Owners of the parent	(3,134)	2,112	8,252	19,170
• Non-controlling interests	330	1,513	1,239	1,513
<b>Earnings/(Loss) per share (Sen)</b>				
• Basic	(0.45)	0.30	1.19	2.76
• Diluted	(0.40)	0.27	1.04	2.42

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 2017 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 DECEMBER 2018**

	(Unaudited) 31.12.2018	(Audited) 31.12.2017
	RM'000	RM'000
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	61,189	71,166
Investment properties	3,502	12,666
Intangible assets	58,285	64,755
Financial receivables	136,984	139,107
Trade receivables	54,197	30,988
	<u>314,157</u>	<u>318,682</u>
<b>Current assets</b>		
Inventories	681	847
Trade and other receivables	200,536	159,038
Amount due from contract customers	23,578	24,190
Amount due from associated company	-	2,300
Tax recoverable	2,313	1,048
Deposits with licensed financial institutions	4,958	13,006
Cash and bank balances	22,869	11,797
	<u>254,935</u>	<u>212,226</u>
<b>TOTAL ASSETS</b>	<b><u>569,092</u></b>	<b><u>530,908</u></b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to owners of the parent</b>		
Share capital	194,021	194,008
Reverse acquisition reserve	(91,000)	(91,000)
Retained earnings	75,978	74,675
Total equity attributable to owners of the parent	<u>178,999</u>	<u>177,683</u>
Non-controlling interests	9,161	7,922
	<b><u>188,160</u></b>	<b><u>185,605</u></b>
<b>Non-current liabilities</b>		
Bank borrowings	76,095	90,170
Hire purchase	7,580	9,036
Trade payables	19,419	14,168
Deferred tax liabilities	13,980	15,293
	<u>117,074</u>	<u>128,667</u>
<b>Current liabilities</b>		
Trade and other payables	165,365	161,038
Amount due to contract customers	49,580	25,613
Bank borrowings	44,669	25,044
Hire purchase	4,244	4,941
	<u>263,858</u>	<u>216,636</u>
<b>TOTAL LIABILITIES</b>	<b><u>380,932</u></b>	<b><u>345,303</u></b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b><u>569,092</u></b>	<b><u>530,908</u></b>
<b>Net assets per share attributable to owners of the parent (Sen)</b>	<b><u>25.76</u></b>	<b><u>25.57</u></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 2017 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 DECEMBER 2018**

	<b>ATTRIBUTABLE TO OWNERS OF THE PARENT</b>					
	<b>Non-distributable</b>			<b>Distributable</b>		<b>Total</b>
	Share capital RM'000	Share premium RM'000	Reverse acquisition reserve RM'000	Retained earnings RM'000	Non-controlling interests RM'000	
<b>As at 1 January 2018</b>	<b>194,008</b>	-	<b>(91,000)</b>	<b>74,675</b>	<b>7,922</b>	<b>185,605</b>
Total comprehensive income for the period	-	-	-	8,252	1,239	9,491
Conversion of warrants	13	-	-	-	-	13
Dividend	-	-	-	(6,949)	-	(6,949)
<b>As at 31 December 2018</b>	<b>194,021</b>	-	<b>(91,000)</b>	<b>75,978</b>	<b>9,161</b>	<b>188,160</b>
<b>As at 1 January 2017</b>	<b>163,684</b>	<b>8,659</b>	<b>(91,000)</b>	<b>62,176</b>	-	<b>143,519</b>
Total comprehensive income for the year	-	-	-	19,170	1,513	20,683
Conversion of warrants	3,126	-	-	-	-	3,126
Dividend paid	-	-	-	(6,671)	-	(6,671)
Acquisition of a subsidiary	19,355	-	-	-	6,409	25,764
Share issuance expenses	-	(816)	-	-	-	(816)
<b>As at 31 December 2017</b>	<b>186,165</b>	<b>7,843</b>	<b>(91,000)</b>	<b>74,675</b>	<b>7,922</b>	<b>185,605</b>

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 2017 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 FOURTH QUARTER ENDED 31 DECEMBER 2018**

	(Unaudited) Current Year to date 31.12.2018	(Audited) Preceding Year to date 31.12.2017
	RM'000	RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before tax	14,058	29,235
Adjustments for:-		
• Amortisation and depreciation	20,016	16,508
• Interest income	(1,121)	(4,598)
• Other non-cash operating items	15,026	5,629
<b>Operating profit before working capital changes</b>	<b>47,979</b>	<b>46,774</b>
Changes in inventories	175	246
Changes in trade and other receivables	(62,584)	54,094
Changes in trade and other payables	10,258	(54,056)
Changes in amounts due from/(to) customers for contract	24,579	(45,507)
<b>Cash generated from operations</b>	<b>20,407</b>	<b>1,551</b>
Interest received	1,121	6,728
Interest paid	(10,777)	(3,875)
Tax paid	(7,145)	(9,852)
<b>Net cash generated from/(used in) operating activities</b>	<b>3,606</b>	<b>(5,448)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(7,906)	(22,181)
Acquisition of a subsidiary, net of cash acquired	-	6,631
Proceeds from disposal of property, plant and equipment	10,975	446
<b>Net cash generated from/(used in) investing activities</b>	<b>3,069</b>	<b>(15,104)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Dividend paid to shareholders	(6,949)	(6,671)
Proceeds from issuance of shares	13	3,126
Net change in hire purchase	(2,152)	(4,538)
Net change in bank borrowings	5,436	46,595
Changes in fixed deposits pledged with licensed banks	(1,069)	(2,482)
<b>Net cash generated from/(used in) financing activities</b>	<b>(4,721)</b>	<b>36,030</b>
<b>Net change in cash and cash equivalents</b>	<b>1,954</b>	<b>15,478</b>
Cash and cash equivalents at the beginning of year	19,539	4,061
Effect of exchange translation difference on cash and cash equivalents	1	-
<b>Cash and cash equivalents at the end of period</b>	<b>21,494</b>	<b>19,539</b>
<b>Cash and cash equivalents comprise of the following:</b>		
• Deposits with licensed financial institutions	4,958	13,006
• Cash and bank balances	22,869	11,797
	27,827	24,803
Less: Fixed deposits pledged with licensed banks	(6,333)	(5,264)
	<b>21,494</b>	<b>19,539</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 2017 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 2017.

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 2017.

#### **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 2018.

#### **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 2017 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 (Co. No. 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 31 December 2018, 50,050 new ordinary shares were issued pursuant to the conversion of warrants. The proceeds amounting to RM12,512.50 will be utilized as working capital of the Group.

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

#### A8. Dividend Paid

The following dividend was paid during the financial year ended 31 December 2018:

In respect of financial year ended 31 December 2017:

- single tier final dividend of 1 sen per ordinary share, paid on 12 July 2018, amounting to RM6,949,410.09.

#### A9. Segmental Reporting

The Group’s segmental report for the financial year ended 31 December 2018 is as follows:-

	<b>Investment holding</b>	<b>Construction</b>	<b>Manufacturing</b>	<b>Concessionaire asset and maintenance</b>	<b>Elimination</b>	<b>Total</b>
	RM’000	RM’000	RM’000	RM’000	RM’000	RM’000
<b>Revenue</b>						
External sales	13	554,500	2,925	23,375	-	580,813
Inter-segment sales	-	55,713	-	5,842	(61,555)	-
<b>Total revenue</b>	<b>13</b>	<b>610,213</b>	<b>2,925</b>	<b>29,217</b>	<b>(61,555)</b>	<b>580,813</b>
Interest income	13	3,986	-	85	(2,963)	1,121
Interest expense	-	(3,728)	(71)	(10,054)	2,963	(10,890)
Depreciation and amortisation	-	(15,190)	(1,317)	(39)	(3,470)	(20,016)
Impairment of assets	(5,300)	-	680	-	-	(4,620)
<b>Results</b>						
Profit/(Loss) from operations	(5,944)	18,932	(1,336)	19,729	(6,433)	24,948
Finance costs	-	(3,728)	(71)	(10,054)	2,963	(10,890)
Profit/(Loss) before tax	(5,944)	15,204	(1,407)	9,675	(3,470)	14,058
Income tax expense	-	(4,824)	-	(675)	932	(4,567)
<b>Profit/(Loss) after tax</b>	<b>(5,944)</b>	<b>10,380</b>	<b>(1,407)</b>	<b>9,000</b>	<b>(2,538)</b>	<b>9,491</b>

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

**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 year ended 31 December 2017 is as follows:-

	<b>Investment holding</b>	<b>Construction</b>	<b>Manufacturing</b>	<b>Concessionaire asset and maintenance</b>	<b>Elimination</b>	<b>Total</b>
	RM’000	RM’000	RM’000	RM’000	RM’000	RM’000
<b>Revenue</b>						
External sales	9	530,218	2,562	15,971	-	549,760
Inter-segment sales	47,000	80,690	-	1,459	(129,149)	-
<b>Total revenue</b>	<b>47,009</b>	<b>610,908</b>	<b>2,562</b>	<b>17,430</b>	<b>(89,149)</b>	<b>549,760</b>
Interest income	9	5,560	-	6	(977)	4,598
Interest expense	-	(1,721)	(176)	(2,644)	(977)	(3,564)
Depreciation and amortisation	-	(14,751)	(1,344)	-	(413)	(16,508)
Impairment of assets	-	-	(1,700)	-	-	(1,700)
<b>Results</b>						
Profit/(Loss) from operations	46,359	25,543	(4,067)	12,941	(47,977)	32,799
Finance costs	-	(1,721)	(176)	(2,644)	977	(3,564)
Profit/(Loss) before tax	46,359	23,822	(4,243)	10,297	(47,000)	29,235
Income tax expense	(2)	(7,549)	157	(1,158)	-	(8,552)
<b>Profit/(Loss) after tax</b>	<b>46,357</b>	<b>16,273</b>	<b>(4,086)</b>	<b>9,139</b>	<b>(47,000)</b>	<b>20,683</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 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.

**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**

**A.13 Capital Commitments**

	As at 31.12.2018 RM’000
Approved and contracted for	
- Purchase of property, plant and equipment	<u>3,528</u>

**A14. Changes in Contingent Liabilities**

	As at 31.12.2018 RM’000
Bank guarantees issued by licensed banks in respect of construction projects	<u>187,313</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 31.12.2018 RM’000	Current Year To date 31.12.2018 RM’000
Provision of construction works to a company in which directors have substantial financial interest	<u>21,213</u>	<u>66,189</u>



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

### 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 RM129 million for the quarter under review. The revenue increased by RM39 million or 43% as compared to the same quarter last year. The increase is mainly due to the higher construction progress recognized from the on-going projects, in particular, the construction of I-City mall and the Third Avenue SOHO projects.

Despite of higher revenue, the Group incurred loss before tax of RM1.8 million for the quarter, a decrease of 140% as compared to the same quarter last year. The loss incurred is mainly due to the impairment of investment and advances totaling RM5.3 million for the expressway concessionaire. Excluding the impairment, the Group would have registered profit before tax of RM3.5 million.

##### Current Year To Date:

The Group achieved a revenue of RM581 million for the financial year ended 31 December 2018 with majority contribution from the construction division. The revenue increased by RM32 million or 6% as compared to last year. The increase is mainly due to the higher construction progress recognized from the on-going projects, in particular, the construction of I-City mall and the Third Avenue SOHO projects.

The Group registered a lower profit before tax of RM14.1 million for the financial year ended 31 December 2018, a decrease of 52% as compared to last year. The decrease in profit before tax is mainly due to the impairment of investment and advances totaling 5.3 million, higher construction cost and depreciation charges incurred as well as the additional interest cost and amortization charges arising from the concessionaire asset acquired in October 2017. Excluding the impairment, the Group would have registered profit before tax of RM19.4 million.

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

	Current Quarter	Preceding Quarter	Variance	
	31.12.2018	30.9.2018	RM'000	%
	RM'000	RM'000	RM'000	%
Revenue	128,925	137,914	(8,989)	(7%)
Profit/(Loss) before tax	(1,849)	6,535	(8,384)	(128%)

The revenue marginally decreased by 7% as compared to the preceding quarter.

The profit before tax decreased by 128% as compared to the preceding quarter. The increase is mainly due to the impairment of investment and advances totaling RM5.3 million recognized during the quarter.

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

### 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 2019

In view of the full impairment of investment in the expressway concessionaire and the manufacturing of polyurethane products, the prospects for the coming financing year ending 31 December 2019 will rely solely on the secured construction projects and the recurring revenue from the student hostels concessionaire.

As at 31 December 2018, the Group has an outstanding order book of RM1.5 billion, comprising 9 on-going projects. Coupled with the new project secured on 19 February 2019, the outstanding order book increased to RM1.9 billion. These projects are expected to be delivered over the next 2 years. However, the increase in construction material and labour costs may further impact the construction profit for the existing projects.

Accordingly, barring any unforeseen circumstances, the Group expects to achieve a satisfactory performance for the financial year ending 31 December 2019.

#### B4. Financial Forecast

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

#### B5. Taxation

	Current Year Quarter 31.12.2018 RM'000	Current Year To date 31.12.2018 RM'000
Current year tax	1,141	5,880
Deferred tax	(186)	(1,313)
	<b>955</b>	<b>4,567</b>

The effective tax rate is higher than the statutory tax rate due to certain non-allowable expenses and the losses incurred by the manufacturing entities.

#### 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 31.12.2018 RM'000	Current Year To date 31.12.2018 RM'000
Interest income	(405)	(1,121)
Other income	(40)	(195)
Interest expense	2,962	10,890
Depreciation and amortisation	5,249	20,016
Impairment of assets	5,300	5,300
Loss/(Gain) on disposal of property, plant and equipment	(72)	(410)

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

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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**

#### **B7. Status of Corporate Proposal**

There is no pending corporate proposal.

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

The Group's borrowings as at 31 December 2018 were as follows:-

	As at 31.12.2018 RM'000
<b>Long term borrowings</b>	
Secured:	
• Commodity Murabahah Term Financing-i	76,095
• Hire purchase	7,580
	<u>83,675</u>
<b>Short term borrowings</b>	
Secured:	
• Commodity Murabahah Term Financing-i	10,620
• Structure commodity financing and Contract financing	34,049
• Hire purchase	4,244
	<u>48,913</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**

The Directors recommend a single tier final dividend of 1 sen per ordinary share, amounting to RM6,949,410.09 in respect of the financial year ended 31 December 2018, which will be subject to the approval of members at the forthcoming Annual General Meeting.

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

**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 31.12.2018	Current Year To date 31.12.2018
Profit/(Loss) for the period attributable to owners (RM'000)	(3,134)	8,252
<b>Number of shares:</b>		
Weighted average number of ordinary shares in issue for basic earnings per share ('000)	694,941	694,941
Effect of dilutive potential ordinary shares from the exercise of warrants ('000)	98,013	98,013
Weighted average number of ordinary shares in issue for diluted earnings per share ('000)	792,954	792,954
Basic earnings/(loss) per share (Sen)	(0.45)	1.19
Diluted earnings/(loss) per share (Sen)	(0.40)	1.04

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

	As at 31.12.2018 RM'000
<b>Total retained earnings for the Group:</b>	
• Realised	63,070
• Unrealised	12,102
• Consolidated adjustment	806
	<u>75,978</u>

**B14. Authorisation for Issue**

This interim financial report was authorized for issuance by the Board of Directors of the Company on 27 February 2019.