

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

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2021**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	(Unaudited) Current Year Quarter 31.12.2021 RM'000	(Audited) Preceding Year Quarter 31.12.2020 RM'000	(Unaudited) Current Year To Date 31.12.2021 RM'000	(Audited) Preceding Year To Date 31.12.2020 RM'000
Revenue	179,860	195,101	622,514	674,056
Cost of sales	(175,420)	(181,496)	(588,922)	(640,430)
Gross profit	4,440	13,605	33,592	33,626
Other operating income	643	1,807	3,577	3,336
Selling and administrative expenses	(7,580)	(7,835)	(29,737)	(38,116)
Profit/(Loss) from operations	(2,497)	7,577	7,432	(1,154)
Finance costs	(2,028)	(2,905)	(9,339)	(11,617)
Profit/(Loss) before tax	(4,525)	4,672	(1,907)	(12,771)
Income tax expense	(264)	135	(183)	(1,215)
Profit/(Loss) for the period	(4,789)	4,807	(2,090)	(13,986)
Other comprehensive income	-	-	-	-
Total comprehensive income/(loss) for the period	(4,789)	4,807	(2,090)	(13,986)
Total comprehensive income/(loss) attributable to:				
• Owners of the parent	(5,361)	4,214	(5,367)	(16,982)
• Non-controlling interests	572	593	3,277	2,996
Earnings/(Loss) per share (Sen)				
• Basic	(0.77)	0.61	(0.77)	(2.44)
• Diluted	NA	NA	NA	NA

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 2020 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 31 DECEMBER 2021**

	(Unaudited) 31.12.2021	(Audited) 31.12.2020
	RM'000	RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	61,697	73,439
Investment properties	7,998	7,652
Intangible assets	48,930	52,036
Financial receivables	128,802	131,870
Trade receivables	51,091	55,920
	<u>298,518</u>	<u>320,917</u>
Current assets		
Inventories	650	547
Trade and other receivables	300,759	287,245
Contract assets	3,927	27,857
Tax recoverable	4,763	3,323
Deposits with licensed financial institutions	41,833	40,346
Cash and bank balances	12,173	24,603
	<u>364,105</u>	<u>383,921</u>
TOTAL ASSETS	<u>662,623</u>	<u>704,838</u>
EQUITY AND LIABILITIES		
Equity attributable to owners of the parent		
Share capital	194,031	194,031
Reverse acquisition reserve	(91,000)	(91,000)
Retained earnings	50,748	56,115
Total equity attributable to owners of the parent	<u>153,779</u>	<u>159,146</u>
Non-controlling interests	18,024	14,747
	<u>171,803</u>	<u>173,893</u>
Non-current liabilities		
Bank borrowings	120,543	130,428
Leases	6,673	15,892
Trade payables	28,406	25,046
Deferred tax liabilities	11,743	12,489
	<u>167,365</u>	<u>183,855</u>
Current liabilities		
Trade and other payables	231,147	227,865
Contract liabilities	28,126	53,624
Bank borrowings	54,964	55,087
Leases	9,218	10,514
Tax payables	-	-
	<u>323,455</u>	<u>347,090</u>
TOTAL LIABILITIES	<u>490,820</u>	<u>530,945</u>
TOTAL EQUITY AND LIABILITIES	<u>662,623</u>	<u>704,838</u>
Net assets per share attributable to owners of the parent (Sen)	<u>22.13</u>	<u>22.90</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 2020 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 31 DECEMBER 2021**

	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 2021	194,031	(91,000)	56,115	14,747	173,893
Total comprehensive income/(Loss) for the period	-	-	(5,367)	3,277	(2,090)
As at 31 December 2021	194,031	(91,000)	50,748	18,024	171,803
As at 1 January 2020	194,020	(91,000)	80,047	11,751	194,818
Total comprehensive income/(loss) for the period	-	-	(16,982)	2,996	(13,986)
Issuance of shares					
- Conversion of warrant	11	-	-	-	11
Dividend	-	-	(6,950)	-	(6,950)
As at 31 December 2020	194,031	(91,000)	56,115	14,747	173,893

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 2020 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 FOURTH QUARTER ENDED 31 DECEMBER 2021**

	(Unaudited) Current Year to date 31.12.2021 RM'000	(Audited) Preceding Year to date 31.12.2020 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit/(Loss) before tax	(1,907)	(12,805)
Adjustments for:-		
• Amortisation and depreciation	17,009	18,059
• Interest expenses	9,339	11,617
• Other non-cash operating items	(8,568)	3,407
Operating profit before working capital changes	15,873	20,278
Changes in inventories	(67)	12
Changes in trade and other receivables	(5,682)	(29,520)
Changes in trade and other payables	13,774	39,740
Changes in contract assets/liabilities	(1,568)	15,227
Cash generated from operations	22,330	45,737
Interest received	1,236	1,788
Interest paid	(9,411)	(11,815)
Tax paid	(2,369)	(5,554)
Net cash generated from operating activities	11,786	30,156
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(2,947)	(7,344)
Proceeds from disposal of property, plant and equipment	654	1,339
Net cash used in investing activities	(2,293)	(6,005)
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividend paid to shareholders	-	(6,950)
Proceeds from issuance of shares	-	11
Repayment of Sukuk	(10,000)	(10,000)
Net change in lease liabilities	(10,514)	(9,387)
Net change in bank borrowings	(986)	(7,798)
Changes in deposits pledged with financial institutions	(8,631)	(9,727)
Net cash generated from/(used in) financing activities	(30,131)	(43,851)
Net change in cash and cash equivalents	(20,638)	(19,700)
Cash and cash equivalents at the beginning of year	40,446	60,147
Effect of exchange translation difference on cash and cash equivalents	3	(1)
Cash and cash equivalents at the end of period	19,811	40,446
Cash and cash equivalents comprise of the following:		
• Deposits with licensed financial institutions	41,833	40,346
• Cash and bank balances	12,173	24,603
• Bank overdraft	(1,061)	-
	52,945	64,949
Less: Deposits pledged with licensed financial institutions	(33,134)	(24,503)
	19,811	40,446

The unaudited condensed consolidated cash flow statement should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2020 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 2020.

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 2021.

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 2020 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

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

A8. Dividend Paid

No dividend has been paid during the quarter under review.

A9. Segmental Reporting

The Group’s segmental report for the financial period ended 31 December 2021 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	-	596,064	2,317	24,133	-	622,514
Inter-segment sales	-	1,668	-	8,675	(10,343)	-
Total revenue	-	597,732	2,317	32,808	(10,343)	622,514
Interest income	-	691	-	545	-	1,236
Interest expense	-	(2,920)	-	(11,797)	5,378	(9,339)
Amortisation and depreciation	-	(13,695)	(194)	(14)	(3,106)	(17,009)
Impairment of assets	-	-	-	-	-	-
Results						
Profit/(Loss) from operations	(35)	(9,280)	(467)	25,711	(8,497)	7,432
Finance costs	-	(2,920)	-	(11,797)	5,378	(9,339)
Profit/(Loss) before tax	(35)	(12,200)	(467)	13,914	(3,119)	(1,907)
Income tax expense	-	(584)	-	(283)	684	(183)
Profit/(Loss) after tax	(35)	(12,784)	(467)	13,631	(2,435)	(2,090)

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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 31 December 2020 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	647,075	3,019	23,959	-	674,056
Inter-segment sales	5,000	6,877	-	9,919	(17,685)	-
Total revenue	5,003	653,952	3,019	33,878	(17,685)	674,056
Interest income	3	1,530	-	255	-	1,788
Interest expense	-	(4,659)	-	(13,574)	6,616	(11,617)
Amortisation and depreciation	-	(14,165)	(747)	(40)	(3,107)	(18,059)
Impairment of assets	-	-	(3,863)	-	-	(3,863)
Results						
Profit/(Loss) from operations	(1,325)	(12,103)	(4,749)	26,100	(9,077)	(1,154)
Finance costs	-	(4,659)	-	(13,574)	6,616	(11,617)
Profit/(Loss) before tax	(1,325)	(16,762)	(4,749)	12,526	(2,461)	(12,771)
Income tax expense	(1)	(1,914)	-	(46)	746	(1,215)
Profit/(Loss) after tax	(1,326)	(18,676)	(4,749)	12,480	(1,715)	(13,986)

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 31.12.2021 RM’000
Approved and contracted for	
- Purchase of property, plant and equipment	<u>148</u>

A14. Changes in Contingent Liabilities

	As at 31.12.2021 RM’000
Bank guarantees issued by licensed banks in respect of construction projects	<u>137,804</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 31.12.2021 RM’000	Current Year To date 31.12.2021 RM’000
Provision of construction works to a company in which directors have substantial financial interest	<u>21,134</u>	<u>61,229</u>

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 RM180 million for the quarter under review. The revenue decreased by RM15 million or 8% as compared to the same quarter last year. Due to higher construction cost, as a result of the increase in construction material prices and the additional construction cost incurred arising from the pandemic, the Group incurred a loss before tax of RM4.5 million for the quarter under review.

Current Year To Date:

The Group achieved a revenue of RM623 million for the year ended 31 December 2021 with majority contribution from the construction division. The revenue decreased by RM52 million or 8% as compared to last year. For the year ended 31 December 2021, the Group incurred lower loss before tax of RM1.9 million as compared to RM12.8 million in year 2020. The lower loss before tax is mainly due to the lower interest expense and the absence of impairment of assets made in year 2020.

B2. Comparison with Immediate Preceding Quarter's Results

	Current Quarter 31.12.2021	Preceding Quarter 30.9.2021	Variance	
	RM'000	RM'000	RM'000	%
Revenue	179,860	111,156	68,704	62%
Loss before tax	(4,525)	(6,783)	2,258	33%

The revenue increased by 62% due mainly to the higher construction progress recognized from the ongoing projects as compared to the preceding quarter. Despite of the higher revenue, the Group incurred a loss before tax of RM4.5 million due to the higher construction material prices and the additional construction cost incurred arising from the pandemic.

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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 2022

As at 31 December 2021, the Group has an outstanding order book of RM0.9 billion, comprising 7 ongoing projects. These projects are expected to continue to contribute construction income for the financial year ending 31 December 2022. In addition, the concessionaire and maintenance income, which was not affected by the MCO, will provide consistent contribution for the financial year ending 31 December 2022.

However, there are still uncertainties arising from the COVID-19 pandemic. The COVID-19 SOP compliance which include periodic screening, the compliance to the minimum workers' accommodation standard, the tight supply of foreign construction workers and the increase in the construction material prices may further increase construction cost.

B4. Financial Forecast

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

B5. Taxation

	Current Year Quarter 31.12.2021 RM'000	Current Year To date 31.12.2021 RM'000
Current year tax	(344)	(511)
Under provision in prior year	(293)	(418)
Deferred tax	373	746
	<u>(264)</u>	<u>(183)</u>

The effective tax rate is lower than the statutory tax rate due mainly to the current year business losses.

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 31.12.2021 RM'000	Current Year To date 31.12.2021 RM'000
Interest income	(305)	(1,236)
Other income	(85)	(2,023)
Interest expense	2,028	9,339
Amortisation and depreciation	4,593	17,009
Impairment of assets	-	-
Loss/(Gain) on disposal of property, plant and equipment	(265)	(265)

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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 2021 were as follows:-

	As at 31.12.2021 RM'000
Long term borrowings	
Secured:	
• Islamic Medium-Term Notes ("Sukuk")	120,000
• Leases and Term Loan	7,216
	<u>127,216</u>
Short term borrowings	
Secured:	
• Islamic Medium-Term Notes ("Sukuk")	10,000
• Structure commodity financing and Contract financing	44,964
• Leases	9,218
	<u>64,182</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 31.12.2021	Current Year To date 31.12.2021
Profit/(Loss) for the period attributable to owners (RM'000)	(5,361)	(5,367)
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)	(0.77)	(0.77)

B13. Realised and unrealised earnings or losses disclosure

	As at 31.12.2021 RM'000
Total retained earnings for the Group:	
• Realised	54,249
• Unrealised	(4,307)
• Consolidated adjustment	806
	<u>50,748</u>

B14. Authorisation for Issue

This interim financial report was authorized for issuance by the Board of Directors of the Company on 28 February 2022.