

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

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2019**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	(Unaudited) Current Year Quarter 31.12.2019 RM'000	(Audited) Preceding Year Quarter 31.12.2018 RM'000	(Unaudited) Current Year To Date 31.12.2019 RM'000	(Audited) Preceding Year To Date 31.12.2018 RM'000
Revenue	187,306	128,925	625,483	580,813
Cost of sales	(179,741)	(113,481)	(561,761)	(514,438)
Gross profit	7,565	15,444	63,722	66,375
Other operating income	2,145	605	3,409	2,491
Selling and administrative expenses	(11,861)	(14,936)	(40,051)	(43,918)
Profit/(Loss) from operations	(2,151)	1,113	27,080	24,948
Finance costs	(2,550)	(2,962)	(9,334)	(10,890)
Profit/(Loss) before tax	(4,701)	(1,849)	17,746	14,058
Income tax expense	1,311	(955)	(4,104)	(4,567)
Profit/(Loss) for the period	(3,390)	(2,804)	13,642	9,491
Other comprehensive income	-	-	-	-
Total comprehensive income/(loss) for the period	(3,390)	(2,804)	13,642	9,491
Total comprehensive income/(loss) attributable to:				
• Owners of the parent	(4,009)	(3,134)	11,052	8,252
• Non-controlling interests	619	330	2,590	1,239
Earnings/(Loss) per share (Sen)				
• Basic	(0.58)	(0.45)	1.59	1.19
• Diluted	(0.51)	(0.40)	1.39	1.04

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 2018 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 2019

	(Unaudited) 31.12.2019 RM'000	(Audited) 31.12.2018 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	79,986	61,767
Investment properties	3,921	2,925
Intangible assets	55,178	58,284
Financial receivables	134,583	136,984
Trade receivables	72,634	54,197
	<u>346,302</u>	<u>314,157</u>
Current assets		
Inventories	599	681
Trade and other receivables	238,297	200,536
Contract assets	37,325	23,578
Tax recoverable	-	2,313
Deposits with licensed financial institutions	7,562	4,958
Cash and bank balances	70,136	22,869
	<u>353,919</u>	<u>254,935</u>
TOTAL ASSETS	<u>700,221</u>	<u>569,092</u>
EQUITY AND LIABILITIES		
Equity attributable to owners of the parent		
Share capital	194,020	194,020
Reverse acquisition reserve	(91,000)	(91,000)
Retained earnings	80,081	75,978
Total equity attributable to owners of the parent	<u>183,101</u>	<u>178,998</u>
Non-controlling interests	11,751	9,161
	<u>194,852</u>	<u>188,159</u>
Non-current liabilities		
Bank borrowings	140,000	76,095
Hire purchase	18,870	7,580
Trade payables	33,794	19,419
Deferred tax liabilities	13,234	13,980
	<u>205,898</u>	<u>117,074</u>
Current liabilities		
Trade and other payables	176,953	165,365
Contract liabilities	47,866	49,580
Bank borrowings	66,356	44,670
Hire purchase	8,025	4,244
Tax payables	271	-
	<u>299,471</u>	<u>263,859</u>
TOTAL LIABILITIES	<u>505,369</u>	<u>380,933</u>
TOTAL EQUITY AND LIABILITIES	<u>700,221</u>	<u>569,092</u>
Net assets per share attributable to owners of the parent (Sen)	<u>26.35</u>	<u>25.76</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 2018 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 2019**

	ATTRIBUTABLE TO OWNERS OF THE PARENT					
	Non-distributable			Distributable		
	Share capital RM'000	Share premium RM'000	Reverse acquisition reserve RM'000	Retained earnings RM'000	Non-controlling interests RM'000	Total RM'000
As at 1 January 2019	194,020	-	(91,000)	75,978	9,161	188,159
Total comprehensive income for the year	-	-	-	11,052	2,590	13,642
Dividend	-	-	-	(6,949)	-	(6,949)
As at 31 December 2019	194,020	-	(91,000)	80,081	11,751	194,852
As at 1 January 2018	194,008	-	(91,000)	74,675	7,922	185,605
Total comprehensive income for the year	-	-	-	8,252	1,239	9,491
Conversion of warrants	12	-	-	-	-	12
Dividend	-	-	-	(6,949)	-	(6,949)
As at 31 December 2018	194,020	-	(91,000)	75,978	9,161	188,159

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 2018 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 2019

	(Unaudited) Current Year to date 31.12.2019 RM'000	(Audited) Preceding Year to date 31.12.2018 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	17,746	14,057
Adjustments for:-		
• Amortisation and depreciation	21,250	20,016
• Interest expenses	9,334	10,890
• Other non-cash operating items	(1,365)	3,686
Operating profit before working capital changes	46,965	48,649
Changes in inventories	124	175
Changes in trade and other receivables	(53,797)	(62,584)
Changes in trade and other payables	26,103	9,588
Changes in contract assets/liabilities	(15,462)	24,579
Cash generated from operations	3,933	20,407
Interest received	609	1,121
Interest paid	(8,973)	(10,777)
Tax paid	(2,264)	(7,145)
Net cash generated from/(used in) operating activities	(6,695)	3,606
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(37,360)	(4,717)
Proceeds from disposal of property, plant and equipment	571	10,975
Net cash generated from/(used in) investing activities	(36,789)	6,258
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividend paid to shareholders	(6,949)	(6,949)
Proceeds from issuance of Sukuk	150,000	-
Net change in hire purchase	15,070	(5,342)
Net change in bank borrowings	(64,768)	5,437
Changes in fixed deposits pledged with licensed banks	(4,707)	(1,056)
Net cash generated from/(used in) financing activities	88,646	(7,910)
Net change in cash and cash equivalents	45,162	1,954
Cash and cash equivalents at the beginning of year	21,494	19,539
Effect of exchange translation difference on cash and cash equivalents	2	1
Cash and cash equivalents at the end of period	66,658	21,494
Cash and cash equivalents comprise of the following:		
• Deposits with licensed financial institutions	7,562	4,958
• Cash and bank balances	70,136	22,869
	77,698	27,827
Less: Fixed deposits pledged with licensed banks	(11,040)	(6,333)
	66,658	21,494

The unaudited condensed consolidated cash flow statement should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2018 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 2018.

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 2018.

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 2019.

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 2018 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

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 ended 31 December 2019:

In respect of financial year ended 31 December 2018:

- single tier final dividend of 1 sen per ordinary share, paid on 12 July 2019, amounting to RM6,949,410.09.

A9. Segmental Reporting

The Group’s segmental report for the financial year ended 31 December 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	598,394	3,103	23,983	-	625,483
Inter-segment sales	-	6,271	-	3,301	(9,572)	-
Total revenue	-	604,665	3,103	27,284	(9,572)	625,483
Interest income	3	3,587	-	169	(3,150)	609
Interest expense	-	(3,826)	(2)	(8,656)	3,150	(9,334)
Amortisation and depreciation	-	(16,803)	(1,301)	(39)	(3,107)	(21,250)
Impairment of assets	-	-	-	-	-	-
Results						
Profit/(Loss) from operations	(694)	15,789	(1,456)	19,696	(6,255)	27,080
Finance costs	-	(3,826)	(2)	(8,656)	3,150	(9,334)
Profit/(Loss) before tax	(694)	11,963	(1,458)	11,040	(3,105)	17,746
Income tax expense	-	(4,811)	-	(38)	745	(4,104)
Profit/(Loss) after tax	(694)	7,152	(1,458)	11,002	(2,360)	13,642

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 2018 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	13	554,550	2,925	23,375	-	580,813
Inter-segment sales	-	55,713	-	5,842	(61,555)	-
Total revenue	13	610,213	2,925	29,217	(61,555)	580,813
Interest income	13	3,986	-	85	(2,963)	1,121
Interest expense	-	(3,728)	(71)	(10,054)	2,963	(10,890)
Amortisation and depreciation	-	(15,190)	(1,317)	(39)	(3,470)	(20,016)
Impairment of assets	(5,300)	-	680	-	-	(4,620)
Results						
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)
Profit/(Loss) after tax	(5,944)	10,380	(1,407)	9,000	(2,538)	9,491

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)

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

A.13 Capital Commitments

	As at 31.12.2019 RM'000
Approved and contracted for	
- Purchase of property, plant and equipment	<u>11,433</u>

A14. Changes in Contingent Liabilities

	As at 31.12.2019 RM'000
Bank guarantees issued by licensed banks in respect of construction projects	<u>197,060</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 31.12.2019 RM'000	Current Year To date 31.12.2019 RM'000
Provision of construction works to a company in which directors have substantial financial interest	<u>17,888</u>	<u>68,873</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 RM187 million for the quarter under review. The revenue increased by RM58 million or 45% as compared to the same quarter last year. The increase is mainly due to the construction progress recognized from the ongoing projects.

Despite higher revenue, the Group registered loss before tax of RM4.7 million for the quarter, due mainly to the cost overrun incurred for a project and the expenses incurred for the issuance of Sukuk.

Current Year To Date:

The Group achieved a revenue of RM626 million for the financial year ended 31 December 2019 with majority contribution from the construction division. The revenue increased by RM45 million or 8% as compared to the same period last year.

In line with higher revenue, the Group registered a profit before tax of RM17.7 million for the financial year ended 31 December 2019 as compared to RM14.1 million, an increase of 26% as compared to the same period last year.

B2. Comparison with Immediate Preceding Quarter's Results

	Current Quarter	Preceding Quarter	Variance	
	31.12.2019	30.9.2019	RM'000	%
	RM'000	RM'000	RM'000	%
Revenue	187,306	141,950	45,356	32
Profit/(Loss) before tax	(4,701)	7,736	(12,437)	(161)

The revenue increased by 32% due mainly to the higher construction progress recognized from the ongoing projects.

Despite higher revenue, the Group registered loss before tax of RM4.7 million for the quarter, due mainly to the cost overrun incurred for a project and the expenses incurred for the issuance of Sukuk.

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 2020

As at 31 December 2019, the Group has an outstanding order book of RM1.6 billion, comprising 9 ongoing projects. These projects are expected to be delivered over the next 2 years and hence, contribution of construction revenue is expected to be stable for the financial year ending 31 December 2020.

The Malaysian economy registered a 4.3% growth in 2019. Economic growth in 2020 may be impacted by the Covid-19 outbreak as well as by other global and local uncertainties. These may also have an impact on us for the year.

Accordingly, barring any unforeseen circumstances, the Group expects to achieve a satisfactory performance for the financial year ending 31 December 2020.

B4. Financial Forecast

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

B5. Taxation

	Current Year Quarter 31.12.2019 RM'000	Current Year To date 31.12.2019 RM'000
Current year tax	(1,125)	4,849
Deferred tax	(186)	(745)
	(1,311)	4,104

The effective tax rate is lower than the statutory tax rate due to the utilization of unabsorbed tax losses and capital allowances for the concession entity during the period.

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 31.12.2019 RM'000	Current Year To date 31.12.2019 RM'000
Interest income	(238)	(609)
Other income	(1,770)	(1,847)
Interest expense	2,550	9,334
Amortisation and depreciation	6,190	21,250
Impairment of assets	-	-
Loss/(Gain) on disposal of property, plant and equipment	(33)	(396)

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

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 2019 were as follows:-

	As at 31.12.2019 RM'000
Long term borrowings	
Secured:	
• Islamic Medium-Term Notes ("Sukuk")	140,000
• Hire purchase	18,870
	<u>158,870</u>
Short term borrowings	
Secured:	
• Islamic Medium-Term Notes ("Sukuk")	10,000
• Structure commodity financing and Contract financing	56,356
• Hire purchase	8,025
	<u>74,381</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 2019, 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 31.12.2019	Current Year To date 31.12.2019
Profit/(Loss) for the period attributable to owners (RM'000)	(4,009)	11,052
Number of shares:		
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)	(0.58)	1.59
Diluted earnings/(loss) per share (Sen)	(0.51)	1.39

B13. Realised and unrealised earnings or losses disclosure

	As at 31.12.2019 RM'000
Total retained earnings for the Group:	
• Realised	74,038
• Unrealised	5,237
• Consolidated adjustment	806
	<u>80,081</u>

B14. Authorisation for Issue

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