

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

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE SECOND QUARTER ENDED 30 JUNE 2022**

| | INDIVIDUAL QUARTER | | CUMULATIVE QUARTER | |
|---|--|--|--|--|
| | (Unaudited) Current Year Quarter 30.6.2022 RM'000 | (Audited) Preceding Year Quarter 30.6.2021 RM'000 | (Unaudited) Current Year To Date 30.6.2022 RM'000 | (Audited) Preceding Year To Date 30.6.2021 RM'000 |
| Revenue | 112,353 | 145,418 | 207,399 | 331,498 |
| Cost of sales | (103,334) | (132,265) | (188,169) | (304,347) |
| Gross profit | 9,019 | 13,153 | 19,230 | 27,151 |
| Other operating income | 210 | 1,250 | 695 | 2,454 |
| Selling and administrative expenses | (7,020) | (8,556) | (13,975) | (15,394) |
| Profit from operations | 2,209 | 5,847 | 5,950 | 14,211 |
| Finance costs | (1,970) | (2,438) | (3,888) | (4,810) |
| Profit before tax | 239 | 3,409 | 2,062 | 9,401 |
| Income tax expense | (10) | 243 | 129 | 212 |
| Profit for the period | 229 | 3,652 | 2,191 | 9,613 |
| Other comprehensive income | - | - | - | - |
| Total comprehensive income for the period | 229 | 3,652 | 2,191 | 9,613 |
| Total comprehensive income/(loss) attributable to: | | | | |
| • Owners of the parent | (635) | 2,928 | 475 | 7,911 |
| • Non-controlling interests | 864 | 724 | 1,716 | 1,702 |
| Earnings/(Loss) per share (Sen) | | | | |
| • Basic | (0.09) | 0.42 | 0.07 | 1.14 |
| • 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 2021 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 JUNE 2022**

| | (Unaudited) 30.6.2022 RM'000 | (Audited) 31.12.2021 RM'000 |
|--|------------------------------------|-----------------------------------|
| ASSETS | | |
| Non-current assets | | |
| Property, plant and equipment | 56,890 | 61,697 |
| Investment properties | 9,344 | 7,997 |
| Intangible assets | 47,377 | 48,930 |
| Financial receivables | 127,102 | 128,802 |
| Trade receivables | 49,218 | 51,091 |
| | <u>289,931</u> | <u>298,517</u> |
| Current assets | | |
| Inventories | 611 | 650 |
| Trade and other receivables | 243,712 | 300,759 |
| Contract assets | 16,041 | 3,927 |
| Tax recoverable | 5,357 | 4,764 |
| Deposits with licensed financial institutions | 46,557 | 41,833 |
| Cash and bank balances | 13,301 | 12,173 |
| | <u>325,579</u> | <u>364,106</u> |
| TOTAL ASSETS | <u>615,510</u> | <u>662,623</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 | 51,222 | 50,747 |
| Total equity attributable to owners of the parent | <u>154,253</u> | <u>153,778</u> |
| Non-controlling interests | 19,740 | 18,024 |
| | <u>173,993</u> | <u>171,802</u> |
| Non-current liabilities | | |
| Bank borrowings | 120,935 | 120,543 |
| Leases | 3,586 | 6,673 |
| Trade payables | 34,860 | 28,406 |
| Deferred tax liabilities | 11,371 | 11,743 |
| | <u>170,752</u> | <u>167,365</u> |
| Current liabilities | | |
| Trade and other payables | 207,370 | 231,148 |
| Contract liabilities | 10,062 | 28,126 |
| Bank borrowings | 46,084 | 54,964 |
| Leases | 7,249 | 9,218 |
| Tax payables | - | - |
| | <u>270,765</u> | <u>323,456</u> |
| TOTAL LIABILITIES | <u>441,517</u> | <u>490,821</u> |
| TOTAL EQUITY AND LIABILITIES | <u>615,510</u> | <u>662,623</u> |
| Net assets per share attributable to owners of the parent (Sen) | <u>22.20</u> | <u>22.13</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 2021 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 JUNE 2022**

| | 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 2022 | 194,031 | (91,000) | 50,747 | 18,024 | 171,802 |
| Total comprehensive income for the period | - | - | 475 | 1,716 | 2,191 |
| As at 30 June 2022 | 194,031 | (91,000) | 51,222 | 19,740 | 173,993 |
| As at 1 January 2021 | 194,031 | (91,000) | 56,115 | 14,747 | 173,893 |
| Total comprehensive income for the period | - | - | 7,911 | 1,702 | 9,613 |
| As at 30 June 2021 | 194,031 | (91,000) | 64,026 | 16,449 | 183,506 |

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 2021 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 SECOND QUARTER ENDED 30 JUNE 2022**

| | (Unaudited) Current Year to date 30.6.2022 RM'000 | (Audited) Preceding Year to date 31.12.2021 RM'000 |
|--|---|--|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Profit/(Loss) before tax | 2,062 | (1,907) |
| Adjustments for:- | | |
| • Amortisation and depreciation | 7,284 | 17,009 |
| • Interest expenses | 3,888 | 9,339 |
| • Other non-cash operating items | (1,322) | (1,424) |
| Operating profit before working capital changes | 11,912 | 23,017 |
| Changes in inventories | 88 | (67) |
| Changes in trade and other receivables | 60,648 | (5,683) |
| Changes in trade and other payables | (16,607) | 6,630 |
| Changes in contract assets/liabilities | (30,179) | (1,568) |
| Cash generated from operations | 25,862 | 22,329 |
| Interest received | 447 | 1,236 |
| Interest paid | (4,062) | (9,411) |
| Tax paid | (740) | (2,369) |
| Net cash generated from operating activities | 21,507 | 11,785 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Purchase of property, plant and equipment | (2,271) | (2,947) |
| Proceeds from disposal of property, plant and equipment | - | 654 |
| Net cash used in investing activities | (2,271) | (2,293) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Repayment of Sukuk | - | (10,000) |
| Net change in lease liabilities | (5,058) | (10,514) |
| Net change in bank borrowings | (7,268) | (986) |
| Changes in deposits pledged with financial institutions | (5,287) | (8,631) |
| Net cash used in financing activities | (17,613) | (30,131) |
| Net change in cash and cash equivalents | 1,623 | (20,639) |
| Cash and cash equivalents at the beginning of year | 19,810 | 40,446 |
| Effect of exchange translation difference on cash and cash equivalents | 3 | 3 |
| Cash and cash equivalents at the end of period | 21,436 | 19,810 |
| Cash and cash equivalents comprise of the following: | | |
| • Deposits with licensed financial institutions | 46,557 | 41,833 |
| • Cash and bank balances | 13,301 | 12,173 |
| • Bank overdraft | - | (1,061) |
| | 59,858 | 52,945 |
| Less: Deposits pledged with licensed financial institutions | (38,422) | (33,135) |
| | 21,436 | 19,810 |

The unaudited condensed consolidated cash flow statement should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2021 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 2021.

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 2020.

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 2022.

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 2021 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 30 June 2022 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 | - | 194,136 | 1,480 | 11,783 | - | 207,399 |
| Inter-segment sales | - | 706 | - | 3,924 | (4,630) | - |
| Total revenue | - | 194,842 | 1,480 | 15,707 | (4,630) | 207,399 |
| Interest income | - | 233 | - | 214 | - | 477 |
| Interest expense | - | (917) | - | (5,231) | 2,260 | (3,888) |
| Amortisation and depreciation | - | (5,636) | (94) | (1) | (1,553) | (7,284) |
| Impairment of assets | - | - | - | - | - | - |
| Results | | | | | | |
| Profit/(Loss) from operations | (345) | (2,138) | (308) | 12,547 | (3,806) | 5,950 |
| Finance costs | - | (917) | - | (5,231) | 2,260 | (3,888) |
| Profit/(Loss) before tax | (345) | (3,055) | (308) | 7,316 | (1,546) | 2,062 |
| Income tax expense | - | (6) | - | (120) | 255 | 129 |
| Profit/(Loss) after tax | (345) | (3,061) | (308) | 7,196 | (1,291) | 2,191 |

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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 June 2021 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 | - | 318,229 | 1,096 | 12,173 | - | 331,498 |
| Inter-segment sales | - | 833 | - | 4,449 | (5,282) | - |
| Total revenue | - | 319,062 | 1,096 | 16,622 | (5,282) | 331,498 |
| Interest income | - | 292 | - | 315 | - | 607 |
| Interest expense | - | (1,624) | - | (5,985) | 2,799 | (4,810) |
| Amortisation and depreciation | - | (7,127) | (98) | (7) | (1,553) | (8,785) |
| Impairment of assets | - | - | - | - | - | - |
| Results | | | | | | |
| Profit/(Loss) from operations | (378) | 5,883 | (314) | 13,074 | (4,054) | 14,211 |
| Finance costs | - | (1,624) | - | (5,985) | 2,799 | (4,810) |
| Profit/(Loss) before tax | (378) | 4,259 | (314) | 7,089 | (1,255) | 9,401 |
| Income tax expense | - | (5) | - | (95) | 312 | 212 |
| Profit/(Loss) after tax | (378) | 4,254 | (314) | 6,994 | (943) | 9,613 |

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 (Registration No. 201101029741)(957876-T)

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

A.13 Capital Commitments

| | |
|---|------------------------------|
| | As at 30.6.2022 RM’000 |
| Approved and contracted for | |
| - Purchase of property, plant and equipment | <u>148</u> |

A14. Changes in Contingent Liabilities

| | |
|--|------------------------------|
| | As at 30.6.2022 RM’000 |
| Bank guarantees issued by licensed banks in respect of construction projects | <u>137,347</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 30.6.2022 RM’000 | Current Year To date 30.6.2022 RM’000 |
|---|--|--|
| Provision of construction works to a company in which directors have substantial financial interest | <u>22,637</u> | <u>34,729</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 RM112 million for the quarter under review. The revenue decreased by RM33 million or 23% as compared to the same quarter last year. The decrease is mainly due to the lower construction activities as compared to the same period last year.

In line with the lower revenue, the Group registered a lower profit before tax of RM0.2 million for the quarter.

Current Year To Date:

The Group achieved a revenue of RM207 million for the period ended 30 June 2022, is largely contributed by the construction division. The revenue decreased by RM124 million or 37% as compared to the same period last year. In line with the lower revenue, the Group registered lower profit before tax of RM2.1 million for the period ended 30 June 2022 as compared to a profit before tax of RM9.4 million in the same period last year.

B2. Comparison with Immediate Preceding Quarter's Results

| | Current Quarter | Preceding Quarter | Variance | |
|-------------------|-----------------|-------------------|----------|-------|
| | 30.6.2022 | 31.3.2022 | RM'000 | % |
| Revenue | 112,353 | 95,047 | 17,306 | 18% |
| Profit before tax | 239 | 1,824 | (1,585) | (87%) |

The revenue increased by 18% due mainly to the higher construction activities during the quarter. Despite higher revenue, the Group generated lower profit before tax of RM0.2 million for the quarter due to the higher construction material costs and worker wages incurred for the quarter.

B3. Prospects for the Financial Year ending 31 December 2022

As at 30 June 2022, the Group has an outstanding order book of RM0.7 billion, comprising 4 ongoing projects. These projects are expected to contribute construction revenue for the financial year ending 31 December 2022. In addition, the concessionaire and maintenance income will provide consistent contribution for the financial year ending 31 December 2022.

However, the increase in construction material prices, global supply disruption, shortage of construction workers and the implementation of minimum worker's wages will negatively affect the construction business for the financial year. The Group is facing these challenges and has taken the necessary controls to mitigate the increasing construction cost.

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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

B4. Financial Forecast

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

B5. Taxation

| | Current Year Quarter 30.6.2022 RM'000 | Current Year To date 30.6.2022 RM'000 |
|-------------------------------|--|--|
| Current year tax | 99 | 126 |
| Under provision in prior year | 97 | 118 |
| Deferred tax | (186) | (373) |
| | <u>10</u> | <u>(129)</u> |

The effective tax rate is lower than the statutory tax rate due to the utilization of unabsorbed business losses in prior year.

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 30.6.2022 RM'000 | Current Year To date 30.6.2022 RM'000 |
|--|--|--|
| Interest income | (152) | (447) |
| Other income | (78) | (300) |
| Interest expense | 1,970 | 3,888 |
| Amortisation and depreciation | 3,646 | 7,284 |
| Impairment of assets | - | - |
| Loss/(Gain) on disposal of property, plant and equipment | - | - |

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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 30 June 2022 were as follows:-

| | As at 30.6.2022 RM'000 |
|---|------------------------------|
| Long term borrowings | |
| Secured: | |
| • Islamic Medium-Term Notes ("Sukuk") | 120,000 |
| • Leases and Term Loan | 4,521 |
| | <u>124,521</u> |
| Short term borrowings | |
| Secured: | |
| • Islamic Medium-Term Notes ("Sukuk") | 10,000 |
| • Revolving Credit and Contract financing | 36,084 |
| • Leases | 7,249 |
| | <u>53,333</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.

PESONA METRO HOLDINGS BERHAD (Registration No. 201101029741)(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 30.6.2022 | Current Year To date 30.6.2022 |
|---|--------------------------------------|--------------------------------------|
| Profit/(Loss) for the period attributable to owners (RM'000) | (635) | 475 |
| 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) | (0.09) | 0.07 |

B13. Realised and unrealised earnings or losses disclosure

| | As at 30.6.2022 RM'000 |
|---|------------------------------|
| Total retained earnings for the Group: | |
| • Realised | 55,098 |
| • Unrealised | (4,682) |
| • Consolidated adjustment | 806 |
| | <u>51,222</u> |

B14. Authorisation for Issue

This interim financial report was authorized for issuance by the Board of Directors of the Company on 29 August 2022.