

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

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2022**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	(Unaudited) Current Year Quarter 30.9.2022 RM'000	(Audited) Preceding Year Quarter 30.9.2021 RM'000	(Unaudited) Current Year To Date 30.9.2022 RM'000	(Audited) Preceding Year To Date 30.9.2021 RM'000
Revenue	90,525	111,156	297,924	442,654
Cost of sales	(85,229)	(109,154)	(273,398)	(413,501)
Gross profit	5,296	2,002	24,526	29,153
Other operating income	603	480	1,298	2,934
Selling and administrative expenses	(6,913)	(6,764)	(20,888)	(22,158)
Profit/(Loss) from operations	(1,014)	(4,282)	4,936	9,929
Finance costs	(2,030)	(2,501)	(5,917)	(7,311)
Profit/(Loss) before tax	(3,044)	(6,783)	(981)	2,618
Income tax expense	351	(130)	479	81
Profit/(Loss) for the period	(2,693)	(6,913)	(502)	2,699
Other comprehensive income	-	-	-	-
Total comprehensive income/(loss) for the period	(2,693)	(6,913)	(502)	2,699
Total comprehensive income/(loss) attributable to:				
• Owners of the parent	(3,583)	(7,917)	(3,108)	(7)
• Non-controlling interests	890	1,004	2,606	2,706
Earnings/(Loss) per share (Sen)				
• Basic	(0.52)	(1.14)	(0.45)	-
• 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 SEPTEMBER 2022**

	(Unaudited) 30.9.2022	(Audited) 31.12.2021
	RM'000	RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	54,641	61,697
Investment properties	9,504	7,997
Intangible assets	46,600	48,930
Financial receivables	126,269	128,802
Trade receivables	46,616	51,091
	<u>283,630</u>	<u>298,517</u>
Current assets		
Inventories	443	650
Trade and other receivables	236,285	300,759
Contract assets	14,579	3,927
Tax recoverable	5,640	4,764
Deposits with licensed financial institutions	48,847	41,833
Cash and bank balances	18,379	12,173
	<u>324,173</u>	<u>364,106</u>
TOTAL ASSETS	<u>607,803</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	47,639	50,747
Total equity attributable to owners of the parent	<u>150,670</u>	<u>153,778</u>
Non-controlling interests	<u>20,630</u>	<u>18,024</u>
	<u>171,300</u>	<u>171,802</u>
Non-current liabilities		
Bank borrowings	120,875	120,543
Leases	2,447	6,673
Trade payables	36,789	28,406
Deferred tax liabilities	11,184	11,743
	<u>171,295</u>	<u>167,365</u>
Current liabilities		
Trade and other payables	203,486	231,148
Contract liabilities	12,957	28,126
Bank borrowings	42,594	54,964
Leases	6,171	9,218
Tax payables	-	-
	<u>265,208</u>	<u>323,456</u>
TOTAL LIABILITIES	<u>436,503</u>	<u>490,821</u>
TOTAL EQUITY AND LIABILITIES	<u>607,803</u>	<u>662,623</u>
Net assets per share attributable to owners of the parent (Sen)	<u>21.68</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 SEPTEMBER 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/(loss) for the period	-	-	(3,108)	2,606	(502)
As at 30 September 2022	194,031	(91,000)	47,639	20,630	171,300
As at 1 January 2021	194,031	(91,000)	56,115	14,747	173,893
Total comprehensive income/(loss) for the period	-	-	(7)	2,706	2,699
As at 30 September 2021	194,031	(91,000)	56,108	17,453	176,592

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 THIRD QUARTER ENDED 30 SEPTEMBER 2022**

	(Unaudited) Current Year to date 30.9.2022 RM'000	(Audited) Preceding Year to date 31.12.2021 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit/(Loss) before tax	(981)	(1,907)
Adjustments for:-		
• Amortisation and depreciation	10,997	17,009
• Interest expenses	5,917	9,339
• Other non-cash operating items	(976)	(1,424)
Operating profit before working capital changes	14,957	23,017
Changes in inventories	393	(67)
Changes in trade and other receivables	71,570	(5,683)
Changes in trade and other payables	(20,870)	6,630
Changes in contract assets/liabilities	(25,822)	(1,568)
Cash generated from operations	40,228	22,329
Interest received	712	1,236
Interest paid	(4,582)	(9,411)
Tax paid	(859)	(2,369)
Net cash generated from operating activities	35,499	11,785
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(3,153)	(2,947)
Proceeds from disposal of property, plant and equipment	25	654
Net cash used in investing activities	(3,128)	(2,293)
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of Sukuk	-	(10,000)
Net change in lease liabilities	(7,273)	(10,514)
Net change in bank borrowings	(12,378)	(986)
Changes in deposits pledged with financial institutions	(11,414)	(8,631)
Net cash used in financing activities	(31,065)	(30,131)
Net change in cash and cash equivalents	1,306	(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	21,119	19,810
Cash and cash equivalents comprise of the following:		
• Deposits with licensed financial institutions	48,847	41,833
• Cash and bank balances	18,379	12,173
• Bank overdraft	(1,559)	(1,061)
	65,667	52,945
Less: Deposits pledged with licensed financial institutions	(44,548)	(33,135)
	21,119	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 September 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	-	277,845	2,236	17,843	-	297,924
Inter-segment sales	-	1,229	-	5,834	(7,063)	-
Total revenue	-	279,074	2,236	23,677	(7,063)	297,924
Interest income	-	397	-	315	-	712
Interest expense	-	(1,437)	-	(7,785)	3,305	(5,917)
Amortisation and depreciation	-	(8,527)	(138)	(2)	(2,330)	(10,997)
Impairment of assets	-	-	-	-	-	-
Results						
Profit/(Loss) from operations	(509)	(7,509)	(326)	18,907	(5,627)	4,936
Finance costs	-	(1,437)	-	(7,785)	3,305	(5,917)
Profit/(Loss) before tax	(509)	(8,946)	(326)	11,122	(2,322)	(981)
Income tax expense	-	271	-	(233)	441	479
Profit/(Loss) after tax	(509)	(8,675)	(326)	10,889	(1,881)	(502)

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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 September 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	-	423,015	1,495	18,144	-	442,654
Inter-segment sales	-	1,304	-	6,599	(7,903)	-
Total revenue	-	424,319	1,495	24,743	(7,903)	442,654
Interest income	-	615	-	316	-	931
Interest expense	-	(2,505)	-	(8,933)	4,127	(7,311)
Amortisation and depreciation	-	(10,706)	(146)	(11)	(1,553)	(12,416)
Impairment of assets	-	-	-	-	-	-
Results						
Profit/(Loss) from operations	(531)	(3,339)	(425)	19,606	(5,382)	9,929
Finance costs	-	(2,505)	-	(8,933)	4,127	(7,311)
Profit/(Loss) before tax	(531)	(5,844)	(425)	10,673	(1,255)	2,618
Income tax expense	-	(9)	-	(222)	312	81
Profit/(Loss) after tax	(531)	(5,853)	(425)	10,451	(943)	2,699

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 30.9.2022 RM'000
Approved and contracted for	
- Purchase of property, plant and equipment	<u>148</u>

A14. Changes in Contingent Liabilities

	As at 30.9.2022 RM'000
Bank guarantees issued by licensed banks in respect of construction projects	<u>137,736</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 30.9.2022 RM'000	Current Year To date 30.9.2022 RM'000
Provision of construction works to a company in which directors have substantial financial interest	<u>22,028</u>	<u>56,757</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 RM91 million for the quarter under review. The revenue decreased by RM21 million or 19% 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 lower revenue, the Group registered a loss before tax of RM3 million for the quarter.

Current Year To Date:

The Group achieved a revenue of RM298 million for the period ended 30 September 2022, is largely contributed by the construction division. The revenue decreased by RM145 million or 33% as compared to the same period last year. In line with lower revenue, the Group registered a loss before tax of RM1.0 million for the period ended 30 September 2022 as compared to a profit before tax of RM2.6 million in the same period last year.

B2. Comparison with Immediate Preceding Quarter's Results

	Current Quarter	Preceding Quarter	Variance	
	30.9.2022	30.6.2022	RM'000	%
Revenue	90,525	112,353	(21,828)	(19%)
Profit/(Loss) before tax	(3,044)	239	(3,283)	(>100%)

The revenue decreased by 19% due mainly to the lower construction activities during the quarter. In line with lower revenue, the Group generated a loss profit before tax of RM3 million for the quarter due to higher construction costs incurred for the quarter.

B3. Prospects for the Financial Year ending 31 December 2022

As at 30 September 2022, the Group has an outstanding order book of RM0.6 billion, comprising 4 ongoing projects. With the new project secured in October 2022, the outstanding order book increased to RM0.8 billion. 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 Group continues to face the challenges of high construction material costs and supply shortage of construction workers. These challenges adversely impact the construction business for the financial year. The Group is taking the appropriate measures to manage these challenges.

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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 30.9.2022 RM'000	Current Year To date 30.9.2022 RM'000
Current year tax	114	241
Under/(Over) provision in prior year	(279)	(161)
Deferred tax	(186)	(559)
	<u>(351)</u>	<u>(479)</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 30.9.2022 RM'000	Current Year To date 30.9.2022 RM'000
Interest income	(265)	(712)
Other income	(269)	(569)
Interest expense	2,030	5,917
Amortisation and depreciation	3,713	10,997
Impairment of assets	-	-
Loss/(Gain) on disposal of property, plant and equipment	(39)	(39)

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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 September 2022 were as follows:-

	As at 30.9.2022 RM'000
Long term borrowings	
Secured:	
• Islamic Medium-Term Notes ("Sukuk")	120,000
• Leases and Term Loan	3,322
	<u>123,322</u>
Short term borrowings	
Secured:	
• Islamic Medium-Term Notes ("Sukuk")	10,000
• Revolving Credit and Contract financing	32,594
• Leases	6,171
	<u>48,765</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 30.9.2022	Current Year To date 30.9.2022
Profit/(Loss) for the period attributable to owners (RM'000)	(3,583)	(3,108)
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)	(0.52)	(0.45)

B13. Realised and unrealised earnings or losses disclosure

	As at 30.9.2022 RM'000
Total retained earnings for the Group:	
• Realised	51,700
• Unrealised	(4,867)
• Consolidated adjustment	806
	<u>47,639</u>

B14. Authorisation for Issue

This interim financial report was authorized for issuance by the Board of Directors of the Company on 30 November 2022.