

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

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2023**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	(Unaudited) Current Year Quarter 30.9.2023 RM'000	(Audited) Preceding Year Quarter 30.9.2022 RM'000	(Unaudited) Current Year To Date 30.9.2023 RM'000	(Audited) Preceding Year To Date 30.9.2022 RM'000
Revenue	155,382	90,525	376,732	297,924
Cost of sales	(145,028)	(85,229)	(347,434)	(273,398)
Gross profit	10,354	5,296	29,298	24,526
Other operating income	709	603	1,286	1,298
Selling and administrative expenses	(4,432)	(6,913)	(13,412)	(20,888)
Profit from operations	6,631	(1,014)	17,172	4,936
Finance costs	(2,285)	(2,030)	(6,255)	(5,917)
Profit before tax	4,346	(3,044)	10,917	(981)
Income tax expense	(546)	351	(1,331)	479
Profit for the period	3,800	(2,693)	9,586	(502)
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	3,800	(2,693)	9,586	(502)
Total comprehensive income attributable to:				
• Owners of the parent	3,101	(3,583)	7,435	(3,108)
• Non-controlling interests	699	890	2,151	2,606
Earnings per share (Sen)				
• Basic	0.45	(0.52)	1.07	(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 2022 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 2023**

	(Unaudited) 30.9.2023	(Audited) 31.12.2022
	RM'000	RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	50,703	52,538
Investment properties	8,936	9,504
Intangible assets	43,493	45,823
Financial receivables	122,396	125,369
Trade receivables	35,827	47,147
	<u>261,355</u>	<u>280,381</u>
Current assets		
Trade and other receivables	307,159	204,526
Contract assets	29,983	15,715
Tax recoverable	1,284	5,601
Deposits with licensed financial institutions	46,825	39,320
Cash and bank balances	16,336	24,006
	<u>401,587</u>	<u>289,168</u>
TOTAL ASSETS	<u>662,942</u>	<u>569,549</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	51,746	44,311
Total equity attributable to owners of the parent	<u>154,777</u>	<u>147,342</u>
Non-controlling interests	<u>23,632</u>	<u>21,481</u>
	<u>178,409</u>	<u>168,823</u>
Non-current liabilities		
Borrowings	105,693	105,740
Leases	228	1,583
Trade payables	16,842	31,123
Deferred tax liabilities	10,439	10,998
	<u>133,202</u>	<u>149,444</u>
Current liabilities		
Trade and other payables	258,152	174,540
Contract liabilities	7,109	19,421
Borrowings	82,239	52,303
Leases	2,210	5,018
Tax payables	1,621	-
	<u>351,331</u>	<u>251,282</u>
TOTAL LIABILITIES	<u>484,533</u>	<u>400,726</u>
TOTAL EQUITY AND LIABILITIES	<u>662,942</u>	<u>569,549</u>
Net assets per share attributable to owners of the parent (Sen)	<u>22.27</u>	<u>21.20</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 2022 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 2023**

	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 2023	194,031	(91,000)	44,311	21,481	168,823
Total comprehensive income for the year	-	-	7,435	2,151	9,586
As at 30 September 2023	194,031	(91,000)	51,746	23,632	178,409
As at 1 January 2022	194,031	(91,000)	50,747	18,024	171,802
Total comprehensive income for the year	-	-	(3,108)	2,606	(502)
As at 30 September 2022	194,031	(91,000)	47,639	20,630	171,300

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 2022 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 2023**

	(Unaudited) Current Year to date 30.9.2023 RM'000	(Audited) Preceding Year to date 31.12.2022 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit/(Loss) before tax	10,917	(3,551)
Adjustments for:-		
• Amortisation and depreciation	10,967	14,622
• Interest expenses	6,255	8,063
• Other non-cash operating items	(1,364)	(2,034)
Operating profit before working capital changes	26,775	17,100
Changes in inventories	-	650
Changes in trade and other receivables	(88,563)	103,233
Changes in trade and other payables	67,947	(52,463)
Changes in contract assets/liabilities	(26,580)	(20,493)
Cash generated from operations	(20,421)	48,027
Interest received	1,326	936
Interest paid	(4,850)	(8,104)
Tax (paid)/refund	4,047	(925)
Net cash generated from/(used in) operating activities	(19,898)	39,934
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(7,134)	(4,452)
Proceeds from disposal of property, plant and equipment	1,161	664
Net cash arising from disposal of subsidiaries	-	(180)
Net cash used in investing activities	(5,973)	(3,968)
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of Sukuk	-	(10,000)
Net change in lease liabilities	(4,163)	(9,290)
Net change in bank borrowings	29,868	(6,300)
Changes in deposits pledged with financial institutions	(15,741)	(4,349)
Net cash used in financing activities	9,964	(29,939)
Net change in cash and cash equivalents	(15,907)	6,027
Cash and cash equivalents at the beginning of year	25,844	19,810
Effect of exchange translation difference on cash and cash equivalents	-	7
Cash and cash equivalents at the end of period	9,937	25,844
Cash and cash equivalents comprise of the following:		
• Deposits with licensed financial institutions	46,825	39,320
• Cash and bank balances	16,336	24,006
• Bank overdraft	-	-
	63,161	63,326
Less: Deposits pledged and restricted cash and bank balances	(53,224)	(37,482)
	9,937	25,844

The unaudited condensed consolidated cash flow statement should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2022 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 2022.

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 2022.

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 2023.

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 2022 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 2023 is as follows:-

	Investment holding	Construction	Concessionaire asset and maintenance	Elimination	Total
	RM’000	RM’000	RM’000	RM’000	RM’000
Revenue					
External sales	-	358,910	17,822	-	376,732
Inter-segment sales	-	2,508	7,169	(9,677)	-
Total revenue	-	361,418	24,991	(9,677)	376,732
Interest income	-	231	1,095	-	1,326
Interest expense	-	(2,104)	(8,681)	4,530	(6,255)
Amortisation and depreciation	-	(8,635)	(2)	(2,330)	(10,967)
Impairment of assets	-	-	-	-	-
Results					
Profit/(Loss) from operations	(749)	4,740	20,032	(6,851)	17,172
Finance costs	-	(2,104)	(8,681)	4,530	(6,255)
Profit/(Loss) before tax	(749)	2,636	11,351	(2,321)	10,917
Income tax expense	-	(8)	(1,882)	559	(1,331)
Profit/(Loss) after tax	(749)	2,628	9,469	(1,762)	9,586

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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 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)

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

There were no capital commitments approved and contracted for during the quarter under review.

A14. Changes in Contingent Liabilities

	As at 30.9.2023 RM'000
Bank guarantees issued by licensed banks in respect of construction projects	<u>131,266</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 30.9.2023 RM'000	Current Year To date 30.9.2023 RM'000
Provision of construction works to a company in which directors have substantial financial interest	<u>17,657</u>	<u>30,114</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 RM155 million for the quarter under review. The revenue increased substantially by RM65 million or 72% as compared to the same quarter last year. The increase is mainly due to higher progress billings from the on-going projects.

In line with higher revenue and lower operating expenses, the Group registered a profit before tax of RM4.3 million for the quarter under review.

Current Year To Date:

The Group achieved a revenue of RM377 million for the period ended 30 September 2023. The revenue is substantially contributed by the construction division. The revenue increased by RM79 million or 26% as compared to the same period last year. In line with higher revenue and lower operating expenses, the Group registered a profit before tax of RM10.9 million for the period ended 30 September 2023 as compared to a loss before tax of RM1.0 million in the same period last year.

B2. Comparison with Immediate Preceding Quarter's Results

	Current Quarter	Preceding Quarter	Variance	
	30.9.2023	30.6.2023	RM'000	%
	RM'000	RM'000	RM'000	%
Revenue	155,382	113,010	42,372	37%
Profit before tax	4,346	4,433	(87)	(2%)

The revenue increased substantially by 37% due mainly to the higher construction activities during the quarter. Despite higher revenue, the Group generated a profit before tax of RM4.3 million, marginally 2% lower than the preceding quarterly. The lower profit before tax is mainly due to higher construction materials cost incurred during the quarter.

B3. Prospects for the Financial Year ending 31 December 2023

As at 30 September 2023, the Group has an outstanding order book of RM2.1 billion, comprising 9 ongoing projects. These projects are expected to contribute construction revenue for the financial year ending 31 December 2023. In addition, the concessionaire and maintenance income will provide consistent contribution for the financial year ending 31 December 2023.

Accordingly, barring any unforeseen circumstances, the Group expects to achieve a satisfactory performance for the financial year ending 31 December 2023.

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

B4. Financial Forecast

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

B5. Taxation

	Current Year Quarter 30.9.2023 RM'000	Current Year To date 30.9.2023 RM'000
Current year tax	732	1,891
Under/(Over) provision in prior year	-	(1)
Deferred tax	(186)	(559)
	<u>546</u>	<u>1,331</u>

The effective tax rate is lower than the statutory tax rate due to the utilization of unabsorbed business losses carried forward.

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 30.9.2023 RM'000	Current Year To date 30.9.2023 RM'000
Interest income	(571)	(1,326)
Other income	(234)	(392)
Interest expense	2,285	6,255
Amortisation and depreciation	3,636	10,967
Impairment of assets	-	-
Loss/(Gain) on disposal of property, plant and equipment	(299)	(299)

B7. Status of Corporate Proposal

There is no pending corporate proposal 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

B8. Group's Borrowings and Debt Securities

The Group's borrowings as at 30 September 2023 were as follows:-

	As at 30.9.2023 RM'000
Long term borrowings	
Secured:	
• Islamic Medium-Term Notes ("Sukuk")	105,000
• Leases and Term Loan	921
	<u>105,921</u>
Short term borrowings	
Secured:	
• Islamic Medium-Term Notes ("Sukuk")	15,000
• Revolving Credit and Contract financing	67,239
• Leases	2,210
	<u>84,449</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 30.9.2023	Current Year To date 30.9.2023
Profit for the period attributable to owners (RM'000)	3,101	7,435
Number of shares:		
Weighted average number of ordinary shares in issue for basic earnings per share ('000)	694,987	694,987
Basic earnings per share (Sen)	0.45	1.07

B13. Realised and unrealised earnings or losses disclosure

	As at 30.9.2023 RM'000
Total retained earnings for the Group:	
• Realised	59,385
• Unrealised	(7,639)
	<u>51,746</u>

B14. Authorisation for Issue

This interim financial report was authorized for issuance by the Board of Directors of the Company on 29 November 2023.