

# **PROPEL GLOBAL BERHAD**

**(Registration No.: 202001023868 (1380188-P))**

**(Incorporated in Malaysia)**

## **Quarterly Report** **30 June 2022**

# PROPEL GLOBAL BERHAD

(Registration No.: 202001023868 (1380188-P))

(Incorporated in Malaysia)

## CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS QUARTERLY REPORT ON THE UNAUDITED RESULTS FOR THE 4TH QUARTER ENDED 30 JUNE 2022

	Current Quarter 3 months ended		Cumulative Quarter 12 months ended	
	30.6.2022 RM'000 Unaudited	30.6.2021 RM'000 Unaudited	30.6.2022 RM'000 Unaudited	30.6.2021 RM'000 Unaudited
<b>Continuing Operations</b>				
Revenue	18,670	23,945	77,627	79,304
Cost of Sales	(18,606)	(20,185)	(68,437)	(63,041)
Gross Profit	64	3,760	9,190	16,263
Other Income	8,101	10,947	9,612	12,136
Operating Expenses	(4,148)	(1,854)	(10,997)	(11,157)
Impairment losses on receivables	(6,644)	(261)	(6,644)	(261)
Inventories written off	(2,478)	-	(2,478)	-
Fair value loss on investment properties	(2,513)	-	(2,513)	-
Profit/(Loss) from Operations	(7,618)	12,592	(3,830)	16,981
Finance Costs	(431)	851	(1,893)	(3,376)
Profit/(Loss) Before Tax	(8,049)	13,443	(5,723)	13,605
Income Tax Credit/(Expense)	224	(808)	(681)	(756)
Profit/(Loss) from Continuing Operations	(7,825)	12,635	(6,404)	12,849
<b>Discontinued Operations</b>				
Profit/(Loss) from Discontinued Operations, Net of Tax				
- Reversal of losses from disposal	516,170	-	501,550	-
- Losses incurred	-	(4,823)	-	(16,136)
Profit/(Loss) for the Period/Year, Net of Tax	508,345	7,812	495,146	(3,287)
Attributable to :				
Owners of the Company				
- From continuing operations	(5,779)	7,480	(4,493)	5,795
- From discontinued operations	516,170	(4,771)	501,550	(19,275)
	510,391	2,709	497,057	(13,480)
Non-controlling Interests	(2,046)	5,103	(1,911)	10,193
	508,345	7,812	495,146	(3,287)
Earnings/(Loss) per share (sen)				
- Basic				
- From continuing operations	(0.96)	0.37	(0.74)	0.28
- From discontinued operations	85.41	(0.23)	82.99	(0.94)
	84.45	0.13	82.25	(0.66)
- Diluted				
- From continuing operations	(0.96)	0.37	(0.74)	0.28
- From discontinued operations	85.41	(0.23)	82.99	(0.94)
	84.45	0.13	82.25	(0.66)

Note:

- The acquisition of the entire issued and paid-up share capital of Daya Materials Berhad ("DMB") by the Company by way of share exchange is a reorganisation and does not result in any change in economic substance. Accordingly, the comparative figures are presented as if the reorganisation had been effected from the beginning of the earliest period presented.
- These condensed consolidated statement of profit or loss should be read in conjunction with the audited financial statements of the Group for the financial year ended 30 June 2021 and accompanying explanatory notes attached to these interim financial statements.

# PROPEL GLOBAL BERHAD

(Registration No.: 202001023868 (1380188-P))  
(Incorporated in Malaysia)

## CONDENSED CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME QUARTERLY REPORT ON THE UNAUDITED RESULTS FOR THE 4TH QUARTER ENDED 30 JUNE 2022

	Current Quarter 3 months ended		Cumulative Quarter 12 months ended	
	30.6.2022 RM'000 Unaudited	30.6.2021 RM'000 Unaudited	30.6.2022 RM'000 Unaudited	30.6.2021 RM'000 Audited
Profit/(Loss) for the Period/Year, net of tax	<u>508,345</u>	<u>7,812</u>	<u>495,146</u>	<u>(3,287)</u>
Other Comprehensive Income: Items that may be subsequently reclassified to profit or loss:				
Foreign currency translation differences for foreign subsidiaries	5,730	(103)	4,414	2,822
Total Profit/(Loss) for the Period/Year, net of tax	<u>514,075</u>	<u>7,709</u>	<u>499,560</u>	<u>(465)</u>
Total Profit/(Loss) for the Period/Year attributable to:				
Owners of the Company				
- From continuing operations	(5,779)	7,480	(4,493)	5,795
- From discontinued operations	<u>516,121</u>	<u>(4,874)</u>	<u>505,964</u>	<u>(16,453)</u>
Non-controlling Interests	<u>(2,046)</u>	<u>5,103</u>	<u>(1,911)</u>	<u>10,193</u>
	<u>514,075</u>	<u>7,709</u>	<u>499,560</u>	<u>(465)</u>

Note:

- The acquisition of the entire issued and paid-up share capital of Daya Materials Berhad ("DMB") by the Company by way of share exchange is a reorganisation and does not result in any change in economic substance. Accordingly, the comparative figures are presented as if the reorganisation had been effected from the beginning of the earliest period presented.
- These condensed consolidated statement of profit or loss should be read in conjunction with the audited financial statements of the Group for the financial year ended 30 June 2021 and accompanying explanatory notes attached to these interim financial statements.

# PROPEL GLOBAL BERHAD

(Registration No.: 202001023868 (1380188-P))  
(Incorporated in Malaysia)

## CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2022

	30.6.2022 RM'000 Unaudited	30.06.2021 RM'000 Audited
<b>Non Current Assets</b>		
Property, plant and equipment	16,510	20,350
Right-of-use assets	2,348	2,437
Inventories	8,531	8,531
Investment properties	12,410	5,100
Intangible assets	27	908
Deferred tax assets	-	66
Total Non Current Assets	<u>39,826</u>	<u>37,392</u>
<b>Current Assets</b>		
Inventories	8,813	12,864
Trade receivables	27,440	51,331
Asset classified as held for sales	-	1,865
Other receivables, deposits and prepaid expenses	12,376	9,519
Contract assets	12,893	8,566
Tax recoverable	1,383	1,311
Marketable securities	-	61
Restricted cash	-	211
Deposits, cash and bank balances	68,635	47,881
Total Current Assets	<u>131,540</u>	<u>133,609</u>
<b>Current Liabilities</b>		
Loans and borrowings	11,167	176,669
Trade payables	33,012	108,225
Provisions, other payables and accrued expenses	10,496	50,737
Contract liabilities	9,854	11,234
Tax liabilities	23	911
Total Current Liabilities	<u>64,552</u>	<u>347,776</u>
<b>Net Current Assets/(Liabilities)</b>	66,988	(214,167)
	<u>106,814</u>	<u>(176,775)</u>
<b>Financed by:</b>		
Share capital	195,115	271,229
Foreign currency translation reserve	-	(8,444)
Revaluation reserve	(111,176)	870
Accumulated losses	(6,260)	(481,682)
	<u>77,679</u>	<u>(218,027)</u>
Non-controlling interests	-	16,981
Total Equity	<u>77,679</u>	<u>(201,046)</u>
<b>Non Current Liabilities</b>		
Loans and borrowings	28,384	24,025
Deferred tax liabilities	751	246
Total Non Current Liabilities	<u>29,135</u>	<u>24,271</u>
	<u>106,814</u>	<u>(176,775)</u>
<b>Net assets/(liabilities) per share (sen)</b>	<u>12.85</u>	<u>(10.67)</u>

Note:

- i) The acquisition of the entire issued and paid-up share capital of DMB by the Company by way of share exchange is a reorganisation and does not result in any change of economic substance. Accordingly, the consolidated statements of financial position of Propel Global Berhad ("PGB") for comparatives is a continuation of DMB Group as if the reorganisation had been effected throughout from the beginning of the earliest period presented.
- ii) These condensed consolidated statement of financial position should be read in conjunction with the audited financial statements of the Group for the financial year ended 30 June 2021 and accompanying explanatory notes attached to these interim financial statements.

# PROPEL GLOBAL BERHAD

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(Incorporated in Malaysia)

## CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY QUARTERLY REPORT ON THE UNAUDITED RESULTS FOR THE 4TH QUARTER ENDED 30 JUNE 2022

	<-----Attributable to Equity Holders of the Company----->							
	<----- Non-Distributable ----->			Distributable				
	Share Capital RM'000	Foreign Currency Translation Reserve RM'000	Reorganisation Reserve RM'000	Revaluation Reserve RM'000	Accumulated Losses RM'000	Total RM'000	Non- controlling interests RM'000	Total RM'000
<b><u>12 months ended 30 June 2022</u></b>								
<b>At 1 JULY 2021 (as previously reported)</b>	271,229	(8,444)	-	870	(481,682)	(218,027)	16,981	(201,046)
Issuance of shares pursuant to the reorganisation	195,115	-	(111,176)	-	-	83,939	-	83,939
(Loss)/Profit for the Year	-	-	-	-	497,057	497,057	(1,911)	495,146
Other Comprehensive Income for the Year	-	(4,414)	-	-	-	(4,414)	-	(4,414)
Total Comprehensive Income/(Loss) for the Year	-	(4,414)	-	-	497,057	492,643	(1,911)	490,732
<b>Transactions with owners:</b>								
Changes in ownership interests in subsidiaries	(271,229)	12,858	-	(870)	(21,635)	(280,876)	(15,070)	(295,946)
Total transactions with owners	(271,229)	12,858	-	(870)	(21,635)	(280,876)	(15,070)	(295,946)
<b>At 30 JUNE 2022</b>	<u>195,115</u>	<u>-</u>	<u>(111,176)</u>	<u>-</u>	<u>(6,260)</u>	<u>77,679</u>	<u>-</u>	<u>77,679</u>
<b><u>12 months ended 30 June 2021</u></b>								
<b>At 1 JULY 2020 (Restated)</b>	271,229	(11,266)	-	870	(466,802)	(205,969)	1,996	(203,973)
(Loss)/Profit for the Year	-	-	-	-	(13,480)	(13,480)	10,193	(3,287)
Other Comprehensive Income for the Year	-	2,822	-	-	-	2,822	-	2,822
Total Comprehensive Income/(Loss) for the Year	-	2,822	-	-	(13,480)	(10,658)	10,193	(465)
<b>Transactions with owners:</b>								
Change in ownership interest in a subsidiary	-	-	-	-	(1,400)	(1,400)	6,028	4,628
Dividend paid to non-controlling interests	-	-	-	-	-	-	(1,236)	(1,236)
Total transactions with owners	-	-	-	-	(1,400)	(1,400)	4,792	3,392
<b>At 30 JUNE 2021</b>	<u>271,229</u>	<u>(8,444)</u>	<u>-</u>	<u>870</u>	<u>(481,682)</u>	<u>(218,027)</u>	<u>16,981</u>	<u>(201,046)</u>

Note:

- i) The acquisition of the entire issued and paid-up share capital of Daya Materials Berhad ("DMB") by the Company by way of share exchange is a reorganisation and does not result in any change in economic substance. Accordingly, the comparative figures are presented as if the reorganisation had been effected from the beginning of the earliest period presented.
- ii) These condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements of the Group for the financial year ended 30 June 2021 and accompanying explanatory notes attached to these interim financial statements.

# PROPEL GLOBAL BERHAD

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## CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS QUARTERLY REPORT ON THE UNAUDITED RESULTS FOR THE 4TH QUARTER ENDED 30 JUNE 2022

	PGB Group Current Year Ended 30.6.2022 RM'000 Unaudited	DMB Group Preceding Year Ended 30.06.2021 RM'000 Audited
<b>CASH FLOWS USED IN OPERATING ACTIVITIES</b>		
Loss before tax continuing operations	(5,723)	13,605
Profit before tax from discontinued operations	-	(15,536)
Adjustments for:		
Amortisation on intangible assets	51	69
Bad debt written off	248	32
Debts waived by creditors	(7,183)	-
Depreciation of property, plant and equipment	1,607	1,951
Depreciation of right-of-use assets	110	216
Fair value gain on marketable securities	-	(3)
Fair value loss on investment properties	2,513	-
Finance costs	1,893	11,573
Interest income	(689)	(887)
Inventories written off	2,478	-
Impairment losses on:		
- Other receivables	532	134
- Trade receivables	6,112	146
Net gain on disposal of property, plant & equipment	(255)	(10,133)
Net loss on disposal of right-of-use assets	-	478
Net gain on disposal of intangible assets	-	(1)
Net unrealised foreign exchange loss/(gain)	(356)	(627)
Property, plant and equipment written off	-	105
Reversal of impairment losses:		
- Other receivables	-	(498)
- Trade receivables	(27)	(316)
Reversal of provision for defect liability cost	-	(39)
Waiver of debts	-	41
Operating profit/(loss) before working capital changes	1,311	310
Changes in working capital:		
Inventories	(1,573)	1,032
Trade and other receivables	26,725	(8,566)
Contract assets	4,327	(4,783)
Trade and other payables	(34,756)	(8,625)
Contract liabilities	(1,380)	4,643
Cash Flows Used In Operations	(5,346)	(15,989)
Interest paid	(567)	(2,572)
Tax (paid)/refund	(619)	3
<b>Net Cash Used In Operating Activities</b>	<b>(6,532)</b>	<b>(18,558)</b>

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## CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS QUARTERLY REPORT ON THE UNAUDITED RESULTS FOR THE 4TH QUARTER ENDED 30 JUNE 2022

	PGB Group Current Year Ended 30.6.2022 RM'000 Unaudited	DMB Group Preceding Year Ended 30.06.2021 RM'000 Audited
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Acquisition of interest in a subsidiary by non-controlling interests	-	4,628
Decrease/(Increase) in pledged deposits placed with licensed banks	21,041	(1,792)
Dividend paid to non-controlling interests	-	(1,236)
Interest received	689	887
Proceeds from disposal of property, plant and equipment	255	11,318
Proceeds from disposal of intangible assets	-	1
Proceeds from disposal of right-of-use assets	-	158
Proceeds from disposal of subsidiary, net of cash disposed	(3,977)	-
Purchase of property, plant and equipment	(1,120)	(315)
Purchase of investment properties	(8,613)	-
Purchase of intangible assets	-	(1)
Withdrawal of restricted cash	211	7,451
	<hr/>	<hr/>
<b>Net Cash From Investing Activities</b>	8,486	21,099
<b>CASH FLOWS USED IN FINANCING ACTIVITIES</b>		
Interest paid	(1,326)	(3,058)
Proceed from private placement	50,000	-
Net (repayment)/drawdown of loans and borrowings	(7,075)	2,251
Payment of lease liabilities	(66)	(260)
	<hr/>	<hr/>
<b>Net Cash Used In Financing Activities</b>	41,533	(1,067)
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	43,487	1,474
Effect of exchange rate fluctuation on cash and cash equivalents	340	948
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR</b>	<hr/>	<hr/>
	18,050	15,628
<b>CASH AND CASH EQUIVALENTS AT END OF THE YEAR</b>	<hr/> <hr/>	<hr/> <hr/>
	61,877	18,050
<b>CASH AND CASH EQUIVALENTS COMPRISE:</b>		
Cash and bank balances	17,391	19,320
Restricted cash	-	211
Fixed deposits with licenced banks	48,103	28,561
Short term investments	3,141	-
Bank overdraft	(2,699)	(4,731)
	<hr/>	<hr/>
	65,936	43,361
Less: Fixed deposits pledged with licensed banks	(4,059)	(25,100)
Restricted cash	-	(211)
	<hr/> <hr/>	<hr/> <hr/>
	61,877	18,050

Note:

- i) The acquisition of the entire issued and paid-up share capital of Daya Materials Berhad ("DMB") by the Company by way of share exchange is a reorganisation and does not result in any change in economic substance. Accordingly, the comparative figures are presented as if the reorganisation had been effected from the beginning of the earliest period presented.
- ii) These condensed consolidated statement of cash flows should be read in conjunction with the audited financial statements of the Group for the financial year ended 30 June 2021 and accompanying explanatory notes attached to these interim financial statements.

**A EXPLANATORY NOTES PURSUANT TO 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 the Malaysian Financial Reporting Standard ("MFRS") 134: Interim Financial Reporting and paragraph 9.22 of the Main Market Listing Requirement of Bursa Malaysia Securities Berhad ("Bursa Securities").

The interim financial statements should be read in conjunction with the audited financial statements of the Group for the financial year ended 30 June 2021.

On 28 April 2022, Propel Global Berhad ("PGB" or "the Company") completed the implementation of the Proposed Regularisation Plan (as detailed in Circular to Shareholders on 27 December 2021) as part of the reorganisation of the Group. The reorganisation does not result in any change in economic substance. Accordingly, the consolidated statements On the completion of the Proposed Regularisation Plan, the Company assumed the listing status of Daya Materials Berhad ("DMB").

The discontinued operation comprised of Daya Materials Berhad ("DMB") and other subsidiaries identified to be disposed pursuant to the Proposed Regularisation Plan. The accumulated losses carried forward of DMB and these identified subsidiaries total RM501.5 million, and such losses were reversed resulting in a gain to PGB Group upon their disposal to an SPV for a nominal sum of RM1.0 on 28 April 2022.

The share exchange is a reorganization and does not result in any change of economic substance of the Group. Accordingly, the comparative figures in the consolidated statement of comprehensive income are presented as if the reorganization had been effected from the beginning of the earliest period presented.

**A2 Significant Accounting Policies**

In the preparation of this condensed consolidated interim financial statements, the accounting policies and the method of computation of the most recent annual financial statements were followed except as disclosed below:

**(a) Adoption of Standards, Amendments and Annual Improvements to Standards**

The Group adopted the following MFRs, Amendments to MFRSs and IC Interpretation as listed below:

Description	
Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16	Interest Rate Benchmark Reform - Phase 2
Amendments to MFRS 16	Covid-19-Related Rent Concessions beyond 30

**(b) Standards and Amendments in issue but not yet effective**

At the date of authorisation of these interim financial statements, the following MFRSs and Amendments to MFRSs were in issue but not yet effective and not early adopted by the Group are as listed below:

Description		Effective for annual periods beginning on or after
Amendments to MFRS 3	Business Combinations – Reference to the Conceptual Framework	1 January 2022
Amendments to MFRS 116	Property, Plant and Equipment - Proceeds before Intended Use	1 January
Amendments to MFRS 137	Provisions, Contingent Liabilities and Contingent Assets – Onerous Contracts – Cost of Fulfilling a Contract	1 January 2022
MFRS 17	Insurance Contracts	1 January 2023
Amendments to MFRS 17	Insurance Contracts	1 January 2023
Amendments to MFRS 17	Insurance Contracts – Initial Application of MFRS 17 and MFRS 9 – Comparative Information	1 January 2023
Amendments to MFRS 101	Presentation of Financial Statements – Classification of Liabilities as Current or Non-current	1 January 2023
Amendments to MFRS 101	Presentation of Financial Statements – Disclosure of Accounting Policies	1 January 2023
Amendments to MFRS 108	Accounting Policies, Changes in Accounting Estimates and Errors – Definition of Accounting Estimates	1 January 2023
Amendments to MFRS 112	Income Taxes – Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023
Amendments to MFRS 10 and MFRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Yet to be determined



**A2 Significant Accounting Policies (Cont'd)**

**(b) Standards and Amendments in issue but not yet effective (cont'd)**

The directors anticipate that the abovementioned new and revised MFRS and Amendments to MFRS will be adopted in the financial statements of the Group when they become effective and that the adoption of these standards will have no material impact on the financial statements of the Group in the period of initial application.

**A3 Auditors' Report on Preceding Annual Financial Statements**

The auditors' report on the financial statements of the Group for the financial year ended 30 June 2021 contained qualification opinion.

The Independent Auditors have expressed a basis of qualified opinion section in respect of assertion concerning on insufficient documents and/or evidence pertaining to transactions in the financial year ended 30 June 2021, and material uncertainty relating to going concern.

**A4 Seasonal or Cyclical Factors**

The business of the Group is not subject to any seasonal or cyclical fluctuation.

**A5 Unusual Items Affecting Assets, Liabilities, Equity, Net Income or Cash Flows**

Other than the discontinued operations, there were no unusual items affecting the assets, liabilities, equity, net income or cash flows of the Group for the period under review.

**A6 Changes in Significant Accounting Estimates and Judgements**

There were no significant changes in the estimates of the amount reported in the period under review.

**A7 Debt and Equity Securities**

Pursuant to the Proposed Regularisation Plan, the assumption of DMB listing status by Propel Global Berhad ("PGB") following the listing of and quotation for PGB's issued share capital comprising of 604,339,944 PGB Shares on the Main Market of Bursa Securities, was completed on 28 April 2022. The Proposed Regularisation Plan entailed the following:

	<b>No of PGB shares</b>
(i) Proposed Share Exchange	20,429,458
(ii) Proposed Debt Settlement	219,195,916
(iii) Proposed Daya CMT Sdn Bhd Acquisition	75,000,000
(iv) Proposed Daya Maxflo Sdn Bhd Acquisition 1 & 2	36,664,000
(v) Proposed Fee Settlement	3,050,570
(vi) Proposed Private Placement	250,000,000
	<u>604,339,944</u>

**A8 Dividends Paid**

No dividend has been declared or paid for financial year ended 30 June 2022.

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**A9 Segment Information**

	<b>Quarter ended 30 June 2022</b>		<b>Quarter ended 30 June 2021</b>	
	<b>Revenue RM'000</b>	<b>Profit/(Loss) before tax RM'000</b>	<b>Revenue RM'000</b>	<b>Profit/(Loss) before tax RM'000</b>
Oil & Gas	8,832	(5,696)	11,796	2,768
Technical Services	9,838	2,429	12,149	10,675
Others	-	(4,782)	-	-
Continued Operation	<u>18,670</u>	<u>(8,049)</u>	<u>23,945</u>	<u>13,443</u>
Discontinued Operation, Net of Tax	<u>N/A</u>	<u>516,170</u>	<u>N/A</u>	<u>(4,963)</u>
	<b>Financial year ended 30 June 2022</b>		<b>Financial year ended 30 June 2021</b>	
	<b>Revenue RM'000</b>	<b>Profit/(Loss) before tax RM'000</b>	<b>Revenue RM'000</b>	<b>Profit/(Loss) before tax RM'000</b>
Oil & Gas	34,368	(3,314)	39,282	2,543
Technical Services	43,259	2,372	40,022	11,062
Others	-	(4,781)	-	-
Continued Operation	<u>77,627</u>	<u>(5,723)</u>	<u>79,304</u>	<u>13,605</u>
Discontinued Operation, Net of Tax	<u>N/A</u>	<u>501,550</u>	<u>N/A</u>	<u>(16,136)</u>

The Group prepared the following segment information in accordance with MFRS 8 Operating Segments based on the internal reports of the Group's strategic business units

The four reportable operating segments are as follows:

- |                               |   |
|-------------------------------|---|
| (a) Oil and Gas ("O&G")       | Supply of specialty chemicals and catalysts, provision of heavy machineries and related manpower services, maintenance services for air-conditioning, ventilation system, and specialised oilfield services in pipe recovery, well intervention and diagnostic, sand management and production enhancement to the oil and gas industry. |
| (b) Technical services ("TS") | Provision of services in the industrial, commercial and residential construction and office maintenance.  |
| (c) Others                    | Investment holding  |
| (d) Discontinued operation    | Comprising DMB Group excluding identified entities (i.e. Daya Secadyme Sdn Bhd, Daya OCI Sdn Bhd, Daya Petroleum Ventures Sdn Bhd, Daya CMT Sdn Bhd, Daya FMM Sdn Bhd, Daya Maxflo Sdn Bhd, Daya Urusharta Sdn Bhd, Ultrafest Sdn Bhd, Daya Sheffield Sdn Bhd & Daya Sheffield Pte Ltd).  |

**A10 Valuation of Property, Plant and Equipment**

The Group does not adopt a revaluation policy on its property, plant and equipment.

**A11 Subsequent Events**

There were no material events subsequent to the current interim financial period up to the date of this report.

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**A12 Changes in the Composition of the Group**

There were no changes in the composition of the Group for the period under review, expect for the following:

Pursuant to the implementation of the Proposed Regularisation Plan, the Group comprised of PGB, the holding company, and identified subsidiaries (i.e. Daya Secadyme Sdn Bhd, Daya OCI Sdn Bhd, Daya Petroleum Ventures Sdn Bhd, Daya CMT Sdn Bhd, Daya FMM Sdn Bhd, Daya Maxflo Sdn Bhd, Daya Urusharta Sdn Bhd, Ultrafest Sdn Bhd, Daya Sheffield Sdn Bhd & Daya Sheffield Pte Ltd). Whilst DMB and other subsidiaries were disposed to a Special Purpose Vehicle.

**A13 Contingent Assets and Contingent Liabilities**

Save as disclosed in Note B10 Material Litigation, there were no other material contingent assets and contingent liabilities as at the date of this report.

**A14 Capital Commitments**

	<b>As at 30.6.2022 RM'000</b>
Capital Expenditure:	
Approved but not contracted for:	1,106

**A15 Significant Related Party Transaction**

During the financial period, significant related party transactions undertaken between the Company with related parties, which are negotiated based on agreed terms and conditions, are as follows:

	<b>Current Quarter 3 months ended</b>		<b>Cumulative Quarter 12 months ended</b>	
	<b>30.6.2022</b>	<b>30.6.2021</b>	<b>30.6.2022</b>	<b>30.6.2021</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<u>Transactions with related companies:</u>				
Management fee income	664	996	664	2,656
Rental income	42	87	42	174
Rental expenses	(100)	(150)	(100)	(357)

**A16 Financial Instruments**

The carrying amounts of current financial assets and liabilities are reasonable approximation of fair values, either due to their short-term nature or that they are floating rate instruments that are re-priced to market interest rates on or near the reporting date.

The carrying amounts of the current portion of borrowings are reasonable approximations of fair values due to the insignificant impact of discounting.

The fair values of non-current borrowings are estimated by discounting expected future cash flows at market incremental lending rate for similar types of lending, borrowing or hire purchase arrangements at the reporting date.

Financial Instruments that are measured at fair value on a recurring basis

All assets for which fair value is disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1: Quoted (unadjusted) prices in an active market for identical assets or liabilities.

Level 2: Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or observable.

Level 3: Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

**B EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD ("BURSA SECURITIES") FOR THE MAIN MARKET**

**B1 Review of Performance**

**(a) Quarter ended 30 June 2022 ("4Q FY2022") compared with quarter ended 30 June 2021 ("4Q FY2021")**

The Group recorded a revenue of RM18.7 million, which is RM5.2 million lower as compared to RM23.9 million recorded in 4Q FY2021 and Loss before tax ("LBT") of RM7.6 million for 4Q FY2022, as compared to a profit before tax ("PBT") of RM13.4 million in 4Q FY 2021.

Review of the Group's performance by each segment as follows:

**(i) O&G Segment**

Revenue for 4Q FY2022 of RM8.8 million is lower compared to RM11.8 million recorded in 4Q FY2021 mainly due to lower sales recorded from our Saudi Arabia's operation as new regulation, i.e. In-Kingdom Total Value Add ("IKTVA"), favours domestic service providers over foreigners. The Segment recorded a LBT of RM5.7 million as a result of lower sales, and impairment of trade receivables and inventories of RM5.6 million. In 4Q FY2021, there was higher sales and no impairment loss.

**(ii) TS Segment**

TS segment recorded revenue and PBT of RM9.8 million and RM3.2 million respectively in the 4Q FY2022 as compared to revenue and PBT of RM12.1 million and RM10.7 million respectively in the preceding year's corresponding quarter. The higher PBT in 4Q FY2021 was mainly attributed to a gain on disposal of property of RM7.5 million.

**(iii) Other Segment**

Other segment reported a LBT of RM4.8 million in 4Q FY2022 due to the corporate expenses associated with the implementation of DMB Proposed Regularisation Plan.

**(iv) Discontinued Operation**

The net of tax gain of RM516.2 million in 4Q FY2022 due to reversal of loss from disposal of discontinued operation.

**(b) Year ended 30 June 2022 ("FY2022") compared with year ended 30 June 2021 ("FY2021")**

For the current FY2022, the Group recorded a revenue of RM77.6 million which is marginally lower than the RM79.3 million recorded in FY2021. It recorded a LBT of RM5.2 million for FY2022, as compared to a PBT of RM14.0 million in FY2021.

**(i) O&G Segment**

Revenue for FY2022 of RM34.4 million is lower compared to RM39.3 million recorded in FY2021 mainly due to lower sales recorded from our Saudi Arabia's operations as the IKTVA regulation favours domestic service providers over foreigners. LBT for FY2022 included impairment loss on trade receivables and inventories of RM5.6 million. The Segment would have recorded a PBT of RM3.3 million without the impairment loss, and the improved results over PBT for FY2021 of RM3.4 million due to improved margin and favourable foreign exchange rate between United States Dollar ("USD") and Ringgit Malaysia ("RM").

**(ii) TS Segment**

TS segment recorded marginal increase in revenue for FY2022 of RM43.3 million as compared to RM40.0 million recorded for FY2021 and PBT of RM2.3 million compared to RM11.1 million. The higher PBT in FY2021 included gain on disposal of property of RM7.5 million.

**(iii) Other Segment**

Other segment reported a LBT of RM4.8 million in FY2022, due to the corporate expenses associated with the implementation of DMB Proposed Regularisation Plan.

**(iv) Discontinued Operation**

The net of tax gain of RM501.2 million in FY2022 due to reversal of loss from disposal of discontinued operation.

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**B2 Comparison of Loss Before Taxation with the Immediate Preceding Financial Quarter**

	Quarter ended 30.6.2022 RM'000	Quarter ended 31.3.2022 RM'000
Revenue	18,670	22,027
(Loss)/Profit before tax from continuing operations	(8,049)	1,740

The Group reported a revenue of RM18.7 million as compared to RM22.0 million in the preceding quarter, representing a reduction of RM3.3 million or 15.0%, mainly attributed to lower progress billings from TS Segment as a main construction project has come to its tail end.

The Group reported a LBT of RM7.6 million for the current quarter as a result of lower sales, and impairment of trade receivables, other receivables and inventories of RM8.9 million.

**B3 Prospects**

In line with the transition of Covid-19 Pandemic to an Endemic phase, and re-opening of international borders, global economy is expected to improve underpinned by the steady recovery and improvement in market condition. The Group will continue to seek new opportunities and expand our geographical reach for both the O&G and Technical Services segments. Barring any unforeseen circumstances, the Board is cautiously optimistic for the Group's performance in FY2023.

**B4 Variances from Profit Forecast and Profit Guarantee**

The disclosure requirements for explanatory notes for variances from profit forecast or profit guarantee are not applicable.

**B5 Income Tax Expense**

	Current Quarter 3 months ended		Cumulative Quarter 12 months ended	
	30.6.2022 RM'000	30.6.2021 RM'000	30.6.2022 RM'000	30.6.2021 RM'000
In respect of the current period:				
Current Income tax				
- Current year	(98)	727	305	698
- Prior year	(335)	19	172	(5)
Real property gain tax ("RPGT")	-	622	(5)	622
	<u>(433)</u>	<u>1,368</u>	<u>472</u>	<u>1,315</u>
Deferred tax				
- Current year	(24)	(306)	(24)	(357)
- Prior year	233	(254)	233	(202)
	<u>209</u>	<u>(560)</u>	<u>209</u>	<u>(559)</u>
Income tax expense attributable to continuing operations	<u>(224)</u>	<u>808</u>	<u>681</u>	<u>756</u>

Income tax expense is recognised in each quarter based on the best estimate of the weighted average annual income tax rate expected for the full financial year.

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**B6 Sale of Unquoted Investments and Properties**

Other than the disclosure in Note A12, there were no disposal of unquoted investments and properties during the period under

**B7 Status of Corporate Proposals**

The status of corporate proposals announced by the Company and completed as at 30 August 2022, being the latest practicable date not earlier than 7 days from the date of issue of this quarterly report are summarised below:

The Company entered into agreement with DMB on the Proposed Regularisation Plan was implemented on 28 April 2022.

The upliftment of the PGB Group from PN17 status is subject to the Group recording two consecutive quarters of profits.

Monthly updates on the status of its PN17 has been provided to Bursa Securities.

There are no outstanding corporate proposals or new announcements made in the current quarter.

**B8 Utilisation of proceeds**

Purpose	Proposed Utilisation	Actual Utilisation	Surplus allocate to working capital	Balance to Utilise	Intended Timeframe for Utilisation
	RM'000	RM'000	RM'000	RM'000	
Working capital	40,426	(1,000)	2,340	41,766	Within 24 months
Payment to the DCMT Trade Creditors	4,824	(4,824)	-	-	Within 1 month
Proposed Regularisation Plan expenses	4,750	(2,410)	(2,340)	-	Within 1 month
	<u>50,000</u>	<u>(8,234)</u>	<u>-</u>	<u>41,766</u>	

The proposed utilisation of the proceeds as disclosed above should be read in conjunction with the DMB's Circular on 27 December 2021.

**B9 Group's borrowings and debt securities**

The Group's borrowings are as follows:

	Short Term RM'000	Long Term RM'000	Total Outstanding RM'000
<b><u>Secured borrowings</u></b>			
Trade financing facilities	7,171	4,158	11,329
Lease liabilities	65	67	132
Bank overdrafts	2,699	-	2,699
Term loans	1,232	24,159	25,391
<b>As at 30 June 2022</b>	<u>11,167</u>	<u>28,384</u>	<u>39,551</u>

## **B10 Material litigations**

### **(a) Between Daya CMT Sdn. Bhd. and Chop Eng Heng Metal Industry**

#### ***Penang High Court, Suit No. PA-22NCVC-100-06/2020, Soon Boon Chong & Anor vs Daya CMT Sdn. Bhd.***

On 30 June 2020, the Company announced that its subsidiary, Daya CMT Sdn. Bhd. ("DCMT"), had received a Writ of Summons and Statement of Claim dated 24 June 2020 from Chop Eng Heng Metal Industry's ("CEH") solicitors, Messrs Lim, Ho, Cheong & Lok, claiming for, amongst others, a principal sum of RM763,000.00 and a retention sum of RM831,000.00 with interest rate of 5% on the sum demanded from the date of judgement to the date of settlement.

The above claim is in relation to 4 construction projects whereby DCMT appointed CEH for steel structure work and light weight roof structure.

CEH then filed an application for summary judgment (the said application being identified as Court's Enclosure No. 18), and subsequently DCMT filed an application for striking out CEH's suit (Enclosure 31) in view of the existence of the Order dated 19 March 2021 granted by the Shah Alam High Court in sanctioning the Scheme of Arrangement and Compromise agreed to by DCMT's creditors in a Court-Convened Meeting held on 23 October 2020.

During the Case Management on 3 May 2021 by way of *e-Review* (online), the learned Judicial Commissioner ("JC") fixed several dates for both parties to exhaust the filing of affidavits and written submissions pertaining to the 2 applications aforesaid, and scheduled the Hearing for both the applications for 23 June 2021. The Hearing fixed for 23 June 2021 was subsequently adjourned.

On 16 July 2021, CEH filed 2 applications. The first one (Enclosure 80) was an application by CEH to expunge 2 affidavits of DCMT. The second application (Enclosure 82) was CEH's application for extension of time to file their written submission and written submission in reply as regards Enclosures 82 and 80 respectively which were filed and served late.

During the Case Management on 12 May 2022, the Court fixed 27 June 2022 for further Case Management for parties to comply with several new directions from the Court, amongst others, to file Executive Summaries for written submissions filed previously by both parties concerning Enclosures 18, 31, 80 and 82 aforementioned. Both parties have since complied with the directions of the Court.

During the Case Management on 26 July 2022, the Court fixed 12 January 2023 for Hearing of Enclosures 18, 31, 80 and 82.

### **(b) Between Daya CMT Sdn. Bhd. and Ample Maintain Sdn. Bhd.**

#### ***Georgetown Sessions Court, Suit No. PA-A52NCC-44-06/2020, Ample Maintain Sdn. Bhd. vs Daya CMT Sdn. Bhd. Penang High Court, Civil Appeal No. PA-12BNCC-3-05/2021, Ample Maintain Sdn. Bhd. vs Daya CMT Sdn. Bhd.***

On 9 July 2020, the Company announced that its subsidiary, Daya CMT Sdn. Bhd. ("DCMT"), had received a Writ of Summons and Statement of Claim dated 29 June 2020 for Suit No. PA-A52NCC-44-06/2020 from Ample Maintain Sdn. Bhd.'s ("Ample") solicitors, Messrs Lim, Ho, Cheong & Lok, claiming for, amongst others, a retention sum of RM113,000 with interest rate of 5% on the sum demanded from the date of judgement to the date of settlement.

The above claim is in relation to a construction project for B Braun Medical Industries Sdn. Bhd., whereby Ample was appointed by DCMT to supply and install roofing with fall protection system.

On 16 April 2021 and 5 May 2021, the learned Judge proceeded to hear lengthy oral submissions by both parties' counsels. The learned Judge then on 11 May 2021 struck out Ample's suit with costs of RM7,000.00 to be paid by Ample to DCMT. Ample has since appealed the Sessions Court's decision to the Penang High Court under Civil Appeal No. PA-12BNCC-3-05/2021 ("Appeal").

During the Case Management on 11 October 2021, the Penang High Court fixed 3 December 2021 for Hearing of the Appeal. The Hearing on 3 December 2021 was adjourned.

On 5 March 2022, DCMT filed an application (Enclosure 24) for, amongst others, security for costs to be paid by Ample.

Subsequently, on 19 August 2022, upon Hearing of both parties' counsels' oral submissions, the Court dismissed the Ample's appeal with costs of RM12,000.00. As the appeal had been dismissed, DCMT withdrew its application in Enclosure 24.

**B10 Material litigations (Cont'd)**

**(c) Between Daya CMT Sdn Bhd and United Truss Sdn Bhd**

***Butterworth Sessions Court, Suit No. PB-A52NCC-7-01/2021, United Truss System Sdn. Bhd. vs Daya CMT Sdn. Bhd. Penang High Court, Civil Appeal No. PA-12ANCC-16-08/2021, Daya CMT Sdn. Bhd. vs United Truss System Sdn. Bhd.***

United Truss System Sdn. Bhd. ("United Truss"), represented by Messrs Lim, Ho, Cheong & Lok, has commenced the suit above stated at the Butterworth Sessions Court on or around 22 January 2021 against DCMT for the following relief, amongst others, a sum of RM79,189.48 and a declaration that DCMT holds the retention sum of RM127,090.06 as trustee of United

DCMT filed the Statement of Defence in which it was pleaded, amongst others, that United Truss ought to obtain leave from the Shah Alam High Court in Originating Summons No. BA-24NCC-42-06/2020 ("OS") to proceed with the suit as a Restraining Order dated 30 June 2020 ("RO") was granted by the Shah Alam High Court in the said OS, and that part of the retention sum was not payable yet. Further, as per the subcontracts entered into by both parties, United Truss ought to bring the disputes to an arbitration.

On 23 April 2021, after hearing brief oral submissions by both parties' counsels, the learned Judge directed both parties to file written submissions concerning DCMT's application for striking out United Truss' suit on the ground that there exists the 19 March 2021 Order granted by the Shah Alam High Court in sanctioning the Scheme of Arrangement and Compromise agreed to by DCMT's creditors in a Court-Convened Meeting held on 23 October 2020.

On 12 August 2021, the learned Judge dismissed DCMT's application for striking out the suit with costs of RM500.00 to be paid by DCMT to United Truss. DCMT has since lodged an appeal at the Penang High Court under Civil Appeal No. PA-12ANCC-16-08/2021 against the Sessions Court's decision dated 12 August 2021.

In the meantime, United Truss has filed a summary judgment application (Enclosure 31) at the Sessions Court, and DCMT in turn on 8 September 2021 filed an application (Enclosure 39) for a stay of proceedings at the Sessions Court pending the final disposal of the Appeal at the Penang High Court afore-stated.

The Butterworth Sessions Court fixed 16 February 2022 for Case Management for parties to file written submissions with respect to preliminary objections ("PO") raised by United Truss in regard to Enclosures 31 and 39.

On 16 March 2022, the Butterworth Sessions Court dismissed the PO raised by United Truss' counsels.

Further, on 20 May 2022, the Butterworth Sessions Court granted DCMT's application in Enclosure 39 for stay of the entire proceedings in the Sessions Court, including the United Truss' application in Enclosure 31, pending the disposal of the Appeal at the Penang High Court.

On 26 July 2022, DCMT filed an application in Enclosure 44 at the Penang High Court for adducing fresh evidence for the Hearing of the Appeal.

On 2 August 2022, the Penang High Court struck out DCMT's appeal and application in Enclosure 44 without hearing the merits of the appeal or application on the ground that the Butterworth Sessions Court's decision dated 12 August 2021 was not

On 14 August 2022, DCMT filed an application at the Sessions Court for striking out the United Truss' suit. No Hearing date has been fixed yet.



**B10 Material litigations (Cont'd)**

**(d) Between Daya CMT Sdn Bhd and U I Truss System Sdn. Bhd.**

***Butterworth Sessions Court, Suit No. PB-A52NCC-6-01/2021, U I Truss System Sdn. Bhd. vs Daya CMT Sdn. Bhd.***

U I Truss System Sdn. Bhd. ("U I Truss"), represented by Messrs Lim, Ho, Cheong & Lok, has commenced the suit above stated on or around 22 January 2021 against DCMT for the following relief, amongst others, a sum of RM40,749.26 and a declaration that DCMT holds the retention sum of RM1,761.54 as trustee of U I Truss.

DCMT filed the Statement of Defence in which it was pleaded, amongst others, that U I Truss ought to obtain leave from the Shah Alam High Court in Originating Summons No. BA-24NCC-42-06/2020 ("OS") to proceed with the suit as a Restraining Order dated 30 June 2020 ("RO") was granted by the Shah Alam High Court in the OS, and that part of the retention sum was not payable yet. Further, as per the subcontracts entered into by both parties, U I Truss ought to bring the disputes to an

During the Case Management on 15 March 2021, upon DCMT's counsel's insistence that U I Truss was obliged to obtain leave of the Shah Alam High Court to proceed with the suit in view of the existence of the RO, the learned Judge granted an Unless Order against U I Truss, i.e. in the event U I Truss failed to obtain the said leave from the Shah Alam High Court on or before the next Case Management date on 4 May 2021, the Court would strike out U I Truss' suit.

On 4 May 2021, upon U I Truss' failure to obtain the said leave aforementioned and upon hearing oral submissions by both parties' counsels, the learned Judge struck out U I Truss' suit with costs of RM1,000.00 to be paid by U I Truss to DCMT.

Subsequently, U I Truss filed an application at the Sessions Court (Enclosure 18) to set aside the Court's decision dated 4 May 2021. Parties have filed written submissions concerning Enclosure 18.

During the Case Management on 21 September 2021, the learned Judge fixed 27 October 2021 for Case Management for the Defendant to file written submission in reply in respect of Enclosure 18.

Parties have exhausted the filing of written submissions with respect to Enclosure 18.

During the Case Management on 27 October 2021, the learned Judge fixed 16 December 2021 for Decision for Enclosure 18.

As U I Truss' counsel raised preliminary objections ("PO") in respect of Enclosure 18, the Court on 21 January 2022 fixed 22 March 2022 for Case Management for parties to file written submissions concerning the POs raised by U I Truss.

On 28 April 2022, the Court ruled that it would not consider the PO raised by U I Truss' counsels. The Court fixed 22 September 2022 for Decision for Enclosure 18.

**B11 Proposed Dividends**

No dividend has been proposed or declared for the financial year ended 30 June 2022.

**B12 Loss per share**

	<b>Current Quarter</b>		<b>Cumulative Quarter</b>	
	<b>3 months ended</b>		<b>12 months ended</b>	
	<b>30.6.2022</b>	<b>30.6.2021</b>	<b>30.6.2022</b>	<b>30.6.2021</b>
<b>(a) Basic earnings/(loss) per share</b>				
Net profit/(loss) for the period attributable to ordinary equity holders of the Company (RM'000)				
- From continuing operations	(5,779)	7,480	(4,493)	5,795
- From discontinued operations	516,170	(4,771)	501,550	(19,275)
	<u>510,391</u>	<u>2,709</u>	<u>497,057</u>	<u>(13,480)</u>
Weighted average number of shares in issue ('000)	604,340	2,042,946	604,340	2,042,946
Basic earnings/(loss) per share (sen)				
- From continuing operations	(0.96)	0.37	(0.74)	0.28
- From discontinued operations	85.41	(0.23)	82.99	(0.94)
	<u>84.45</u>	<u>0.13</u>	<u>82.25</u>	<u>(0.66)</u>

**(b) Diluted earnings/(loss) per share**

The basic and diluted earnings/(loss) per ordinary shares is the same as the Company has no dilutive potential ordinary shares.

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**B13 Additional disclosure as per Appendix 9B , Part A, Note 16 of Bursa Listing Requirement of Bursa Malaysia Securities Berhad**

	Current Quarter		Cumulative Quarter	
	3 months ended		12 months ended	
	30.6.2022	30.6.2021	30.6.2022	30.6.2021
	RM'000	RM'000	RM'000	RM'000
The following amounts have been included in arriving at loss before tax:				
Amortisation on intangible assets	-	15	51	69
Bad debt written off	248	3	248	8
Depreciation on property, plant and equipment	322	528	1,607	1,948
Depreciation on right-of-use assets	12	30	110	223
Fair value loss on investment properties	2,513	-	2,513	-
Fair value loss on marketable securities	-	6	-	-
Impairment losses on:				
Other receivables	532	231	532	231
Trade receivables	6,112	30	6,112	30
Interest expenses	389	727	1,893	11,573
Interest expense (net) imputed in retention sum	-	223	-	440
Inventories written off	2,478	-	2,478	-
Net loss on disposal of right-of-use assets	-	415	-	427
Plant and equipment written off	-	149	-	150
Unrealised foreign exchange loss	701	31	356	-
and after crediting:				
Interest income	281	62	689	887
Fair value gain on marketable securities	-	-	-	3
Net gain on disposal of property, plant and equipment	1	9,154	255	9,474
Rental income	287	70	440	240
Reversal of impairment loss on trade receivables	27	618	27	618
Unrealised foreign exchange gain	-	2,463	-	2,896
Debts waived by creditors	7,183	-	7,183	-

By Order of the Board

Leong Oi Wah  
Secretary  
30 August 2022