



PROPEL GLOBAL BERHAD

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

Quarterly Report 30 June 2023

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 2023

	Current quarter 3 months period ended		Cumulative quarter 12 months ended	
	30.6.2023 RM'000 Unaudited	30.6.2022 RM'000 Unaudited	30.6.2023 RM'000 Unaudited	30.6.2022 RM'000 Audited
Revenue	43,510	18,670	110,888	77,625
Cost of Sales	(33,654)	(18,606)	(82,553)	(70,915)
Gross Profit	9,856	64	28,335	6,710
Other Income	604	8,101	2,961	86,535
Operating Expenses	(6,841)	(15,783)	(19,733)	(24,691)
Profit/(Loss) from Operations	3,619	(7,618)	11,563	68,554
Finance Costs	(460)	(431)	(1,604)	(1,893)
Profit/(Loss) Before Tax	3,159	(8,049)	9,959	66,661
Income Tax (Expense)/Credit	(1,528)	224	(2,019)	(532)
Profit/(Loss) from Continuing Operations	1,631	(7,825)	7,940	66,129
Discontinued Operations				
Profit from Discontinued Operations, Net of Tax	-	516,170	-	389,507
Profit for the Period/Year	1,631	508,345	7,940	455,636
Profit/(Loss) Attributable to :				
Owners of the Company				
- From continuing operations	1,433	(5,779)	7,624	65,415
- From discontinued operations	-	516,170	-	389,507
	1,433	510,391	7,624	454,922
Non-controlling Interests	198	(2,046)	316	714
	1,631	508,345	7,940	455,636
Earnings/(Loss) per share (sen)				
- Basic				
- From continuing operations	0.24	(0.96)	1.26	3.66
- From discontinued operations	-	85.41	-	21.77
	0.24	84.45	1.26	25.43
- Diluted				
- From continuing operations	0.24	(0.96)	1.26	3.66
- From discontinued operations	-	85.41	-	21.77
	0.24	84.45	1.26	25.43

Note:

- These condensed consolidated statement of profit or loss should be read in conjunction with the audited financial statements for the financial year ended 30 June 2022 and accompanying explanatory notes attached to these interim financial statements.
- The comparative figures in the consolidated statement of profit or loss are presented as if the reorganisation had been effected from the beginning of the earliest period presented. Please refer to Note A1 Basis of Preparation.

PROPEL GLOBAL BERHAD

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CONDENSED CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME QUARTERLY REPORT ON THE UNAUDITED RESULTS FOR THE 4TH QUARTER ENDED 30 JUNE 2023

	Current quarter		Cumulative quarter	
	3 months period ended	3 months period ended	12 months ended	12 months ended
	30.6.2023	30.6.2022	30.6.2023	30.6.2022
	RM'000	RM'000	RM'000	RM'000
	Unaudited	Unaudited	Unaudited	Audited
Profit for the Period/Year	<u>1,631</u>	<u>508,345</u>	<u>7,940</u>	<u>455,636</u>
Other Comprehensive Income:				
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translation reserves	-	-	-	(4,374)
Reclassification adjustments of foreign exchange translation reserves to profit or loss	-	5,730	-	12,818
Total Comprehensive Income for the Period/Year, Net of Tax	<u>1,631</u>	<u>514,075</u>	<u>7,940</u>	<u>464,080</u>
Total Comprehensive Income/(Loss) for the Period/Year Attributable to:				
Owners of the Company				
- From continuing operations	1,433	(5,779)	7,624	65,415
- From discontinued operations	-	521,900	-	397,951
Non-controlling Interests	<u>198</u>	<u>(2,046)</u>	<u>316</u>	<u>714</u>
	<u>1,631</u>	<u>514,075</u>	<u>7,940</u>	<u>464,080</u>

Note:

- These condensed consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the audited financial statements for the financial year ended 30 June 2022 and accompanying explanatory notes attached to these interim financial statements.
- The comparative figures in the consolidated statement of profit or loss and other comprehensive income are presented as if the reorganisation had been effected from the beginning of the earliest period presented. Please refer to Note A1 Basis of Preparation.

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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2023

	30.6.2023 RM'000 Unaudited	30.06.2022 RM'000 Audited
Non Current Assets		
Property, plant and equipment	12,826	16,510
Right-of-use assets	8,440	2,348
Investment properties	6,230	12,410
Inventories	8,531	8,531
Intangible assets	600	27
Other receivables	2,000	-
Total Non Current Assets	<u>38,627</u>	<u>39,826</u>
Current Assets		
Inventories	8,979	8,813
Current tax assets	1,626	1,398
Trade receivables	37,915	27,440
Other receivables, deposits and prepayments	19,411	12,315
Contract assets	39,333	12,893
Other investments	1,349	3,141
Cash and bank balances and deposits	38,042	65,506
Assets classified as held for sale	7,466	-
Total Current Assets	<u>154,121</u>	<u>131,506</u>
Current Liabilities		
Loans and borrowings	5,735	11,367
Lease liabilities	1,831	-
Current tax liabilities	297	23
Trade payables	32,420	29,028
Provisions, other payables and accrued expenses	9,962	14,306
Contract liabilities	19,437	9,854
Amount due to joint venture	1,511	1,334
Total Current Liabilities	<u>71,193</u>	<u>65,912</u>
Net Current Assets	82,928	65,594
	<u>121,555</u>	<u>105,420</u>
Financed by:		
Share capital	120,868	120,868
Accumulated losses	(38,105)	(45,729)
	<u>82,763</u>	<u>75,139</u>
Non-controlling interests	7,252	-
Total Equity	<u>90,015</u>	<u>75,139</u>
Non Current Liabilities		
Loans and borrowings	23,271	26,002
Lease liabilities	4,574	-
Deferred tax liabilities	648	243
Trade payables	3,047	4,036
Total Non Current Liabilities	<u>31,540</u>	<u>30,281</u>
	<u>121,555</u>	<u>105,420</u>
Net assets per share (sen)	<u>14.89</u>	<u>12.43</u>

Note:

- i) These condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the financial year ended 30 June 2022 and accompanying explanatory notes attached to these interim financial statements.
- ii) The comparative figures in the consolidated statement of financial position are presented as if the reorganisation had been effected from the beginning of the earliest period presented. Please refer to Note A1 Basis of Preparation.

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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY QUARTERLY REPORT ON THE UNAUDITED RESULTS FOR THE 4TH QUARTER ENDED 30 JUNE 2023

	<-----Attributable to Equity Holders of the Company----->					Distributable		
	Non-Distributable							
	Share Capital RM'000	Foreign Currency Translation Reserve RM'000	Capital Reorganisation Reserve RM'000	Revaluation Reserve RM'000	Accumulated Losses RM'000	Total RM'000	Non- controlling interests RM'000	Total RM'000
12 months ended 30 June 2023								
At 1 July 2022	120,868	-	-	-	(45,729)	75,139	-	75,139
Total comprehensive income for the financial year								
Profit for the financial year	-	-	-	-	7,624	7,624	316	7,940
Total comprehensive income for the financial year	-	-	-	-	7,624	7,624	316	7,940
Transaction with owner:								
Non-controlling interests arising from acquisition of a new subsidiary	-	-	-	-	-	-	6,936	6,936
	-	-	-	-	-	-	6,936	6,936
At 30 June 2023	<u>120,868</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(38,105)</u>	<u>82,763</u>	<u>7,252</u>	<u>90,015</u>

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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY QUARTERLY REPORT ON THE UNAUDITED RESULTS FOR THE 4TH QUARTER ENDED 30 JUNE 2023

	<-----Attributable to Equity Holders of the Company----->							
	<----- Non-Distributable ----->					Distributable		
	Share Capital RM'000	Foreign Currency Translation Reserve RM'000	Capital Reorganisation Reserve RM'000	Revaluation Reserve RM'000	Accumulated Losses RM'000	Total RM'000	Non- controlling interests RM'000	Total RM'000
12 months ended 30 June 2022								
At 1 July 2021 (Note ii)	4,086	(8,444)	261,014	870	(475,574)	(218,048)	16,981	(201,067)
Total comprehensive income for the financial year								
Profit for the financial year	-	-	-	-	454,922	454,922	714	455,636
Other comprehensive income for the financial year	-	8,444	-	-	-	8,444	-	8,444
Total comprehensive income for the financial year	-	8,444	-	-	454,922	463,366	714	464,080
Transactions with owners								
Issuance of shares pursuant to:								
- debts settlement	43,839	-	-	-	-	43,839	-	43,839
- acquisition of additional interests in subsidiaries from non-controlling interests	22,333	-	-	-	(6,997)	15,336	(17,695)	(2,359)
- fees settlement	610	-	-	-	-	610	-	610
- private placements exercise	50,000	-	-	-	-	50,000	-	50,000
Disposal of subsidiaries	-	-	(261,014)	(870)	(18,080)	(279,964)	-	(279,964)
Total transactions with owners	116,782	-	(261,014)	(870)	(25,077)	(170,179)	(17,695)	(187,874)
At 30 June 2022	<u>120,868</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(45,729)</u>	<u>75,139</u>	<u>-</u>	<u>75,139</u>

Note:

- i) These condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the financial year ended 30 June 2022 and accompanying explanatory notes attached to these interim financial statements.
- ii) The comparative figures in the consolidated statement of changes in equity are presented as if the reorganisation had been effected from the beginning of the earliest period presented. Please refer to Note A1 Basis of Preparation.

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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS QUARTERLY REPORT ON THE UNAUDITED RESULTS FOR THE 4TH QUARTER ENDED 30 JUNE 2023

	Current year ended 30.6.2023 RM'000 Unaudited	Preceding year ended 30.6.2022 RM'000 Audited
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax		
- Continuing operations	9,959	66,661
- Discontinued operations	-	389,569
	9,959	456,230
Adjustments for:		
Amortisation on intangible assets	26	51
Bad debts written off	1	1,415
Depreciation of:		
- property, plant and equipment	1,348	3,076
- right-of-use assets	493	132
Deposits written off	65	-
Fair value (gain)/loss on:		
- investment properties	(10)	1,303
- equity instruments	(50)	(79)
- shares consideration issued	-	(74,247)
Finance costs	1,604	2,078
(Gain)/Loss on disposal of:		
- assets classified as held for sale	-	(635)
- equity instruments	(123)	9
- investment in subsidiaries	-	(376,334)
- property, plant and equipment	94	(227)
- investment properties	(98)	-
Impairment losses on:		
- goodwill on consolidation	-	830
- other receivables and deposits	29	687
- trade receivables	13	4,773
- joint venture	203	-
Interest income	(911)	(610)
Inventories written down	12	3,941
Net unrealised foreign exchange gain	(500)	(710)
Property, plant and equipment written off	29	2,010
Provision for defect liabilities	1,664	245
Reversal of impairment losses on:		
- other receivables and deposits	-	(534)
- trade receivables	(819)	(87)
Reversal of provision for defect liabilities costs	(184)	(474)
Net gain on financial liabilities carried at amortised costs	-	(2,968)
Waiver of debts received	(40)	(7,291)
Operating profit before working capital changes	12,805	12,584
Changes in working capital:		
Inventories	(177)	110
Trade and other receivables	(15,957)	5,068
Contract balances	(11,093)	(5,707)
Trade and other payables	(9,606)	(24,803)
Cash Flows Used In Operations	(24,028)	(12,748)
Income tax paid	(1,635)	(1,512)
Net Cash Used In Operating Activities	(25,663)	(14,260)

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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS QUARTERLY REPORT ON THE UNAUDITED RESULTS FOR THE 4TH QUARTER ENDED 30 JUNE 2023

	Current year ended 30.6.2023 RM'000 Unaudited	Preceding year ended 30.6.2022 RM'000 Audited
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of a subsidiary, net of cash acquired	(4,201)	-
(Decrease)/Increase in pledged deposits placed with licensed banks	(73)	21,025
Disposal of subsidiaries, net of cash disposed	-	(4,008)
Interest received	911	610
(Withdrawal)/Investment in money market funds	2,119	(2,979)
Proceeds from disposal of:		
- assets classified as held for sale	-	2,500
- property, plant and equipment	6,360	254
- equity investment	-	52
Proceeds from lease liabilities	198	-
Purchase of:		
- property, plant and equipment	(4,473)	(511)
- right-of-use assets	(153)	-
Withdrawal of restricted cash	-	211
Net Cash From Investing Activities	688	17,154
CASH FLOWS FROM FINANCING ACTIVITIES		
Interest paid	(1,604)	(2,078)
Proceeds from issuance of ordinary shares	-	50,000
Advance from joint operation	31	-
Repayment to joint ventures	(24)	-
Repayment of loans and borrowings	(8,284)	(10,337)
Repayment of lease liabilities	(663)	(139)
Net Cash (Used In)/From Financing Activities	(10,544)	37,446
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(35,519)	40,340
Effect of exchange rate fluctuation on cash and cash equivalents	85	340
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	58,732	18,052
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	23,298	58,732
CASH AND CASH EQUIVALENTS COMPRISE:		
Cash and bank balances	15,559	17,403
Fixed deposits with licenced banks	22,483	48,103
Bank overdraft	(2,752)	(2,699)
	35,290	62,807
Less: Fixed deposits pledged with licensed banks	(11,992)	(4,075)
	23,298	58,732

Note:

- i) These condensed consolidated statement of cash flows should be read in conjunction with the audited financial statements for the financial year ended 30 June 2022 and accompanying explanatory notes attached to these interim financial statements.
- ii) The comparative figures in the consolidated statement of cash flows are presented as if the reorganisation had been effected from the beginning of the earliest period presented. Please refer to Note A1 Basis of Preparation.

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 2022.

The explanatory notes attached to 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 Group since the financial year ended 30 June 2022.

On 28 April 2022, the Company completed the share exchange of 2,042,945,854 ordinary shares in Daya Materials Berhad ("DMB") representing the entire issued share capital of DMB with 20,429,458 new ordinary shares in the Company on the basis of 1 new Company share for every 100 existing DMB shares held, by way of Scheme of Arrangement pursuant to Section 366 of the Companies Act 2016 in Malaysia. Accordingly, the Company assumed the listing status of DMB on the Main Market of Bursa Malaysia Securities Berhad.

The acquisition of the entire issued share capital of DMB by the Company on 28 April 2022 is an internal reorganisation and does not result in any change in economic substance of the Group. Accordingly, the consolidated financial statements of the Company are a continuation of DMB Group and the results of entities are presented as if the internal reorganisation occurred from the beginning of the earliest period presented in the financial statements.

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 amendments to MFRSs as listed below:

Amendments/improvements to MFRSs

Amendments to MFRS 16	COVID-19 - Related Rent Concessions beyond 30 June 2021
Amendments to MFRS 3	Reference to the Conceptual Framework
Amendments to MFRS 116	Property, Plant and Equipment - Proceeds before intended use
Amendments to MFRS 137	Leases
MFRS 137	Onerous Contracts - Cost of Fulfilling a Contract
Annual Improvements to MFRS Standards 2018 - 2020	<ul style="list-style-type: none">• Amendments to MFRS 1• Amendments to MFRS 9• Amendments to Illustrative Examples accompanying MFRS 16• Amendments to MFRS 141

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A2 Significant Accounting Policies (Cont'd)

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

As at the date of authorisation of these condensed consolidated interim financial statements, the following MFRSs and amendments to MFRSs in issue but not yet effective and have not been early adopted by the Group and they are not expected to have any material financial impact on the financial statements of the Group.

	Effective for annual periods beginning on or after
Amendments to Insurance Contracts MFRS 17	1 January 2023
Amendments to Initial Application of MFRS 17 and MFRS 9 - MFRS 17 Comparative Information	1 January 2023
Amendment to Disclosure of Accounting Policies MFRS 101	1 January 2023
Amendment to Definition of Accounting Estimates MFRS 108	1 January 2023
Amendment to Deferred Tax related to Assets and Liabilities Arising MFRS 112 from Single Transaction	1 January 2023
Amendments to International Tax Reform - Pillar Two Model Rules MFRS 112	1 January 2023
Amendments to Lease Liability in a Sales and Leaseback MFRS 16	1 January 2024
Amendments to Classification of Liabilities as Current or Non-current MFRS 101	1 January 2024
Amendments to Non-current Liabilities with Covenants MFRS 101	1 January 2024
Amendments to Supplier Finance Arrangements MFRS 107 and MFRS 7	1 January 2024
Amendment to Sale of Contribution of Assets between an Investor and MFRS 10 and its Associate or Joint Venture MFRS 128	Deferred until further notice

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 2022 was not subject to any qualification.

A4 Seasonal or Cyclical Factors

The business of the Group is not significantly affected by seasonal or cyclical factors.

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

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.

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A7 Debt and Equity Securities

There were no issuance, cancellation, repurchase, resale and repayment of debt and equity securities during the period under review.

A8 Dividends Paid

No dividend has been declared or paid for the financial year ended 30 June 2023.

A9 Segment Information

	Quarter ended 30.6.2023		Quarter ended 30.6.2022	
	Revenue RM'000	Profit/(Loss) before tax RM'000	Revenue RM'000	Profit/(Loss) before tax RM'000
Oil & Gas	16,204	2,339	8,832	(5,696)
Technical Services	27,263	4,304	9,838	2,429
Others	43	(3,484)	-	(4,782)
	43,510	3,159	18,670	(8,049)
<u>Discontinued Operations</u>				
Non-core business	-	-	-	516,170

	Financial year ended 30.6.2023		Financial year ended 30.6.2022	
	Revenue RM'000	Profit/(Loss) before tax RM'000	Revenue RM'000	Profit/(Loss) before tax RM'000
Oil & Gas	49,733	9,841	34,367	(5,151)
Technical Services	60,952	10,772	43,258	4,060
Others	203	(10,655)	-	67,752
	110,888	9,959	77,625	66,661
<u>Discontinued Operations</u>				
Non-core business	-	-	-	389,569

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A9 Segment Information (Cont'd)

The four reportable operating segments are as follows:

<u>Segments</u>	<u>Products and services</u>
Oil & 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, production enhancement to the oil and gas industry, and providing engineering and technical works for the oil and gas industry.
Technical services ("TS")	Provision of services in the industrial, commercial and residential construction and office maintenance.
Others	Investment holding.
Non-core business	Other non-core business and discontinued operations.

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.

A12 Changes in the Composition of the Group

- i. On 13 April 2023, the Company acquired by way of subscription of one (1) ordinary share of RM1 in Propel Builders Sdn. Bhd. ("PBSB"), representing 100% of the issued and paid-up share capital of PBSB for a total consideration of RM1.

PBSB is currently a dormant company.

- ii. On 16 May 2023, the Company acquired by way of subscription of fifty-one (51) ordinary shares of RM1 each in Kemajuan Builders Sdn. Bhd. ("KBSB"), representing 51% of the issued and paid-up share capital of KBSB for a total consideration of RM51.

KBSB is currently a dormant company.

A13 Contingent Assets and Contingent Liabilities

As at 30 June 2023, the Company has provided corporate guarantee of RM16.9 million (30 June 2022: RM19.9 million) for banking facilities granted to certain subsidiaries.

Save as disclosed above and 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

There were no material commitments as of the date of this report.

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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:

	Current Quarter		Cumulative Quarter	
	3 months ended		12 months ended	
	30.6.2023	30.6.2022	30.6.2023	30.6.2022
	RM'000	RM'000	RM'000	RM'000
<u>Transactions with related companies:</u>				
Management fee income	996	664	4,781	664
Dividend income	-	-	9,500	-
Interest income	145	-	219	-
Rental income	30	42	301	42
Rental expenses	<u>(35)</u>	<u>(100)</u>	<u>(503)</u>	<u>(100)</u>

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

This interim financial report has been reviewed by the External Auditors of the Company in accordance with the International Standard on Review Engagement 2410, *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*.

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) Current Quarter Results ("Q4 FY2023") Vs Preceding Year's Corresponding Quarter Results ("Q4 FY2022")

The Group recorded a higher revenue and profit before tax ("PBT") of RM43.5 million and RM3.2 million respectively for Q4 FY2023, in comparison to a revenue of RM18.7 million and a loss before tax ("LBT") of RM8.0 million reported in the preceding year's corresponding quarter.

(i) O&G Segment

The segment recorded a revenue and a PBT of RM16.2 million and RM2.3 million respectively in Q4 FY2023, as compared to revenue and LBT of RM8.8 million and RM5.7 million reported in the preceding year corresponding quarter.

The increased sales for Q4 FY2023 was mainly attributable to higher offtake of production chemicals and contributions from the new service provided, which involves providing engineering and technical works for the oil and gas industry, a result of acquisition of a new subsidiary.

In line with the increased revenue, the segment's PBT improved by RM8.0 million from LBT of RM5.7 million reported in FY2022. The segment recorded a LBT of RM5.7 million in Q4 FY2022 as a result of impairment loss on receivables and inventories of RM8.8 million. Without the aforementioned impairment loss on receivables and inventories of RM8.8 million, the segment would have recorded a PBT of RM3.1 million in Q4 FY2022.

(ii) TS Segment

TS segment recorded a revenue and a PBT of RM27.3 million and RM4.3 million respectively in Q4 FY2023, as compared to revenue and PBT of RM9.8 million and RM2.4 million respectively in the preceding year corresponding quarter. The improvement in revenue and PBT in Q4 FY 2023 was mainly due to the contribution from short-term projects related to link bridges and access road construction.

(iii) Other segment

Other segment reported a loss before tax ("LBT") of RM3.5 million in the Q4 FY2023 (Q4 FY2022: RM4.8 million), comprised mainly of corporate administrative expenses, such as professional charges and staff costs from continued operation.

B1 Review of Performance (Cont'd)

(b) Financial year ended 30 June 2023 (“FY2023”) compared financial year ended 30 June 2022 (“FY2022”)

For the FY2023, the Group recorded a revenue and PBT of RM110.9 million and RM10 million respectively, as compared to a revenue of RM77.6 million and PBT of RM66.7 million respectively in FY2022.

(i) O&G Segment

The segment recorded a revenue and a PBT of RM49.7 million and RM9.8 million respectively in FY2023, as compared to revenue and LBT of RM34.4 million and RM5.2 million respectively in FY2022.

The increased sales for FY2023 was mainly attributable to higher offtake of production chemicals and contributions from the new service provided, which involves providing engineering and technical works for the oil and gas industry, a result of acquisition of a new subsidiary.

In line with the increased revenue, the segment's PBT improved by RM15 million from LBT of RM5.2 million reported in FY2022. Further added, there was a higher margin contributed from the radial cutting torch services. The segment recorded a LBT of RM5.2 million in FY2022 as a result of impairment loss on receivables and inventories of RM8.8 million. Without the aforementioned impairment loss on receivables and inventories of RM8.8 million, the segment would have recorded a PBT of RM3.6 million in FY2022.

(ii) TS Segment

TS segment recorded a revenue and a PBT of RM61.0 million and RM10.8 million respectively in FY2023, as compared to revenue and LBT of RM43.3 million and RM4.1 million respectively in FY2022. The higher revenue reported was mainly contributed from the short-term construction and service projects secured during FY2023.

In line with the increased revenue, the segment's PBT improved by RM6.7 million from PBT of RM4.1 million reported in FY2022.

(iii) Other segment

Other segment reported a LBT of RM10.7 million in FY2023, comprised mainly of corporate administrative expenses, such as professional charges and staff costs from continued operation.

Other segment reported a PBT of RM67.8 million in FY2022 mainly due to fair value gain on share consideration issued of RM74.2 million. Without the aforementioned fair value gain of RM74.2 million, the segment would have recorded a LBT of RM6.4 million in FY2022.

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B2 Comparison of Profit Before Taxation with the Immediate Preceding Financial Quarter

	Quarter ended 30.6.2023 RM'000	Quarter ended 31.3.2023 RM'000
Revenue	43,510	24,748
Profit before tax from continuing operations	3,159	876

The Group recorded a revenue of RM43.5 million as compared to RM24.7 million reported in the immediate preceding quarter, representing an increase of RM18.8 million or 76%. The increase is attributed to higher revenue in TS Segment by RM14.7 million and RM4.1 million in O&G Segment.

The quarter reported a PBT of RM3.2 million in comparison to a PBT of RM0.9 million in the immediate preceding quarter, representing an improvement of RM2.3 million. This was mainly due to the margin contributed by short-term projects related to link bridges and access road construction.

B3 Prospects

Following the upliftment of PN17 classification of the listing requirements effective 31 May 2023, The Group is committed to stay focused on ensuring performance of business operations are consistently maintained at optimal level.

The Group is expanding its capabilities in the Oil and Gas Segment by offering design and engineering services, visual analytic services, and flapper removal tools and services to meet growing demand. To strengthen its position in providing design and engineering services to oil and gas clients, Propel Global Berhad has acquired a 51% equity interest in Best Wide Engineering (M) Sdn Bhd. This acquisition was deemed completed on 6 January 2023.

Additionally, the Group is expanding its mechanical, electrical, and engineering services, including the installation and maintenance of machinery and equipment, such as heating, ventilation air conditioning (“HVAC”) systems, in various commercial buildings, including those in healthcare, warehousing, and manufacturing plants.

In the Technical Services Segment, the Group is expanding its mechanical, electrical, and engineering services, including the installation and maintenance of machinery and equipment such as heating, ventilation, and air conditioning (“HVAC”) systems in various commercial buildings, including those in healthcare, warehousing, and manufacturing plants.

The Board remains optimistic of the Group’s future prospects and financial performance, despite challenges in the oil and gas and construction industries.

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.

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B5 Income Tax Credit/(Expense)

	Current Quarter		Cumulative Quarter	
	3 months ended		12 months ended	
	30.6.2023	30.6.2022	30.6.2023	30.6.2022
	RM'000	RM'000	RM'000	RM'000
In respect of the current period:				
Current Income tax				
- Current year	(1,011)	98	(1,542)	(302)
- Prior year	(7)	335	33	(172)
Real property gain tax ("RPGT")	(105)	-	(105)	5
	<u>(1,123)</u>	<u>433</u>	<u>(1,614)</u>	<u>(469)</u>
Deferred tax				
- Current year	(164)	24	(164)	95
- Prior year	(241)	(233)	(241)	(158)
	<u>(405)</u>	<u>(209)</u>	<u>(405)</u>	<u>(63)</u>
Income tax expense attributable to continuing operations	<u>(1,528)</u>	<u>224</u>	<u>(2,019)</u>	<u>(532)</u>

The Group's effective tax rate for the current quarter and current financial year were lower than the statutory tax rate is mainly due to utilisation of unabsorbed tax losses brought forward.

B6 Sale of Unquoted Investments and Properties

- i) On 17 October 2022, Propel Urusharta Sdn Bhd (formerly known as Daya Urusharta Sdn. Bhd.)("PUSB"), a wholly-owned subsidiary of the Group, had entered into five (5) Sale and Purchase Agreements ("SPA") to dispose of five (5) office units to SCM Property Management Sdn. Bhd. ("Purchaser") for a total cash consideration of RM4.8 million ("Consideration Sum").

Disposal has been completed on 18 April 2023 following the full settlement of the balance of the Consideration Sum by the Purchaser and delivery of vacant possession to the Purchaser in accordance with the terms of the various Sale and Purchase Agreements.
- ii) On separate occasions between February to March 2023, Propel CMT Sdn Bhd (formerly known as Daya CMT Sdn Bhd)("PCMT"), a wholly-owned subsidiary of the Group, had entered into a separate Sale and Purchase Agreements to dispose 7 units of investment properties for a total cash consideration of RM3.7 million. Disposals have been completed between 17 April to 8 August 2023.
- iii) As of the date of this report, the following disposals have yet to be completed:
 - a. Between 6 March to 26 June 2023, PCMT had entered into Sale and Purchase Agreements to dispose four (4) units of investment properties for a total cash consideration of RM2.2 million.

B6 Sale of Unquoted Investments and Properties (Cont'd)

- b. On 21 June 2023, PUSB, a wholly-owned subsidiary of the Group, had entered into Sale and Purchase Agreements to dispose five (5) office units for a total cash consideration of RM3.4 million.

There were no disposal of unquoted investments for the quarter under review.

B7 Status of Corporate Proposals

- i. On 30 May 2023, Company announced that Bursa Securities has vide its letter dated 30 May 2023, decided to grant the Company a modification of compliance with Paragraph 5.2(c) of PN17 of the Listing Requirements based on the net profits for the 3-month financial period ended ("FPE") 31 December 2022 and 3-month FPE 31 March 2023, after the completion of the implementation of the Company's Regularisation Plan on 7 October 2022.

Bursa Securities further noted that PGB has regularised its financial condition and level of operations and no longer triggers any of the criteria under Paragraph 2.1 of PN17 of the Listing Requirements.

After due consideration of all facts and circumstances of the Upliftment Application, Bursa Securities has decided to approve the Upliftment Application. As a result thereof, the upliftment of PGB from being classified as PN17 company will be effective on 31 May 2023.

- ii. On 23 August 2023, Company announced that the Company proposes to undertake a proposed private placement of up to 60,433,994 new ordinary shares in PGB ("PGB Share(s)" or "Share(s)") ("Proposed Private Placement"), representing up to approximately 10% of the total number of issued PGB Shares, to independent third-party investor(s) to be identified, at an issue price to be determined at a later date in accordance with the general mandate pursuant to Sections 75 and 76 of the Act.

The Company announced that they have received approval from Bursa Securities, vide its letter dated 29 August 2023, to approve the additional listing for and quotation of up to 60,443,994 new ordinary shares in PGB to be issued pursuant to the Proposed Private Placement subject to the following conditions:-

- (a) the Company and UOB Kay Hian Securities (M) Sdn Bhd ("**UOBKH**") must fully comply with the relevant provisions under the Main Market Listing Requirements ("**Listing Requirements**") pertaining to the implementation of the Proposed Private Placement;
- (b) UOBKH is required to furnish Bursa Securities with details of the placees in accordance with paragraph 6.15 of the Listing Requirements as soon as practicable after each tranche of placement and before the listing of the new shares to be issued pursuant to the Proposed Private Placement;
- (c) the Company and UOBKH are required to inform Bursa Securities upon completion of the Proposed Private Placement;
- (d) the Company is required to furnish Bursa Securities with a written confirmation of its compliance with the terms and conditions of Bursa Securities' approval once the Proposed Private Placement is completed; and

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B7 Status of Corporate Proposals (Cont'd)

- (e) In the event the Proposed Private Placement is not completed before the next Annual General Meeting, the Company is required to furnish a certified true copy of the resolution passed by the shareholders for a general mandate under Sections 75 & 76 of the Companies Act 2016 at the forthcoming Annual General Meeting of the Company prior to the issuance/ allotment of the Placement Shares.

B8 Utilisation of proceeds

Purpose	Proposed Utilisation After Reallocation	Actual Utilisation	Balance to Utilise	Expected Time Frame for Utilisation Upon Listing*
	RM'000	RM'000	RM'000	
Working capital	42,766	(37,358)	5,408	Within 24 months
Payment to the DCMT Trade Creditors	4,824	(4,824)	-	Within 1 month
Proposed Regularisation Plan expenses	2,410	(2,410)	-	Within 1 month
	<u>50,000</u>	<u>(44,592)</u>	<u>5,408</u>	

* The Company was listed on the Main Market of Bursa Malaysia Securities Berhad on 28 April 2022.

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

The Group's borrowings as at 30 June 2023 are as follows:

	Short-term RM'000	Long-term RM'000	Total Outstanding RM'000
<u>Secured borrowings</u>			
Bank overdrafts	2,752	-	2,752
Lease liabilities	536	500	1,036
Term loans	1,653	14,943	16,596
Trade financing facilities	1,330	8,328	9,658
	<u>6,271</u>	<u>23,771</u>	<u>30,042</u>
<u>Unsecured borrowings</u>			
Lease liabilities	1,295	4,074	5,369
	<u>7,566</u>	<u>27,845</u>	<u>35,411</u>

B10 Material litigations

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, a subsidiary of the Group, 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. DCMT duly filed its Statement of Defence.

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

CEH then filed an application for summary judgment (the said application being identified as Court’s Enclosure No. 18). Subsequently, DCMT filed an application for striking out the 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 (“Scheme of Arrangement”) agreed to by the DCMT’s creditors in a Court-Convened Meeting held on 23 October 2020.

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 31 and 18 respectively which were filed and served late.

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

The Court via letter dated 15 December 2022 informed parties that the Hearing date for Enclosures 18, 31, 80 and 82 has been postponed to 12 October 2023.

B11 Proposed Dividends

No dividend has been proposed or declared for the quarter under review.

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B12 Earnings/(Loss) per share

(a) Basic earnings/(loss) per share

	Current Quarter		Cumulative Quarter	
	3 months ended		12 months ended	
	30.6.2023	30.6.2022	30.6.2023	30.6.2022
Net profit/(loss) for the period attributable to ordinary equity holders of the Company (RM'000)				
- From continuing operations	1,433	(5,779)	7,624	65,415
- From discontinued operations	-	516,170	-	389,507
	<u>1,433</u>	<u>510,391</u>	<u>7,624</u>	<u>454,922</u>
Weighted average number of shares in issue ('000)	604,340	604,340	604,340	1,789,041
Basic earnings/(loss) per share (sen)				
- From continuing operations	0.24	(0.96)	1.26	3.66
- From discontinued operations	-	85.41	-	21.77
	<u>0.24</u>	<u>84.45</u>	<u>1.26</u>	<u>25.43</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	
	30.6.2023	30.6.2022	30.6.2023	30.6.2022
	RM'000	RM'000	RM'000	RM'000
The following amounts have been included in arriving at profit before tax:				
Amortisation on intangible assets	-	-	26	51
Bad debts written off	1	248	1	1,415
Depreciation of:				
- property, plant and equipment	393	322	1,348	3,076
- right-of-use assets	304	12	493	132
Fair value loss on investment properties	-	2,513	-	1,303
Impairment loss on:				
- goodwill on consolidation	-	-	-	830
- other receivables	-	532	29	687
- trade receivables	-	6,112	13	4,773
- amount due from joint ventures	203	-	203	-
Interest expenses	176	389	1,604	2,078
Inventories written down	12	2,478	12	3,941
Loss on disposal of				
- property, plant and equipment	94	-	94	-
- equity instruments	-	-	-	9
Loss on foreign exchange				
- unrealised	-	701	-	-
Property, plant and equipment written off	29	-	29	2,010
Deposits written off	65	-	65	-
Lease expenses related to:				
- short-term leases	78	-	78	-
- low value assets	50	-	50	-
Provision for defect liabilities	1,664	-	1,664	245

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B13 Additional disclosure as per Appendix 9B, Part A, Note 16 of Bursa Listing Requirement of Bursa Malaysia Securities Berhad (Cont'd)

	Current Quarter		Cumulative Quarter	
	3 months ended		12 months ended	
	30.6.2023	30.6.2022	30.6.2023	30.6.2022
	RM'000	RM'000	RM'000	RM'000
and after crediting:				
Interest income	177	281	911	610
Gain on foreign exchange				
- realised	95	-	98	-
- unrealised	222	345	500	710
Gain on disposal of:				
- equity instruments	123	-	123	-
- investment properties	38	-	98	-
- property, plant and equipment	-	1	-	227
- assets classified as held for sale	-	-	-	635
- investment in subsidiaries	-	-	-	376,334
Fair value gain on:				
- equity instruments	-	-	50	79
- investment properties	-	-	10	-
- shares consideration issued	-	-	-	74,247
Net gain on financial liabilities				
carried at amortised costs	-	-	-	2,968
Rental income	174	287	675	498
Reversal of impairment loss on:				
- other receivables	-	-	-	534
- trade receivables	-	27	819	87
Reversal of provision for defect				
liabilities cost	184	-	184	-
Waiver of debts received	37	7,183	40	7,291

By Order of the Board

Leong Oi Wah
Secretary
30 August 2023