**PESONA METRO HOLDINGS BERHAD (Co. No. 957876-T)**

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

**FOR THE FIRST QUARTER ENDED 31 MARCH 2013**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **INDIVIDUAL QUARTER** | | **CUMULATIVE QUARTER** | |
|  | (Unaudited) | (Unaudited) | (Unaudited) | (Unaudited) |
|  | Current  Year  Quarter | Preceding  Year  Quarter | Current  Year  To Date | Preceding  Year  To Date |
|  | 31.3.2013 | 31.3.2012 | 31.3.2013 | 31.3.2012 |
|  | RM’000 | RM’000 | RM’000 | RM’000 |
| **Revenue** | **73,737** | N/A | **73,737** | N/A |
| Cost of sales | (65,386) | N/A | (65,386) | N/A |
| **Gross profit** | **8,351** | N/A | **8,351** | N/A |
| Other operating income | 723 | N/A | 723 | N/A |
| Selling and administrative expenses | (3,581) | N/A | (3,581) | N/A |
| **Profit from operations** | **5,493** | N/A | **5,493** | N/A |
| Finance costs | (14) | N/A | (14) | N/A |
| **Profit before tax** | **5,479** | N/A | **5,479** | N/A |
| Income tax expense | (1,424) | N/A | (1,424) | N/A |
| **Profit for the period** | **4,055** | N/A | **4,055** | N/A |
| Other comprehensive income | - | N/A | - | N/A |
| **Total comprehensive income for the period** | **4,055** | N/A | **4,055** | N/A |
|  |  |  |  |  |
| **Total comprehensive income attributable to:**   * Owners of the parent * Non-controlling interests | 4,055  - | N/A  N/A | 4,055  - | N/A  N/A |
|  |  |  |  |  |
| **Earnings per share (Sen)**   * Basic * Diluted | 0.87  - | N/A  N/A | 0.87  - | N/A  N/A |

Notes:

1. Pesona Metro Holdings Berhad (“PMHB”) was incorporated in Malaysia on 19 August 2011 as a special purpose vehicle to assume the listing status of Mithril Berhad pursuant to the Proposed Restructuring Exercise as disclosed in the Explanatory Statement-Cum-Circular dated 11 July 2012. The Proposed Restructuring Exercise was completed on 28 September 2012 and PMHB was listed on 10 October 2012. Accordingly, the first interim financial report on the condensed consolidated statement of comprehensive income is for the financial period commencing from 1 October 2012.
2. N/A: Not applicable.

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 2012 and the accompanying explanatory notes attached to the interim financial statements.

**PESONA METRO HOLDINGS BERHAD (Co. No. 957876-T)**

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

**AS AT 31 MARCH 2013**

|  |  |  |
| --- | --- | --- |
|  | (Unaudited) | (Audited) |
|  | 31.3.2013 | 31.12.2012 |
| **ASSETS** | RM’000 | RM’000 |
| **Non-current assets** |  |  |
| Property, plant and equipment | 14,980 | 12,818 |
| Investment properties | 1,560 | 1,560 |
| Trade receivables | 4,749 | 4,495 |
|  | 21,289 | 18,873 |
| **Current assets** |  |  |
| Inventories | 2,415 | 2,710 |
| Trade and other receivables | 91,371 | 50,433 |
| Amount due from customers for contract | 1,646 | 8,271 |
| Deposits with licensed financial institutions | 31,812 | 40,792 |
| Cash and bank balances | 1,379 | 10,053 |
|  | 128,623 | 112,259 |
| **TOTAL ASSETS** | **149,912** | **131,132** |
|  |  |  |
| **EQUITY AND LIABILITIES** |  |  |
| **Equity attributable to owners of the parent** |  |  |
| Share capital | 115,955 | 115,955 |
| Reverse acquisition reserve | (91,000) | (91,000) |
| Retained earnings | 42,583 | 38,528 |
| Total equity attributable to owners of the parent | 67,538 | 63,483 |
|  |  |  |
| **Non-current liabilities** |  |  |
| Bank borrowings | 17 | 17 |
| Trade payables | 12,654 | 11,153 |
| Deferred tax liabilities | 830 | 830 |
|  | 13,501 | 12,000 |
| **Current liabilities** |  |  |
| Trade and other payables | 45,207 | 44,682 |
| Amount due to customers for contract | 20,543 | 8,012 |
| Bank borrowings | 1,381 | 1,451 |
| Tax liabilities | 1,742 | 1,504 |
|  | 68,873 | 55,649 |
| **TOTAL LIABILITIES** | **82,374** | **67,649** |
| **TOTAL EQUITY AND LIABILITIES** | **149,912** | **131,132** |
|  |  |  |
| **Net assets per share attributable to owners of the parent (Sen)** | **14.56** | **13.69** |

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 2012 and the accompanying explanatory notes attached to the interim financial statements.

**PESONA METRO HOLDINGS BERHAD (Co. No. 957876-T)**

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

**AS AT 31 MARCH 2013**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **ATTRIBUTABLE TO OWNERS OF THE PARENT** | | |  |
|  | **Non-distributable** | | **Distributable** |  |
|  | Share capital | Reverse acquisition reserve | Retained earnings | Total |
|  | RM’000 | RM’000 | RM’000 | RM’000 |
| **As at 1 January 2013** | **115,955** | **(91,000)** | **38,528** | **63,483** |
| Total comprehensive income for the period | - | - | 4,055 | 4,055 |
|  |  |  |  |  |
|  |  |  |  |  |
| **As at 31 March 2013** | **115,955** | **(91,000)** | **42,583** | **67,538** |

The unaudited condensed consolidated statement of statement of changes in equity should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2012 and the accompanying explanatory notes attached to the interim financial statements.

**PESONA METRO HOLDINGS BERHAD (Co. No. 957876-T)**

**UNAUDITED CONDENSED CONSOLIDATED CASH FLOW STATEMENT**

**FOR THE FIRST QUARTER ENDED 31 MARCH 2013**

|  |  |  |
| --- | --- | --- |
|  | (Unaudited) | (Audited) |
|  | Current | Preceding |
|  | Year to date | Year to date |
|  | 31.3.2013 | 31.12.2012 |
| **CASH FLOWS FROM OPERATING ACTIVITIES** | RM’000 | RM’000 |
| Profit before tax | 5,479 | 17,195 |
| Adjustments for:- |  |  |
| * Depreciation | 752 | 3,597 |
| * Loss on disposal of investment | - | 3,099 |
| * Interest income | (263) | (1,203) |
| * Other non-cash operating items | (241) | (240) |
| **Operating profit before working capital changes** | **5,727** | **22,448** |
|  |  |  |
| Changes in inventories | 345 | (364) |
| Changes in trade and other receivables | (41,198) | 9,782 |
| Changes in trade and other payables | 2,027 | 6,840 |
| Changes in amounts due from/(to) customers for contract | 19,155 | (13,527) |
| **Cash (used in)/generated from operations** | **(13,944)** | **25,179** |
| Interest received | 263 | 1,203 |
| Interest paid | (14) | (83) |
| Tax paid | (1,180) | (4,442) |
| **Net cash (used in)/generated from operating activities** | **(14,875)** | **21,857** |
|  |  |  |
| **CASH FLOWS FROM INVESTING ACTIVITIES** |  |  |
| Purchase of property, plant and equipment | (3,107) | (3,338) |
| Proceeds from disposal of property, plant and equipment | 398 | 364 |
| **Net cash used in investing activities** | **(2,709)** | **(2,974)** |
|  |  |  |
| **CASH FLOWS FROM FINANCING ACTIVITIES** |  |  |
| Dividend paid to shareholders prior to reverse acquisition | - | (13,500) |
| Proceeds from issuance of shares | - | 10,000 |
| Repayment of bank borrowings | (70) | (1,343) |
| Changes in fixed deposits pledged with licensed banks | (2,076) | 1,110 |
| **Net cash used in financing activities** | **(2,146)** | **(3,733)** |
|  |  |  |
| **Net increase in cash and cash equivalents** | **(19,730)** | **15,150** |
| Cash and cash equivalents at the beginning of period | 31,711 | 16,561 |
| **Cash and cash equivalents at the end of period** | **11,981** | **31,711** |
|  |  |  |
| **Cash and cash equivalents comprise of the following:** |  |  |
| * Deposits with licensed financial institutions | 31,812 | 40,792 |
| * Cash and bank balances | 1,379 | 10,053 |
|  | 33,191 | 50,845 |
| Less: Fixed deposits pledged with licensed banks | (21,210) | (19,134) |
|  | **11,981** | **31,711** |

The unaudited condensed consolidated cash flow statement should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2012 and the accompanying explanatory notes attached to the interim financial statements.

**PESONA METRO HOLDINGS BERHAD (Co. No. 957876-T)**

**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 2012.

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 2012.

**A2. Changes in Accounting Policies**

The Group has adopted the Malaysian Financial Reporting Standards issued by the Malaysian Accounting Standards Board for accounting period beginning 1 January 2013.

**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 2012 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.

**A7. Changes in Debt and Equity Securities**

There were no changes in debt and equity securities during the quarter under review.

**PESONA METRO HOLDINGS BERHAD (Co. No. 957876-T)**

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

**A8. Dividend Paid**

No dividend was paid during the quarter under review.

**A9. Segmental Reporting**

The Group’s segmental report for the 3 months period ended 31 March 2013 is as follows:-

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | **Investment holding** | **Construction** | **Manufacturing of polyurethane products** | **Elimination** | **Total** |
|  | RM’000 | RM’000 | RM’000 | RM’000 | RM’000 |
| **Revenue** |  |  |  |  |  |
| External sales | 69 | 70,566 | 3,102 | - | 73,737 |
| Inter-segment sales | - | 2,975 | - | (2,975) | - |
| **Total revenue** | **69** | **73,541** | **3,102** | **(2,975)** | **73,737** |
|  |  |  |  |  |  |
| Interest income | - | 263 | - | - | 263 |
| Interest expense | - | (1) | (13) | - | (14) |
| Depreciation | - | (595) | (157) | - | (752) |
| Loss on disposal of investment | - | - | - | - | - |
| **Results** |  |  |  |  |  |
| (Loss)/Profit from operations | (70) | 5,466 | 97 | - | 5,493 |
| Finance costs | - | (1) | (13) | - | (14) |
| (Loss)/Profit before tax | (70) | 5,465 | 84 | - | 5,479 |
| Income tax expense | - | (1,424) | - | - | (1,424) |
| **(Loss)/Profit after tax** | **(70)** | **4,041** | **84** | **-** | **4,055** |

**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 material events subsequent to the end of the interim period.

**PESONA METRO HOLDINGS BERHAD (Co. No. 957876-T)**

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

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

There were no changes in composition of the Group.

**A.13 Capital Commitments**

|  |  |
| --- | --- |
|  | As at |
|  | 31.3.2013 |
|  | RM’000 |
| Approved but not contracted for   * Purchase of property, plant and equipment | 500 |
|  |  |

**A14. Changes in Contingent Liabilities**

|  |  |
| --- | --- |
|  | As at |
|  | 31.3.2013 |
|  | RM’000 |
| Bank guarantees issued by licensed banks in respect of construction projects   * Secured via placement of fixed deposits | 69,291 |

**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 | Current Year |
|  | Quarter | To date |
|  | 31.3.2013 | 31.3.2013 |
|  | RM’000 | RM’000 |
| Provision of construction works to companies in which directors have substantial financial interest | 23,093 | 23,093 |

The Company will be seeking the shareholders’ approval for the proposed ratification and shareholders’ mandate for the above recurrent related party transactions (“RRPT”) of a revenue or trading nature incurred from the date of admission of PMHB to the official list of Bursa Malaysia Securities Berhad (“Bursa”). Bursa had on 9 January 2013 approved the extension of time for the Company to obtain both the shareholders’ ratification and mandate for the RRPT at the forthcoming Annual General Meeting or Extraordinary General Meeting.

**PESONA METRO HOLDINGS BERHAD (Co. No. 957876-T)**

**B. EXPLANATORY NOTES PURSUANT TO PARAGRAPH 9.22 AMD PART A OF APPENDIX 9B OF THE LISTING REQUIREMENT OF BURSA SECURITIES**

**B1. Review of Performance**

The Group achieved a revenue of RM74 million for the quarter under review with 96% and 4% of revenue contributed by construction segment and manufacturing of PU products respectively.

The Group generated a profit before tax of RM5.5 million for the quarter under review. The profit before tax is substantially contributed by the on-going 3 infrastructure and 2 building projects in Malaysia.

**B2. Comparison with Immediate Preceding Quarter's Results**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | Current Quarter  31.3.2013 | Preceding Quarter  31.12.2012 | Variance | |
|  | RM’000 | RM’000 | RM’000 | % |
| Revenue | 73,737 | 63,106 | 10,631 | 17 |
| Profit before tax | 5,479 | 3,000 | 2,479 | 83 |

Revenue from the Construction Division has improved by 17% as compared to the last quarter. The increase is mainly attributed to the higher percentage of completion recognized for certain projects as the Group strives to meet the targeted completion date.

In line with the increase in revenue, the profit before tax has increased by 83% as compared to the last quarter.

**B3. Prospects for the Current Financial Year**

As at 31 March 2013, the Group has an outstanding order book of RM300 million, comprising of 5 on-going projects. These projects are expected to contribute positively to the Group’s revenue and profit for the remaining quarters.

**B4. Profit Forecast**

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

As announced on 23 April 2013, pursuant to the acquisition of the entire equity interests of Pesona Metro Sdn Bhd on 12 September 2012, the vendors of Pesona Metro Sdn Bhd, namely Mr. Wie Hock Beng and Mdm. Chak May Teng (“the Vendors”) had unconditionally and irrevocably represent, guarantee and warrant to the Company that the aggregated Profit after Tax of Pesona Metro Sdn Bhd Group for the financial year ended 31 December 2012 shall not be less than RM15 million. The auditors, Messrs UHY Chartered Accountant has on 17 April 2013 confirmed that the Profit Guarantee of RM15 million has been achieved and thus, the Guaranteed Profit of Pesona Metro Sdn Bhd Group has been fulfilled by the Vendors.

**PESONA METRO HOLDINGS BERHAD (Co. No. 957876-T)**

**B. EXPLANATORY NOTES PURSUANT TO PARAGRAPH 9.22 AMD PART A OF APPENDIX 9B OF THE LISTING REQUIREMENT OF BURSA SECURITIES**

**B5. Taxation**

|  |  |  |
| --- | --- | --- |
|  | Current Year | Current Year |
|  | Quarter | To date |
|  | 31.3.2013 | 31.3.2013 |
|  | RM’000 | RM’000 |
| Current year tax | 1,424 | 1,424 |
| (Over)/Under provision in prior year | - | - |
| Deferred tax | - | - |
|  | **1,424** | **1,424** |

The effective tax rate is higher than the statutory tax rate due to certain non-allowable expenses.

**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 | Current |
|  | Year  Quarter | Year  To date |
|  | 31.3.2013 | 31.3.2013 |
|  | RM’000 | RM’000 |
| Interest income | (263) | (263) |
| Other income | (106) | (106) |
| Interest expense | 14 | 14 |
| Depreciation charges | 752 | 752 |
| Provision for and write off of receivables | - | - |
| Provision for and write off of inventories | - | - |
| Gain on disposal of property, plant and equipment | (209) | (209) |
| Gain or loss on disposal of quoted or unquoted investment or properties | - | - |
| Impairment of assets | - | - |
| Foreign exchange (gain)/loss | (31) | (31) |
| Gain or loss on derivatives | - | - |
| Exceptional items | - | - |

**B7. Status of Corporate Proposal**

There is no pending corporate proposal.

**PESONA METRO HOLDINGS BERHAD (Co. No. 957876-T)**

**B. EXPLANATORY NOTES PURSUANT TO PARAGRAPH 9.22 AMD 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 31 March 2013 were as follows:-

|  |  |
| --- | --- |
|  | As at |
|  | 31.3.2013 |
|  | RM’000 |
| **Long term borrowings** |  |
| Secured:   * Term loans | 17 |
|  |  |
| **Short term borrowings** |  |
| Secured: |  |
| * Export credit refinancing | 1,281 |
| * Term loans | 100 |
|  | 1,381 |

**B9. Off Balance Sheet Financial Instruments**

The Group does not have any financial instruments with off balance sheet risk.

**B10. Material Litigation**

**Pesona Metro Sdn. Bhd. (“PMSB”) vs Midaco (M) Sdn. Bhd. (“Midaco”)**

**Kota Bharu High Court Civil No.: 22-52-2011**

PMSB lodged a claim in the High Court, Kota Bharu on 15 March 2011. PMSB filed an action against Midaco for recovery of RM2.0 million, being the sum paid to third party, Omega Concorf Sdn. Bhd. (“Omega”) for the rectification of the defective works by Midaco.

As announced on 7 May 2013, the Company has received a notification that the above suit was fixed at the Kota Bahru High Court for show cause on 7 May 2013. PMSB had instructed its solicitors to discontinue the suit due to lack of witnesses for trial and the case as of 7 May 2013 is withdrawn with no order as to costs.

The case is now officially closed.

**PESONA METRO HOLDINGS BERHAD (Co. No. 957876-T)**

**B. EXPLANATORY NOTES PURSUANT TO PARAGRAPH 9.22 AMD PART A OF APPENDIX 9B OF THE LISTING REQUIREMENT OF BURSA SECURITIES**

**B11. Dividend**

No dividend has been proposed during the quarter under review.

**B12. Earnings per Share**

|  |  |  |
| --- | --- | --- |
|  | Current Year | Current Year |
|  | Quarter | To date |
|  | 31.3.2013 | 31.3.2013 |
|  |  |  |
| Profit for the period (RM’000) | 4,055 | 4,055 |
|  |  |  |
| Weighted average number of ordinary shares in issue (‘000) | 463,820 | 463,820 |
|  |  |  |
| Basic earnings per share (sen) | 0.87 | 0.87 |

**B13. Realised and unrealised earnings or losses disclosure**

|  |  |
| --- | --- |
|  | As at |
|  | 31.3.2013 |
|  | RM’000 |
| **Total retained earnings for the Group:** |  |
| * Realised * Unrealised * Consolidated adjustment | 40,607  1,170  806 |
|  | 42,583 |

**B14. Authorisation for Issue**

This interim financial report was authorized for issuance by the Board of Directors of the Company on 23 May 2013.