

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

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2022**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	(Unaudited) Current Year Quarter 31.12.2022 RM'000	(Audited) Preceding Year Quarter 31.12.2021 RM'000	(Unaudited) Current Year To Date 31.12.2022 RM'000	(Audited) Preceding Year To Date 31.12.2021 RM'000
Revenue	70,340	179,860	368,265	622,514
Cost of sales	(64,969)	(175,420)	(338,367)	(588,922)
Gross profit	5,371	4,440	29,898	33,592
Other operating income	1,151	643	2,449	3,577
Selling and administrative expenses	(6,947)	(7,580)	(27,835)	(29,737)
Profit/(Loss) from operations	(425)	(2,497)	4,512	7,432
Finance costs	(2,146)	(2,028)	(8,063)	(9,339)
Profit/(Loss) before tax	(2,571)	(4,525)	(3,551)	(1,907)
Income tax expense	93	(264)	572	(183)
Profit/(Loss) for the period	(2,478)	(4,789)	(2,979)	(2,090)
Other comprehensive income	-	-	-	-
Total comprehensive income/(loss) for the period	(2,478)	(4,789)	(2,979)	(2,090)
Total comprehensive income/(loss) attributable to:				
• Owners of the parent	(3,329)	(5,361)	(6,436)	(5,367)
• Non-controlling interests	851	572	3,457	3,277
Earnings/(Loss) per share (Sen)				
• Basic	(0.48)	(0.77)	(0.93)	(0.77)
• Diluted	NA	NA	NA	NA

The unaudited condensed consolidated statement of comprehensive income should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2021 and the accompanying explanatory notes attached to the interim financial statements.

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

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2022**

	(Unaudited) 31.12.2022	(Audited) 31.12.2021
	RM'000	RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	52,538	61,697
Investment properties	9,504	7,997
Intangible assets	45,823	48,930
Financial receivables	125,369	128,802
Trade receivables	47,147	51,091
	<u>280,381</u>	<u>298,517</u>
Current assets		
Inventories	-	650
Trade and other receivables	204,526	300,759
Contract assets	15,715	3,927
Tax recoverable	5,601	4,764
Deposits with licensed financial institutions	39,320	41,833
Cash and bank balances	24,006	12,173
	<u>289,168</u>	<u>364,106</u>
TOTAL ASSETS	<u>569,549</u>	<u>662,623</u>
EQUITY AND LIABILITIES		
Equity attributable to owners of the parent		
Share capital	194,031	194,031
Reverse acquisition reserve	(91,000)	(91,000)
Retained earnings	44,311	50,747
Total equity attributable to owners of the parent	<u>147,342</u>	<u>153,778</u>
Non-controlling interests	<u>21,481</u>	<u>18,024</u>
	<u>168,823</u>	<u>171,802</u>
Non-current liabilities		
Borrowings	105,740	120,543
Leases	1,583	6,673
Trade payables	31,123	28,406
Deferred tax liabilities	10,998	11,743
	<u>149,444</u>	<u>167,365</u>
Current liabilities		
Trade and other payables	174,471	231,148
Contract liabilities	19,421	28,126
Borrowings	52,372	54,964
Leases	5,018	9,218
Tax payables	-	-
	<u>251,282</u>	<u>323,456</u>
TOTAL LIABILITIES	<u>400,726</u>	<u>490,821</u>
TOTAL EQUITY AND LIABILITIES	<u>569,549</u>	<u>662,623</u>
Net assets per share attributable to owners of the parent (Sen)	<u>21.20</u>	<u>22.13</u>

The unaudited condensed consolidated statement of financial position should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2021 and the accompanying explanatory notes attached to the interim financial statements.

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

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
AS AT 31 DECEMBER 2022**

	ATTRIBUTABLE TO OWNERS OF THE PARENT				
	<u>Non-distributable</u>		<u>Distributable</u>		
	Share capital	Reverse acquisition reserve	Retained earnings	Non-controlling interests	Total
	RM'000	RM'000	RM'000	RM'000	RM'000
As at 1 January 2022	194,031	(91,000)	50,747	18,024	171,802
Total comprehensive income/(loss) for the year	-	-	(6,436)	3,457	(2,979)
As at 31 December 2022	194,031	(91,000)	44,311	21,481	168,823
As at 1 January 2021	194,031	(91,000)	56,114	14,747	173,892
Total comprehensive income/(loss) for the year	-	-	(5,367)	3,277	(2,090)
As at 31 December 2021	194,031	(91,000)	50,747	18,024	171,802

The unaudited condensed consolidated statement of changes in equity should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2021 and the accompanying explanatory notes attached to the interim financial statements.

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

**UNAUDITED CONDENSED CONSOLIDATED CASH FLOW STATEMENT
FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2022**

	(Unaudited) Current Year to date 31.12.2022 RM'000	(Audited) Preceding Year to date 31.12.2021 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit/(Loss) before tax	(3,551)	(1,907)
Adjustments for:-		
• Amortisation and depreciation	14,622	17,009
• Interest expenses	8,063	9,339
• Other non-cash operating items	(2,034)	(1,424)
Operating profit before working capital changes	17,100	23,017
Changes in inventories	650	(67)
Changes in trade and other receivables	103,233	(5,683)
Changes in trade and other payables	(52,463)	6,630
Changes in contract assets/liabilities	(20,493)	(1,568)
Cash generated from operations	48,027	22,329
Interest received	936	1,236
Interest paid	(8,104)	(9,411)
Tax paid	(925)	(2,369)
Net cash generated from operating activities	39,934	11,785
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(4,189)	(2,947)
Proceeds from disposal of property, plant and equipment	401	654
Net cash arising from disposal of subsidiaries	(180)	-
Net cash used in investing activities	(3,968)	(2,293)
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of Sukuk	(10,000)	(10,000)
Net change in lease liabilities	(9,290)	(10,514)
Net change in bank borrowings	(6,300)	(986)
Changes in deposits pledged with financial institutions	(4,349)	(8,631)
Net cash used in financing activities	(29,939)	(30,131)
Net change in cash and cash equivalents	6,027	(20,639)
Cash and cash equivalents at the beginning of year	19,810	40,446
Effect of exchange translation difference on cash and cash equivalents	7	3
Cash and cash equivalents at the end of period	25,844	19,810
Cash and cash equivalents comprise of the following:		
• Deposits with licensed financial institutions	39,320	41,833
• Cash and bank balances	24,006	12,173
• Bank overdraft	-	(1,061)
	63,326	52,945
Less: Deposits pledged with licensed financial institutions	(37,482)	(33,135)
	25,844	19,810

The unaudited condensed consolidated cash flow statement should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2021 and the accompanying explanatory notes attached to the interim financial statements.

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

A1. Basis of preparation

The interim financial statements are unaudited and have been prepared in accordance with the requirements of MFRS 134: Interim Financial Reporting and paragraph 9.22 of the Bursa Malaysia Securities Berhad ("Bursa Securities") Main Market Listing Requirements.

The interim financial statements should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2021.

The interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Company and its subsidiaries ("The Group") since the financial year ended 31 December 2020.

A2. Changes in Accounting Policies

The Group has adopted the Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia for the accounting period beginning 1 January 2022.

A3. Auditors' Report on Preceding Annual Financial Statements

The auditors' report of the Group's annual financial statements for the financial year ended 31 December 2021 was not qualified.

A4. Seasonal or Cyclical Factors

The business operations of the Group are not significantly affected by any seasonal or cyclical factors.

A5. Unusual Items

There were no other unusual items affecting assets, liabilities, equity, net income or cash flows in the financial quarter under review.

A6. Changes in Estimates

There was no change in estimates of amounts reported in prior interim periods that had a material effect in the current reporting quarter.

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

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

A7. Changes in Debt and Equity Securities

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

A8. Dividend Paid

No dividend has been paid during the quarter under review.

A9. Segmental Reporting

The Group’s segmental report for the financial year ended 31 December 2022 is as follows:-

	Investment holding	Construction	Manufacturing - (Discontinued)	Concessionaire asset and maintenance	Elimination	Total
	RM’000	RM’000	RM’000	RM’000	RM’000	RM’000
Revenue						
External sales	-	341,784	2,518	23,963	-	368,265
Inter-segment sales	-	1,583	-	7,675	(9,258)	-
Total revenue	-	343,367	2,518	31,638	(9,258)	368,265
Interest income	-	470	-	466	-	936
Interest expense	-	(2,079)	-	(10,263)	(4,278)	(8,063)
Amortisation and depreciation	-	(11,361)	(152)	(2)	(3,107)	(14,622)
Impairment of assets	-	-	-	-	-	-
Results						
Profit/(Loss) from operations	(648)	(12,558)	(849)	25,049	(6,482)	4,512
Finance costs	-	(2,079)	-	(10,263)	(4,279)	(8,063)
Profit/(Loss) before tax	(648)	(14,637)	(849)	14,786	(2,203)	(3,551)
Income tax expense	-	268	-	(324)	628	572
Profit/(Loss) after tax	(648)	(14,369)	(849)	14,462	(1,575)	(2,979)

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

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

A9. Segmental Reporting (Continued)

The Group’s segmental report for the financial year ended 31 December 2021 is as follows:-

	Investment holding	Construction	Manufacturing	Concessionaire asset and maintenance	Elimination	Total
	RM’000	RM’000	RM’000	RM’000	RM’000	RM’000
Revenue						
External sales	-	596,064	2,317	24,133	-	622,514
Inter-segment sales	-	1,668	-	8,675	(10,343)	-
Total revenue	-	597,732	2,317	32,808	(10,343)	622,514
Interest income	-	691	-	545	-	1,236
Interest expense	-	(2,920)	-	(11,797)	5,378	(9,339)
Amortisation and depreciation	-	(13,695)	(194)	(14)	(3,106)	(17,009)
Impairment of assets	-	-	-	-	-	-
Results						
Profit/(Loss) from operations	(35)	(9,280)	(467)	25,711	(8,497)	7,432
Finance costs	-	(2,920)	-	(11,797)	5,378	(9,339)
Profit/(Loss) before tax	(35)	(12,200)	(467)	13,914	(3,119)	(1,907)
Income tax expense	-	(584)	-	(283)	684	(183)
Profit/(Loss) after tax	(35)	(12,784)	(467)	13,631	(2,435)	(2,090)

A10. Valuation of Property, Plant and Equipment

The Group’s property, plant and equipment are stated at cost. There is no policy of regular revaluation of its property, plant and equipment as at the end of the financial period under review.

A11. Material Events Subsequent to the End of the Interim Period

There were no other material events subsequent to the end of the interim period.

A12. Changes in Composition of the Group

On 9 November 2022, the wholly-owned subsidiaries, namely, Pesona Saferay Sdn Bhd and PM2 Building System Sdn Bhd were disposed of for a consideration of RM1 each. There were no other changes in composition of the Group.

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

A.13 Capital Commitments

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

A14. Changes in Contingent Liabilities

As at
31.12.2022
RM'000

Bank guarantees issued by licensed banks in respect of construction projects

136,155

A15. Significant Related Party Transactions

The significant related party transactions during the quarter under review in which directors of the Company have substantial financial interest are as follows:-

	Current Year Quarter 31.12.2022 RM'000	Current Year To date 31.12.2022 RM'000
Provision of construction works to a company in which directors have substantial financial interest	<u>13,152</u>	<u>69,909</u>

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

B1. Review of Performance

Current Year Quarter:

The Group achieved a revenue of RM70 million for the quarter under review. The revenue decreased by RM110 million or 61% as compared to the same quarter last year. The decrease is mainly due to the completion of 3 projects during the financial year.

Despite the lower revenue, the Group registered lower loss before tax of RM2.6 million for the quarter due mainly to some decrease in the construction cost and lower operating expenses during the quarter.

Current Year To Date:

The Group achieved a revenue of RM368 million for the year ended 31 December 2022. The revenue is largely contributed by the construction division. The revenue decreased by RM254 million or 41% as compared to last year. The decrease in revenue is mainly due to the completion of 3 construction projects during the year. In line with lower revenue, the Group registered higher loss before tax of RM3.6 million for the year ended 31 December 2022 as compared to a loss before tax of RM1.9 million last year.

B2. Comparison with Immediate Preceding Quarter's Results

	Current Quarter	Preceding Quarter	Variance	
	31.12.2022	30.9.2022	RM'000	%
Revenue	70,340	90,525	(20,185)	(22%)
Profit/(Loss) before tax	(2,571)	(3,044)	473	16%

The revenue decreased by 22% due mainly to the lower construction activities during the quarter. In line with lower revenue, the Group generated a loss before tax of RM2.6 million for the quarter.

B3. Prospects for the Financial Year ending 31 December 2023

As at 31 December 2022, the Group has an outstanding order book of RM0.8 billion, comprising 5 ongoing projects. With the new projects secured in the first quarter of Year 2023, the outstanding order book increased to RM2.1 billion. These projects are expected to contribute construction revenue for the financial year ending 31 December 2023. In addition, the concessionaire and maintenance income will provide consistent contribution for the financial year ending 31 December 2023.

However, the Group continues to face the challenges of high construction material costs and shortage of construction workers. These challenges will impact the construction business for the financial year. The Group is taking the appropriate measures to mitigate these challenges.

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

B4. Financial Forecast

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

B5. Taxation

	Current Year Quarter 31.12.2022 RM'000	Current Year To date 31.12.2022 RM'000
Current year tax	94	335
Under/(Over) provision in prior year	-	(161)
Deferred tax	(187)	(746)
	<u>(93)</u>	<u>(572)</u>

The effective tax rate is lower than the statutory tax rate due to the utilization of unabsorbed business losses in prior year.

B6. Note to the Statement of Comprehensive Income

The note to the statement of comprehensive income is arrived at after charging or crediting the following items:

	Current Year Quarter 31.12.2022 RM'000	Current Year To date 31.12.2022 RM'000
Interest income	(224)	(936)
Other income	(35)	(604)
Interest expense	2,146	8,063
Amortisation and depreciation	3,625	14,622
Impairment of assets	-	-
Loss/(Gain) on disposal of property, plant and equipment	(67)	(106)

B7. Status of Corporate Proposal

On 30 November 2022, the Company received the Notice of Unconditional Mandatory Take-Over Offer from RHB Investment Bank Berhad on behalf of Wie Hock Kiong and Kombinasi Emas Sdn Bhd ("Joint Offerors"). The Joint Offerors will pay to the shareholders who accept the Offer a cash consideration of RM0.19 for each Offer Share in accordance with the terms and conditions set out in the Offer Document. The Offer lapsed on 11 January 2023 and accordingly, the corporate proposal was completed on that date.

There is no other pending corporate proposal during the quarter under review.

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

B8. Group's Borrowings and Debt Securities

The Group's borrowings as at 31 December 2022 were as follows:-

	As at 31.12.2022 RM'000
Long term borrowings	
Secured:	
• Islamic Medium-Term Notes ("Sukuk")	105,000
• Leases and Term Loan	2,323
	<u>107,323</u>
Short term borrowings	
Secured:	
• Islamic Medium-Term Notes ("Sukuk")	15,000
• Revolving Credit and Contract financing	37,372
• Leases	5,018
	<u>57,390</u>

B9. Off Balance Sheet Financial Instruments

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

B10. Material Litigation

During the quarter under review, neither the Group nor the Company involves in any material litigation.

B11. Dividend

No dividend has been proposed during the quarter under review.

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

B12. Earnings per Share

	Current Year Quarter 31.12.2022	Current Year To date 31.12.2022
Profit/(Loss) for the period attributable to owners (RM'000)	(3,329)	(6,436)
Number of shares:		
Weighted average number of ordinary shares in issue for basic earnings per share ('000)	694,987	694,987
Basic earnings/(loss) per share (Sen)	(0.48)	(0.93)

B13. Realised and unrealised earnings or losses disclosure

	As at 31.12.2022 RM'000
Total retained earnings for the Group:	
• Realised	49,621
• Unrealised	(5,310)
	<u>44,311</u>

B14. Authorisation for Issue

This interim financial report was authorized for issuance by the Board of Directors of the Company on 28 February 2023.