

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

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE SECOND QUARTER ENDED 30 JUNE 2024**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	(Unaudited)	(Audited)	(Unaudited)	(Audited)
	Current	Preceding	Current	Preceding
	Year	Year	Year	Year
	Quarter	Quarter	To Date	To Date
	30.6.2024	30.6.2023	30.6.2024	30.6.2023
	RM'000	RM'000	RM'000	RM'000
Revenue	113,986	113,010	187,571	221,350
Cost of sales	(101,866)	(102,807)	(165,726)	(202,406)
Gross profit	12,120	10,203	21,845	18,944
Other operating income	1,030	204	1,354	577
Selling and administrative expenses	(4,625)	(3,935)	(8,981)	(8,980)
Profit from operations	8,525	6,472	14,218	10,541
Finance costs	(1,812)	(2,039)	(3,549)	(3,970)
Profit before tax	6,713	4,433	10,669	6,571
Income tax expense	(740)	(889)	(692)	(785)
Profit for the period	5,973	3,544	9,977	5,786
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	5,973	3,544	9,977	5,786
Total comprehensive income attributable to:				
• Owners of the parent	5,403	2,913	8,602	4,334
• Non-controlling interests	570	631	1,375	1,452
Earnings per share (Sen)				
• Basic	0.78	0.42	1.24	0.62
• 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 2023 and the accompanying explanatory notes attached to the interim financial statements.

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

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2024**

	(Unaudited) 30.6.2024 RM'000	(Audited) 31.12.2023 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	42,912	47,028
Investment properties	9,644	10,280
Intangible assets	41,163	42,716
Financial receivables	119,200	121,416
Trade receivables	43,848	40,524
	<u>256,767</u>	<u>261,964</u>
Current assets		
Trade and other receivables	263,695	319,432
Contract assets	30,041	12,686
Tax recoverable	699	1,213
Deposits with licensed financial institutions	35,208	34,238
Cash and bank balances	24,472	24,665
	<u>354,115</u>	<u>392,234</u>
TOTAL ASSETS	610,882	654,198
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	58,944	53,817
Total equity attributable to owners of the parent	<u>161,975</u>	<u>156,848</u>
Non-controlling interests	<u>25,739</u>	<u>24,364</u>
	187,714	181,212
Non-current liabilities		
Borrowings	90,164	90,629
Leases	27	98
Trade payables	14,533	18,729
Deferred tax liabilities	9,879	10,252
	<u>114,603</u>	<u>119,708</u>
Current liabilities		
Trade and other payables	229,228	268,423
Contract liabilities	24,078	12,235
Borrowings	54,843	70,164
Leases	416	1,458
Tax payables	-	998
	<u>308,565</u>	<u>353,278</u>
TOTAL LIABILITIES	423,168	472,986
TOTAL EQUITY AND LIABILITIES	610,882	654,198
Net assets per share attributable to owners of the parent (Sen)	23.31	22.57

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 2023 and the accompanying explanatory notes attached to the interim financial statements.

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

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
AS AT 30 JUNE 2024**

	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 2024	194,031	(91,000)	53,817	24,364	181,212
Total comprehensive income for the period	-	-	8,602	1,375	9,977
Dividend paid	-	-	(3,475)	-	(3,475)
As at 30 June 2024	194,031	(91,000)	58,944	25,739	187,714
As at 1 January 2023	194,031	(91,000)	44,311	21,481	168,823
Total comprehensive income for the period	-	-	4,334	1,452	5,786
As at 30 June 2023	194,031	(91,000)	48,645	22,933	174,609

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 2023 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 SECOND QUARTER ENDED 30 JUNE 2024**

	(Unaudited) Current Year to date 30.6.2024 RM'000	(Audited) Preceding Year to date 31.12.2023 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	10,669	14,358
Adjustments for:-		
• Amortisation and depreciation	7,001	14,620
• Interest expenses	3,549	8,917
• Other non-cash operating items	(989)	(1,846)
Operating profit before working capital changes	20,230	36,049
Changes in trade and other receivables	54,705	(104,630)
Changes in trade and other payables	(43,377)	81,497
Changes in contract assets/liabilities	(5,513)	(4,156)
Cash generated from operations	26,045	8,760
Tax (paid)/refund	(1,548)	2,671
Net cash generated from operating activities	24,497	11,431
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(1,912)	(7,500)
Proceeds from disposal of property, plant and equipment	1,436	1,029
Interest received	691	1,838
Net cash generated from/(used in) investing activities	215	(4,633)
CASH FLOWS FROM FINANCING ACTIVITIES		
Interest paid	(3,625)	(8,895)
Dividend paid to shareholders	(3,475)	-
Repayment of Sukuk	-	(15,000)
Net change in lease liabilities	(1,113)	(5,045)
Net change in bank borrowings	(15,723)	17,719
Changes in deposits pledged with financial institutions	(4,791)	(3,608)
Net cash used in financing activities	(28,727)	(14,829)
Net change in cash and cash equivalents	(4,015)	(8,031)
Cash and cash equivalents at the beginning of year	17,813	25,844
Cash and cash equivalents at the end of period/year	13,798	17,813
Cash and cash equivalents comprise of the following:		
• Deposits with licensed financial institutions	35,208	34,238
• Cash and bank balances	24,472	24,665
	59,680	58,903
Less: Deposits pledged and restricted cash and bank balances	(45,882)	(41,090)
	13,798	17,813

The unaudited condensed consolidated cash flow statement should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2023 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 2023.

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 2023.

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 2024.

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 2023 was not subject to any qualification.

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 of the Group 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

The following dividend was paid during the quarter under review:

In respect of financial year ended 31 December 2023:

- single tier final dividend of 0.5 sen per ordinary share, paid on 15 May 2024, amounting to RM3,474,933.30.

A9. Segmental Reporting

The Group’s segmental report for the financial period ended 30 June 2024 is as follows:-

	Investment holding RM’000	Construction RM’000	Concessionaire asset and maintenance RM’000	Elimination RM’000	Total RM’000
Revenue					
External sales	2	175,774	11,795	-	187,571
Inter-segment sales	-	956	4,398	(5,354)	-
Total revenue	2	176,730	16,193	(5,354)	187,571
Interest income	2	180	509	-	691
Interest expense	-	(1,114)	(5,083)	2,648	(3,549)
Amortisation and depreciation	-	(5,447)	(1)	(1,553)	(7,001)
Results					
Profit/(Loss) from operations	(298)	6,436	12,258	(4,178)	14,218
Finance costs	-	(1,114)	(5,083)	2,648	(3,549)
Profit/(Loss) before tax	(298)	5,322	7,175	(1,530)	10,669
Income tax expense	-	(24)	(1,041)	373	(692)
Profit/(Loss) after tax	(298)	5,298	6,134	(1,157)	9,977

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 period ended 30 June 2023 is as follows:-

	Investment holding RM’000	Construction RM’000	Concessionair e asset and maintenance RM’000	Elimination RM’000	Total RM’000
Revenue					
External sales	-	209,570	11,780	-	221,350
Inter-segment sales	-	2,436	4,755	(7,191)	-
Total revenue	-	212,006	16,535	(7,191)	221,350
Interest income	-	194	560	-	755
Interest expense	-	(1,218)	(5,761)	3,009	(3,970)
Amortisation and depreciation	-	(5,776)	(1)	(1,553)	(7,330)
Results					
Profit/(Loss) from operations	(610)	2,417	13,292	(4,558)	10,541
Finance costs	-	(1,218)	(5,761)	3,009	(3,970)
Profit/(Loss) before tax	(610)	1,199	7,531	(1,549)	6,571
Income tax expense	-	(7)	(1,151)	373	(785)
Profit/(Loss) after tax	(610)	1,192	6,380	(1,176)	5,786

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

Apart from the corporate proposals disclosed in Note B7, there were no other material events subsequent to the end of the interim period.

A12. Changes in Composition of the Group

There have been no changes in composition of the Group.

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

A. EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARD (“MFRS”) 134: INTERIM FINANCIAL REPORTING**A.13 Capital Commitments**

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

A.14. Changes in Contingent Liabilities

As at
30.6.2024
RM'000

Bank guarantees issued by licensed banks in respect of construction projects

131,580

A.15. Significant Related Party Transactions

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

	Current Year Quarter 30.6.2024 RM'000	Current Year To date 30.6.2024 RM'000
Provision of construction works to a company in which directors have substantial financial interest	<u>11,930</u>	<u>11,930</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 RM114.0 million for the quarter under review. The revenue increased marginally by RM1.0 million or 1% as compared to the same quarter last year.

Despite marginal increase in revenue, the Group registered profit before tax of RM6.7 million for the quarter under review, a significant increase of 51% as compared to the same quarter last year. The increase is mainly due to the improvement in project margin contributed by on-going projects.

Current Year To Date:

The Group achieved total revenue of RM187.6 million for the financial period ended 30 June 2024. The revenue is substantially contributed by the construction division. The revenue decreased by RM33.8 million or 15% as compared to the same period last year. Despite lower revenue, the Group registered profit before tax of RM10.7 million for the financial period ended 30 June 2024 as compared to a profit before tax of RM6.6 million in the same period last financial year, representing an increase of 62%. The increase is mainly due to the improvement in project margin contributed by on-going projects.

B2. Comparison with Immediate Preceding Quarter's Results

	Current Quarter 30.6.2024	Preceding Quarter 31.3.2024	Variance	
	RM'000	RM'000	RM'000	%
Revenue	113,986	73,585	40,401	55%
Profit before tax	6,713	3,956	2,757	70%

The revenue increased by 55% due mainly to the higher progress billings from on-going projects. In line with higher revenue, the Group generated a higher profit before tax of RM6.7 million, 70% higher than the preceding quarter.

B3. Prospects for the Financial Year ending 31 December 2024

As at 30 June 2024, the Group has an outstanding order book of RM2.1 billion, comprising 8 on-going projects. These projects are expected to contribute construction revenue for the financial year ending 31 December 2024. In addition, the concessionaire and maintenance income will provide consistent contribution for the financial year ending 31 December 2024.

Accordingly, barring any unforeseen circumstances, the Group expects to achieve a satisfactory performance for the financial year ending 31 December 2024.

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

B. EXPLANATORY NOTES PURSUANT TO PARAGRAPH 9.22 AND PART A OF APPENDIX 9B OF THE LISTING REQUIREMENT OF BURSA SECURITIES**B4. Financial Forecast**

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

B5. Taxation

	Current Year Quarter 30.6.2024 RM'000	Current Year To date 30.6.2024 RM'000
Current year tax	928	1,066
Over provision in prior year	(2)	(2)
Deferred tax	(186)	(372)
	<u>740</u>	<u>692</u>

The Group's effective tax rate is lower than the statutory tax rate, mainly due to the utilization of unabsorbed business losses carried forward.

B6. Notes to the Statement of Comprehensive Income

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

	Current Year Quarter 30.6.2024 RM'000	Current Year To date 30.6.2024 RM'000
Interest income	(301)	(691)
Other income	(694)	(718)
Interest expense	1,812	3,549
Amortisation and depreciation	3,510	7,001
Gain on disposal of property, plant and equipment	(162)	(162)

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

B7. Status of Corporate Proposals

1) Proposed acquisitions and proposed diversification

On 11 July 2024, the Company entered into the following agreements:

- i) conditional share sale agreement between the Company and Chin May Yong for the proposed acquisition of 190,000 ordinary shares in Gaya Kuasa Sdn Bhd (“Gaya Kuasa”) (“Gaya Kuasa Shares”), representing 19.0% equity interest in Gaya Kuasa, for a cash consideration of RM15,200,000, subject to adjustment (“Proposed Acquisition from Chin May Yong”); and
- ii) conditional share sale agreement between the Company and AM Anugerah Sdn Bhd (“AM Anugerah”) for the proposed acquisition of 320,000 Gaya Kuasa Shares, representing 32.0% equity interest in Gaya Kuasa, for a cash consideration of RM25,600,000, subject to adjustment (“Proposed Acquisition from AM Anugerah”).

(The Proposed Acquisition from Chin May Yong and Proposed Acquisition from AM Anugerah are collectively referred to as the “Proposed Acquisitions”).

In conjunction with the Proposed Acquisitions, the Company proposes to undertake a proposed diversification of the principal activities of the Company and its subsidiaries to include property development as it is envisaged that the eventual contribution arising from the Proposed Acquisitions will be more than 25% of the net profits of the Company and/or result in a diversion of 25% or more of the net assets of the Company moving forward (“Proposed Diversification”).

(The Proposed Acquisitions and Proposed Diversification are collectively referred to as the “Proposals”).

2) Proposed issuance of Islamic Medium-Term Notes of up to RM185,000,000.00 in nominal value under the Shariah principles of Wakalah Bi Al-Istithmar (ASEAN Sustainability SRI Sukuk Wakalah)

On 25 July 2024, the Company announced that its 70%-owned subsidiary, SEP Resources (M) Sdn Bhd had on 24 July 2024 lodged with the Securities Commission Malaysia (“SC”), the required information and relevant documents pursuant to the Guidelines on Unlisted Capital Market Products under the Lodge and Launch Framework issued by the SC on 9 March 2015 and as revised on 5 February 2024 (as amended and/or substituted from time to time) (“LOLA Guidelines”) in relation to the issuance of the ASEAN Sustainability SRI Sukuk Wakalah.

Apart from the above corporate proposals, there is no other pending corporate proposal during the quarter under review.

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

B8. Group's Borrowings and Debt Securities

The Group's borrowings as at 30 June 2024 were as follows:-

	As at 30.6.2024 RM'000
Long term borrowings	
Secured:	
• Islamic Medium-Term Notes ("Sukuk")	90,000
• Leases and Term Loan	191
	<hr/> 90,191
Short term borrowings	
Secured:	
• Islamic Medium-Term Notes ("Sukuk")	15,000
• Revolving Credit and Contract financing	39,843
• Leases	416
	<hr/> 55,259

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.

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

B. EXPLANATORY NOTES PURSUANT TO PARAGRAPH 9.22 AND PART A OF APPENDIX 9B OF THE LISTING REQUIREMENT OF BURSA SECURITIES**B12. Earnings per Share**

	Current Year Quarter 30.6.2024	Current Year To date 30.6.2024
Profit for the period attributable to owners (RM'000)	5,403	8,602
Number of shares:		
Weighted average number of ordinary shares in issue for basic earnings per share ('000)	694,987	694,987
Basic earnings per share (Sen)	0.78	1.24

B13. Realised and unrealised earnings/(losses) disclosure

	As at 30.6.2024 RM'000
Total retained earnings for the Group:	
• Realised	66,552
• Unrealised	(7,608)
	<u>58,944</u>

B14. Authorisation for Issue

This interim financial report was authorized for issuance by the Board of Directors of the Company on 23 August 2024.