



PROPEL GLOBAL BERHAD

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

(Incorporated in Malaysia)

Quarterly Report 30 September 2022

PROPEL GLOBAL BERHAD

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

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS QUARTERLY REPORT ON THE UNAUDITED RESULTS FOR THE 1ST QUARTER ENDED 30 SEPTEMBER 2022

	Current Quarter 3 months ended		Cumulative Quarter 3 months ended	
	30.9.2022 RM'000 Unaudited	30.9.2021 RM'000 Unaudited	30.9.2022 RM'000 Unaudited	30.9.2021 RM'000 Unaudited
Continuing Operations				
Revenue	18,147	13,298	18,147	13,298
Cost of Sales	(11,436)	(11,239)	(11,436)	(11,239)
Gross Profit	6,711	2,059	6,711	2,059
Other Income	940	701	940	701
Operating Expenses	(3,858)	(2,111)	(3,858)	(2,111)
Profit from Operations	3,793	649	3,793	649
Finance Costs	(460)	(517)	(460)	(517)
Profit Before Tax	3,333	132	3,333	132
Income Tax Expense	(283)	(86)	(283)	(86)
Profit from Continuing Operations	3,050	46	3,050	46
Discontinued Operations				
Loss from Discontinued Operations, Net of Tax	-	(3,354)	-	(3,354)
Profit/(Loss) for the Period, Net of Tax	3,050	(3,308)	3,050	(3,308)
Profit/(Loss) Attributable to :				
Owners of the Company				
- From continuing operations	3,050	252	3,050	252
- From discontinued operations	-	(3,352)	-	(3,352)
	3,050	(3,100)	3,050	(3,100)
Non-controlling Interests	-	(208)	-	(208)
	3,050	(3,308)	3,050	(3,308)
Earnings/(Loss) per share (sen)				
- Basic				
- From continuing operations	0.50	0.01	0.50	0.01
- From discontinued operations	-	(0.16)	-	(0.16)
	0.50	(0.15)	0.50	(0.15)
- Diluted				
- From continuing operations	0.50	0.01	0.50	0.01
- From discontinued operations	-	(0.16)	-	(0.16)
	0.50	(0.15)	0.50	(0.15)

Note:

- i) 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.
- ii) 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 1 Basis of Preparation.

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CONDENSED CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME QUARTERLY REPORT ON THE UNAUDITED RESULTS FOR THE 1ST QUARTER ENDED 30 SEPTEMBER 2022

	Current Quarter 3 months ended		Cumulative Quarter 3 months ended	
	30.9.2022 RM'000 Unaudited	30.9.2021 RM'000 Unaudited	30.9.2022 RM'000 Unaudited	30.9.2021 RM'000 Unaudited
Profit/(Loss) for the Period, Net of tax	<u>3,050</u>	<u>(3,308)</u>	<u>3,050</u>	<u>(3,308)</u>
Other Comprehensive Loss: Items that may be subsequently reclassified to profit or loss:				
Foreign currency translation differences for foreign subsidiaries	-	(1,464)	-	(1,464)
Total Comprehensive Income/(Loss) for the Period, Net of Tax	<u>3,050</u>	<u>(4,772)</u>	<u>3,050</u>	<u>(4,772)</u>
Total Comprehensive Income/(Loss) for the Period Attributable to:				
Owners of the Company				
- From continuing operations	3,050	252	3,050	252
- From discontinued operations	-	(4,816)	-	(4,816)
	<u>3,050</u>	<u>(4,564)</u>	<u>3,050</u>	<u>(4,564)</u>
Non-controlling Interests	-	(208)	-	(208)
	<u>3,050</u>	<u>(4,772)</u>	<u>3,050</u>	<u>(4,772)</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 1 Basis of Preparation.

PROPEL GLOBAL BERHAD

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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2022

	30.9.2022 RM'000 Unaudited	30.06.2022 RM'000 Audited
Non Current Assets		
Property, plant and equipment	11,865	16,510
Right-of-use assets	2,825	2,348
Investment properties	12,410	12,410
Inventories	8,531	8,531
Intangible assets	16	27
Investment in joint ventures	-	-
Total Non Current Assets	<u>35,647</u>	<u>39,826</u>
Current Assets		
Inventories	8,414	8,813
Current tax assets	1,360	1,398
Trade receivables	20,766	27,440
Other receivables, deposits and prepayments	13,197	12,515
Contract assets	13,043	12,893
Other investments	2,142	3,141
Cash and bank balances and deposits	66,049	65,506
Assets classified as held for sales	4,504	-
Total Current Assets	<u>129,475</u>	<u>131,706</u>
Current Liabilities		
Loans and borrowings	11,137	11,367
Current tax liabilities	23	23
Trade payables	24,358	29,028
Provisions, other payables and accrued expenses	11,906	15,840
Contract liabilities	9,918	9,854
Total Current Liabilities	<u>57,342</u>	<u>66,112</u>
Net Current Assets	<u>72,133</u>	<u>65,594</u>
	<u>107,780</u>	<u>105,420</u>
Financed by:		
Share capital	120,868	120,868
Accumulated losses	(42,679)	(45,729)
Total Equity	<u>78,189</u>	<u>75,139</u>
Non Current Liabilities		
Loans and borrowings	25,548	26,002
Deferred tax liabilities	243	243
Trade payables	3,800	4,036
Total Non Current Liabilities	<u>29,591</u>	<u>30,281</u>
	<u>107,780</u>	<u>105,420</u>
Net assets per share (sen)	<u>12.94</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 1 Basis of Preparation.

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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY QUARTERLY REPORT ON THE UNAUDITED RESULTS FOR THE 1ST QUARTER ENDED 30 SEPTEMBER 2022

	<-----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
<u>3 months ended 30 September 2022</u>								
At 1 JULY 2022	120,868	-	-	-	(45,729)	75,139	-	75,139
Profit for the Period	-	-	-	-	3,050	3,050	-	3,050
Total Comprehensive Income for the Period	-	-	-	-	3,050	3,050	-	3,050
At 30 SEPTEMBER 2022	<u>120,868</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(42,679)</u>	<u>78,189</u>	<u>-</u>	<u>78,189</u>
<u>3 months ended 30 September 2021</u>								
At 1 JULY 2021 (Note ii)	4,086	(8,444)	261,014	870	(475,574)	(218,048)	16,981	(201,067)
Loss for the Period	-	-	-	-	(3,100)	(3,100)	(208)	(3,308)
Other Comprehensive loss for the Period	-	(1,464)	-	-	-	(1,464)	-	(1,464)
Total Comprehensive Loss for the Period	-	(1,464)	-	-	(3,100)	(4,564)	(208)	(4,772)
At 30 SEPTEMBER 2021	<u>4,086</u>	<u>(9,908)</u>	<u>261,014</u>	<u>870</u>	<u>(478,674)</u>	<u>(222,612)</u>	<u>16,773</u>	<u>(205,839)</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 1 Basis of Preparation.

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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS QUARTERLY REPORT ON THE UNAUDITED RESULTS FOR THE 1ST QUARTER ENDED 30 SEPTEMBER 2022

	Current Period Ended 30.9.2022 RM'000 Unaudited	Preceding Period Ended 30.9.2021 RM'000 Unaudited
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit/(Loss) before tax		
- Continuing operations	3,333	132
- Discontinued operations	-	(3,352)
	<hr/> 3,333	<hr/> (3,220)
Adjustments for:		
Amortisation on intangible assets	11	16
Depreciation of:		
- property, plant and equipment	325	442
- right-of-use assets	27	46
Fair value gain on marketable securities	-	(9)
Finance costs	460	2,388
Gain on disposal of property, plant and equipment	-	(40)
Impairment losses on:		
- Other receivables and deposits	232	-
- Trade receivables	13	-
Interest income	(245)	(285)
Unwinding of discount of financial liabilities carried at amortised costs	75	-
Net unrealised foreign exchange gain	(387)	(63)
Waiver of debts received	(3)	-
	<hr/> 3,841	<hr/> (725)
Operating profit/(loss) before working capital changes		
Changes in working capital:		
Inventories	399	(549)
Trade and other receivables	5,943	4,350
Contract assets	(150)	2,758
Trade and other payables	(9,015)	(9,295)
Contract liabilities	64	(1,383)
	<hr/> 1,082	<hr/> (4,844)
Cash Flows From/(Used In) Operations		
Income tax paid	(245)	(204)
Interest paid	(11)	-
	<hr/> 826	<hr/> (5,048)
Net Cash From/(Used In) Operating Activities		
CASH FLOWS FROM INVESTING ACTIVITIES		
Decrease in pledged deposits placed with licensed banks	-	16,826
Interest received	238	285
Proceeds from disposal of property, plant and equipment	-	40
Purchase of property, plant and equipment	(183)	(72)
Purchase of right-of-use assets	(44)	-
Withdrawal/(Placement) in money market funds	999	(13,942)
	<hr/> 1,010	<hr/> 3,137
Net Cash From Investing Activities		

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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS QUARTERLY REPORT ON THE UNAUDITED RESULTS FOR THE 1ST QUARTER ENDED 30 SEPTEMBER 2022

	Current Period Ended 30.9.2022 RM'000 Unaudited	Preceding Period Ended 30.9.2021 RM'000 Unaudited
CASH FLOWS FROM FINANCING ACTIVITIES		
Interest paid	(298)	(249)
Repayment of loans and borrowings	(1,250)	(634)
Repayment of lease liabilities	(16)	(42)
Net Cash Used In Financing Activities	<u>(1,564)</u>	<u>(925)</u>
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	272	(2,836)
Effect of exchange rate fluctuation on cash and cash equivalents	213	(1,466)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	58,732	18,050
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	<u><u>59,217</u></u>	<u><u>13,748</u></u>
CASH AND CASH EQUIVALENTS COMPRISE:		
Cash and bank balances	27,808	17,117
Restricted cash	_*	_*
Fixed deposits with licenced banks	38,241	9,643
Bank overdraft	(2,750)	(4,738)
	<u>63,299</u>	<u>22,022</u>
Less: Fixed deposits pledged with licensed banks	(4,082)	(8,274)
Restricted cash	_*	_*
	<u><u>59,217</u></u>	<u><u>13,748</u></u>

* Represent amount less than RM1,000.

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 1 Basis of Preparation.

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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 and 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 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

MFRS 1	First-time Adoption of Malaysian Financial Reporting Standards
MFRS 3	Business Combinations
MFRS 9	Financial Instruments
MFRS 16	Leases
MFRS 137	Provisions, Contingent Liabilities and Contingent Assets
MFRS 141	Agriculture

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A2 Significant Accounting Policies (Cont'd)

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

At the date of authorisation of these interim financial statements, the following MFRSs and amendments to MFRSs were issued but not yet effective and not early adopted by the Group and they are not expected to have material impact on the financial statements of the Group.

<u>New MFRS</u>		Effective for annual periods beginning on or after
MFRS 17	Insurance Contracts	1 January 2023
<u>Amendments/improvements to MFRSs</u>		
MFRS 1	First-time Adoption of Malaysian Financial Reporting Standards	1 January 2023 [#]
MFRS 3	Business Combinations	1 January 2023 [#]
MFRS 5	Non-current Assets Held for Sale and Discontinued Operations	1 January 2023 [#]
MFRS 7	Financial Instruments: Disclosures	1 January 2023 [#]
MFRS 9	Financial Instruments	1 January 2023 [#]
MFRS 10	Consolidated Financial Statements	Deferred
MFRS 15	Revenue from Contracts with Customers	1 January 2023 [#]
MFRS 17	Insurance Contracts	1 January 2023
MFRS 101	Presentation of Financial Statements	1 January 2023/ 1 January 2023 [#]
MFRS 107	Statement of Cash Flows	1 January 2023 [#]
MFRS 108	Accounting Policies, Changes in Accounting Estimates and Errors	1 January 2023
MFRS 112	Income Taxes	1 January 2023
MFRS 116	Property, Plant and Equipment	1 January 2023 [#]
MFRS 119	Employee Benefits	1 January 2023 [#]
MFRS 128	Investments in Associates and Joint Ventures	Deferred/ 1 January 2023 [#]
MFRS 132	Financial Instruments: Presentation	1 January 2023 [#]
MFRS 136	Impairment of Assets	1 January 2023 [#]
MFRS 137	Provisions, Contingent Liabilities and Contingent Assets	1 January 2023 [#]
MFRS 138	Intangible Assets	1 January 2023 [#]
MFRS 140	Investment Property	1 January 2023 [#]

Amendments as to the consequence of effective of MFRS 17 Insurance Contracts.

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 subject to any seasonal or cyclical fluctuation.

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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.

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 current financial period (2022: RM Nil).

A9 Segment Information

	Quarter ended 30 September 2022		Quarter ended 30 September 2021	
	Revenue RM'000	Profit/(Loss) before tax RM'000	Revenue RM'000	Profit/(Loss) before tax RM'000
<u>Continuing operations</u>				
Oil & Gas	9,943	2,468	8,837	766
Technical Services	8,152	2,605	4,391	(553)
Others	52	(1,740)	70	(81)
	<u>18,147</u>	<u>3,333</u>	<u>13,298</u>	<u>132</u>
<u>Discontinued Operations</u>				
Non-core business	-	-	-	(3,352)

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 and production enhancement to 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.

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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

There were no changes in the composition of the Group for the period under review.

A13 Contingent Assets and Contingent Liabilities

As at 30 September 2022, the Company has provided corporate guarantee of RM19.4 million (30 June 2022: RM19.9 million) for banking facilities granted to certain subsidiaries.

Save as disclosed above and in Note B9 Material Litigation, there were no other material contingent assets and contingent liabilities as at the date of this report.

A14 Capital Commitments

	As at 30.9.2022 RM'000
Capital Expenditure:	
Approved but not contracted for:	630

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		3 months ended	
	30.9.2022	30.9.2021	30.9.2022	30.9.2021
	RM'000	RM'000	RM'000	RM'000
<u>Transactions with related companies:</u>				
Management fee income	1,598	996	1,598	996
Interest income	11	-	11	-
Rental income	87	87	87	87
Rental expenses	(150)	(150)	(150)	(150)
	(150)	(150)	(150)	(150)

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.

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

Current Quarter Results (Q1 FY2023) Vs Preceding Year's Corresponding Quarter Results (Q1 FY2022)

The Group recorded a revenue of RM18.1 million and a profit before tax ("PBT") of RM3.3 million for Q1 FY2023, in comparison to a revenue of RM13.3 million and a PBT of RM0.1 million reported in the preceding year corresponding quarter.

The analysis of the performance of respective operating segments for Q1 FY2023 is as follows:

(i) O&G Segment

The segment recorded a revenue and a PBT of RM9.9 million and RM2.5 million respectively in Q1 FY2023, as compared to revenue and PBT of RM8.8 million and RM0.8 million reported in the preceding year corresponding quarter. The increased sales for Q1 FY2023 is mainly attributable to higher offtake of production chemicals and fulfilment of work orders for well services due to less stringent Covid-19 standard operating procedures imposed. In line with the increased revenue, the segment's PBT improved by RM1.7 million from RM0.8 million reported in Q1 FY2022.

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B1 Review of Performance (Cont'd)

(ii) TS Segment

TS segment recorded a revenue and a PBT of RM8.2 million and RM2.6 million respectively in Q1 FY2023, as compared to revenue and loss before tax ("LBT") of RM4.4 million and RM0.6 million respectively in the preceding year corresponding quarter. The higher revenue reported in the current quarter was due to normalisation of works to full capacity resulting in progressive construction progress and billing for ongoing projects, whereas the corresponding quarter of the preceding financial year was affected by Movement Control Order ("MCO") 3.0 lockdown. As a result, the Segment reported a turnaround in performance to record a PBT of RM4.4 million in Q1 FY2023 from a LBT of RM0.6 million in Q1 FY2022.

(iii) Other segment

Other segment reported a LBT of RM1.7 million in the Q1 FY2023 (Q1 FY2022: RM0.1 million), comprised mainly of corporate administrative expenses, such as professional charges and staff costs.

B2 Comparison of Profit/(Loss) Before Taxation with the Immediate Preceding Financial Quarter

	Quarter ended 30.9.2022 RM'000	Quarter ended 30.6.2022 RM'000
Revenue	18,147	18,670
Profit/(Loss) before tax from continuing operations	3,333	(8,049)

The Group recorded a revenue of RM18.1 million in Q1 FY2023, as compared to RM18.7 million reported in the preceding quarter, representing a slight reduction of RM0.6 million or 2.8%.

The quarter reported a PBT of RM3.3 million in comparison to a LBT of RM8.0 million in the immediate preceding quarter, representing an improvement of RM11.4 million. The LBT reported in the immediate preceding quarter was mainly due to one-off recognition of impairment charges on trade receivables and inventories of RM8.9 million.

B3 Prospects

The Malaysian economy continued to expand and registered a strong growth of 14.2% in the third quarter of 2022 (Q2 2022: 8.9%), underpinned by continued expansion in domestic demand. However, the momentum is expected to slow heading into 2023 weigh down by tighter financial conditions, increasing inflationary pressure, labour shortages and rising interest rates.

While the economic backdrop and overall business environment remain challenging, and is expected to persist for the near term, the Group will continue to remain focus on its business strategies to uplift its status from PN17 by proactively devise and pursue appropriate strategies and action plans to achieve better performance for financial year ending 2023.

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B4 Variances from Profit Forecast and Profit Guarantee

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

B5 Income Tax Expense

	Current Quarter		Cumulative Quarter	
	3 months ended		3 months ended	
	30.9.2022	30.9.2021	30.9.2022	30.9.2021
	RM'000	RM'000	RM'000	RM'000

In respect of the current period:

Current Income tax
- Current year

	283	86	283	86
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B6 Sale of Unquoted Investments and Properties

On 17 October 2022, Daya Urusharta Sdn. Bhd., a wholly-owned subsidiary of the Group, has entered into five (5) sale and purchase agreements to dispose of five (5) office units to SCM Property Management Sdn. Bhd. for a total cash consideration of RM4,834,068.

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

B7 Status of Corporate Proposals

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

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

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

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

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

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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	(5,286)	37,480	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
	50,000	(12,520)	37,480	

* 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 and debt securities

The Group's borrowings are as follows:

	Short-term RM'000	Long-term RM'000	Total Outstanding RM'000
<u>Secured borrowings</u>			
Bank overdrafts	2,750	-	2,750
Lease liabilities	270	286	556
Term loans	6,482	15,937	22,419
Trade financing facilities	1,635	9,325	10,960
	11,137	25,548	36,685

B10 Material litigations

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

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

On 30 June 2020, 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.

B10 Material litigations (Cont'd)

(a) Between Daya CMT Sdn. Bhd. and Chop Eng Heng Metal Industry (Cont'd)

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.

(b) Between Daya CMT Sdn. Bhd. and United Truss Sdn. Bhd.

Butterworth Sessions Court, Suit No. PB-A52NCC-7-01/2021, United Truss System Sdn. Bhd. vs Daya CMT Sdn. Bhd.

Penang High Court, Civil Appeal No. PA-12ANCC-16-08/2021, Daya CMT Sdn. Bhd. vs United Truss System Sdn. Bhd.

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

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

On 23 April 2021, after hearing brief oral submissions from both parties' counsels, the learned Judge directed both parties to file written submissions concerning DCMT's application upon questions of law, amongst others, whether the suit could proceed in view of the existence of the 19 March 2021 Order granted by the Shah Alam High Court in sanctioning the Scheme of Arrangement agreed to by the DCMT's creditors in a Court-Convened Meeting held on 23 October 2020.

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

B10 Material litigations (Cont'd)

(b) Between Daya CMT Sdn. Bhd. and United Truss Sdn. Bhd. (Cont'd)

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

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

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

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

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

On 2 August 2022, the Penang High Court struck out DCMT's appeal and application in Enclosure 44 without hearing the merits of the appeal or application on the ground that the Butterworth Sessions Court's decision dated 12 August 2021 was not appealable. DCMT decided not to appeal against the High Court's decisions dated 2 August 2022 in striking out DCMT's appeal and application for adducing fresh evidence.

On 14 August 2022, DCMT filed an application in Enclosure 122 at the Sessions Court for striking out the United Truss' suit.

During the case management on 14 November 2022, the Court fixed 5 December 2022 for case management for parties to file written submissions in relation to DCMT's application in Enclosure 122.

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		3 months ended	
	30.9.2022	30.9.2021	30.9.2022	30.9.2021
Net profit/(loss) for the period attributable to ordinary equity holders of the Company (RM'000)				
- From continuing operations	3,050	252	3,050	252
- From discontinued operations	-	(3,352)	-	(3,352)
	<u>3,050</u>	<u>(3,100)</u>	<u>3,050</u>	<u>(3,100)</u>
Weighted average number of shares in issue ('000)	604,340	2,042,946 [^]	604,340	2,042,946 [^]
Basic earnings/(loss) per share (sen)				
- From continuing operations	0.50	0.01	0.50	0.01
- From discontinued operations	-	(0.16)	-	(0.16)
	<u>0.50</u>	<u>(0.15)</u>	<u>0.50</u>	<u>(0.15)</u>

[^] Represent DMB's weighted average number of ordinary shares as at 30 June 2021.

(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		3 months ended	
	30.9.2022	30.9.2021	30.9.2022	30.9.2021
	RM'000	RM'000	RM'000	RM'000
The following amounts have been included in arriving at profit before tax:				
Amortisation on intangible assets	11	16	11	16
Depreciation of:				
- property, plant and equipment	325	442	325	442
- right-of-use assets	27	46	27	46
Impairment loss on:				
- other receivables	232	-	232	-
- trade receivables	13	-	13	-
Interest expenses	460	2,388	460	2,388
Loss on foreign exchange				
- realised	17	-	17	-
- unrealised	20	-	20	-
Unwinding of discount of financial liabilities carried at amortised costs	75	-	75	-
and after crediting:				
Interest income	245	285	245	285
Fair value gain on marketable securities	-	9	-	9
Gain on foreign exchange				
- realised	103	63	103	63
- unrealised	407	-	407	-
Net gain on disposal of property, plant and equipment	-	40	-	40
Rental income	159	70	159	70
Waiver of debts received	3	-	3	-

By Order of the Board

Leong Oi Wah
Secretary
29 November 2022