



PROPEL GLOBAL BERHAD

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

Quarterly Report 30 September 2024

PROPEL GLOBAL BERHAD

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

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

QUARTERLY REPORT ON THE UNAUDITED RESULTS FOR THE 1ST QUARTER ENDED 30 September 2024

	Current Quarter 3 months ended		Cumulative Quarter 3 months ended	
	30.09.2024 RM'000 Unaudited	30.09.2023 RM'000 Unaudited	30.09.2024 RM'000 Unaudited	30.09.2023 RM'000 Audited
Revenue	34,329	27,634	34,329	27,634
Cost of sales	(28,531)	(23,900)	(28,531)	(23,900)
Gross profit	5,798	3,734	5,798	3,734
Other income	362	4,517	362	4,517
Operating expenses	(9,993)	(7,043)	(9,993)	(7,043)
(Loss)/Profit from operations	(3,833)	1,208	(3,833)	1,208
Finance costs	(183)	(344)	(183)	(344)
(Loss)/Profit before tax	(4,016)	864	(4,016)	864
Income tax expense	(436)	(662)	(436)	(662)
(Loss)/Profit for the period, representing total comprehensive income/(loss) for the financial period	(4,452)	202	(4,452)	202
(Loss)/Profit for the financial period attributable to :				
- Owners of the company	(4,516)	32	(4,516)	32
- Non-controlling interests	64	170	64	170
	(4,452)	202	(4,452)	202
Total comprehensive income/(loss) for the period attributable to:				
- Owners of the company	(4,516)	32	(4,516)	32
- Non-controlling interests	64	170	64	170
	(4,452)	202	(4,452)	202
(Loss)/Earnings per share (sen)				
- Basic	(0.69)	0.01	(0.69)	0.01
- Diluted	(0.69)	0.01	(0.69)	0.01

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 2024 and accompanying explanatory notes attached to these interim financial statements.

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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2024

	30.09.2024 RM'000 Unaudited	30.06.2024 RM'000 Audited
Non Current Assets		
Property, plant and equipment	5,760	5,690
Right-of-use assets	6,364	7,065
Investment properties	3,060	3,060
Inventories	24,423	24,325
Intangible assets	22,377	22,407
Investment in quoted shares	1,200	1,745
Investment in unquoted shares	2,341	2,341
Investment in joint ventures	-	-
Other receivables	2,350	2,350
Total Non Current Assets	<u>67,875</u>	<u>68,983</u>
Current Assets		
Inventories	8,266	8,541
Trade receivables	41,259	45,809
Other receivables, deposits and prepayments	13,357	12,961
Contract assets	27,476	34,191
Current tax assets	1,095	1,256
Other investments	-	2,748
Cash and bank balances and deposits	19,824	29,400
Assets classified as held for sales	3,000	3,000
Total Current Assets	<u>114,277</u>	<u>137,906</u>
Current Liabilities		
Loans and borrowings	1,248	1,599
Lease liabilities	1,553	1,642
Trade payables	19,379	33,228
Provisions, other payables and accrued expenses	13,975	24,032
Contract liabilities	15,373	19,090
Current tax liabilities	357	587
Total Current Liabilities	<u>51,885</u>	<u>80,178</u>
Net Current Assets	62,392	57,728
	<u>130,267</u>	<u>126,711</u>

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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2024

	30.09.2024 RM'000 Unaudited	30.06.2024 RM'000 Audited
Financed by:		
Share capital	131,786	131,786
Accumulated losses	(36,817)	(32,301)
	<u>94,969</u>	<u>99,485</u>
Non-controlling interests	7,579	7,515
Total Equity	<u>102,548</u>	<u>107,000</u>
Non Current Liabilities		
Loans and borrowings	22,295	13,638
Lease liabilities	3,453	3,865
Deferred tax liabilities	200	200
Trade payables	1,760	1,997
Contract liabilities	11	11
Total Non Current Liabilities	<u>27,719</u>	<u>19,711</u>
	<u>130,267</u>	<u>126,711</u>
Net assets per share (sen)	<u>15.17</u>	<u>17.71</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 2024 and accompanying explanatory notes attached to these interim financial statements.

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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY QUARTERLY REPORT ON THE UNAUDITED RESULTS FOR THE 1ST QUARTER ENDED 30 September 2024

<-Attributable to owners of the Company->

	<u>Non-Distributable</u>		<u>Non-controlling interests</u>		
	<u>Share Capital</u>	<u>Accumulated</u>	<u>Total</u>	<u>interests</u>	<u>Total</u>
	<u>RM'000</u>	<u>Losses</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
<u>3 months ended 30 September 2024</u>					
At 1 July 2024	131,786	(32,301)	99,485	7,515	107,000
(Loss)/Profit for the financial period	-	(4,516)	(4,516)	64	(4,452)
Total comprehensive income/(loss) for the financial period	-	(4,516)	(4,516)	64	(4,452)
At 30 September 2024	<u>131,786</u>	<u>(36,817)</u>	<u>94,969</u>	<u>7,579</u>	<u>102,548</u>
<u>3 months ended 30 September 2023</u>					
At 1 July 2023	120,868	(38,014)	82,854	7,232	90,086
Profit for the financial period	-	32	32	170	202
Total comprehensive income for the financial period	-	32	32	170	202
Transactions with owners					
Issuance of shares pursuant to private placement exercise	4,750	-	4,750	-	4,750
Total transactions with owners	4,750	-	4,750	-	4,750
At 30 September 2023	<u>125,618</u>	<u>(37,982)</u>	<u>87,636</u>	<u>7,402</u>	<u>95,038</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 2024 and accompanying explanatory notes attached to these interim financial statements.

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

(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS QUARTERLY REPORT ON THE UNAUDITED RESULTS FOR THE 1ST QUARTER ENDED 30 September 2024

	Current Period Ended 30.09.2024 RM'000 Unaudited	Preceding Period Ended 30.09.2023 RM'000 Unaudited
CASH FLOWS FROM OPERATING ACTIVITIES		
(Loss)/Profit before tax	(4,016)	864
Adjustments for:		
Amortisation on intangible assets	36	-
Bad debts written off	-	1
Depreciation of:		
- property, plant and equipment	272	339
- right-of-use assets	491	452
Fair value gain/(loss) on:		
- equity instruments	(6)	-
- quoted shares	545	-
Finance costs	183	344
Gain on disposal of:		
- assets classified as held for sale	-	(813)
- equity instruments	(3)	-
Impairment losses on goodwill	201	-
Interest income	(83)	(91)
Net unrealised foreign exchange loss/(gain)	879	(311)
Reversal of impairment losses on:		
- other receivables and deposits	-	(203)
- trade receivables	-	(1,117)
Net loss on financial liabilities carried at amortised costs	47	(62)
Waiver of debts received	-	(1,534)
Changes in working capital:		
Inventories	178	(30)
Trade and other receivables	3,560	(1,907)
Contract assets	6,715	(643)
Trade and other payables	(24,173)	(1,960)
Contract liabilities	(3,717)	3,496
Cash flows used in operations	(18,891)	(3,175)
Income tax paid	(506)	(49)
Net cash used in operating activities	(19,397)	(3,224)
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of a subsidiary, net of cash acquired	(200)	-
Acquisition of unquoted shares	-	(2,341)
Interest received	81	91
Proceeds from disposal of:		
- assets classified as held for sale	-	6,096
- right-of-use assets	5	-
Purchase of property, plant and equipment	(167)	(248)
Purchase of intangible assets	(6)	-
Withdrawal of fixed deposits pledged with licensed bank	2,469	2,188
Withdrawal of fixed deposits with licensed banks with maturity more than 3 months	5,510	1,255
Withdrawal of investment in money market funds	2,759	1,194
Net cash from investing activities	10,451	8,235

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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS QUARTERLY REPORT ON THE UNAUDITED RESULTS FOR THE 1ST QUARTER ENDED 30 September 2024

	Current Period Ended 30.09.2024 RM'000 Unaudited	Preceding Period Ended 30.09.2023 RM'000 Unaudited
CASH FLOWS FROM FINANCING ACTIVITIES		
Interest paid	(101)	(274)
Proceed from issuance of shares	-	4,750
Drawdown/(Repayment) of loans and borrowings	8,227	(747)
Repayment of lease liabilities	(471)	(452)
Net cash from financing activities	7,655	3,277
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		
	(1,291)	8,288
Effect of exchange rate fluctuation on cash and cash equivalents	(305)	18
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	16,965	22,595
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	15,369	30,901
CASH AND CASH EQUIVALENTS COMPRISE:		
Cash and bank balances	14,863	24,313
Restricted cash	_*	_*
Fixed deposits with licenced banks	4,961	18,600
Bank overdraft	-	(2,759)
	19,824	40,154
Less: Fixed deposits pledged with licensed banks	(4,455)	(9,253)
Restricted cash	_*	_*
	15,369	30,901

* 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 2024 and accompanying explanatory notes attached to these interim financial statements.

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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 2024.

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 2024.

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:

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>Effective dates for financial years beginning on or after</u>
Amendments to MFRS 16	Lease liability in a Sale and Leaseback	1 January 2024
Amendments to MFRS 101	Classification of Liabilities as Current or Non-current	1 January 2024
Amendments to MFRS 101	Non-current Liabilities with Covenants	1 January 2024
Amendments to MFRS 107 and MFRS 7	Supplier Finance Arrangements	1 January 2024
Amendments to MFRS 121	Lack of Exchangeability	1 January 2025
Amendments to MFRS 9 and MFRS 7	Amendments to the Classification and Measurement of Financial Instruments	1 January 2026
Annual Improvements - Volume 11	Amendments to MFRS 1 Amendments to MFRS 7 Amendments to MFRS 9 Amendments to MFRS 10 Amendments to MFRS 107	1 January 2026

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A2 Significant Accounting Policies (Cont'd)

Standards and Amendments in issue but not yet effective (Cont'd)

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. (Cont'd)

		<u>Effective dates for financial years beginning on or after</u>
MFRS 18	Presentation and Disclosure in Financial Statements	1 January 2027
MFRS 19	Subsidiaries without Public Accountabilities: Disclosures	1 January 2027
Amendments to MFRS 10 and MFRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred until further notice

A3 Auditors' Report on Preceding Annual Financial Statements

The auditors' report on the financial statements of the Group for the financial year ended 30 June 2024 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.

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

During the financial period ended 30 September 2024, there were no issuance, cancellation, repurchase, resale and repayment of debt and equity securities during the period under review.

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A8 Dividends Paid

No dividend has been declared or paid for current financial period (2024: RM Nil).

A9 Segment Information

Segments	Quarter ended 30 September 2024		Quarter ended 30 September 2023	
	Revenue RM'000	Profit/(Loss) before tax RM'000	Revenue RM'000	Profit/(Loss) before tax RM'000
O&G	20,304	1,409	18,982	4,991
TS	11,204	(226)	8,615	(114)
ICT	2,785	569	-	-
Others	36	(5,768)	37	(4,013)
	34,329	(4,016)	27,634	864

The four reportable operating segments are as follows:

<u>Segments</u>	<u>Products and services</u>
Oil & Gas ("O&G")	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, production enhancement to the oil and gas industry, and providing engineering and technical works for the oil and gas industry.
Technical services ("TS")	Provision of services in the industrial, commercial and residential construction and office maintenance.
Information and Communications Technology ("ICT")	Provision of ICT services and related activities and trading in ICT hardware, software and spare parts.
Others	Investment holding and business other than the above.

A10 Valuation of Property, Plant and Equipment (PPE)

The valuation of PPE and investment properties have been brought forward without amendment from the financial statements for the financial period ended 30 September 2024.

A11 Subsequent Events

There were no material events subsequent to the current interim financial period up to the date of this report.

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A12 Changes in the Composition of the Group up to 25 November 2024

- i. On 3 June 2024, the Company had entered into a conditional share sale agreement (“SSA”) with Mr Choong Chin Wei to acquire 2,000,000 ordinary shares in JCCW Capital Sdn Bhd (“JCCW”) representing 100% of the equity interest of JCCW for a total cash consideration of RM0.2 million. The acquisition of JCCW was completed on 10 September 2024. Upon completion of the acquisition, JCCW will become a wholly-owned subsidiary of the Company.

JCCW is carrying on the business of money lending.

- ii. On 26 August 2024, the Company incorporated Propel Water Sdn Bhd (“PWSB”) with 100 ordinary shares for a total cash consideration of RM100, representing 100% equity interest in PWSB.

PWSB is carrying on the business of water collection, treatment and supply or sewerage and similar activities.

- iii. On 27 September 2024, Propel Oilfield Services Sdn Bhd (“POSSB”) had entered into a conditional SSA with Jasniazrin Shah Bin Mohd Hata and Tan Siew Lee to acquire 390,000 ordinary shares in Best Wide Engineering (M) Sdn Bhd (“BWE”) representing 39% of the equity interest of BWE for a total cash consideration of RM6.2 million. The acquisition of BWE was completed on 14 October 2024. Upon completion of the acquisition, BWE remains as a subsidiary of POSSB and the ownership of BWE will increase from 51% to 90%.

- iv. On 1 November 2024, the Company acquired by way of subscription of fifty-one (51) ordinary shares of RM1 each in Wellington Ventures Sdn Bhd (“WVSB”), representing 51% of the issued and paid-up share capital of WVSB for a total consideration of RM51.

WVSV is carrying on the business of venture capital.

- v. On 20 November 2024, the Company acquired 100% equity interests in Idaman Dunia Sdn Bhd (“IDSB”) for a purchase consideration of RM1. IDSB is carrying on the business of holding companies.

A13 Contingent Assets and Contingent Liabilities

As at 30 September 2024, the Company has provided corporate guarantee of RM4.4 million (30 June 2024: RM6.5 million) for banking facilities granted to certain subsidiaries.

There are no other material contingent assets and contingent liabilities as at the date of this report.

A14 Capital Commitments

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

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(Registration No.: 202001023868 (1380188-P))
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A15 Significant Related Party Transaction

During the financial period, significant related party transactions undertaken between the Company with related parties, which are negotiated based on agreed terms and conditions, are as follows:

	Current Quarter		Cumulative Quarter	
	3 months ended		3 months ended	
	30.09.2024	30.09.2023	30.09.2024	30.09.2023
	RM'000	RM'000	RM'000	RM'000
<u>Transactions with related companies:</u>				
Management fee income	2,202	996	2,202	996
Interest income	71	203	71	203
Rental income	35	48	35	48
Rental expenses	<u>(17)</u>	<u>(13)</u>	<u>(17)</u>	<u>(13)</u>

A16 Financial Instruments

The carrying amounts of current financial assets and liabilities are reasonable approximation of fair values, either due to their short-term nature or that they are floating rate instruments that are re-priced to market interest rates on or near the reporting date.

The carrying amounts of the current portion of borrowings are reasonable approximations of fair values due to the insignificant impact of discounting.

The fair values of non-current borrowings are estimated by discounting expected future cash flows at market incremental lending rate for similar types of lending, borrowing or hire purchase arrangements at the reporting date.

Financial Instruments that are measured at fair value on a recurring basis

All assets for which fair value is disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 : Quoted (unadjusted) prices in an active market for identical assets or liabilities.
- Level 2 : Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 : Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

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 FY2025") Vs Preceding Year's Corresponding Quarter Results ("Q1 FY2024")

The Group recorded revenue of RM34.3 million and loss before tax ("LBT") of RM4.0 million for Q1 FY2025, in comparison to revenue of RM27.6 million and PBT of RM0.9 million reported in the preceding year corresponding quarter.

i. O&G Segment

The O&G Segment recorded revenue and profit before tax ("PBT") of RM20.3 million and RM1.4 million respectively in Q1 FY2025, as compared to revenue and PBT of RM19.0 million and RM5.0 million reported in the preceding year corresponding quarter.

The higher revenue reported in Q1 FY2025 was driven by the Engineering, Procurement, Construction & Commissioning ("EPCC") projects and Marine Heating, Ventilation and Air-conditioning ("HVAC") projects. However, the segment's PBT decreased by RM3.6 million from RM5.0 million in Q1 FY2024 mainly due to the weakening of the US Dollar, which resulted in an unfavorable foreign exchange loss of RM1.1 million. Additionally, the reversal of impairment loss on receivables and waiver of debts received of RM1.3 million and RM1.5 million respectively were absent in the quarter under review.

ii. TS Segment

The TS Segment recorded revenue of RM11.2 million in Q1 FY2025 compared to RM8.6 million in the preceding year corresponding quarter. The higher revenue reported in Q1 FY2025 was mainly contributed by a construction project of an electronics factory in Chuping, Perlis.

The TS Segment recorded a LBT of RM0.2 million in Q1 FY2025 (Q1 FY2024: RM0.1 million).

iii. ICT Segment

The ICT segment in Q1 FY2025 recorded revenue and PBT of RM2.8 million and RM0.6 million respectively.

iv. Other Segment

The Other Segment reported LBT of RM5.8 million in the Q1 FY2025 (Q1 FY2024: RM4.0 million), mainly comprising of corporate administrative expenses, such as professional charges and staff costs. The higher LBT reported in Q1 FY2025 was mainly due to a fair value loss of RM0.5 million on quoted shares and impairment losses on goodwill of RM0.2 million. Additionally, the one-off gain on disposal of investment properties, amounting to RM0.8 million in Q1 FY2024 was absent in the quarter under review.

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

	Quarter ended 30.09.2024 RM'000	Quarter ended 30.06.2024 RM'000
Revenue	34,329	47,481
Loss/(Profit) before tax	(4,016)	7,568

The Group reported a revenue of RM34.3 million in current quarter compared to RM47.5 million reported in the preceding financial quarter, representing a decrease of RM13.2 million or 28%. This decrease is mainly due to lower progress claims from construction work activities in the TS Segment as the major construction projects are nearing completion.

The current quarter reported a LBT of RM4.0 million compared to a PBT of RM7.6 million in the immediate preceding quarter, representing a sharp decline of RM11.6 million. This sharp decline is mainly due to increased operating overhead costs, higher material costs and the weakening of the US Dollar, which resulted in an unfavorable foreign exchange loss of RM1.1 million. The current quarter also recorded a fair value loss of RM0.5 million on quoted shares and impairment losses on goodwill of RM0.2 million, which contributed to this LBT. Additionally, the reversal of impairment losses on receivables of RM2.1 million in the immediate preceding quarter was absent in the quarter under review.

B3 Prospects

The Group remains vigilant of the challenging global economic environment, shaped by geopolitical tensions that may escalate following the recent US presidential election. These tensions could exacerbate trade conflicts, disrupt supply chains, and contribute to inflationary pressures. However, Malaysia's economy is projected to remain resilient, with an expected GDP growth of 4.5% to 5.5% in 2025, as outlined in Budget 2025. This historic budget, with an expenditure of RM421 billion, reflects the government's commitment to bolstering the nation's economic stability and development.¹

In the oil and gas (O&G) segment, the Group is poised to benefit from Petronas' planned RM60 billion capital expenditure for 2024², which includes RM10 billion worth of recently distributed contracts. These contracts focus on maintenance, construction, and modification (MCM) initiatives, driving growth and opportunities in the O&G market.³ With the Group's increased stake in Best Wide Engineering (M) Sdn Bhd ("BWE") to 90.0%, PGB is well-positioned to capitalise on these opportunities by enhancing its design, engineering, and technical service offerings. The higher ownership stake in BWE is expected to contribute positively to the Group's profitability and strengthen its position in the O&G value chain.

In the HVAC segment, PGB is committed to aligning with Malaysia's goal of achieving net-zero emissions by 2050 under the 12th Malaysia Plan (12MP). Budget 2025 has allocated RM300 million under the National Energy Transition Roadmap (NETR) to accelerate sustainable initiatives, including energy-efficient solutions. The Group will focus on expanding HVAC services in healthcare, warehousing, and manufacturing sectors to support carbon footprint reduction efforts. Additionally, with the potential introduction of a carbon tax in 2026, as hinted in Budget 2025, businesses are increasingly motivated to adopt greener practices. PGB is well-placed to meet this demand by providing sustainable HVAC installation and maintenance services, as well as other mechanical and electrical engineering solutions.⁴

¹ <https://www.pwc.com/my/en/issues/budget2025.html>

² <https://theedgemaalaysia.com/node/704772>

³ <https://theedgemaalaysia.com/node/730232>

⁴ <https://www.pwc.com/my/en/issues/budget2025.html>

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(Registration No.: 202001023868 (1380188-P))
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B3 Prospects (Cont'd)

The ICT segment is expected to see continued growth as the Group expands its offerings in ICT-related services, hardware, and software trading. This diversification positions PGB to leverage Malaysia's ongoing digital transformation trends, further solidifying its revenue streams.

While the Group remains optimistic about future opportunities, it continues to adopt a prudent and cautious approach to navigate uncertainties. By staying agile and vigilant, PGB ensures resilience against market volatilities while maintaining its focus on operational efficiency and strategic investments.

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	
	30.09.2024	30.09.2023	30.09.2024	30.09.2023
	RM'000	RM'000	RM'000	RM'000
In respect of the current period:				
Current Income tax				
- Current period	436	656	436	656
Real Property Gain Tax ("RPGT")	-	60	-	60
	<u>436</u>	<u>716</u>	<u>436</u>	<u>716</u>
Deferred tax				
- Current period	-	(54)	-	(54)
	<u>-</u>	<u>(54)</u>	<u>-</u>	<u>(54)</u>
Total	<u>436</u>	<u>662</u>	<u>436</u>	<u>662</u>

The Group's effective tax rate for the current quarter was lower than the statutory tax rate is mainly due to lower chargeable income as a result of certain companies making lower profits in current quarter.

B6 Sale of Unquoted Investments and Properties

On 22 January 2024, Propel Urusharta Sdn Bhd ("PUSB"), a wholly-owned subsidiary of the Group, entered into letters of offer and acceptance to dispose of three shophouse units for a total cash consideration of RM3.0 million. The disposal of one of the three shophouse units was completed on 15 October 2024, and the remaining two shophouse units have yet to be completed as of the date of this report

B7 Status of Corporate Proposals

On 27 September 2024, the Company proposed to undertake a proposed private placement of up to 67,585,234 new ordinary shares in the Company, representing up to approximately 10% of the total number of issued shares of the Company, to independent third-party investor(s) to be identified, at an issue price to be determined at a later date.

Subsequently on 14 October 2024 and 29 October 2024, the Company had issued 17,495,652 and 28,893,566 new ordinary shares respectively at issue price of RM0.115 per share pursuant to this private placement.

This Private Placement has yet to be completed as of the date of this report.

B8 Other information

On 31 October 2023, the Company proposed allocation of options under the employee share option scheme or award of new ordinary shares in Propel Global Berhad ("PGB") under the executive share grant scheme to Mohamad Reza Bin Abdul Mutalib, the Executive Chairman/Group Managing Director of PGB, under the Long Term Incentive Plan ("LTIP") of PGB.

The Proposed LTIP allocation was approved by its shareholders at an Extraordinary General Meeting convened on 8 December 2023.

On 4 November 2024, the Company announced that the Company has made the following award of share grant and offer of share options to the Executive Chairman, the details of which are set out below:

- (i) the award of 2,500,000 new ordinary shares of the Company under the Executive Share Grant Scheme (ESGS) comprised in the LTIP ("Share Grant"); and
- (ii) the offer of 5,000,000 share options under the Employee Share Option Scheme comprised in the LTIP ("Share Option").

The vesting period of the Share Grant is 2 January 2025 for one half, and the other half is 2 January 2026, whereas the vesting period of the Share Options is 1 July 2025 for one half, and the other half is 1 July 2026.

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

B9 Utilisation of proceeds

On 27 September 2024, the Company proposed to undertake a proposed private placement of up to 67,585,234 new ordinary shares in the Company, representing up to approximately 10% of the total number of issued shares of the Company, to independent third-party investor(s) to be identified, at an issue price to be determined at a later date.

Subsequently on 14 October 2024 and 29 October 2024, the Company had issued 17,495,652 and 28,893,566 new ordinary shares respectively at issue price of RM0.115 per share pursuant to this private placement and raised proceeds of RM5.3 million are utilised as follows:

Purpose	Proposed Utilisation	Proceed Raised	Actual Utilisation	Balance to Utilise	Expected Time Frame for Utilisation
	RM'000	RM'000	RM'000	RM'000	
Business expansion plans	5,100	5,100	(4,000)	1,100	Within 6 months
Working capital for overheads	3,025	235	-	235	Within 12 months
Private placements expenses	120	-	-	-	Upon completion
	<u>8,245</u>	<u>5,335</u>	<u>(4,000)</u>	<u>1,335</u>	

The proposed utilisation of the proceeds as disclosed above should be read in conjunction with the announcement made by the Company dated 27 September 2024.

B10 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>			
Term loans	<u>1,248</u>	<u>22,295</u>	<u>23,543</u>

B11 Material litigations

There were no material litigations as at date of this report.

B12 Proposed Dividends

No dividend has been proposed for payment for the quarter under review.

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

B13 (Loss)/Earnings per share

(a) Basic (loss)/earnings per share

	Current Quarter		Cumulative Quarter	
	3 months ended		3 months ended	
	30.09.2024	30.09.2023	30.09.2024	30.09.2023
Net (loss)/profit for the period attributable to ordinary equity holders of the Company (RM'000)	(4,516)	32	(4,516)	32
Weighted average number of shares in issue ('000)	657,912	604,340	657,912	604,340
Basic (loss)/earnings per share (sen)	<u>(0.69)</u>	<u>0.01</u>	<u>(0.69)</u>	<u>0.01</u>

(b) Diluted (loss)/earnings per share

The basic and diluted earnings per ordinary shares is the same as the Company has no dilutive potential ordinary shares.

B14 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	
	30.09.2024	30.09.2023	30.09.2024	30.09.2023
	RM'000	RM'000	RM'000	RM'000
The following amounts have been included in arriving at (loss)/profit before tax:				
Amortisation on intangible assets	36	-	36	-
Bad debts written off	-	1	-	1
Depreciation of:				
- property, plant and equipment	272	339	272	339
- right-of-use assets	491	452	491	452
Fair value loss on quoted shares	545	-	545	-
Impairment loss on goodwill	201	-	201	-
Interest expenses	183	344	183	344
Loss on foreign exchange	-			
- realised	281	96	281	96
- unrealised	940	4	940	4
Unwinding of discount of financial liabilities carried at amortised costs	47	62	47	62

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

B14 Additional disclosure as per Appendix 9B, Part A, Note 16 of Bursa Listing Requirement of Bursa Malaysia Securities Berhad (Cont'd)

	Current Quarter		Cumulative Quarter	
	3 months ended		3 months ended	
	30.09.2024	30.09.2023	30.09.2024	30.09.2023
	RM'000	RM'000	RM'000	RM'000
and after crediting:				
Interest income	83	91	83	91
Fair value gain on equity instruments	6	-	6	-
Gain on disposal of:				
- assets classified as held for sale	-	813	-	813
- equity instruments	3	-	3	-
Gain on foreign exchange			-	
- realised	79	266	79	266
- unrealised	61	315	61	315
Rental income	9	174	9	174
Reversal of impairment loss on:				
- other receivables	-	203	-	203
- trade receivables	-	1,117	-	1,117
Waiver of debts received	-	1,534	-	1,534

By Order of the Board

Leong Oi Wah
Secretary
25 November 2024