



**METRONIC GLOBAL BERHAD**

(Company No. : 632068-V)  
(Incorporated in Malaysia)

**INTERIM FINANCIAL STATEMENTS**

**FOR THE QUARTER ENDED**

**30 SEPTEMBER 2014**

**METRONIC GLOBAL BERHAD (632068-V)**

(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED STATEMENTS OF PROFIT AND LOSS  
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2014**

(The figures have not been audited)

	Individual quarter		Cumulative quarter	
	30.09.2014	30.09.2013	30.09.2014	30.09.2013
	RM	RM	RM	RM
Revenue	8,954,938	5,196,030	24,331,832	23,901,090
Cost of sales	(6,149,454)	(3,392,077)	(15,561,330)	(13,912,055)
Gross profit	2,805,484	1,803,953	8,770,502	9,989,035
Other income	36,716	12,355,881	110,683	21,254,753
Administration expenses	(471,573)	(639,959)	(1,380,619)	(5,422,224)
Other operating expenses	(2,194,474)	(12,917,633)	(6,744,254)	(20,577,120)
Profit/(Loss) from operations	176,154	602,242	756,313	5,244,444
Finance costs	(56,935)	(79,404)	(200,946)	(227,227)
Profit/(Loss) before taxation	119,218	522,838	555,366	5,017,217
Income tax income/(expense)	(5,607)	-	(5,607)	(104,119)
Profit/(loss) for the period from				
- continued operations	113,611	522,838	549,759	4,913,098
- discontinued operations	-	-	-	-
Net profit/(loss) for the period	113,611	522,838	549,759	4,913,098
Net profit/(loss) attributable to:				
Owners of the parent	113,611	718,969	549,759	5,188,785
Non-controlling interests	-	(196,131)	-	(275,687)
	113,611	522,838	549,759	4,913,098
Weighted average number of ordinary shares in issue	691,524,853	634,906,903	691,524,853	634,906,903
Basic earning per share attributable to equity holders of the Company (sen):				
Basic	0.02	0.11	0.08	0.82
Diluted	0.02	0.11	0.08	0.82

The condensed consolidated income statements should be read in conjunction with the annual financial statements for the year ended 31 December 2013 and the accompanying explanatory notes attached to the interim financial statements.

**METRONIC GLOBAL BERHAD (632068-V)**  
(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED STATEMENTS OF OTHER COMPREHENSIVE INCOME  
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2014**

(The figures have not been audited)

	Individual quarter		Cumulative quarter	
	30.09.2014 RM	30.09.2013 RM	30.09.2014 RM	30.09.2013 RM
Net profit/(loss) from:				
- continued operations	113,611	522,838	549,759	4,913,099
- discontinued operations	-	-	-	-
Net profit/(loss) for the period	113,611	522,838	549,759	4,913,099
Other comprehensive income				
Financial assets, available-for-sale assets				
- fair value changes	(465,811)	-	575,757	-
- transfer to profit and loss upon disposal	-	-	-	-
Foreign currency translation	1,013,290	97,346	960,562	405,720
Other comprehensive income/(loss) for the period, net of tax	547,479	97,346	1,536,319	405,720
Total comprehensive income/(loss) for the period, net of tax	661,090	620,184	2,086,078	5,318,819
Total comprehensive income/(loss) attributable to:				
Owners of the parent	661,090	816,315	2,086,078	5,594,506
Non-controlling interests	-	(196,132)	-	(275,687)
	661,090	620,184	2,086,078	5,318,819

The condensed consolidated income statements should be read in conjunction with the annual financial statements for the year ended 31 December 2013 and the accompanying explanatory notes attached to the interim financial statements.

**METRONIC GLOBAL BERHAD (632068-V)**  
(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**  
**AS AT 30 SEPTEMBER 2014**  
(The figures have not been audited)

	<b>As at</b> <b>30.09.2014</b> <b>RM</b>	<b>(Audited)</b> <b>As at</b> <b>31.12.2013</b> <b>RM</b>
<b>ASSETS</b>		
<b>NON-CURRENT ASSETS</b>		
Property, plant and equipment	23,220,376	23,404,329
Investment properties	367,896	367,896
Available-for-sale financial assets	13,394,400	13,745,491
Other investments	94,000	94,000
Deferred tax assets	8,012,366	8,012,181
	<u>45,089,038</u>	<u>45,623,897</u>
<b>CURRENT ASSETS</b>		
Inventories	4,333,783	1,788,966
Trade receivables	19,203,763	12,590,145
Other receivables	7,036,545	8,911,655
Short term deposits	5,073,935	5,055,552
Cash and bank balances	3,173,927	4,309,108
	<u>38,821,953</u>	<u>32,655,426</u>
<b>TOTAL ASSETS</b>	<u>83,910,991</u>	<u>78,279,323</u>
<b>EQUITY AND LIABILITIES</b>		
Share capital	69,839,750	67,090,690
Revaluation reserve	13,113,034	13,113,034
Foreign currency translation reserve	1,836,695	876,133
Available-for-sale reserve	890,580	314,823
Accumulated losses	(36,728,547)	(37,278,306)
<b>Equity attributable to owners of the parent</b>	<u>48,951,512</u>	<u>44,116,374</u>
<b>Non-controlling interests</b>	-	-
<b>TOTAL EQUITY</b>	<u>48,951,512</u>	<u>44,116,374</u>
<b>NON-CURRENT LIABILITIES</b>		
Loans and borrowings	<u>327,912</u>	<u>244,597</u>
<b>CURRENT LIABILITIES</b>		
Trade payables	12,961,873	10,777,674
Other payables	17,165,594	17,260,543
Loans and borrowings	4,504,100	5,829,247
Provision for taxation	-	50,888
	<u>34,631,567</u>	<u>33,918,352</u>
<b>TOTAL LIABILITIES</b>	<u>34,959,479</u>	<u>34,162,949</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>83,910,991</u>	<u>78,279,323</u>

The condensed consolidated income statements should be read in conjunction with the annual financial statements for the year ended 31 December 2013 and the accompanying explanatory notes attached to the interim financial statements.

**METRONIC GLOBAL BERHAD (632068-V)**  
(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2014**

(The figures have not been audited)

	Attributable to owners of the parent										Total equity RM
	Share capital RM	Revaluation reserve RM	Foreign currency translation reserve RM	Available-for-sale reserve RM	Accumulated losses RM	Total RM	Non-controlling interests RM	Distributable reserve			
As at 1 January 2013	63,490,690	12,613,007	849,206	-	(42,438,292)	34,514,611	3,952,719				38,467,330
Total comprehensive income/(loss)	-	500,027	26,927	314,823	5,159,986	6,001,763	(32,461)				5,969,302
Allotment of shares during the year	3,600,000	-	-	-	-	3,600,000	-				3,600,000
Disposal of subsidiary	-	-	-	-	-	-	(3,920,258)				(3,920,258)
As at 31 December 2013	67,090,690	13,113,034	876,133	314,823	(37,278,306)	44,116,374	-				44,116,374
<b>As at 1 January 2014</b>	67,090,690	13,113,034	876,133	314,823	(37,278,306)	44,116,374	-				44,116,374
Total comprehensive income/(loss)	-	-	960,562	575,757	549,759	2,086,078	-				2,086,078
Allotment of shares during the year	2,749,060	-	-	-	-	2,749,060	-				2,749,060
<b>As at 30 September 2014</b>	69,839,750	13,113,034	1,836,695	890,580	(36,728,547)	48,951,512	-				48,951,512

The condensed consolidated statement of changes in equity should be read in conjunction with the annual financial statements for the year ended December 2013 and the accompanying explanatory notes attached to the interim financial statements.

**METRONIC GLOBAL BERHAD (632068-V)**

(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE NINE-MONTHS PERIOD ENDED 30 SEPTEMBER 2014**

(The figures have not been audited)

	<b>30.09.2014</b>	<b>31.12.2013</b>
	<b>RM</b>	<b>RM</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
<b>Profit before taxation from:</b>		
Continuing operations	549,759	5,097,521
Profit from assets held for sale	-	199,989
Adjustments for:		
Loss/(Gain) on disposal of assets	(801,281)	1,031,079
Depreciation of property, plant and equipment	403,070	565,756
Finance costs	200,946	151,669
Interest income	(110,683)	(200,484)
Operating profit before working capital changes	241,811	6,845,530
Changes in working capital:		
Inventories	(2,544,817)	(502,657)
Receivables	(2,502,068)	40,674,939
Payables	2,240,501	(60,963,261)
Net cash used in operations	(2,564,573)	(13,945,449)
Taxes refunded	-	340,500
Taxes paid	(50,888)	(573,324)
Interests paid	(200,946)	(151,669)
Interests received	110,683	200,484
Net cash used in operating activities	(2,705,724)	(14,129,458)

**METRONIC GLOBAL BERHAD (632068-V)**  
(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE NINE-MONTHS PERIOD ENDED 30 SEPTEMBER 2014**  
(The figures have not been audited)

	<b>30.09.2014</b>	<b>31.12.2013</b>
	<b>RM</b>	<b>RM</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Disposal / (Purchased) of AFS assets	(1,495,305)	(5,758,908)
Proceeds from disposal of property, plant and equipment		(583,029)
Proceeds from allotment of shares	2,749,060	3,600,000
Proceeds from disposal of investment properties	-	320,000
Net cash (used in)/generated from investing activities	<u>1,253,755</u>	<u>(2,421,937)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
(Repayment) / Drawdown of bankers' acceptances and trust receipts	(849,501)	1,180,287
Drawdown / (Repayment) of obligation under finance leases and hire purchase	<u>(18,383)</u>	<u>(33,653)</u>
Net cash generated from/(used in) financing activities	<u>(867,884)</u>	<u>1,146,634</u>
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(2,319,853)</b>	<b>(15,404,761)</b>
<b>EFFECT OF FOREIGN EXCHANGE RATES CHANGES</b>	<b>1,727,954</b>	<b>816,327</b>
<b>CASH AND CASH EQUIVALENTS AT 1 JAN 2014</b>	<b><u>1,584,463</u></b>	<b><u>16,172,897</u></b>
<b>CASH AND CASH EQUIVALENTS AT 30 SEPTEMBER 2014</b>	<b><u>992,564</u></b>	<b><u>1,584,463</u></b>
Cash and cash equivalents at the balance sheet date comprise the following:		
Cash and bank balances	3,173,927	4,309,108
Bank overdraft (Note 22)	<u>(2,181,363)</u>	<u>(2,724,645)</u>
	<u>992,564</u>	<u>1,584,463</u>

The condensed consolidated income statements should be read in conjunction with the annual financial :  
December 2013 and the accompanying explanatory notes attached to the interim financial statements.

**EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS FOR THE THIRD QUARTER ENDED  
30 SEPTEMBER 2014 PURSUANT TO MFRS 134**

**1. Basis of Preparation**

These condensed consolidated interim financial statements, for the period ended 30 September 2014, have been prepared in accordance with MFRS 134 interim Financial Reporting and paragraph 9.22 of the listing Requirements of Bursa Malaysia Securities Berhad. These condensed consolidated interim financial statements also comply with IAS 34 Interim Financial Reporting issued by the International Accounting Standards Board.

The explanatory notes to these condensed consolidated interim financial statements provide an explanation of events and transaction that are significant to an understanding of the changes in the financial position and performance of the Group for the period ended 30 September 2014.

**2. Significant accounting policies and application of MFRS 1**

The audited financial statements of the Group for the year ended 31 December 2013 were prepared in accordance with FRS. Except for certain differences, the requirements under FRS and MFRS are similar. The significant accounting policies adopted in preparing this condensed consolidated interim financial statements are consistent with those of the audited financial statements for the year ended 31 December 2013 except as discussed below:

- (i) **Foreign currency translation reserve**  
Under FRS, the Group recognized translation differences on foreign operation in a separate component of equity. This treatment of translation differences under FRS is consistent with the requirement of MFRS.
- (ii) **Estimates**  
The estimates at 1 January 2014 and at 30 September 2014 were consistent with those made for the same dates in accordance with FRS. The estimates used by the Group to present these amount in accordance with MFRS reflect condition at 1 January 2014, the date of transition to MFRS and as of 30 September 2014.

The transition from FRS to MFRS has not had a material impact on the statements of financial position, statements of comprehensive income and statement of cash flows.

**3. Audit Report**

The auditors' report on the Group's financial statements for the year ended 31 December 2013 was not qualified.

**4. Net profit/(loss) for the period**

	3 months ended		9 months ended	
	30.09.2014	30.09.2013	30.09.2014	30.09.2013
After charging/(crediting):	RM	RM	RM	RM
Depreciation of property, plant and equipment	185,329	119,163	403,070	403,001
Amortisation of intangible assets	-	-	10,027	21,368
(Gain)/loss on foreign exchange - realised	1,178	103,624	70,591	108,250
Loss/(gain) on foreign exchange - unrealised	122	486,044	(563)	839,006
Impairment loss on investment	-	-	-	-
Impairment loss/(reversal) on trade receivables	-	74	-	(1,983)
Inventory written off	-	-	-	13,111
Provision for obsolete inventories	-	-	-	-
Bad debts writte off	-	-	-	-
Dividend income	-	(164,026)	-	(164,026)
Interest income	(36,716)	(47,285)	(110,683)	(122,226)



## 5. Seasonality or cyclicity of interim operations

The Group's interim operation are not materially affected by seasonal or cyclical factors during the quarter under review.

## 6. Unusual items affecting assets, liabilities, equity, net income or cash flows

There were no changes in estimates that have had a material effect for the current quarter's results.

## 7. Material changes in estimates

There were no changes in estimates that have had a material effect for the current quarter's results.

## 8. Debt and equity securities

There were no issuances, repurchases, and repayment of debt and equity securities for the quarter under review except note no:11

## 9. Dividends

There were no dividends paid during the quarter under review.

## 10. Segmental information

Analysis by segments is as follow:-

### By geographical segments:

	3 months ended		9 months ended	
	30.09.2014	30.09.2013	30.09.2014	30.09.2013
	RM	RM	RM	RM
<b>Segment revenue</b>				
Malaysia	8,894,722	5,134,528	24,077,873	22,190,687
Overseas	60,216	61,502	253,959	1,992,532
Total revenue	8,954,938	5,196,030	24,331,832	24,183,219
Inter-segment elimination	-	-	-	(282,129)
Continued operations	8,954,938	5,196,030	24,331,832	23,901,090
Discontinued operation	-	-	-	-
Inter-segment elimination	-	-	-	-
External customers	8,954,938	5,196,030	24,331,832	23,901,090
<b>Results</b>				
<b>Operating results</b>				
Malaysia	(238,222)	1,192,022	559,125	7,033,117
Overseas	414,375	(589,780)	197,187	(1,788,673)
	176,153	602,242	756,312	5,244,444
Finance costs	(56,935)	(79,404)	(200,946)	(227,227)
Profit/(loss) before tax	119,218	522,838	555,366	5,017,217
- Continued operation	-	-	-	-
(Loss)/profit before tax	-	-	-	-
- Discontinued operation	-	-	-	-
Profit/(Loss) before tax	119,218	522,838	555,366	5,017,217

**By business segments:**

	3 months ended		9 months ended	
	30.09.2014	30.09.2013	30.09.2014	30.09.2013
	RM	RM	RM	RM
<b>Segment revenue</b>				
Engineering	8,954,938	5,196,030	24,331,832	21,162,972
ICT support services	-	-	-	2,749,720
Investment holding	-	-	-	-
Total revenue	8,954,938	5,196,030	24,331,832	23,912,692
Inter-segment elimination	-	-	-	-
Continued operations	8,954,938	5,196,030	24,331,832	23,912,692
Discontinued operation	-	-	-	-
Inter-segment elimination	-	-	-	(11,602)
External customers	8,954,938	5,196,030	24,331,832	23,901,090
<b>Results</b>				
Operating results				
Engineering	528,421	10,384,140	931,730	9,594,789
ICT support services	-	-	-	203,523
Investment holding	(352,268)	(9,781,898)	(175,418)	(4,553,868)
Share of profit of associate	-	-	-	-
	176,153	602,242	756,313	5,244,444
Finance costs	(56,935)	(79,404)	(200,946)	(227,227)
Profit/(Loss) before tax				
- Continued operations	119,218	522,838	555,366	5,017,217
(Loss)/profit before tax				
- Discontinued operation	-	-	-	-
Profit/(Loss) before tax	119,218	522,838	555,366	5,017,217

**11. Material subsequent events**

On 16 April 2014, the company increased its paid up capital from RM 69,090,690 to RM 69,839,750 by an allotment of 7,490,600 ordinary shares of RM 0.10 each at par for cash via a private placement and for the purpose of increasing the working capital. These new shares rank pari passu with the existing shares of the company.

On 11 April 2014, a wholly owned subsidiary, Metronic Engineering Sdn Bhd had entered into a Memorandum of Understanding ("MOU") with CNYD Aluminium Industry Engineering Malaysia Sdn Bhd for future business in respective of construction market segment. The validity period of this MOU is one year which commences on 11 April 2014 and shall expire on 10 April 2015. This MOU shall subject to review for extension or termination before expiry through mutual agreement in written form.

**12. Changes in the composition of the Group**

No changes in current quarter.

**13. Changes in contingent liabilities and contingent assets**

Contingent liabilities of the Group as at 21 November 2014 (the latest practicable date which is not earlier than 7 days from the date of issue of this quarterly report) are as follows:

- (a) Performance and financial guarantees totalling RM7,155,975 provided by the Group to various parties in the ordinary course of business. The changes in contingent liabilities since the last balance sheet as at 31 December 2013 are as follows:-

Decreased of performance and financial guarantees issued by bank to third parties	RM 402,637
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**14. Capital commitments**

There were no capital commitments during the current quarter under review.

**15. Significant related party transactions**

There were no significant related party transactions for the current quarter under review.

**ADDITIONAL INFORMATION PURSUANT TO THE LISTING REQUIREMENTS OF BURSA MALAYSIA  
SECURITIES BERHAD**

**16. Performance review**

Current Quarter

The Group recorded revenue of RM9.0 million for the current quarter under review, which is RM 3.8 million or 72.3% higher than the corresponding quarter of RM5.2 million in the previous financial year.

The Group posted profit before taxation of RM0.1 million, representing a decrease of RM0.4 million compared to the profit before tax of RM0.5 million for the corresponding quarter in the previous year.

**17. Changes in the results for the current quarter as compared with the preceding quarter**

The Group recorded a revenue of RM9.0 million for the current quarter ended 30 September 2014 compared to RM7.3 million in the preceding quarter ended 30 June 2014, representing an increase of RM1.6 million or 21.7% mainly due to increase in revenue from its engineering and service/Trading

**18. Current year prospects**

Looking forward, the Group's revenue will continue to be mainly contributed by its core business of providing engineering solutions in relation to Intelligent Building Management System ("IBMS") and Integrated Security Management

The Board is mindful that the forthcoming year remains to be a challenging one for the Group's Engineering Division in view of the intense competition that lies ahead. The Group is exploring other opportunities besides continue to focus on the IBMS and ISMS projects in order to build up a strong order book. Nevertheless, the Group will continue taking various measures to enhance its operational efficiency and effective cost management in order to improve the performance of the Group

The Group also undertake to rationalize its available asset and investments towards optimising returns.

**19. Profit forecast or profit guarantee**

Not applicable as no profit forecast was published by the Group.

**20. Taxation**

	<b>3 months ended 30.09.2014 RM</b>	<b>9 months ended 30.09.2014 RM</b>
Income tax expense:		
Malaysian income tax		-
Deferred tax	(5,607)	(5,607)
	<u>(5,607)</u>	<u>(5,607)</u>

**21. Status of corporate proposals**

Save as disclosed in Note 11, there was no other corporate proposal announced but not completed as at the date of this announcement.

## 22. Borrowings and debt securities

The Group's total borrowings, all of which were secured, as at 30 September 2014 were as follows:-

	30.09.2014 RM
<b>Current</b>	
Bank overdraft	
Denominated in RM	2,181,363
Denominated in INR	-
	<hr/>
Bankers' acceptances (Denominated in RM)	2,201,645
Hire purchase payables (Denominated in RM)	121,092
Obligations under finance leases (Denominated in RM)	-
Total	<hr/> <u>4,504,100</u>
<b>Non-Current</b>	
Hire purchase payables (Denominated in RM)	327,912
Total	<hr/> <u>327,912</u>

## 23 Off Balance Sheet financial instruments

The Group had not entered into any contracts involving off balance sheet financial instruments as at the date of this announcement.

## 24 Dividends

No dividends have been declared or recommended in respect of the quarter under review.

## 25 Earnings per share

	9 months ended 30.09.2014	9 months ended 30.09.2013
Profit/(loss) attributable to owners of the parent (RM)	549,759	5,188,785
Weighted average number of ordinary shares in issue	691,524,853	634,906,903
Profit per share (sen)		
- Basic	0.08	0.82
- Diluted	0.08	0.82

## 26 Disclosure of Realised and Unrealised losses

The breakdown of the accumulated loss of the Group as at reporting date, into realised and unrealised loss, is as follows:

	As at 30.09.2014 RM	As at 30.09.2013 RM
Total accumulated losses		
- Realised	(31,407,936)	(35,528,218)
- Unrealised	768,388	1,420,959
	<hr/>	<hr/>
	(30,639,549)	(34,107,259)
Less: Consolidation adjustments	(6,088,997)	(4,689,686)
Accumulated loss as per consolidated accounts	<hr/> <u>(36,728,546)</u>	<hr/> <u>(38,796,945)</u>

## 27 Authorisation for issue

The interim financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on **21 November 2014**.