



METRONIC GLOBAL BERHAD

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

INTERIM FINANCIAL STATEMENTS

FOR THE QUARTER ENDED

30 JUNE 2019

METRONIC GLOBAL BERHAD (632068-V)

(Incorporated in Malaysia)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF PROFIT AND LOSS
FOR THE FOURTH QUARTER ENDED 30 JUNE 2019**

(The figures have not been audited)

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 30 June 2019 RM	Preceding Year Corresponding Quarter 30 June 2018 RM	Current Year To Date 30 June 2019 RM	Preceding Year Corresponding Quarter 30 June 2018 RM
Continuing operations				
Revenue	11,379,492	8,149,721	27,203,612	N/A
Cost of sales	(9,106,841)	(1,981,032)	(18,308,464)	N/A
Gross profit	2,272,651	6,168,689	8,895,148	N/A
Other income	886,221	443,721	1,413,334	N/A
Administration expenses	(2,470,427)	(2,016,885)	(4,272,880)	N/A
Other operating expenses	(9,318,775)	(5,004,452)	(19,730,160)	N/A
Profit from operations	(8,630,330)	(408,927)	(13,694,558)	N/A
Finance costs	(137,353)	(138,515)	(507,376)	N/A
Profit/(Loss) before taxation	(8,767,683)	(547,442)	(14,201,934)	N/A
Income tax expense	(605,570)	1,007,550	(605,570)	N/A
Profit / (Loss) for the period from				
- continuing operations	(9,373,253)	460,108	(14,807,504)	N/A
- discontinued operations	(23,385)	(1,712,074)	(93,542)	N/A
Net profit/(loss) for the period	(9,396,638)	(1,251,966)	(14,901,046)	N/A
Net profit/(loss) attributable to:				
Owners of the parent	(9,394,123)	(1,063,638)	(14,865,091)	N/A
Non controlling interest	(2,515)	(188,328)	(35,955)	N/A
	(9,396,638)	(1,251,966)	(14,901,046)	N/A

Following the change of financial year end from 31 December to 30 June in the preceding financial period, there are no comparative figures.

The interim consolidated income statements should be read in conjunction with the annual financial statements for the year ended 30 June 2018 and the accompanying explanatory notes attached to the interim financial statements.

METRONIC GLOBAL BERHAD (632068-V)

(Incorporated in Malaysia)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF OTHER COMPREHENSIVE INCOME
FOR THE FOURTH QUARTER ENDED 30 JUNE 2019**

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 30 June 2019 RM	Preceding Year Corresponding Quarter 30 June 2018 RM	Current Year To Date 30 June 2019 RM	Preceding Year Corresponding Quarter 30 June 2018 RM
Net profit from:				
- continuing operations	(9,373,253)	460,108	(14,807,504)	N/A
- discontinued operations	(23,385)	(1,712,074)	(93,542)	N/A
Net profit for the period	(9,396,638)	(1,251,966)	(14,901,046)	N/A
Other comprehensive income / (expense) :				
Revaluation Reserve	(11,772,504)	(1,029,943)	(11,772,504)	N/A
Foreign currency translation	(7,630)	251,849	91,352	N/A
Other comprehensive income/(expense) for the period, net of tax	(11,780,134)	(778,094)	(11,681,152)	N/A
Total comprehensive income/(expense) for the period, net of tax	(21,176,772)	(2,030,060)	(26,582,198)	N/A
Total comprehensive income/(expense) attributable to:				
Owners of the parent	(21,174,257)	(1,841,732)	(26,618,153)	N/A
Non-controlling interests	(2,515)	(188,328)	35,955	N/A
	(21,176,772)	(2,030,060)	(26,582,198)	N/A
Basic / diluted earning per share attributable <u>to equity holders of the Company (sen):</u>				
- continuing operations	(1.13)	0.05	(1.96)	N/A
- discontinued operations	-	(0.18)	(0.01)	N/A

There is no dilution effect to the earnings per share in the current period as the exercise price of warrant were higher from the average market price of the ordinary shares during the period.

Following the change of financial year end in the preceding financial period, there are no comparative figures.

The condensed consolidated income statements should be read in conjunction with the annual financial statements for the year ended 30 June 2018 and the accompanying explanatory notes attached to the interim financial statements

METRONIC GLOBAL BERHAD (632068-V)

(Incorporated in Malaysia)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT
30 JUNE 2019**

	As at 30.06.2019 RM	(Audited) As at 30.06.2018 RM
ASSETS		
NON-CURRENT ASSETS		
Property, plant and equipment	8,814,821	9,083,823
Investment properties	465,925	16,278,373
Land held for property development	-	5,850,000
Available-for-sale financial assets	3,949,322	7,534,438
Other Investment	1,450,350	-
Deferred tax assets	3,555,609	4,161,179
	<u>18,236,027</u>	<u>42,907,813</u>
CURRENT ASSETS		
Property development cost	18,528,421	16,673,595
Inventories	1,370,733	1,811,239
Trade receivables	11,244,527	9,884,115
Amount owing by contract customers	7,323,401	9,821,853
Other receivables and deposits	4,287,624	7,184,052
Fixed deposits balances	60,192,769	11,717,682
Cash and bank balances	1,487,703	516,957
Asset of disposal company classified as held for sale	2,279,926	2,271,821
	<u>106,715,104</u>	<u>59,881,314</u>
TOTAL ASSETS	<u>124,951,131</u>	<u>102,789,127</u>
EQUITY AND LIABILITIES		
Share capital	127,887,653	89,877,524
Revaluation reserve	5,893,087	17,665,591
Warrant reserve	16,797,466	-
Shares grant reserve	-	685,698
Foreign currency translation reserve	(275,055)	(366,407)
Accumulated losses	(55,073,794)	(36,993,153)
Equity attributable to owners of the parent	<u>95,229,357</u>	<u>70,869,253</u>
Non-controlling interests	<u>66,860</u>	<u>102,815</u>
TOTAL EQUITY	<u>95,296,217</u>	<u>70,972,068</u>
CURRENT LIABILITIES		
Trade payables	7,264,845	4,573,353
Other payables	15,054,366	19,831,847
Finance lease liabilities	17,168	30,265
Loans and borrowings	5,180,244	5,322,532
	<u>27,516,623</u>	<u>29,757,997</u>
Liabilities of disposal company classified as held for sale	2,138,291	2,059,062
TOTAL LIABILITIES	<u>29,654,914</u>	<u>31,817,059</u>
TOTAL EQUITY AND LIABILITIES	<u>124,951,131</u>	<u>102,789,127</u>
NET ASSET PER SHARE	0.08	0.07

The condensed consolidated income statements should be read in conjunction with the annual financial statements for the year ended 30 June 2018 and the accompanying explanatory notes attached to the interim financial statements

METRONIC GLOBAL BERHAD (632068-V)

(Incorporated in Malaysia)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FOURTH QUARTER ENDED 30 JUNE 2019**

<----- Attributable to owners of the parent ----->

<----- Non-distributable reserve ----->

	Share capital RM	Revaluation reserve RM	Warrant reserve RM	Shares grant reserve RM	Foreign currency translation reserve RM	Accumulated losses RM	Total RM	Non- controlling interests RM	Total equity RM
As at 1 January 2017	75,839,750	24,040,288	-	-	(568,964)	(37,069,518)	62,241,556	84,345	62,325,901
Total comprehensive income/(expense)	-	(6,374,697)	-	-	202,557	76,365	(6,095,775)	18,470	(6,077,305)
Allotment of shares during the year	14,037,774	-	-	-	-	-	14,037,774	-	14,037,774
Shares grant reserve	-	-	-	685,698	-	-	685,698	-	685,698
As at 30 June 2018	89,877,524	17,665,591	-	685,698	(366,407)	(36,993,153)	70,869,253	102,815	70,972,068
As at 1 July 2018	89,877,524	17,665,591	-	685,698	(366,407)	(36,993,153)	70,869,253	102,815	70,972,068
Effect of adoption of MFRS 9 (Note 15)	-	-	-	-	-	(3,901,248)	(3,901,248)	-	(3,901,248)
Total comprehensive income	-	(11,772,504)	-	-	91,352	(14,865,091)	(26,546,243)	(35,955)	(26,582,198)
Transfer of ESOS reserve upon exercised	-	-	-	(685,698)	-	685,698	-	-	-
Issuance new share under rights issue with free warrants	22,010,526	-	19,707,874	-	-	-	41,718,400	-	41,718,400
Issuance new share for warrants exercise	5,686,951	-	-	-	-	-	5,686,951	-	5,686,951
Capitalisation of warrant reserve upon exercise of warrants	2,910,408	-	(2,910,408)	-	-	-	-	-	-
Issuance new share under ESOS	7,402,244	-	-	-	-	-	7,402,244	-	7,402,244
As at 30 June 2019	127,887,653	5,893,087	16,797,466	-	(275,055)	(55,073,794)	95,229,357	66,860	95,296,217

The condensed consolidated income statements should be read in conjunction with the annual financial statements for the year ended 30 June 2018 and the accompanying explanatory notes attached to the interim financial statements

METRONIC GLOBAL BERHAD (632068-V)

(Incorporated in Malaysia)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FOURTH QUARTER ENDED 30 JUNE 2019**

(The figures have not been audited)

	12 Months Ended 30.06.2019	Preceding Year To Date
	RM	RM
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit/(loss) before taxation from:		
Continuing operations	(14,201,934)	N/A
Profit / (Loss) from assets held for sale	(93,542)	N/A
Adjustments for:		
Allowance for doubtful debt	33,144	N/A
Bad debt recovered	(580,629)	N/A
Depreciation of investment properties	5,630	N/A
Depreciation of property, plant and equipment	349,887	N/A
ESOS issuance cost	109,848	
Esos payment cost	750,094	N/A
(Gain) / Loss on unrealised foreign exchange	2,016	N/A
(Gain) / Loss on disposal of available-for-sale financial assets	(72,524)	N/A
Gain from settlement agreement	(82,641)	N/A
Impairment loss on available-for-sale financial assets - Quoted shares	3,307,541	N/A
Impairment loss on investment property	4,039,170	N/A
Impairment loss on other receivables and deposit	1,725,451	N/A
Written off PPE	5,953	N/A
Finance costs	507,376	N/A
Interest income	(677,540)	N/A
Operating loss before working capital changes	(4,872,700)	N/A
Changes in working capital:		
Inventories	440,506	N/A
Trade and other receivables	1,536,016	N/A
Trade and other payables	(1,787,276)	N/A
Net cash used in operations	(4,683,453)	N/A
Tax paid	(39,438)	N/A
Tax refund	-	N/A
Net cash used in operating activities	(4,722,891)	N/A
CASH FLOWS FROM INVESTING ACTIVITIES		
Property development cost	(1,851,059)	N/A
Interest received	223,971	N/A
Purchase of property, plant and equipment	(86,837)	N/A
Net cash used in investing activities	(1,713,925)	N/A

METRONIC GLOBAL BERHAD (632068-V)

(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FOURTH QUARTER ENDED 30 JUNE 2019**

(The figures have not been audited)

	12 Months Ended 30.06.2019 RM	Preceding Year To Date RM
CASH FLOWS FROM FINANCING ACTIVITIES		
Interest paid	(507,376)	N/A
Net drawdown / (repayment) of bank borrowings	23,349	N/A
Proceeds from allotment of shares	54,807,582	N/A
Repayment of obligation under finance leases and hire purchase	(13,097)	N/A
(Placements) / Withdrawal of fixed deposits	1,746,476	N/A
Net Drawdown/(Repayment) of margin facilities	(981,781)	N/A
Net cash generated from financing activities	<u>55,075,153</u>	<u>N/A</u>
NET CHANGES IN CASH AND CASH EQUIVALENTS	48,638,336	N/A
EFFECT OF FOREIGN EXCHANGE RATES CHANGES	91,352	N/A
CASH AND CASH EQUIVALENTS AS AT 1 JULY 2018	516,957	N/A
FIXED DEPOSITS	11,717,682	N/A
BANK OVERDRAFT	(2,180,570)	N/A
CASH AND CASH EQUIVALENTS AS AT 30 JUNE 2019	<u>58,783,757</u>	<u>N/A</u>
Cash and cash equivalents at the balance sheet date comprise the following:		
Cash and bank balances	1,487,703	N/A
Fixed deposits balances	60,192,769	N/A
Bank overdraft	(2,896,715)	N/A
	<u>58,783,757</u>	<u>N/A</u>

Following the change of financial year end in the preceding period, there are no comparative figures.

The condensed unaudited consolidated cash flow statement should be read in conjunction with the audited financial statements for the year ended 30 June 2018 and the accompanying explanatory notes.

**EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS FOR THE THIRD QUARTER ENDED 30 JUNE 2019
PURSUANT TO MFRS 134**

1. Basis of Preparation

This unaudited condensed consolidated interim financial statements ("Condensed Report"), has been prepared in accordance with the Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards ("IFRS") and the requirements of the Companies Act, 1965 in Malaysia. The Condensed Report should be read in conjunction with the Group's audited financial statements for the financial year ended 30 June 2018 and the accompanying explanatory notes attached herein for a better understanding of changes in financial position and performance of the Group.

The unaudited condensed consolidated interim financial statements ("Condensed Report"), have been prepared in accordance with the requirements of Chapter 9, part K of the Listing Requirements of Bursa Malaysia Securities Berhad, MFRS 134 Interim Financial Reporting and IAS 34 Interim Financial Reporting.

2. Significant Accounting Policies

The accounting policies adopted in the preparation of the Condensed Report are consistent with those followed in the preparation of the Group's audited financial statements for the financial year ended 30 June 2018.

2.1 Adoption of Amendments and Annual Improvements to Standards

The Group has adopted the following MFRS and Amendments to MFRSs issued by the Malaysian Accounting Standards Board, which shall be effective for annual periods beginning on or after 1 January 2018.

MFRS 9	Financial Instruments
MFRS 15	Revenue from Contracts with Customers
Amendments to MFRS 2	Share-based Payment
Amendments to MFRS 140	Investment Property
IC Interpretation 22	Foreign Currency Transactions and Advance Consideration

MFRS 9 Financial Instruments

The adoption of this standard resulted in changes in accounting policies and adjustments to the financial statements. The accounting policies that relate to the classification, measurement and impairment of financial assets are amended to comply with this standard whereby financial assets are classified according to their contractual cash flow characteristic and the business model under which they are held. The impairment requirements in MFRS 9 are based on expected credit loss model and replace the MFRS 139 Financial Instruments: Recognition and Measurement incurred loss model. In accordance with the transition provisions in the standard, comparatives are not restated and the financial impact of the adoption of the standard is recognised in retained profits, fair value through other comprehensive income reserve or regulatory reserve as at the date of initial application.

MFRS 15 Revenue from Contracts with Customers

MFRS 15 establishes a five-step model to account for revenue arising from contracts with customers. Under MFRS 15, revenue is recognised at an amount that reflects the consideration which an entity expects to be entitled in exchange for transferring goods or services to a customer. The principles in MFRS 15 provide a more structured approach (i.e five-step model) to measure and recognise revenue. The five-step model that applies to revenue recognition under MFRS 15 is as follows :

- i) Identify the contract(s) with a customer;
- ii) Identify the performance obligations in the contract;
- iii) Determine the transaction price;
- iv) Allocate the transaction price to the performance obligations in the contract; and
- v) Recognise revenue when (or as) the entity satisfies a performance obligation.

2.1 Adoption of Amendments and Annual Improvements to Standards (Continue)

The new standard supersedes the previous revenue recognition requirements under MFRS (including MFRS 111 Construction Contracts, MFRS 118 Revenue, IC Interpretation 13 Customer Loyalty Programmes, IC Interpretation 15 Agreements for the construction of Real Estate, IC Interpretation 18 Transfers of Assets from Customers and IC Interpretation 131 Revenue). Either a full retrospective application or a modified retrospective application is required for annual periods beginning on or after 1 January 2018. The Group have adopted the standard on 1 July 2018, using modified retrospective method of adoption.

The financial impact of the adoption of MFRS 9 and 15 on the financial statements of the Group are disclosed in Note 15.

2.2 Standard issued but not yet effective

Effective for financial period beginning on or after 1 June 2019

MFRS 16 Leases

The Directors expect that the adoption of the above standard will have no material impact on the financial statements in the period of initial application except as discussed below:

MFRS 16 Leases

MFRS 16 eliminates the lessee's classification of leases as either operating leases or finance leases and introduces a single lessee accounting model. Applying the new model, a lessee is required to recognise right-of-use assets and lease liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value.

2.3 Significant Accounting Estimate and Judgements

The preparation of unaudited condensed interim financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of income, expenses, assets, liabilities, the accompanying disclosures and the disclosure of contingent liabilities. Although these estimates and judgements are based on management's best knowledge of current events and actions, actual results may differ.

In preparing these unaudited condensed interim financial statements, the significant judgements made by management in applying Group's accounting policies and the keys sources of estimation uncertainty were the same as those that applied to the audited annual financial statements for the financial year ended 30 June 2018 except for the measurement of expected credit loss under MFRS 9 which involves increased complexity and judgements.

3. Assets classified as held for sale and disposal of subsidiary

On 29 August 2014, The Company has signed a Share Purchase Agreement to dispose of its 89% owned subsidiary, Metronic Engineering Private Limited ("MEPL") for a consideration of INR9,840,000. The disposal is pending completion. As such, MEPL has been classified as Assets held for sales and discontinued operations. The results of assets held for sale and discontinued operations are as follows:

	Individual Quarter Current Period Quarter 30.06.2019 RM	Cumulative Quarter Current Period To Date 30.06.2019 RM
Revenue	-	-
Cost of sale	-	-
Other Income	-	-
Expenses	(23,385)	(93,542)
Interest expenses	-	-
(Loss)/Profit before tax from assets held for sale	<u>(23,385)</u>	<u>(93,542)</u>
Income tax expense	-	-
(Loss)/Profit after tax from assets held for sale	<u>(23,385)</u>	<u>(93,542)</u>

Included in assets classified as held for sale in the Group Statements of Financial Position as at 31 March 2019 are :

	Unaudited As at 30.06.2019 RM	Audited As at 30.06.2018 RM
Property, plant and equipment	803	800
Deferred tax assets	9,625	9,590
Inventories	651,277	648,962
Trade receivables	1,044,484	1,040,771
Other receivables	19,697	19,627
Cash & Bank Balances	554,040	552,071
Assets classified as held for sale	<u>2,279,926</u>	<u>2,271,821</u>

	Unaudited As at 30.06.2019 RM	Audited As at 30.06.2018 RM
Trade payables	253,576	252,674
Other payables	886,778	790,714
Loans and borrowings	997,937	1,015,674
Liabilities classified as held for sale	<u>2,138,291</u>	<u>2,059,062</u>

4. Seasonality or cyclicity of interim operations

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

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

There were no unusual items affecting assets, liabilities, equity, net income or cash flows of the Group during the current financial quarter under review except as disclosed in Note 21 and 22.

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6. Material changes in estimates

There were no changes in estimates that have had any material effect on the result for the current financial quarter and financial period under review.

7. Debt and equity securities

There were no issuances, repurchases and repayments of debt and equity securities during the financial quarter and financial period under review, save as disclosed in Note 21.

8. Dividends

No dividend was paid during the current financial quarter and previous corresponding quarter.

9. Segmental information

Analysis by segments is as follow:-

By geographical segments:

	Individual Quarter Current Period Quarter 30.06.2019 RM	Cumulative Quarter Current Period To Date 30.06.2019 RM
Segment revenue		
Total revenue	11,379,492	27,203,612
Inter-segment elimination	-	-
Continued operations	<u>11,379,492</u>	<u>27,203,612</u>
Results		
Operating results		
Malaysia	(8,606,944)	(13,601,015)
Overseas	-	-
	<u>(8,606,944)</u>	<u>(13,601,015)</u>
Finance costs	<u>(137,353)</u>	<u>(507,376)</u>
Profit/(loss) before tax		
- Continued operation	(8,744,298)	(14,108,392)
Profit/(loss) before tax		
- Discontinued operation	(23,385)	(93,542)
Profit/(loss) before tax	<u>(8,767,683)</u>	<u>(14,201,934)</u>

By business segments:

	Individual Quarter Current Period Quarter 30.06.2019 RM	Cumulative Quarter Current Period To Date 30.06.2019 RM
Segment revenue		
Engineering	11,379,492	27,203,612
Total revenue	<u>11,379,492</u>	<u>27,203,612</u>
Inter-segment elimination	-	-
Continued operations	<u>11,379,492</u>	<u>27,203,612</u>
Discontinued operation	-	-
External customers	<u>11,379,492</u>	<u>27,203,612</u>

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9. Segmental information (continue)

	Individual Quarter Current Period Quarter 30.06.2019 RM	Cumulative Quarter Current Period To Date 30.06.2019 RM
Results		
Operating results		
Engineering	(8,591,856)	(13,721,509)
Investment holding	(15,088)	120,494
	<u>(8,606,944)</u>	<u>(13,601,015)</u>
Finance costs	<u>(137,353)</u>	<u>(507,376)</u>
Profit/(Loss) before tax		
- Continued operations	(8,744,298)	(14,108,392)
Profit/(loss) before tax		
- Discontinued operation	(23,385)	(93,542)
Profit/(Loss) before tax	<u>(8,767,683)</u>	<u>(14,201,934)</u>

10. Material subsequent events

Other than those disclosed in Note 21 and 22, there were no other material subsequent events after the period ended 30 June 2019.

11. Changes in the composition of the Group

The Group's wholly-owned subsidiary, Ideal Ultimate Sdn Bhd (Company No. 823540-V) which is presently dormant, had submitted application to the Companies Commission of Malaysia on 6 March 2019 for striking off pursuant to Section 550 of the Companies Act 2016.

12. Contingent liabilities

Contingent liabilities of the Group as at the latest practicable date are as follows:

(a) Secured	RM
Performance and financial guarantees issued by the banks to third parties	<u>4,155,224</u>
(b) Unsecured	RM
Corporate guarantees given to licensed banks for credit facilities granted to subsidiaries	<u>25,800,000</u>
Corporate guarantees given to performance for project granted to subsidiaries	<u>43,042,826</u>

13. Capital commitments

	RM
The total approved and committed.	<u>21,160,926</u>

14. Significant related party transactions

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

15. Financial Effects arising from adoption of MFRS 9 Financial Instrument

The adoption of MFRS 9 resulted in the following financial effects to the statement of financial position of the Group on its initial date application:

<u>Statement of Financial Position</u>	<u>30 June 2018</u>	<u>Expected credit losses</u>	<u>1 July 2018</u>
ASSETS			
Property, plant and equipment	9,083,823		9,083,823
Investment properties	16,278,373		16,278,373
Land held for property development	5,850,000		5,850,000
Available-for-sale financial assets	7,534,438		7,534,438
Deferred tax assets	4,161,179		4,161,179
Property development cost	16,673,595		16,673,595
Inventories	1,811,239		1,811,239
Trade receivables	9,884,115	(889,440)	8,994,675
Amount owing by contract customer	9,821,853	(1,327,457)	8,494,396
Other receivables	7,166,771	(1,684,350)	5,482,421
Tax recoverable	17,281		17,281
Short term deposits	11,717,682		11,717,682
Cash and bank balances	516,957		516,957
Asset of disposal company classified as held for sale	2,271,821		2,271,821
TOTAL ASSETS	102,789,127	(3,901,247)	98,887,880
EQUITY			
Share capital	89,877,524		89,877,524
Revaluation reserve	17,665,591		17,665,591
Shares grant reserve	685,698		685,698
Foreign currency translation reserve	(366,407)		(366,407)
Accumulated losses	(36,993,153)	(3,901,247)	(40,894,400)
	70,869,253	(3,901,247)	66,968,006
Non-controlling interests	102,815	-	102,815
TOTAL EQUITY	70,972,068	(3,901,247)	67,070,821
LIABILITIES			
Trade payables	4,573,353		4,573,353
Other payables	19,831,847		19,831,847
Finance lease liabilities	30,265		30,265
Loans and borrowings	5,322,532		5,322,532
TOTAL LIABILITIES	29,757,997	-	29,757,997
Liabilities of disposal company classified as held for sale	2,059,062		2,059,062
TOTAL LIABILITIES	31,817,059	-	31,817,059
TOTAL EQUITY AND LIABILITIES	102,789,127	-	98,887,880

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

16. Performance review

Continuing operations

Quarter and Period Ended 30 June 2019

The Group recorded revenue of RM11.4 million and RM27.2 million for the current quarter and cumulative period under review respectively.

The Group posted loss before taxation of RM8.8 million and RM14.2 million for the current quarter and cumulative period respectively mainly attributed by a provision for impairment totalling to RM6.2 million and RM9.1 million in the current quarter and cumulative quarter respectively.

Included in the provision above, was a provision for impairment of its investment property in Beijing amounting to RM15.8 million whereby a total of RM11.8 million was offset against revaluation reserve account. This is in pursuant to the announcement made by the Group on 3 June 2019 whereby based on investigation, the said property has been found transferred to third party without consent and/or Board authorization. The transaction occurred in 2016 during the previous management under Mr Tan Ew Chew and Mr Tan Kian Hong who was the advisor and director of Metronic Global Berhad respectively.

The provision for impairment was made as per advice from the Group's auditor in accordance with the approved accounting standards. Notwithstanding that, the Group will pursue all avenues under the laws as advised by its legal adviser to recover the said property and enforce its interest in the property.

There is no comparison made against the corresponding cumulative period previous year due to change of financial year end from 31 December to 30 June in the preceding financial period.

Below is the summary analysis of the financial results:

RM	Individual Period (4th quarter)		Changes (Amount%)	Cumulative Period		Changes (Amount/ %)
	Current Year Quarter	Preceding Year Corresponding Quarter		Current Year To Date	Preceding Year Corresponding Period	
	30/06/19	30/06/18		30/06/19	30/06/18	
Revenue	11,379,492	8,149,721	28%	27,203,612	N/A	N/A
Operating Profit	(8,630,330)	(408,927)	-95%	(13,694,558)	N/A	N/A
Profit/(Loss) Before Interest & Tax	(8,767,683)	(547,442)	-94%	(14,201,934)	N/A	N/A
Profit/(Loss) Before Tax	(9,373,253)	460,108	-105%	(14,807,504)	N/A	N/A
Profit/(Loss) After Tax	(9,396,638)	(1,251,966)	-87%	(14,901,046)	N/A	N/A
Profit/(Loss) Attributable to Ordinary Equity Holders of the Parent	(9,394,123)	(1,063,638)	-89%	(14,865,091)	N/A	N/A

17. Material Change in Profit Before Taxation of Current Quarter Compared with Preceding Quarter

In the current quarter under review, the Group recorded a loss before tax of RM8.8 million as opposed to a loss before tax of RM1.9 million in the preceding quarter.

The unfavourable performance reported for the current quarter mainly due to a provision for impairment of RM6.2 million recorded in current quarter as opposed to only RM1.4 million recorded in the preceding quarter.

The summary analysis is as follows:

RM	Current Quarter 30/06/19	Immediate Preceding Quarter 31/03/19	Changes (Amount %)
Revenue	11,379,492	4,816,514	136%
Operating Profit	(8,630,330)	(1,845,085)	-368%
Profit/(Loss) Before Interest & Tax	(8,767,683)	(1,954,986)	-348%
Profit/(Loss) Before Tax	(9,373,253)	(1,954,986)	-379%
Profit/(Loss) After Tax	(9,396,638)	(1,978,373)	-375%
Profit/(Loss) Attributable to Ordinary Equity Holders of the	(9,394,123)	(1,975,801)	-375%

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18. Current year prospects

The Group is mindful of the challenges ahead for the Engineering Division with the competition and current economic situation. The Group will continue to explore other new opportunities among others, to expand into infrastructure smart system. In addition to that, the Group continue to strengthen the sales team and strategies in order to build up a strong order book. The Group will also continue taking various measures to enhance its operational efficiency and effective cost management in order to improve the performance of the Group.

The Group's balance order book is stood at RM84 million and the Group is presently tendering contracts totalling RM100 million.

19. Profit forecast or profit guarantee

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

20. Taxation

	Individual Current Period Quarter 30.06.2019 RM	Cumulative Current Period To Date 30.06.2019 RM
Income tax expense:		
Malaysian income tax		
- Current	-	-
- Under provision in prior year	-	-
Deferred Tax		
- Relating to origination and reversal of temporary differences	605,770	605,770
- Under provision in prior year	-	-
	<u>605,770</u>	<u>605,770</u>

Income tax expense is recognized in each interim period based on the best estimate of the income tax payable for the full financial year.

21. Status of Corporate Proposals

a) On 20 March 2019, the Group announced that its subsidiary, Metronic Engineering Sdn Bhd ("MESB") had signed Memorandum of Understanding (MOU) with Zhuhai Singyes New Materials Technology Co. Ltd., a subsidiary of China Singyes New Materials Holdings Limited (a public listed company in Hong Kong). Singyes is specialized in green building technology, renewable energy application, new materials and solar PV integrated ecological agricultural products. The purposes of the MOU are mainly to promote collaboration of Smart city in both countries and to cooperate in terms of infrastructure, new green materials technology, development, technical knowledge exchange, planning, implementation, upgrading support and maintenance. It is in line with Metronic current business direction and strategy to increase the Company's revenue.

On 7 August 2019, the Group subsequently announced that its subsidiary, MESB had signed a joint venture agreement with Zhuhai Singyes New Materials Technology Co. Ltd. The main purpose of the joint venture among other to develop smart city solutions in Malaysia.

21. Status of Corporate Proposals (continue)

- b) On 23 April 2019, the Group announced that the Rights Issue with Warrants exercise undertaken by the Group has been completed following the listing and quotation of 641,821,340 Right Shares and 481,365,866 Warrants on the Main Market of Bursa Securities. Total proceed from the right issue exercise was RM41.7 million.

Each warrant entitled to subscribe 1 new Metronic share at the exercise price RM0.08 per share any time during the exercise period until its maturity date 16 April 2022.

Following is the status utilisation of rights issue proceeds as at 28 August 2019:

Purposes	Approved Allocation (RM '000)	Actual Utilisation (RM'000)	Balance Unutilised (RM'000)	Intended Timeframe for Utilisation	Deviation Amount		Explanations (if the Deviation is 5% or more)
					Amount (RM'000)	%	
1) Kuala Krai project	22,400	1,900	20,500	Within 24 months	-		-
2) Existing & Future Engineering Project	18,488	3,435	15,053	Within 36 months	-		-
3) Rights Issue Expenses	830	822	8	Immediate	-		-
	41,718	6,157	35,561		-		-

- c) On 7 June 2019, the Group announced that it offered a total of 98,696,593 shares under Employee Share Option Scheme ("ESOS") at the option price of RM0.0674 to eligible employees of the Company in accordance with the By-Laws of the ESOS. As at 21 June 2019, all the ESOS offered was fully subscribed with the total proceeds of RM6,652,150.
- d) On 14 June 2019, the Group announced that a total of 71,086,890 warrants issued in pursuant to the right issue exercise, had exercised the warrants to ordinary shares. The total proceeds from the exercise was RM 5,686,951. Balance warrants after the above exercise is 410,278,115.
- e) On 8 August 2019, the Group announced its proposal to undertake a private placement of new shares of up to 10% of the total number of issued shares of the Company (excluding treasury shares) or about 156,826,100 to third party investor(s) to be identified later and at an issue price to be determined later. The proposal has been approved by Bursa Securities on 13 August 2019.

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22. Material Litigations

- a) The Company and its wholly owned subsidiary, Metronic Integrated System Sdn Bhd ("the Defendants") or collectively referred as "the Companies" have been served a writ of summon by Hew Chai Seng ("the Plaintiff") on 25th February 2014 for infringement of trademark.

On 16 December 2015, the Kuala Lumpur High Court Judge after full trial granted Judgement in favour of the Plaintiff and allowed the Plaintiff's claim with costs of RM 50,000 and for general damages to be assessed.

On 11 January 2016, the Company filed the appeal to Court of Appeal however the Appeal was dismissed. On 23 May 2017 the Companies filed Notice of Motion to seek leave to Appeal to Federal Court. The Notice of Motion was also dismissed.

On 10 April 2018, the Deputy Registrar of Kuala Lumpur High Court awarded general damages of RM1,677,040 to the Plaintiff together with the interest of 5% per annum on RM1,677,040 calculated from 25 February 2014 until full settlement and cost of proceeding of RM20,000 to the Plaintiff.

The Company subsequently on 15 April 2018 filed an appeal against the award and applied for stay of execution. On 5 July 2018, the Court approved the Company's application for stay of execution until the appeal is being heard by the High Court . The Court, based on hearing 4 April and 18 April 2019 had ordered as follows:

- i. The Judge has allowed partly the appeal whereby the Judge reduced the sum of damages granted by the Registrar to RM 1,158,750.00.
- ii. RM 10,000.00 costs to be paid subject to allocator.
- iii. Interest calculated at 5%.

The Company subsequently filed appeal to the Court of Appeal on 24 April 2019 and the application for stay of execution. The hearing for the stay application will be heard on 29 August 2019 while the case management for the appeal was fixed on 18 September 2019.

- b) The Company announced on 9 May 2019 that it had filed a suit in the High Court in Kuala Lumpur against Tan Ew Chew, Tan Kian Hong, Tan Hong Hong, Tan Lian Hong, Ooi Chieng Sim, Lagenda Perdana Sdn Bhd (No. Syarikat: 278059-X), Progerex Sdn Bhd (No. Syarikat: 257136-V), Skylitech Resources Sdn Bhd (No. Syarikat: 230298-T), Hock Lok Siew Realty Sdn Bhd (No. Syarikat: 159911-M), A1 Capital Sdn Bhd (No.Syarikat: 744921-V) and Ng Wai Yuan ("Defendants") premised on the Company's belief or contention that:

- i. The Defendants have control around 39% of the shares of the Company;
- ii. The Defendants are 'Person Acting In Concert' ("PAC") who gained 'Control' over the Company, as defined by Securities Laws. Yet, the Defendants had failed to comply with Sections 137 and 138 of the Companies Act 2016;
- iii. Also, the Defendants had failed to undertake a Mandatory General Offer as prescribed by the Securities Laws and the Code;
- iv. The Defendants had conspired to injure the Company, and had blackmailed the Company for RM20,000,000 and to withdraw the police report against Tan Ew Chew. For avoidance of doubt, the Company had made a police report earlier which as a result, Tan Ew Chew was charged for Criminal Breach of Trust in the Criminal Court; and
- v. The Notice issued by Lagenda Perdana Sdn Bhd, Tan Lian Hong and Ng Wai Yuan pursuant to section 311(3)(a) of the Companies Act 2016 dated 25 April 2019 ("Requisition") is invalid.

Through the suit, the Company is seeking the following relief (amongst other):

- a) A declaration that Defendants are PAC;
- b) A declaration that the Defendants had obtained control over the Plaintiff as defined by the Securities Laws;
- c) A declaration that the Requisition is null and void;
- d) Damages

On 21 June 2019, suit was withdrawn since the collective shareholding of the Defendants has dropped below the percentage as claimed in the Company's civil suit and it was therefore no necessity for the Company to proceed with the suit.

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22. Material Litigations (continue)

- c) On 19 May 2016, Metronic Microsystem (Beijing) Co. Ltd (“MMBCL”), a wholly-owned subsidiary of the Company, has filed a legal claim against 英泰格瑞房地产投资顾问有限公司, which has occupied MMBCL’s property in Beijing at No. 18, Level 8, Top Fine International Centre, Dong San Huan Middle Road, Chao Yang District, Beijing, People’s Republic of China (“Beijing Property”), for outstanding rental and late payment charges amounting to RMB7.25 million (approximately RM4.41 million) (“Claim”). The amount comprises outstanding rental amounting to RMB5.81 million (approximately RM3.5 million) and late payment charges of RMB1.44 million (approximately RM0.9 million).

The case was heard before the Beijing Chaoyang Municipal Council Court on 8 December 2016 and 2 June 2017, respectively. The Beijing Chaoyang Municipal Council Court had appointed a professional valuer to conduct a valuation on the Beijing Property. Based on the valuation report provided, MMBCL had on 11 May 2018 submitted the justification of Claim to the Beijing Chaoyang Municipal Court.

On 19 October 2018, the Beijing Chaoyang Municipal Council Court had awarded the outstanding rental amounting to RMB3.97 million (approximately RM2.4 million) payable to MMBCL. The outstanding rental however has yet to be paid.

Necessary documents had been submitted to court on 10 July 2019, waiting for court’s execution order for rental payment from tenant.

Note:-

(1) Based on BNM’s exchange rate of RMB1:RM0.6085 as at the LPD.

- d) On 17 June 2019 the Company received an originating summons filed by Lagenda Perdana Sdn Bhd & Ng Wai Yuan against Boardroom.com Sdn Bhd and Metronic Global Berhad, seeking for several orders relating to Record of Depositors (ROD) and Extra Ordinary General Meeting (EGM) matters.

On 24 June 2019, The Company issued Notice of EGM to be held on 15 July 2019, 11am at Kayangan Suites, Pulau Springs Resort, 20km, Jalan Pontian Lama, 81110 Pulau, Johor Bharu, Johor.

On 10 July 2019, the Company had instituted a Counter Claim against the Plaintiffs, and had filed an application for injunction against the Plaintiffs (inter alia) in relation to an Extraordinary General Meeting (EGM) that was purportedly called by the Plaintiffs scheduled to be held on 18 July 2019 (The Impugned EGM). On the contrary, the Plaintiff had also filed an application for injunction againsts the Company for an EGM duly called by the Company which is scheduled to be held on 15.7.2019 (“The Company’s EGM”). For avoidance of doubt, all agenda and/or proposed resolutions in both The Company’s EGM and The Impugned EGM are identical.

On 12 July 2019, the Learned Judicial Commissioner had heard the applications for injunction from the Plaintiffs and the Company respectively, and had –

- i. Allowed the Company’s application for injunction against the Extraordinary General Meeting (“EGM”) that was purportedly called by the Plaintiffs scheduled to be held on 18 July 2019 (“The Impugned EGM”), and the Plaintiffs are prohibited to call for another EGM or move the same resolutions until disposal of the Suit;
- ii. Dismissed the Plaintiffs’ application for injunction against the Company for an EGM duly called by the Company which is scheduled to be held on 15 July 2019 (“The Company’s EGM”).

The Company had held the EGM on 15 July 2019 as scheduled.

Other claims are still ongoing and next hearing has been fixed on 13 September 2019.

- e) The Group, on 3 June 2019, announced that Mr. Tan Ew Chew (“TEC”) was advisor for Metronic Global Berhad (“MGB” or “the Company”) from 1 January 2013 to 16 May 2017 and Mr. Tan Kian Hong (TKH”), son of TEC, was director for the Company from 8 February 2013 to 10 April 2017. During the controlling time under both TEC and TKH in July 2016, the ownership of the property 1 unit office in Beijing, China at Room 801, Level 8, Top Fine International Centre, Dong San Huan, Chao Yang District, Beijing, China measuring 700.53 square meter with book value of approximately RM15.7 million owned by Metronic Microsystem (Beijing) Co Ltd, wholly owned subsidiary of the Company, has been found transferred to third party with the name of Shouguang Yaoweiping without consent and/or the Company’s Board.

The Company had on 3 June 2019, lodged a police report on investigation against TEC and TKH on the alleged breach of trust and causing the Company suffering a loss of more than RM15.7 million.

The Company is presently seeking legal advice for the next course of action.

23. Borrowings

The Group's total borrowing as at 30 June 2019 stood at RM5.2 million, representing a gearing ratio of 0.04 to shareholders' equity. The amount was lower than the previous year end date of RM5.3 million.

Breakdown by type of facilities is shown below:

	As at 4th quarter ended 30 June 2019					
	Long Term		Short term		Total borrowings	
	Foreign denomination	RM denomination	Foreign denomination	RM denomination	Foreign denomination	RM denomination
<u>Secured borrowings</u>						
Bank overdraft	-	-	-	2,896,715	-	2,896,715
Bankers' acceptances	-	-	-	1,217,514	-	1,217,514
Margin Financing	-	-	-	1,066,015	-	1,066,015
Sub-Total	-	-	-	5,180,244	-	5,180,244
<u>Un-Secured borrowings</u>						
Nil	-	-	-	-	-	-
Sub-Total	-	-	-	-	-	-
Total	-	-	-	5,180,244	-	5,180,244

	As at 30 June 2018 (audited)					
	Long Term		Short term		Total borrowings	
	Foreign denomination	RM denomination	Foreign denomination	RM denomination	Foreign denomination	RM denomination
<u>Secured borrowings</u>						
Bank overdraft	-	-	-	2,180,570	-	2,180,570
Bankers' acceptances	-	-	-	1,194,165	-	1,194,165
Margin Financing	-	-	-	1,947,797	-	1,947,797
Sub-Total	-	-	-	5,322,532	-	5,322,532
<u>Un-Secured borrowings</u>						
Nil	-	-	-	-	-	-
Sub-Total	-	-	-	-	-	-
Total	-	-	-	5,322,532	-	5,322,532

24. Proposed Dividend

There was no dividend proposed in the current quarter and the previous corresponding quarter.

25. Earnings per share (EPS)

Basic EPS

	Individual Current Period Quarter 30.06.2019 RM	Cumulative Current Period To 30.06.2019 RM
Profit / (Loss) attributable to ordinary equity owners of the parent		
- Continuing operations	(9,373,253)	(14,807,504)
- Discontinued operations	(23,385)	(93,542)
	<u>(9,396,638)</u>	<u>(14,901,046)</u>
Weighted average number of ordinary shares in issue	826,504,930	754,687,952
Basic earnings per share (sen)		
- Continuing operations	(1.13)	(1.96)
- Discontinued operations	-	(0.01)
	<u>(1.13)</u>	<u>(1.97)</u>

The basic earnings per share of the Group is calculated by dividing the Group's loss after tax attributable to the owners of the Company by the weighted average number of ordinary shares issued during the period/cumulative period respectively.

The weighted average number of ordinary shares in issue was calculated by taking into account the share consolidation exercise completed on 26 December 2018 whereby 3 ordinary shares consolidated into 1 share and the new issues of shares in pursuant to rights issue, ESOS and warrant exercises.

25. Earnings per share (continue)

<u>Diluted EPS</u>	Individual Current Period Quarter 30.06.2019 RM	Cumulative Current Period To 30.06.2019 RM
Profit / (Loss) attributable to ordinary equity owners of the parent		
- Continuing operations	(9,373,253)	(14,807,504)
- Discontinued operations	<u>(23,385)</u>	<u>(93,542)</u>
	<u>(9,396,638)</u>	<u>(14,901,046)</u>
Weighted average number of ordinary shares in issue	826,504,930	754,687,952
Effect of dilution after conversion of all outstanding Esos and Warrants	410,278,976	410,278,976
Adjusted weighted average number of ordinary shares the purpose of diluted EPS	<u>1,236,783,906</u>	<u>1,164,966,928</u>
Diluted earnings per share (sen)		
- Continuing operations	(1.13)	(1.96)
- Discontinued operations	<u>-</u>	<u>(0.01)</u>
	<u>(1.13)</u>	<u>(1.97)</u>

There is no dilution effect to the earnings per share in the current period as the exercise price of warrant were higher from the average market price of the ordinary shares during the period.

26. Profit/(Loss) for the period

After charging/(crediting):	Cumulative Current Period To Date 30.06.2019 RM	Cumulative Current Period To 30.06.2019 RM
Auditors' remuneration	79,453	165,482
Bad debts recovered	518,990	580,629
Depreciation of investment properties	1,408	5,630
Depreciation of property, plant and equipment	85,518	349,887
Directors' fee	48,167	168,750
(Gain) / Loss on foreign exchange - realised	(4,820)	2,016
Provision for impairment loss on:		
Available for sale financial asset - Quoted Shares	409,060	3,307,541
Investment property	4,039,170	4,039,170
Other receivables and deposit	1,409,975	1,725,451
Interest expenses	137,352	507,376
Interest income	372,186	677,540
Staff cost	2,239,601	8,758,362

27. Audit Report

The auditors' report on Group's financial statements for the year ended 30 June 2018 was not qualified.

28. 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 29 August 2019.