



**METRONIC GLOBAL BERHAD**

(Company No. : 632068-V)

(Incorporated in Malaysia)

**INTERIM FINANCIAL STATEMENTS**

**FOR THE QUARTER ENDED**

**31 MARCH 2017**

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

(Incorporated in Malaysia)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF PROFIT AND LOSS  
FOR THE FIRST QUARTER ENDED 31 MARCH 2017**

(The figures have not been audited)

	Individual quarter		Cumulative quarter	
	31.3.2017 RM	31.3.2016 RM	31.3.2017 RM	31.3.2016 RM
<b>Continuing operations</b>				
Revenue	10,044,592	12,043,211	10,044,592	12,043,211
Cost of sales	(6,428,420)	(8,534,324)	(6,428,420)	(8,534,324)
Gross profit	3,616,172	3,508,887	3,616,172	3,508,887
Other income	31	3,677,402	31	3,677,402
Administration expenses	(699,925)	(734,313)	(699,925)	(734,313)
Other operating expenses	(2,678,877)	(3,720,262)	(2,678,877)	(3,720,262)
Profit from operations	237,401	2,731,714	237,401	2,731,714
Finance costs	(112,374)	(72,054)	(112,374)	(72,054)
Profit before taxation	125,027	2,659,660	125,027	2,659,660
Income tax expense	(724)	(54,144)	(724)	(54,144)
Profit / (Loss) for the period from				
- continuing operations	124,303	2,605,516	124,303	2,605,516
- discontinued operations	(26,225)	(46,490)	(26,225)	(46,490)
Net profit for the period	98,078	2,559,026	98,078	2,559,026
Net profit attributable to:				
Owners of the parent	102,145	2,564,140	102,145	2,564,140
Non-controlling interests	(4,067)	(5,114)	(4,067)	(5,114)
	98,078	2,559,026	98,078	2,559,026
Basic earning / (loss) per share attributable to equity holders of the Company (sen):				
- continuing operations	0.02	0.34	0.02	0.34
- discontinued operations	-	(0.01)	-	(0.01)

The interim consolidated income statements should be read in conjunction with the annual financial statements for the year ended 31 December 2016 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 FIRST QUARTER ENDED 31 MARCH 2017**

	Individual quarter		Cumulative quarter	
	31.3.2017 RM	31.3.2016 RM	31.3.2017 RM	31.3.2016 RM
Net profit from:				
- continuing operations	124,303	2,605,516	124,303	2,605,516
- discontinued operations	(26,225)	(46,490)	(26,225)	(46,490)
Net profit for the period	98,078	2,559,026	98,078	2,559,026
Other comprehensive income / (expense)				
Financial assets, available-for-sale assets				
- fair value changes	(39,930)	-	(39,930)	-
Foreign currency translation	(45,752)	(230,397)	(45,752)	(230,397)
Other comprehensive income/(expense) for the period, net of tax	(85,682)	(230,397)	(85,682)	(230,397)
Total comprehensive income/(expense) for the period, net of tax	12,396	2,328,629	12,396	2,328,629
Total comprehensive income/(expense) attributable to:				
Owners of the parent	16,463	2,333,743	16,463	2,333,743
Non-controlling interests	(4,067)	(5,114)	(4,067)	(5,114)
	12,396	2,328,629	12,396	2,328,629

The condensed consolidated income statements should be read in conjunction with the annual financial statements for the year ended 31 December 2016 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 31 MARCH 2017**

	<b>As at 31.3.2017 RM</b>	<b>(Audited) As at 31.12.2016 RM</b>
<b>ASSETS</b>		
<b>NON-CURRENT ASSETS</b>		
Property, plant and equipment	16,605,751	16,734,559
Investment properties	17,973,899	18,135,841
Land held for property development	161,403	161,403
Available-for-sale financial assets	6,414,230	6,727,677
Deferred tax assets	3,153,629	3,153,629
	<u>44,308,912</u>	<u>44,913,109</u>
<b>CURRENT ASSETS</b>		
Property development cost	20,851,176	13,988,926
Inventories	905,168	1,086,215
Trade receivables	17,218,312	15,168,984
Other receivables	4,314,658	11,643,872
Tax recoverable	55,258	44,384
Short term deposits	2,944,131	2,944,130
Cash and bank balances	213,451	797,436
Asset of disposal company classified as held for sale	4,729,623	4,572,686
	<u>51,231,777</u>	<u>50,246,633</u>
<b>TOTAL ASSETS</b>	<u>95,540,689</u>	<u>95,159,742</u>
<b>EQUITY AND LIABILITIES</b>		
Share capital	75,839,750	75,839,750
Revaluation reserve	24,000,358	24,040,288
Foreign currency translation reserve	(614,716)	(568,964)
Accumulated losses	(36,967,373)	(37,069,518)
<b>Equity attributable to owners of the parent</b>	<u>62,258,019</u>	<u>62,241,556</u>
<b>Non-controlling interests</b>	<u>80,281</u>	<u>84,345</u>
<b>TOTAL EQUITY</b>	<u>62,338,300</u>	<u>62,325,901</u>
<b>NON-CURRENT LIABILITIES</b>		
Loans and borrowings	<u>117,144</u>	<u>145,959</u>
<b>CURRENT LIABILITIES</b>		
Trade payables	3,367,823	6,006,310
Other payables	14,827,782	13,415,207
Amount owing to a director	5,564,230	5,564,230
Loans and borrowings	6,764,816	5,324,703
Provision of taxation	-	-
	<u>30,524,651</u>	<u>30,310,450</u>
Liabilities of disposal company classified as held for sale	2,560,594	2,377,432
<b>TOTAL LIABILITIES</b>	<u>33,202,389</u>	<u>32,833,841</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>95,540,689</u>	<u>95,159,742</u>
<b>NET ASSET PER SHARE</b>	0.08	0.08

The condensed consolidated income statements should be read in conjunction with the annual financial statements for the year ended 31 December 2016 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 FIRST QUARTER ENDED 31 MARCH 2017**

	← Attributable to owners of the parent →							Total equity RM
	← Non-distributable reserve			→ Distributable reserve				
	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	
<b>As at 1 January 2016</b>	75,839,750	13,113,034	270,323	-	(32,064,549)	57,158,558	87,993	57,246,551
Total comprehensive income/(expense)	-	10,927,254	(839,287)	-	(5,004,969)	5,082,998	(3,648)	5,079,350
Allotment of shares during the year	-	-	-	-	-	-	-	-
<b>As at 31 December 2016</b>	<u>75,839,750</u>	<u>24,040,288</u>	<u>(568,964)</u>	<u>-</u>	<u>(37,069,518)</u>	<u>62,241,556</u>	<u>84,345</u>	<u>62,325,901</u>
<b>As at 1 January 2017</b>	75,839,750	24,040,288	(568,964)	-	(37,069,518)	62,241,556	84,345	62,325,901
Total comprehensive income	-	(39,930)	(45,752)	-	102,145	16,463	(4,067)	12,396
Allotment of shares during the year	-	-	-	-	-	-	3	3
<b>As at 31 March 2017</b>	<u>75,839,750</u>	<u>24,000,358</u>	<u>(614,716)</u>	<u>-</u>	<u>(36,967,373)</u>	<u>62,258,019</u>	<u>80,281</u>	<u>62,338,300</u>

The condensed consolidated income statements should be read in conjunction with the annual financial statements for the year ended 31 December 2016 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 FIRST QUARTER ENDED 31 MARCH 2017**

(The figures have not been audited)

	<b>31.3.2017</b>	<b>(Audited) 31.12.2016</b>
	<b>RM</b>	<b>RM</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
<b>Profit/(loss) before taxation from:</b>		
Continuing operations	125,027	(871,301)
Profit / (Loss) from assets held for sale (Note 3)	(26,225)	(13,450)
Adjustments for:		
Bad debt written off	43,602	5,441,284
Depreciation of investment properties (Note 24)	1,408	16,696
Depreciation of property, plant and equipment (Note 24)	202,319	719,233
(Gain) / Loss on disposal of available-for-sale financial assets (Note 24)	(1,026)	990,565
(Gain) / Loss on unrealised foreign exchange (Note 24)	16,217	16
Gain on disposal of plant and equipment (Note 24)	-	-
Impairment losses on receivables	(37,352)	3,625,905
Impairment loss on disposal of subsidiary (Note 24)	-	-
Impairment loss on legal case	-	-
Impairment loss / (reversal) on available-for-sale financial assets (Note 24)		
- Quoted equity	(159,613)	4,411,211
- Unquoted equity	-	-
Other investment written off	-	-
Property, plant and equipment written off	-	23,590
Reversal of Impairment of receivables	(37,352)	(5,656,212)
Provision for slow moving inventory	-	1,497,062
Finance costs	112,374	513,915
Interest income	(31)	(111,499)
Operating profit before working capital changes	<u>239,348</u>	<u>10,587,015</u>
Changes in working capital:		
Inventories	181,047	1,335,787
Receivables	5,368,091	(16,644,633)
Property development costs	(6,862,250)	(3,200,683)
Payables	(1,225,912)	911,897
Net cash generated from/(used in) operations	<u>(2,299,676)</u>	<u>(7,010,617)</u>
Tax paid	(11,598)	(54,584)
Tax refund	-	123,415
Net cash generated from/(used in) operating activities	<u>(2,311,274)</u>	<u>(6,941,786)</u>

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

(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE FIRST QUARTER ENDED 31 MARCH 2017**

(The figures have not been audited)

	<b>31.3.2017</b>	<b>(Audited) 31.12.2016</b>
	<b>RM</b>	<b>RM</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Interest received	31	111,499
Purchase of available-for-sale financial assets	-	(8,200,467)
Purchase of property, plant and equipment	-	(289,428)
Proceeds from disposal of available-for-sale financial assets	474,086	5,129,435
Proceeds from disposal of property, plant and equipment	-	-
Net cash (used in) / generated from investing activities	<u>474,117</u>	<u>(3,248,961)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Advances from a director	-	5,564,230
Interest paid	(112,374)	(513,915)
Withdrawal of fixed deposits pledged with licensed banks	-	1,766,536
Drawdown of bankers' acceptances and margin financing - net	1,395,373	1,320,744
Proceeds from allotment of shares	-	-
Repayment of obligation under finance leases and hire purchase	<u>(28,815)</u>	<u>(111,911)</u>
Net cash generated from financing activities	<u>1,254,184</u>	<u>8,025,684</u>
<b>NET CHANGES IN CASH AND CASH EQUIVALENTS</b>	<b>(582,973)</b>	<b>(2,165,063)</b>
<b>EFFECT OF FOREIGN EXCHANGE RATES CHANGES</b>	<b>(45,752)</b>	<b>181,292</b>
<b>CASH AND CASH EQUIVALENTS AS AT 1 JANUARY 2017</b>	<b><u>(2,153,059)</u></b>	<b><u>(169,288)</u></b>
<b>CASH AND CASH EQUIVALENTS AS AT 31 MARCH 2017</b>	<b><u>(2,781,784)</u></b>	<b><u>(2,153,059)</u></b>
Cash and cash equivalents at the balance sheet date comprise the following:		
Cash and bank balances	213,451	797,436
Bank overdraft (Note 21)	<u>(2,995,235)</u>	<u>(2,950,495)</u>
	<u>(2,781,784)</u>	<u>(2,153,059)</u>

The condensed consolidated income statements should be read in conjunction with the annual financial statements for the year ended 31 December 2016 and the accompanying explanatory notes attached to the interim financial statements

**EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS FOR THE FIRST QUARTER ENDED 31 MARCH 2017 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 31 December 2016 and the accompanying explanatory notes attached herein for a better understanding of changes in financial position and performance of the Group.

**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 31 December 2016.

**2.1 Adoption of Amendments and Annual Improvements to Standards**

On 1 January 2016, the Group adopted the following the following MFRS and Amendments to MFRSs issued by the Malaysian Accounting Standards Board, effective for annual periods beginning on or after 1 January 2016.

MFRS 14 - Regulatory Deferral Accounts  
Amendments to MFRS 10 Consolidated Financial Statements  
Amendments to MFRS 11 Joint Arrangements  
Amendments to MFRS 12 Disclosure of Interests in Other Entities  
Amendments to MFRS 101 Presentation of Financial Statements  
Amendments to MFRS 116 Property, Plant and Equipment  
Amendments to MFRS 127 Consolidated and Separate Financial Statements  
Amendments to MFRS 128 Investments in Associates and Joint Ventures  
Amendments to MFRS 138 Intangible Assets  
Amendments to MFRS 141 Agriculture  
Annual Improvements to MFRSs 2012 - 2014 Cycle

The adoption of the above MFRS and Amendments to MFRSs did not have any material impact on the financial statements of the Group.

**2.2 Standards issued but not yet effective**

**Effective for financial periods beginning on or after 1 January 2018**

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

**Effective for financial periods beginning on or after 1 January 2019**

MFRS 16 Leases



## 2. Significant Accounting Policies (Continued)

### 2.2 Standards issued but not yet effective (Continued)

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

#### MFRS 9 Financial Instruments : Classification and Measurement

MFRS 9 introduces new requirements for classification and measurement of financial assets, impairment of assets and hedge accounting. 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. MFRS 9 is effective for annual periods beginning on or after 1 January 2018. The Group does not expect a significant change to the measurement basis arising from the adoption of the new classification and measurement model under MFRS 9. Loans and receivables that are currently accounted for using amortised cost will continue to be accounted for using amortised cost model under MFRS 9.

#### 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 new standard will supersede all current revenue recognition requirements under MFRS. Either a full retrospective application or a modified retrospective application is required for annual periods beginning on or after 1 January 2018. Early adoption is permitted.

#### 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.

The new standard is effective for annual periods beginning on or after 1 January 2019, with early adoption permitted if MFRS 15 also applied.

### 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:

	Cumulative quarter	
	31.3.2017	31.3.2016
	RM	RM
Revenue	-	694,122
Cost of sale	-	(782,609)
Other Income	-	187,188
Expenses	(26,225)	(142,391)
Interest expenses	-	(2,800)
(Loss)/Profit before tax from assets held for sale	(26,225)	(46,490)
Income tax expense	-	-
(Loss)/Profit after tax from assets held for sale	(26,225)	(46,490)

Included in assets classified as held for sale in the Group Statements of Financial Position as at 31 March 2017 are :

	31.3.2017	Audited 31.12.2016
	RM	RM
Property, plant and equipment	5,846	7,234
Deferred tax assets	11,127	10,755
Inventories	1,505,954	1,455,479
Trade receivables	2,415,169	2,334,220
Other receivables	22,773	22,010
Cash & Bank Balances	768,754	742,988
Assets classified as held for sale	4,729,623	4,572,686

	31.3.2017	Audited 31.12.2016
	RM	RM
Trade payables	293,173	283,346
Other payables	915,810	860,651
Loans and borrowings	1,178,465	1,138,966
Foreign currency translation reserve	173,146	94,469
Liabilities classified as held for sale	2,560,594	2,377,432

### 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.

## 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 securities during the financial quarter and financial period under review.

## 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		Cumulative quarter	
	31.3.2017 RM	31.3.2016 RM	31.3.2017 RM	31.3.2016 RM
<b>Segment revenue</b>				
Malaysia	10,044,592	12,043,211	10,044,592	12,043,211
Overseas	-	-	-	-
Continued operations	10,044,592	12,043,211	10,044,592	12,043,211
Discontinued operation	-	694,122	-	694,122
Inter-segment elimination	-	-	-	-
External customers	10,044,592	12,737,333	10,044,592	12,737,333
<b>Results</b>				
<b>Operating results</b>				
Malaysia	299,248	(357,385)	299,248	(357,385)
Overseas	(61,847)	3,089,099	(61,847)	3,089,099
	237,401	2,731,714	237,401	2,731,714
Finance costs	(112,374)	(72,054)	(112,374)	(72,054)
Profit/(loss) before tax				
- Continued operation	125,027	2,659,660	125,027	2,659,660
Profit/(loss) before tax				
- Discontinued operation	(26,225)	(46,490)	(26,225)	(46,490)
Profit/(Loss) before tax	98,802	2,613,170	98,802	2,613,170

### By business segments:

	Individual quarter		Cumulative quarter	
	31.3.2017 RM	31.3.2016 RM	31.3.2017 RM	31.3.2016 RM
<b>Segment revenue</b>				
Engineering	10,044,592	12,043,211	10,044,592	12,043,211
ICT support services	-	-	-	-
Investment holding	-	-	-	-
Continued operations	10,044,592	12,043,211	10,044,592	12,043,211
Discontinued operation	-	694,122	-	694,122
Inter-segment elimination	-	-	-	-
External customers	10,044,592	12,737,333	10,044,592	12,737,333

**Results**

Operating results				
Engineering	698,034	2,383,733	698,034	2,383,733
Investment holding	(460,633)	347,981	(460,633)	347,981
	<u>237,401</u>	<u>2,731,714</u>	<u>237,401</u>	<u>2,731,714</u>
Finance costs	(112,374)	(72,054)	(112,374)	(72,054)
Profit/(Loss) before tax				
- Continued operations	125,027	2,659,660	125,027	2,659,660
Profit/(loss) before tax				
- Discontinued operation	(26,225)	(46,490)	(26,225)	(46,490)
Profit/(Loss) before tax	<u>98,802</u>	<u>2,613,170</u>	<u>98,802</u>	<u>2,613,170</u>

**10. Material subsequent events**

Other than those disclosed in Note 20, there were no material subsequent events during the period ended 31 March 2017.

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

On 30 January 2017, Bonanza Partners Sdn Bhd ("BPSB"), a wholly owned subsidiary of the Group increased its paid up capital from RM2 to RM10. With the increase, BPSB has become a 70% owned subsidiary of the Company while 30% is held by Halimuza Corporation Sdn Bhd.

The change in shareholding composition does not have any material impact on the net assets and earning of the Group.

Other than the above, there were no other material changes in the composition of the Group during the current financial quarter.

**12. Contingent liabilities**

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

	<b>RM</b>
<b>(a)</b> Secured :	
Performance and financial guarantees issued by the banks to third parties	<u>6,209,206</u>
<b>(b)</b> Unsecured	<b>RM</b>
Corporate guarantees given to licensed banks for credit facilities granted to subsidiaries	<u>31,500,000</u>
Corporate guarantees given to performance for project granted to subsidiaries	<u>43,042,826</u>

**13. Capital commitments**

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

**14. Significant related party transactions**

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

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

(Incorporated in Malaysia)

**ADDITIONAL INFORMATION PURSUANT TO THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD****15. Performance review****Continuing operations****Quarter and Period Ended 31 March 2017**

The Group recorded revenue of RM10.0 million for the current quarter under review, which is RM2.0 million or 16.6% lower than the corresponding quarter of RM12.0 million in the previous financial year mainly due to decrease in revenue from Engineering Division.

The Group posted profit before taxation of RM0.1 million, representing a decrease of RM2.5 million compared to the profit before tax of RM2.6 million for the corresponding quarter in the previous year.

**16. Material Change in Profit Before Taxation of Current Quarter Compared with Preceding Quarter****Continuing operations**

	Individual quarter	
	31.3.2017 RM	31.12.2016 RM
Revenue	10,044,592	11,990,562
Profit / ( Loss ) before taxation	125,027	(7,200,497)

The profit before taxation for the current quarter is higher by RM7.3 million.

**17. Current year prospects**

The Group is aware of the challenges ahead for the Engineering Division with the competition and current economic situation. In addition to the diversification into property segment, the Group will continue to explore other new opportunities 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.

**18. Profit forecast or profit guarantee**

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

## 19. Taxation

	Individual quarter		Cumulative quarter	
	31.3.2017	31.3.2016	31.3.2017	31.3.2016
	RM	RM	RM	RM
Income tax expense:				
Malaysian income tax				
- Current	724	54,144	724	54,144
- Under provision in prior year	-	-	-	-
Deferred Tax				
- Relating to origination and reversal of temporary differences	-	-	-	-
- Under provision in prior year	-	-	-	-
	<u>724</u>	<u>54,144</u>	<u>724</u>	<u>54,144</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.

## 20. Status of Corporate Proposals

- a) On 10 March 2017, the Company proposed to undertake a private placement of new ordinary shares in Metronic of up to ten percent (10%) of the total number of issued shares of the Company (excluding treasury shares) to third party investors. On 17 March 2017, Bursa Securities had approved the listing and quotation of up to 75,839,750 new Metronic shares to be issued pursuant to the Proposed Private Placement.

On 28 April 2017, 67,200,000 number of shares under the Proposed Private Placement were issued at the price of RM0.07 per share. With that, the issued and paid up share capital increased to 825,597,503 number of shares.

- b) On 13 March 2017, the final copy of the By-Laws of the Employees Share Option Scheme ("ESOS") was submitted to Bursa Securities, and accordingly the ESOS was effectively implemented. On 28 April 2017, the Company had offered a total of 123,839,625 number of shares at the option price of RM0.07 to eligible employees of Metronic in accordance with the By-Laws of the ESOS.

Subsequently on 5 May 2017, 61,428,560 number of shares were issued and listed under this ESOS. On 9 May 2017, another 62,111,065 number of shares were issued and listed. On 18 May 2017, another 300,000 number of shares were issued and listed.

Therefore with the above shares being issued and listed on Bursa Securities, the issued and paid up share capital increased to 949,437,128 number of shares.

## 21. Borrowings

	31.3.2017
	RM
<b>Current</b>	
Secured borrowings	
Bank overdraft	2,995,235
Bankers' acceptances	3,023,498
Hire purchase	117,267
Margin Financing	<u>628,816</u>
	6,764,816
<b>Non - Current</b>	
Secured borrowings	
Hire purchase	117,144
Total	<u>6,881,960</u>

All loans and borrowings are denominated in Ringgit Malaysia ("RM").

## 22. Proposed Dividend

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

## 23. Earnings per share

	Individual quarter		Cumulative quarter	
	31.3.2017	31.3.2016	31.3.2017	31.3.2016
	RM	RM	RM	RM
Profit / (Loss) attributable to ordinary equity owners of the parent				
- Continuing operations	124,303	2,605,516	124,303	2,605,516
- Discontinued operations	(22,158)	(41,376)	(22,158)	(41,376)
	<u>102,145</u>	<u>2,564,140</u>	<u>102,145</u>	<u>2,564,140</u>
Weighted average number of ordinary shares in issue	758,397,503	758,397,503	758,397,503	758,397,503
Basic earnings per share (sen)				
- Continuing operations	0.02	0.34	0.02	0.34
- Discontinued operations	-	(0.01)	-	(0.01)
	<u>0.02</u>	<u>0.33</u>	<u>0.02</u>	<u>0.33</u>

The Group does not have in issue any financial instrument or other contract that may entitle its holder to ordinary shares and which may dilute its basic earnings per share

## 24. Profit/(Loss) for the period

	Individual quarter		Cumulative quarter	
	31.3.2017	31.3.2016	31.3.2017	31.3.2016
	RM	RM	RM	RM
<b>After charging/(crediting):</b>				
Auditors' remuneration	27,039	25,000	27,039	25,000
Bad debt written off	43,602	-	43,602	-
Compensation received	-	-	-	-
Depreciation of investment properties	1,408	-	1,408	-
Depreciation of property, plant and equipment	202,319	121,920	202,319	121,920
Directors' fee	22,500	28,500	22,500	28,500
(Gain) / Loss on foreign exchange				
- realised	-	-	-	-
- unrealised	16,217	-	16,217	-
(Gain) / Loss on disposal of				
- available-for-sale financial assets	(1,026)	-	(1,026)	-
- property, plant and equipment	-	-	-	-
Impairment loss on disposal of subsidiary	-	-	-	-
Impairment loss on legal case	-	-	-	-
Impairment loss / (reversal) on investment in				
- Quoted shares	(159,613)	-	(159,613)	-
- Unquoted shares	-	1,090,646	-	1,090,646
Interest expenses	112,374	72,054	112,374	72,054
Interest income	(31)	(19)	(31)	(19)
Investment written off	-	-	-	-
Provision for financial guarantee no longer required	-	-	-	-
Provision for slow moving inventory	-	-	-	-
Rental expenses	27,250	38,557	27,250	38,557
Reversal of impairment loss of receivables	(37,352)	-	(37,352)	-
Staff cost	<u>2,433,441</u>	<u>2,552,363</u>	<u>2,433,441</u>	<u>2,552,363</u>

## 25. Audit Report

The auditors' report on Group's financial statements for the year ended 31 December 2016 was not qualified.

## 26. 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 31 May 2017.

## 27. 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:

	<b>31.3.2017</b>	<b>31.3.2016</b>
	<b>RM</b>	<b>RM</b>
Total accumulated losses		
- Realised	(58,118,680)	(27,513,321)
- Unrealised	3,164,756	7,283,689
	<u>(54,953,924)</u>	<u>(20,229,632)</u>
Less: Consolidation adjustments	17,986,551	(9,270,777)
Accumulated loss as per consolidated accounts	<u>(36,967,373)</u>	<u>(29,500,409)</u>