



METRONIC GLOBAL BERHAD

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

INTERIM FINANCIAL STATEMENTS

FOR THE QUARTER ENDED

31 DECEMBER 2018

METRONIC GLOBAL BERHAD (632068-V)

(Incorporated in Malaysia)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF PROFIT AND LOSS
FOR THE SECOND QUARTER ENDED 31 DECEMBER 2018**

(The figures have not been audited)

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter RM	Preceding Year Corresponding RM	Current Year To Date RM	Preceding Year Corresponding RM
Continuing operations				
Revenue	6,792,277	N/A	11,007,606	N/A
Cost of sales	(4,621,087)	N/A	(6,683,405)	N/A
Gross profit	2,171,190	N/A	4,324,201	N/A
Other income	227,120	N/A	241,275	N/A
Administration expenses	(483,486)	N/A	(1,063,418)	N/A
Other operating expenses	(3,582,515)	N/A	(6,651,276)	N/A
Profit from operations	(1,667,691)	N/A	(3,149,219)	N/A
Finance costs	(127,272)	N/A	(260,123)	N/A
Profit/(Loss) before taxation	(1,794,962)	N/A	(3,409,342)	N/A
Income tax expense	-	N/A	-	N/A
Profit / (Loss) for the period from				
- continuing operations	(1,794,962)	N/A	(3,409,342)	N/A
- discontinued operations	(24,242)	N/A	(46,770)	N/A
Net profit/(loss) for the period	(1,819,204)	N/A	(3,456,112)	N/A
Net profit/(loss) attributable to:				
Owners of the parent	(1,816,537)	N/A	(3,425,244)	N/A
Non controlling interest	(2,667)	N/A	(30,868)	N/A
	(1,819,204)	N/A	(3,456,112)	N/A
Basic earning / (loss) per share attributable to equity holders of the Company (sen):				
- continuing operations	(0.56)	N/A	(1.06)	N/A
- discontinued operations	(0.01)	N/A	(0.01)	N/A

Following the change of financial year end from 31 December to 30 June, 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 SECOND QUARTER ENDED 31 DECEMBER 2018**

	<u>Individual Quarter</u>		<u>Cumulative Quarter</u>	
	Current Year Quarter	Preceding Year Corresponding	Current Year To Date	Preceding Year Corresponding
	RM	RM	RM	RM
Net profit from:				
- continuing operations	(1,794,962)	N/A	(3,409,342)	N/A
- discontinued operations	(24,242)	N/A	(46,770)	N/A
Net profit for the period	(1,819,204)	N/A	(3,456,112)	N/A
Other comprehensive income / (expense) :				
Foreign currency translation	16,141	N/A	113,069	N/A
Other comprehensive income/(expense) for the period, net of tax	16,141	N/A	113,069	N/A
Total comprehensive income/(expense) for the period, net of tax	(1,803,063)	N/A	(3,343,043)	N/A
Total comprehensive income/(expense) attributable to:				
Owners of the parent	(1,800,396)	N/A	(3,312,175)	N/A
Non-controlling interests	(2,667)	N/A	(30,868)	N/A
	(1,803,063)	N/A	(3,343,043)	N/A

Following the change of financial year end, 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 31 DECEMBER 2018**

	As at 31.12.2018 RM	(Audited) As at 30.06.2018 RM
ASSETS		
NON-CURRENT ASSETS		
Property, plant and equipment	9,013,521	9,083,823
Investment properties	16,280,413	16,278,373
Land held for property development	5,850,000	5,850,000
Available-for-sale financial assets	5,502,772	7,534,438
Deferred tax assets	4,161,179	4,161,179
	<u>40,807,885</u>	<u>42,907,813</u>
CURRENT ASSETS		
Property development cost	16,675,478	16,673,595
Inventories	1,762,665	1,811,239
Trade receivables	8,709,463	9,884,115
Amount owing by contract customers	7,807,839	9,821,853
Other receivables and deposits	5,381,842	7,184,052
Short term deposits	11,610,614	11,717,682
Cash and bank balances	428,906	516,957
Asset of disposal company classified as held for sale	2,287,221	2,271,821
	<u>54,664,028</u>	<u>59,881,314</u>
TOTAL ASSETS	<u>95,471,913</u>	<u>102,789,127</u>
EQUITY AND LIABILITIES		
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	(257,251)	(366,407)
Accumulated losses	(44,319,644)	(36,993,153)
Equity attributable to owners of the parent	<u>63,651,918</u>	<u>70,869,253</u>
Non-controlling interests	<u>71,947</u>	<u>102,815</u>
TOTAL EQUITY	<u>63,723,865</u>	<u>70,972,068</u>
CURRENT LIABILITIES		
Trade payables	7,349,621	4,573,353
Other payables	19,724,928	19,831,847
Finance lease liabilities	23,798	30,265
Loans and borrowings	2,574,656	5,322,532
	<u>29,673,003</u>	<u>29,757,997</u>
Liabilities of disposal company classified as held for sale	2,075,045	2,059,062
TOTAL LIABILITIES	<u>31,748,048</u>	<u>31,817,059</u>
TOTAL EQUITY AND LIABILITIES	<u>95,471,913</u>	<u>102,789,127</u>
NET ASSET PER SHARE	0.20	0.22

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 FIRST SECOND QUARTER ENDED 31 DECEMBER 2018**

	<----->		Attributable to owners of the parent				<----->	
	<----->		<----->		<----->		<----->	
	Non-distributable reserve		Distributable reserve		Distributable reserve		Non-controlling interests	
	Share capital RM	Revaluation 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	<u>89,877,524</u>	<u>17,665,591</u>	<u>685,698</u>	<u>(366,407)</u>	<u>(36,993,153)</u>	<u>70,869,253</u>	<u>102,815</u>	<u>70,972,068</u>
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
Total comprehensive income	-	-	-	109,156	(3,425,244)	(3,316,088)	(30,868)	(3,346,956)
Effect of adoption of MFRS 9 (Note 15)	-	-	-	-	(3,901,247)	(3,901,247)	-	(3,901,247)
As at 31 December 2018	<u>89,877,524</u>	<u>17,665,591</u>	<u>685,698</u>	<u>(257,251)</u>	<u>(44,319,644)</u>	<u>63,651,918</u>	<u>71,947</u>	<u>63,723,865</u>

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 SECOND QUARTER ENDED 31 DECEMBER 2018**

(The figures have not been audited)

	6 Months Ended 31.12.2018 RM	Preceding Year To Date RM
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit/(loss) before taxation from:		
Continuing operations	(3,409,342)	N/A
Profit / (Loss) from assets held for sale	(46,770)	N/A
Adjustments for:		
Depreciation of investment properties	2,815	N/A
Depreciation of property, plant and equipment	181,992	N/A
(Gain) / Loss on unrealised foreign exchange	6,432	N/A
Impairment loss / (reversal) on available-for-sale financial assets		
- Quoted equity	1,754,091	N/A
Bad debt recovered	24,589	N/A
Finance costs	260,123	N/A
Interest income	(57,267)	N/A
Operating profit before working capital changes	<u>(1,206,698)</u>	<u>N/A</u>
Changes in working capital:		
Inventories	48,574	N/A
Receivables	(1,174,652)	N/A
Other receivables	211,804	N/A
Property development costs	(1,883)	N/A
Payables	2,768,442	N/A
Other payables	1,106,919	N/A
Net cash generated from/(used in) operations	<u>1,752,506</u>	<u>N/A</u>
Tax paid	-	N/A
Tax refund	-	N/A
Net cash generated from/(used in) operating activities	<u>1,752,506</u>	<u>N/A</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	57,267	N/A
Purchase of property, plant and equipment	<u>(45,927)</u>	<u>N/A</u>
Net cash (used in) / generated from investing activities	<u>11,340</u>	<u>N/A</u>

METRONIC GLOBAL BERHAD (632068-V)

(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE SECOND QUARTER ENDED 31 DECEMBER 2018**

(The figures have not been audited)

	6 Months Ended 31.12.2018 RM	Preceding Year To Date RM
CASH FLOWS FROM FINANCING ACTIVITIES		
Interest paid	(260,123)	N/A
Repayment of bank borrowings	(787,912)	N/A
Repayment of obligation under finance leases and hire purchase	(6,467)	N/A
Withdrawal of fixed deposits	107,068	
Net Drawdown/(Repayment) of margin facilities	(712,493)	N/A
Net cash generated from financing activities	<u>(1,659,927)</u>	<u>N/A</u>
NET CHANGES IN CASH AND CASH EQUIVALENTS	103,919	N/A
EFFECT OF FOREIGN EXCHANGE RATES CHANGES	113,069	N/A
CASH AND CASH EQUIVALENTS AS AT 1 JULY 2018	516,957	N/A
FIXED DEPOSITS	11,717,682	
CASH AND CASH EQUIVALENTS AS AT 31 DECEMBER 2018	<u>12,451,627</u>	<u>N/A</u>
Cash and cash equivalents at the balance sheet date comprise the following:		
Cash and bank balances	428,906	N/A
Fixed deposits balances	11,610,614	
Bank overdraft	412,107	N/A
	<u>12,451,627</u>	<u>N/A</u>

Following the change of financial year end, 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 SECOND QUARTER ENDED 31 DECEMBER 2018 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 31.12.2018 RM	Cumulative Quarter Current Period To Date 31.12.2018 RM
Revenue	-	-
Cost of sale	-	-
Other Income	-	-
Expenses	(46,770)	(46,770)
Interest expenses	-	-
(Loss)/Profit before tax from assets held for sale	<u>(46,770)</u>	<u>(46,770)</u>
Income tax expense	-	-
(Loss)/Profit after tax from assets held for sale	<u>(46,770)</u>	<u>(46,770)</u>

Included in assets classified as held for sale in the Group Statements of Financial Position as at 31 December 2018 are :

	Unaudited As at 31.12.2018 RM	Audited As at 30.06.2018 RM
Property, plant and equipment	806	800
Deferred tax assets	9,655	9,590
Inventories	653,361	648,962
Trade receivables	1,047,826	1,040,771
Other receivables	19,760	19,627
Cash & Bank Balances	555,813	552,071
Assets classified as held for sale	<u>2,287,221</u>	<u>2,271,821</u>

	Unaudited As at 31.12.2018 RM	Audited As at 30.06.2018 RM
Trade payables	254,387	252,674
Other payables	798,099	790,714
Loans and borrowings	1,022,559	1,015,674
Liabilities classified as held for sale	<u>2,075,045</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.

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 other 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 Current Period Quarter 31.12.2018 RM	Cumulative Quarter Current Period To Date 31.12.2018 RM
Segment revenue		
Total revenue	6,792,277	11,007,606
Inter-segment elimination	-	-
Continued operations	<u>6,792,277</u>	<u>11,007,606</u>
Results		
Operating results		
Malaysia	(1,643,448)	(3,102,449)
Overseas	-	-
	<u>(1,643,448)</u>	<u>(3,102,449)</u>
Finance costs	(127,272)	(260,123)
Profit/(loss) before tax		
- Continued operation	(1,770,720)	(3,362,572)
Profit/(loss) before tax		
- Discontinued operation	(24,242)	(46,770)
Profit/(loss) before tax	<u>(1,794,962)</u>	<u>(3,409,342)</u>

By business segments:

	Individual Quarter Current Period Quarter 31.12.2018 RM	Cumulative Quarter Current Period To Date 31.12.2018 RM
Segment revenue		
Engineering	6,792,277	11,007,606
Total revenue	<u>6,792,277</u>	<u>11,007,606</u>
Inter-segment elimination	-	-
Continued operations	6,792,277	11,007,606
Discontinued operation	-	-
External customers	<u>6,792,277</u>	<u>11,007,606</u>

9. Segmental information (continue)

	Individual Quarter Current Period Quarter 31.12.2018 RM	Cumulative Quarter Current Period To Date 31.12.2018 RM
Results		
Operating results		
Engineering	(1,628,360)	(3,008,801)
Investment holding	(15,088)	(93,647)
	<u>(1,643,448)</u>	<u>(3,102,449)</u>
Finance costs	<u>(127,272)</u>	<u>(260,123)</u>
Profit/(Loss) before tax		
- Continued operations	(1,770,720)	(3,362,572)
Profit/(loss) before tax		
- Discontinued operation	(24,242)	(46,770)
Profit/(Loss) before tax	<u>(1,794,962)</u>	<u>(3,409,342)</u>

10. Material subsequent events

Other than those disclosed in Note 22, there were no material subsequent events after the period ended 31 December 2018.

11. Changes in the composition of the Group

There is no 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:

(a) Secured	RM
Performance and financial guarantees issued by the banks to third parties	<u>4,512,712</u>
(b) Unsecured	RM
Corporate guarantees given to licensed banks for credit facilities granted to subsidiaries	<u>35,800,000</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.

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 :

<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 31 December 2018

The Group recorded revenue of RM6.8 million and RM11.0 million for the current quarter and cumulative period under review respectively.

The Group posted loss before taxation of RM1.8 million and RM3.4 million for the current quarter and cumulative periodquarter were impacted by a provision for impairment of assets held for sales of RM1.1 million and RM1.7 million that were recognised in the reporting period respectively.

There is no comparison made against the corresponding 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:

	Individual Period (2nd quarter)		Changes (Amount%)	Cumulative Period		Changes (Amount%)
	Current Year Quarter	Preceding Year Corresponding Quarter		Current Year To- Date	Preceding Year Corresponding Period	
	RM	31/12/18		31/12/18		
Revenue	6,792,277	N/A	N/A	11,007,606	N/A	N/A
Operating Profit	(1,667,691)	N/A	N/A	(3,149,219)	N/A	N/A
Profit/(Loss) Before Interest & Tax	(1,794,962)	N/A	N/A	(3,409,342)	N/A	N/A
Profit/(Loss) Before Tax	(1,794,962)	N/A	N/A	(3,409,342)	N/A	N/A
Profit/(Loss) After Tax	(1,819,204)	N/A	N/A	(3,456,112)	N/A	N/A
Profit/(Loss) Attributable to Ordinary Equity Holders of the Parent	(1,816,537)	N/A	N/A	(3,425,244)	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 RM1.8 million as opposed to a loss before tax of RM1.6 million in the preceding quarter.

The Group's performance for the current quarter was impacted by provision for impairment of assets held for sale amounting to RM1.1 million, as opposed to RM0.6 million in the preceding quarter.

The summary analysis is as follows:

	Current Quarter 31/12/18	Immediate Preceding Quarter 30/09/18	Changes (Amount%)
Revenue	6,792,277	4,215,329	61%
Operating Profit	(1,667,691)	(1,481,528)	13%
Profit/(Loss) Before Interest & Tax	(1,794,962)	(1,614,380)	11%
Profit/(Loss) Before Tax	(1,794,962)	(1,614,380)	11%
Profit/(Loss) After Tax	(1,819,204)	(1,636,908)	11%
Profit/(Loss) Attributable to Ordinary Equity Holders of the Parent	(1,816,537)	(1,608,707)	13%

18. 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's balance order book is stood at RM83 million and the Group is presently tendering contracts totalling RM91.4 million.

The Group also undertakes 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

	Individual Current Period Quarter 31.12.2018 RM	Cumulative Current Period To Date 31.12.2018 RM
Income tax expense:		
Malaysian income tax		
- Current	-	-
- Under provision in prior year	-	-
Deferred Tax		
- Relating to origination and reversal of temporary differences	-	-
- Under provision in prior year	-	-
	<hr/> <hr/>	<hr/> <hr/>

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 15 June 2017, the Group announced its proposal - the proposed share consolidation and rights issue exercise. The proposal among others involve the proposed consolidation of every three (3) ordinary share into one (1) and the proposed renounceable rights issue of up to 645,342,048 new Company's shares together with up to 484,006,536 free detachable warrants on the basis of four (4) rights shares together with three (3) free warrants for every two (2) existing shares held by the entitled shareholders on an entitlement date to be determined.

The approval from shareholders was obtained in the Extraordinary General Meeting on 29 November 2018.

The Share Consolidation exercise has been completed with the listing and quotation of the Consolidated Shares on the Main Market of Bursa Securities on 27 December 2018.

The Company, on 8 January 2019, has obtained approval from Bursa Securities for an extension of time of 6 months from 18 January 2019 up to 18 July 2019 to implement and complete the Rights Issue with Warrants exercise.

22. Material Litigations

a) Metronic Engineering Sdn Bhd ("MESB"), the wholly owned subsidiary of the Company, has commenced an Adjudication proceeding under Construction Industry Payment and Adjudication Act 2012 ("CIPAA") against Ahmad Zaki Resources Bhd ("AZRB") for a claim amounting to SAR4,757,608.53 ("CIPAA Payment Claim"). The CIPAA Payment Claim is in relation to disputes over non-payment for works done and costs incurred by MESB for Al Faisal University Campus Development Project, Riyadh, Kingdom of Saudi Arabia.

MESB, through the appointed adjudication consultant, had submitted the claim to the appointed Adjudicator on 15 February 2018.

On 7 June 2018, the Adjudicator has determined for AZRB to pay MESB the following within 30 days:-

- i. the sum of SAR4,733,587.59;
- ii. five percent (5%) per annum of interest on SAR4,155,881.67 (Balance Amount in Progress Claim 22) from 14 July 2011 until full settlement;
- iii. five percent (5%) of interest on SAR577,706.01 (Balance amount in Payment Certificate No. 19) from 30 November 2009 until full settlement;
- iv. all Kuala Lumpur Regional Center for Arbitration fees incurred by MESB pursuant to this adjudication including 6% GST charges and permissible disbursements; and
- v. party to party costs of RM60,000.

AZRB, on 28 June 2018, had served MESB an Originating Summons for a setting aside of the Adjudication Decision and stay of application. On 18 July 2018, MESB had filed and served the Originating Summons for leave to register and enforce the Adjudication Decision as a High Court Judgement.

MESB on 23 January 2019, entered into Settlement Agreement with AZRB. The parties have withdrawn all applications and legal proceedings against each other.

22. Material Litigations (continue).

b) The Company and its wholly owned subsidiary, Metronic Integrated System Sdn Bhd ("the Defendants" or collectively referred as "the Companies") has been served a writ of summon bt 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 th 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 Hogh 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 till 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 had approved the Company's application for stay of execution until the appeal is being heard by the High Court on 19 February 2019.

The Court, on 19 February 2019, adjourned the hearing to 4 April 2019 and directed parties to file additional written submission.

23. Borrowings

The Group's total borrowing as at 31 December 2018 stood at RM2.5 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:

	<i>As at 2nd quarter ended 31 December 2018</i>					
	Long Term		Short term		Total borrowings	
	<i>Foreign denomination</i>	<i>RM denomination</i>	<i>Foreign denomination</i>	<i>RM denomination</i>	<i>Foreign denomination</i>	<i>RM denomination</i>
<u>Secured borrowings</u>						
Bank overdraft	-	-	-	412,107	-	412,107
Bankers' acceptances	-	-	-	927,245	-	927,245
Margin Financing	-	-	-	1,235,304	-	1,235,304
Sub-Total	-	-	-	2,574,656	-	2,574,656
<u>Un-Secured borrowings</u>						
Nil	-	-	-	-	-	-
Sub-Total	-	-	-	-	-	-
Total	-	-	-	2,574,656	-	2,574,656

	<i>As at 6th quarter ended 30 June 2018 (audited)</i>					
	Long Term		Short term		Total borrowings	
	<i>Foreign denomination</i>	<i>RM denomination</i>	<i>Foreign denomina</i>	<i>RM denomination</i>	<i>Foreign denomination</i>	<i>RM denomination</i>
<u>Secured borrowings</u>						
Bank overdraft	-	-	-	2,180,570	-	2,180,570
Bankers' acceptances	-	-	-	1,194,166	-	1,194,166
Margin Financing	-	-	-	1,947,797	-	1,947,797
Sub-Total	-	-	-	5,322,533	-	5,322,533
<u>Un-Secured borrowings</u>						
Nil	-	-	-	-	-	-
Sub-Total	-	-	-	-	-	-
Total	-	-	-	5,322,533	-	5,322,533

24. Proposed Dividend

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

25. Earnings per share

	Individual Quarter Current Period Quarter 31.12.2018 RM	Cumulative Quarter Current Period To 31.12.2018 RM
Profit / (Loss) attributable to ordinary equity owners of the parent		
- Continuing operations	(1,794,962)	(3,409,342)
- Discontinued operations	(24,242)	(46,770)
	<u>(1,819,204)</u>	<u>(3,456,112)</u>
Weighted average number of ordinary shares in issue	320,912,376	320,912,376
Basic earnings per share (sen)		
- Continuing operations	(0.56)	(1.06)
- Discontinued operations	(0.01)	(0.01)
	<u>(0.57)</u>	<u>(1.07)</u>

On 26 December 2018, the Group has completed share consolidation exercise whereby 3 Ordinary Shares consolidated into 1 share

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.

26. Profit/(Loss) for the period

	Individual Current Period Quarter 31.12.2018 RM	Cumulative Current Period To 31.12.2018 RM
After charging/(crediting):		
Auditors' remuneration	29,313	60,253
Bad debts recovered	24,589	24,589
Depreciation of investment properties	1,408	2,815
Depreciation of property, plant and equipment	97,553	181,992
Directors' fee	39,268	78,583
(Gain) / Loss on foreign exchange		
- realised	513	6,432
Provision for impairment loss on available for sale financial asset		
- Quoted shares	1,103,064	1,754,091
Interest expenses	127,271	260,123
Interest income	54,736	57,267
Staff cost	2,151,970	4,319,142

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 28 February 2019.