



METRONIC GLOBAL BERHAD

Company No. : 200301029648 (632068-V)
(Incorporated in Malaysia)

INTERIM FINANCIAL STATEMENTS

FOR THE QUARTER ENDED

30 SEPTEMBER 2021

METRONIC GLOBAL BERHAD 200301029648 (632068-V)

(Incorporated in Malaysia)

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF PROFIT AND LOSS FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2021

(The figures have not been audited)

	NOTE	Individual Quarter		Cumulative Quarter	
		Current Year Quarter	Preceding Year Corresponding Quarter	Current Year To Date	Preceding Year Corresponding Quarter
		30.09.2021 RM	30.09.2020 RM	30.09.2021 RM	30.09.2020 RM
Continuing operations					
Revenue	9	6,806,897	5,502,231	6,806,897	5,502,231
Cost of sales		(4,838,013)	(3,181,449)	(4,838,013)	(3,181,449)
Gross profit		1,968,885	2,320,782	1,968,885	2,320,782
Other income		473,300	3,689,547	473,300	3,689,547
Administration expenses		(661,650)	(515,536)	(661,650)	(515,536)
Other operating expenses		(1,688,462)	(1,967,534)	(1,688,462)	(1,967,534)
Profit / (Loss) from operations		92,073	3,527,259	92,073	3,527,259
Finance costs		(170,013)	(141,648)	(170,013)	(141,648)
Profit / (Loss) before taxation		(77,940)	3,527,259	(77,940)	3,527,259
Income tax expense		-	(141,648)	-	(141,648)
Profit / (Loss) for the period from					
- continuing operations		(77,940)	3,385,611	(77,940)	3,385,611
- discontinued operations		-	(20,451)	-	(20,451)
Profit / (Loss) for the period	25	(77,940)	3,365,160	(77,940)	3,365,160
Profit / (Loss) attributable to:					
Owners of the parent		(75,927)	3,393,076	(75,927)	3,393,076
Non controlling interest		(2,013)	(27,916)	(2,013)	(27,916)
		(77,940)	3,365,160	(77,940)	3,365,160

The condensed Consolidated Statement of Profit and Loss should be read in conjunction with the annual financial statements for the year ended 30 June 2021 and the accompanying explanatory notes attached to the interim financial statements.

METRONIC GLOBAL BERHAD 200301029648 (632068-V)

(Incorporated in Malaysia)

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF PROFIT AND LOSS FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2021

	<u>Individual Quarter</u>		<u>Cumulative Quarter</u>	
	Current Year Quarter 30.09.2021 RM	Preceding Year Corresponding Quarter 30.09.2020 RM	Current Year To Date 30.09.2021 RM	Preceding Year Corresponding Quarter 30.09.2020 RM
Net Profit / (Loss) from:				
- continuing operations	(77,940)	3,385,612	(77,940)	3,385,612
- discontinued operations	-	(20,451)	-	(20,451)
Net Profit / (Loss) for the period	(77,940)	3,365,161	(77,940)	3,365,161
Other comprehensive income / (expense) :				
Changes in fair value of investment	-	-	-	-
Foreign currency translation	(46)	(181,739)	(46)	(181,739)
Other comprehensive income/(expense) for the period, net of tax	(46)	(181,739)	(46)	(181,739)
Total comprehensive income/(expense) for the period, net of tax	(77,986)	3,183,422	(77,986)	3,183,422
Total comprehensive income/(expense) attributable to:				
Owners of the parent	(75,973)	3,211,337	(75,973)	3,211,337
Non-controlling interests	(2,013)	(27,915)	(2,013)	(27,915)
	(77,986)	3,183,422	(77,986)	3,183,422
Basic / diluted earning / (loss) per share attributable to equity holders of the Company (sen):				
- continuing operations	(0.01)	0.41	(0.01)	0.41
- discontinued operations	-	-	-	-

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.

The condensed Consolidated Statement of Other Comprehensive Income should be read in conjunction with the annual financial statements for the year ended 30 June 2021 and the accompanying explanatory notes attached to the interim financial statements.

METRONIC GLOBAL BERHAD 200301029648 (632068-V)
(Incorporated in Malaysia)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT
30 SEPTEMBER 2021**

		As at 30.09.2021	(Audited) As at 30.06.2021
	NOTE	RM	RM
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment		9,793,843	9,840,981
Investment properties		3,424,061	3,425,469
Intangible assets		24,192,472	24,149,272
Available-for-sale financial assets		4,869,183	2,756,174
Other Investment		1,224,211	1,224,211
Deferred tax assets		3,555,609	3,555,609
		<u>47,059,378</u>	<u>44,951,716</u>
CURRENT ASSETS			
Property development cost		26,465,680	12,565,680
Inventories		254,900	254,813
Trade receivables		9,142,457	9,925,513
Amount owing by contract customers		15,333,789	13,590,975
Other receivables and deposits		8,651,627	3,314,631
Amount due from associate company		288,312	171,378
Fixed deposits balances		69,383,758	68,518,791
Cash and bank balances		100,118	9,305,781
Asset of disposal company classified as held for sale		-	-
		<u>129,620,641</u>	<u>117,647,562</u>
TOTAL ASSETS		<u>176,680,019</u>	<u>162,599,278</u>
EQUITY AND LIABILITIES			
Share capital		191,090,773	188,881,025
Fair value reserve		(248,540)	(248,540)
Revaluation reserve		5,669,118	5,669,118
Warrant reserve		16,796,442	16,796,442
Shares grant reserve		-	-
Foreign currency translation reserve		(614,507)	(614,553)
Accumulated losses		(93,148,438)	(93,072,511)
Equity attributable to owners of the parent		<u>119,544,848</u>	<u>117,410,981</u>
Non-controlling interests		<u>(37,640)</u>	<u>116,454</u>
TOTAL EQUITY		<u>119,507,207</u>	<u>117,527,435</u>
NON-CURRENT LIABILITIES			
Finance lease liabilities		207,081	213,205
Loans and borrowings		-	-
		<u>207,081</u>	<u>213,205</u>
CURRENT LIABILITIES			
Trade payables		13,850,174	17,649,866
Other payables		33,098,756	19,458,800
Finance lease liabilities		24,924	24,924
Current tax liabilities		43,752	132,417
Loans and borrowings	22	9,948,124	7,592,630
		<u>56,965,730</u>	<u>44,858,637</u>
TOTAL LIABILITIES		<u>57,172,812</u>	<u>45,071,843</u>
TOTAL EQUITY AND LIABILITIES		<u>176,680,019</u>	<u>162,599,278</u>
NET ASSET PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY			
		0.06	0.07

The condensed Consolidated Statement of Financial Position should be read in conjunction with the annual financial statements for the year ended 30 June 2021 and the accompanying explanatory notes attached to the interim financial statements

METRONIC GLOBAL BERHAD 200301029648 (632068-V)
(Incorporated in Malaysia)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF PROFIT AND LOSS FOR THE FIRST QUARTER
ENDED 30 SEPTEMBER 2021**

	Attributable to owners of the parent									
	←					→				
	30.09.2021					30.09.2021				
	Share capital	Fair value reserve	Revaluation reserve	Warrant reserve	ESOS reserve	Foreign currency translation reserve	Accumulated losses	Total	Non-controlling interests	Total equity
	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM
As at 1 July 2020	133,680,926	(248,540)	5,669,118	16,797,466	-	(414,039)	(72,625,409)	82,859,522	(120,768)	82,738,754
Acquisition of subsidiary										
Total comprehensive income									304,720	304,720
Foreign currency translation differences				(1,024)		(200,514)	(20,447,102)	(20,448,126)	(67,498)	(20,515,625)
Issue of private placements	49,536,441							49,536,441		(200,514)
Warrant exercised	3,023							3,023		49,536,441
ESOS granted					854,833			854,833		3,023
ESOS exercised	5,660,635				(854,833)			4,805,802		854,833
As at 30 June 2021	188,881,025	(248,540)	5,669,118	16,796,442	-	(614,553)	(93,072,511)	117,410,981	116,454	117,527,434
Total comprehensive income	-	-	-	-	-	-	(75,927)	(75,927)	(154,001)	(229,929)
Issuance new share under ESOS	-	-	-	-	-	(46)	-	(47)	-	(47)
Foreign currency translation differences	2,209,749	-	-	-	-	-	-	2,209,749	-	2,209,749
Issue of private placements	-	-	-	-	-	-	-	-	-	-
Warrant exercised	-	-	-	-	-	-	-	-	-	-
Transfer of ESOS reserve upon exercised	-	-	-	-	-	-	-	-	-	-
As at 30 September 2021	191,090,774	(248,540)	5,669,118	16,796,442	-	(614,599)	(93,148,438)	119,544,755	(37,547)	119,507,207

The condensed Consolidated Statement of Changes in Equity should be read in conjunction with the annual financial statements for the year ended 30 June 2020 and the accompanying explanatory notes attached to the interim financial statements

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF PROFIT AND LOSS FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2021

(The figures have not been audited)

		3 Months Ended	3 Months Ended
		30.09.2021	30.09.2020
CASH FLOWS FROM OPERATING ACTIVITIES	NOTE	RM	RM
Profit / (Loss) before taxation from:			
Continuing operations			
Profit / (Loss) from assets held for sale		(77,940)	3,385,612
Adjustments for:			
Depreciation of investment properties	25	1,408	1,408
Depreciation of property, plant and equipment	25	47,138	60,012
Government subsidy		-	96,700
(Gain) / Loss on unrealised foreign exchange	25	-	131
Reversal / (Impairment) of impairment loss of quoted shares	25	-	3,087,741
Finance costs	25	170,013	141,648
Interest income	25	<u>(300,015)</u>	<u>(470,328)</u>
Operating loss before working capital changes		(159,397)	6,309,305
Changes in working capital:			
Inventories		(88)	203,824
Contract customer		(1,742,814)	899,511
Trade and other receivables		(4,553,941)	2,273,326
Property development costs		(900,000)	(1,504,943)
Trade and other payables		<u>(2,633,034)</u>	<u>(1,957,164)</u>
Net cash used in operations		(9,989,274)	6,223,859
Tax paid		(88,665)	
Interest paid		170,013	141,648
Net cash used in operating activities		<u>(9,907,927)</u>	<u>6,365,507</u>
 CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received		300,015	470,328
Increase in other investment and intangible assets		(2,156,208)	-
Purchase of property, plant and equipment		-	(199,000)
Proceed from disposal of fair value through profit or loss financial assets		-	<u>1,423,590</u>
Net cash used in investing activities		<u>(1,856,193)</u>	<u>1,694,918</u>

The condensed Consolidated Cash Flow Statement should be read in conjunction with the audited financial statements for the year ended 30 June 2021 and the accompanying explanatory notes.

METRONIC GLOBAL BERHAD 200301029648 (632068-V)
(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2021 (CONT)**

(The figures have not been audited)

	3 Months Ended 30.09.2021	3 Months Ended 30.09.2020
NOTE	RM	RM
CASH FLOWS FROM FINANCING ACTIVITIES		
Interest paid	(170,013)	(141,648)
Issuance of share capital	2,209,749	
Net drawdown / (repayment) of bank borrowings	(2,769,970)	1,989,750
Other advances	(100,760)	
(Placements) / Withdrawal of fixed deposits	(864,967)	
Repayment of finance leases	(6,125)	(719,004)
Net Drawdown/(Repayment) of margin facilities	138,294	963,960
Net cash generated from financing activities	<u>(1,563,793)</u>	<u>2,093,058</u>
NET CHANGES IN CASH AND CASH EQUIVALENTS	(13,327,913)	10,153,482
EFFECT OF FOREIGN EXCHANGE RATES CHANGES	46	(181,739)
CASH AND CASH EQUIVALENTS AS AT 1 JULY	9,305,781	1,005,251
FIXED DEPOSITS	68,518,791	68,219,023
BANK OVERDRAFT	(2,870,683)	(4,391,432)
CASH AND CASH EQUIVALENTS AS AT 30 SEPTEMBER	<u>61,626,023</u>	<u>74,804,585</u>
Cash and cash equivalents at the balance sheet date comprise the following:		
Cash and bank balances	100,118	1,355,492
Fixed deposits balances	69,383,758	68,938,027
Bank overdraft	<u>(7,857,853)</u>	<u>4,511,066</u>
	<u>61,626,023</u>	<u>74,804,585</u>

The condensed Consolidated Cash Flow Statement should be read in conjunction with the audited financial statements for the year ended 30 June 2021 and the accompanying explanatory notes.

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF PROFIT AND LOSS FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2021

PART A : COMPLIANCE WITH MALAYSIAN FINANCIAL REPORTING STANDARD (MFRS) 134 : INTERIM FINANCIAL REPORTING

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, 2016 in Malaysia, where applicable and the requirements of Chapter 9.22, of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

The Condensed Report should be read in conjunction with the Group's audited financial statements for the financial year ended 30 June 2020 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 30 June 2020.

2.1 Adoption of Amendments and Annual Improvements to Standards

The Group have applied the following new MFRSs, IC Interpretations and amendments to MFRSs issued by the Malaysian Accounting Standard Board ("MASB") which are effective from the beginning of the current financial year:-

MFRS 16, Leases

MFRS 9 – Prepayment features with negative compensation

MFRS 119 – Plan amendment, curtailment or settlement

MFRS 128 – Long-term interests in associates and joint ventures

Amendments to MFRSs classified as "Annual Improvements to MFRS Standards 2015 - 2017 Cycle":

(i) Amendments to MFRS 3, Business combinations and MFRS 11, Joint arrangements – Previously held interest in a joint operation

(ii) Amendments to MFRS 112, Income taxes – Income tax consequences of payments on financial instruments classified as equity

(iii) Amendments to MFRS 123, Borrowing costs – Borrowing costs eligible for capitalisation

IC Interpretation 23, Uncertainty over income tax treatments

2. Significant Accounting Policies (Cont)

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

MFRS 16 will supersede the existing MFRS 117 Leases, IC Interpretation 4 Determining whether an arrangement contains a lease, IC Interpretation 115 Operating leases – Incentives and IC Interpretation 127 Evaluating the substance of transactions involving the legal form of a lease and its sets out the principles for the recognition, measurement, presentation and disclosures of leases.

MFRS 9 allow entities to measure prepayable financial assets with negative compensation at amortised cost or at fair value through other comprehensive income if certain conditions are met.

2.2 Standard issued but not yet effective

Effective for financial period beginning on or after 1 January 2020

Amendments to MFRS 3, Business Combinations - Definition of a Business.

Amendments to MFRS 101, Presentation of Financial Statements and MFRS 108, Accounting Policies, Changes in Accounting Estimates and Errors - Definition of Material.

Effective for financial period beginning on or after 1 January 2021

MFRS 17, Insurance Contracts

Amendments to MFRS 10, Consolidated Financial Statements and MFRS 128, Investments in Associates and Joint Ventures - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture.

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 2020 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. During the year, the management decided that MEPL does not meet criteria to classified as asset held for sales. Therefore all the assets and liabilities under MEPL was reclassified to respective classes of assets.

4. Seasonality or cyclicity of interim operations

The Group's interim operations 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 20 and 21.

METRONIC GLOBAL BERHAD 200301029648 (632068-V)
(Incorporated in Malaysia)

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 22.

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		
	Current Period 30.09.2021 RM	Current Period 30.09.2020 RM	% Changes	Current Period 30.09.2021 RM	Current Period 30.09.2020 RM	% Changes
Segment revenue						
Total revenue	6,806,897	5,502,231	24%	6,806,897	5,502,231	24%
Inter-segment elimination	-	-	-	-	-	-
Continued operations	6,806,897	5,502,231	24%	6,806,897	5,502,231	24%
Results						
Operating results						
Malaysia	92,073	3,547,740	-97%	92,073	3,547,740	-97%
Overseas	-	-	-	-	-	-
	92,073	3,547,740	-97%	92,073	3,547,740	-97%
Finance costs	(170,013)	(141,648)	-20%	(170,013)	(141,648)	-20%
Profit/(Loss) before tax	(77,940)	3,406,092	<100%	(77,940)	3,406,092	<100%
Profit/(Loss) before tax	-	(20,451)	-100%	-	(20,451)	-100%
Profit/(Loss) before tax	(77,940)	3,385,641	<100%	(77,940)	3,385,641	<100%

	Individual Quarter			Cumulative Quarter		
	Current 30.09.2021 RM	Current 30.09.2020 RM	% Changes	Current 30.09.2021 RM	Current 30.09.2020 RM	% Changes
Segment revenue						
Engineering	6,806,897	5,502,231	24%	6,806,897	5,502,231	24%
Total revenue	6,806,897	5,502,231	24%	6,806,897	5,502,231	24%
Inter-segment elimination	-	-	-	-	-	-
Continued operations	6,806,897	5,502,231	24%	6,806,897	5,502,231	24%
Discontinued operation	-	-	-	-	-	-
External customers	6,806,897	5,502,231	24%	6,806,897	5,502,231	24%

9. Segmental information (continue)

Results	Individual Quarter			Cumulative Quarter		
	Current Period 30.09.2021	Current Period 30.09.2020	% Changes	Current Period 30.09.2021	Current Period To 30.09.2020	% Changes
	RM	RM		RM	RM	
Operating results						
Engineering	178,028	162,532	10%	178,028	162,532	10%
Investment holding	(85,954)	3,385,179	<100%	(85,954)	3,385,179	<100%
	<u>92,073</u>	<u>3,547,711</u>		<u>92,073</u>	<u>3,547,711</u>	
Finance costs	<u>(170,013)</u>	<u>(141,648)</u>	20%	<u>(170,013)</u>	<u>(141,648)</u>	20%
Profit/(Loss) before tax						
- Continued operations	(77,940)	3,406,063	<100%	(77,940)	3,406,063	<100%
Profit/(Loss) before tax						
- Discontinued operation	-	(20,451)	<100%	-	(20,451)	<100%
Profit/(Loss) before tax	<u>(77,940)</u>	<u>3,385,612</u>	<100%	<u>(77,940)</u>	<u>3,385,612</u>	<100%

10. Material subsequent events

Other than those disclosed in Note 20 and 21, there were no other material subsequent events after the period ended 30 September 2021.

11. Changes in the composition of the Group

On 21 September 2020, the Group had incorporated wholly-owned subsidiary, Metronic Medicare Sdn Bhd with Registration No. 202001028932 (1385252-X) under the Company Act 2016. The intended principal activities of Metronic Medicare are to focus on research and development, importer and distributor on medical related products in Malaysia and South East Asia Region.

On 9 December 2020, the Group had incorporated a 80% owned subsidiary , Metronic JF System Pte Ltd in Singapore. The incorporation of this subsidiary is mainly to establish joint venture with a local company in Singapore.

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>8,890,014</u>
(b) Unsecured	RM
Corporate guarantees given to licensed banks for credit facilities granted to subsidiaries	<u>29,800,000</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 for acquisition of properties	<u>25,152,000</u>

14. Significant related party transactions

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

15. Performance review

Continuing operations

Quarter and Period Ended 30 September 2021

RM	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	
	30.09.2021	30.09.2020		30.09.2021	30.09.2020	
Revenue	6,806,897	5,502,231	19%	6,806,897	5,502,231	19%
Operating Profit	(207,942)	3,527,259	<100%	(207,942)	3,527,259	<100%
Profit/(Loss) Before Interest & Tax	(207,942)	3,527,259	<100%	(207,942)	3,527,259	<100%
Profit/(Loss) Before Tax	(77,940)	3,527,259	<100%	(77,940)	3,527,259	<100%
Profit/(Loss) After Tax	(77,940)	3,385,611	<100%	(77,940)	3,385,611	<100%
Profit/(Loss) Attributable to Ordinary Equity Holders of the Parent	(77,940)	3,365,160	<100%	(75,927)	3,393,076	<100%

The Group reported a net loss of RM0.2 million for the first quarter of FY2022 compared to a net profit of RM3.5 million a year before on the same quarter.

The revenue increased by 19% to RM6.8 million from RM5.50 million in the same quarter in previous year as a result of increased in billing from the MRT2 and KL 118 Tower projects carried out prior to the full lockdown imposed by Government in June 2021. Despite the revenue had increased, the Group incurred losses due to the catch up of direct costs from previous quarters. However, the loss was minimised as a result of the continuous effort to reduce operating expenses to ensure the group recover from the full lockdown imposed by Government since June 2021 to contain the spread of COVID-19.

On a cumulative quarter, the Group recorded a net loss of RM77,940 compared to a net profit of RM3.4 million in the previous year.

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

RM	Current Quarter 30.09.2021	Immediate Preceding Quarter 30.06.2021	Changes (Amount %)
Revenue	6,806,897	10,626,237	-36%
Operating Profit	(207,942)	(23,045,563)	-99%
Profit/(Loss) Before Interest & Tax	(207,942)	(23,045,563)	-99%
Profit/(Loss) Before Tax	(77,940)	(23,160,656)	-100%
Profit/(Loss) After Tax	(77,940)	(23,403,525)	-100%
Profit/(Loss) Attributable to Ordinary Equity Holders of the Parent	(77,940)	(23,366,084)	-100%

In the current quarter under review, the Group recorded a loss before tax of RM0.2 million compared to a loss of RM23.0 million in the preceding quarter due to lower administration costs incurred during the period.

17. Current year prospects

The Group is mindful of the challenges ahead for the Engineering Division with the competition and current economic situation especially the prolonged Covid-19 outbreak. The Group will continue to explore other new opportunities among others, to expand into infrastructure smart system, M&E division and government projects. In addition to that, the Group continues 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 stood at RM99.9 million and the Group is presently tendering contracts totalling RM54.4 million.

18. Profit forecast or profit guarantee

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

19. Taxation

	Individual Quarter 30.09.2021 RM	Cumulative Quarter Quarter 30.09.2021 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	-	-
	<u>-</u>	<u>-</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 Development

a) On 20 March 2019, the Group announced that its subsidiary, Metronic Engineering Sdn Bhd ("MESB") had signed a 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 is to develop smart city solutions in Malaysia.

At this moment, the prototype of smart city model has been developed together with the selection of hardware and software required for the implementation of the smart city model. The project was deferred due to the high pricing issue. Both parties are looking into redesigning and reengineering the prototype in order to reduce the pricing. Subsequently, both parties were unable to proceed further due to the travel restriction as a result of the global COVID-19 pandemic which hindered Singyes to visit Malaysia. Both parties agreed to extend the said JV Agreement till 17 November 2021. Subject to the loosening of global travel restrictions, both MESB and Singyes expect to complete work on the prototype by the mid 2022.

20. Status of Corporate Development (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 :

Purposes	Approved Allocation (RM '000)	Actual Utilisation (RM'000)	Balance Unutilised (RM'000)	Intended Timeframe for Utilisation	Revised expected timeframe for utilisation of proceeds (from completion date)
1) Kuala Krai project	22,400	22,400	-	Within 24 months	Within 48 months
2) Existing & Future Engineering Project	18,488	18,488	-	Within 36 months	
3) Rights Issue Expenses	830	830	-	Immediate	
	41,718	41,718	-		

- c) On 15 October 2019, the Group announced that it offered a total of 156,826,100 new shares under the private placement which represent 10% of the total number of issued shares of the company (excluding treasury shares) at RM0.06 per shares. The private placement has been completed with a total share subscribed of 113,250,000 at the offered price of RM0.0451 per share during the exercise. Following is the status of the utilisation of the private placement.

Utilization of proceeds	Timeframe for utilisation	Proposed utilisation (RM,000)	Actual utilisation (RM'000)	Balance to be utilised (RM'000)
Development of smart city solutions in Malaysia	Within 36 months	4,948	3,232	1,716
Expenses in relation to the private placement	Immediate	160	160	-
Total		5,108	3,392	1,716

- d) On 26 November 2020, the Group announced that a total of 24,999 warrants issued had exercised the warrants to ordinary shares at RM0.08 per share.

- e) On 1 October 2020, Metronic Smart Tech Sdn Bhd, a wholly-owned subsidiary of the Company, had entered into a joint venture agreement with JF Strategic Management Pte Ltd to undertake the design, research, development and production of an automated storage and retrieval system based on technologies of Industry 4.0 to be used for smart factories within the estate of Jurong Town Corporate. This is in line with the Group's intention to expand its business into the provision of smart solutions services.

On 9 December 2020, a new subsidiary Metronic JF System Pte Ltd, had been incorporated in Singapore for the Joint venture. This joint venture is expected to provide an additional source of income and contribute positively to future earnings of the Company.

In the mid December 2020, MSTSB and JFTM have commenced work on this project and are currently in the midst of preparing proposals to be

marketed to manufacturing companies operating in Singapore and expect to approach their first potential customers by the fourth quarter of 2021.

As of 5 November 2021, there was no project cost incurred as MSTSB was not able to travel to Singapore to conduct preliminary site visit due to the closure of international borders. Due to the uncertainty brought about by the Covid-19 pandemic, the Group is unable to determine the expected investment to be made at this juncture.

20. Status of Corporate Development (continue)

- f) On 4 December 2020, the Group completed a total of 40,725,439 shares under Employee Share Option Scheme ("ESOS") at the option price of RM0.1026 offered to eligible employees of the Company in accordance with the By-Laws of the ESOS. As at 23 February 2021, all the ESOS offered was fully subscribed with a total proceeds of RM 4,178,430.
- g) On 18 January 2021, Bursa Securities Malaysia approved the Group proposal that a total of 373,737,000 new shares offered under the private placement which represent 30% of the total number of issued shares of the company (excluding treasury shares). On 12 March 2021, the private placement was completed following the listing on Main Market of Bursa Securities.

Utilization of proceeds	Inteded timeframe for utilisation	Actual proceeds raised (RM,000)	Amount utilised (RM'000)	Balance unutilised (RM'000)
Funding for existing and future engineering projects	Within 24 months	27,752	27,752	-
Expenses for the Private Placement March 2021	Immediate	1,285	1,285	-
Total		29,037	29,037	-

- h) On 2 February 2021, the Group has entered into joint research and development agreement between Metronic Medicare Sdn Bhd (MMSB), a wholly-owned subsidiary of the Group and Joysbio (Tianjin) Biotechnology Co. Ltd. On 9 February 2021, the Group has received a periodical report from Joysbio stating among others, the results for the SARS-CoV-2 Neutralizing Antibody Test Kit was 100% accurate. On 23 February 2021, the company announced that MMSB has been awarded Letters of Intent from MTPS Innotech Company Limited (MTPS) and Genesprint Limited (Genesprint) for the proposed purchase of the test kits valued at USD210 million and USD140 million respectively. The definitive agreements with MTPS and Genesprint have both been executed on 26 February 2021. MGB has entered into Sale and Purchase Agreement with Genesprint on 18 May 2021 and subsequently with MTPS on 20 May 2021. The company is currently in the midst of registering the Special Access Application for Covid-19 immune system test kit with the Medical Device Authority ("MDA").
- i) On 16 February 2021, the Group offered a total of 7,842,148 shares under Employee Share Option Scheme ("ESOS") at the option price of RM0.08 to eligible employees of the Company in accordance with the By-Laws of the ESOS. As at 23 February 2021, all the ESOS offered was fully subscribed with a total proceeds of RM 627,371.00.
- j) On 11 May 2021, Bursa Securities Malaysia approved the Group proposal that a total of 500,428,000 new shares offered under the private placement which representing 30% of the existing total number of issued Shares, to independent third-party investor(s). On 13 September 2021, the issue price fixed for the placement of 88,744,924 Placement Shares, being the third tranche of the Private Placement, at RM0.0296 per Placement Share.

Utilization of proceeds	Inteded timeframe for utilisation	Utilisation of proceeds received (RM,000)	Actual utilisation (RM'000)	Balance to be utilised (RM'000)
Funding for business acquisition	Within 24 months	21,789	-	21,789
Expenses for the private placement		920	855	65
Total		22,709	855	21,854

- k) On 24 May 2021, Metronic Global Berhad acquired 62,500,000 Right Shares together with 31,250,000 free Warrants in Sanichi Technology Berhad for a total purchase consideration of RM5,100,000 which is representing approximately 4.45% of the existing total number of issued shares in Sanichi Technology Berhad.
- l) On 1 July 2021, Metronic Global Berhad entered into a Memorandum of Agreement (MOA) with Earthech Energy Sdn Bhd (Formerly known as Dehui Energy (M) Sdn Bhd) to regulate their working relationship in the formation of a joint venture for the Solar Power Purchase Project, subject to the terms and conditions in the MOA.

20. Status of Corporate Development (continue)

m) On 19 November 2021, the Group announced that the Company proposes to undertake the following:-

- i) proposed diversification of the existing business of Metronic and its subsidiaries ("Metronic Group" or the "Group") to include the design, research and development, installation, engineering, procurement, construction, commissioning and maintenance of solar PV panels, equipment and facilities and other related activities including solar leasing ("solar Energy Business") ("Proposed Diversification").
- ii) proposed consolidation of every 10 existing ordinary shares in Metronic ("Metronic Shares" or "Shares") into 1 Share ("Consolidated Shares") ("Proposed Share Consolidation"), and
- iii) proposed renounceable rights issue of up to 1,742,433,306 new Shares ("Rights Shares") together with up to 580,811,102 free detachable warrants in the Company ("Warrants B") on the basis of 6 Rights Shares together with 2 free Warrants B for every 1 Consolidated Share held by the entitled shareholders of the Company on an entitlement date to be determined ("Entitlement Date") ("Entitled Shareholders") ("Proposed Rights Issue with Warrants").

21. Material Litigations

- a) 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, pending for court's execution order for rental payment from tenant. The progress has been slow due to Covid 19 pandemic in China. Currently this case is under police investigation.

Once MMBCL has obtained the court's execution order, MMBCL will be able to recover the outstanding rental amounting to RMB3.97 million (approximately RM2.54 million from the tenant together with the interest same as the benchmark lending rate fixed by People's Bank of China on the said outstanding rental from 25 July 2016 to the date of settlement of the outstanding rental.

(1) Based on BNM's exchange rate of RMB1:RM0.6406 as at the LPD.

- b) On 3 June 2019, the Company announced that it had initiated investigation on unauthorized transfer of office ownership for its property held by its wholly owned subsidiary, Metronic Microsystem (Beijing) Co. Ltd, had acquired 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 at a purchase consideration of approximately RM4.0 million. The current valuation price of the said property is at RM15.8 million.

The Board of Directors, in the announcement, informed that Mr Tan Ew Chew ("TEC") was advisor for the company from 1 January 2013 to 16 May 2017 and Mr Tan Kian Hong ("TKH"), son of TEC, was director of MGB from 8 February 2013 to 10 April 2017. During the controlling time under both TEC and TKH in July 2016, the ownership of the above office unit in Beijing has been allegedly transferred to a third party without consent and/or Board resolution from the Company. Once the above made aware to the new Board of Directors in 2017, the Board of Directors requested lawyer in China to investigate on the above and found that the said office has been transferred to third party with the name of Shouguang Yaoweiping ("Shouguang") in China. Subsequently in October 2018, the Court from China via documents issued, confirmed the said transfer of property to Shouguang.

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 case is now pending action from relevant authorities. The Management will seek legal advice upon receiving the police report on the findings.

22. Borrowings

The Group's total borrowing as at 30 September 2021 stood at RM9.9 million, representing a gearing ratio of 0.08 to shareholders' equity. The amount was lower than the previous year end date of RM10.4 million.

Breakdown by type of facilities is shown below:

	As at 30 September 2021					
	Long Term		Short term		Total borrowings	
	Foreign denomination	RM denomination	Foreign denomination	RM denomination	Foreign denomination	RM denomination
Secured borrowings						
Bank overdraft	-	-	-	7,857,853	-	7,857,853
Bankers' acceptances	-	-	-	909,180	-	909,180
Amount due to director	-	-	-	-	-	-
Margin Financing	-	-	-	1,181,091	-	1,181,091
Sub-Total	-	-	-	9,948,124	-	9,948,124
Un-Secured borrowings						
Nil	-	-	-	-	-	-
Sub-Total	-	-	-	-	-	-
Total	-	-	-	9,948,124	-	9,948,124
	As at 30 September 2020					
	Long Term		Short term		Total borrowings	
	Foreign denomination	RM denomination	Foreign denomination	RM denomination	Foreign denomination	RM denomination
Secured borrowings						
Bank overdraft	-	-	-	4,511,066	-	4,511,066
Bankers' acceptances	-	-	-	3,270,354	-	3,270,354
Amount due to director	-	-	-	100,000	-	100,000
Margin Financing	-	-	-	1,863,291	-	1,863,291
Sub-Total	-	-	-	9,744,711	-	9,744,711
Un-Secured borrowings						
Nil	-	-	-	-	-	-
Sub-Total	-	-	-	-	-	-
Total	-	-	-	9,744,711	-	9,744,711

23. Proposed Dividend

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

24. Earnings per share (EPS)

Basic EPS

	Individual Current Period Quarter 30.09.2021 RM	Cumulative Current Period To Date 30.09.2021 RM
Profit / (Loss) attributable to ordinary equity owners of the parent		
- Continuing operations	(77,940)	(77,940)
- Discontinued operations	-	-
	<u>(77,940)</u>	<u>(77,940)</u>
Weighted average number of ordinary shares in issue	1,513,997,553	1,513,997,553
Basic earnings per share (sen)		
- Continuing operations	(0.01)	(0.01)
- Discontinued operations	-	-
	<u>(0.01)</u>	<u>(0.01)</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.

24. Earnings per share (continue)

<u>Diluted EPS</u>	Individual Current Period Quarter 30.09.2021 RM	Cumulative Current Period To Date 30.09.2021 RM
Profit / (Loss) attributable to ordinary equity owners of the parent		
- Continuing operations	(77,940)	(77,940)
- Discontinued operations	-	-
	<u>(77,940)</u>	<u>(26,377,369)</u>
Weighted average number of ordinary shares in issue	1,513,997,553	1,513,997,553
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>1,924,276,529</u>	<u>1,677,001,349</u>
Diluted earnings per share (sen)		
- Continuing operations	(0.01)	(0.01)
- Discontinued operations	-	-
	<u>(0.01)</u>	<u>(0.01)</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.

25. Profit/(Loss) for the period

<u>After charging/(crediting):</u>	Individual Current Period Quarter 30.09.2021 RM	Cumulative Current Period To Date 30.09.2021 RM
Depreciation of investment properties	1,408	1,408
Depreciation of property, plant and equipment	47,138	47,138
Directors' fee	69,000	69,000
(Gain) / Loss on foreign exchange - realised	-	-
Reversal of impairment of available for sale quoted shares	-	-
Impairment of available for sale quoted shares	-	-
Interest expenses	170,013	170,013
Interest income	(300,015)	(300,015)
Staff cost	1,639,864	8,556,118

26. Audit Report

The auditors' report on Group's financial statements for the year ended 30 June 2021 was not qualified.

27. Authorisation for issue

The interim financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 29 November 2021.

24. Earnings per share (continue)

<u>Diluted EPS</u>	Individual Current Period Quarter 30.09.2021 RM	Cumulative Current Period To Date 30.09.2021 RM
Profit / (Loss) attributable to ordinary equity owners of the parent		
- Continuing operations	(77,940)	(77,940)
- Discontinued operations	-	-
	<u>(77,940)</u>	<u>(26,377,369)</u>
Weighted average number of ordinary shares in issue	1,513,997,553	1,513,997,553
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>1,924,276,529</u>	<u>1,677,001,349</u>
Diluted earnings per share (sen)		
- Continuing operations	(0.01)	(0.01)
- Discontinued operations	-	-
	<u>(0.01)</u>	<u>(0.01)</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.

25. Profit/(Loss) for the period

<u>After charging/(crediting):</u>	Individual Current Period Quarter 30.09.2021 RM	Cumulative Current Period To Date 30.09.2021 RM
Depreciation of investment properties	1,408	1,408
Depreciation of property, plant and equipment	47,138	47,138
Directors' fee	69,000	69,000
(Gain) / Loss on foreign exchange - realised	-	-
Reversal of impairment of available for sale quoted shares	-	-
Impairment of available for sale quoted shares	-	-
Interest expenses	170,013	170,013
Interest income	(300,015)	(300,015)
Staff cost	1,639,864	8,556,118

26. Audit Report

The auditors' report on Group's financial statements for the year ended 30 June 2021 was not qualified.

27. Authorisation for issue

The interim financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 29 November 2021.