



**METRONIC GLOBAL BERHAD**

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

**INTERIM FINANCIAL STATEMENTS**

**FOR THE FOURTH QUARTER ENDED**

**30 JUNE 2024**

**METRONIC GLOBAL BERHAD 200301029648 (632068-V)**

(Incorporated in Malaysia)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS FOR THE FOURTH QUARTER ENDED 30 JUNE 2024**

	Note	Individual Quarter		Cumulative Quarter	
		Current Year Quarter 30.06.2024	Preceding Year Quarter 30.06.2023	Current Year To Date 30.06.2024	Preceding Year To Date 30.06.2023
		RM	RM	RM	RM
Revenue	A8	4,029,471	-	29,334,188	-
Cost of sales		(3,391,044)	-	(23,900,717)	-
Gross profit		638,427	-	5,433,471	-
Other income		1,060,521	-	4,931,513	-
Administration expenses		(2,542,717)	-	(10,547,834)	-
Other operating expenses		(130,202)	-	(2,188,394)	-
Profit/(Loss) from operations		(973,971)	-	(2,371,244)	-
Finance costs		(342,194)	-	(696,251)	-
Profit/(Loss) before tax for the period		(1,316,165)	-	(3,067,495)	-
Income tax expense	B5	(168,900)	-	(716,800)	-
Profit/(Loss) for the period from:					
- continuing operations		(1,485,065)	-	(3,784,295)	-
- discontinued operations		-	-	-	-
<b>Profit/(Loss) for the period</b>	B12	<b>(1,485,065)</b>	<b>-</b>	<b>(3,784,295)</b>	<b>-</b>
<b>Profit/(Loss) attributable to:</b>					
Owners of the parent					
- continuing operations		(1,473,106)	-	(3,714,787)	-
- discontinued operations		-	-	-	-
		(1,473,106)	-	(3,714,787)	-
Non controlling interest					
- continuing operations		(11,959)	-	(69,508)	-
- discontinued operations		-	-	-	-
		(11,959)	-	(69,508)	-
		(1,485,065)	-	(3,784,295)	-

**Notes:**

- 1) The financial year end of the Group has been changed from 30 June to 31 October. As such there will be no comparative financial information available for the quarter ended 30 June 2024. Shareholders are advised to refer to the financial results for the quarter ended 30 June 2023 for the financial year ended 30 June 2023 to view the financial performance of the Group for the said period.
- 2) The condensed Consolidated Statement of Profit or Loss should be read in conjunction with the annual financial statements for the year ended 30 June 2023 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 OTHER COMPREHENSIVE INCOME FOR THE FOURTH QUARTER ENDED 30 JUNE 2024**

(The figures have not been audited)

	Note	Individual Quarter		Cumulative Quarter	
		Current Year Quarter 30.06.2024 RM	Preceding Year Quarter 30.06.2023 RM	Current Year To Date 30.06.2024 RM	Preceding Year To Date 30.06.2023 RM
Profit/(Loss) for the period from:					
- continuing operations		(1,485,065)	-	(3,784,295)	-
- discontinued operations		-	-	-	-
Profit/(Loss) for the period	B12	(1,485,065)	-	(3,784,295)	-
<b>Other comprehensive income :</b>					
Foreign currency translation:		103,687	-	(33,679)	-
- continuing operations		103,687	-	(33,679)	-
- discontinued operations		-	-	-	-
Other comprehensive income / (expense) for the period, net of tax		103,687	-	(33,679)	-
<b>Total comprehensive income/ (loss) for the period, net of tax</b>		<b>(1,381,378)</b>	<b>-</b>	<b>(3,817,974)</b>	<b>-</b>
<b>Total comprehensive income/(loss) attributable to:</b>					
<u>Owners of the parent</u>					
- continuing operations		(1,369,419)	-	(3,748,314)	-
- discontinued operations		-	-	-	-
		(1,369,419)	-	(3,748,314)	-
<u>Non-controlling interests</u>					
- continuing operations		(11,959)	-	(69,660)	-
- discontinued operations		-	-	-	-
		(11,959)	-	(69,660)	-
		<b>(1,381,378)</b>	<b>-</b>	<b>(3,817,974)</b>	<b>-</b>
<u>Profit/(Loss) per share attributable to equity holders of the Company (sen):</u>					
Basic / Diluted	B11	(0.10)	-	(0.24)	-

Notes:

- 1) The financial year end of the Group has been changed from 30 June to 31 October. As such there will be no comparative financial information available for the quarter ended 30 June 2024. Shareholders are advised to refer to the financial results for the quarter ended 30 June 2023 for the financial year ended 30 June 2023 to view the financial performance of the Group for the said period.
- 2) The condensed Consolidated Statement of Other Comprehensive Income should be read in conjunction with the annual financial statements for the year ended 30 June 2023 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 JUNE 2024**

	Note	<b>As at 30.06.2024 RM</b>	<b>(Audited) As at 30.06.2023 RM</b>
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment		10,307,017	10,671,099
Right-of-use assets		111,606	165,066
Investment properties		3,425,468	3,425,468
Intangible assets		18,277,584	19,265,904
Other Investment		6,174,200	6,750,579
		<b>38,295,875</b>	<b>40,278,116</b>
<b>CURRENT ASSETS</b>			
Property development cost		11,768,565	11,768,565
Inventories		639,175	779,121
Current tax assets		31,486	226,874
Trade receivables		8,096,792	11,346,822
Amount due from contract customers		8,582,097	7,548,509
Other receivables and deposits		6,842,026	1,759,171
Fixed deposits		136,487,865	136,926,481
Cash and bank balances		289,716	469,000
		<b>172,737,722</b>	<b>170,824,543</b>
<b>TOTAL ASSETS</b>		<b>211,033,597</b>	<b>211,102,659</b>
<b>EQUITY AND LIABILITIES</b>			
Share capital		263,942,757	263,942,757
Fair value reserve		(248,540)	(248,540)
Revaluation reserve		5,669,118	5,669,118
Warrant reserve		6,011,001	6,011,001
Foreign currency translation reserve		252,932	286,611
Accumulated losses		(98,853,878)	(95,139,093)
<b>Equity attributable to owners of the parent</b>		<b>176,773,390</b>	<b>180,521,854</b>
<b>Non-controlling interests</b>		<b>(180,780)</b>	<b>(111,272)</b>
<b>TOTAL EQUITY</b>		<b>176,592,610</b>	<b>180,410,582</b>
<b>NON-CURRENT LIABILITIES</b>			
Finance lease liabilities	B9	133,396	160,766
		133,396	160,766
<b>CURRENT LIABILITIES</b>			
Trade payables		11,766,015	9,055,778
Other payables		11,079,504	11,070,610
Amount owing to director		982,559	979,130
Finance lease liabilities	B9	78,011	77,421
Loans and borrowings	B9	10,401,502	9,348,372
		<b>34,307,591</b>	<b>30,531,311</b>
<b>TOTAL LIABILITIES</b>		<b>34,440,987</b>	<b>30,692,077</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>211,033,597</b>	<b>211,102,659</b>
<b>NET ASSET PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY</b>		0.12	0.12

The condensed Consolidated Statement of Financial Position should be read in conjunction with the annual financial statements for the year ended 30 June 2023 and the accompanying explanatory notes attached to the interim financial statements.

**METRONIC GLOBAL BERHAD 200301029648 (632068-V)**

(Incorporated in Malaysia)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FOURTH QUARTER ENDED 30 JUNE 2024**

	<----- Attributable to owners of the parent ----->					<----- Non-distributable reserve -----> Distributable			
	Share capital RM	Fair value reserve RM	Revaluation reserve RM	Warrant reserve RM	Foreign currency translation reserve RM	Accumulated losses RM	Total RM	Non- controlling interests RM	Total equity RM
<b>As at 1 July 2022</b>	<b>191,099,433</b>	<b>(248,540)</b>	<b>5,669,118</b>	<b>-</b>	<b>227,313</b>	<b>(84,855,555)</b>	<b>111,891,769</b>	<b>152,650</b>	<b>112,044,419</b>
Issuance of new shares pursuant to:									
- right issues	71,751,973	-	-	6,221,790	-	-	77,973,763	-	77,973,763
- warrant exercised	1,091,351	-	-	(210,789)	-	-	880,562	-	880,562
<u>Continuing operation</u>									
Net loss for the period	-	-	-	-	-	(10,331,483)	(10,331,483)	(263,922)	(10,595,405)
Other comprehensive income:									
- Foreign currency translation differences	-	-	-	-	59,298	-	59,298	-	59,298
	-	-	-	-	59,298	(10,331,483)	(10,272,185)	(263,922)	(10,536,107)
<u>Discontinuing operation</u>									
Profit After Tax	-	-	-	-	-	47,945	47,945	-	47,945
	-	-	-	-	-	47,945	47,945	-	47,945
Total comprehensive loss for the year	-	-	-	-	59,298	(10,283,538)	(10,224,240)	(263,922)	(10,488,162)
<b>As at 30 June 2023</b>	<b>263,942,757</b>	<b>(248,540)</b>	<b>5,669,118</b>	<b>6,011,001</b>	<b>286,611</b>	<b>(95,139,093)</b>	<b>180,521,854</b>	<b>(111,272)</b>	<b>180,410,582</b>
Net profit/(loss) for the period									
- continuing operations	-	-	-	-	-	(3,714,787)	(3,714,787)	(69,507)	(3,784,294)
Other comprehensive income:									
- Foreign currency translation differences	-	-	-	-	(33,678)	-	(33,678)	-	(33,678)
Total comprehensive income/(loss) for the year	-	-	-	-	(33,678)	(3,714,787)	(3,748,464)	(69,507)	(3,817,972)
<b>As at 30 June 2024</b>	<b>263,942,757</b>	<b>(248,540)</b>	<b>5,669,118</b>	<b>6,011,001</b>	<b>252,933</b>	<b>(98,853,880)</b>	<b>176,773,390</b>	<b>(180,779)</b>	<b>176,592,610</b>

The condensed Consolidated Statement of Changes in Equity should be read in conjunction with the annual financial statements for the year ended 30 June 2023 and the accompanying explanatory notes attached to the interim financial statements.

**METRONIC GLOBAL BERHAD 200301029648 (632068-V)**

(Incorporated in Malaysia)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIOD TWELVE MONTHS ENDED 30 JUNE 2024**

(The figures have not been audited)

		<b>30.06.2024</b>	<b>31.03.2023</b>
	<b>NOTE</b>	<b>RM</b>	<b>RM</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Loss before taxation - Continuing operations		(3,067,495)	-
Adjustments for:			
Amortisation of intangible assets		1,010,520	-
Depreciation of property, plant and equipment	B12	392,893	-
Depreciation of right-of-use assets	B12	124,525	-
Loss on disposal of other investment	B12	25,248	-
Net loss on Fair value change of investment in quoted share	B12	926,131	-
Interest expenses	B12	696,251	-
Interest income	B12	(4,010,454)	-
Operating loss before working capital changes		<u>(3,902,381)</u>	-
Changes in working capital:			
Inventories		139,946	-
Trade and other receivables		(2,866,410)	-
Trade payables		2,289,701	-
Other payables		268,093	-
Net cash used in operations		<u>(4,071,051)</u>	-
Tax refunded / (paid)		(38,563)	-
Net cash generated from/(used) in operating activities		<u>(4,109,614)</u>	-
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Interest received		4,076,297	-
Purchase of property, plant and equipment		(29,014)	-
Net proceeds from investment in quoted shares		252,195	-
Net cash generated from investing activities		<u>4,299,478</u>	-
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Interest paid		(696,251)	-
Net drawdown/(repayment) of bank borrowings		(161,480)	-
Repayment of finance leases		(97,845)	-
Net cash generated from / (used in) financing activities		<u>(955,576)</u>	-
<b>NET CHANGES IN CASH AND CASH EQUIVALENTS</b>		<u>(765,712)</u>	-
<b>CASH AND CASH EQUIVALENTS AS AT 1 JULY</b>		469,000	-
<b>FIXED DEPOSITS</b>		136,926,481	-
<b>BANK OVERDRAFT</b>		(3,692,433)	-
<b>CASH AND CASH EQUIVALENTS AS AT 30 JUNE</b>		<u>132,937,336</u>	-
<b><u>Cash and cash equivalents at the balance sheet date comprise the following:</u></b>			
<b>CASH AND BANK BALANCES</b>		289,717	-
<b>FIXED DEPOSITS</b>		136,487,865	-
<b>BANK OVERDRAFT</b>		(3,840,246)	-
		<u>132,937,336</u>	-

## Notes:

- 1) The financial year end of the Group has been changed from 30 June to 31 October. As such there will be no comparative financial information available for the quarter ended 30 June 2024. Shareholders are advised to refer to the financial results for the quarter ended 30 June 2023 for the financial year ended 30 June 2023 to view the financial performance of the Group for the said period.
- 2) The condensed Consolidated Cash Flow Statement should be read in conjunction with the audited financial statements for the year ended 30 June 2023 and the accompanying explanatory notes.

**NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE FOURTH QUARTER ENDED 30 JUNE 2024**

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

**1. Basis of Preparation**

The interim financial statements are unaudited and have been prepared in accordance with the reporting requirements as set out in Malaysian Financial Reporting Standard ("MFRS") 134 "Interim Financial Reporting" and Paragraph 9.22 and Appendix 9B of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

The interim financial statements should be read in conjunction with the Group's audited financial statements for the financial period ended 30 June 2023 and the accompanying explanatory notes. The explanatory notes attached to the interim financial statements provides an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial period ended 30 June 2023.

The accounting policies and methods of computation adopted by the Group in these quarterly financial statements are consistent with those adopted in the most recent annual audited financial statements for the financial period ended 30 June 2023. The adoption of the new/amended MFRS and its amendments does not give rise to any adjustment to the opening balances of retained profit of prior period and current period or changes in comparatives.

**2 Qualification of Annual Financial Statements**

There was no audit qualifications on the financial statements for the financial period ended 30 June 2023.

**3. 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.

**4. 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 B6 and B8.

**5. 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.

**6. Debt and equity securities**

There were no issuances, repurchases and repayments of debt and equity securities during the financial period under review.

**7. Dividends**

There were no dividends paid during the current financial quarter and previous corresponding quarter.

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

**8. Segmental information**

The financial year end of the Group has been changed from 30 June to 31 October. As such there will be no comparative financial information available for the quarter ended 30 June 2024. Shareholders are advised to refer to the financial results for the quarter ended 30 June 2023 for the financial year ended 30 June 2023 to view the financial performance of the Group for the said period.

Analysis by segments is as follow:

**By geographical segments:**

	Individual Quarter			Cumulative Quarter		
	Current Year Quarter	Preceding Year Quarter	Changes %	Current Year to Date	Preceding Year to Date	Changes %
	30.06.2024	30.06.2023		30.06.2024	30.06.2023	
RM	RM		RM	RM		
<b>Segment revenue</b>						
Total revenue	4,029,471	-	N/A	29,334,188	-	N/A
Inter-segment elimination	-	-	N/A	-	-	N/A
External customers	<u>4,029,471</u>	<u>-</u>	N/A	<u>29,334,188</u>	<u>-</u>	N/A
<b>Results</b>						
<b>Operating results</b>						
Malaysia	(973,971)	-	N/A	(2,371,244)	-	N/A
Overseas	<u>-</u>	<u>-</u>	N/A	<u>-</u>	<u>-</u>	N/A
Finance costs	<u>(973,971)</u>	<u>-</u>	N/A	<u>(2,371,244)</u>	<u>-</u>	N/A
	<u>(342,194)</u>	<u>-</u>	N/A	<u>(696,251)</u>	<u>-</u>	N/A
Profit / (Loss) before tax						
- Continued operations	(1,316,165)	-	N/A	(3,067,495)	-	N/A
- Discontinued operations	-	-	N/A	-	-	N/A
Profit/(Loss) before tax	<u>(1,316,165)</u>	<u>-</u>	N/A	<u>(3,067,495)</u>	<u>-</u>	N/A

**By business segments:**

	Individual Quarter			Cumulative Quarter		
	Current Year Quarter	Preceding Year Quarter	Changes %	Current Year to Date	Preceding Year to Date	Changes %
	30.06.2024	30.06.2023		30.06.2024	30.06.2023	
RM	RM		RM	RM		
<b>Segment revenue</b>						
Engineering	4,029,471	-	N/A	29,334,188	-	N/A
Solar Energy	-	-	N/A	-	-	N/A
Others	-	-	N/A	-	-	N/A
Total revenue	<u>4,029,471</u>	<u>-</u>	N/A	<u>29,334,188</u>	<u>-</u>	N/A
Continuing operations	4,029,471	-	N/A	29,334,188	-	N/A
Discontinued operations	-	-	N/A	-	-	N/A
External customers	<u>4,029,471</u>	<u>-</u>	N/A	<u>29,334,188</u>	<u>-</u>	N/A



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

**8 Segmental information (continue)**

**By business segments:**

	Individual Quarter			Cumulative Quarter		
	Current Year Quarter 30.06.2024	Preceding Year Quarter 30.06.2023	Changes	Current Year to Date 30.06.2024	Preceding Year to Date 30.06.2023	Changes
Results	RM	RM	%	RM	RM	%
Operating results						
Engineering	(1,398,095)	-	N/A	(2,363,268)	-	N/A
Solar Energy	(37,890)	-	N/A	(219,359)	-	N/A
Others	462,014	-	N/A	211,382	-	N/A
	<u>(973,971)</u>	<u>-</u>	<u>N/A</u>	<u>(2,371,244)</u>	<u>-</u>	<u>N/A</u>
Finance costs	<u>(342,194)</u>	<u>-</u>	<u>N/A</u>	<u>(696,251)</u>	<u>-</u>	<u>N/A</u>
Profit / (Loss) before tax						
- Continuing operations	(1,316,165)	-	N/A	(3,067,495)	-	N/A
- Discontinued operations	-	-	N/A	-	-	N/A
Profit/(Loss) before tax	<u>(1,316,165)</u>	<u>-</u>	<u>N/A</u>	<u>(3,067,495)</u>	<u>-</u>	<u>N/A</u>

**9 Material subsequent events**

Other than those disclosed in Note B6 and B8, there were no other material subsequent events after the period ended 30 June 2024.

**10 Changes in the composition of the Group**

There were no changes in the composition of the Group in the current period under review.

**11 Contingent liabilities**

Contingent liabilities for the Group are as follows;

	As at 30.06.2024 RM	As at 30.06.2023 RM
(a) <u>Secured</u> Performance and financial guarantees issued by the banks to third parties	<u>5,911,938</u>	<u>6,664,957</u>
(b) <u>Unsecured</u> Corporate guarantees given to licensed banks for credit facilities granted to subsidiaries	<u>39,800,000</u>	<u>39,800,000</u>
Corporate guarantees given to performance for project granted to subsidiaries	<u>43,042,826</u>	<u>43,042,826</u>

**12 Capital commitments**

	Group	
	As at 30.06.2024 RM	As at 30.06.2023 RM
The total approved and committed for establishment of a joint venture company	<u>20,950,380</u>	<u>25,152,000</u>

**13 Significant related party transactions**

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

**PART B : EXPLANATORY NOTES PURSUANT TO MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES**

**1. Performance review**

**Quarter and Period Ended 30 June 2024**

	Individual Quarter			Cumulative Quarter		
	Current Year	Preceding	Changes	Current Year to	Preceding Year	Changes
	Quarter	Year Quarter		Date	to Date	
30.06.2024	30.06.2023	%	30.06.2024	30.06.2023	%	
	RM	RM		RM	RM	
Revenue	4,029,471	-	N/A	29,334,188	-	N/A
Gross Profit/(Loss)	638,427	-	N/A	5,433,471	-	N/A
Profit/(Loss) Before Interest & Tax	(973,971)	-	N/A	(2,371,244)	-	N/A
Profit/(Loss) Before Tax	(1,316,165)	-	N/A	(3,067,495)	-	N/A
Profit/(Loss) After Tax	(1,485,065)	-	N/A	(3,784,295)	-	N/A
Profit/(Loss) Attributable to Ordinary Equity Holders of the Parent	(1,473,106)	-	N/A	(3,714,787)	-	N/A

The financial year end of the Group has been changed from 30 June to 31 October. As such there will be no comparative financial information available for the quarter ended 30 June 2024. Shareholders are advised to refer to the financial results for the quarter ended 30 June 2023 for the financial year ended 30 June 2023 to view the financial performance of the Group for the said period.

The Group recorded a revenue of RM4.0 million and RM29.3 million for the current and cumulative quarter respectively. Based on the revenues, the Group registered loss before tax for the current and cumulative quarter of RM1.3 million and RM3.1 million respectively.

The Group reported unfavorable performance for the current and cumulative quarters mainly due to lower revenue resulted from lower progress works for the ongoing contracts that were towards completion stages.

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

	Individual Quarter		
	Current Year	Immediate	Changes
	Quarter	Preceding	
30.06.2024	31.03.2024	%	
	RM	RM	
Revenue	4,029,471	6,217,719	-35%
Gross Profit/(Loss)	638,427	843,356	-24%
Profit/(Loss) Before Interest & Tax	(973,971)	(2,101,126)	>100%
Profit/(Loss) Before Tax	(1,316,165)	(2,188,698)	>100%
Profit/(Loss) After Tax	(1,485,065)	(2,452,898)	>100%
Profit/(Loss) Attributable to Ordinary Equity Holders of the Parent	(1,473,106)	(2,440,546)	>100%

The Group recorded lower revenue of RM4.1 million, compared with RM6.2 million recorded in the preceding quarter mainly due to lower revenue from KL118 project's contracts that were nearly completion.

The Group however reported lower Loss Before Tax (LBT) of RM1.3 million compared with RM2.2 million in the preceding quarter due to loss from change in fair value of investment in quoted shares of RM1.4 million recorded in the preceding quarter.

**3. Current year prospects**

The Group is mindful of the challenges ahead for the engineering segment with the industry intense competition, supply chain disruption, prices increase and the uncertainty in economic situation. The Group however remains optimistic of the prospect in the engineering businesses will continue to grow with the expected commencement of high profiled construction projects.

The Group continues to strengthen the team and business strategies in order to build up a strong order book for its engineering works and E-commerce business. The Group will continue taking various measures to enhance operational efficiency and effective cost management in order to improve the financial performance of the Group.

**PART B : EXPLANATORY NOTES PURSUANT TO MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES**

**4. Profit forecast or profit guarantee**

No profit forecast was published by the Group.

**5. Taxation**

The financial year end of the Group has been changed from 30 June to 31 October. As such there will be no comparative financial information available for the quarter ended 30 June 2024. Shareholders are advised to refer to the financial results for the quarter ended 30 June 2023 for the financial year ended 30 June 2023 to view the financial performance of the Group for the said period.

The tax expense comprises:

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter	Preceding Year Quarter	Current Year To Date	Preceding Year To Date
<u>Continuing operations</u>	30.06.2024	30.06.2023	30.06.2024	30.06.2023
	RM	RM	RM	RM
Malaysian income tax:				
- current period	168,900	-	716,800	-
- prior period - (over) / under provision	-	-	-	-
	<u>168,900</u>	<u>-</u>	<u>716,800</u>	<u>-</u>
Deferred tax				
- current period	-	-	-	-
- prior period - (over) / under provision	-	-	-	-
Tax expense	<u>168,900</u>	<u>-</u>	<u>716,800</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.

**6. Status of On-going Corporate Developments**

- a) On 7 August 2019, the Group announced that through its wholly-owned subsidiary, Metronic Engineering Sdn Bhd ("MESB"), a wholly-owned subsidiary of the Company, had entered into a joint venture agreement ("JV Agreement") with Zhuhai Singyes New Materials Technology Co. Ltd. ("Singyes") for the development of smart city solutions which will enable commercial building managers, local transportation authorities and local tourism boards to implement smart city solutions such as smart bus stop and waiting area, smart tourism booth as well as smart shelter in Malaysia and abroad.

These smart solutions are equipped with, amongst others, solar power system, mobile phone charging station, 4G / 5G and WiFi connectivity, as well as facial recognition surveillance camera and security alarm system.

The JV Agreement represents part of the Group's initiative to seek out for value accretive investments while leveraging on its existing engineering capabilities. In this regard, the Group has identified smart solutions as a new area that the Company could potentially branch out into.

The growth in adoption of smart solutions moving forward is expected to be driven by increased usage of internet and various initiatives by the government to support the adoption of smart solutions including smart city initiatives. It is also the intention of the Group in the future to extend its smart city solutions to cover other regions worldwide such as Europe, the United States, Middle East and South East Asia. Hence, the JV Agreement is expected to provide an additional source of income and contribute positively to the future earnings of the Company.

MESB and Singyes have been developing the prototype for the smart city model. In view of the global travel restriction imposed by governments worldwide, both parties have agreed to extend the JV Agreement until the end of 2022. MESB, on 3 February 2023, received the prototype SMART booth and presently still evaluating the JV arrangement and the next course of action.

- b) On 1 October 2020, Metronic Smart Tech Sdn Bhd ("MSTSB"), a wholly-owned subsidiary of the Company, had entered into a joint venture agreement with JF Strategic Management Pte Ltd ("JFSM") 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 80% subsidiary of the Company, 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 the future earnings of the Company.

MSTSB and JFTM have commenced preliminary work on this project since December 2020 and presently began approaching the potential manufacturing companies operating in Singapore.

**PART B : EXPLANATORY NOTES PURSUANT TO MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES**

**6. Status of On-going Corporate Developments (Cont'd)**

- c) On 2 February 2021, Metronic Medicare Sdn Bhd ("MMSB"), a wholly-owned subsidiary of the Company, entered into a joint research and development agreement with Joysbio (Tianjin) Biotechnology Co. Ltd ("Joysbio") to undertake a research program for SARS-CoV-2 Neutralizing Antibody Test Kits ("Test Kits"). The Test Kits are expected to be able to analyse a patient's level of immunity against future COVID-19 infections post-vaccination, and are anticipated to be more efficient than traditional test kits which are currently available in the market.

On 9 February 2021, the Company announced that a periodical test report from Joysbio for the Test Kit showed an accuracy of 100%, pursuant to which, a final test on the Test Kit will be undertaken in a lab in Italy. In view of the global travel restriction imposed by governments worldwide, both parties are in the midst of extending the joint research and development agreement and the final test is expected to be carried out by the first quarter of 2023.

On 23 February 2021, the company announced that MMSB has been awarded Letters of Intent from MTPS Innotech Company Limited ("MTPS") (a company incorporated in Thailand principally involved in trading of medical devices and distribution of medical glove) and Genesprint Limited ("Genesprint") (a company incorporated in Hong Kong principally involved in genetic test analysis and trading of medical products) 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.

The Company has entered into Sale and Purchase Agreement with Genesprint on 18 May 2021 and subsequently with MTPS on 20 May 2021.

MMSB has obtained an Establishment License from Medical Device Authority ("MDA") on 11 August 2022 and is presently in the process of product registration with MDA.

**7. Utilisation of Proceeds**

- a) 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 utilisation of the RM5.11 million proceeds received from 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 60 months (Included 12 months extended period)	4,948	3,232	1,716
Expenses in relation to the private placement	Immediate	160	160	-
<b>Total</b>		<b>5,108</b>	<b>3,392</b>	<b>1,716</b>

- b) On 11 May 2021, Bursa Malaysia Securities approved the Group's proposal of 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). The private placement exercise was fully completed on 13 September 2021 with a total of RM22.71 million received. Following is the status utilisation of the proceeds from the private placement:

Utilization of proceeds	Timeframe for utilisation	Proposed utilisation (RM,000)	Actual utilisation (RM'000)	Balance to be utilised (RM'000)
Funding for business acquisition	Within 36 months (Included 12 months extended period)	21,789	-	21,789
Expenses in relation to the private placement	Immediate	920	855	65
<b>Total</b>		<b>22,709</b>	<b>855</b>	<b>21,854</b>

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**7. Utilisation of Proceeds (continue)**

- c) On 13 July 2022, the Group announced that the Rights Issue of Shares with Warrants proposed on 19 November 2021 has been completed following the listing and quotation for 1,299,562,731 Rights Share and 433,187,525 Warrants B on the Main Market of Bursa Securities. The Group has received a total of RM77.97 million from the exercise. Following is the breakdown utilisation of the right issue proceeds:

Utilization of proceeds	Timeframe for utilisation	Proposed utilisation (RM,000)	Actual utilisation (RM'000)	Balance to be utilised (RM'000)	Projects progress
Funding for solar projects	Within 48 months (Included 24 months extended period)	56,000	2,264	53,736	<p>-The proceeds have been utilized for the procurement of materials and equipment for the 2 secured projects in Kedah with the estimated projects cost of RM12 million.</p> <p>-The progress of the projects presently at 80% and 5% respectively. The Company is still in the midst to renegotiate the contract terms due to the recent increase in material and construction costs.</p> <p>- The Group continues to pursue other potential clients for the proposal of solar leasing contracts.</p>
Funding for engineering projects	Within 48 months (Included 24 months extended period)	20,000	3,605	16,395	<p>-The proceeds have been utilized for several projects' working capital such as labour costs and purchase of equipment. The contract value of the projects are between RM5 million to RM20 million with the status progress between 70% to 985%.</p> <p>- The Group continues to focus on its core business in engineering services works by pursuing few potential projects in the pipelines.</p>
Working capital	Within 48 months (Included 24 months extended period)	1,224	847	377	
Expenses in relation to right issues	Immediate	750	750	-	
<b>Total</b>		<b>77,974</b>	<b>7,466</b>	<b>70,508</b>	

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**8 Material Litigations**

Since the date of the last annual statement of financial position, there was no pending material litigation as at to-date, except the following:

- 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 RM4.71 million<sup>(1)</sup>) (“Claim”). The amount comprises outstanding rental amounting to RMB5.81 million (approximately RM3.77 million<sup>(1)</sup>) and late payment charges of RMB1.44 million (approximately RM0.93 million<sup>(1)</sup>).

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 RM2.58 million<sup>(1)</sup>) 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 MMBCL is in the midst of seeking legal advice for the alternative course of action in recovering the judgement sum.

<sup>(1)</sup> Based on BNM’s exchange rate of RMB1:RM0.6493 as at 30 June 2024.

- b) On 3 June 2019, the Company announced that it had initiated investigation on unauthorised transfer of one unit of office property held by its wholly owned subsidiary, MMBCL in Beijing, China at Room 801, Level 8, Top Fine International Centre, Dong San Huan, Middle Road, Chao Yang District, Beijing, China measuring 700.53 square metre. The current valuation price of the said property is at RM15.8 million.

In the announcement dated 3 June 2019, the Board informed that Mr. Tan Ew Chew (“TEC”) was advisor for the Company from 1 January 2013 to 16 May 2017 while Mr. Tan Kian Hong (“TKH”), son of TEC, was director of Metronic 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 also announced that on 3 June 2019, it had lodged a police report on investigation against TEC and TKH on the alleged breach of trust and causing the Company from suffering a loss of more than RM15.7 million.

The case is currently under police investigation and still in the midst of gathering evidence and obtaining statements from the relevant parties. The management will seek legal advice upon receiving the police report on the findings.

**9 Borrowings**

The Group’s total borrowing as at 30 June 2024 stood at RM10.6 million, representing a gearing ratio of 0.06 to shareholders’ equity. The amount increased by 11% as compared to the previous financial year end of RM9.6 million.

Breakdown by type of facilities is shown below:

RM	As at 30 June 2024		
	Long Term	Short term	Total
<b>Secured borrowings</b>			
Bank overdraft	-	2,840,246	2,840,246
Bankers’ acceptances	-	3,113,286	3,113,286
Revolving credit	-	3,094,571	3,094,571
Margin Financing	-	1,353,399	1,353,399
<b>Sub-Total</b>	<b>-</b>	<b>10,401,502</b>	<b>10,401,502</b>
<b>Un-Secured borrowings</b>			
Finance lease liabilities	133,396	78,011	211,407
<b>Sub-Total</b>	<b>133,396</b>	<b>78,011</b>	<b>211,407</b>
<b>Total</b>	<b>133,396</b>	<b>10,479,513</b>	<b>10,612,909</b>

**PART B : EXPLANATORY NOTES PURSUANT TO MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES**

**9. Borrowings (continue)**

RM	As at 30 June 2023 (audited)		
	Long Term	Short term	Total
<u>Secured borrowings</u>			
Bank overdraft	-	2,692,433	2,692,433
Bankers' acceptances	-	2,787,231	2,787,231
Revolving credit	-	3,582,107	3,582,107
Margin Financing	-	286,601	286,601
<b>Sub-Total</b>	<b>-</b>	<b>9,348,372</b>	<b>9,348,372</b>
<u>Un-Secured borrowings</u>			
Finance lease liabilities	160,766	77,421	238,187
<b>Sub-Total</b>	<b>160,766</b>	<b>77,421</b>	<b>238,187</b>
<b>Total</b>	<b>160,766</b>	<b>9,425,793</b>	<b>9,586,559</b>

The Group does not have any borrowing in foreign currency denomination.

**10. Proposed Dividend**

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

**11. Profit/(Loss) per share (EPS)**

**Basic / Diluted EPS**

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter	Preceding Year Quarter	Current Year To Date	Preceding Year To Date
	30.06.2024	30.06.2023	30.06.2024	30.06.2023
	RM	RM	RM	RM
Profit/(Loss) attributable to equity holders of the Company:				
- Continuing operations	(1,473,106)	-	(3,714,787)	-
	<u>(1,473,105)</u>	<u>-</u>	<u>(3,714,788)</u>	<u>-</u>
Weighted average number of ordinary shares	1,531,096,683	-	1,531,096,683	-
Basic / Diluted profit/(loss) per share (Sen):				
- Continuing operations	(0.096)	-	(0.243)	-
	<u>(0.096)</u>	<u>-</u>	<u>(0.243)</u>	<u>-</u>

The basic profit/(loss) per share of the Group is calculated by dividing the Group's profit/(loss) after tax for the financial period attributable to the owners of the Company by the weighted average number of ordinary shares outstanding during the period/cumulative period respectively.

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

**12. Profit / (Loss) for the period**

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter	Preceding Year Quarter	Current Year To Date	Preceding Year To Date
	30.06.2024	30.06.2023	30.06.2024	30.06.2023
	RM	RM	RM	RM
<b>After charging/(crediting):</b>				
Amortisation of intangible assets	252,630	-	1,010,520	-
Auditors' remuneration	46,750	-	196,612	-
Dep. of property, plant and equipment	96,439	-	392,893	-
Depreciation of right-of-use assets	31,738	-	124,525	-
Directors' fee	52,500	-	183,000	-
Loss on disposal of:				
- investment in quoted shares	-	-	25,248	-
Loss on fair value change of quoted shares	-	-	926,131	-
Interest expenses	342,194	-	696,251	-
Interest income	(1,028,114)	-	(4,010,454)	-
Staff cost	1,865,059	-	7,123,445	-

**13. Audit Report**

The audited financial statements of the Group for the financial year ended 30 June 2023 was not subject to any audit qualification.

**14. Authorisation for issue**

The interim financial statements were authorised for issue by the Board of Directors.