

MESTRON HOLDINGS BERHAD
Registration No: 201801018716 (1280732 – K)
(Incorporated in Malaysia)

FOR THE FOURTH (4th) QUARTER ENDED 31 DECEMBER 2021

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME ⁽¹⁾

(The figures have not been audited)

		<-- Individual Quarter -->		<-- Cumulative Quarter -->	
		Current	Preceding	Current	Preceding
		year quarter	year quarter	year quarter	year quarter
		31 December	31 December	31 December	31 December
		2021	2020	2021	2020
	Note	RM'000	RM'000	RM'000	RM'000
Revenue	A7	21,490	18,603	58,351	56,640
Cost of Sales		(17,573)	(11,449)	(43,910)	(38,311)
Gross Profit		3,917	7,154	14,441	18,329
Other income		426	69	864	425
Finance income		85	49	354	268
Selling and distribution expenses		(135)	(89)	(413)	(402)
Administrative expenses		(2,555)	(3,871)	(10,339)	(9,617)
Other operating expenses		-	-	(103)	(6)
Finance costs		(14)	(73)	(99)	(341)
Profit before taxation		1,724	3,239	4,705	8,656
Taxation	B5	(700)	(968)	(1,595)	(2,517)
Profit for the financial period		1,024	2,271	3,110	6,139
Attributable to:					
- Owners of the Company		1,031	2,271	3,133	6,139
- Non-controlling interests		(7)	-	(23)	-
		1,024	2,271	3,110	6,139
Earnings per share attributable to owners of the Company (sen):					
- Basic ⁽²⁾	B10	0.11	0.29	0.33	0.78
- Diluted ⁽³⁾	B10	0.11	0.29	0.33	0.78

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME ⁽¹⁾**

(The figures have not been audited)

Notes:

- (1) The basis of preparation of the Unaudited Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income are disclosed in Note A1 and the accompanying explanatory notes attached to this interim financial report.
- (2) Basic earnings per share is calculated based on the weighted average number of ordinary shares in issuance for the comparative current quarter and cumulative quarter.
- (3) Diluted earnings per share of the Group for the current quarter and cumulative quarter is equivalent to the basic earnings per share as the Group does not have convertible securities as at the end of the respective reporting period.

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2021 ⁽¹⁾

(The figures have not been audited)

	Note	(Unaudited) As at 31 December 2021 RM'000	(Audited) As at 31 December 2020 RM'000
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment		38,662	16,395
Right-of-use assets		14,232	16,633
Goodwill on consolidation		3,973	-
TOTAL NON-CURRENT ASSETS		56,867	33,028
CURRENT ASSETS			
Inventories		15,765	14,783
Trade receivables		17,623	20,630
Other receivables		2,123	1,348
Tax recoverable		1,568	560
Cash and bank balances		29,520	18,493
TOTAL CURRENT ASSETS		66,599	55,814
TOTAL ASSETS		123,466	88,842
EQUITY AND LIABILITIES			
EQUITY			
Share capital		83,553	55,958
Merger deficit		(29,100)	(29,100)
Retained earnings		40,821	38,897
Total shareholders' funds		95,274	65,755
Non-controlling interests		989	-
TOTAL EQUITY		96,263	65,755
NON-CURRENT LIABILITIES			
Borrowings	B7	4,149	7,336
Lease liabilities	B7	137	761
Deferred tax liabilities		1,334	714
TOTAL NON-CURRENT LIABILITIES		5,620	8,811

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AS AT 31 DECEMBER 2021 (cont'd) ⁽¹⁾

(The figures have not been audited)

		(Unaudited)	(Audited)
		As at	As at
		31 December	31 December
		2021	2020
	Note	RM'000	RM'000
CURRENT LIABILITIES			
Trade payables		17,602	9,433
Other payables		2,414	2,251
Dividend payable		1,209	1,324
Borrowings	B7	201	436
Lease liabilities	B7	157	832
TOTAL CURRENT LIABILITIES		21,583	14,276
TOTAL LIABILITIES		27,203	23,087
TOTAL EQUITY AND LIABILITIES		123,466	88,842
Net assets per share (RM) ⁽²⁾		0.10	0.08

Notes:

- (1) The basis of preparation of the Unaudited Condensed Consolidated Statement of Financial Position are disclosed in Note A1 and the accompanying explanatory notes attached to this interim financial report.
- (2) Net assets per share is calculated based on the ordinary shares in Mestron of 930,450,000 shares as at 31 December 2021 and 793,500,000 shares as at 31 December 2020.

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY ⁽¹⁾

(The figures have not been audited)

	←-Non-distributable-→ Share Capital RM'000	Merger Deficit RM'000	Distributable Retained Earnings RM'000	Total RM'000	Non-controlling interests RM'000	Total Equity RM'000
As at 1 January 2021	55,958	(29,100)	38,897	65,755	-	65,755
Total comprehensive income for the year	-	-	3,133	3,133	(23)	3,110
Share of non-controlling interests	-	-	-	-	1,012	1,012
Dividend paid	-	-	(1,209)	(1,209)	-	(1,209)
Transaction with owners:						
Issuance of ordinary shares	27,789	-	-	27,789	-	27,789
Share issuance expenses	(194)	-	-	(194)	-	(194)
Total transaction with owners	27,595	-	-	27,595	-	27,595
As at 31 December 2021	83,553	(29,100)	40,821	95,274	989	96,263

Note:

- (1) The basis of preparation of the Unaudited Condensed Consolidated Statement of Changes in Equity are disclosed in Note A1 and the accompanying explanatory notes attached to this interim financial report.

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FOR THE FOURTH (4th) QUARTER ENDED 31 DECEMBER 2021

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS ⁽¹⁾

(The figures have not been audited)

	<-- Cumulative Quarter -->	
	31 December 2021	31 December 2020
	RM'000	RM'000
Cash Flows From Operating Activities		
Profit before taxation	4,705	8,656
Adjustments for:-		
Depreciation of property, plant and equipment	1,332	957
Depreciation of right-of-use asset	606	1,256
Gain on disposal of property, plant and equipment	-	(2)
Interest expenses	98	341
Interest income	(352)	(268)
Operating profit before working capital changes	<u>6,389</u>	<u>10,940</u>
Changes in working capital:-		
Inventories	(982)	(4,289)
Receivables	805	(1,801)
Payables	9,184	427
Cash generated from operations	<u>15,396</u>	<u>5,277</u>
Interest received	352	268
Tax paid	(1,409)	(1,957)
Net cash generated from operating activities	<u>14,339</u>	<u>3,588</u>
Cash Flows From Investing Activities		
Acquisition of subsidiary, net cash and cash equivalents acquired	(2,961)	-
Purchase of property, plant and equipment	(23,599)	(3,707)
Purchase of right-of-use asset	-	(178)
Proceeds from disposal of property, plant and equipment	-	2
Net cash used in investing activities	<u>(26,560)</u>	<u>(3,883)</u>

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (cont'd) ⁽¹⁾
(The figures have not been audited)

	<-- Cumulative Quarter -->	
	31 December 2021	31 December 2020
	RM'000	RM'000
Cash Flows From Financing Activities		
Repayment to directors	-	5
Repayment of bank borrowings	(3,423)	(1,005)
Addition/(Repayment) of lease liabilities	497	(1,075)
Interests paid	(98)	(341)
Dividend paid	(1,324)	(1,580)
Proceeds from issuance of share capital	27,596	461
Net cash generated from/(used in) financing activities	23,248	(3,535)
Cash and cash equivalents		
Net changes	11,027	(3,830)
At the beginning of the year	18,493	22,323
At the end of the year	29,520	18,493

Note:

- (1) The basis of preparation of the Unaudited Condensed Consolidated Statement of Cash Flows are disclosed in Note A1 and the accompanying explanatory notes attached to this interim financial report.

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NOTES TO THE INTERIM FINANCIAL REPORT
EXPLANATORY NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

A1. Basis of preparation

The interim financial statements are unaudited and have been prepared in accordance with the requirements of Malaysian Financial Reporting Standards ("MFRS") No. 134: Interim Financial Reporting and Rules 9.22 of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad ("Listing Requirement").

This is the interim financial statements on the Group's unaudited condensed consolidated financial results for the fourth (4th) quarter ended 31 December 2021 announced by the Group in compliance with the Listing Requirements of Bursa Securities and as such, there are no comparative figures for the preceding year's corresponding period.

The interim financial statements should be read in conjunction with the audited financial statements for the financial year ended 31 December 2020 and accompanying notes attached to this interim financial report.

The accounting policies adopted in the interim financial statements are consistent with those adopted in the audited financial statements for the financial year ended 31 December 2020. The Group has adopted those standards, amendments and interpretations that have become effective and such adoptions do not have material impact on the financial position and performance of the Group.

Adoption of new and amended standard

During the financial period, the Group has adopted the following amendments for MFRSs issued by the Malaysian Accounting Standards Board ("MASB") that are mandatory for current financial period.

Adoption of the above standards and interpretations did not have any material impact to the financial statements of the Group.

FOR THE FOURTH (4th) QUARTER ENDED 31 DECEMBER 2021

A1. Basis of preparation (cont'd)

Standards issued but not yet effective

At the date of authorisation for issue of this interim financial report, the new and revised Standards and Amendments, which were in issue but not yet effective and have not been early adopted by the Group are as follow:-

Standards	Effective dates for financial period beginning on and after
Amendments to MFRS 3 Business Combinations	1 January 2022
Amendments to MFRS 9 Financial Instruments	1 January 2022
Amendments to MFRS 116 Property, Plant and Equipment	1 January 2022
Amendments to MFRS 137 Provisions, Contingent Liabilities and Contingent Assets	1 January 2022
MFRS 17 Insurance Contracts	1 January 2023
Amendments to MFRS 4 Insurance Contracts	1 January 2023
Amendments to MFRS 101 Presentation of Financial Statements	1 January 2023
Amendments to MFRS 108 Accounting Policies, Changes in Accounting Estimates and Errors	1 January 2023
Amendments to MFRS 10 Consolidated Financial Statements and MFRS 128 Investments in Associates and Joint Ventures	Deferred until further notice

The Directors anticipate that the abovementioned Standards and Amendments will be adopted in the annual financial statements of the Group when they become effective and that the adoption of these Standards and Amendments are not expected to have any material impact on the financial statements of the Group in the period of initial application.

A2. Auditors' report of preceding annual audited financial statements

The audited combined financial statements of the Group for the financial year ended 31 December 2020 was not subject to any qualification.

A3. Seasonal or cyclical factors

The Group's operations are not significantly affected by seasonal or cyclical effects, albeit marginal slowdown during festive periods such as Chinese New Year and Hari Raya as most of the Group's customers do not operate during these periods and large lorries are not allowed to transport goods due to traffic control. Nevertheless, the impact of the marginal slowdown is unlikely to be significant to the Group.

A4. Unusual items

There were no unusual items affecting assets, liabilities, equity, net income or cash flows of the Group during the current financial quarter and financial period-to-date.

A5. Material changes in estimates

There were no changes in the estimates in the current financial quarter under review.

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A6. Debt and equity securities

There were no issuance and repayment of the debt and equity securities, share buy-backs, share cancellations, shares held as treasury shares and resale of treasury shares during the current financial year to-date except for the following:

- (i) Issuance of 89,000,000 new ordinary shares pursuant to a private placement at an issue price of RM0.1790 per ordinary share on 8 January 2021;
- (ii) Issuance of 24,400,000 new ordinary shares pursuant to a private placement at an issue price of RM0.1950 per ordinary share on 5 March 2021; and
- (iii) Issuance of 23,550,000 new ordinary shares pursuant to a private placement at an issue price of RM0.3015 per ordinary share on 8 September 2021.

A7. Segmental information

The Group's segmental information for the current financial quarter ended 31 December 2021 is as follows:-

- (a) Analysis of revenue by business segments

	<-- Individual Quarter -->		<-- Cumulative Quarter -->	
	(Unaudited) 31 December 2021 RM'000	(Unaudited) 31 December 2020 RM'000	(Unaudited) 31 December 2021 RM'000	(Audited) 31 December 2020 RM'000
Manufacturing	18,204	8,585	47,911	34,745
Trading	3,286	10,018	10,440	21,895
Total	21,490	18,603	58,351	56,640

- (b) Analysis of revenue by geographical location

	<-- Individual Quarter -->		<-- Cumulative Quarter -->	
	(Unaudited) 31 December 2021 RM'000	(Unaudited) 31 December 2020 RM'000	(Unaudited) 31 December 2021 RM'000	(Audited) 31 December 2020 RM'000
Malaysia	20,372	17,957	54,567	53,428
Australia	548	538	2,309	2,232
Korea	112	-	112	-
Singapore	395	108	992	865
Sri Lanka	-	-	308	115
Philippines	63	-	63	-
Total	21,490	18,603	58,351	56,640

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A8. Dividends Paid

On 22 November 2021, the Directors declared a first interim single tier dividend of RM0.0013 per ordinary share in respect of the financial year ending 31 December 2021. The dividend has been paid on 28 January 2022 to shareholders registered in the Register of Members at the close of business on 17 January 2022.

A9. Valuation of property, plant and equipment

The Group has not carried out any valuation on its property, plant and equipment in the current financial quarter.

A10. Capital commitments

There were no material capital commitments of the Group as at 31 December 2021.

A11. Changes in the composition of the Group

There are no changes in the composition of the Group during the current financial quarter under review.

A12. Contingent liabilities and contingent assets

There are no material contingent liabilities and contingent assets to be disclosed as at the date of this interim financial.

A13. Material events subsequent to the end of the quarter

There are no material events subsequent to the end of the quarter to be disclosed as at the date of this interim financial.

A14. Related party transactions

There were no material related party transactions during the current financial quarter under review.

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B. ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS

B1. Review of performance

	<-- Individual Quarter -->		Changes	<-- Cumulative Quarter -->		Changes
	(Unaudited) 31 December 2021 RM'000	(Unaudited) 31 December 2020 RM'000		(Unaudited) 31 December 2021 RM'000	(Audited) 31 December 2020 RM'000	
Revenue	21,490	18,603	15.51	58,351	56,640	3.02
Gross profit	3,917	7,154	(45.24)	14,441	18,329	(21.21)
Profit before tax	1,724	3,239	(46.77)	4,705	8,656	(45.64)
Profit after tax	1,024	2,271	(54.90)	3,110	6,139	(49.34)

Current quarter (3 months)

For the current financial quarter ended 31 December 2021, the Group recorded revenue of RM21.49 million as compared to the revenue of RM18.60 million recorded for the previous year's financial quarter ended 31 December 2020. The increase in revenue was mainly due increase in sales demands of lantern and specialty poles mainly for the telecommunication segment for the current year's financial quarter ended 31 December 2021.

The Group's revenue was principally derived from the manufacturing segment which accounts for approximately 84.7% of the total revenue for the current financial quarter ended 31 December 2021. The revenue from manufacturing segment is mainly driven by the sale of specialty poles mainly for the telecommunication segment.

The Malaysian market remains as the largest market contributing to the Group's revenue accounting for approximately 94.8% of the total revenue for the current financial quarter ended 31 December 2021.

Overall, the Group registered a lower profit before tax of RM1.72 million in the current financial quarter under review as compared with a profit before tax of RM3.24 million recorded in previous financial quarter ended 31 December 2020 due to there being loss making subsidiaries and fluctuations in the price of raw materials (i.e. steel plates and steel pipes) which fluctuates according to global steel prices.

Cumulative quarter (12 months)

The Group recorded revenue of RM58.35 million for the current financial quarter ended 31 December 2021 as compared to the revenue of RM56.64 million recorded for the previous year's financial quarter ended 31 December 2020. The increase in revenue was mainly due increase in sales demands of lantern and specialty poles mainly for the telecommunication segment for the current year's financial quarter ended 31 December 2021.

The Group's revenue was principally derived from the manufacturing segment which accounts for approximately 82.1% of the total revenue for the current financial quarter ended 31 December 2021. The revenue from manufacturing segment is mainly driven by the sale of specialty poles mainly for the telecommunication segment.

The Malaysian market remains as the largest market contributing to the Group's revenue accounting for approximately 93.5% of the total revenue for the current financial quarter ended 31 December 2021.

FOR THE FOURTH (4th) QUARTER ENDED 31 DECEMBER 2021

B1. Review of performance (cont'd)

Cumulative quarter (12 months) (cont'd)

Overall, the Group registered a lower profit before tax of RM4.71 million in the current financial quarter under review as compared with a profit before tax of RM8.66 million recorded in previous financial quarter ended 31 December 2020 due to there being loss making subsidiaries and fluctuations in the price of raw materials (i.e. steel plates and steel pipes) which fluctuates according to global steel prices.

B2. Comparison with immediate preceding quarter's results

	<-- Individual Quarter -->		<-- Changes -->	
	(Unaudited) 31 December 2021 RM'000	(Unaudited) 30 September 2021 RM'000	RM'000	%
Revenue	21,490	14,263	7,227	50.66
Profit before tax	1,724	1,190	534	44.87

For the current financial quarter ended 31 December 2021, the Group recorded higher revenue of RM21.49 million and a higher profit before tax of RM1.72 million as compared to revenue of RM14.27 million and profit before tax of RM1.19 million respectively in the immediate preceding financial quarter ended 30 September 2021.

The increase in revenue is mainly due to government has opened the economy phase by phase under the National Recovery Plan in September 2021 which has improved our scheduled deliveries of products to customers for current financial quarter ended 31 December 2021.

B3. Prospects and outlook

The recent outbreak of the COVID-19 virus since the end of 2019 had disrupted the global operating environments and restricting global travelling and the outbreak had soften economic growth both in Malaysia and internationally.

The World Health Organisation had on 11 March 2020 declared the outbreak to be a pandemic and the Malaysian Government had imposed the MCO commencing 18 March 2020 and has been extended to 28 September 2021. The government implemented MCO 3.0 commencing 1 June 2021 and subsequently moved to Phase 1 of NRP starting 29 June 2021 to 10 September 2021. The measures undertaken by the Government, such as international and domestic travel restrictions, control of non-essential services, reduced operating hours and work force, are necessary to curb and slow down the spread of the COVID-19.

Whilst the Government has gradually eased the restriction and businesses are allowed to operate under strict standard operating procedures, the recovery of our economy, as well as the return to our normal social behaviour will require more time and efforts from all stakeholders.

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B3. Prospects and outlook (cont'd)

With the current uncertainty in the local and international economy due to the COVID-19 outbreak, the performance of the Group for the financial year ending 31 December 2021 will remain challenging. However, the Group will exercise extra vigilance in the business and will strive to deliver satisfactory performance for the year despite the COVID-19 pandemic. The group will explore other opportunities and is looking to diversify the business to expand our sources of revenue and include other sources of recurring income as a source of our business income.

B4. Profit forecast or profit guarantee

The Group does not have any profit forecast or profit guarantee for the current quarter under review in any public documents.

B5. Taxation

	<-- Individual Quarter -->		<-- Cumulative Quarter -->	
	(Unaudited) 31 December 2021 RM'000	(Unaudited) 31 December 2020 RM'000	(Unaudited) 31 December 2021 RM'000	(Audited) 31 December 2020 RM'000
Income tax expense:				
Current tax expense	700	786	975	2,336
Deferred tax expense	-	182	620	181
Total tax expense	700	968	1,595	2,517
Effective tax rate (%)	40.6	29.9	33.9	29.1

Note:

- (1) The Group's effective tax rate is higher than the statutory income tax rate due to non-deductible expenses such as depreciation and interest expenses.

B6. Status of corporate proposals and utilisation of proceeds

Status of corporate proposals

On 18 August 2020, the Company had announced that the Company wishes to undertake the private placement exercise of up to 158,000,000 new ordinary shares in Mestron ("**Placement Shares**"), representing up to approximately 20% of the total number of issued shares of Mestron, to independent third-party investor(s) to be identified later at an issue price to be determined later ("**Private Placement**") ("**Announcement**").

The additional listing application for the Placement Shares was approved by Bursa Securities on 7 September 2020. The Company have since issued a total of 140,450,000 Placement Shares and raised total gross proceeds of RM28.32 million. The Private Placement has lapsed on 30 September 2021.

On 20 August 2021, the Company has completed the bonus issue of warrants exercise following the listing and quotation for 453,450,000 Warrants on the ACE Market of Bursa Securities.

Save for the Private Placement and bonus issue of warrants, the Group does not have any corporate exercises which have been announced.

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B6. Status of corporate proposals and utilisation of proceeds (cont'd)

Utilisation of proceeds

(a) Public Issue

On 26 May 2019, the Company issued its prospectus in relation to the public issue of 158,000,000 new ordinary shares ("**Public Issue**") at issue price of RM0.16 per ordinary share. The listing exercise of the Company's enlarged share capital of 790,000,000 shares on the ACE Market of Bursa Securities was completed on 18 September 2019.

The gross proceeds raised from the Public Issue amounting to RM25.28 million are intended to be utilised in the following manner:-

Purpose	Proposed Utilisation	Actual Utilised	Unutilised Amount	Estimated Timeframe for utilisation (from the date of Listing)
	RM'000	RM'000	RM'000	
i) Expansion of our Main Manufacturing Facility and acquisition of manufacturing machineries and equipment	10,500	4,339	6,161 ⁽²⁾	Within 30 months ⁽²⁾
ii) Working capital ⁽¹⁾	7,680	7,680	-	Within 12 months
iii) Repayment of bank borrowings	4,000	4,000	-	Within 6 months
iv) Estimated listing expenses	3,100	3,100	-	Within 1 months
	<u>25,280</u>	<u>19,119</u>	<u>6,161</u>	

The utilisation of proceeds as disclosed above should be read in conjunction with the Prospectus of the Company dated 23 May 2019.

Notes:

- (1) Utilisation of working capital includes purchase of raw materials mainly consisting of steel plates and pipes, outdoor lighting products and galvanising of work-in-progress steel products.
- (2) The Group had on 19 May 2020 announced the variation on the utilisation of proceed raised from the initial public offering exercise. RM2.50 million of the proceeds earmarked for the expansion of the Group's main manufacturing facility and acquisition of manufacturing machineries and equipment has been reallocated for to finance the Group's working capital requirement such as fixed overhead cost and purchase of raw materials. The estimated timeframe for utilisation of proceeds allocated for expansion of the Group's main manufacturing facility and acquisition of manufacturing machineries and equipment has also been extended for an additional 6 months.

The utilisation of proceeds as disclosed above should be read in conjunction with the Prospectus of the Company dated 23 May 2019.

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B6. Status of corporate proposals and utilisation of proceeds (cont'd)

(b) Private Placement

Private Placement of up to 20% of the issued shares of the Company, involving up to 158,000,000 Placement Shares was approved on 7 September 2020.

On 8 December 2020, Mestron had issued 3,500,000 Placement Shares at an issue price of RM0.1520 each and raised total proceeds of RM532,000.00.

On 8 January 2021, Mestron had issued 89,000,000 Placement Shares at an issue price of RM0.1790 each and raised total proceeds of RM15,931,000.00.

On 5 March 2021, Mestron had issued 24,400,000 Placement Shares at an issue price of RM0.1950 each and raised total proceeds of RM4,758,000.00.

On 8 September 2021, Mestron had issued 23,550,000 Placement Shares at an issue price of RM0.3015 each and raised total proceeds of RM7,100,325.00.

On 30 September 2021, Mestron has resolved to withdraw the Extension of Time ("EOT") Application. As such, the Private Placement has lapsed on 30 September 2021.

The status of the utilisation of total gross proceeds from the four tranches of private placement are as below: -

Purpose	Proposed Utilisation	Actual Utilised	Unutilised Amount	Estimated Timeframe for utilisation (from the date of Listing)
	RM'000	RM'000	RM'000	
i) Future business projects/investments	12,728	6,300	6,428	Within 24 months
ii) Repayment of bank borrowings	5,303	3,915	1,388	Within 12 months
iii) Working capital	9,866	9,292	574	Within 18 months
iv) Estimated expenses for the private placement	424	252	172	Within 1 month
	<u>28,321</u>	<u>19,759</u>	<u>8,562</u>	

The utilisation of proceeds as disclosed above should be read in conjunction with the Announcement of the Company dated 18 August 2020.

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B7. Finance Lease Payable & Borrowings

The Group's finance lease payable and borrowings were as follows:-

	As at 31 December 2021 RM'000	As at 31 December 2020 RM'000
Secured:		
Current		
Lease liabilities	157	832
Term loan	201	436
	358	1,268
Secured:		
Non-current		
Lease liabilities	137	761
Term loan	4,149	7,336
	4,286	8,097
	4,644	9,365
Total bank borrowings	4,644	9,365

Note:

- (1) All the Group borrowings are denominated in Ringgit Malaysia and there are no foreign currency denomination borrowings.

B8. Changes in material litigation

As at the date of this report, the Group is not involved in any litigations or arbitrations either as a defendant or plaintiff, which has a material effect on the financial position of the Group, and the Board is not aware of any proceedings pending or of any fact likely to give rise to any proceedings.

B9. Dividends Proposed

There are no dividends proposed during the current financial quarter under review.

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B10. Earnings per share

The basic and diluted earnings per share for the current quarter and financial period is calculated as follows:-

	<-- Individual Quarter -->		<-- Cumulative Quarter -->	
	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
	31 December	31 December	31 December	31 December
	2021	2020	2021	2020
Profit attributable to owners of the Company (RM'000)	1,031	2,271	3,133	6,139
Weighted average number of ordinary shares ('000) ⁽¹⁾	930,450	793,239	930,450	793,239
Basic earnings per share (sen) ⁽²⁾	0.11	0.29	0.33	0.78
Diluted earnings per share (sen) ⁽³⁾	0.11	0.29	0.33	0.78

Notes:

- (1) Weighted average number of ordinary shares is based on the weighted average number of ordinary shares in issuance for the financial year and financial quarter.
- (2) Basic earnings per share for the current quarter and financial year is calculated based on the net profit divided by the weighted average number of ordinary shares.
- (3) Diluted earnings per share of the Company for the current quarter and financial period to date ended 31 December 2021 is equivalent to the basic earnings per share as the Company does not have convertible options as at the end of the reporting period.

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B11. Disclosure on selected expense/(income) items as required by the Listing Requirements

	<-- Individual Quarter -->		<-- Cumulative Quarter-->	
	(Unaudited) 31 December 2021 RM'000	(Unaudited) 31 December 2020 RM'000	(Unaudited) 31 December 2021 RM'000	(Audited) 31 December 2020 RM'000
Profit before taxation is arrived at after charging/(crediting):-				
Depreciation of property, plant and equipment	479	272	1,332	957
Depreciation of right-of-use assets	152	343	606	1,256
Gain on disposal of property, plant and equipment	-	(2)	-	(2)
Realised loss on foreign exchange	119	36	247	223
Interest income	(53)	(49)	(352)	(268)
Interest expenses	13	73	98	341

Note:

- (1) Save as disclosed above, the other disclosure items pursuant to Paragraph 16, Part A of Appendix 9B of the Listing Requirements are not applicable. The Group does not have the following items for the financial period under review:-
- (i) amortisation of investment properties;
 - (ii) rental income;
 - (iii) provision for and write off of receivables;
 - (iv) provision for and write off of inventories;
 - (v) gain or loss on disposal of quoted or unquoted investments or properties;
 - (vi) impairment of assets; and
 - (vii) gain or loss on derivatives.