

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

FOR THE SECOND (2nd) QUARTER ENDED 30 JUNE 2022

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

(The figures have not been audited)

		<-- Individual Quarter -->		<-- Cumulative Quarter -->	
		Current year quarter 30 June 2022	Preceding year quarter 30 June 2021	Current year quarter 30 June 2022	Preceding year quarter 30 June 2021
	Note	RM'000	RM'000	RM'000	RM'000
Revenue	A7	24,132	10,970	45,541	22,597
Cost of Sales		(20,251)	(8,753)	(37,420)	(16,329)
Gross Profit		3,881	2,217	8,121	6,268
Other income		620	45	850	102
Finance income		114	91	261	182
Selling and distribution expenses		(183)	(104)	(410)	(257)
Administrative expenses		(2,267)	(2,086)	(5,021)	(4,215)
Other operating expenses		(6)	(1)	(73)	(52)
Finance costs		(135)	(7)	(153)	(73)
Profit before taxation		2,024	155	3,575	1,955
Taxation	B5	-	(20)	(200)	(317)
Profit for the financial period		2,024	135	3,375	1,638
Attributable to:					
- Owners of the Company		2,011	139	3,387	1,642
- Non-controlling interests		13	(4)	(12)	(4)
		2,024	135	3,375	1,638
Earnings per share attributable to owners of the Company (sen):					
- Basic ⁽²⁾	B10	0.21	0.01	0.36	0.18
- Diluted ⁽³⁾	B10	0.21	0.01	0.36	0.18

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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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FOR THE SECOND (2nd) QUARTER ENDED 30 JUNE 2022

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2022 ⁽¹⁾

(The figures have not been audited)

	(Unaudited) As at 30 June 2022 RM'000	(Audited) As at 31 December 2021 RM'000
Note		
ASSETS		
NON-CURRENT ASSETS		
Property, plant and equipment	43,570	35,646
Right-of-use assets	14,955	13,936
Land held for property development	3,739	3,522
Investment in associates	6,000	-
Goodwill on consolidation	3,973	3,973
TOTAL NON-CURRENT ASSETS	72,237	57,077
CURRENT ASSETS		
Inventories	19,505	15,765
Trade receivables	25,376	19,123
Other receivables	4,225	3,548
Fixed deposit with licensed banks	1,129	128
Cash and bank balances	8,575	30,292
Tax recoverable	2,131	1,644
TOTAL CURRENT ASSETS	60,941	70,500
TOTAL ASSETS	133,178	127,577
EQUITY AND LIABILITIES		
EQUITY		
Share capital	83,553	83,553
Merger deficit	(29,100)	(29,100)
Retained earnings	44,286	40,899
Total shareholders' funds	98,739	95,352
Non-controlling interests	983	995
TOTAL EQUITY	99,722	96,347
NON-CURRENT LIABILITIES		
Borrowings	13,552	4,117
Lease liabilities	538	133
Deferred tax liabilities	1,299	1,299
TOTAL NON-CURRENT LIABILITIES	15,389	5,549

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 June 2022 (cont'd) ⁽¹⁾

(The figures have not been audited)

		(Unaudited)	(Audited)
		As at	As at
		30 June	31 December
		2022	2021
	Note	RM'000	RM'000
CURRENT LIABILITIES			
Trade payables		7,959	14,837
Other payables		6,348	9,264
Dividend payable		-	1,210
Borrowings	B7	3,632	233
Lease liabilities	B7	128	137
TOTAL CURRENT LIABILITIES		18,067	25,681
TOTAL LIABILITIES		33,456	31,230
TOTAL EQUITY AND LIABILITIES		133,178	127,577
Net assets per share (RM) ⁽²⁾		0.11	0.10

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 30 June 2022 and 31 December 2021 respectively.

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY ⁽¹⁾

(The figures have not been audited)

	←-Non-distributable-→		Distributable		Non- controlling interests RM'000	Total Equity RM'000
	Share Capital RM'000	Merger Deficit RM'000	Retained Earnings RM'000	Total RM'000		
As at 1 January 2022	83,553	(29,100)	40,899	95,352	995	96,347
Total comprehensive income for the year	-	-	3,387	3,387	(12)	3,375
As at 30 June 2022	<u>83,553</u>	<u>(29,100)</u>	<u>44,286</u>	<u>98,739</u>	<u>983</u>	<u>99,722</u>

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 SECOND (2nd) QUARTER ENDED 30 JUNE 2022

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS ⁽¹⁾

(The figures have not been audited)

	<-- Cumulative Quarter -->	
	30 June 2022	31 December 2021
	RM'000	RM'000
Cash Flows From Operating Activities		
Profit before tax	3,575	4,678
Adjustments for:-		
Property, plant and equipment written off	-	6
Bad debts written off	-	5
Depreciation of property, plant and equipment	856	1,361
Depreciation of right-of-use asset	296	1,220
Gain on disposal of property, plant and equipment	-	(10)
Interest expenses	149	98
Interest income	(259)	(355)
Allowance for expected credit losses on trade receivables	-	39
Reversal of allowance for expected credit losses on receivables	-	(31)
Operating profit before working capital changes	<u>4,617</u>	<u>7,011</u>
Changes in working capital:-		
Inventories	(3,740)	(982)
Receivables	(6,930)	5,588
Payables	(9,689)	(322)
Cash (used in)/generated from operations	<u>(15,742)</u>	<u>11,295</u>
Interest received	259	355
Tax paid	(688)	(1,984)
Net cash (used in)/generated from operating activities	<u>(16,171)</u>	<u>9,666</u>
Cash Flows From Investing Activities		
Acquisition of subsidiaries and associates, net of cash	(6,000)	(6,250)
Proceeds from disposal of property, plant and equipment	-	10
Placement of fixed deposits	(1,001)	(128)
Purchase of property, plant and equipment	(8,997)	(12,776)
Purchase of right-of-use assets	(757)	-
Purchase of land held for property development	-	(41)
Net cash used in investing activities	<u>(16,755)</u>	<u>(19,185)</u>

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

	<-- Cumulative Quarter -->	
	30 June 2022 RM'000	31 December 2021 RM'000
Cash Flows From Financing Activities		
Repayment to directors	(106)	(1)
Proceeds from issuance of share capital	-	27,595
Repayment of lease liabilities	(162)	(1,432)
Drawdown of borrowings	13,056	-
Repayment of borrowings	(220)	(3,422)
Interests paid	(149)	(98)
Dividend paid	(1,210)	(1,324)
Net cash generated from financing activities	<u>11,209</u>	<u>21,318</u>
Cash and cash equivalents		
Net changes	(21,717)	11,799
At the beginning of the year	<u>30,292</u>	<u>18,493</u>
At the end of the year	<u>8,575</u>	<u>30,292</u>

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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FOR THE SECOND (2nd) QUARTER ENDED 30 JUNE 2022

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") 134 *Interim Financial Reporting* and Paragraph 9.22 of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad ("Listing Requirement").

The interim financial statements should be read in conjunction with the audited financial statements for the financial year ended 31 December 2021 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 2021. 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.

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:-

FOR THE SECOND (2nd) QUARTER ENDED 30 JUNE 2022

A1. Basis of preparation (cont'd)

Standards issued but not yet effective (cont'd)

Standards	Effective dates for financial period beginning on and after
Amendments to MFRS 3 Business Combinations – Reference to the Conceptual Framework	1 January 2022
Amendments to MFRS 116 Property, Plant and Equipment – Proceeds before Intended Use	1 January 2022
Amendments to MFRS 137 Provisions, Contingent Liabilities and Contingent Assets – Onerous Contract-Cost of Fulfilling a Contract	1 January 2022
Annual Improvements to MFRS Standards 2018-2020	1 January 2022
MFRS 17 Insurance Contracts	1 January 2023
Amendments to MFRS 4 Insurance Contracts – Extension of the Temporary Exemption from Applying MFRS 9	1 January 2023
Amendments to MFRS 17 Insurance Contracts	1 January 2023
Amendments to MFRS 17 – Initial Application of MFRS 17 and MFRS 9-Comparative Information	1 January 2023
Amendments to MFRS 101 Presentation of Financial Statements – Classification of Liabilities as Current or Non-Current	1 January 2023
Amendments to MFRS 101 Presentation of Financial Statements – Disclosure of Accounting Policies	1 January 2023
Amendments to MFRS 108 Accounting Policies, Changes in Accounting Estimates and Errors	1 January 2023
Amendments to MFRS 123 Income Taxes – Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023
Amendments to MFRS 10 Consolidated Financial Statements	Deferred
MFRS 128 Investments in Associates and Joint Ventures	Deferred

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 2021 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.

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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.

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.

A7. Segmental information

The Group's segmental information for the current financial quarter ended 30 June 2022 is as follows:-

(a) Analysis of revenue by business segments

	<-- Individual Quarter -->		<-- Cumulative Quarter -->	
	(Unaudited) 30 June 2022 RM'000	(Unaudited) 30 June 2021 RM'000	(Unaudited) 30 June 2022 RM'000	(Unaudited) 30 June 2021 RM'000
Manufacturing	19,951	8,920	36,917	17,666
Trading	4,181	2,050	8,624	4,931
Total	24,132	10,970	45,541	22,597

(b) Analysis of revenue by geographical location

	<-- Individual Quarter -->		<-- Cumulative Quarter -->	
	(Unaudited) 30 June 2022 RM'000	(Unaudited) 30 June 2021 RM'000	(Unaudited) 30 June 2022 RM'000	(Unaudited) 30 June 2021 RM'000
Malaysia	22,421	10,296	42,877	21,141
Australia	970	354	1,624	718
Singapore	658	171	957	465
Korea	1	-	1	-
New Zealand	82	-	82	-
Sri Lanka	-	149	-	273
Total	24,132	10,970	45,541	22,597

FOR THE SECOND (2nd) QUARTER ENDED 30 JUNE 2022

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 ended 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 30 June 2022.

A11. Changes in the composition of the Group

On 1 June 2022, the Group incorporated a new subsidiary, Mestron Telecommunication Sdn Bhd with paid-up capital of RM100 comprising 100 ordinary shares.

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 -->			<-- Cumulative Quarter -->		
	(Unaudited) 30 June 2022 RM'000	(Unaudited) 30 June 2021 RM'000	Changes %	(Unaudited) 30 June 2022 RM'000	(Unaudited) 30 June 2021 RM'000	Changes %
Revenue	24,132	10,970	119.98	45,541	22,597	101.54
Gross profit	3,881	2,217	75.06	8,121	6,268	29.57
Profit before tax	2,024	155	1,205.81	3,575	1,955	82.87
Profit after tax	2,024	135	1,399.26	3,375	1,638	106.05

Current quarter (3 months)

For the current financial quarter ended 30 June 2022, the Group recorded revenue of RM24.13 million as compared to the revenue of RM10.97 million recorded for the previous year's financial quarter ended 30 June 2021. The increase in revenue was mainly due increase in sales demands of standard poles, lantern and specialty poles mainly for the telecommunication segment for the current year's financial quarter ended 30 June 2022.

The Group's revenue was principally derived from the manufacturing segment which accounts for approximately 82.7% of the total revenue for the current financial quarter ended 30 June 2022. The revenue from manufacturing segment is mainly driven by the sale of standard poles and specialty poles mainly for the telecommunication segment.

The Malaysian market remains as the largest market contributing to the Group's revenue accounting for approximately 92.9% of the total revenue for the current financial quarter ended 30 June 2022.

Overall, the Group registered a higher profit before tax of RM2.03 million in the current financial quarter under review as compared with a profit before tax of RM0.16 million recorded in previous financial quarter ended 30 June 2021 due to the reduction in the price of raw materials (i.e. steel plates and steel pipes) and higher sales demand for outdoor lighting products.

Cumulative quarter (6 months)

The Group recorded revenue of RM45.54 million for the current financial quarter ended 30 June 2022 as compared to the revenue of RM22.60 million recorded for the previous year's financial quarter ended 30 June 2021. The increase in sales demands of standard poles, lantern and specialty poles mainly for the telecommunication segment for the current year's financial quarter ended 30 June 2022.

The Group's revenue was principally derived from the manufacturing segment which accounts for approximately 81.1% of the total revenue for the current financial quarter ended 30 June 2022. The revenue from manufacturing segment is mainly driven by the sale of standard poles and specialty poles mainly for the telecommunication segment.

The Malaysian market remains as the largest market contributing to the Group's revenue accounting for approximately 94.2% of the total revenue for the current financial quarter ended 30 June 2022.

FOR THE SECOND (2nd) QUARTER ENDED 30 JUNE 2022

B1. Review of performance (cont'd)

Cumulative quarter (6 months) (cont'd)

Overall, the Group registered a higher profit before tax of RM3.58 million in the current financial quarter under review as compared with a profit before tax of RM1.96 million recorded in previous financial quarter ended 30 June 2021 due to the reduction in the price of raw materials (i.e. steel plates and steel pipes) and higher sales demand for outdoor lighting products.

B2. Comparison with immediate preceding quarter's results

	<-- Individual Quarter -->		<-- Changes -->	
	(Unaudited) 30 June 2022 RM'000	(Unaudited) 31 March 2022 RM'000	RM'000	%
Revenue	24,132	21,409	2,723	12.72
Profit before tax	2,024	1,551	473	30.50

For the current financial quarter ended 30 June 2022, the Group recorded higher revenue of RM24.13 million and a higher profit before tax of RM2.03 million as compared to revenue of RM21.41 million and profit before tax of RM1.55 million respectively in the immediate preceding financial quarter ended 31 March 2022.

The increase in profit before tax is mainly due to the reduction in the price of raw materials (i.e. steel plates and steel pipes). In addition, higher sales demand for outdoor lighting products which generally command higher sales margin for current financial quarter ended 30 June 2022.

B3. Prospects and outlook

In the first half of 2022, there were signs of recovery in the manufacturing sector in Malaysia as we move towards endemicity with the reopening of markets and borders. Moving ahead, several headwinds are expected to remain because of the continuing Russia-Ukraine conflict as well as the ongoing lockdowns in certain major cities in China. These events have caused further strain on global supply chains which have in turn led to rising global commodity and raw material prices as well as global logistic disruptions and high shipping costs. In addition, the recent implementation of the new minimum wage standard in Malaysia will result in higher operating costs for the manufacturing sector.

With the current uncertainty in the local and international economy, the performance of the Group for the financial year ending 30 June 2022 will remain challenging. However, the Group will exercise extra vigilance in the business and will strive to deliver satisfactory performance for the year. 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.

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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)	(Unaudited)	(Unaudited)	(Unaudited)
	30 June	30 June	30 June	30 June
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Income tax expense:				
Current tax expense	-	20	200	317
Total tax expense	-	20	200	317
Effective tax rate (%)	-	12.9	5.6	16.2

Note:

- (1) The Group's effective tax rate is lower than the statutory income tax rate as the Group entitled for higher allowances due to increase in purchase of plant and machinery in year 2022 and overprovision of tax for year assessment 2021.

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	5,653	4,847 ⁽¹⁾	Within 30 months ⁽¹⁾
ii) Working capital	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>20,433</u>	<u>4,847</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) 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.

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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.

140,450,000 new Placement Shares were issued pursuant to the Private Placement and were subsequently listed and quoted on the ACE Market of Bursa Securities.

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

The status of the utilisation of total gross proceeds 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	12,300	428	Within 24 months
ii) Repayment of bank borrowings	5,303	3,915	1,388	Within 12 months
iii) Working capital	10,038	9,865	173	Within 18 months
iv) Estimated expenses for the private placement	252	252	-	Within 1 month
	<u>28,321</u>	<u>26,332</u>	<u>1,989</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 30 June 2022 RM'000	As at 31 December 2021 RM'000
Secured:		
Current		
Lease liabilities	128	137
Banker acceptance	3,443	-
Term loan	189	233
	3,760	370
Secured:		
Non-current		
Lease liabilities	538	133
Term loan	13,552	4,117
	14,090	4,250
	17,850	4,620
Total bank borrowings		

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)	(Unaudited)
	30 June	30 June	30 June	30 June
	2022	2021	2022	2021
Profit attributable to owners of the Company (RM'000)	2,011	139	3,387	1,642
Weighted average number of ordinary shares ('000) ⁽¹⁾	930,450	906,900	930,450	906,900
Basic earnings per share (sen) ⁽²⁾	0.21	0.01	0.36	0.18
Diluted earnings per share (sen) ⁽³⁾	0.21	0.01	0.36	0.18

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 30 June 2022 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)	(Unaudited)	(Unaudited)	(Unaudited)
	30 June	30 June	30 June	30 June
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Profit before tax is arrived at after charging/(crediting):-				
Depreciation of property, plant and equipment	431	279	856	547
Depreciation of right-of-use assets	148	152	296	305
Realised loss on foreign exchange	52	26	197	38
Interest income	(113)	(91)	(259)	(182)
Interest expenses	143	8	149	42

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.