

INDUSTRONICS BERHAD (23699-X)
(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2022**

	AS AT THE END OF THE CURRENT FINANCIAL PERIOD 31.12.2022 RM (Unaudited)	AS AT THE PRECEDING FINANCIAL YEAR END 31.12.2021 RM (Audited)
ASSETS		
Non-Current Assets		
Property, Plant and Equipment	6,811,838	5,379,522
Right-Of-Use Assets	180,613	435,192
Investment Properties	159,235	163,930
Investment in Associate Company	1,439,824	1,291,827
Intangible Assets	2,793,514	3,046,427
Other Investments	612,997	133,000
Total Non-Current Assets	<u>11,998,021</u>	<u>10,449,898</u>
Current Assets		
Inventories	15,147,752	12,953,823
Tax Recoverable	15,005	13,194
Trade & Other Receivables	39,431,655	18,673,127
Amount due from Director	-	-
Amount due from Associate Company	26,893	26,893
Cash and Bank Balances	1,470,830	12,999,853
Total Current Assets	<u>56,092,135</u>	<u>44,666,890</u>
Assets of disposal group classified as held for sale	-	-
TOTAL ASSETS	<u><u>68,090,156</u></u>	<u><u>55,116,788</u></u>
EQUITY AND LIABILITIES		
Equity Attributable to Owners of the Company		
Share Capital	22,988,454	20,142,486
Reserves	(7,644,630)	(2,277,975)
Shareholders' funds	<u>15,343,824</u>	<u>17,864,511</u>
Non-Controlling Interest	40,161	34,838
Total Equity	<u>15,383,985</u>	<u>17,899,349</u>
Non-Current Liabilities		
Lease Liability	-	33,185
RCPS	-	1,000,000
Hire Purchase Payable	1,050,067	200,642
Deferred Tax Liabilities	524,282	524,282
Total Non-Current Liabilities	<u>1,574,349</u>	<u>1,758,109</u>
Current Liabilities		
Trade & Other Payables	50,771,199	35,259,389
Amount due to Director	80,889	1,336
Tax Payables	-	175
Hire Purchase Payable	279,734	17,938
Lease Liability	-	180,492
Total Current Liabilities	<u>51,131,822</u>	<u>35,459,330</u>
TOTAL EQUITY AND LIABILITIES	<u><u>68,090,156</u></u>	<u><u>55,116,788</u></u>
Net Assets per Share (RM)	0.04	0.05

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2021 and the accompanying explanatory notes attached to the interim financial statements.)

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE TWELVE (12)-MONTHS FINANCIAL PERIOD ENDED 31 DECEMBER 2022**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTERS	
	CURRENT QUARTER 31.12.2022	PRECEDING QUARTER 31.12.2021	CURRENT PERIOD 31.12.2022	PRECEDING YEAR 31.12.2021
	RM	RM	RM	RM
Revenue	12,411,219	10,222,857	35,949,216	41,706,664
Cost of Sales	<u>(11,147,834)</u>	<u>(9,461,236)</u>	<u>(30,858,566)</u>	<u>(36,157,038)</u>
Gross Profit	1,263,385	761,621	5,090,650	5,549,626
Other Income	(231,069)	292,095	499,552	648,535
Operating Expenses	(2,669,132)	(3,519,696)	(10,798,635)	(9,657,303)
Share of (Loss)/Profit of Associate	(133,139)	36,814	69,295	(734,172)
Finance Costs	<u>(702,161)</u>	<u>(551,329)</u>	<u>(2,721,127)</u>	<u>(577,896)</u>
Loss Before Tax	(2,472,116)	(2,980,495)	(7,860,265)	(4,771,210)
Income Tax	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Loss for the Period	<u>(2,472,116)</u>	<u>(2,980,495)</u>	<u>(7,860,265)</u>	<u>(4,771,210)</u>
Other comprehensive income/(loss), net of tax:				
Foreign currency translation differences for foreign operations	<u>(2,172,548)</u>	<u>(211,542)</u>	<u>2,498,933</u>	<u>(137,911)</u>
	<u>(2,172,548)</u>	<u>(211,542)</u>	<u>2,498,933</u>	<u>(137,911)</u>
Total comprehensive loss for the period/year	<u>(4,644,664)</u>	<u>(3,192,037)</u>	<u>(5,361,332)</u>	<u>(4,909,121)</u>
Loss Attributable to :				
Owners of the Company	(2,478,349)	(2,975,002)	(7,865,588)	(4,755,506)
Non-Controlling Interest	<u>6,233</u>	<u>(5,493)</u>	<u>5,323</u>	<u>(15,704)</u>
Loss for the Period	<u>(2,472,116)</u>	<u>(2,980,495)</u>	<u>(7,860,265)</u>	<u>(4,771,210)</u>
Total Comprehensive Loss Attributable to :				
Owners of the Company	(4,650,897)	(3,186,544)	(5,366,655)	(4,893,417)
Non-Controlling Interest	<u>6,233</u>	<u>(5,493)</u>	<u>5,323</u>	<u>(15,704)</u>
	<u>(4,644,664)</u>	<u>(3,192,037)</u>	<u>(5,361,332)</u>	<u>(4,909,121)</u>
Loss per Share				
- Basic (sen)	(0.57)	(1.10)	(1.87)	(1.76)

(The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2021 and the accompanying explanatory notes attached to the interim financial statements.)

INDUSTRONICS BERHAD (23699-X)

(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE TWELVE (12)-MONTHS FINANCIAL PERIOD ENDED 31 DECEMBER 2022**

	----- Attributable to Owners of the Parent -----						
	Share capital	Foreign currency translation reserve	Revaluation reserves	Accumulated losses	Shareholders Fund	Non-Controlling Interest	Total Equity
	RM	RM	RM	RM	RM	RM	RM
At 31 December 2021	20,142,486	(122,070)	3,819,608	(5,975,513)	17,864,511	34,838	17,899,349
Loss for the period	-	-	-	(7,865,588)	(7,865,588)	5,323	(7,860,265)
Foreign exchange translation	-	2,498,933	-	-	2,498,933	-	2,498,933
Total comprehensive income/(loss) for the period	-	2,498,933	-	(7,865,588)	(5,366,655)	5,323	(5,361,332)
Issuance of ordinary shares	1,845,968	-	-	-	1,845,968	-	1,845,968
Conversion of RCPS	1,000,000	-	-	-	1,000,000	-	1,000,000
At 31 December 2022	22,988,454	2,376,863	3,819,608	(13,841,101)	15,343,824	40,161	15,383,985
At 31 December 2020	7,240,905	15,841	3,819,608	(1,220,007)	9,856,347	50,542	9,906,889
Loss for the year	-	-	-	(4,755,506)	(4,755,506)	(15,704)	(4,771,210)
Foreign exchange translation	-	(137,911)	-	-	(137,911)	-	(137,911)
Total comprehensive loss for the period	-	(137,911)	-	(4,755,506)	(4,893,417)	(15,704)	(4,909,121)
Issuance of ordinary shares	3,252,845	-	-	-	3,252,845	-	3,252,845
Conversion of RCPS	9,665,000	-	-	-	9,665,000	-	9,665,000
Share issuance expenses	(16,264)	-	-	-	(16,264)	-	(16,264)
At 31 December 2021	20,142,486	(122,070)	3,819,608	(5,975,513)	17,864,511	34,838	17,899,349

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2021 and the accompanying explanatory notes attached to the interim financial statements.)

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE TWELVE (12)-MONTHS FINANCIAL PERIOD ENDED 31 DECEMBER 2022**

	Current Period 12 Months Ended 31.12.2022	Preceding Year 12 Months Ended 31.12.2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before taxation	(7,860,265)	(4,771,210)
Adjustments for non-cash flow:-		
Non-cash items	1,994,344	3,408,694
Non-operating items	<u>2,457,101</u>	<u>577,460</u>
Operating loss before changes in working capital	(3,408,820)	(785,056)
Net change in current assets	(22,871,568)	(26,150,005)
Net change in current liabilities	<u>15,511,811</u>	<u>(1,426,491)</u>
Cash used in operations	(10,768,577)	(28,361,552)
Interest paid	(2,721,127)	(28,756)
Interest income	264,026	436
Taxes refunded	714	-
Taxes paid	<u>(2,700)</u>	<u>(1,493)</u>
Net cash used in operating activities	<u>(13,227,664)</u>	<u>(28,391,365)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(1,850,372)	(6,605)
Purchase of right-of-use assets	-	(15,582)
Purchase of intangible assets	(1,075,299)	(1,617,702)
Purchase of other investments, quoted	(479,997)	(47,200)
Net cash outflow from disposal of subsidiary company	-	(752,065)
Proceeds from disposal of property, plant and equipment	7,500	26,000
Proceeds from disposal of other investments	-	628,182
Investment in associate company	-	(1,332,792)
Net cash used in investing activities	<u>(3,398,168)</u>	<u>(3,117,764)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Issuance of RCPS -Tranche 1, 2 and 3	-	10,665,000
Proceeds from private placement	1,845,968	3,252,845
Share issuance expenses	-	(16,264)
Increase in payables	-	30,478,272
Repayment of finance lease liabilities	(145,796)	(142,554)
Drawdown/repayment of hire purchase	1,109,993	(1,420)
Net cash generated from financing activities	<u>2,810,165</u>	<u>44,235,879</u>
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(13,815,667)	12,726,750
Effect of exchange rate changes	2,286,644	(223,537)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	12,999,853	496,640
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u><u>1,470,830</u></u>	<u><u>12,999,853</u></u>
CASH AND CASH EQUIVALENTS COMPRISE:		
Cash and bank balances	1,470,830	12,999,853
Bank overdraft	<u>-</u>	<u>-</u>
	<u><u>1,470,830</u></u>	<u><u>12,999,853</u></u>

(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2021 and the accompanying explanatory notes attached to the interim financial statements.)

NOTES TO THE INTERIM FINANCIAL REPORT

A1. Basis of Preparation

These condensed consolidated interim financial statement, for the financial period ended 30 September 2022 have not been audited and have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRS") 134 Interim Financial Reporting and Paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Malaysia") ("Listing Requirements").

The interim financial statements should be read in conjunction with the audited financial statements for the financial year ended 31 December 2021. These explanatory notes attached to the interim financial statements provide 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 year ended 31 December 2021.

The significant accounting policies adopted are consistent with those of the audited financial statements for the year ended 31 December 2021 except for the adoption of the following new MFRSs / Amendments with effect from 1 January 2022:-

Effective for Financial Years beginning on or after 1 January 2022

Annual Improvements to MFRS Standards 2018-2020 - MFRS 1, MFRS 9, MFRS 141

Amendments to MFRS 3 Business Combination: Reference to the Conceptual Framework

Amendments to MFRS 116: Property, Plant and Equipment – Proceeds before Intended Use

Amendments to MFRS 137: Provisions, Contingent Liabilities and Contingent Assets: Onerous Contracts

– Cost of Fulfilling a Contract

The application of these amendments to MFRSs and amendments to MFRSs did not result in significant changes in the accounting policies of the Group and had no significant effect on the financial performance or position of the Group.

A2. Auditors' Report on the Preceding Year's Audited Financial Statements

The Group's financial statements for the financial year ended 31 December 2021 is not qualified.

A3. Seasonal or Cyclical Factors

The business operations of the Group is generally non-seasonal and not subject to any seasonal or cyclical factors. The nature of the group's business is primarily project based and hence impact on the Group is subject to systemic market risk.

A4. Unusual Items

There were no unusual items affecting assets, liabilities, equity, net income or cash flows of the Group for the financial period ended 31 December 2022.

A5. Changes in Estimates

There is no significant change in estimates of amounts reported in prior financial year that have a material effect in the current financial period.

A6. Debt and Equity Securities

There were no issuance, cancellation, repurchase, resale and repayments of debt and equity securities for the current financial period ended 31 December 2022.

A7. Dividend Paid

There were no dividends paid during the current financial period ended 31 December 2022.

A8. Segmental Reporting

For management purposes, the Group is organised into the following business units based on their products and services, and has three reportable operating segments as follows:

Electronics & system integration	- Design, manufacturing and installation of electronics and microprocessor controlled products. Trading, maintenance and supply of industrial electronic equipment. Intelligent transportation system and major system integration projects involving Information Communication Technology, supply and service of telecommunication equipment, audio visual multimedia systems.
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Security systems, mechanical and electrical engineering ("M&E")	- Supply and installation of security systems. Specialist in fire protection system design and installation works and mechanical engineering services. Industrial maintenance and service works. Trading of transport equipment and provision of related services. Manufacturing of filter inclusive of import and marketing.
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Trading and services operations	- Involving in trading of precision instruments, provision of cloud service and general trading.
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Geographical Segments

Malaysia	- All main businesses disclosed in primary reporting format-business segments.
Hong Kong	- Trading of precision instruments, provision of cloud service and general trading. - Operating E commerce business and target market is South East Asia.

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NOTES TO THE INTERIM FINANCIAL REPORT

A8. Segmental Reporting (Continued)

a) Individual quarter

Business segments:

Individual quarter ended	Electronics & System Integration		Security Systems & M&E		Trading & Services Operations		Adjustments and Eliminations		Per consolidated Financial Statements	
	31.12.2022	31.12.2021	31.12.2022	31.12.2021	31.12.2022	31.12.2021	31.12.2022	31.12.2021	31.12.2022	31.12.2021
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue										
External customers	683	1,204	1,770	475	9,958	8,543	-	-	12,411	10,222
Inter-segment	198	254	-	-	-	(2)	(198)	(252)	-	-
Total revenue	881	1,458	1,770	475	9,958	8,541	(198)	(252)	12,411	10,222
Results										
Interest income	6	-	-	-	(230)	-	-	-	(224)	-
Finance costs	687	539	3	2	12	11	-	-	702	552
Depreciation and amortisation	25	40	12	25	136	588	-	(22)	173	631
Segment (loss)/profit	(1,405)	(1,113)	124	(110)	(712)	(1,035)	(479)	(722)	(2,472)	(2,980)
Segment assets	13,178	21,907	2,318	1,516	54,253	31,702	(1,659)	(8)	68,090	55,117
Segment liabilities	(45,898)	(35,450)	(1,514)	(819)	(66,306)	(41,337)	61,012	40,389	(52,706)	(37,217)
Capital expenditure	3	6	-	-	(82)	(15)	-	-	(79)	(9)

Geographical segments:

	Malaysia		Hong Kong		Adjustments and eliminations		Per consolidated financial statements			
	31.12.2022	31.12.2021	31.12.2022	31.12.2021	31.12.2022	31.12.2021	31.12.2022	31.12.2021		
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000		
Revenue										
Revenue from external customers	2,651	1,933	9,958	8,541	-	-	(198)	(252)	12,411	10,222
Segment loss	(1,929)	(2,040)	(64)	(218)	(479)	(722)	(479)	(722)	(2,472)	(2,980)
Segment assets	16,306	24,432	53,443	30,693	(1,659)	(8)	(1,659)	(8)	68,090	55,117
Capital expenditure	3	5	(82)	(14)	-	-	-	-	(79)	(9)

b) Cumulative quarters

Business segments:

Cumulative quarters ended	Electronics & System Integration		Security Systems & M&E		Trading & Services Operations		Adjustments and Eliminations		Per consolidated Financial Statements	
	31.12.2022	31.12.2021	31.12.2022	31.12.2021	31.12.2022	31.12.2021	31.12.2022	31.12.2021	31.12.2022	31.12.2021
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue										
External customers	2,784	3,003	4,710	1,466	28,455	37,237	-	-	35,949	41,706
Inter-segment	985	808	-	-	-	1,165	(985)	(1,973)	-	-
Total revenue	3,769	3,811	4,710	1,466	28,455	38,402	(985)	(1,973)	35,949	41,706
Results										
Interest income	7	-	-	-	257	-	-	-	264	-
Finance costs	2,655	552	14	2	52	24	-	-	2,721	578
Depreciation and amortisation	100	143	52	60	1,806	2,367	-	(88)	1,958	2,482
Segment profit/(loss)	(4,333)	(1,126)	106	(314)	(2,317)	(1,839)	(1,316)	(1,492)	(7,860)	(4,771)
Segment assets	13,178	21,907	2,318	1,516	54,253	31,702	(1,659)	(8)	68,090	55,117
Segment liabilities	(45,898)	(35,450)	(1,514)	(819)	(66,306)	(41,337)	61,012	40,389	(52,706)	(37,217)
Capital expenditure	25	6	-	-	1,825	1,618	-	-	1,850	1,624

Geographical segments:

	Malaysia		Hong Kong		Adjustments and eliminations		Per consolidated financial statements			
	31.12.2022	31.12.2021	31.12.2022	31.12.2021	31.12.2022	31.12.2021	31.12.2022	31.12.2021		
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000		
Revenue										
Revenue from external customers	8,479	5,309	28,455	38,370	-	-	(985)	(1,973)	35,949	41,706
Segment assets	16,306	24,432	53,443	30,693	(1,659)	(8)	(1,659)	(8)	68,090	55,117
Capital expenditure	25	6	1,825	1,618	-	-	-	-	1,850	1,624
Segment liabilities	(58,778)	(44,958)	(54,940)	(32,648)	61,012	40,389	61,012	40,389	(52,706)	(37,217)
Results										
Interest income	7	-	257	-	-	-	-	-	264	-
Finance costs	2,670	567	51	11	-	-	-	-	2,721	578
Depreciation and amortisation	324	428	1,634	2,142	-	(88)	-	(88)	1,958	2,482
Segment profit/(loss)	(7,102)	(4,454)	558	1,175	(1,316)	(1,492)	(1,316)	(1,492)	(7,860)	(4,771)

A9. Valuation of Property, Plant and Equipment

The valuation of land and buildings have been brought forward from previous valuation done as at 30 September 2020.

A10. Subsequent Events

There were no material events subsequent to the end of the financial period ended 31 December 2022.

A11. Effect of Changes in the Composition of the Group

On 30 December 2022, the Company has incorporated a wholly-owned subsidiary, namely Industronics Advansystem Sdn Bhd. Save for this, there were no material changes in the composition of the Group during the current financial period including business combination, acquisition of subsidiaries and long term investment, disposal of subsidiaries, restructuring and discontinuing operations as of to date.

NOTES TO THE INTERIM FINANCIAL REPORT

A12. Contingent Assets or Contingent Liabilities

There were no material changes in contingent assets or contingent liabilities since the last audited statement of financial position as at 31 December 2021.

A13. Capital Commitment

The Group has no material capital commitments as at 31 December 2022.

A14. Related Party Transactions

a. There were no significant transactions and balances with related parties of the Group during the current financial period under review.

b. There were no transactions with the directors and key management personnel other than the remuneration package paid to them in accordance with the terms and conditions of their appointment.

A15. Loss Before Tax

The following amounts have been included in arriving at operating loss:

	Q422 RM	Q421 RM	YTD 22 RM	YTD 21 RM
Interest Income	224,204	-	(264,026)	(436)
Interest expense	702,161	551,329	2,721,127	577,896
Depreciation and amortisation	173,456	631,823	1,958,283	2,482,469
Reversal of inventories written down	-	-	(1,336)	-
Subsidy of wages	-	-	-	(55,200)
Write off of property, plant and equipment	79,879	1,976	80,105	1,976
Loss on disposal of subsidiary	-	1	-	758,241
Gain on disposal of property, plant and equipment	(3,500)	(27,970)	(7,500)	(25,998)
Realised foreign exchange loss	339	317,609	3,531	329,121
Unrealised foreign exchange loss/(gain)	14,285	(106,101)	(193,239)	(201,614)

*** Gain or loss on derivatives is not applicable as the Company does not have any derivative financial instrument.

ADDITIONAL INFORMATION REQUIRED PURSUANT TO PART A OF APPENDIX 9B OF THE LISTING REQUIREMENTS

B1. Review of Performance

- a) Quarter ended 31 December 2022 (4Q22) compared with quarter ended 31 December 2021 (4Q21)

The Group's revenue was higher in 4Q22 (RM12.41 million) as compared to 4Q21 (RM10.22 million). This was mainly due to higher sales generated from Security Systems & M&E segment and Trading & Services Operations segment in 4Q22 (RM1.77 million and RM9.96 million respectively) as compared to last year 4Q21 (RM0.47 million and RM8.54 million respectively).

The Group has recorded a loss before tax of RM2.47 million in 4Q22 as compared to a loss before tax of RM2.98 million in 4Q21. Slight reduction in loss before tax was due to Security Systems and M&E segment recorded a profit of RM0.12 million in 4Q22. This was however offset by the losses made by the other two segments.

- b) Current financial period ended 31 December 2022 (12M22) compared with preceding financial year ended 31 December 2021

The Group recorded a lower revenue of RM35.95 million for 12M22 as compared to RM41.71 million for 12M21, mainly due to lower revenue generated from Trading & Services Operations segment in 12M22 of RM28.45 million (12M21: RM37.24 million) as one of the Hong Kong subsidiary has become the associate company in August 2021. The increase in revenue from Security Systems & M&E segment was mainly due to some projects secured by the subsidiary company on building management system (BMS) and secondary wiring works and etc and this has improved the performance of the Group.

The Group recorded a loss before tax of RM7.86 million in 12M22 as compared to loss before tax of RM4.77 million in 12M21. These were mainly due to lower gross profit resulting from lower revenue generated, increase in operating expenses and finance costs in this 12M22. However, the loss was partially offset by share of associate's profit of RM0.07 million.

B2. Material Changes in the Quarterly Results (4Q22) Compared to the Results of the Preceding Quarter (3Q22)

The Group recorded a higher revenue of RM12.41 million in 4Q22 compared with RM8.09 million in 3Q22. Loss before tax was RM2.47 million in the current quarter as compared to loss before tax of RM2.41 million in 3Q22.

B3. Current Year Prospects

On 8 March 2022, Malaysia commenced its transition to the endemic phase and reopened its borders from 1 April 2022 after careful deliberation on various aspects including the national vaccination programme and economy, with risk management conducted by the authorities.

Going forward, the Group will continue to focus its efforts in developing new value-adding solutions to support existing customers and promoting business continuity and sustainability. The Group recognise the intensely complicated environment in which it is operating today and is taking every step possible to further develop and strengthen the Group's performance.

While it is difficult to estimate the extent and severity of the COVID-19 pandemic impact to the economy and to the Group's financial position, the management has taken proactive steps to solidify the Group's financial standing and mitigate any adverse consequences. These steps include monitoring all costing, reducing workforce size and instituting initiatives to encourage savings in business operations. The Group continues to carefully monitor this crisis and will take additional actions as needed.

B4. Profit Forecast

Not applicable as no profit forecast was published.

B5. Taxation

Taxation comprises the following:-

	Current Quarter RM	Cumulative Quarters
Current tax	-	-
Deferred tax	-	-
	<u>-</u>	<u>-</u>

B6. Sale of Quoted and Unquoted Investments

There were no material sale of quoted and unquoted investments for the financial period ended 31 December 2022.

B7. Sale of Properties

There was no disposal of property for the financial period ended 31 December 2022.

B8. Status of Corporate Proposals

As at 27 February 2023, being the latest practicable date ("LPD") prior to the issue of this quarterly report, save as disclosed below, there were no corporate proposals announced but not completed by the Company:

i) Redeemable Convertible Preference Shares ("RCPS")

On 13 March 2020, M&A, on behalf of the Board of Directors of ITRONIC announced that the listing application to Bursa Malaysia Securities Berhad as well as the application to Bank Negara Malaysia in relation to the proposals has been submitted.

On 6 April 2020, M&A, on behalf of the Board of Directors of ITRONIC announced that the Company has entered into a supplemental agreement with the subscriber, Bluemount Investment Fund SPC "BIF" ("Supplemental Agreement") to vary, modify, substitute, alter and amend certain terms and relevant provisions of the Subscription Agreement. The revisions include proposal to issue up to 500,000,000 new RCPS at an issue price of RM0.04 per RCPS.

ADDITIONAL INFORMATION REQUIRED PURSUANT TO PART A OF APPENDIX 9B OF THE LISTING REQUIREMENTS

B8. Status of Corporate Proposals (Continued)

On 27 April 2020, M&A, on behalf of the Board of Directors of ITRONIC announced that the Company has entered into a 2nd supplemental agreement with the Subscriber ("Supplemental Agreement 2") to vary, modify, substitute, alter and amend certain terms and relevant provision of the Subscription Agreement.

On 20 July 2020, M&A, on behalf of the Board of Directors of ITRONIC wishes to announce that Bursa Securities has vide its letter dated 20 July 2020, resolved to approve the listing of up to 266,625,000 new Itronic Shares to be issued pursuant to the conversion of the RCPS arising from the Proposed Issuance of RCPS.

On 8 Feb 2021, The Company received fund i.e. Tranche 1 of USD680,000.00 approximately of RM 2.66 million from Subscriber. The Company will proceed to log SSM as of 22 Feb 2021.

On 5 March 2021, Bluemount Investment Fund SPC converted 33,350,000 redeemable convertible preference shares of RM0.04 each into ordinary share.

On 19 April 2021, Bluemount Investment Fund SPC converted converted 33,275,000 redeemable preference preference shares of RM0.04 each into ordinary share.

On 28 April 2021, on behalf of the Board of Directors of ITRONIC announced that the Bluemount Investment Fund SPC "Subscriber" subscribed for Tranche 2 comprising 100,000,000 RCPS in the share capital of ITRONIC at an issue price of RM0.04 per RCPS for a cash consideration of RM4,000,000 subject to the Rights and Terms of the RCPS and in accordance with the relevant provisions of the Constitution of ITRONIC.

On 11 May 2021, Bluemount Investment Fund SPC converted 50,000,000 Redeemable Convertible Preference Shares of RM0.04 each into ordinary shares.

On 23 June 2021, Bluemount Investment Fund SPC converted 50,000,000 Redeemable Convertible Preference Shares of RM0.04 each into ordinary shares.

On 24 June 2021, on behalf of the Board of Directors of ITRONIC announced that the Bluemount Investment Fund SPC "Subscriber" subscribed for Tranche 3 comprising 100,000,000 RCPS in the share capital of ITRONIC at an issue price of RM0.04 per RCPS for a cash consideration of RM4,000,000 subject to the Rights and Terms of the RCPS and in accordance with the relevant provisions of the Constitution of ITRONIC.

On 20 September 2021, Bluemount Investment Fund SPC converted 75,000,000 Redeemable Convertible Preference Shares of RM0.04 each into ordinary shares.

On 12 August 2022, Bluemount Investment Fund SPC converted 25,000,000 Redeemable Convertible Preference Shares of RM0.04 each into ordinary shares.

The table below sets out the status of utilisation of proceeds raised from the RCPS Issuance of Tranches 1, 2 & 3 as mentioned above amounting to RM10.67 million.

Descriptions	Proposed utilisation	Actual Proceeds Raised	Actual Utilisation	Balance	Estimate time frame for the utilisation upon receipt of Tranches 1, 2 & 3
	RM (Million)	RM (Million)	RM (Million)	RM (Million)	
Business expansion	7.27	7.27	0.55	6.72	Within 24 months
Working capital for the existing group's business	3.00	3.00	2.66	0.34	Within 24 months
Estimated expenses relating to the Proposals	0.40	0.40	0.24	0.16	Within 1 month
Total	10.67	10.67	3.45	7.22	

ii) Multiple Proposals : (i) Proposed Rights Issue; and (ii) Proposed Diversification ("Proposals")

On 8 July 2022, TA Securities Holdings Berhad ("TA"), on behalf of the Board of Directors of Industriatics announced that the Company proposes to undertake the Proposals.

On 23 August 2022, TA, on behalf of the Board of Directors of Industriatics announced that an additional listing application in relation to the Proposed Rights Issue has been submitted to Bursa Securities on 23 August 2022.

On 21 October 2022, TA, on behalf of the Board of Directors of Industriatics announced that Bursa Securities had, vide its letter dated 21 October 2022, resolved to approve the following:

- (i) admission to the Official List and listing and quotation of up to 656,295,411 Warrants to be issued pursuant to the Proposed Rights Issue with Warrants;
- (ii) listing and quotation of up to 875,060,548 Rights Shares to be issued pursuant to the Proposed Rights Issue with Warrants; and
- (iii) listing and quotation of up to 656,295,411 new Industriatics Shares to be issued arising from the exercise of the Warrants.

ADDITIONAL INFORMATION REQUIRED PURSUANT TO PART A OF APPENDIX 9B OF THE LISTING REQUIREMENTS

B8. Status of Corporate Proposals (Continued)

The approval granted by Bursa Securities for the Proposed Rights Issue with Warrants is subject to the following conditions:

- (i) Industronics and TA Securities must fully comply with the relevant provisions under the Listing Requirements pertaining to the implementation of the Proposed Rights Issue with Warrants.
- (ii) Industronics and TA Securities to inform Bursa Securities upon the completion of the Proposed Rights Issue with Warrants.
- (iii) Industronics to furnish Bursa Securities with a written confirmation of its compliance with the terms and conditions of Bursa Securities' approval once the Proposed Rights Issue with Warrants is completed.
- (iv) Industronics to furnish Bursa Securities on a quarterly basis a summary of the total number of shares listed pursuant to the exercise of Warrants as at the end of each quarter together with a detailed computation of listing fees payable.

The Board of Directors of Industronics announced that all the Ordinary Resolutions set out in the Notice of the Extraordinary General Meeting ("EGM") of the Company dated 3 November 2022 and tabled at the said EGM held on 18 November 2022 were duly passed by poll.

On behalf of the Board, TA Securities announced that the Board has on 9 December 2022 ("Price-fixing Date"), resolved to fix the following:

- (i) issue price for the Rights Shares at RM0.08 each, which is at a discount of RM0.0090 or approximately 10.11% to the TEAP of RM0.0890, calculated based on the 5D-VWAP up to and including 8 December 2022 (being the last trading day prior to the Price-fixing Date ("LTD")) of RM0.1070; and
- (ii) exercise price for the Warrants at RM0.10 each, which is at a premium of RM0.0110 or approximately 12.36% to the TEAP of RM0.0890, calculated based on the 5D-VWAP up to and including the LTD of RM0.1070.

On behalf of the Board, TA Securities announced that the Company had on 9 December 2022 executed a deed poll constituting the Warrants ("Deed Poll").

A copy of the Deed Poll will be made available for inspection at the registered office of the Company at No. 9A, Jalan Medan Tuanku, Medan Tuanku, 50300 Kuala Lumpur, Wilayah Persekutuan during normal business hours from 9.00 a.m. to 5.00 p.m. from Monday to Friday (excluding public holidays) for the period of at least 6 months from the date of this announcement.

On behalf of Industronics, TA Securities wishes to announce that as at the close of acceptance, excess application and payment for the Rights Issue at 5.00 p.m. on 11 January 2023 ("Closing Date"), the Company has received valid acceptances and excess applications for a total of 270,058,985 Rights Shares, representing a subscription rate of 30.86% over the total number of Rights Shares available for subscription under the Rights Issue.

The minimum subscription level for the Rights Issue had been achieved notwithstanding the under-subscription for the Rights Issue.

The total number of excess Rights Shares available for allocation is 742,090,073. In view that the total number of excess Rights Shares applied for was 137,088,510, the Board has decided to allot the excess Rights Shares to all the entitled shareholders and/or their renouncee(s)/transferee(s) who have applied for the excess Rights Shares.

The Rights Shares with Warrants are expected to be listed and quoted on the Main Market of Bursa Securities on 27 January 2023.

Kindly be advised that the abovementioned Company's additional 270,058,985 new ordinary shares issued pursuant to the aforesaid Rights Issue with Warrants will be granted listing and quotation with effect from 9.00 a.m., Friday, 27 January 2023.

We are also pleased to advise that ITRONIC's 202,544,237 Warrants issued pursuant to the Rights Issue with Warrants will be admitted to the Official List of the Exchange and the listing and quotation of the Warrants on the Main Market, will be granted with effect from 9.00 a.m., Friday, 27 January 2023.

The Stock Short Name, Stock Number and ISIN Code of the Warrants are "ITRONIC-WA", "9393WA" and "MYL9393WA811" respectively.

On behalf of Industronics, TA Securities announced that the Rights Issue has been completed with the listing and quotation of 270,058,985 Rights Shares together with 202,544,237 Warrants on the Main Market of Bursa Securities on 27 January 2023.

B9. Group Borrowings and Debt Securities

Total Group Borrowings as at 31 December 2022:-

	RM
a) Secured and unsecured :	
Total secured borrowings	-
Total unsecured borrowings	-
Total borrowings	-
	-
	RM
b) Short Term and Long Term	
Total short-term borrowings	-
Total long term borrowings	-
Total borrowings	-
	-

All borrowings are denominated in Ringgit Malaysia.

B10. Off Balance Sheet Financial Instruments

Not applicable as off balance sheet financial instruments are accounted for in the statement of financial position.

B11. Material Litigations

There was no material litigation pending as at the date of this quarterly report.

B12. Dividend

No dividend has been declared in the current quarter.

ADDITIONAL INFORMATION REQUIRED PURSUANT TO PART A OF APPENDIX 9B OF THE LISTING REQUIREMENTS

B13. a) Basic Loss per Share

	INDIVIDUAL QUARTER		CUMULATIVE QUARTERS	
	Current 31.12.2022	Preceding 31.12.2021	Current 31.12.2022	Preceding 31.12.2021
Net loss attributable to the owners of the Company for the period	(2,478,349)	(2,975,002)	(7,865,588)	(4,755,506)
Weighted average no. of ordinary shares in issue	437,530,274	269,934,066	420,426,132	269,934,066
Basic loss per share (sen)	(0.57)	(1.10)	(1.87)	(1.76)

b) Diluted Loss per Share

	INDIVIDUAL QUARTER		CUMULATIVE QUARTERS	
	Current 31.12.2022	Preceding 31.12.2021	Current 31.12.2022	Preceding 31.12.2021
Net loss attributable to the owners of the Company for the period	(2,478,349)	(2,975,002)	(7,865,588)	(4,755,506)
Weighted average no. of ordinary shares in issue	437,530,274	269,934,066	420,426,132	269,934,066
Diluted loss per share (sen)	(0.57)	(1.10)	(1.87)	(1.76)

B14. Authorisation for Issue

The interim financial statements for the twelve (12)-months financial period ended 31 December 2022 were authorised for issue by the Board of Directors.

BY ORDER OF THE BOARD
INDUSTRONICS BERHAD
27 February 2023