

INDUSTRONICS BERHAD
197501001969 (23699-X)
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2023

(The figures have not been audited)

	AS AT THE END OF THE CURRENT FINANCIAL PERIOD 30.06.2023 RM (Unaudited)	AS AT THE PRECEDING FINANCIAL YEAR END 31.12.2021 RM (Audited)
ASSETS		
Non-Current Assets		
Property, Plant and Equipment	6,853,449	5,379,522
Right-Of-Use Assets	540,643	435,192
Investment Properties	156,888	163,930
Investment in Associate Company	4,773,623	1,291,827
Intangible Assets	2,947,685	3,046,427
Other Investments	133,000	133,000
Total Non-Current Assets	<u>15,405,288</u>	<u>10,449,898</u>
Current Assets		
Inventories	9,931,722	12,953,823
Tax Recoverable	3,171	13,194
Trade & Other Receivables	60,186,837	18,673,127
Amount due from Associate Company	26,893	26,893
Cash and Bank Balances	428,949	12,999,853
Total Current Assets	<u>70,577,572</u>	<u>44,666,890</u>
TOTAL ASSETS	<u><u>85,982,860</u></u>	<u><u>55,116,788</u></u>
EQUITY AND LIABILITIES		
Equity Attributable to Owners of the Company		
Share Capital	44,593,174	20,142,486
Reserves	(2,930,304)	(2,277,975)
Shareholders' funds	<u>41,662,870</u>	<u>17,864,511</u>
Non-Controlling Interest	-	34,838
Total Equity	<u>41,662,870</u>	<u>17,899,349</u>
Non-Current Liabilities		
Lease Liability	214,164	33,185
RCPS	-	1,000,000
Hire Purchase Payable	775,533	200,642
Deferred Tax Liabilities	524,282	524,282
Total Non-Current Liabilities	<u>1,513,979</u>	<u>1,758,109</u>
Current Liabilities		
Trade & Other Payables	42,127,041	35,259,389
Amount due to Director	(15,298)	1,336
Tax Payables	-	175
Hire Purchase Payable	280,101	17,938
Lease Liability	414,167	180,492
Total Current Liabilities	<u>42,806,011</u>	<u>35,459,330</u>
TOTAL EQUITY AND LIABILITIES	<u><u>85,982,860</u></u>	<u><u>55,116,788</u></u>
Net Assets per Share (RM)	0.06	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
Quarterly Report For The Quarter and Period Ended 30 June 2023

(The figures have not been audited)

	INDIVIDUAL QUARTER 3 Months Ended		CUMULATIVE QUARTERS 18 Months Ended	
	CURRENT QUARTER 30.06.2023	PRECEDING QUARTER 30.06.2022	CURRENT PERIOD 30.06.2023	PRECEDING YEAR 30.06.2022
	RM	RM	RM	RM
Revenue	15,290,886	N/A	56,805,352	N/A
Cost of Sales	<u>(14,056,928)</u>	<u>N/A</u>	<u>(49,867,437)</u>	<u>N/A</u>
Gross Profit	1,233,958	N/A	6,937,915	N/A
Other Income	2,351,778	N/A	2,840,478	N/A
Operating Expenses	(3,525,249)	N/A	(16,807,414)	N/A
Share of Profit of Associate	3,249,080	N/A	3,306,364	N/A
Finance Costs	(244,150)	N/A	(3,522,557)	N/A
Profit/ (Loss) Before Tax	3,065,417	N/A	(7,245,214)	N/A
Income Tax	<u>(105)</u>	<u>N/A</u>	<u>(105)</u>	<u>N/A</u>
Profit/ (Loss) for the Period	<u>3,065,312</u>	<u>N/A</u>	<u>(7,245,319)</u>	<u>N/A</u>
Other comprehensive income, net of tax:				
Foreign currency translation differences for foreign operations	3,643,043	N/A	5,990,635	N/A
Total comprehensive income/ (loss) for the period	<u>6,708,355</u>	<u>N/A</u>	<u>(1,254,684)</u>	<u>N/A</u>
Loss Attributable to :				
Owners of the Company	3,107,604	N/A	(6,642,964)	N/A
Non-Controlling Interest	<u>(42,292)</u>	<u>N/A</u>	<u>(602,355)</u>	<u>N/A</u>
Profit/ (Loss) for the Period	<u>3,065,312</u>	<u>N/A</u>	<u>(7,245,319)</u>	<u>N/A</u>
Total Comprehensive Profit/ (Loss) Attributable to :				
Owners of the Company	6,750,647	N/A	(652,329)	N/A
Non-Controlling Interest	<u>(42,292)</u>	<u>N/A</u>	<u>(602,355)</u>	<u>N/A</u>
	<u>6,708,355</u>	<u>N/A</u>	<u>(1,254,684)</u>	<u>N/A</u>
Loss per Share				
- Basic (sen)	0.60	N/A	(1.29)	N/A

(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.)

The Group has changed its financial year-end from 31 December to 30 June as announced on 29 November 2022. Hence, the comparative figures are not applicable for the current financial period.

INDUSTRONICS BERHAD
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CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
Quarterly Report For The Quarter and Period Ended 30 June 2023

	----- Attributable to Owners of the Parent -----						Total Equity
	Share capital	Foreign currency translation reserve	Revaluation reserves	Accumulated losses	Shareholders Fund	Non-Controlling Interest	
	RM	RM	RM	RM	RM	RM	
At 1 January 2022	20,142,486	(122,070)	3,819,608	(5,975,513)	17,864,511	34,838	17,899,349
Loss for the period	-	-	-	(6,642,964)	(6,642,964)	(602,355)	(7,245,319)
Foreign exchange translation	-	5,990,635	-	-	5,990,635	-	5,990,635
Total comprehensive income/(loss) for the period	-	5,990,635	-	(6,642,964)	(652,329)	(602,355)	(1,254,684)
Issuance of ordinary shares	23,450,688	-	-	-	23,450,688	-	23,450,688
Elimination of non-controlling interest at disposal of subsidiary	-	-	-	-	-	567,517	567,517
Conversion of RCPS	1,000,000	-	-	-	1,000,000	-	1,000,000
At 30 June 2023 (Unaudited)	44,593,174	5,868,565	3,819,608	(12,618,477)	41,662,870	-	41,662,870
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 (Audited)	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
Quarterly Report For The Quarter and Period Ended 30 June 2023

	Current Year To date ended 30.06.2023	Preceding Year Corresponding Period ended 30.06.2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before taxation	(7,245,319)	N/A
Adjustments for non-cash flow:-		
Non-cash items	(1,465,885)	N/A
Non-operating items	<u>3,238,207</u>	<u>N/A</u>
Operating loss before changes in working capital	(5,472,997)	N/A
Net change in current assets	(40,657,500)	N/A
Net change in current liabilities	<u>9,966,643</u>	<u>N/A</u>
Cash used in operations	(36,163,854)	N/A
Interest paid	(3,522,557)	N/A
Interest income	284,350	N/A
Taxes refunded	714	N/A
Taxes paid	<u>(2,977)</u>	<u>N/A</u>
Net cash used in operating activities	<u>(39,404,324)</u>	<u>N/A</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(2,237,628)	N/A
Purchase of intangible assets	(1,134,644)	N/A
Addition of Right-of-use assets	(893,825)	N/A
Disposal of subsidiary companies	610,425	N/A
Proceeds from disposal of property, plant and equipment	60,700	N/A
Net cash used in investing activities	<u>(3,594,972)</u>	<u>N/A</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issuance of share (at net)	23,450,688	N/A
Repayment of finance lease liabilities	(202,467)	N/A
Drawdown of hire purchase	1,709,404	N/A
Net cash generated from financing activities	<u>24,957,625</u>	<u>N/A</u>
NET (DECREASE)/ IN CASH AND CASH EQUIVALENTS	(18,041,671)	N/A
Effect of exchange rate changes	5,470,768	N/A
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	12,999,852	N/A
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u><u>428,949</u></u>	<u><u>N/A</u></u>
CASH AND CASH EQUIVALENTS COMPRISE:		
Cash and bank balances	428,949	N/A
Bank overdraft	-	N/A
	<u><u>428,949</u></u>	<u><u>N/A</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 June 2023 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").

On 29 November 2022, the Group has announced the changes of financial year end from 31 December to 30 June, hence, there will be no comparative figure available for the financial period ended 30 June 2022. The next audited financial statements shall be for a period of eighteen (18) months from 1 January 2022 to 30 June 2023 and thereafter, the financial year end shall be 30 June for each subsequent year.

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 following Amendments of the MFRS Framework that were issued by the MASB during the financial period:-

	Effective Date
Annual Improvements to MFRS Standards 2018-2020 - MFRS 1, MFRS 9, MFRS 141	1 January 2022
Amendments to MFRS 3 Business Combination: <i>Reference to the Conceptual Framework</i>	1 January 2022
Amendments to MFRS 116: <i>Property, Plant and Equipment – Proceeds before Intended Use</i>	1 January 2022
Amendments to MFRS 137: <i>Provisions, Contingent Liabilities and Contingent Assets: Onerous Contracts - Cost of Fulfilling a Contract</i>	1 January 2022

The adoption of the above Amendments did not have any material impact on the Group's financial statements.

As at the date of authorisation of the financial statements, the Group has not applied the following MFRS Framework that have been issued by the MASB but are not yet effective for the Group:-

	Effective Date
MFRS 17 <i>Insurance Contracts</i>	1 January 2023
Amendments to MFRS 17, <i>Insurance Contracts – Initial Application of MFRS 17 and MFRS 9 -</i>	1 January 2023
Amendments to MFRS 101, <i>Presentation of Financial Statements – Classification of Liabilities as Current or Non-current and Disclosure of Accounting Policies</i>	1 January 2023
Amendments to MFRS 108, <i>Definition of Accounting Estimates</i>	1 January 2023
Amendments to MFRS 112, <i>Income Taxes – Deferred Tax related to Assets and Liabilities arising from a Single Transaction and International Tax Reform – Pillar Two Model Rules</i>	1 January 2023
Amendments to MFRS 7, <i>Financial Instruments: Disclosures – Supplier Finance Arrangements</i>	1 January 2023
Amendments to MFRS 16, <i>Leases – Lease Liability in a Sale and Leaseback</i>	1 January 2024
Amendments to MFRS 101, <i>Presentation of Financial Statements - Non-current Liabilities with Covenants</i>	1 January 2024
Amendments to MFRS 107, <i>Statement of Cash Flows – Supplier Finance Arrangements</i>	1 January 2024
Amendments to MFRS 10, <i>Consolidated Financial Statements</i>	Deferred
Amendments to MFRS 128, <i>Investment in Associates and Joint Ventures – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>	Deferred

The Group is in the process of assessing the impact of implementing these Standard and Amendments since the effects would only be observable for future financial years.

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

The Group's most recent audited financial statements for the financial year ended 31 December 2021 was 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 current quarter and financial year ended 30 June 2023.

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 year ended 30 June 2023.

A6. Debt and Equity Securities

There were no issuance, cancellation, repurchase, resale and repayments of debt and equity securities for the current financial year ended 30 June 2023.

A7. Dividend Paid

There were no dividends paid during the current quarter and financial year ended 30 June 2023.

NOTES TO THE INTERIM FINANCIAL REPORT

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.
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.
Trading and services operations	- Involving in trading of precision instruments, provision of cloud service and general trading.

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.

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	
	30.06.2023	30.06.2022	30.06.2023	30.06.2022	30.06.2023	30.06.2022	30.06.2023	30.06.2022	30.06.2023	30.06.2022
	RM000	RM000	RM000	RM000	RM000	RM000	RM000	RM000	RM000	RM000
Revenue										
External customers	1,088		466	N/A	13,737	N/A	-	N/A	15,291	N/A
Inter-segment	132	N/A	-	N/A	-	N/A	(132)	N/A	-	N/A
Total revenue	1,220	N/A	466	N/A	13,737	N/A	(132)	N/A	15,291	N/A
Results										
Interest income	0	N/A	-	N/A	14	N/A	-	N/A	14	N/A
Finance costs	214	N/A	8	N/A	22	N/A	-	N/A	244	N/A
Depreciation and amortisation	23	N/A	38	N/A	435	N/A	-	N/A	496	N/A
Segment (loss)/profit	(370)	N/A	(83)	N/A	(1,065)	N/A	4,584	N/A	3,065	N/A
Segment assets	13,585	N/A	-	N/A	66,914	N/A	6,096	N/A	86,595	N/A
Segment liabilities	(42,213)	N/A	-	N/A	(2,107)	N/A	-	N/A	(44,320)	N/A
Capital expenditure	-	N/A	3	N/A	379	N/A	-	N/A	382	N/A

Geographical segments:

	Malaysia		Hong Kong		Adjustments and eliminations		Per consolidated financial statements	
	30.06.2023	30.06.2022	30.06.2023	30.06.2022	30.06.2023	30.06.2022	30.06.2023	30.06.2022
	RM000	RM000	RM000	RM000	RM000	RM000	RM000	RM000
Revenue								
Revenue from external customer	1,692	N/A	13,730	N/A	(132)	N/A	15,291	N/A
Segment loss	(1,167)	N/A	(351)	N/A	4,584	N/A	3,065	N/A
Segment assets	15,761	N/A	64,738	N/A	6,096	N/A	86,595	N/A
Capital expenditure	33	N/A	351	N/A	(1)	N/A	382	N/A

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	
	30.06.2023	30.06.2022	30.06.2023	30.06.2022	30.06.2023	30.06.2022	30.06.2023	30.06.2022	30.06.2023	30.06.2022
	RM000	RM000	RM000	RM000	RM000	RM000	RM000	RM000	RM000	RM000
Revenue										
External customers	4,527	NA	5,886	NA	46,393	NA	-	NA	56,805	NA
Inter-segment	1,372	NA	-	NA	-	NA	(1,372)	NA	-	NA
Total revenue	5,899	N/A	5,886	N/A	46,393	N/A	(1,372)	N/A	56,805	N/A
Results										
Interest income	7	N/A	-	N/A	277	N/A	-	N/A	284	N/A
Finance costs	3,400	N/A	32	N/A	91	N/A	-	N/A	3,523	N/A
Depreciation and amortisation	148	N/A	147	N/A	2,383	N/A	-	N/A	2,678	N/A
Segment profit/(loss)	(7,119)	N/A	(85)	N/A	(4,126)	N/A	4,085	N/A	(7,245)	N/A
Segment assets	13,585	N/A	-	N/A	66,914	N/A	6,096	N/A	86,595	N/A
Segment liabilities	(42,213)	N/A	-	N/A	(2,107)	N/A	-	N/A	(44,320)	N/A
Capital expenditure	33	N/A	3	N/A	2,201	N/A	-	N/A	2,238	N/A

Geographical segments:

	Malaysia		Hong Kong		Adjustments and eliminations		Per consolidated financial statements	
	30.06.2023	30.06.2022	30.06.2023	30.06.2022	30.06.2023	30.06.2022	30.06.2023	30.06.2022
	RM000	RM000	RM000	RM000	RM000	RM000	RM000	RM000
Revenue								
Revenue from external customers	11,791	N/A	46,387	N/A	(1,372)	N/A	56,805	N/A
Segment assets	15,761	N/A	64,738	N/A	6,096	N/A	86,595	N/A
Capital expenditure	72	N/A	2,166	N/A	-	N/A	2,238	N/A
Segment liabilities	(43,094)	N/A	(1,227)	N/A	-	N/A	(44,320)	N/A
Results								
Interest income	7	N/A	277	N/A	-	N/A	284	N/A
Finance costs	3,453	N/A	69	N/A	-	N/A	3,523	N/A
Depreciation and amortisation	654	N/A	2,025	N/A	-	N/A	2,678	N/A
Segment profit/(loss)	(11,233)	N/A	(97)	N/A	4,085	N/A	(7,245)	N/A

NOTES TO THE INTERIM FINANCIAL REPORT

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 year ended 30 June 2023.

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 ("IAS").

On 2 March 2023, the Company has disposed 49% equity interest in Industronics Manufacturing Sdn Bhd ("IMSB"), a wholly-owned subsidiary of the Company, for a total consideration of RM98,000.00 which decreased the equity ownership from 100% to 51%.

On 1 June 2023, the Company has dispose-off its balance 51% equity interest in IMSB for a total cash consideration of RM50,000.00.

On 1 June 2023, the Company has disposed its entire 100% equity interest in IAS, a wholly-owned subsidiary for a total cash consideration of RM50,000.00.

On 1 June 2023, the Company has disposed its 95% equity interest in Ademco (Malaysia) Sdn Bhd for a total cash consideration of RM718,000.00.

A12. 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 30 June 2023.

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:

	3 Months Ended	3 Months Ended	Cumulative Quarter 18 months Ended	
	Current Year	Preceding Year	Current Year	Preceding Year
	Quarter 30/6/2023 RM	Quarter 30/6/2022 RM	Current Year 30/6/2023 RM	Preceding Year 30/6/2022 RM
Interest income	(14,188)	N/A	(284,350)	N/A
Interest expense	244,150	N/A	3,522,557	N/A
Depreciation and amortisation	496,333	N/A	2,678,369	N/A
Reversal of inventories written down	(292,775)	N/A	(294,111)	N/A
Write off of inventories	254,701	N/A	254,701	N/A
Write off of property, plant and equipment	-	N/A	76,210	N/A
Gain on disposal of subsidiaries	(662,256)	N/A	(662,256)	N/A
Gain on disposal of property, plant and equipment	(53,048)	N/A	(60,698)	N/A
Realised foreign exchange loss	3,187	N/A	6,812	N/A
Unrealised foreign exchange loss	193,289	N/A	3,839	N/A

*** 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

For current year quarter and financial year ended 30 June 2023, the Group had reported a revenue of RM15.3 million and RM56.8 million respectively, mainly resulting from the trading & services operation segment, which including selling of tea plate, watches and providing cloud services.

Beside the trading & services operation segment, there is a revenue of year-to-date RM5.9 million revenue recorded under security system and M&E segment.

There is no preceding year corresponding quarter and year-to-date ended 30 June 2023 comparison due to the change in the financial year-end from 31 December to 30 June.

The Group's reported profit before tax (PBT) of RM3.1 million for the current quarter and loss before tax (LBT) of RM7.2 million for financial year ended 30 June 2023. LBT reported mainly due to increase in operating cost and finance cost.

B2. Material Changes in the Quarterly Results (6Q23) Compared to the Results of the Preceding Quarter (5Q23)

The Group registered higher revenue of RM15.3 million for the current quarter compared to RM5.6 million registered in the immediate preceding quarter ended 31 March 2023. A PBT of RM3.1 million reported versus loss RM2.5 million in the preceding quarter mainly from share of profit of associate amounted to RM3.2 million for the current quarter versus share of loss of RM0.01mil in 5Q23, coupled with revenue growth which was mainly contributed by the trading & services operations.

B3. Prospects of Next Financial Year

The Group expects its performance in the next financial year to be optimistic in view of the Group will expand its business of the watches trading business which was managed by the Company's wholly-owned subsidiary, ECGO. The Group is confident that its wholly-owned subsidiary, ECGO will be able to tap into the thriving watches market in Hong Kong where it is able to widen its source of revenue by extending these products to individuals and professionals in the future.

The Group intends to enhance its e-commerce platform by upgrading the platform to provide users with better overall experience to include the latest version of operating system, and to cope with higher traffic expected from the increase in users.

B4. Profit Forecast

Not applicable as no profit forecast was published.

B5. Taxation

Taxation comprises the following:-

	Current Quarter RM	Cumulative Quarters
Current tax	105	105
Deferred tax	-	-
	<u>105</u>	<u>105</u>

B6. Sale of Quoted and Unquoted Investments

There were no material sale of quoted and unquoted investments for the financial year ended 30 June 2023.

B7. Sale of Properties

There was no disposal of property for the financial year ended 30 June 2023.

B8. Status of Corporate Proposals

As at 29 August 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.

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.

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

B8. Status of Corporate Proposals (Continued)

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	7.27	-	Within 24 months
Working capital for the existing group's business	3.00	3.00	3.00	-	Within 24 months
Estimated expenses relating to the Proposals	0.40	0.40	0.40	-	Within 1 month
Total	10.67	10.67	10.67	-	

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;
- (iii) listing and quotation of up to 656,295,411 new Industriatics Shares to be issued arising from the exercise of the Warrants.

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

- (i) Industriatics 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) Industriatics and TA Securities to inform Bursa Securities upon the completion of the Proposed Rights Issue with Warrants.
- (iii) Industriatics 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) Industriatics 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 Industriatics 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.

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

B8. Status of Corporate Proposals (Continued)

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 renounee(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

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.

On 3 March 2023, the Company has vary the utilisation of proceeds by re-allocating RM2.93 million of the total proceeds initially allocated for existing business of trading of precision instruments (watches) to expenses relating to the Rights Issue, provision of financing services and working capital requirements.

The table below sets out the status of utilisation of proceeds raised from the Rights Shares as mentioned above amounting to RM21.6 million.

Purposes	Proposed utilisation	Variation	Actual Utilisation	Balance	Utilisation timeframe (from listing date of the Rights Shares)
	RM (Million)	RM (Million)	RM (Million)	RM (Million)	
Set-off Arrangement	9.0	-	9.0	-	Within 24 months Within 1 month
Repayment of advance	6.0	-	6.0	-	
Existing business of trading of precision instruments (watches)	5.9	2.9	3.0	-	
Expenses relating to the Corporate Exercise	0.7	0.2	0.8	-	
Provision of financing services	0.0	1.0	1.0	-	
Working capital of the Group includes capital expenditure administration and operating expense)	0.0	1.8	1.8	-	
Total	21.6	-	21.6	-	

iii) Proposed Debt Settlement

On 20 July 2023, TA Securities Holdings Berhad ("TA"), on behalf of the Board of Directors of Industronics announced that the Company proposes to undertake the Proposed Debt Settlement .

On 26 July 2023, TA, on behalf of the Board of Directors of Industronics announced that an additional listing application in relation to the Proposed Debt Settlement has been submitted to Bursa Securities .

B9. Off Balance Sheet Financial Instruments

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

B10. Material Litigations

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

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

B11. a) Basic Loss per Share

	INDIVIDUAL QUARTER		CUMULATIVE QUARTERS	
	Current Year 30.06.2023	Preceding year 30.06.2022	Current Year 30.06.2023	Preceding year 30.06.2022
Net loss attributable to the owners of the Company for the period	3,107,604	N/A	(6,642,964)	N/A
Weighted average no. of ordinary shares in issue	516,841,619	N/A	516,841,619	N/A
Basic loss per share (sen)	0.60	N/A	(1.29)	N/A

b) Diluted Loss per Share

	INDIVIDUAL QUARTER		CUMULATIVE QUARTERS	
	Current Year 30.06.2023	Preceding year 30.06.2022	Current Year 30.06.2023	Preceding year 30.06.2022
Net loss attributable to the owners of the Company for the period	3,107,604	N/A	(6,642,964)	N/A
Weighted average no. of ordinary shares in issue	516,841,619	N/A	516,841,619	N/A
Diluted loss per share (sen)	0.60	N/A	(1.29)	N/A

B13. Authorisation for Issue

The interim financial statements for the eighteen (18)-months financial year ended 30 June 2023 were authorised for issue by the Board of Directors.

BY ORDER OF THE BOARD
INDUSTRONICS BERHAD
29 August 2023