

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

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2023

(The figures have not been audited)

	AS AT 30.09.2023 RM (Unaudited)	AS AT 30.06.2023 RM (Audited)
ASSETS		
Non-Current Assets		
Property, Plant and Equipment	6,736,543	6,853,449
Right-Of-Use Assets	450,536	540,643
Investment Properties	155,714	156,888
Investment in Associate Company	4,838,956	4,773,623
Intangible Assets	2,957,503	2,947,685
Other Investments	44,000	133,000
Total Non-Current Assets	<u>15,183,252</u>	<u>15,405,288</u>
Current Assets		
Inventories	22,776,806	9,931,722
Trade & Other Receivables	52,865,656	61,900,497
Amount due from Associate Company	26,893	26,893
Tax Recoverable	3,315	3,171
Cash and Bank Balances	375,334	428,949
Total Current Assets	<u>76,048,004</u>	<u>72,291,232</u>
TOTAL ASSETS	<u>91,231,256</u>	<u>87,696,520</u>
EQUITY AND LIABILITIES		
Equity Attributable to Owners of the Company		
Share Capital	43,472,963	43,472,963
Reserves	(4,375,432)	(3,876,220)
Shareholders' funds	<u>39,097,531</u>	<u>39,596,743</u>
Non-Controlling Interest	-	-
Total Equity	<u>39,097,531</u>	<u>39,596,743</u>
Non-Current Liabilities		
Lease Liability	813,781	989,697
Deferred Tax Liabilities	524,282	524,282
Total Non-Current Liabilities	<u>1,338,063</u>	<u>1,513,979</u>
Current Liabilities		
Trade & Other Payables	50,092,970	45,891,530
Tax Payables	-	-
Lease Liability	702,692	694,268
Total Current Liabilities	<u>50,795,662</u>	<u>46,585,798</u>
TOTAL LIABILITIES	<u>52,133,725</u>	<u>48,099,777</u>
TOTAL EQUITY AND LIABILITIES	<u>91,231,256</u>	<u>87,696,520</u>
Net Assets per Share (RM)	0.06	0.06

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the financial period ended 30 June 2023 and the accompanying explanatory notes attached to the interim financial statements.)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
Quarterly Report For The Quarter Ended 30 September 2023

(The figures have not been audited)

	INDIVIDUAL QUARTER 3 MONTHS ENDED	
	CURRENT YEAR QUARTER 30.09.2023 RM	PRECEDING YEAR QUARTER 30.09.2022 RM
Revenue	30,219,482	N/A
Cost of Sales	<u>(28,890,165)</u>	<u>N/A</u>
Gross Profit	1,329,317	N/A
Other Income	82,765	N/A
Operating Expenses	(1,877,021)	N/A
Share of Profit of Associate	57,823	N/A
Finance Costs	(322,487)	N/A
Loss Before Tax	(729,603)	N/A
Income Tax	<u>-</u>	<u>N/A</u>
Loss for the quarter	<u>(729,603)</u>	<u>N/A</u>
Other comprehensive income, net of tax:		
Foreign currency translation differences for foreign operations	230,391	N/A
Total comprehensive loss for the quarter	<u>(499,212)</u>	<u>N/A</u>
Loss Attributable to :		
Owners of the Company	(729,603)	N/A
Non-Controlling Interest	<u>-</u>	<u>N/A</u>
Loss for the quarter	<u>(729,603)</u>	<u>N/A</u>
Total Comprehensive Loss Attributable to :		
Owners of the Company	(499,212)	N/A
Non-Controlling Interest	<u>-</u>	<u>N/A</u>
	<u>(499,212)</u>	<u>N/A</u>
Loss per Share		
- Basic (sen)	(0.10)	N/A
- Diluted (sen)	<u>(0.10)</u>	<u>N/A</u>

(The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the financial period ended 30 June 2023 and the accompanying explanatory notes attached to the interim financial statements.)

(On 29 November 2022, the Company announced the change of financial year from 31 December to 30 June. The last Audited Financial Statements were for an 18 months reporting period from 1 January 2022 to 30 June 2023. As such, there are no comparative figures for the preceding year corresponding period).

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

	----- Attributable to Owners of the Parent -----						Total Equity
	Share capital	Foreign currency translation reserve	Revaluation reserves	Accumulated losses	Share- holders Fund	Non-Controlling Interest	
	RM	RM	RM	RM	RM	RM	
At 1 July 2023	43,472,963	5,394,273	3,819,608	(13,090,101)	39,596,743	-	39,596,743
Loss for the period	-	-	-	(729,603)	(729,603)	-	(729,603)
Other comprehensive income:							
Foreign exchange translation	-	230,391	-	-	230,391	-	230,391
	-	230,391	-	(729,603)	(499,212)	-	(499,212)
At 30 September 2023 (Unaudited)	43,472,963	5,624,664	3,819,608	(13,819,704)	39,097,531	-	39,097,531
At 1 January 2022	20,142,486	(122,070)	3,819,608	(5,975,513)	17,864,511	34,838	17,899,349
Transaction with owners:							
Issuance of ordinary shares	23,450,688	-	-	-	23,450,688	-	23,450,688
Conversion of preference shares into ordinary shares	1,000,000	-	-	-	1,000,000	-	1,000,000
Share issuance expenses	(1,120,211)	-	-	-	(1,120,211)	-	(1,120,211)
	23,330,477	-	-	-	23,330,477	-	23,330,477
Loss for the period	-	-	-	(7,114,588)	(7,114,588)	(602,355)	(7,716,943)
Foreign exchange translation	-	5,516,343	-	-	5,516,343	-	5,516,343
Total comprehensive loss for the period	-	5,516,343	-	(7,114,588)	(1,598,245)	(602,355)	(2,200,600)
Elimination of non-controlling interest	-	-	-	-	-	567,517	567,517
At 30 June 2023 (Audited)	43,472,963	5,394,273	3,819,608	(13,090,101)	39,596,743	-	39,596,743

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the financial period ended 30 June 2023 and the accompanying explanatory notes attached to the interim financial statements.)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
Quarterly Report For The Quarter Ended 30 September 2023

	CURRENT YEAR QUARTER ENDED 30.09.2023	PRECEDING YEAR QUARTER ENDED 30.09.2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before taxation	(729,603)	N/A
Adjustments for non-cash flow:-		
Non-cash items	224,981	N/A
Non-operating items	<u>322,126</u>	<u>N/A</u>
Operating loss before changes in working capital	(182,496)	N/A
Net change in current assets	(3,528,988)	N/A
Net change in current liabilities	<u>4,068,532</u>	<u>N/A</u>
Cash generated from operations	357,048	N/A
Interest paid	(322,487)	N/A
Interest income	361	N/A
Taxes paid	<u>(144)</u>	<u>N/A</u>
Net cash generated from operating activities	<u>34,778</u>	<u>N/A</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(6,799)	N/A
Proceeds from disposal of other investments	76,000	N/A
Net cash generated from investing activities	<u>69,201</u>	<u>N/A</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of finance lease liabilities	(171,144)	N/A
Net cash used in financing activities	<u>(171,144)</u>	<u>N/A</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(67,165)	N/A
Effect of exchange rate changes	13,550	N/A
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	428,949	N/A
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u><u>375,334</u></u>	<u><u>N/A</u></u>
CASH AND CASH EQUIVALENTS COMPRISE:		
Cash and bank balances	<u>375,334</u>	<u>N/A</u>
	<u><u>375,334</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 period ended 30 June 2023 and the accompanying explanatory notes attached to the interim financial statements.)

(On 29 November 2022, the Company announced the change of financial year from 31 December to 30 June. The last Audited Financial Statements were for an 18 months reporting period from 1 January 2022 to 30 June 2023. As such, there are no comparative figures for the preceding year corresponding period).

NOTES TO THE INTERIM FINANCIAL REPORT

A1. Basis of Preparation

The unaudited condensed consolidated interim financial statements have been prepared in accordance with the Malaysian Financial Reporting Standards ("MFRS") 134 Interim Financial Reporting issued by the Malaysian Accounting Standards Board ("MASB") and Paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad ("BMSB"). The unaudited condensed consolidated interim financial statements also comply with IAS 34 Interim Financial Reporting issued by International Accounting Standards Board.

The interim financial statements should be read in conjunction with the audited financial statements for the financial period ended 30 June 2023.

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.

The significant accounting policies adopted are consistent with those of the audited financial statements for the year ended 30 June 2023 except for the adoption of the following following Amendments of the MFRS Framework that were issued by the MASB during the financial period:-

<u>Amendments</u>	Effective Date
MFRS 17, <i>Insurance Contracts</i>	1 January 2023
MFRS 101, <i>Classification of Liabilities as Current or Non-current</i>	1 January 2023
MFRS 108, <i>Definition of Accounting Estimates</i>	1 January 2023
MFRS 112, <i>Deferred Tax related to Assets and Liabilities arising from a Single Transaction and International Tax Reform - Pillar Two Model Rules</i>	1 January 2023

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:-

<u>Amendments</u>	Effective Date
MFRS 7 and MFRS 107, <i>Supplier Finance Arrangements</i>	1 January 2024
MFRS 16, <i>Leases - Lease Liability in a Sale and Leaseback</i>	1 January 2024
MFRS 101, <i>Non-current Liabilities with Covenants</i>	1 January 2024
MFRS 10, <i>Consolidated Financial Statements</i>	Deferred
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 period ended 30 June 2023 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 during the current quarter .

A5. Changes in Estimates

There were no changes in estimates of amounts reported in previous financial years which have a material effect in the current quarter.

A6. Debt and Equity Securities

There were no issuance, cancellation, repurchase, resale and repayments of debt and equity securities during the current quarter.

A7. Dividend Paid

No dividend was paid during the current quarter.

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

Geographical Segments

- | | |
|-----------|--|
| Malaysia | - All main businesses disclosed in primary reporting format-business segments. |
| Hong Kong | - Sale of goods and provision of usage of cloud services. |

Business segments:

	Electronics & System Integration		Trading & Services Operations		Adjustments and Eliminations		Per consolidated Financial Statements	
	30.09.2023 RM000	30.09.2022 RM000	30.09.2023 RM000	30.09.2022 RM000	30.09.2023 RM000	30.09.2022 RM000	30.09.2023 RM000	30.09.2022 RM000
Revenue								
External customers	120	NA	30,099	NA	-	NA	30,219	NA
Inter-segment	-	NA	-	NA	-	NA	-	NA
Total revenue	120	N/A	30,099	N/A	-	N/A	30,219	N/A
Results								
Interest income	-	N/A	-	N/A	-	N/A	-	N/A
Finance costs	306	N/A	16	N/A	-	N/A	322	N/A
Depreciation and amortisation	23	N/A	196	N/A	-	N/A	219	N/A
Segment profit/(loss)	(1,083)	N/A	353	N/A	-	N/A	(730)	N/A
Segment assets	15,274	N/A	75,957	N/A	-	N/A	91,231	N/A
Segment liabilities	(42,045)	N/A	(10,089)	N/A	-	N/A	(52,134)	N/A
Capital expenditure	7	N/A	-	N/A	-	N/A	7	N/A

Geographical segments:

	Malaysia		Hong Kong		Adjustments and eliminations		Per consolidated financial statements	
	30.09.2023 RM000	30.09.2022 RM000	30.09.2023 RM000	30.09.2022 RM000	30.09.2023 RM000	30.09.2022 RM000	30.09.2023 RM000	30.09.2022 RM000
Revenue								
Revenue from external customers	120	N/A	30,099	N/A	-	N/A	30,219	N/A
Segment assets	16,940	N/A	74,291	N/A	-	N/A	91,231	N/A
Capital expenditure	7	N/A	-	N/A	-	N/A	7	N/A
Segment liabilities	(47,746)	N/A	(4,388)	N/A	-	N/A	(52,134)	N/A
Results								
Interest income	-	N/A	-	N/A	-	N/A	-	N/A
Finance costs	312	N/A	10	N/A	-	N/A	322	N/A
Depreciation and amortisation	114	N/A	105	N/A	-	N/A	219	N/A
Segment profit/(loss)	(1,243)	N/A	513	N/A	-	N/A	(730)	N/A

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 from the end of the quarter to the date of this announcement.

A11. Effect of Changes in the Composition of the Group

There were no material changes in the composition of the Group during the current quarter.

A12. Contingent Assets or Contingent Liabilities

There were no contingent assets or contingent liabilities as at date of this report which may have a material impact on the financial position of the Group.

A13. Capital Commitment

The Group has no material capital commitments as at 30 September 2023.

NOTES TO THE INTERIM FINANCIAL REPORT

A14. Related Party Transactions

- a. There were no significant transactions and balances with related parties of the Group during the current quarter.
- 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 3 months Ended	
	Current Year	Preceding Year	Current Year	Preceding Year
	Quarter 30/9/2023 RM	Quarter 30/9/2022 RM	30/9/2023 RM	30/9/2022 RM
Interest income	(361)	N/A	(361)	N/A
Interest expense	322,487	N/A	322,487	N/A
Depreciation and amortisation	219,224	N/A	219,224	N/A
Reversal of impairment loss on other investment	(7,000)	N/A	(7,000)	N/A
Loss on disposal of other investment	20,000	N/A	20,000	N/A
Realised foreign exchange loss	546	N/A	546	N/A
Unrealised foreign exchange loss	58,565	N/A	58,565	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

The Group recorded total revenue of RM30.22 million for the current quarter and year-to-date ended 30 September 2023. Out of the total revenue, 99.60% revenue was mainly contributed from the sales of watches.

The Group's loss before tax stood at RM0.73 million in the current quarter and year-to-date ended 30 September 2023. Malaysia operation reported lower revenue of RM0.12 million for the current quarter as a consequences of lesser project.

There is no preceding year corresponding period comparison due to the change in the financial year from 31 December to 30 June.

B2. Material Changes in the Quarterly Results (1Q24) Compared to the Results of the Preceding Quarter (6Q23)

The Group registered higher revenue of RM30.22 million for the current quarter compared to RM13.80 million registered in the immediate preceding quarter ended 30 June 2023. Net loss of RM0.73 million reported compared to profit after tax of RM2.59 million in the preceding quarter mainly due to lower contribution from share of profit of associate amounted to RM0.06 million for the current quarter versus share of profit of RM3.10 million in 6Q23.

B3. Current Year Prospects

From the past year's performance, the Group has shown a positive growth in its trading of watches business, as such the Group shall continue to focus on upgrading and enhancing the e-commerce platform to ensure better user experience and engagement, in anticipation of the higher traffic from increase in the number of users visiting this platform. The Group also expects that the associate company's performance to recover, leading to a better impact towards the overall financial result.

B4. Profit Forecast

Not applicable as no profit forecast was published.

B5. Taxation

Taxation comprises the following:-

	Current Quarter RM	Cumulative Quarters RM
In respect of current quarter:		
Current tax	-	-

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

B6. Sale of Quoted and Unquoted Investments

There were no material sale of quoted and unquoted investments during the current quarter.

B7. Sale of Properties

There was no disposal of property during the current quarter.

B8. Status of Corporate Proposals

i) 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.

On 22 November 2023, TA, on behalf of the Board of Directors of Industronics announced that the Company has sought to withdraw the additional listing application for the Proposed Debt Settlement ("ALA") which was submitted to Bursa Securities on 26 July 2023 in order for the Company to update the information in the ALA and to re-submit to Bursa Securities in due course.

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.

B11. a) Basic Loss per Share

	INDIVIDUAL QUARTER		CUMULATIVE QUARTERS	
	Current Year	Preceding year	Current Year	Preceding year
	30.09.2023	30.09.2022	30.09.2023	30.09.2022
Net loss attributable to the owners of the Company for the quarter (RM)	(729,603)	N/A	(729,603)	N/A
Weighted average no. of ordinary shares in issue	707,589,259	N/A	707,589,259	N/A
Basic loss per share (sen)	(0.10)	N/A	(0.10)	N/A

b) Diluted Loss per Share

	INDIVIDUAL QUARTER		CUMULATIVE QUARTERS	
	Current Year	Preceding year	Current Year	Preceding year
	30.09.2023	30.09.2022	30.09.2023	30.09.2022
Net loss attributable to the owners of the Company for the quarter (RM)	(729,603)	N/A	(729,603)	N/A
Weighted average no. of ordinary shares in issue	707,589,259	N/A	707,589,259	N/A
Basic loss per share (sen)	(0.10)	N/A	(0.10)	N/A

B12. Authorisation for Issue

The interim financial statements for the three (3)-months financial period ended 30 September 2023 were authorised for issue by the Board of Directors.

BY ORDER OF THE BOARD
INDUSTRONICS BERHAD

28 November 2023