

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

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE THREE (3)-MONTHS FINANCIAL PERIOD ENDED 31 MARCH 2019**

|  | INDIVIDUAL QUARTER               |                                    | CUMULATIVE QUARTERS             |                                   |
|--|----------------------------------|------------------------------------|---------------------------------|-----------------------------------|
|  | CURRENT<br>QUARTER<br>31.03.2019 | PRECEDING<br>QUARTER<br>31.03.2018 | CURRENT<br>PERIOD<br>31.03.2019 | PRECEDING<br>PERIOD<br>31.03.2018 |
|  | RM                               | RM                                 | RM                              | RM                                |
| Revenue  | 2,042,750                        | 12,454,903                         | 2,042,750                       | 12,454,903                        |
| Cost of Sales  | (609,382)                        | (10,881,964)                       | (609,382)                       | (10,881,964)                      |
| Gross profit   | 1,433,368                        | 1,572,939                          | 1,433,368                       | 1,572,939                         |
| Other Income   | 0                                | 10,354                             | 0                               | 10,354                            |
| Operating Expenses   | (2,559,003)                      | (3,415,418)                        | (2,559,003)                     | (3,415,418)                       |
| Finance Costs  | (16,341)                         | (8,594)                            | (16,341)                        | (8,594)                           |
| Loss before Tax  | (1,141,976)                      | (1,840,719)                        | (1,141,976)                     | (1,840,719)                       |
| Income Tax   | -                                | -                                  | -                               | -                                 |
| Loss for the period  | (1,141,976)                      | (1,840,719)                        | (1,141,976)                     | (1,840,719)                       |
| Other comprehensive income/(loss), net of tax:   |                                  |                                    |                                 |                                   |
| Foreign currency translation differences for foreign operations  | (682,088)                        | (561,807)                          | (682,088)                       | (561,807)                         |
| Fair values gain/(loss) on financial assets  | -                                | -                                  | -                               | -                                 |
| Available-for-sale financial assets<br>- reclassification of fair value adjustment to profit or loss upon disposal | -                                | -                                  | -                               | -                                 |
| Capital repayment to non-controlling interest by a subsidiary  | -                                | -                                  | -                               | -                                 |
| Reversal of income tax relating to components of other comprehensive income  | -                                | -                                  | -                               | -                                 |
|  | (682,088)                        | (561,807)                          | (682,088)                       | (561,807)                         |
| Total comprehensive income/(loss) for the period   | (1,824,064)                      | (2,402,526)                        | (1,824,064)                     | (2,402,526)                       |
| <b>Profit/(loss) Attributable to :</b>   |                                  |                                    |                                 |                                   |
| Owners of the Company  | (1,143,327)                      | (1,659,379)                        | (1,143,327)                     | (1,659,379)                       |
| Non-Controlling Interest   | 1,351                            | (181,340)                          | 1,351                           | (181,340)                         |
| Loss for the period  | (1,141,976)                      | (1,840,719)                        | (1,141,976)                     | (1,840,719)                       |
| <b>Total Comprehensive income/(loss) Attributable to :</b>   |                                  |                                    |                                 |                                   |
| Owners of the Company  | (1,825,415)                      | (2,205,307)                        | (1,825,415)                     | (2,205,307)                       |
| Non-Controlling Interest   | 1,351                            | (197,219)                          | 1,351                           | (197,219)                         |
|  | (1,824,064)                      | (2,402,526)                        | (1,824,064)                     | (2,402,526)                       |
| Earnings/(loss) per share  |                                  |                                    |                                 |                                   |
| - Basic (sen)  | (1.01)                           | (1.61)                             | (1.01)                          | (1.61)                            |

(The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2018 and the accompanying explanatory notes attached to the interim financial statements.)

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

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT 31 MARCH 2019**

|   | AS AT THE END<br>OF THE CURRENT<br>FINANCIAL<br>PERIOD<br>31.03.2019<br>RM<br>(Unaudited) | AS AT THE<br>PRECEDING<br>FINANCIAL<br>YEAR END<br>31.12.2018<br>RM<br>(Audited) |
|---|---|--|
| <b>ASSETS</b>   |   |  |
| <b>Non-current assets</b>                               |   |  |
| Property, Plant and Equipment                           | 4,850,768   | 5,506,343  |
| Investment Properties                                   | 119,436   | 120,610  |
| Intangible Assets                                       | 7,838,867   | 7,838,867  |
| Other Investments                                       | 33,048  | 33,048   |
| <b>Total Non-current assets</b>                         | <b>12,842,119</b>   | <b>13,498,867</b>  |
| <b>Current Assets</b>                                   |   |  |
| Inventories   | 2,568,417   | 1,449,473  |
| Due from Customers on Contract                          | -   | -  |
| Trade & Other Receivables                               | 5,887,937   | 5,366,740  |
| Cash and Bank Balances                                  | 1,781,633   | 2,399,949  |
| <b>Total Current Assets</b>                             | <b>10,237,987</b>   | <b>9,216,162</b>   |
| <b>TOTAL ASSETS</b>                                     | <b>23,080,106</b>   | <b>22,715,029</b>  |
| <b>EQUITY AND LIABILITIES</b>                           |   |  |
| <b>Equity attributable to owners<br/>of the Company</b> |   |  |
| Share Capital   | 53,559,319  | 52,634,454   |
| Reserves  | (40,209,670)  | (38,384,250)   |
| <b>Shareholders' funds</b>                              | <b>13,349,649</b>   | <b>14,250,204</b>  |
| Non-Controlling Interest                                | 51,936  | 50,585   |
| <b>Total equity</b>                                     | <b>13,401,585</b>   | <b>14,300,789</b>  |
| <b>Non-current liabilities</b>                          |   |  |
| Borrowings  | -   | -  |
| Deferred Tax Liabilities                                | 516,441   | 516,441  |
| <b>Total Non-current liabilities</b>                    | <b>516,441</b>  | <b>516,441</b>   |
| <b>Current Liabilities</b>                              |   |  |
| Provisions  | 39,900  | 39,900   |
| Trade & Other Payables                                  | 8,572,257   | 7,490,161  |
| Borrowings  | 263,922   | 367,712  |
| Tax Payables  | 0   | 25   |
| Due to Customers on Contract                            | 286,000   | -  |
| <b>Total Current Liabilities</b>                        | <b>9,162,080</b>  | <b>7,897,799</b>   |
| <b>TOTAL EQUITY AND LIABILITIES</b>                     | <b>23,080,106</b>   | <b>22,715,029</b>  |
| Net Assets per share (RM)                               | 0.13  | 0.14   |

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2018 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 THREE (3)-MONTHS FINANCIAL PERIOD ENDED 31 MARCH 2019**

|  | Attributable to Owners of the Parent |               |                          |                               |                      |                               |   |                    |                          |              |
|--|--------------------------------------|---------------|--------------------------|-------------------------------|----------------------|-------------------------------|---|--------------------|--------------------------|--------------|
|  | Non Distributable                    |               |                          |                               |                      |                               | Distributable                           |                    |                          |              |
|  | Share capital                        | Share premium | Foreign currency reserve | Share issuance scheme reserve | Revaluation reserves | Fair value adjustment reserve | Retained earnings/ (accumulated losses) | Share-holders Fund | Non-Controlling Interest | Total Equity |
|  | RM                                   | RM            | RM                       | RM                            | RM                   | RM                            | RM                                      | RM                 | RM                       | RM           |
| At 31 December 2018                            | 52,634,454                           | -             | 4,470,128                | -                             | 3,909,037            | -                             | (46,763,416)                            | 14,250,203         | 50,587                   | 14,300,790   |
| Loss for the year                              | -                                    | -             | -                        | -                             | -                    | -                             | (1,143,327)                             | (1,143,327)        | 1,351                    | (1,141,976)  |
| Foreign exchange translation                   | -                                    | -             | (682,088)                | -                             | -                    | -                             | -                                       | (682,088)          | -                        | (682,088)    |
| Total comprehensive loss for the year          | -                                    | -             | (682,088)                | -                             | -                    | -                             | (1,143,327)                             | (1,825,415)        | 1,351                    | (1,824,064)  |
| Arising from 10% Private Placement             | 924,859                              | -             | -                        | -                             | -                    | -                             | -                                       | 924,859            | -                        | 924,859      |
| At 31 March 2019                               | 53,559,313                           | -             | 3,788,040                | -                             | 3,909,037            | -                             | (47,906,744)                            | 13,349,647         | 51,938                   | 13,401,585   |
| At 31 December 2017                            | 52,634,454                           | -             | 3,791,043                | -                             | 2,932,394            | 37,356                        | (43,086,837)                            | 16,308,410         | 897,111                  | 17,205,521   |
| Loss for the year                              | -                                    | -             | -                        | -                             | -                    | -                             | (1,659,379)                             | (1,659,379)        | (181,340)                | (1,840,719)  |
| Foreign exchange translation                   | -                                    | -             | (545,928)                | -                             | -                    | -                             | -                                       | (545,928)          | (15,879)                 | (561,807)    |
| Total comprehensive (loss)/income for the year | -                                    | -             | (545,928)                | -                             | -                    | -                             | (1,659,379)                             | (2,205,307)        | (197,219)                | (2,402,526)  |
| At 31 March 2018                               | 52,634,454                           | -             | 3,245,115                | -                             | 2,932,394            | 37,356                        | (44,746,216)                            | 14,103,103         | 699,892                  | 14,802,995   |

(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 2018 and the accompanying explanatory notes attached to the interim financial statements.)

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

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE THREE (3)-MONTHS FINANCIAL PERIOD ENDED 31 MARCH 2019**

|   | Current Period<br>12 Months Ended<br>31.03.2019<br>(Unaudited) | Preceding Period<br>12 Months Ended<br>31.03.2018<br>(Audited) |
|---|--|--|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>               |  |  |
| Loss before taxation                                      | (1,141,977)  | (1,840,719)  |
| Adjustments for non-cash flow:-                           |  |  |
| Non-cash items  | 551,797  | 562,079  |
| Non-operating items                                       | 19,445   | 7,512  |
| Operating profit/(loss) before changes in working capital | (570,735)  | (1,271,128)  |
| Net change in current assets                              | (1,662,647)  | 5,420,682  |
| Net change in current liabilities                         | 1,367,404  | (2,718,194)  |
| Cash (used in)/generated from operations                  | (865,978)  | 1,431,359  |
| Interest paid   | (16,364)   | (8,594)  |
| Taxes refunded  | 22,080   | 115,542  |
| Taxes paid  | -  | (1,003)  |
| Net cash generated from/(used in) operating activities    | (860,262)  | 1,537,304  |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>               |  |  |
| Purchase of property, plant and equipment                 | (23,323)   | (6,209)  |
| Interest received   | -  | 1,082  |
| Net cash generated from/(used in) investing activities    | (23,323)   | (5,127)  |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>               |  |  |
| Net drawdown/(repayment) of bank borrowings               | -  | (159,265)  |
| Net repayment of hire purchase                            | (2,332)  | (2,192)  |
| Issuance of new shares                                    | 924,865  | -  |
| Net cash (used in)/generated from financing activities    | 922,533  | (161,457)  |
| NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS      | 38,948   | 1,370,721  |
| Effect of exchange rate changes                           | (555,805)  | (39,189)   |
| CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR            | 2,034,568  | 2,104,014  |
| CASH AND CASH EQUIVALENTS AT END OF YEAR                  | 1,517,711  | 3,435,545  |
| <b>CASH AND CASH EQUIVALENTS COMPRISE:</b>                |  |  |
| Cash and bank balances                                    | 1,781,633  | 3,435,545  |
| Bank overdraft  | (263,922)  | 0  |
|   | 1,517,711  | 3,435,545  |

(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2018 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 31 March 2019 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 2018. 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 2018.

The significant accounting policies adopted are consistent with those of the audited financial statements for the year ended 31 December 2018 except for the adoption of the following new MFRSs, Amendments to MFRSs and IC Interpretations which are applicable for the Group's financial period beginning 1 January 2019:-

**Effective for financial periods beginning on or after 1 January 2019**

MFRS 16, Leases

IC Interpretation 23, Uncertainty over Income Tax Treatments

MFRS 16, Leases

Amendments to MFRS 3, *Business Combinations* (Annual Improvements to MFRS Standards 2015 - 2017 Cycle)

Amendments to MFRS 9, *Financial Instruments - Prepayment Features with Negative Compensation*

Amendments MFRS 112, *Income Taxes* (Annual Improvements to MFRS Standards 2015-2017 Cycle)

Amendments MFRS 119, *Employee Benefits - Plan Amendments, Curtailment or Settlement*

Amendments MFRS 123, *Borrowing Costs* (Annual Improvements to MFRS Standards 2015-2017)

Amendments MFRS 128, *Investments in Associates and Joint Ventures - Long-term interests in Associates and Joint Ventures*

**A2. Auditors' report on the preceding year's audited financial statements**

The Group's financial statements for the financial year ended 31 December 2018 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 March 2019.

**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.

**A6. Debt and Equity Securities**

There were no issuance, cancellation, repurchase, resale and repayments of debt and equity securities for the current financial period except as disclosed below:

**a. Issuance of equity**

There was Proposed Private Placement of Up to 10% of the total number of issued new ordinary shares of 10,276,280 at an issued share of RM0.09 per share by allotted and issued on 26 March 2019 to Mr. Kevin Chan Ka Leung.

**b. Share buy-backs, share cancellations and sale of treasury shares**

There was no share buy-backs, share cancellation and sale of treasury shares during the financial period ended 31 March 2019.

**A7. Dividend paid**

There were no dividends paid during the current financial period.

**INDUSTRONICS BERHAD (23699-X)**  
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**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.

Other operations - Involving in provision of mobile entertainment services, trading of precision instruments, development of IT applications and general trading

**Geographical Segments**

Malaysia - All main businesses disclosed in primary reporting format-business segments, except for other operations business segment

Hong Kong - Provision of mobile entertainment services, trading of precision instruments, development of IT applications and general trading

Singapore - Trading, maintenance and supply of industrial electrical equipment

**A8. a. Information on segments**

| Business segments:            |  | Electronics & System Integration |                | Security Systems & M&E |               | Other Operations |                 | Adjustments and Eliminations |                | Per consolidated Financial Statements |                |
|-------------------------------|--|----------------------------------|----------------|------------------------|---------------|------------------|-----------------|------------------------------|----------------|---------------------------------------|----------------|
|                               |  | 31.3.2019                        | 31.3.2018      | 31.3.2019              | 31.3.2018     | 31.3.2019        | 31.3.2018       | 31.3.2019                    | 31.3.2018      | 31.3.2019                             | 31.3.2018      |
|                               |  | RM'000                           | RM'000         | RM'000                 | RM'000        | RM'000           | RM'000          | RM'000                       | RM'000         | RM'000                                | RM'000         |
| <b>Revenue</b>                |  |                                  |                |                        |               |                  |                 |                              |                |                                       |                |
| External customers            |  | 789                              | 1,174          | 420                    | 323           | 833              | 10,958          | -                            | -              | 2,043                                 | 12,455         |
| Inter-segment                 |  | 286                              | 10,303         | -                      | 1             | -                | -               | (286)                        | (10,303)       | -                                     | -              |
| <b>Total revenue</b>          |  | <b>1,076</b>                     | <b>11,477</b>  | <b>-</b>               | <b>420</b>    | <b>324</b>       | <b>-</b>        | <b>833</b>                   | <b>10,958</b>  | <b>-</b>                              | <b>(286)</b>   |
|                               |  |                                  |                |                        |               |                  |                 |                              |                |                                       |                |
| <b>Results</b>                |  |                                  |                |                        |               |                  |                 |                              |                |                                       |                |
| Interest income               |  | 0                                | -              | -                      | 1             | -                | -               | -                            | -              | 0                                     | 1              |
| Finance costs                 |  | 16                               | 8              | 0                      | -             | 0                | 1               | -                            | -              | 16                                    | 9              |
| Depreciation and amortisation |  | 28                               | 34             | 0                      | -             | 523              | 547             | -                            | -              | 552                                   | 581            |
| Segment profit/(loss)         |  | (1,111)                          | (793)          | 27                     | (387)         | (57)             | (700)           | (1)                          | 39             | (1,142)                               | (1,841)        |
| <b>Segment assets</b>         |  | <b>14,332</b>                    | <b>18,593</b>  | <b>1,275</b>           | <b>1,238</b>  | <b>12,570</b>    | <b>10,338</b>   | <b>(5,097)</b>               | <b>(7,258)</b> | <b>23,080</b>                         | <b>22,911</b>  |
| <b>Segment liabilities</b>    |  | <b>(4,906)</b>                   | <b>(5,343)</b> | <b>(236)</b>           | <b>(865)</b>  | <b>(44,813)</b>  | <b>(42,095)</b> | <b>59,633</b>                | <b>40,196</b>  | <b>9,679</b>                          | <b>(8,107)</b> |
| <b>Capital expenditure</b>    |  | <b>23</b>                        | <b>6</b>       | <b>-</b>               | <b>-</b>      | <b>-</b>         | <b>-</b>        | <b>-</b>                     | <b>-</b>       | <b>23</b>                             | <b>6</b>       |
|                               |  |                                  |                |                        |               |                  |                 |                              |                |                                       |                |
| Geographical segments:        |  | Malaysia                         |                | Hong Kong              |               | Singapore        |                 | Adjustments and eliminations |                | Per consolidated financial statements |                |
|                               |  | 31.3.2019                        | 31.3.2018      | 31.3.2019              | 31.3.2018     | 31.3.2019        | 31.3.2018       | 31.3.2019                    | 31.3.2018      | 31.3.2019                             | 31.3.2018      |
|                               |  | RM'000                           | RM'000         | RM'000                 | RM'000        | RM'000           | RM'000          | RM'000                       | RM'000         | RM'000                                | RM'000         |
| <b>Revenue</b>                |  |                                  |                |                        |               |                  |                 |                              |                |                                       |                |
| Revenue from external cust    |  | 1,496                            | 978            | 833                    | 10,958        | -                | 519             | 286                          | -              | 2,043                                 | 12,455         |
| <b>Segment assets</b>         |  | <b>15,617</b>                    | <b>16,261</b>  | <b>12,559</b>          | <b>10,330</b> | <b>-</b>         | <b>3,578</b>    | <b>(5,097)</b>               | <b>(7,258)</b> | <b>23,080</b>                         | <b>22,911</b>  |
| <b>Capital expenditure</b>    |  | <b>23</b>                        | <b>6</b>       | <b>-</b>               | <b>-</b>      | <b>-</b>         | <b>-</b>        | <b>-</b>                     | <b>-</b>       | <b>23</b>                             | <b>6</b>       |

**INDUSTRONICS BERHAD (23699-X)**  
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**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 December 2016.

**A10. Subsequent Events**

As at 31 May 2019, being the latest practicable date ("LPD") prior to the issue of this quarterly report, material events subsequent to the end of the financial year at 31 December 2018 are as follows:

- a. On 23 May 2019, TA Securities on behalf of The Board of Directors of Industriatics Berhad annouced that an office copy of the sealed order of the High Court of Malaya confirming the Share Capital Reduction has been lodged with Companies Commission of Malaysia on 23 May 2019. Pursuant thereto, the Share Capital Reduction shall therefore take effect and be deemed completed on 23 May 2019.
- b. The Board of Directors of Industriatics Berhad annouced that the Company proposes to undertake the Proposed Private Placment of up to 10% of the total number of issued shares of ITRONIC ("Porposed Private Placement"); and proposed issuance of up to 20,552,560 new ordinary shares in ITRONIC representing up to 20% of the total number of issued shares of ITRONIC at issue price to be determined later. ("Proposed Shares Issuance")

**A11. Effect of Changes in the Composition of the Group**

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 2018.

**A13. Intangible Assets**

Intangible assets includes an amount of RM7,101,200 which is related to investment in software development from a

**A14. Capital Commitment**

The Group has no material capital commitments as at 31 March 2019.

**A15. 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.

**A16. Profit/(loss) Before Taxation**

The following amounts have been included in arriving at operating profit/(loss):

|   | Q119<br>RM | Q118<br>RM | YTD 19<br>RM | YTD 18<br>RM |
|---|------------|------------|--------------|--------------|
| Interest Income                         | 118        | (1,082)    | 118          | (1,082)      |
| Other Income                            | (600)      | (9,272)    | (600)        | (9,272)      |
| Interest expense                        | 16,364     | 8,594      | 16,364       | 8,594        |
| Depreciation and amortisation           | 551,796    | 583,668    | 551,796      | 583,668      |
| Reversal of inventories written down    |            |            | -            |              |
| Realised foreign exchange (gain)/loss   | -          | 4,903      | -            | 4,903        |
| Unrealised foreign exchange (gain)/loss | 1,645      | 35,953     | 1,645        | 35,953       |

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



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

**B1. Review of Performance**

- a. Quarter ended 31 MArch 2019 (1Q19) compared with quarter ended 31 March 2018 (1Q18)

The Group's revenue was lower in 1Q19 (RM2.04 million) compared to 1Q18 (RM12.45 million). This is mainly due to lower revenue in Other Operation segment in 1Q19 (RM0.83 million) compared to 1Q19 (RM10.96 million).

The Group recorded loss before tax of approximately RM1.14 million in 1Q19 compared to RM1.84 million in 1Q18. The lower loss was mainly due to there is saving from operating expenses of RM0.65 million due to disposal of subsidiaries in last year.

**B2. Material Changes in the Quarterly Results (1Q19) compared to the Results of the Preceding Quarter (4Q18)**

The Group recorded lower revenue of RM2.04 million in 1Q19 compared with RM1.55 million in Q4Q18. Loss before tax was RM1.14 million in the current quarter compared to RM1.40 million in 4Q18.

**B3. Current Year Prospects**

The prevailing uncertainties in the global economy continue to pose challenges to the Group financial performance.

External factors such as increased competition in the industry, changing business trends, slowdown of economic growth and other macro-economic factors are among those that will continuously affect the prospects of the Group future performance.

The Group will continue to explore new investment opportunities and improve the efficiency of its operations to enhance shareholders' values.

**B4. Profit Forecast**

Not applicable as no profit forecast was published.

**B5. Taxation**

Taxation comprises the following:-

|              | Current<br>Quarter<br>RM | Cumulative<br>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 March 2019.

**B7. Sale of Properties**

There was no disposal of property for the financial period ended 31 March 2019.

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

**B8. Status of Corporate Proposals**

As at 31 May 2019, 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:

- a. On 23 May 2019, TA Securities on behalf of The Board of Directors of Industriatics Berhad annouced that an office copy of the sealed order of the High Court of Malaya confirming the Share Capital Reduction has been lodged with Companies Commission of Malaysia on 23 May 2019. Pursuant thereto, the Share Capital Reduction shall therefore take effect and be deemed completed on 23 May 2019.
- b. The Board of Directors of Industriatics Berhad annouced that the Company proposes to undertake the Proposed Private Placment of up to 10% of the total number of issued shares of ITRONIC ("Porposed Private Placement"); and proposed issuance of up to 20,552,560 new ordinary shares in ITRONIC representing up to 20% of the total number of issued shares of ITRONIC at issue price to be determined later. ("Proposed Shares Issuance")

**B9. Group Borrowings and Debt Securities**

Total Group Borrowings as at 31 March 2019:-

|                             | RM               |
|-----------------------------|------------------|
| a) Secured and unsecured :  |                  |
| Total secured borrowings    | (263,922)        |
| Total unsecured borrowings  | -                |
| Total borrowings            | <u>(263,922)</u> |
| b) Short Term and Long Term |                  |
| Total short-term borrowings | (263,922)        |
| Total long term borrowings  | -                |
| Total borrowings            | <u>(263,922)</u> |

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**

To date, the Company has no material litigation case pending

**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. Basic earnings/(loss) per share**

|  | INDIVIDUAL QUARTER |             | CUMULATIVE QUARTERS |             |
|--|--------------------|-------------|---------------------|-------------|
|  | Current            | Preceding   | Current             | Preceding   |
|  | 31.03.2019         | 31.03.2018  | 31.03.2019          | 31.03.2018  |
| Net profit/(loss) attributable to the owners of the Company for the period | (1,143,327)        | (1,659,379) | (1,143,327)         | (1,659,379) |
| Weighted average no. of ordinary shares in issue                           | 113,039,080        | 102,762,800 | 113,039,080         | 102,762,800 |
| Basic earnings/(loss) per share (sen)                                      | (1.01)             | (1.61)      | (1.01)              | (1.61)      |

**b) Diluted earnings/(loss) per share**

|  | INDIVIDUAL QUARTER |             | CUMULATIVE QUARTERS |             |
|--|--------------------|-------------|---------------------|-------------|
|  | Current            | Preceding   | Current             | Preceding   |
|  | 31.03.2019         | 31.03.2018  | 31.03.2019          | 31.03.2018  |
| Net profit/(loss) attributable to the owners of the Company for the period | (1,143,327)        | (1,659,379) | (1,143,327)         | (1,659,379) |
| Weighted average no. of ordinary shares in issue                           | 113,039,080        | 102,762,800 | 113,039,080         | 102,762,800 |
| Diluted earnings/(loss) per share (sen)                                    | (1.01)             | (1.61)      | (1.01)              | (1.61)      |

**B14. Authorisation For Issue**

The interim financial statements for the three (3)-months financial period ended 31 March 2019 were authorised for issue by the Board of Directors.

**BY ORDER OF THE BOARD**  
**INDUSTRONICS BERHAD**

31 May 2019