

## ***EXECUTIVE DIRECTOR'S MESSAGE***

On behalf of the Board of Directors ("Board") of Industronics Berhad ("IB" or "the Company") and its subsidiaries ("Group"), I am pleased to present the Annual Report of IB for the financial period ended 30 June 2023 ('FPE 2023').

### **Financial Performance**

It was a welcoming relief that Malaysia and the rest of the world were able to transit the COVID-19 pandemic to an endemic phase. We expect a smooth recovery as we continue to endure the aftermath of the pandemic. I am glad that IB remained resolute in our continuous efforts to raise efficiency and focus on trading of precision instruments business (watches).

From our 18 months results for the FPE 30 June 2023, the Group has recorded a revenue of RM55.31 million as compared to RM40.37 million in last financial year ended 31 December 2021 ('FYE2021'), representing an increased of approximately 37%. The Group's revenue were mainly generated by the operation in Hong Kong, which contributed approximately 81% (RM44.89 million) of the total revenue. The Group has recorded a loss before tax of RM7.72 million, mainly due to higher operating expenses coupled with higher finance cost of RM3.52 million compared to RM0.58 million in FYE 2021.

### **Operational Review**

This year has its challenges, but with the upliftment of COVID-19 pandemic restrictions, it has brought cheers to the public and business communities alike. We are grateful for the confidence customers have placed in us, which is also a testament to our development strengths, leading to a higher sales performance. The increase in sales were mainly contributed from security systems segment and trading & services operation segment. For the trading & services operation segment, the online platform has been at the forefront of luxury watches, allowing luxury watch collectors to explore pre-owned luxury timepieces. The trading of watches business has recorded a revenue of RM42.75 million (equivalent to HKD74.42 million) in FPE 2023 compared to RM14.63 million (equivalent to HKD27.31 million) in FYE 2021.

### **Prospects**

As the COVID-19 pandemic has impacted all aspects of our lives, the world has witnessed a digital transformation on interactions and operations of many businesses and internet has become an essential sales and marketing channel for all business activities. Hence, the adoption of digitalisation is integral to the Group, allowing the Group to expand its opportunities to the global market.

The Group has two e-commerce platforms, [www.ecgoint.com](http://www.ecgoint.com) and [www.allbest.com](http://www.allbest.com) which are managed by its wholly-owned subsidiary, namely ECGO International Limited and its associate company, namely All Best Group Limited respectively. Currently, the timepieces are available at these platforms for customers to view the ranges of watches.

The Group intends to enhance its e-commerce platform, [www.ecgoint.com](http://www.ecgoint.com) to provide users with better overall experience, to include the latest version of operating system and to cope with higher traffic due to increase in users. The enhancement will also include new features such as 360-degree view of items. The Group intends to launch its new upgraded online trading platform to end users by end of 2024. Nevertheless, the Group plans to set up a physical store in the upcoming future.

## ***EXECUTIVE DIRECTOR'S MESSAGE (Continued)***

### **Dividend**

The Board of Directors does not recommend any payment of dividend for the financial period ended 30 June 2023.

### **Acknowledgement**

On behalf of the Board, I wish to extend our deepest gratitude to all our employees, customers, suppliers, business partners and shareholders for your unceasing support and confidence in the Group.

To our Board and management team, your leadership, team spirit and devotion have been instrumental in enabling IB to effectively execute its corporate plans and goals. You remain a true asset to the Group, and I look forward in continuing our grow.

Thank you.

Datuk Chu Boon Tiong  
Executive Director