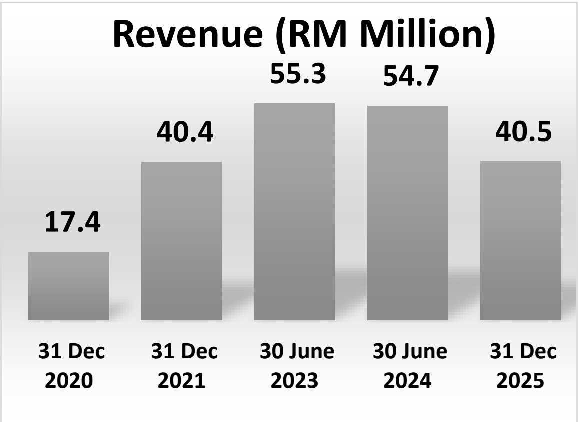
industronics

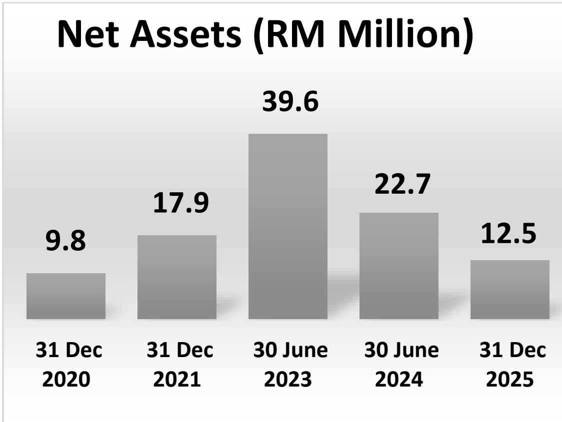
ANNUAL REPORT 2025

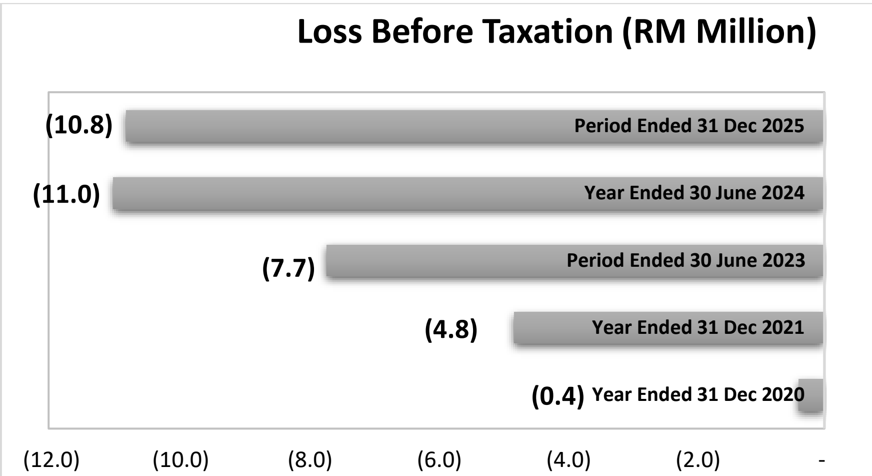
CONTENTS

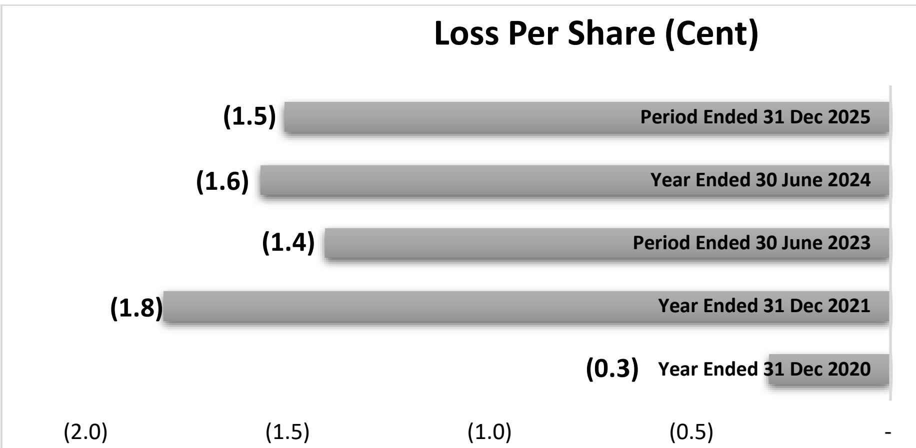
FINANCIAL HIGHLIGHTS

RM Million	Year Ended 31 Dec 2020	Year Ended 31 Dec 2021	Period Ended 30 June 2023	Year Ended 30 June 2024	Period Ended 31 Dec 2025
Revenue	17.4	40.4	55.3	54.7	40.5
Loss Before Taxation	(0.4)	(4.8)	(7.7)	(11.0)	(10.8)
Loss Attributable to Shareholders	(0.4)	(4.7)	(7.1)	(11.0)	(10.9)
Net Assets	9.8	17.9	39.6	22.7	12.5
CENT					
Loss Per Share	(0.3)	(1.8)	(1.4)	(1.6)	(1.5)
Net Assets Per Share	7.4	4.5	5.6	3.2	1.8









CORPORATE INFORMATION

BOARD OF DIRECTORS

Dato' Leong Sir Ley
(Executive Chairman & Managing Director)

Ngan Yih See
(Executive Director)
(Appointed 27 January 2026)

Chow Yun Cheung
(Independent Non-Executive Director)

Chui Ee Mien
(Independent Non-Executive Director)

Yiu Ka Fai
(Independent Non-Executive Director)
(Appointed 24 February 2025)

Yow Kok Chaw
(Independent Non-Executive Director)
(Appointed 9 December 2025)

Florence Kong Pau Choo
(Independent Non-Executive Director)
(Appointed 27 January 2026)

Cheah Zhi Liang
(Executive Director)
(Appointed 31 July 2025; Resigned on 18 December 2025)

Chak Wan Chuen
(Executive Director)
(Appointed on 7 August 2024; Resigned on 31 July 2025)

Liu Wing Yee Amy
(Executive Director)
(Resigned on 19 September 2024)

Ranjit Kaur A/P Sarjit Singh
(Non-Independent Non-Executive Director)
(Appointed 24 February 2025; Resigned on 5 November 2025)

Datuk Chu Boon Tiong
(Non-Independent Non-Executive Director)
(Resigned on 29 May 2025)

Sandra Chan Wan Shan
(Non-Independent Non-Executive Director)
(Resigned on 21 February 2025)

AUDIT COMMITTEE

Chairman
Chow Yun Cheung

Members
Chui Ee Mien
Sandra Chan Wan Shan *(Resigned on 21 February 2025)*
Ranjit Kaur A/P Sarjit Singh *(Appointed 24 February 2025; Resigned on 5 November 2025)*
Yow Kok Chaw *(Appointed 9 December 2025)*

NOMINATION COMMITTEE

Chairman
Chow Yun Cheung

Members
Chui Ee Mien
Sandra Chan Wan Shan*(Resigned on 21 February 2025)*
Ranjit Kaur A/P Sarjit Singh *(Appointed 24 February 2025; Resigned on 5 November 2025)*
Yow Kok Chaw *(Appointed 9 December 2025)*

REMUNERATION COMMITTEE

Chairman
Sandra Chan Wan Shan *(Resigned 21 February 2025)*
Ranjit Kaur A/P Sarjit Singh *(Appointed 24 February 2025; Resigned on 5 November 2025)*
Yow Kok Chaw *(Appointed 9 December 2025)*

Members
Chow Yun Cheung
Chui Ee Mien

CORPORATE INFORMATION (Continued)

COMPANY SECRETARY

Wong Youn Kim
(MAICSA No.:7018778)
(SSM PC No.:201908000410)

REGISTERED OFFICE

Unit 11.07,
Amcorp Tower,
Amcorp Trade Centre,
18, Jalan Persiaran Barat,
46050 Petaling Jaya,
Tel: (60) 17 622 9303
Email: synergyprofgroup@gmail.com

PRINCIPAL BANKERS

Malayan Banking Berhad
RHB Bank Berhad
Hong Leong Bank Berhad

STOCK EXCHANGE LISTING

Main Market of Bursa Malaysia Securities Berhad
Stock Code: 9393

AUDITORS

UHY Malaysia PLT
Chartered Accountants
Suite 11.05 Level 11,
The Gardens South Tower,
Mid Valley City,
Lingkaran Syed Putra,
59200 Kuala Lumpur.
Tel: (603) 2279 3088
Fax: (603) 2279 3099
Email: uhy-kl@uhy-my.com

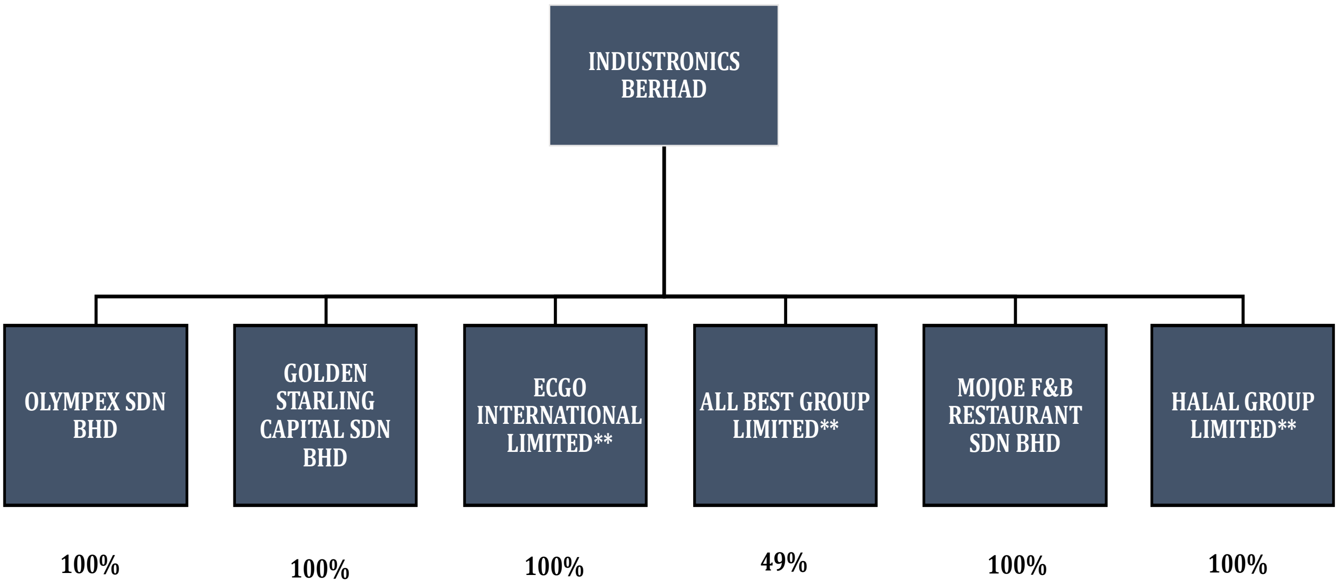
SHARE REGISTRAR

Symphony Corporate Services Sdn Bhd
S-4-04, The Gamuda Biz Suites,
Jalan Anggerik Vanilla 31/99,
Kota Kemuning,
40460 Shah Alam,
Selangor, Malaysia.
Tel: (60) 16-439 7718
Fax: (603)- 5131 9134

INVESTORS SERVICE

Shareholders, investors and members of public are invited to access the Company's website at www.industronics.com.my for information on the Group's operations and latest developments.

CORPORATE STRUCTURE



** Companies in Hong Kong

PROFILE OF DIRECTORS

DATO' LEONG SIR LEY
Executive Chairman & Managing Director

Dato' Leong Sir Ley, a Malaysian female aged 50, was first appointed to the Board as Independent Non-Executive Chairman on 7 August 2024 and was subsequently redesignated as Executive Chairman and Managing Director on 4 March 2025.

Dato Leong Sir Ley holds a Bachelor of Law (Hons) from Thames Valley University of the United Kingdom. She has legal practice chambering at Messrs. Maxwell Kenion Cowdy & Jones from 1999 to 2000 and was called to the Bar on 30 September 2000. After completing her legal practice, she became a lawyer at Messrs. S.L. Leong, Kartina & Partners from 2001 to 2016. During the year 2012, She has ventured into the business by incorporate Sheng Tai International Limited in Hong Kong and Sheng Tai International Sdn Bhd. Dato Leong Sir Ley is a founder, Chairman and Chief Executive Officer of Sheng Tai International Limited in Hong Kong and Sheng Tai International Sdn Bhd since then.

She does not have any family relationship with any Director and/or major shareholder of the Company, nor does she have any business relationship with the Company in which she has a personal interest. She has not been convicted of any offences within the past five (5) years and has not been subject to any public sanction or penalty imposed by the relevant regulatory bodies.

She became a substantial shareholder of the Company on 23 January 2026.

MR. NGAN YIH SEE
Executive Director

Mr. Ngan Yih See, a Malaysian male, aged 34, was appointed to the Board as an Executive Director on 27 January 2026.

Mr. Ngan holds a Bachelor of Business and Commerce from Monash University, majoring in Economics and Finance. He has also completed the Pre-Contract Examination of Insurance Agents from The Malaysian Insurance Institute.

Mr. Ngan commenced his career in Noxel Group as a Management Trainee from 2014 to 2016. During his tenure, he demonstrated strong capabilities in finance and administration and was subsequently tasked with managing key accounts, overseeing commercial matters and supporting business development activities for manufacturing-related businesses.

In 2018, he was appointed as a Director of Noxel's investment arm, a diversified private investment holding company with interests spanning food and beverage chains and risk management advisory services. He continues to hold this position to date and is actively involved in strategic planning, financial management and investment oversight.

Mr Ngan Yih See does not hold any directorships in any other public companies. He is related to Datuk Wira Yong Chong Cheang, who is a shareholder and director of Hexatech Energy Consolidated Sdn. bhd., a substantial shareholder of the Company. He does not have any business relationship with the Company in which he has a personal interest. He has not been convicted of any offences within the past five (5) years and has not been subject to any public sanction or penalty imposed by the relevant regulatory bodies.

PROFILE OF DIRECTORS (Continued)

MR. CHOW YUN CHEUNG
Independent Non-Executive Director

Mr. Chow Yun Cheung, a citizen of the People's Republic of China, aged 46, male, was appointed to the Board on 23 February 2018.

Mr. Chow is a member of CPA Hong Kong and holds a Bachelor Degree of Business Administration (Professional Accountancy) from The Chinese University of Hong Kong. He has over 20 years of experience in accounting, corporate finance and compliance of listed companies.

Since August 2019, Mr. Chow has been an Independent Non-Executive Director of Moody Technology Holdings Limited, a company listed on the Main Board of the Stock Exchange of Hong Kong Limited (stock code: 1400) mainly engaged in the sales of shoes and clothes and design, manufacturing and sales of fabrics in the People's Republic of China.

He is the Chairman of the Audit and Nomination Committees and a member of the Remuneration Committee.

Mr. Chow does not hold any directorships in any other public companies. He does not have any family relationship with any director and/or major shareholder of the Company. There is no business relationship with the Company in which he has a personal interest. He has had no convictions for any offences within the law.

MR. CHUI EE MIEN
Independent Non-Executive Director

Mr Chui Ee Mien, male, aged 46, Malaysian nationality, was appointed to the Board as an Independent Non-Executive Director on the 8 November 2018. Mr Chui holds a Bachelor's Degree in Marketing and Business System from the University of Derby, UK.

Mr Chui's prior experiences are as below:
(1) Mastertenna (M) Sdn Bhd - Project Coordinator from 1999 - 2002
(2) BSA Manufacturing Sdn Bhd - OEM Executive from 2002 - 2003
(3) V-Kool (M) Sdn Bhd - Senior Marketing Executive from 2003 - 2005
(4) Elite Otomart Sdn Bhd - Director from 2005 - 2006
(5) Hoshino Racing (M) Sdn Bhd - General Manager from 2007 - 2014
(6) OEM Service Car Sdn Bhd - Director since 2014
(7) Geomuv Sdn Bhd - Director since 2017

He is a member of the Audit, Nomination and Remuneration Committees.

Mr. Chui does not hold any directorships in any other public companies. He does not have any family relationship with any director and/or major shareholder of the Company. There is no business relationship with the Company in which he has a personal interest. He has had no convictions for any offences within the law.

PROFILE OF DIRECTORS *(Continued)*

MR. YIU KA FAI
Independent Non-Executive Director

Mr. Yiu Ka Fai, a Hong Kong national, male, aged 55, was appointed to the Board as an Independent Non-Executive Director on 24 February 2025.

Mr. Yiu holds a Bachelor of Business Administration (Hons) in Accountancy from the University of Bolton. He has over 19 years of experience in management and accounting within the trading and manufacturing industry. He has been serving as Financial Manager at a property developer company since 2014.

Mr. Yiu does not hold any directorships in any other public companies. He does not have any family relationship with any Director and/or major shareholder of the Company, nor does he have any business relationship with the Company in which he has a personal interest. He has not been convicted of any offences within the past five (5) years and has not been subject to any public sanction or penalty imposed by the relevant regulatory bodies.

MR. YOW KOK CHAW
Independent Non-Executive Director

Mr. Yow Kok Chaw, a Malaysian, male, aged 61, was appointed to the Board as an Independent Non-Executive Director on 9 December 2025.

Mr. Yow is an Associate Member of the Malaysian Institute of Chartered Secretaries and Administrators (MAICSA) and an Associate Member of the Chartered Tax Institute of Malaysia. He also holds a Practising Certificate issued by the Suruhanjaya Syarikat Malaysia and is a Licensed Tax Agent under Section 153(3) of the Income Tax Act 1967. Mr. Yow began his career with Ernst & Young in 1990, where he served until 1994, before joining Asia Pacific Land Berhad. In 2010, he established his own professional practice, which he continues to manage to date.

He is the Chairman of the Remuneration Committee and a member of Audit and Nomination Committees.

Mr. Yow does not hold any directorships in any other public companies. He does not have any family relationship with any Director and/or major shareholder of the Company, nor does he have any business relationship with the Company in which he has a personal interest. He has not been convicted of any offences within the past five (5) years and has not been subject to any public sanction or penalty imposed by the relevant regulatory bodies.

PROFILE OF DIRECTORS (Continued)

MS. FLORENCE KONG PAU CHOO
Independent Non-Executive Director

Ms. Florence Kong Pau Choo, a Malaysian, female, aged 49, was appointed to the Board as an Independent Non-Executive Director on 27 January 2026.

Ms. Florence holds a Master's in Practical Ministry from Wagner Leadership Institute and a Bachelor of Laws from the Australian National University. She is currently the Director of Equip Consulting PLT, Miri, Sarawak, a position she has held since 2020, where she is responsible for strategic leadership, business development, stakeholder engagement, advisory services, as well as oversight of governance, financial management, risk and consulting quality. She has also been serving as the President of the Miri Apostolic Ecclesia Builders Association, a non-profit organisation, since 2015, where she provides strategic governance and leads leadership development and community programmes, including a COVID-19 food aid initiative in 2020.

Prior to this, she was an Information Management Contract Executive at Sarawak Shell Berhad from 2005 to 2010, where she was involved in procurement planning, tender strategy, contract documentation, expenditure monitoring and contract lifecycle management. She also held roles as Sales & Marketing Senior Executive at Sebor (M) Marketing & Services from 2005 to 2006 and Business Development Executive at Sri Bida Supplies & Services from 2002 to 2004, with responsibilities in regional sales, commercial negotiations and business development.

Ms. Florence does not hold any directorships in any other public companies. She does not have any family relationship with any Director and/or major shareholder of the Company, nor does she have any business relationship with the Company in which she has a personal interest. She has not been convicted of any offences within the past five (5) years and has not been subject to any public sanction or penalty imposed by the relevant regulatory bodies.

MANAGEMENT DISCUSSION AND ANALYSIS

Revenue and Gross Profit

The Group recorded revenue of RM40.52 million for the financial period ended 31 December 2025 ('FPE 2025'), representing a decrease of 26% compared to RM54.79 million in the financial year ended 30 June 2024 ('FYE 2024'). The decline was mainly attributable to lower sales from the Group's Hong Kong operations.

Revenue contribution remained highly concentrated in Hong Kong, accounting for approximately 98% and 99% of total revenue in FPE 2025 and FYE 2024 respectively.

ECGO International Limited, the Group's wholly-owned subsidiary in Hong Kong, is principally engaged in the trading of precision instruments (watches) and provision of cloud computing services. The Hong Kong operations contributed HKD73.11 million (approximately RM39.65 million) in FPE 2025, a decrease from HKD91.06 million (approximately RM54.31 million) in FYE 2024, primarily due to lower trading activity in watches.

Other Operating Income

The Group recorded other operating income of RM2.19 million in FPE 2025 compared to RM5.29 million in FYE 2024. The higher amount recorded in FYE 2024 was mainly attributable to unrealised foreign exchange gains of RM4.62 million. In FPE 2025, other operating income was primarily derived from a gain on disposal of assets held for sale amounting to RM1.99 million

Operating Expenses

Operating expenses decreased to RM12.40 million in FPE 2025 from RM16.13 million in FYE 2024. The lower operating expenses in FPE 2025 were mainly due to lower impairment losses recognised during the period. In comparison, operating expenses in FYE 2024 were higher, mainly attributable to additional impairment losses recognised on intangible assets amounting to RM2.90 million and investment in an associate amounting to RM4.07 million.

Finance Costs

The Group's finance costs increased to RM3.48 million in FPE 2025 from RM1.30 million in FYE 2024, primarily due to interest expenses arising from a new loan secured and drawn down during the financial period for working capital and strategic purposes. In FYE 2024, finance costs were lower following the granting of an interest grace period by certain lenders in connection with the proposed settlement of outstanding loans via the issuance of shares. The interest grace period remains in effect until the completion of the planned corporate exercise.

Loss After Tax

The Group reported a loss after tax of RM10.94 million in FPE 2025 compared to RM11.04 million in FYE 2024. The loss in FPE 2025 was mainly attributable to lower revenue, higher finance costs and lower other operating income as compared to the previous financial year.

MANAGEMENT DISCUSSION AND ANALYSIS
(Continued)

Business Strategy

The Group's strategic focus for FY2026 is centred on strengthening its core operations while progressively diversifying into new business segments to build more sustainable revenue streams. For the luxury watch trading segment, the Group will continue to adopt a cautious and selective approach amid a challenging operating environment.

In parallel, the Group is actively pursuing project management opportunities in the Klang Valley and Melaka as part of its diversification strategy. These initiatives are expected to provide an additional income stream and reduce reliance on the trading segment. The Group is also exploring opportunities in the mechanical engineering services segment, in line with its long-term objective of expanding into complementary businesses with recurring income potential.

To support these initiatives, the Group has undertaken fund-raising and financing activities to strengthen its financial position. The utilisation of funds will be aligned with identified opportunities and implemented in a prudent and disciplined manner.

Moving forward, the Group will continue to evaluate opportunities selectively while maintaining financial discipline to enhance operational resilience and deliver sustainable long-term value.

1. BOARD STATEMENT ON SUSTAINABILITY

The Board of Directors of **Industronics Berhad** ("the Group") acknowledges its responsibility for ensuring that sustainability-related risks and opportunities are appropriately identified, assessed, managed and disclosed in a manner that supports long-term value creation.

For the financial period ended 31 December 2025, the Group has prepared this Sustainability Statement in accordance with the Bursa Malaysia National Sustainability Reporting Framework ("NSRF"), taking into consideration its classification as a **Group 2 issuer** under the NSRF.

In line with the phased implementation approach prescribed under the NSRF, the Group has progressively incorporated the principles and disclosure requirements of **IFRS S1 – General Requirements for Disclosure of Sustainability-related Financial Information** and **IFRS S2 – Climate-related Disclosures**, with a current focus on climate-related risks and opportunities and the establishment of baseline sustainability data.

The Board recognises that the Group's sustainability reporting practices remain at an **evolving stage**, and that certain disclosures—particularly quantitative metrics and forward-looking assessments—are subject to data availability, estimation uncertainty and the ongoing enhancement of internal systems and processes.

The Board confirms that this Sustainability Statement provides a **fair, balanced and reasonable representation** of the Group's sustainability-related risks, opportunities and performance for the reporting period, and reflects the Group's commitment towards **progressive alignment with internationally recognised sustainability reporting standards**.

2. ABOUT THIS STATEMENT

2.1. Reporting Period

This Sustainability Statement covers the period from **1 July 2024 to 31 December 2025**, aligned with the Group's financial reporting cycle.

2.2. Reporting Scope and Boundary

The disclosures encompass the Group's principal operations in Malaysia, covering:

- Industrial systems and engineering solutions
- Trading and distribution
- Strategic investments and diversified ventures

The reporting boundary is determined based on the **operational control approach**, whereby sustainability-related information is reported for entities and activities over which the Group has control.

2.3. Reporting Frameworks

This Statement has been prepared with reference to:

- **IFRS S1 – General Requirements for Sustainability-related Financial Disclosures**
- **IFRS S2 – Climate-related Disclosures**
- **Bursa Malaysia NSRF (including Common Sustainability Matters)**

The structure follows the four core pillars:

- Governance
- Strategy
- Risk Management
- Metrics & Targets

2.4. Statement of Compliance

The Group has applied the requirements of IFRS S1 and IFRS S2 on a **progressive basis**, taking into account the transitional reliefs available under the NSRF for a Group 2 issuer.

For the current reporting period:

- Disclosures are focused primarily on **climate-related risks and opportunities**
- Scope 3 emissions are disclosed on a **limited basis**, based on data availability
- **Qualitative scenario analysis** has been applied in lieu of quantitative modelling

Full alignment with IFRS Sustainability Disclosure Standards is expected to be achieved progressively as internal systems, data availability and methodologies continue to mature.

2.5. Reporting Principles

This Statement has been prepared in accordance with the principles set out in IFRS S1, including:

- **Fair presentation**
- **Materiality**
- **Connected information**
- **Consistency and comparability**

These principles guide the identification, measurement and presentation of sustainability-related information to ensure that disclosures are relevant, reliable and decision-useful.
(Refer IFRS S1 10–24)

2.6. Judgements and Estimation Uncertainty

The preparation of this Statement requires the application of management judgement and the use of estimates, particularly in areas where data availability and measurement methodologies are still evolving.

Key areas include:

- Determination of **material sustainability-related matters**
- Estimation of **environmental metrics**, including GHG emissions
- Definition of **reporting boundaries and value chain considerations**

Measurement uncertainty arises due to:

- reliance on estimation techniques and proxy data; and
- limitations in data availability, particularly for indirect emissions and value chain activities.

The Group adopts a structured and prudent approach in developing these estimates and will continue to enhance data accuracy and completeness over time.

No material errors have been identified in the preparation of this Statement.

3. BUSINESS MODEL AND VALUE CREATION

The Group operates a **diversified business model**, providing resilience against market volatility.

3.1. Business Overview

Industronics Berhad is an investment holding company with operations spanning engineering, technology solutions, trading and diversified business activities.

The Group's core activities include:

- design, manufacturing and installation of **electronics and microprocessor-controlled products**;
- provision of **telecommunication systems and audio-visual multimedia solutions**;
- development of **intelligent transportation systems and information communication technology solutions**; and
- strategic investments across various business segments.

The Group operates through a combination of active subsidiaries and investment interests, contributing to a diversified operational profile.

3.2. Principal Subsidiaries and Business Activities

The following table summarises the principal entities within the Group and their respective activities:

Company	Principal Activities	Ownership	Status	Location
Industronics Berhad	Investment holding; engineering, electronics, ICT systems	–	Active	Malaysia
Olympex Sdn Bhd	Research & development and product development in power electronics	100%	Active	Malaysia
Mojoe F&B Restaurant Sdn Bhd	Restaurant operations	100%	Newly established	Malaysia
Golden Starling Capital Sdn Bhd	Licensed money lending and property rental	100%	Dormant	Malaysia
ECGO International Limited	Trading of precision instruments, cloud services and general trading	100%	Active	Hong Kong
Halal Group Limited	Investment holding	100%	Dormant	Hong Kong
All Best Group Limited	Trading of watches	49%	Active	Hong Kong

3.3. Operational Characteristics

The Group's operations are characterised by:

- **project-based engineering activities**, which involve system design, installation and integration;
- **trading and distribution activities**, including technology-related products; and
- **diversified investments**, including early-stage and non-core business segments.

This diversified structure provides flexibility but also introduces varying levels of operational complexity and risk exposure across different business segments.

3.4. Value Creation Framework

The Group adopts a value creation approach that considers how inputs are transformed through business activities into outputs and longer-term outcomes.

Inputs

- Financial capital
- Skilled workforce and technical expertise
- Supplier and contractor networks
- Operational infrastructure and equipment

Business Activities

- Engineering and system integration projects
- Trading and distribution operations
- Strategic investment and business development

Outputs

- Industrial systems and engineering solutions
- Distributed products and services
- Investment-related returns

Outcomes

- Revenue generation and profitability
- Strengthened customer relationships
- Sustained operational capability
- Long-term value creation for stakeholders

This framework supports the Group's ability to assess how sustainability-related risks and opportunities may affect different stages of its business operations.

3.5. Sustainability Integration

Sustainability considerations are integrated into the Group's business model through:

- **Operational efficiency** – managing energy usage, resource consumption and cost structures;
- **Risk management** – identifying and mitigating sustainability-related risks within the ERM framework;
- **Investment decisions** – considering long-term value creation and risk exposure; and
- **Governance practices** – maintaining compliance with regulatory requirements and ethical standards.

The Group adopts a **risk-based approach**, whereby sustainability-related risks and opportunities are evaluated alongside financial and operational risks.

This integrated approach supports more informed decision-making and enhances the Group's ability to respond to evolving environmental, social and regulatory expectations.

The Group's principal operations are located in:

- **Malaysia**, which serves as the primary operational and management base; and
- **Hong Kong**, where selected subsidiaries conduct trading and investment activities.

The Group operates from **shared office facilities in Malaysia**, which has implications for the availability of environmental data, particularly in relation to electricity consumption and emissions measurement (refer to Section 10).

4. MATERIALITY ASSESSMENT

4.1. Approach

The Group applies a structured approach to identify and assess sustainability-related risks and opportunities that may reasonably be expected to affect its financial performance, financial position and future prospects.

In accordance with IFRS S1, the Group adopts a financial materiality perspective, whereby sustainability-related matters are considered material if they could influence the decisions of primary users of the Group's financial statements.

The assessment considers both:

- risks that may adversely affect the Group; and
- opportunities that may enhance long-term value creation.

Given the Group's diversified operations across engineering, trading and strategic investments, material sustainability matters are closely linked to operational efficiency, cost structure, regulatory compliance and workforce capability.

4.2. Material Matters Identified

The materiality assessment was conducted through an internal evaluation process involving relevant management personnel across operational, finance and risk management functions.

Each sustainability-related matter was assessed based on the following criteria:

- **Potential financial impact**
  (e.g. effect on operating costs, revenue, capital expenditure or financial position)
- **Likelihood of occurrence**
  (based on internal experience and external developments)
- **Time horizon**
  For the purpose of the materiality assessment, the Group classifies time horizons as follows:
  - **Short-term:** within 1 year
  - **Medium-term:** between 2 to 5 years
  - **Long-term:** 6 years and above

  These time horizons are applied in assessing the potential impact and timing of sustainability-related risks and opportunities.
- **Operational relevance**
  (degree of dependency on assets, workforce, suppliers or regulatory environment)

The outcome of this assessment is aligned with the Group's Enterprise Risk Management ("ERM") framework, ensuring consistency between sustainability-related risks and broader business risk management processes.
(Refer IFRS S1 17–19)

4.3. Material Sustainability Matters Identified

Based on the assessment, the following sustainability-related matters have been identified as material to the Group:

Environmental

Energy consumption and efficiency

- Energy usage arising from operational activities and facilities may influence cost structure, particularly in the context of energy price volatility.

Greenhouse gas ("GHG") emissions

- Emissions associated with energy consumption may be subject to increasing regulatory scrutiny and stakeholder expectations.

Social

Workforce capability and retention

- The ability to attract, develop and retain skilled personnel is critical to project delivery and long-term business performance.

Governance

Regulatory compliance

- The Group operates within a regulated environment, where non-compliance may result in financial penalties and reputational impact.

Ethical conduct and anti-corruption

- Maintaining high standards of integrity is essential to sustaining stakeholder trust and mitigating misconduct risks.

Supply chain management

- Dependence on suppliers and contractors introduces risks related to reliability, quality and compliance.

4.4. Review and Continuous Improvement

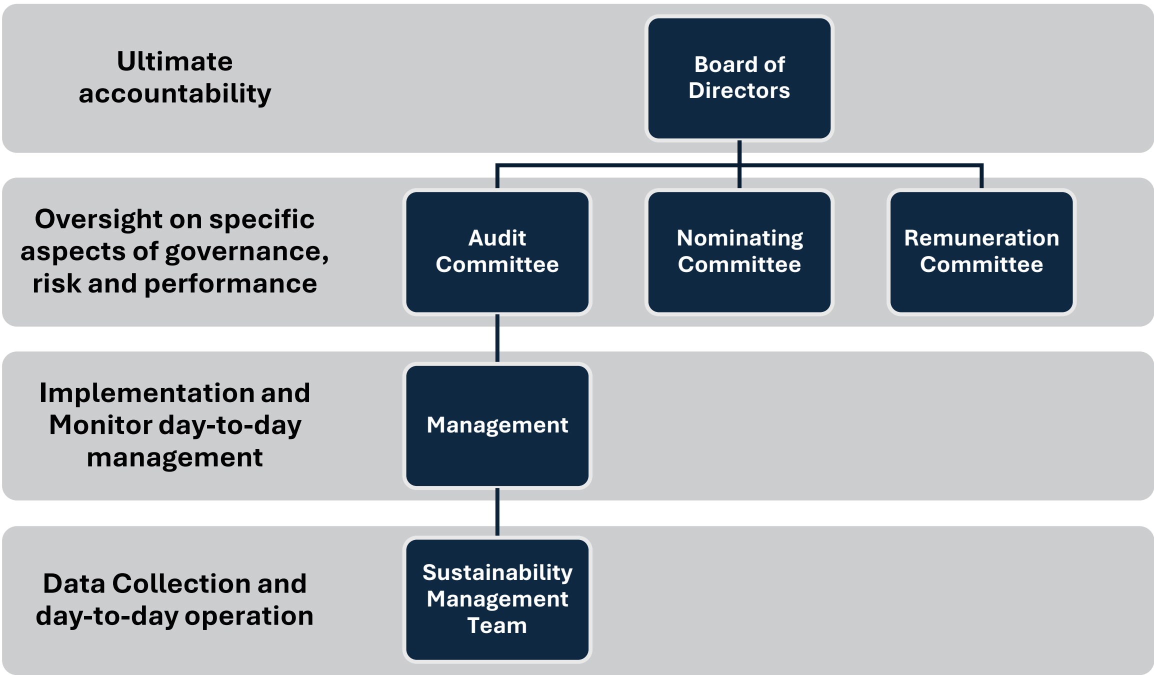
The Group recognises that materiality is not static and will continue to evolve in response to:

- changes in regulatory requirements;
- developments in the operating environment; and
- improvements in data availability and measurement methodologies.

The materiality assessment will be reviewed periodically to ensure continued relevance and alignment with the Group's risk profile and strategic priorities.

5. GOVERNANCE

Sustainability Governance Structure



Sustainability-related information flows from operational level to management and is reported to the Board and relevant committees for oversight and decision-making.

5.1. Sustainability Governance

Sustainability is an integral component of **Industronics Berhad**'s approach to long-term value creation. The Group is committed to strengthening its governance framework to ensure that sustainability-related risks and opportunities are effectively identified, assessed and managed.

The Board of Directors plays a central role in embedding sustainability considerations across the Group's operations, including oversight of strategy execution, risk management processes and internal control systems. Sustainability-related matters are addressed as part of the Group's broader governance and risk management framework, rather than as a standalone function.

5.2. Board of Directors

The Board retains **ultimate accountability** for sustainability-related matters, including climate-related risks and opportunities.

Key responsibilities include:

- oversight of sustainability strategy, objectives and material sustainability matters;
- review of climate-related risks and their potential impact on the Group's business model and operations;
- ensuring integration of sustainability considerations into business strategy and operational decision-making;
- oversight of the effectiveness of the Group's **Enterprise Risk Management ("ERM") framework** and internal control systems; and
- review and approval of sustainability disclosures.

The Board also ensures that sustainability-related priorities, targets and performance are communicated appropriately to stakeholders.

5.3. Board Committees

The Board is supported by its committees, which provide oversight on specific aspects of governance, risk and performance:

Audit Committee	Nominating Committee	Remuneration Committee
reviewing the integrity and reliability of financial reporting;	ensuring an appropriate composition of the Board and senior management;	establishing a fair and structured remuneration framework;
ensuring compliance with applicable laws and regulations;	promoting diversity, competency and succession planning;	aligning remuneration with the Group's strategic objectives and performance considerations;
overseeing the effectiveness of the Group's risk management and internal control systems, including sustainability-related risks	supporting the development of leadership capability within the Group.	supporting retention and motivation of key personnel.

5.4. Management's Role

Management, led by the Executive Directors, is responsible for the **implementation and day-to-day management** of sustainability-related matters.

This includes:

- developing and implementing sustainability strategies and initiatives;
- identifying and assessing sustainability-related risks and opportunities;
- monitoring sustainability performance against internal objectives; and
- ensuring compliance with relevant policies, procedures and regulatory requirements.

Management adopts a **risk-based approach**, integrating sustainability considerations into operational processes and business activities.

5.5. Sustainability Management Team

The Group recognises the need for more structured and specialised oversight of sustainability-related matters.

The Group **established a Sustainability Management Team in FY2024** to support the coordination and oversight of sustainability-related initiatives.

The Sustainability Management Team is responsible for:

- supporting the development and refinement of sustainability strategies;
- coordinating sustainability data collection and reporting;
- monitoring the implementation of sustainability-related policies and action plans; and
- facilitating communication between management and the Board on sustainability matters.

This enhanced governance structure is intended to strengthen accountability, improve coordination across business units and support the Group's progressive alignment with sustainability reporting requirements.

5.6. Governance Integration and Reporting

Sustainability governance is integrated into the Group's existing governance framework through:

- incorporation of sustainability-related risks into the **ERM framework**;
- alignment with internal control processes; and
- structured reporting from management to the Board and relevant committees.

Sustainability-related information is reviewed periodically to ensure consistency, completeness and alignment with the Group's governance and risk management practices. (Refer IFRS S2 6(a)–(b))

6. STAKEHOLDER ENGAGEMENT

The Group recognises that effective stakeholder engagement is essential in identifying sustainability-related risks and opportunities and ensuring that the Group's strategies remain relevant to its operating environment.

The Group engages with key stakeholder groups through structured and ongoing interactions to understand their expectations, concerns and priorities. Insights obtained from these engagements are considered in the Group's **materiality assessment (Section 4)** and inform its sustainability-related decision-making processes.

6.1. Key Stakeholder Groups and Engagement Approach

The Group engages with key stakeholders to understand expectations and concerns.

Stakeholder Group	Engagement Method	Key Topics of Interest
Shareholders and Investors	Annual General Meetings, corporate disclosures, investor communications	Financial performance, business strategy, sustainability practices, risk management
Employees	Internal communications, performance reviews, training programmes	Workplace safety, career development, employee wellbeing
Customers	Business engagements, project discussions, feedback mechanisms	Product quality, service delivery, reliability, compliance
Suppliers and Contractors	Procurement processes, vendor evaluations, ongoing engagement	Quality standards, delivery performance, compliance with requirements
Regulators and Authorities	Regulatory submissions, compliance reporting	Legal and regulatory compliance, governance practices

6.2. Key Stakeholder Priorities

Through engagement activities conducted during the reporting period, the Group has identified the following recurring themes:

- **Operational performance and reliability**, particularly in project delivery and service quality;
- **Regulatory compliance**, including adherence to applicable laws and reporting requirements;
- **Workforce-related matters**, including safety, development and retention; and
- **Responsible business practices**, including ethical conduct and governance standards.

These priorities reflect the Group's operational profile and the expectations of stakeholders within its industry.

6.3. Integration into Business and Sustainability Processes

Stakeholder feedback is incorporated into the Group's processes through:

- **Materiality assessment**, where stakeholder expectations are considered alongside financial impact;
- **Risk management**, where stakeholder concerns are evaluated as part of risk identification and assessment; and
- **Strategic planning**, where relevant insights inform business and operational decisions.

This integrated approach ensures that stakeholder engagement contributes to a more comprehensive understanding of sustainability-related risks and opportunities.

6.4. Continuous Engagement

The Group will continue to strengthen its stakeholder engagement practices by:

- enhancing communication channels;
- improving feedback collection mechanisms; and
- increasing the level of integration between stakeholder insights and internal decision-making processes.

These efforts are intended to support more effective and responsive sustainability management over time.

7. SUSTAINABILITY-RELATED RISKS AND OPPORTUNITIES

Industronics Berhad has identified sustainability-related risks and opportunities that may reasonably be expected to affect its business model, financial performance and long-term resilience.

These risks and opportunities are assessed in line with the Group's **Enterprise Risk Management ("ERM") framework**, considering their likelihood, potential impact and time horizon.

7.1. Climate-Related Risks

The Group is exposed to climate-related risks arising from both transition factors (such as regulatory changes and market developments) and physical factors (such as extreme weather events).

Transition Risks	**Energy price volatility**	Fluctuations in energy prices may increase operating costs, particularly given the Group's reliance on electricity and fuel in its engineering and operational activities.
	Regulatory developments	Increasing regulatory requirements relating to sustainability reporting and environmental compliance may result in additional compliance, monitoring and reporting costs.
Physical Risks	**Extreme weather events**	Events such as flooding or severe weather conditions may disrupt operations, delay project execution and affect supply chain continuity.
	Indirect supply chain impacts	Disruptions affecting suppliers or logistics networks may impact the availability of materials and equipment required for operations.

7.2. Opportunities

In addition to risks, the Group has identified opportunities arising from sustainability-related developments:

Operational efficiency improvements

Enhancing energy management and operational processes may reduce costs and improve overall efficiency.

Strengthened market positioning

Adoption of sound sustainability practices may enhance stakeholder confidence and support competitiveness.

Improved governance and risk management

Strengthening governance frameworks may improve decision-making and operational discipline.

7.3. Impact on Business Model

The identified risks and opportunities may affect the Group's business model and value chain in several ways:

- **Cost structure** – through energy prices and compliance-related expenditures;
- **Operational continuity** – through potential disruptions to operations and supply chain activities; and
- **Investment decisions** – through increased consideration of sustainability-related risks in capital allocation.

These factors are considered in the Group's strategic and operational planning processes.
(Refer IFRS S2 10–13)

7.4. Financial Effects

During the reporting period, no material financial impact from climate-related risks and opportunities has been recognised.

However, the Group acknowledges that future financial effects may arise from:

- increased operating costs due to energy price volatility;
- higher compliance and reporting costs resulting from evolving regulatory requirements; and
- potential operational inefficiencies arising from disruptions to operations or supply chain activities.

The Group will continue to monitor these developments and incorporate relevant considerations into its financial planning processes as data availability improves.

7.5. Scenario Analysis

The Group has undertaken a **qualitative assessment of climate-related scenarios** to evaluate potential impacts on its operations.

Orderly Transition Scenario (1.5–2°C)	• Increased regulatory requirements and compliance costs; • gradual adjustments to operational practices.
Higher Physical Risk Scenario (>3°C)	• Increased frequency of extreme weather events; • greater risk of operational disruptions and supply chain challenges.

No quantitative modelling has been performed due to current data limitations. The Group intends to enhance its scenario analysis capabilities as part of its sustainability reporting development.
(Refer IFRS S2 22–23)

7.6. Climate-Related Risks and Opportunities Table

Risk / Opportunity	Type	Likelihood & Time Horizon	Potential Impact on Business Model	Current Financial Effect	Response	Anticipated Financial Effects
Rising energy costs due to transition policies	Transition (regulatory / market)	Likely – Short to medium term	Increased operating costs across operations and facilities	No material impact recognised	Monitoring energy consumption and improving operational efficiency	Gradual cost control through efficiency improvements
Increasing sustainability-related regulatory requirements	Transition (regulatory)	Possible – Medium term	Increased compliance and reporting costs	No material impact recognised	Strengthening governance and reporting processes	Increased compliance costs over time
Operational disruptions from extreme weather events	Physical (acute)	Possible – Medium to long term	Potential interruption to operations and project timelines	No material impact recognised	Enhancing operational planning and supply chain resilience	Reduced disruption risk over time
Improving operational efficiency through energy management	Opportunity (operational)	Likely – Short to medium term	Reduced energy consumption and improved cost efficiency	No material capital investment incurred	Implementing efficiency initiatives and monitoring practices	Improved margins over time
Increasing demand for responsible business practices	Opportunity (market)	Possible – Medium to long term	Enhanced competitiveness and stakeholder confidence	No material impact recognised	Strengthening governance and sustainability practices	Potential improvement in market positioning

7.7. Climate Resilience

The Group has considered the resilience of its business model under different climate-related scenarios.

While direct exposure to physical climate risks is currently assessed as moderate, indirect risks—particularly those affecting supply chains and operational costs—may become more significant over time.

The Group's approach to resilience focuses on:

- maintaining operational flexibility;
- improving efficiency in resource utilisation; and
- strengthening governance and risk management practices.

This approach supports the Group's ability to respond to evolving climate-related risks and opportunities.

8. STRATEGY

Industronics Berhad adopts a structured approach to managing sustainability-related risks and opportunities, with a focus on operational resilience, cost efficiency and sound governance.

The Group's strategy is developed in response to the risks and opportunities identified in Section 7 and is integrated into its business planning and operational decision-making processes.

8.1. Environmental Strategy

The Group's environmental strategy focuses on managing energy consumption and addressing emissions-related risks arising from its operations.

Key initiatives include:

- **Improving energy efficiency**
  Enhancing operational processes and monitoring energy usage across facilities to manage cost exposure and improve efficiency.

- **Monitoring greenhouse gas emissions**
  Establishing baseline data for Scope 2 emissions to support future performance tracking and reporting.

- **Strengthening environmental compliance**
  Ensuring adherence to applicable environmental regulations and requirements.

These initiatives are intended to mitigate exposure to energy price volatility and regulatory developments while supporting more efficient resource utilisation.

8.2. Social Strategy

The Group's social strategy focuses on maintaining a capable and resilient workforce to support operational delivery.

Key initiatives include:

- **Workforce development**
  Providing training and development programmes to enhance technical skills and operational capabilities.
- **Employee engagement and retention**
  Promoting a supportive work environment to improve employee satisfaction and retention.

These initiatives support operational continuity and productivity, particularly in engineering and project-based activities.

8.3. Governance Strategy

The Group's governance strategy focuses on strengthening internal controls, compliance and risk management practices.

Key initiatives include:

- **Enhancing internal control systems**
  Strengthening controls to address compliance and operational risks.

- **Improving sustainability governance**
  Establishing more structured oversight, including the planned development of a Sustainability Management Team.

- **Aligning governance with regulatory expectations**
  Ensuring that reporting practices and internal processes evolve in line with sustainability-related regulatory developments.

These measures support effective management of sustainability-related risks and improve overall governance standards.

8.4. Integration into Business Strategy

Sustainability considerations are progressively integrated into the Group's broader business strategy through:

- **risk-informed decision-making**, where sustainability-related risks are considered alongside financial and operational factors;

- **capital allocation**, where long-term risks and opportunities are evaluated in investment decisions; and

- **operational planning**, where efficiency improvements and compliance considerations are embedded into business processes.

This integrated approach ensures that sustainability-related considerations contribute to the Group's long-term resilience and value creation.

8.5. Financial Implications of Strategy

The Group's sustainability strategy may have financial implications over time, including:

- incremental costs associated with improving energy efficiency and compliance processes;

- potential cost savings from operational optimisation; and

- improved financial performance through enhanced efficiency and risk management.

At present, no material financial impact has been recognised. The Group will continue to monitor and evaluate these impacts as implementation progresses and data availability improves.

9. RISK MANAGEMENT

Industronics Berhad adopts a structured and integrated approach to managing sustainability-related risks and opportunities, which forms part of its overall **Enterprise Risk Management ("ERM") framework**.

This approach ensures that sustainability-related risks are identified, assessed and managed consistently alongside financial and operational risks.

9.1. Risk Identification

Sustainability-related risks and opportunities are identified through established risk management processes, including:

- periodic **risk identification exercises** conducted by management;
- review of internal operational data and performance indicators;
- consideration of external developments, including regulatory changes and market trends; and
- input from stakeholder engagement activities (refer to Section 6).

Identified risks include those related to energy consumption, regulatory compliance, workforce management and operational disruptions.

9.2. Risk Assessment and Prioritisation

Identified risks are assessed using a structured approach based on:

- **Likelihood** of occurrence; and
- **Impact** on the Group's operations, financial performance and reputation.

Where relevant, sustainability-related risks are also evaluated across different **time horizons** (short, medium and long term).
This assessment enables the Group to prioritise risks and allocate appropriate resources for mitigation.

9.3. Risk Management and Mitigation

The Group implements risk management measures to address identified sustainability-related risks, including:

- improving operational efficiency to manage energy-related risks;
- strengthening internal controls and compliance processes;
- implementing workplace safety practices; and
- monitoring supplier and operational dependencies to reduce disruption risks.

These measures are reviewed periodically to ensure their effectiveness.

9.4. Integration with ERM

Sustainability-related risks and opportunities are **fully integrated into the Group's ERM framework**, rather than managed separately.

This includes:

- incorporation of sustainability-related risks into the Group's **risk register**;
- alignment with existing risk management policies and procedures; and
- oversight by the **Audit Committee ("AC")**.

This integrated approach ensures consistency in risk identification, assessment and monitoring across all risk categories.
(Refer IFRS S2 25)

9.5. Monitoring and Reporting

Sustainability-related risks are monitored through:

- periodic management reviews;
- tracking of relevant performance indicators; and
- reporting to the Board and AC as part of the Group's risk management reporting process.

This enables timely identification of emerging risks and supports informed decision-making.

9.6. Continuous Improvement

The Group recognises that its sustainability risk management practices will continue to evolve.

Future enhancements include:

- improving data collection and risk measurement capabilities;
- strengthening integration of sustainability considerations into business planning; and
- enhancing monitoring and reporting processes.

These efforts are intended to support more effective management of sustainability-related risks over time.

10. METRICS AND TARGETS

Industronics Berhad monitors selected sustainability-related metrics to assess its exposure to risks and opportunities and to track performance over time.

In line with its current stage of sustainability reporting development, the Group focuses on establishing baseline data and progressively enhancing the scope, accuracy and consistency of its disclosures.

10.1. Environmental Metrics

The Group monitors environmental performance primarily through energy consumption and electricity-related greenhouse gas ("GHG") emissions (Scope 2), which are considered the most relevant indicators given the Group's current operating structure.

This approach reflects the availability of data and the Group's phased adoption of sustainability reporting practices.

Energy Consumption and Management

The Group operates from **shared office facilities**, where electricity consumption is centrally managed by building management.

As a result, direct metered electricity consumption attributable to the Group is not available. The Group therefore estimates its electricity usage based on **reasonable allocation methodologies**, such as occupied floor area and operational footprint.

Source	FY2025 (MWh)
Electricity consumption (estimated)	11.94

Energy management efforts focus on:

- promoting efficient use of office equipment and lighting;
- encouraging energy-conscious practices among employees; and
- monitoring electricity usage trends based on available data.

These initiatives support cost management and operational efficiency.

Greenhouse Gas ("GHG") Emissions

The Group has initiated the development of its GHG emissions inventory in alignment with the **GHG Protocol Corporate Standard**, to the extent applicable to its operations.

Organisational Boundary

The Group adopts the **operational control approach**, whereby emissions are accounted for from operations over which the Group has control.

Operational Boundary

Scope 1 – Direct Emissions

Scope 1 emissions are **not currently disclosed**, as:

- fuel consumption under direct control is minimal; and
- relevant data is not centrally tracked at this stage.

The Group will assess the relevance of Scope 1 emissions as data collection processes improve.

Scope 2 – Indirect Emissions

Scope 2 emissions relate to indirect emissions from electricity consumed in the Group's operations.

Source	FY2025 (tCO_2e)
Electricity consumption (estimated)	8.84

Scope 2 emissions are calculated using a location-based method, applying estimated electricity consumption data and the Malaysian Grid Emission Factor (GEF) 0.74 Gg CO2e/GWh.

Given the shared office arrangement, these emissions are estimated based on reasonable allocation assumptions and should be interpreted accordingly.

Scope 3 – Other Indirect Emissions

Scope 3 emissions are **not currently disclosed**, due to:

- limited availability of reliable data; and
- the Group's current focus on establishing baseline emissions reporting.

The Group intends to progressively assess relevant Scope 3 categories as data availability improves.

Measurement Approach

Quantification of GHG emissions is currently under development and will be disclosed once reliable data becomes available.

The Group will develop appropriate measurement methodologies as data becomes available.

Data Limitations

The Group acknowledges that:

- electricity consumption data is **estimated rather than directly measured**;
- the shared office environment limits the accuracy of emissions attribution; and
- emissions disclosures are currently limited in scope.

The Group will continue to improve data availability and measurement methodologies over time.

10.2. Social Metrics

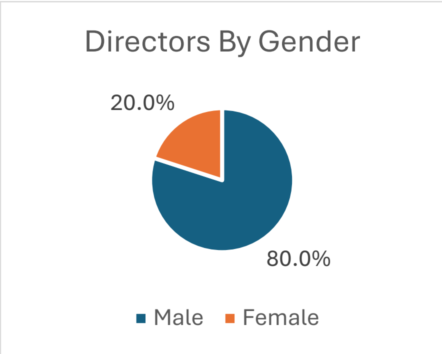
The Group monitors selected social indicators to support workforce management and operational effectiveness.

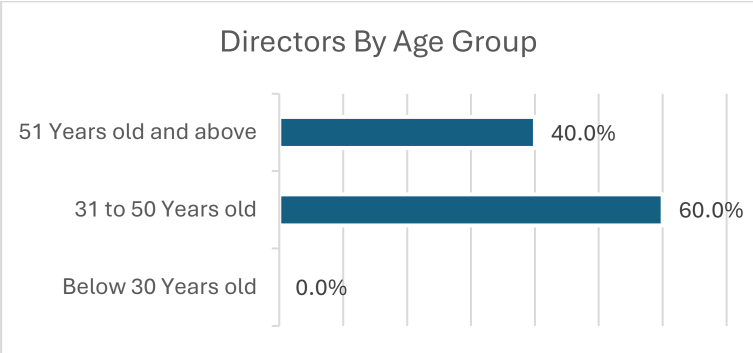
Key metrics include:

- **Workforce composition**

Directors

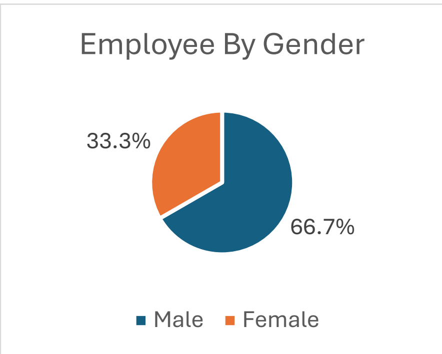
	FY2025
Total Number of Directors	5

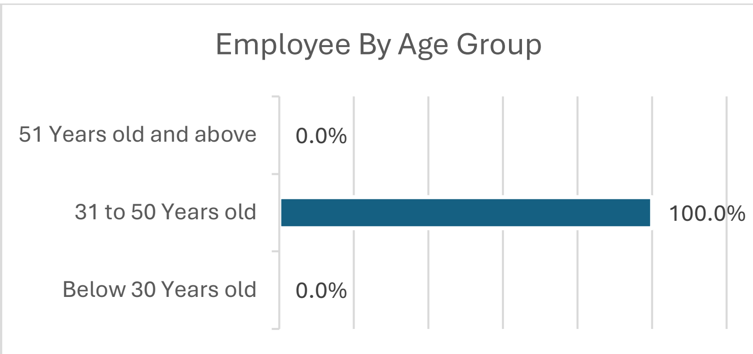




Total number of employees across operations.

	FY2025
Total Number of employees	3





- **Training and development**
  Participation in training programmes to enhance workforce capability.

These indicators support the Group's focus on maintaining a skilled and capable workforce.

10.3. Governance Metrics

The Group monitors governance-related indicators to ensure compliance and ethical conduct.

Key metrics include:

- **Compliance incidents**

  During the reporting period, **Industronics Berhad** did not record any material incidents of non-compliance with applicable laws and regulations.

  The Group maintains internal controls and compliance procedures to monitor adherence to regulatory requirements. Any identified issues are addressed through established governance and risk management processes.

- **Ethics and integrity**

  Industronics Berhad is committed to maintaining high standards of ethical conduct and integrity across its operations.
  The Group has established governance policies and practices to promote ethical behaviour, including:
  - adherence to applicable laws and regulatory requirements;
  - implementation of internal policies and procedures relating to business conduct; and
  - oversight by the Board and relevant committees as part of the Group's governance framework.

  Employees are expected to conduct business in a responsible and ethical manner, and management is responsible for ensuring that appropriate guidance and oversight are in place.

  The Group also maintains channels for reporting concerns or potential misconduct, which are reviewed in accordance with established governance processes.

  Further details on the Group's governance framework are available on the corporate website: https://industronics.com.my/corporate-information/governance/

10.4. Targets

The Group has **not established formal quantitative climate-related targets** for the current reporting period.

This reflects the Group's current stage of sustainability reporting development, where the primary focus is on:

- establishing reliable baseline data, particularly for electricity consumption and Scope 2 emissions; and
- improving data collection processes and measurement methodologies.

Given the Group's **shared office operating environment**, electricity consumption data is currently based on allocation methodologies rather than direct measurement. As such, the Group considers it premature to set formal quantitative targets at this stage.
Notwithstanding the above, the Group remains committed to improving its environmental performance and intends to:

- enhance the accuracy and reliability of energy and emissions data;
- assess material sources of emissions; and
- establish appropriate and measurable targets in future reporting periods, once a consistent baseline has been developed.

The Group will review its readiness to introduce formal climate-related targets as part of its ongoing sustainability reporting development.
(Refer IFRS S2 29–32)

10.5. Performance Tracking and Future Development

The Group recognises that its sustainability metrics and targets will continue to evolve.
Therefore, the Group will progressively enhance its sustainability metrics by:

- exploring methods to obtain **electricity consumption allocation** from shared facilities;
- introducing Scope 1 and Scope 3 data collection processes where relevant;
- improving internal reporting systems; and
- establishing measurable sustainability targets once baseline data is available.

These efforts are intended to strengthen the reliability and decision-usefulness of sustainability-related information over time.

ESG Metrics

INDUSTRONICS BERHAD

IFRS S1

Date & Time: 2026-04-29 12:33:28

FYE 31/12/2025

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance
Social	Male Directors	Percentage	80.0	—	No assurance
Social	Female Directors	Percentage	20.0	—	No assurance
Social	Directors Under 30	Percentage	0.00	—	No assurance
Social	Directors Between 31-50	Percentage	60.0	—	No assurance
Social	Directors Above 51	Percentage	40.0	—	No assurance
Social	Gender Group – Management Male	Percentage	66.7	—	No assurance
Social	Gender Group – Management Female	Percentage	33.3	—	No assurance
Social	Age Group – Management Under 30	Percentage	0.00	—	No assurance
Social	Age Group – Management Between 31-50	Percentage	100.0	—	No assurance
Social	Age Group – Management Between Above 51	Percentage	0.0	—	No assurance
Social	Number of work-related fatalities	Number	0	—	No assurance
Social	Lost time injury("LTI")	Number	0	—	No assurance
Social	Number of employees trained on health and safety standards (Management)	Number	0	—	No assurance
Social	Number of substantiated complaints concerning human rights violations	Number	0	—	No assurance
Governance	Total confirmed incidents of corruption and actions taken	Number	0	—	No assurance
Governance	Total reports, fines, penalties, or settlements from regulatory authorities in relation to corruption	Number	0	—	No assurance

This report was generated on the Bursa Malaysia CSI Platform on 2026-04-29 12:33:28

Page 1 of 3

ESG Metrics

INDUSTRONICS BERHAD
IFRS S1

Date & Time: 2026-04-29 12:33:28
FYE 31/12/2025

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance
Governance	Total cases of non-compliance with any laws, rules & regulations	Number	0	—	No assurance
Governance	Total cases of breaches of customers' data	Number	0	—	No assurance
Governance	Total substantiated complaints concerning breaches of customer privacy or data misuse	Number	0	—	No assurance

This report was generated on the Bursa Malaysia CSI Platform on 2026-04-29 12:33:28

Page 2 of 3

ESG Metrics

INDUSTRONICS BERHAD
IFRS S2

Date & Time: 2026-04-29 12:33:28
FYE 31/12/2025

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance
Environmental	Total energy consumption	Megawatt	11.94	—	External (Limited)
Environmental	Scope 1 emissions in tonnes of CO2e	Metric tonnes	-	—	External (Limited)
Environmental	Scope 2 emissions in tonnes of CO2e	Metric tonnes	8.84	—	External (Limited)
Environmental	Scope 3 emissions in tonnes of CO2e (at least for the categories of business travel and employee commuting)	Metric tonnes	-	—	External (Limited)

This report was generated on the Bursa Malaysia CSI Platform on 2026-04-29 12:33:28

Page 3 of 3

11. EXTERNAL ASSURANCE

The Group has obtained **limited assurance** on selected sustainability metrics for FY2025.

The limited assurance engagement was performed by **ASAP Advisory PLT**, covering the following areas:

- Greenhouse gas (“GHG”) emissions (Scope 2); and
- Energy management data.

The assurance engagement was conducted in accordance with applicable assurance standards for sustainability reporting, and focused on evaluating whether the selected disclosures are prepared, in all material respects, in accordance with the stated reporting criteria.

The scope of assurance is limited to the specific metrics described above and does not extend to the entire Sustainability Statement.

The Group intends to progressively expand the scope of external assurance in future reporting periods as its sustainability reporting processes and data systems continue to mature.

The assurance conclusion is set out in a separate Independent Limited Assurance Report included in this Annual Report.

12. EVENTS AFTER REPORTING PERIOD

The Group has considered events occurring after the end of the reporting period up to the date of approval of this Sustainability Statement.

Based on this review, there were **no material sustainability-related events** identified that would require disclosure or adjustment to the information presented in this Statement.

13. FUTURE OUTLOOK

The Group recognises that sustainability-related risks and opportunities will continue to evolve in response to changes in regulatory requirements, market expectations and operating conditions.

As a **Group 2 issuer under the NSRF**, the Group will continue to adopt a **phased approach** towards strengthening its sustainability practices and disclosures.
In the near to medium term, the Group will focus on the following priorities:

- **Enhancing ESG data management systems**
  Improving the collection, validation and reporting of sustainability-related data to support more accurate and consistent disclosures.

- **Expanding greenhouse gas ("GHG") emissions reporting**
  Gradually broadening the scope of emissions disclosure, particularly Scope 3 categories, subject to data availability and operational relevance.

- **Strengthening governance and internal processes**
  Further integrating sustainability considerations into the Group's governance structure, including the establishment of a Sustainability Management Team and enhancement of internal controls.

- **Developing measurable sustainability targets**
  Refining baseline metrics and establishing more structured and measurable performance targets over time.

- **Progressive alignment with IFRS Sustainability Disclosure Standards**
  Enhancing the quality, completeness and comparability of disclosures in line with IFRS S1 and IFRS S2 requirements.

The Group will continue to monitor developments in sustainability-related regulations and practices, and will refine its approach as its data capabilities and operational insights improve.

While the Group remains at an **early stage of sustainability reporting maturity**, it is committed to strengthening its practices in a **practical and proportionate manner**, taking into account the nature and scale of its operations.

14. STAKEHOLDER FEEDBACK

Industronics Berhad values stakeholder feedback as part of its ongoing commitment to transparency, accountability and continuous improvement in sustainability reporting. Feedback from stakeholders provides useful insights that support the refinement of disclosures, enhancement of reporting quality and alignment with stakeholder expectations.

All feedback received is reviewed by management and, where relevant, escalated to the **Audit Committee (“AC”)** for further consideration in the context of governance, risk management and disclosure practices.

Stakeholders who wish to provide feedback, enquiries or suggestions regarding this Sustainability Statement may contact the Group at: **spgsecretary@outlook.my**

APPENDIX A: IFRS CONTENT INDEX

IFRS CONTENT INDEX

Content Source	Relevant Paragraph(s)	Section in the Report
Conceptual Foundations		
Fair Representation	IFRS S1 10–16	*Board Statement; Section 2 (Reporting Principles)*
Materiality	IFRS S1 17–19	Section 4 – Materiality Assessment
Reporting Entity	IFRS S1 20	Section 2 – Reporting Scope & Boundary
Connected Information	IFRS S1 21–24	Sections 3, 4, 7, 8, 9
General Requirements		
Sources of Guidance	IFRS S1 57–59	Section 2 – Reporting Frameworks
Location of Disclosures	IFRS S1 60–63	Throughout Sustainability Statement
Timing of Report	IFRS S1 64–69	Section 2 – Reporting Period
Comparative Information	IFRS S1 70–71	Not applicable (first-year baseline)
Statement of Compliance	IFRS S1 72–73	Board Statement
Judgements, Uncertainties and Errors		
Judgements	IFRS S1 74–76	Section 2 – Judgements and Estimation
Measurement Uncertainty	IFRS S1 77–82	Section 2; Section 10 (Metrics)
Errors	IFRS S1 83–86	Section 2 – No material errors identified

IFRS S2 CONTENT INDEX

Pillar	Guidance	Source	Relevant Section in the Report
Governance	a) Governance body(ies) or individual(s) responsible for oversight of climate-related risks and opportunities	IFRS S2 6(a)(i)–(v)	*Section 5*
	b) Management's role in the governance processes, controls and procedures used to monitor, manage and oversee climate-related risks and opportunities	IFRS S2 6(b)(i)–(ii)	
Strategy	a) The climate-related risks and opportunities that could reasonably be expected to affect the entity's prospects	IFRS S2 10–12	*Section 7*
	b) The current and anticipated effects of those climate-related risks and opportunities on the entity's business model and value chain	IFRS S2 13	*Section 7.3*
	c) The effects of those climate-related risks and opportunities on the entity's strategy and decision-making, including information about its climate-related transition plan	IFRS S2 14	*Section 8*
	d) The effects of those climate-related risks and opportunities on the entity's financial position, financial performance and cash flows for the reporting period, and their anticipated effects over the short, medium and long term, taking into consideration how those climate-related risks and opportunities have been factored into the entity's financial planning	IFRS S2 15–21	*Section 7.4; Section 8.5*
	e) The climate resilience of the entity's strategy and its business model to climate-related changes, developments and uncertainties, taking into consideration the entity's identified climate-related risks and opportunities	IFRS S2 22–23	*Section 7.5; Section 7.7*
Risk Management	a) The processes and related policies the entity uses to identify, assess, prioritise and monitor climate-related risks	IFRS S2 25(a)	*Section 9.1-9.2*
	b)the processes the entity uses to identify, assess, prioritise and monitor climate-related opportunities, including information about whether and how the entity uses climate-related scenario analysis to inform its identification of climate-related opportunities; and	IFRS S2 25 (b)	*Section 9.1*
	c) the extent to which, and how, the processes for identifying, assessing, prioritising and monitoring CRROs are integrated into and inform the entity's overall risk management process	IFRS S2 25 (c)	*Section 9.4*
Metrics and Targets	Climate-related metrics (GHG emissions, energy use)	IFRS S2 29-32	*Section 10.1; Section 10.4*
	Climate-related metrics (including performance tracking)	IFRS S2 33-37	*Section 10.5*

Per guidance document from IFRS Applying IFRS S1 when reporting only climate-related disclosures in accordance with IFRS S2 (published January 2025), the content index refers only to applicable IFRS S1 disclosures insofar as they relate to the disclosure of information on climate-related risks and opportunities in accordance with IFRS S2.

ASAP ADVISORY PLT
No 17-04, Blok B, Austin V, Jalan Austin Perdana 3/2,
Taman Austin Perdana, 81100 Johor Bahru, Johor.
Tel: 07-3595983

INDEPENDENT LIMITED ASSURANCE STATEMENT

Independent Limited Assurance Statement to the Directors of the Industronic Berhad ("Industronic") on Sustainability Metrics within the Sustainability Report 2025 ("SS 2025").

Our Conclusion

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the Subject Matter as presented in Industronic's SS 2025 have not been prepared and presented fairly, in all material respects, in accordance with the Criteria defined below.

Scope of Work

ASAP Advisory PLT ("ASAP" or "we") was engaged by Industronic to perform a limited assurance engagement, as defined by the International Standard on Assurance Engagements ("ISAE") 3000 (Revised), Assurance Engagement other than Audits or Review of Historical Financial Information, on selected subject matters ("Subject Matter") included in Industronic's 2025 SS 2025 for the financial year ended 31st December 2025.

Subject Matter

Our limited assurance engagement was performed for the Subject Matter listed in the table below, as presented in the SS 2025:

Material Matters	Subject Matter	Scope
Climate Change	Total energy consumption	Operations assessed: Malaysia
	Scope 2 emissions in tonnes of CO_2e	

The scope of our work was limited to the Subject Matter presented in the SS 2025 and did not include coverage of data sets or information unrelated to the data and information underlying the Subject Matter and related disclosures; nor did it include information reported outside of the SS 2025, comparisons against historical data, or management's forward-looking statements.

Criteria applied by Industronic

In preparing the Subject Matter mentioned above, Industronic applied the following criteria:

- In preparing the Subject Matter, Industronic applied internally developed methodologies for the measurement and reporting of total energy consumption and Scope 2 greenhouse gas emissions, supported by relevant operational data and emission factors.
- Principles of the International Integrated Reporting Framework issued by the IFRS Foundation
- Industronic's internal policies, procedures and reporting methodologies

ASAP ADVISORY PLT
No 17-04, Blok B, Austin V, Jalan Austin Perdana 3/2,
Taman Austin Perdana, 81100 Johor Bahru, Johor.
Tel: 07-3595983

Industronic's Responsibilities

Industronic's management is responsible for selecting the Criteria, and for presenting the Subject Matter in accordance with that Criteria, in all material respects. This responsibility includes establishing and maintaining internal controls, maintaining adequate records, and making estimates that are relevant to the preparation of the Subject Matter, such that it is free from material misstatement, whether due to fraud or error.

ASAP's responsibilities

Our responsibility is to express our conclusion on whether anything has come to our attention that causes us to believe that the Subject Matter and related disclosures as presented in the SS 2025 are not prepared, in all material respects, in accordance with the Criteria.

We have performed our limited assurance engagement in accordance with the terms of reference for this engagement agreed with Industronic, including performing the engagement in accordance with the ISAE 3000, issued by the International Auditing and Assurance Standards Board. This Standard requires that we plan and perform our engagement to obtain limited assurance about whether the Subject Matter and related disclosures as presented in the SS 2025 are free from material misstatement.

A limited assurance engagement undertaken in accordance with ISAE 3000 involves assessing the suitability in the circumstances of Industronic's use of the criteria specified as the basis of preparation used for the selected Subject Matter and related disclosures presented in the SS 2025, assessing the risks of material misstatement thereof, whether due to fraud or error, responding to the assessed risks as necessary in the circumstances, and evaluating the overall presentation of the Subject Matter and related disclosures in the SS 2025. We believe that the evidence obtained is sufficient and appropriate to provide a basis for our limited assurance conclusions.

Our Independence and Quality Control

This assurance engagement was conducted in accordance with the firm's system of quality management established under the International Standard on Quality Management 1 ("ISQM 1"), which requires the firm to design, implement and operate a system of quality management to provide reasonable assurance that engagements are performed in accordance with applicable professional standards and regulatory requirements.

The firm applies policies and procedures addressing leadership responsibilities for quality, ethical requirements, client acceptance and continuance, engagement performance, resources, information and communication, and monitoring activities.

Independence has been maintained in accordance with the ethical requirements of the International Ethics Standards Board for Accountants ("IESBA") Code of Ethics.

The assurance engagement was performed in accordance with ISAE 3000 (Revised), taking into consideration relevant sustainability reporting frameworks, including the IFRS Sustainability Disclosure Standards (IFRS S1 and IFRS S2).

ASAP ADVISORY PLT
No 17-04, Blok B, Austin V, Jalan Austin Perdana 3/2,
Taman Austin Perdana, 81100 Johor Bahru, Johor.
Tel: 07-3595983

Statement of Independence and Competence

ASAP provides a range of services, including internal audit, internal control review, risk management, and environmental, social, and ethical auditing and training. Additionally, we offer assurance services for environmental, social, sustainability, and ESG reports.

We affirm our independence from Industronic, ensuring objectivity, freedom from bias, and the absence of conflicts of interest with the organisation, its subsidiaries, and stakeholders. For this assurance engagement, a specialised team was carefully assembled based on their expertise, experience, and relevant qualifications, ensuring a thorough and credible review.

ASAP's role and independence were assessed in accordance with professional ethical requirements, and adequate safeguards were implemented to preserve assurance integrity.

Description of Procedures Performed

Procedures performed in a limited assurance engagement vary in nature and timing from and are less in extent than for a reasonable assurance engagement. Consequently, the level of assurance obtained

in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

Our procedures were designed to obtain a limited level of assurance on which to base our conclusion and do not provide all the evidence that would be required to provide a reasonable level of assurance.

Although we considered the effectiveness of management's internal controls when determining the nature and extent of our procedures, our assurance engagement was not designed to provide assurance on internal controls. Our procedures did not include testing controls or performing procedures relating to checking aggregation or calculation of data within IT systems.

A limited assurance engagement consists of making enquiries, primarily of persons responsible for preparing the Subject Matter and related information and applying analytical and other appropriate procedures.

Our procedures included:

- Gaining an understanding of Industronic's business, internal processes and approach to sustainability
- Conducting interviews with key personnel and collating evidence to understand Industronic's process for reporting performance indicators and disclosures, including inquiring regarding risks of misstatement and quality controls to address risks
- Conducting limited assurance procedures over the selected Subject Matter and disclosures, including:
  - Undertaking analytical procedures to support the reasonableness of the data
  - Checking that the calculation Criteria have been applied in accordance with the methodologies for the Subject Matter within the Statement
  - Identifying and testing assumptions supporting calculations
  - Testing, on a sample basis, underlying source information to check accuracy of the data
  - Performing recalculations of performance indicators using input data

ASAP ADVISORY PLT
No 17-04, Blok B, Austin V, Jalan Austin Perdana 3/2,
Taman Austin Perdana, 81100 Johor Bahru, Johor.
Tel: 07-3595983

Description of Procedures Performed (cont'd)

- Checking that measurements made at the end of the reporting period are timely entered in the records and the sustainability statement
- Obtaining appropriate representations from management, in the form of a management representation letter addressed to us to confirm that the management believes that it has fulfilled its responsibilities

We also performed such other procedures as we considered necessary in the circumstances.

Inherent Limitations

Inherent limitations of assurance engagements include use of judgement and selective testing of data, which means that it is possible that fraud, error or non-compliance may occur and not be detected in the course of performing the engagement. Accordingly, there is some risk that a material misstatement may remain undetected. Further, our limited assurance engagement is not designed to detect fraud or error that is immaterial.

There are additional inherent risks associated with assurance engagements performed for non-financial information given the characteristics of the subject matter and associated with the compilation of source data using definitions and methods for determining, calculating, and estimating such information that

are developed internally by management. The absence of a significant body of established practice on which to draw, allows for the selection of different but acceptable measurement techniques which can result in materially different measurements and can impact comparability. The precision of different measurement techniques may also vary. Qualitative interpretations of relevance, materiality and the accuracy of data are subject to individual assumptions and judgements. In particular, where the information relies on factors derived by independent third parties, our assurance work has not included examination of the derivation of those factors and other third-party information.

Other Matters

Information relating to prior reporting periods has not been subject to assurance procedures. Our report does not extend to any disclosures or assertions relating to future performance plans and/or strategies disclosed in the SS 2025. The maintenance and integrity of Industronic's website is the responsibility of Industronic's management. Our procedures did not involve consideration of these matters and, accordingly we accept no responsibility for any changes to the Subject Matter and related disclosures, the SS 2025 or to our independent limited assurance report that may have occurred since the initial date of presentation on Industronic's website.

Restriction of use

Our work has been undertaken to enable us to express a limited assurance conclusion on the matters stated above in our report provided to the directors of Industronic in accordance with the terms of our engagement, and for no other purpose.

Our report is intended solely for the directors of Industronic and should not be used by any other parties. To the fullest extent permitted by the law, we do not accept or assume liability to any party other than the directors of Industronic, for our work, for this report, or for the conclusion we have reached.

Restriction of use (cont'd)

We agree to the publication of this assurance report in Industronic's SS 2025 for the financial year ended 31st December 2025, provided it is clearly understood by recipients of the SS 2025 that they enjoy such receipt for information only and that we accept no duty of care to them whatsoever in respect of this report.

ASAP Advisory PLT
201804000474 (LLP0014854-LGN)

Johor Bahru, Malaysia