

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

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 March 2021

| | AS AT THE END OF THE CURRENT FINANCIAL PERIOD 31.03.2021 RM (Unaudited) | AS AT THE PRECEDING FINANCIAL YEAR END 31.12.2020 RM (Audited) |
|---|---|--|
| ASSETS | | |
| Non-current assets | | |
| Property, Plant and Equipment | 5,513,881 | 5,559,960 |
| Right-of-use assets | 238,610 | 272,697 |
| Investment Properties | 167,451 | 168,625 |
| Intangible Assets | 3,054,576 | 3,540,087 |
| Other Investments | 462,672 | 462,672 |
| Total Non-current assets | <u>9,437,190</u> | <u>10,004,041</u> |
| Current Assets | | |
| Inventories | 1,542,194 | 1,432,775 |
| Tax recoverable | 11,940 | - |
| Trade & Other Receivables | 8,761,486 | 4,431,238 |
| Cash and Bank Balances | 1,133,003 | 647,785 |
| Total Current Assets | <u>11,448,623</u> | <u>6,511,798</u> |
| Assets of disposal group classified as held for sale | - | - |
| TOTAL ASSETS | <u><u>20,885,813</u></u> | <u><u>16,515,839</u></u> |
| EQUITY AND LIABILITIES | | |
| Equity attributable to owners of the Company | | |
| Share Capital | 8,574,905 | 7,240,905 |
| Reserves | 1,749,686 | 2,615,442 |
| Shareholders' funds | <u>10,324,591</u> | <u>9,856,347</u> |
| Non-Controlling Interest | 47,869 | 50,542 |
| Total equity | <u>10,372,460</u> | <u>9,906,889</u> |
| Non-current liabilities | | |
| Lease obligation | 142,392 | 142,392 |
| RCPS | 1,331,000 | - |
| Deferred Tax Liabilities | 524,282 | 524,282 |
| Total Non-current liabilities | <u>1,997,674</u> | <u>666,674</u> |
| Current Liabilities | | |
| Trade & Other Payables | 8,187,164 | 5,654,870 |
| Amount due to director | 125,000 | - |
| Borrowings | 101,320 | 151,145 |
| Lease obligation | 102,195 | 136,261 |
| Total Current Liabilities | <u>8,515,679</u> | <u>5,942,276</u> |
| TOTAL EQUITY AND LIABILITIES | <u><u>20,885,813</u></u> | <u><u>16,515,839</u></u> |
| Net Assets per share (RM) | 0.06 | 0.10 |

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2020 and the accompanying explanatory notes attached to the interim financial statements.)

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

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE THREE (3)-MONTHS FINANCIAL PERIOD ENDED 31 MARCH 2021**

| | INDIVIDUAL QUARTER | | CUMULATIVE QUARTERS | |
|---|----------------------------------|------------------------------------|---------------------------------|-----------------------------------|
| | CURRENT QUARTER 31.03.2021 | PRECEDING QUARTER 31.03.2020 | CURRENT PERIOD 31.03.2021 | PRECEDING PERIOD 31.03.2020 |
| | RM | RM | RM | RM |
| Revenue | 4,595,659 | 3,606,592 | 4,595,659 | 3,606,592 |
| Cost of Sales | <u>(3,602,349)</u> | <u>(2,705,946)</u> | <u>(3,602,349)</u> | <u>(2,705,946)</u> |
| Gross profit | 993,310 | 900,646 | 993,310 | 900,646 |
| Other Income | 4,351 | 14,904 | 4,351 | 14,904 |
| Operating Expenses | (1,850,859) | (2,696,437) | (1,850,859) | (2,696,437) |
| Finance Costs | (4,890) | (10,732) | (4,890) | (10,732) |
| Profit/(Loss) before Tax | <u>(858,087)</u> | <u>(1,791,619)</u> | <u>(858,087)</u> | <u>(1,791,619)</u> |
| Income Tax | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Profit/(Loss) for the period | <u>(858,087)</u> | <u>(1,791,619)</u> | <u>(858,087)</u> | <u>(1,791,619)</u> |
| Other comprehensive income/(loss), net of tax: | | | | |
| Revaluation of land and buildings | - | - | - | - |
| Tax relating to revaluation of land and buildi | - | - | - | - |
| Foreign currency translation differences for foreign operations | (10,340) | 151,820 | (10,340) | 151,820 |
| Fair values gain/(loss) on financial assets | - | - | - | - |
| Available-for-sale financial assets - 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 | - | - | - | - |
| | <u>(10,340)</u> | <u>151,820</u> | <u>(10,340)</u> | <u>151,820</u> |
| Total comprehensive income/(loss) for the period | <u>(868,427)</u> | <u>(1,639,799)</u> | <u>(868,427)</u> | <u>(1,639,799)</u> |
| Profit/(loss) Attributable to : | | | | |
| Owners of the Company | (855,415) | (1,788,713) | (855,415) | (1,788,713) |
| Non-Controlling Interest | <u>(2,673)</u> | <u>(2,905)</u> | <u>(2,673)</u> | <u>(2,905)</u> |
| Profit/(Loss) for the period | <u>(858,087)</u> | <u>(1,791,618)</u> | <u>(858,087)</u> | <u>(1,791,618)</u> |
| Total Comprehensive income/(loss) Attributable to : | | | | |
| Owners of the Company | (865,755) | (1,636,893) | (865,755) | (1,636,893) |
| Non-Controlling Interest | <u>(2,673)</u> | <u>(2,905)</u> | <u>(2,673)</u> | <u>(2,905)</u> |
| | <u>(868,427)</u> | <u>(1,639,798)</u> | <u>(868,427)</u> | <u>(1,639,798)</u> |
| Earnings/(loss) per share | | | | |
| - Basic (sen) | (0.64) | (1.34) | (0.64) | (1.34) |

(The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2020 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 DEC 2021**

| | ----- Attributable to Owners of the Parent ----- | | | | | | |
|--|--|--------------------------|----------------------|---|-------------------|--------------------------|-------------------|
| | Share capital | Foreign currency reserve | Revaluation reserves | Distributable Retained earnings/ (accumulated losses) | Shareholders Fund | Non-Controlling Interest | Total Equity |
| | RM | RM | RM | RM | RM | RM | RM |
| At 31 December 2020 | 7,240,905 | 15,841 | 3,819,608 | (1,220,007) | 9,856,347 | 50,542 | 9,906,889 |
| Loss for the year | - | - | - | (855,415) | (855,415) | (2,673) | (858,087) |
| Foreign exchange translation | - | (10,340) | - | - | (10,340) | - | (10,340) |
| Total comprehensive loss for the year | - | (10,340) | - | (855,415) | (865,755) | (2,673) | (868,427) |
| Conversion from RCPS | 1,334,000 | - | - | - | 1,334,000 | - | 1,334,000 |
| At 31 Mar 2021 | 8,574,905 | 5,501 | 3,819,608 | (2,075,422) | 10,324,592 | 47,869 | 10,372,462 |
| At 31 December 2019 | 7,240,905 | 4,484,063 | 3,909,037 | (792,019) | 14,841,986 | 59,920 | 14,901,906 |
| Reduction of Issued Share Capital | - | - | - | - | - | - | - |
| Loss for the year | - | - | - | (1,788,713) | (1,788,713) | (2,905) | (1,791,618) |
| Foreign exchange translation | - | 151,820 | - | - | 151,820 | - | 151,820 |
| Arising from 10% Private Placement | - | - | - | - | - | - | - |
| Arising from New Share Issued | - | - | - | - | - | - | - |
| Total comprehensive (loss)/income for the year | - | 151,820 | - | (1,788,713) | (1,636,893) | (2,905) | (1,639,798) |
| At 31 Mar 2020 | 7,240,905 | 4,635,884 | 3,909,037 | (2,580,732) | 13,205,093 | 57,015 | 13,262,108 |

(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 2020 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 2021**

| | Current Period 3 Months Ended 31.03.2021 (Unaudited) | Preceding Period 3 Months Ended 31.03.2020 (Audited) |
|---|---|---|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Loss before taxation | (858,088) | (1,791,619) |
| Adjustments for non-cash flow:- | | |
| Non-cash items | 533,330 | 587,644 |
| Non-operating items | 4,890 | 10,306 |
| Operating profit/(loss) before changes in working capital | (319,868) | (1,193,669) |
| Net change in current assets | (4,451,194) | 83,968 |
| Net change in current liabilities | 2,657,294 | 712,933 |
| Cash used in operations | (2,113,768) | (396,768) |
| Interest paid | (4,890) | (10,732) |
| Interest income | - | 426 |
| Taxes paid | (414) | (900) |
| Net cash used in operating activities | (2,119,072) | (407,974) |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Purchase of property, plant and equipment | (544) | (296,848) |
| Net cash (used in)/ generated from investing activities | (544) | (296,848) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Issuance of RCPS -Tranche 1 | 2,665,001 | - |
| Net cash generated from financing activities | 2,665,001 | - |
| NET (DECREASE)/ INCREASE IN CASH AND CASH EQUIVALENTS | 545,385 | (704,822) |
| Effect of exchange rate changes | (10,342) | (144,604) |
| CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR | 496,640 | 2,333,835 |
| Effects of exchange rate changes | - | - |
| CASH AND CASH EQUIVALENTS AT END OF YEAR | <u>1,031,683</u> | <u>1,484,409</u> |
| CASH AND CASH EQUIVALENTS COMPRISE: | | |
| Cash and bank balances | 1,133,003 | 1,881,819 |
| Bank overdraft | (101,320) | (397,410) |
| | <u>1,031,683</u> | <u>1,484,409</u> |

(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2020 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 year ended 31 December 2020 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 2020. 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 2020.

The significant accounting policies adopted are consistent with those of the audited financial statements for the year ended 31 December 2020 except for the adoption of the following new MFRSs / Amendments with effect from 1 January 2021:-

Effective for financial years beginning on or after 1 January 2021

Amendments to MFRS 16 Leases: Covid-19-Related Rent Concessions

Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16: Interest Rate Benchmark Reform-Phase 2

The application of these amendments to MFRSs and amendments to MFRSs did not result in significant changes in the accounting policies of the Group and had no significant effect on the financial performance or position of the Group.

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

The Group's financial statements for the financial year ended 31 December 2020 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 2021.

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 ended 31 March 2021.

A7. Dividend paid

There were no dividends paid during the current financial period ended 31 March 2021.

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 trading of precision instruments, provision of cloud service and general trading |

Geographical Segments

| | |
|-----------|--|
| Malaysia | - All main businesses disclosed in primary reporting format-business segments. |
| Hong Kong | - Trading of precision instruments, provision of cloud service and general trading |
| | - Operating E commerce business and target market is South East Asia. |

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NOTES TO THE INTERIM FINANCIAL REPORT

A8. Information on Segments (Continued)

Business segments:

| | Electronics & System Integration | | Security Systems & M&E | | Other Operations | | Adjustments and Eliminations | | Per consolidated Financial Statements | |
|----------------------|-------------------------------------|--------------|---------------------------|------------|---------------------|-----------|---------------------------------|--------------|--|--------------|
| | 31.3.2021 | 31.3.2020 | 31.3.2021 | 31.3.2020 | 31.3.2021 | 31.3.2020 | 31.3.2021 | 31.3.2020 | 31.3.2021 | 31.3.2020 |
| | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 |
| Revenue | | | | | | | | | | |
| External customers | 652 | 3,332 | 400 | 268 | 3,543 | 6 | - | - | 4,596 | 3,607 |
| Inter-segment | 228 | 167 | 0 | - | - | - | (229) | (167) | - | - |
| Total revenue | 881 | 3,500 | 400 | 268 | 3,543 | 6 | (229) | (167) | 4,596 | 3,607 |

Results

| | | | | | | | | | | |
|-------------------------------|----------------|----------------|--------------|--------------|-----------------|-----------------|----------------|----------------|-----------------|-----------------|
| Finance costs | 4 | 10 | 0 | 0 | 1 | 0 | - | - | 5 | 11 |
| Depreciation and amortisation | 36 | 39 | 12 | 11 | 579 | 592 | (22) | (22) | 604 | 621 |
| Segment profit/(loss) | 1 | (342) | (53) | (58) | (809) | (911) | 3 | (481) | (858) | (1,792) |
| Segment assets | 15,745 | 16,252 | 1,406 | 1,367 | 9,816 | 14,262 | (4,185) | (6,869) | 22,782 | 25,012 |
| Segment liabilities | (4,927) | (4,838) | (493) | (226) | (17,391) | (47,030) | 8,141 | 40,344 | (14,670) | (11,750) |
| Capital expenditure | - | 21 | - | 0 | 1 | 275 | - | - | 1 | 297 |

Geographical segments:

| | Malaysia | | Hong Kong | | Adjustments and eliminations | | Per consolidated financial statements | |
|---------------------------------|-----------------|-----------------|-----------------|-----------------|---------------------------------|----------------|--|-----------------|
| | 31.3.2021 | 31.3.2020 | 31.3.2021 | 31.3.2020 | 31.3.2021 | 31.3.2020 | 31.3.2021 | 31.3.2020 |
| | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 |
| Revenue | | | | | | | | |
| Revenue from external customers | 1,313 | 3,768 | 3,512 | 6 | (229) | (167) | 4,596 | 3,607 |
| Segment assets | 18,069 | 18,414 | 8,898 | 13,467 | (4,185) | (6,869) | 22,782 | 25,012 |
| Capital expenditure | 1 | 297 | - | - | - | - | 1 | 297 |
| Segment liabilities | (11,649) | (10,122) | (11,162) | (41,972) | 8,141 | 40,344 | (14,670) | (11,750) |
| Results | | | | | | | | |
| Finance costs | 4 | 11 | 1 | 0 | - | - | 5 | 11 |
| Depreciation and amortisation | 104 | 102 | 523 | 541 | (22) | (22) | 604 | 621 |
| Segment profit/(loss) | (822) | (633) | (39) | (678) | 3 | (481) | (858) | (1,792) |

A9. Valuation of property, plant and equipment

The valuation of land and buildings have been brought forward from previous valuation done as at 30 September 2020.

A10. Subsequent Events

- a) As at 30 June 2021, 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 2020 are as follows:

On 28 April 2021, on behalf of the Board of Directors of ITRONIC announced that the Bluemount Investment Fund SPC "Subscriber" subscribed for Tranche 2 comprising 100,000,000 RCPS in the share capital of ITRONIC at an issue price of RM0.04 per RCPS for a cash consideration of RM4,000,000 subject to the Rights and Terms of the RCPS and in accordance with the relevant provisions of the Constitution of ITRONIC.

On 11 May 2021, Bluemount Investment Fund SPC converted 50,000,000 Redeemable Convertible Preference Shares of RM0.04 each into ordinary shares

On 23 June 2021, Bluemount Investment Fund SPC converted 50,000,000 Redeemable Convertible Preference Shares of RM0.04 each into ordinary shares

On 24 June 2021, on behalf of the Board of Directors of ITRONIC announced that the Bluemount Investment Fund SPC "Subscriber" subscribed for Tranche 3 comprising 100,000,000 RCPS in the share capital of ITRONIC at an issue price of RM0.04 per RCPS for a cash consideration of RM4,000,000 subject to the Rights and Terms of the RCPS and in accordance with the relevant provisions of the Constitution of ITRONIC.

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 year including business combination, acquisition of subsidiaries and long term investment, disposal of subsidiaries, restructuring and discontinuing operations as of to date.

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 2020.

A13. Intangible Assets

Intangible assets includes an amount of RM2,965,576.41 which is related to investment in software development from a subsidiary of the Company, Industronics Technology Limited ("IBTECH"). The software development consists of openstack cloud computing software platform, file hosting platform and game server

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platform.

On 31 August 2020, that the assets were transfer from IBTECH to ECGO International Limited at net book value as part of the proposed internal restructuring plan to reorganise and realign the business by streamlining operational management structure for better synergy to enhance the corporate direction of the Company and the Group.

A14. Capital Commitment

The Group has no material capital commitments as at 31 March 2021.

A15. Related Party Transactions

- a. There were no significant transactions and balances with related parties of the Group during the current financial year 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):

| | Q121 RM | Q120 RM | YTD 21 RM | YTD 20 RM |
|--|------------|------------|--------------|--------------|
| Interest Income | - | (426) | - | (426) |
| Interest expense | 4,890 | 10,732 | 4,890 | 10,732 |
| Depreciation and amortisation | - | 587,644 | - | 587,644 |
| Write off of property, plant and equipment | - | 1,266 | - | 1,266 |
| Realised foreign exchange loss/(gain) | (3,641) | 3,450 | (3,641) | 3,450 |
| Unrealised foreign exchange loss/(gain) | (792) | (1,973) | (792) | (1,973) |

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

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

B1. Review of Performance

- a) Quarter ended 31 March 2021 (1Q21) compared with quarter ended 31 March 2020 (1Q20)

The Group's revenue was higher in 1Q21 (RM4.59 million) compared to 1Q20 (RM3.60 million). This is mainly due to higher revenue in other operation segment in 1Q21 (RM3.54 million) as compared to last year 1Q20 (RM0.006million).

The Group recorded loss before tax of approximately RM0.85 million in 1Q21 as compared RM1.79 million in 1Q20. The lower of loss before tax was mainly due to there is saving from operating expenses of RM0.85 million due to disposal of loss making subsidiaries in 2020.

B2. Material Changes in the Quarterly Results (1Q21) compared to the Results of the Preceding Quarter (4Q20)

The Group recorded lower revenue of RM4.59 million in 1Q21 compared with RM8.98 million in 4Q20. Loss before tax was RM0.85 million in the current quarter compared to profit before tax was RM3.57 million in 1Q20.

B3. Current Year Prospects

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

The COVID-19 pandemic has impacted significantly on the global and domestic economies. Even though a partial of the Group's activities are considered as essential operations, it is foreseen that the Covid-19 pandemic may have financial implications to the Group i.e. cash flow and operation cost.

The Group is expecting the local market to be challenging in view of the COVID-19 pandemic spread throughout the world,

resulting in major economic slowdown, which would in turn impact the demand for our products and services.

Moving forward, the Group will tighten its control on the operating expenses and focus on developing new customer base. The Group is also constantly reviewing its portfolio and will continue to divest any current non-profitable entity if required to enhance its overall profitability and cash flow. The Group will also evaluate any opportunities in investing into new potential business that may arise in this crisis.

B4. Profit Forecast

Not applicable as no profit forecast was published.

B5. Taxation

Taxation comprises the following:-

| | Current Quarter RM | Cumulative 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 2021.

B7. Sale of Properties

There was no disposal of property for the financial period ended 31 March 2021.

B8. Status of Corporate Proposals

As at 30 June 2021, 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:

On 13 March 2020, M&A, on behalf of the Board of Directors of ITRONIC announced that the listing application to Bursa Malaysia Securities Berhad as well as the application to Bank Negara Malaysia in relation to the proposals has been submitted.

On 6 April 2020, M&A, on behalf of the Board of Directors of ITRONIC announced that the Company has entered into a supplemental agreement with the subscriber, Bluemount Investment Fund SPC "BIF" ("Supplemental Agreement") to vary, modify, substitute, alter and amend certain terms and relevant provisions of the Subscription Agreement. The revisions include proposal to issue up to 500,000,000 new RCPS at an issue price of RM0.04 per RCPS.

On 27 April 2020, M&A, on behalf of the Board of Directors of ITRONIC announced that the Company has entered into a 2nd supplemental agreement with the Subscriber ("Supplemental Agreement 2") to vary, modify, substitute, alter and amend certain terms and relevant provision of the Subscription Agreement.

On 20 July 2020, M&A, on behalf of the Board of Directors of ITRONIC wishes to announce that Bursa Securities has vide its letter dated 20 July 2020, resolved to approve the listing of up to 266,625,000 new Itronic Shares to be issued pursuant to the conversion of the RCPS arising from the Proposed Issuance of RCPS.

On 8 Feb 2021, The Company received fund i.e. Tranche 1 of USD680,000.00 approximately of RM 2.66 million from Subscriber. The Company will proceed to log SSM as of 22 Feb 2021.

On 5 March 2021, Bluemount Investment Fund SPC converted 33,350,000 redeemable convertible preference shares of RM0.04 each into ordinary share

On 19 April 2021, Bluemount Investment Fund SPC converted converted 33,275,000 redeemable preference preference shares of RM0.04 each into ordinary share

On 28 April 2021, on behalf of the Board of Directors of ITRONIC announced that the Bluemount Investment Fund SPC "Subscriber" subscribed for Tranche 2 comprising 100,000,000 RCPS in the share capital of ITRONIC at an issue price of RM0.04 per RCPS for a cash consideration of RM4,000,000 subject to the Rights and Terms of the RCPS and in accordance with the relevant provisions of the Constitution of ITRONIC.

On 11 May 2021, Bluemount Investment Fund SPC converted 50,000,000 Redeemable Convertible Preference Shares of RM0.04 each into ordinary shares

On 23 June 2021, Bluemount Investment Fund SPC converted 50,000,000 Redeemable Convertible Preference Shares of RM0.04 each into ordinary shares

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

On 24 June 2021, on behalf of the Board of Directors of ITRONIC announced that the Bluemount Investment Fund SPC "Subscriber" subscribed for Tranche 3 comprising 100,000,000 RCPS in the share capital of ITRONIC at an issue price of RM0.04 per RCPS for a cash consideration of RM4,000,000 subject to the Rights and Terms of the RCPS and in accordance with the relevant provisions of the Constitution of ITRONIC.

B8. Status of corporate proposals (Continued)

The table below sets out the status of utilisation of proceeds raised from the RCPS Issuance of Tranche 1 as mentioned above amounting to RM2.66 million.

| Descriptions | Proposed utilisation * | Actual Proceeds Raised | Actual Utilisation | Balance | Estimate time frame for the utilisation upon receipt of Tranche 1 |
|---|------------------------|------------------------|--------------------|---------------|---|
| | RM (Million) | RM (Million) | RM (Million) | RM (Million) | |
| Business expansion | 7.27 | 0 | 0 | 0 | Within 24 months |
| Working capital for the existing group's business | 3.00 | 2.66 | 1.89 | 0.77 | Within 24 months |
| Estimated expenses relating to the Proposals | 0.40 | 0 | | | Within 1 month |
| Total | 10.67 | 2.66 | 1.89 | 0.77 | |

B9. Group Borrowings and Debt Securities

Total Group Borrowings as at 31 March 2021:-

| | RM |
|-----------------------------|----------------|
| a) Secured and unsecured : | |
| Total secured borrowings | 101,320 |
| Total unsecured borrowings | - |
| Total borrowings | <u>101,320</u> |
| | RM |
| b) Short Term and Long Term | |
| Total short-term borrowings | 101,320 |
| Total long term borrowings | - |
| Total borrowings | <u>101,320</u> |

All borrowings are denominated in Ringgit Malaysia.

The freehold land and buildings of the Group with a carrying amount of RM5,120,350.00 (2020:RM5,132,675.00) are pledged as securities to a financial institution for banking facilities granted to the Company which amount of bank overdrafts limit of RM100,000 as at end of the financial period ended 31 March 2021.

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

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

B12. Dividend

No dividend has been declared in the current quarter.

B13. Basic earnings/(loss) per share

| | INDIVIDUAL QUARTER | | CUMULATIVE QUARTERS | |
|--|--------------------|-------------|---------------------|-------------|
| | Current | Preceding | Current | Preceding |
| | 31.03.2021 | 31.03.2020 | 31.03.2021 | 31.03.2020 |
| Net profit/(loss) attributable to the owners of the Company for the period | (855,415) | (1,788,713) | (855,415) | (1,788,713) |
| Weighted average no. of ordinary shares in issue | 133,402,574 | 133,402,574 | 133,402,574 | 133,402,574 |
| Basic earnings/(loss) per share (sen) | (0.64) | (1.34) | (0.64) | (1.34) |

b) Diluted earnings/(loss) per share

| | INDIVIDUAL QUARTER | | CUMULATIVE QUARTERS | |
|--|--------------------|-------------|---------------------|-------------|
| | Current | Preceding | Current | Preceding |
| | 31.03.2021 | 31.03.2020 | 31.03.2021 | 31.03.2020 |
| Net profit/(loss) attributable to the owners of the Company for the period | (855,415) | (1,788,713) | (855,415) | (1,788,713) |
| Weighted average no. of ordinary shares in issue | 158,415,074 | 133,402,574 | 158,415,074 | 133,402,574 |
| Diluted earnings/(loss) per share (sen) | (0.54) | (1.34) | (0.54) | (1.34) |

B14. Authorisation For Issue

The interim financial statements for the three (3)-months financial period ended 31 March 2021 were authorised for issue by the Board of Directors.

BY ORDER OF THE BOARD

INDUSTRONICS BERHAD
30 June 2021