

INDUSTRONICS BERHAD (23699-X)

(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2022**

	AS AT THE END OF THE CURRENT FINANCIAL PERIOD 31.03.2022 RM (Unaudited)	AS AT THE PRECEDING FINANCIAL YEAR END 31.12.2021 RM (Audited)
ASSETS		
Non-Current Assets		
Property, Plant and Equipment	5,333,182	5,379,522
Right-Of-Use Assets	318,212	435,192
Investment Properties	162,757	163,930
Investment in Associate Company	1,896,033	1,291,827
Intangible Assets	2,525,116	3,046,427
Other Investments	1,133,000	133,000
Total Non-Current Assets	<u>11,368,300</u>	<u>10,449,898</u>
Current Assets		
Inventories	17,289,578	12,953,823
Tax Recoverable	13,065	13,194
Trade & Other Receivables	23,286,748	18,673,127
Amount due from Associate Company	26,893	26,893
Cash and Bank Balances	11,461,852	12,999,853
Total Current Assets	<u>52,078,136</u>	<u>44,666,890</u>
Assets of disposal group classified as held for sale	-	-
TOTAL ASSETS	<u><u>63,446,436</u></u>	<u><u>55,116,788</u></u>
EQUITY AND LIABILITIES		
Equity Attributable to Owners of the Company		
Share Capital	21,988,454	20,142,486
Reserves	(3,162,857)	(2,277,975)
Shareholders' funds	<u>18,825,597</u>	<u>17,864,511</u>
Non-Controlling Interest	34,026	34,838
Total Equity	<u>18,859,623</u>	<u>17,899,349</u>
Non-Current Liabilities		
Lease Liability	-	33,185
RCPS	1,000,000	1,000,000
Hire Purchase Payable	195,897	200,642
Deferred Tax Liabilities	524,282	524,282
Total Non-Current Liabilities	<u>1,720,179</u>	<u>1,758,109</u>
Current Liabilities		
Trade & Other Payables	42,670,623	35,259,389
Amount due to Director	70,838	1,336
Borrowings	-	-
Short Term Loan Payable	-	-
Tax Payables	25	175
Hire Purchase Payable	18,354	17,938
Lease Liability	106,794	180,492
Total Current Liabilities	<u>42,866,634</u>	<u>35,459,330</u>
TOTAL EQUITY AND LIABILITIES	<u><u>63,446,436</u></u>	<u><u>55,116,788</u></u>
Net Assets per Share (RM)	0.05	0.05

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2021 and the accompanying explanatory notes attached to the interim financial statements.)

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE THREE (3)-MONTHS FINANCIAL PERIOD ENDED 31 MARCH 2022**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTERS	
	CURRENT QUARTER 31.03.2022	PRECEDING QUARTER 31.03.2021	CURRENT PERIOD 31.03.2022	PRECEDING PERIOD 31.03.2021
	RM	RM	RM	RM
Revenue	8,017,590	4,595,659	8,017,590	4,595,659
Cost of Sales	<u>(6,326,233)</u>	<u>(3,602,349)</u>	<u>(6,326,233)</u>	<u>(3,602,349)</u>
Gross Profit	1,691,357	993,310	1,691,357	993,310
Other Income	39,108	4,351	39,108	4,351
Operating Expenses	(2,801,153)	(1,850,859)	(2,801,153)	(1,850,859)
Share of Profit of Associate	596,398	-	596,398	-
Finance Costs	<u>(579,660)</u>	<u>(4,890)</u>	<u>(579,660)</u>	<u>(4,890)</u>
Loss Before Tax	(1,053,950)	(858,087)	(1,053,950)	(858,087)
Income Tax	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Loss for the Period	<u>(1,053,950)</u>	<u>(858,087)</u>	<u>(1,053,950)</u>	<u>(858,087)</u>
Other comprehensive income/(loss), net of tax:				
Foreign currency translation differences for foreign operations	<u>168,256</u>	<u>(10,340)</u>	<u>168,256</u>	<u>(10,340)</u>
	<u>168,256</u>	<u>(10,340)</u>	<u>168,256</u>	<u>(10,340)</u>
Total comprehensive loss for the period	<u>(885,694)</u>	<u>(868,427)</u>	<u>(885,694)</u>	<u>(868,427)</u>
Loss Attributable to :				
Owners of the Company	(1,053,138)	(855,415)	(1,053,138)	(855,415)
Non-Controlling Interest	<u>(812)</u>	<u>(2,673)</u>	<u>(812)</u>	<u>(2,673)</u>
Loss for the Period	<u>(1,053,950)</u>	<u>(858,087)</u>	<u>(1,053,950)</u>	<u>(858,087)</u>
Total Comprehensive Loss Attributable to :				
Owners of the Company	(884,882)	(865,755)	(884,882)	(865,755)
Non-Controlling Interest	<u>(812)</u>	<u>(2,673)</u>	<u>(812)</u>	<u>(2,673)</u>
	<u>(885,694)</u>	<u>(868,427)</u>	<u>(885,694)</u>	<u>(868,427)</u>
Loss per Share				
- Basic (sen)	(0.26)	(0.64)	(0.26)	(0.64)

(The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2021 and the accompanying explanatory notes attached to the interim financial statements.)

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

**CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE THREE (3)-MONTHS FINANCIAL PERIOD ENDED 31 MARCH 2022**

	----- Attributable to Owners of the Parent -----						
	Share capital	Foreign currency translation reserve	Revaluation reserves	Accumulated losses	Shareholders Fund	Non-Controlling Interest	Total Equity
	RM	RM	RM	RM	RM	RM	RM
At 31 December 2021	20,142,486	(122,070)	3,819,608	(5,975,513)	17,864,511	34,838	17,899,349
Loss for the period	-	-	-	(1,053,138)	(1,053,138)	(812)	(1,053,950)
Foreign exchange translation	-	168,256	-	-	168,256	-	168,256
Total comprehensive income/(loss) for the period	-	168,256	-	(1,053,138)	(884,882)	(812)	(885,694)
Arising from Private Placement	1,845,968	-	-	-	1,845,968	-	1,845,968
At 31 March 2022	21,988,454	46,186	3,819,608	(7,028,651)	18,825,597	34,026	18,859,623
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 period	-	-	-	(855,415)	(855,415)	(2,673)	(858,087)
Foreign exchange translation	-	(10,340)	-	-	(10,340)	-	(10,340)
Total comprehensive loss for the period	-	(10,340)	-	(855,415)	(865,755)	(2,673)	(868,427)
Conversion from RCPS	1,334,000	-	-	-	1,334,000	-	1,334,000
At 31 March 2021	8,574,905	5,501	3,819,608	(2,075,422)	10,324,592	47,869	10,372,462

(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 2021 and the accompanying explanatory notes attached to the interim financial statements.)

INDUSTRONICS BERHAD (23699-X)
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**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE THREE (3)-MONTHS FINANCIAL PERIOD ENDED 31 MARCH 2022**

	Current Period 3 Months Ended 31.03.2022	Preceding Period 3 Months Ended 31.03.2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before taxation	(1,053,950)	(858,088)
Adjustments for non-cash flow:-		
Non-cash items	34,774	533,330
Non-operating items	<u>578,776</u>	<u>4,890</u>
Operating loss before changes in working capital	(440,400)	(319,868)
Net change in current assets	(8,948,040)	(4,451,194)
Net change in current liabilities	<u>7,480,736</u>	<u>2,657,294</u>
Cash used in operations	(1,907,704)	(2,113,768)
Interest paid	(579,660)	(4,890)
Interest income	884	-
Taxes refunded	714	-
Taxes paid	<u>(735)</u>	<u>(414)</u>
Net cash used in operating activities	<u>(2,486,501)</u>	<u>(2,119,072)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	-	(544)
Purchase of investments	(1,000,000)	-
Net cash used in investing activities	<u>(1,000,000)</u>	<u>(544)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Issuance of RCPS -Tranche 1	-	2,665,001
Proceeds from private placement	1,845,968	-
Repayment of finance lease liabilities	(39,002)	-
Repayment of hire purchase	(4,329)	-
Net cash generated from financing activities	<u>1,802,637</u>	<u>2,665,001</u>
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(1,683,864)	545,385
Effect of exchange rate changes	145,863	(10,342)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	12,999,853	496,640
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u><u>11,461,852</u></u>	<u><u>1,031,683</u></u>
CASH AND CASH EQUIVALENTS COMPRISE:		
Cash and bank balances	11,461,852	1,133,003
Bank overdraft	-	(101,320)
	<u><u>11,461,852</u></u>	<u><u>1,031,683</u></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 2021 and the accompanying explanatory notes attached to the interim financial statements.)

NOTES TO THE INTERIM FINANCIAL REPORT

A1. Basis of Preparation

These condensed consolidated interim financial statement, for the financial period ended 31 March 2022 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 2021. 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 2021.

The significant accounting policies adopted are consistent with those of the audited financial statements for the year ended 31 December 2021 except for the adoption of the following new MFRSs / Amendments with effect from 1 January 2022:-

Effective for Financial Years beginning on or after 1 January 2022

Annual Improvements to MFRS Standards 2018-2020 - MFRS 1, MFRS 9, MFRS 141

Amendments to MFRS 3 Business Combination: Reference to the Conceptual Framework

Amendments to MFRS 116: Property, Plant and Equipment – Proceeds before Intended Use

Amendments to MFRS 137: Provisions, Contingent Liabilities and Contingent Assets: Onerous Contracts

– Cost of Fulfilling a Contract

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 2021 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 2022.

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 period.

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 2022.

A7. Dividend Paid

There were no dividends paid during the current financial period ended 31 March 2022.

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.
Trading and services 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. Segmental Reporting (Continued)

Business segments:

	Electronics & System Integration		Security Systems & M&E		Trading & Services Operations		Adjustments and Eliminations		Per consolidated Financial Statements	
	31.3.2022	31.3.2021	31.3.2022	31.3.2021	31.3.2022	31.3.2021	31.3.2022	31.3.2021	31.3.2022	31.3.2021
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue										
External customers	1,560	652	434	400	6,024	3,543	-	-	8,018	4,596
Inter-segment	283	228	-	0	-	-	(283)	(229)	-	-
Total revenue	1,843	881	434	400	6,024	3,543	(283)	(229)	8,018	4,596
Results										
Interest income	0	-	-	-	1	-	-	-	1	-
Finance costs	575	4	4	0	1	1	-	-	580	5
Depreciation and amortisation	25	36	16	12	592	579	-	(22)	633	604
Segment profit/(loss)	(761)	1	(16)	(53)	(527)	(809)	250	3	(1,054)	(858)
Segment assets	16,947	15,745	1,301	1,406	44,846	9,816	352	(4,185)	63,446	22,782
Segment liabilities	(43,288)	(4,927)	(621)	(493)	(55,018)	(17,391)	54,340	8,141	(44,587)	(14,670)
Capital expenditure	-	-	-	-	-	1	-	-	-	1

Geographical segments:

	Malaysia		Hong Kong		Adjustments and eliminations		Per consolidated financial statements	
	31.3.2022	31.3.2021	31.3.2022	31.3.2021	31.3.2022	31.3.2021	31.3.2022	31.3.2021
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue								
Revenue from external customers	2,277	1,313	6,024	3,512	(283)	(229)	8,018	4,596
Segment assets	19,152	18,069	43,942	8,898	352	(4,185)	63,446	22,782
Capital expenditure	-	1	-	-	-	-	-	1
Segment liabilities	(53,279)	(11,649)	(45,648)	(11,162)	54,340	8,141	(44,587)	(14,670)
Results								
Interest income	0	-	1	-	-	-	1	-
Finance costs	579	4	1	1	-	-	580	5
Depreciation and amortisation	97	104	536	523	-	(22)	633	604
Segment profit/(loss)	(1,562)	(822)	258	(39)	250	3	(1,054)	(858)

A9. Valuation of Property, Plant and Equipment

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

A10. Subsequent Events

There were no material events subsequent to the end of the financial period ended 31 March 2022.

A11. Effect of Changes in the Composition of the Group

There were no material changes in the composition of the Group during the current financial period including business combination, acquisition of subsidiaries and long term investment, disposal of subsidiaries, restructuring and discontinuing operations as of to date.

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 2021.

A13. Intangible Assets

Intangible assets includes an amount of RM894,923 which is related to investment in software development from a former subsidiary of the Company, Industronics Technology Limited ("IBTECH"). The software development consists of openstack cloud computing software platform, file hosting platform and game server platform.

On 31 August 2020, that the assets were transferred 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 2022.

NOTES TO THE INTERIM FINANCIAL REPORT

A15. Related Party Transactions

- a. There were no significant transactions and balances with related parties of the Group during the current financial period under review.
- b. There were no transactions with the directors and key management personnel other than the remuneration package paid to them in accordance with the terms and conditions of their appointment.

A16. Loss Before Tax

The following amounts have been included in arriving at operating loss:

	Q122 RM	Q121 RM	YTD 22 RM	YTD 21 RM
Interest Income	(884)	-	(884)	-
Interest expense	579,660	4,890	579,660	4,890
Depreciation and amortisation	632,510	604,434	632,510	604,434
Reversal of inventories written down	(1,336)	-	(1,336)	-
Realised foreign exchange loss/(gain)	1,041	(3,641)	1,041	(3,641)
Unrealised foreign exchange gain	(14,230)	(792)	(14,230)	(792)

*** 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 2022 (1Q22) compared with quarter ended 31 March 2021 (1Q21)

The Group achieved a higher revenue in 1Q22 (RM8.02 million) compared to 1Q21 (RM4.59 million). The revenue were mainly contributed from trading and services operations segment in 1Q22 (RM6.02 million), that are from trading of precision instruments and income from cloud service.

The Group has recorded a loss before tax of RM1.05 million as compared to a loss before tax of RM0.86 million in 1Q21. The Hong Kong subsidiary has contributed a profit of RM0.26 million to the Group from its trading of watches and provision of cloud service. However, the profit generated has been offsetted against the losses from operations in Malaysia which were mainly due to overhead costs and interest on loan incurred in this 1Q22.

B2. Material Changes in the Quarterly Results (1Q22) Compared to the Results of the Preceding Quarter (4Q22)

The Group recorded a lower revenue of RM8.02 million in 1Q22 compared with RM10.22 million in 4Q21. Loss before tax was RM1.05 million in the current quarter as compared to loss before tax of RM2.92 million in 4Q21.

B3. Current Year Prospects

On 8 March 2022, Malaysia commenced its transition to the endemic phase and reopened its borders from 1 April 2022 after careful deliberation on various aspects including the national vaccination programme and economy, with risk management conducted by the authorities.

Going forward, the Group will continue to focus its efforts in developing new value-adding solutions to support existing customers and promoting business continuity and sustainability. The Group recognise the intensely complicated environment in which it is operating today and is taking every step possible to further develop and strengthen the Group's performance.

While it is difficult to estimate the extent and severity of the COVID-19 pandemic impact to the economy and to the Group's financial position, the management has taken proactive steps to solidify the Group's financial standing and mitigate any adverse consequences. These steps include monitoring all costing, reducing workforce size and instituting initiatives to encourage savings in business operations. The Group continues to carefully monitor this crisis and will take additional actions as needed.

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>
	<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 2022.

B7. Sale of Properties

There was no disposal of property for the financial period ended 31 March 2022.

B8. Status of Corporate Proposals

As at 26 May 2022, 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:

i) Redeemable Convertible Preference Shares ("RCPS")

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.

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

B8. Status of Coporate Proposals (Continued)

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.

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.

On 20 September 2021, Bluemount Investment Fund SPC converted 75,000,000 Redeemable Convertible Preference Shares of RM0.04 each into ordinary shares.

The table below sets out the status of utilisation of proceeds raised from the RCPS Issuance of Tranches 1, 2 & 3 as mentioned above amounting to RM10.67 million.

Descriptions	Proposed utilisation	Actual Proceeds Raised	Actual Utilisation	Balance	Estimate time frame for the utilisation upon receipt of Tranches 1, 2 & 3
	RM (Million)	RM (Million)	RM (Million)	RM (Million)	
Business expansion	7.27	7.27	0.55	6.72	Within 24 months
Working capital for the existing group's business	3.00	3.00	2.66	0.34	Within 24 months
Estimated expenses relating to the Proposals	0.40	0.40	0.24	0.16	Within 1 month
Total	10.67	10.67	3.45	7.22	

ii) Private Placement of not more than 20% of the total number of issued shares ("Private Placement")

On 19 July 2021, TA Securities Holdings Berhad ("TA"), on behalf of the Board of Directors of ITRONIC announced that the Company proposes to undertake the Proposed Private Placement.

On 23 July 2021, TA, on behalf of the Board of Directors of ITRONIC announced that an additional listing application in relation to the Proposed Private Placement has been submitted to Bursa Securities on 23 July 2021.

On 19 August 2021, TA, on behalf of the Board of Directors of ITRONIC announced that Bursa Securities had, vide its letter dated 19 August 2021, resolved to approve the listing and quotation of up to 80,005,500 Shares to be issued pursuant to the Proposed Private Placement subject to the following:

- (i) Itronic and TA Securities must fully comply with the relevant provisions under the Listing Requirements pertaining to the implementation of the Proposed Private Placement;
- (ii) Itronic and TA Securities to inform Bursa Securities upon the completion of the Proposed Private Placement;
- (iii) Itronic to furnish Bursa Securities with a written confirmation of its compliance with the terms and conditions of Bursa Securities' approval once the Proposed Private Placement is completed; and
- (iv) Itronic to furnish Bursa Securities with a certified true copy of the resolution passed pursuant to Sections 75 and 76 of the Companies Act, 2016, in the event the current authority has expired.

On 22 September 2021, the Board fixed the issue price for the Placement Shares at RM0.158 each ("Issue Price") in relation to the Private Placement. The Issue Price represents a discount of approximately 9.46% to the 5-day volume weighted average market price of Itronic Shares up to and including 21 September 2021 (being the last market day immediately preceding the Price-fixing Date) of RM0.1745 per Itronic Share.

On 1 October 2021, 14,258,400 new ordinary shares in the Company ("Placement Shares") at the issue price of RM0.158 per share be hereby allotted and issued.

On 18 October 2021, the Board fixed the issue price for the Placement Shares at RM0.182 each ("Issue Price") in relation to the Private Placement. The Issue Price represents a discount of approximately 9.99% to the 5-day volume weighted average market price of Itronic Shares up to and including 15 October 2021 (being the last market day immediately preceding the Price-fixing Date) of RM0.2022 per Itronic Share.

On 27 October 2021, 5,494,600 new ordinary shares in the Company ("Placement Shares") at the issue price of RM0.182 per share be hereby allotted and issued.

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

B8. Status of Coporate Proposals (Continued)

On 25 January 2022, the Board fixed the issue price for the Placement Shares at RM0.104 each ("Issue Price") in relation to the Private Placement. The Issue Price represents a discount of approximately 9.41% to the 5-day volume weighted average market price of Itronic Shares up to and including 24 January 2022 (being the last market day immediately preceding the Price-fixing Date) of RM0.1148 per Itronic Share.

On 31 January 2022, 17,749,700 new ordinary shares in the Company ("Placement Shares") at the issue price of RM0.104 per share be hereby allotted and issued.

The table below sets out the status of utilisation of proceeds raised from the Private Placement as mentioned above amounting to RM5.10 million.

Descriptions	Proposed utilisation	Actual Proceeds Raised	Actual Utilisation	Balance	Estimate time frame for the utilisation upon receipt of Tranches 1, 2 & 3
	RM (Million)	RM (Million)	RM (Million)	RM (Million)	
Purchase of inventories for the trading of precision instruments	0.00	0.00	0.00	0.00	Within 24 months
Working capital	5.01	5.01	5.01	0.00	Within 24 months
Expenses for the Proposed Private Placement	0.09	0.09	0.09	0.00	Immediately
Total	5.10	5.10	5.10	0.00	

B9. Group Borrowings and Debt Securities

Total Group Borrowings as at 31 March 2022:-

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

All borrowings are denominated in Hong Kong Dollar.

The freehold land and buildings of the Group with a carrying amount of RM5,071,050 (2021:RM5,083,375) are pledged as securities to a financial institution for banking facilities granted to the Company with Bank Guarantee limit of RM202,805 as at the end of the financial period ended 31 March 2022.

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. a) Basic Loss per Share

	INDIVIDUAL QUARTER		CUMULATIVE QUARTERS	
	Current 31.03.2022	Preceding 31.03.2021	Current 31.03.2022	Preceding 31.03.2021
Net loss attributable to the owners of the Company for the year	(1,053,138)	(855,415)	(1,053,138)	(855,415)
Weighted average no. of ordinary shares in issue	411,051,132	133,402,574	411,051,132	133,402,574
Basic loss per share (sen)	(0.26)	(0.64)	(0.26)	(0.64)

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

B13. b) Diluted Loss per Share

	INDIVIDUAL QUARTER		CUMULATIVE QUARTERS	
	Current 31.03.2022	Preceding 31.03.2021	Current 31.03.2022	Preceding 31.03.2021
Net loss attributable to the owners of the Company for the year	(1,053,138)	(855,415)	(1,053,138)	(855,415)
Weighted average no. of ordinary shares in issue	429,801,132	158,415,074	429,801,132	158,415,074
Diluted loss per share (sen)	(0.25)	(0.54)	(0.25)	(0.54)

B14. Authorisation for Issue

The interim financial statements for the three (3)-months financial period ended 31 March 2022 were authorised for issue by the Board of Directors.

BY ORDER OF THE BOARD

INDUSTRONICS BERHAD
31 May 2022