

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE THREE (3)-MONTHS FINANCIAL PERIOD ENDED 31 MARCH 2014**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTERS	
	CURRENT YEAR QUARTER 31.3.2014	PRECEDING YEAR QUARTER 31.3.2013	CURRENT YEAR 31.3.2014	PRECEDING YEAR 31.3.2013
	RM	RM	RM	RM
Revenue	3,717,973	12,874,001	3,717,973	12,874,001
Cost of Sales	<u>(2,722,287)</u>	<u>(8,753,960)</u>	<u>(2,722,287)</u>	<u>(8,753,960)</u>
Gross profit	995,686	4,120,041	995,686	4,120,041
Other Income	244,221	358,460	244,221	358,460
Operating Expenses	(4,245,374)	(4,708,526)	(4,245,374)	(4,708,526)
Finance Costs	(39,480)	(42,468)	(39,480)	(42,468)
Loss before Tax	<u>(3,044,947)</u>	<u>(272,493)</u>	<u>(3,044,947)</u>	<u>(272,493)</u>
Income Tax	-	(83,443)	-	(83,443)
Loss for the year	<u>(3,044,947)</u>	<u>(355,936)</u>	<u>(3,044,947)</u>	<u>(355,936)</u>
Other comprehensive income/(loss), net of tax:				
Foreign currency translation differences for foreign operations	21,716	(13,175)	21,716	(13,175)
	<u>21,716</u>	<u>(13,175)</u>	<u>21,716</u>	<u>(13,175)</u>
Total comprehensive loss for the year	<u>(3,023,231)</u>	<u>(369,111)</u>	<u>(3,023,231)</u>	<u>(369,111)</u>
Profit/(loss) Attributable to :				
Owners of the Company	(2,877,774)	(506,691)	(2,877,774)	(506,691)
Non-Controlling Interest	<u>(167,173)</u>	<u>150,755</u>	<u>(167,173)</u>	<u>150,755</u>
Loss for the year	<u>(3,044,947)</u>	<u>(355,936)</u>	<u>(3,044,947)</u>	<u>(355,936)</u>
Total Comprehensive Income/(loss) Attributable to :				
Owners of the Company	(2,906,462)	(540,056)	(2,906,462)	(540,056)
Non-Controlling Interest	<u>(116,769)</u>	<u>170,945</u>	<u>(116,769)</u>	<u>170,945</u>
	<u>(3,023,231)</u>	<u>(369,111)</u>	<u>(3,023,231)</u>	<u>(369,111)</u>
Earnings/(loss) per share of RM0.50 each				
- Basic (sen)	(2.82)	(0.54)	(2.82)	(0.54)

(The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2013 and the accompanying explanatory notes attached to the interim financial statements.)

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

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2014**

	AS AT THE END OF THE CURRENT FINANCIAL PERIOD 31.3.2014 RM (Unaudited)	AS AT THE PRECEDING FINANCIAL YEAR END 31.12.2013 RM (Audited)
ASSETS		
Non-current assets		
Property, Plant and Equipment	25,035,470	25,352,792
Investment Properties	491,549	501,490
Intangible Assets	1,404,333	1,495,307
Other Investments	6,931,246	6,931,246
Deferred Tax Assets	844,309	848,117
Total Non-current assets	<u>34,706,907</u>	<u>35,128,952</u>
Current Assets		
Inventories	3,779,397	3,403,237
Due from Customers on Contract	9,025,918	8,230,053
Trade & Other Receivables	9,249,488	11,533,099
Cash and Bank Balances	26,110,074	27,544,478
Total Current Assets	<u>48,164,877</u>	<u>50,710,867</u>
TOTAL ASSETS	<u><u>82,871,784</u></u>	<u><u>85,839,819</u></u>
EQUITY AND LIABILITIES		
Equity attributable to owners of the Company		
Share Capital	51,102,450	50,336,450
Reserves	8,811,790	11,618,672
Shareholders' funds	<u>59,914,240</u>	<u>61,955,122</u>
Non-Controlling Interest	5,383,214	5,499,983
Total equity	<u>65,297,454</u>	<u>67,455,105</u>
Non-current liabilities		
Borrowings	301,889	303,726
Deferred Tax Liabilities	1,914,289	1,914,289
Total Non-current liabilities	<u>2,216,179</u>	<u>2,218,015</u>
Current Liabilities		
Provisions	114,175	114,175
Trade & Other Payables	13,330,915	12,809,487
Borrowings	1,455,112	2,313,046
Current Tax Payables	29,201	34,160
Due to Customers on Contract	428,747	895,831
Total Current Liabilities	<u>15,358,151</u>	<u>16,166,699</u>
TOTAL EQUITY AND LIABILITIES	<u><u>82,871,784</u></u>	<u><u>85,839,819</u></u>

Net Assets per share of RM0.50 each (RM)

0.59

0.62

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2013 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 2014**

	-----> Attributable to Owners of the Parent <-----										
	<-----Non Distributable----->						Fair value adjustment reserve	Distributable Retained earnings/ (accumulated losses)	Share- holders Fund	Non-Controlling Interest	Total Equity
	Share capital	Share premium	Treasury shares	Foreign currency reserve	Share issuance scheme reserve	Revaluation reserves					
RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	
At 31 December 2013	50,336,450	946,674	-	(64,313)	629,156	11,220,044	2,938,533	(4,051,422)	61,955,122	5,499,983	67,455,105
Total comprehensive loss for the year	-	-	-	(28,688)	-	-	-	(2,877,774)	(2,906,462)	(116,769)	(3,023,231)
Exercise of SIS options	766,000	224,592	-	-	(125,012)	-	-	-	865,580	-	865,580
At 31 March 2014	51,102,450	1,171,266	-	(93,001)	504,144	11,220,044	2,938,533	(6,929,196)	59,914,240	5,383,214	65,297,454
At 31 December 2012	47,631,500	732	(545,154)	40,925	-	2,889,122	-	(422,399)	49,594,726	4,765,174	54,359,900
Total comprehensive loss for the year	-	-	-	(33,365)	-	-	-	(506,691)	(540,056)	170,945	(369,111)
At 31 March 2013	47,631,500	732	(545,154)	7,560	-	2,889,122	-	(929,090)	49,054,670	4,936,119	53,990,789

(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 2013 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 2014**

	Current Year 12 Months Ended 31.3.2014 (Unaudited)	Preceding Year 12 Months Ended 31.3.2013 (Audited)
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before taxation	(3,044,947)	(272,492)
Adjustments for non-cash flow:-		
Non-cash items	326,441	133,632
Non-operating items	<u>(49,024)</u>	<u>(45,334)</u>
Operating loss before changes in working capital	(2,767,530)	(184,194)
Net change in current assets	1,088,437	(4,545,524)
Net change in current liabilities	<u>52,206</u>	<u>(1,394,703)</u>
Cash used in operations	(1,626,886)	(6,124,420)
Interest paid	(39,480)	(42,466)
Taxes paid	<u>(10,297)</u>	<u>(57,512)</u>
Net cash used in operating activities	<u>(1,676,664)</u>	<u>(6,224,398)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(33,354)	(166,068)
Proceeds from disposal of property, plant and equipment	199,585	-
Interest received	88,504	87,800
Net cash generated from/(used in) investing activities	<u>254,735</u>	<u>(78,268)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issuance of ordinary shares pursuant to ESOS	865,580	-
Net (repayment)/drawdown of bank borrowings	(800,184)	768,595
Net repayment of hire purchase	<u>(41,442)</u>	<u>(33,803)</u>
Net cash (used in)/generated from financing activities	<u>23,954</u>	<u>734,792</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(1,397,975)	(5,567,874)
Effect of exchange rate changes	21,716	(13,175)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	26,383,579	28,734,380
CASH AND CASH EQUIVALENTS AT END OF PERIOD	<u>25,007,321</u>	<u>23,153,332</u>
CASH AND CASH EQUIVALENTS COMPRISE:		
Cash and bank balances	26,110,074	24,653,319
Cash and bank balances included in assets of disposal group classified as held for sale	-	17,725
Bank overdraft	<u>(1,102,753)</u>	<u>(1,517,712)</u>
	<u>25,007,321</u>	<u>23,153,332</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 2013 and the accompanying explanatory notes attached to the interim financial statements.)

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

NOTES TO THE INTERIM FINANCIAL REPORT

A1. Basis of preparation

These condensed consolidated interim financial statement, for the financial year ended 31 March 2014 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 2013. 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 2013.

The significant accounting policies adopted are consistent with those of the audited financial statements for the year ended 31 December 2013 except for the adoption of the following new MFRSs, Amendments to MFRSs and IC Interpretations which are applicable for the Group's financial period beginning 1 January 2014:-

Amendments to MFRS 10: Investment Entity	1 January 2014
Amendments to MFRS 12: Investment Entities	1 January 2014
Amendments to MFRS 127: Investment Entities	1 January 2014
Amendments to MFRS 132: Offsetting Financial Assets and Financial Liabilities	1 January 2014
Amendments to MFRS 136: Recoverable Amount Disclosures for Non-Financial Assets	1 January 2014
Amendments to MFRS 139: Novation of Derivatives and Continuation of Hedging	1 January 2014
IC Interpretation 21: Levies	1 January 2014

The adoption of the above standards and interpretations will have no material impact on the financial statements 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 2013 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 subjected 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 2014.

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 period.

NOTES TO THE INTERIM FINANCIAL REPORT

A6. Debt and Equity Securities

Save as disclosed below, there were no other issuance, cancellation, repurchase, resale and repayments of debt and equity securities for the current financial period.

a. Issuance of equity

During the financial period ended 31 March 2014, the Company issued 1,532,000 ordinary shares of RM0.50 per share for cash pursuant to the Company's Share Issuance Scheme at an exercise price of RM0.565 per ordinary share.

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

No shares were bought back during the current financial period.

A7. Dividend paid

There were no dividends paid during the current financial period.

A8. Segmental Reporting

For management purposes, the Group is organised into the following business units based on their products and services, and has five 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.

Environmental & scada system - Design and Scada integration in environmental monitoring services.

Sheet metal fabrication - Involving in precision sheet metal fabrications works and manufacturing of precision fabrication.

Other operations - Assemble and maintain electronic display system of public security and fire systems.

Geographical Segments

Malaysia - All main businesses disclosed in primary reporting format-business segments

Hong Kong - The development of IT applications.

Singapore - Trading, maintenance and supply of industrial electrical equipment.

Vietnam - Supply, construction and maintenance of specialised mechanical and electrical equipment and electronic display, engineering service provider for these equipment together with fire protection and air-conditioning ventilation equipment.

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

NOTES TO THE INTERIM FINANCIAL REPORT

A8. Segmental Reporting (Continued)

a. Information on segments

Business segments:														
	Electronics & System Integration		Security Systems & M&E		Environmental & Scada System		Sheet Metal Fabrication		Other Operations		Adjustments and Eliminations		Per consolidated Financial Statements	
	31.3.2014	31.3.2013	31.3.2014	31.3.2013	31.3.2014	31.3.2013	31.3.2014	31.3.2013	31.3.2014	31.3.2013	31.3.2014	31.3.2013	31.3.2014	31.3.2013
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue														
External customers	2,329	7,481	1,098	4,041	-	250	269	1,065	22	36	-	-	3,718	12,873
Inter-segment	458	818	151	-	-	79	7	63	-	46	(616)	(1,007)	-	-
Total revenue	2,787	8,299	1,249	4,041	-	329	276	1,128	22	82	(616)	(1,007)	3,718	12,873
Results														
Interest income	78	88	10	-	-	-	-	-	-	-	-	-	89	88
Finance costs	18	30	20	8	-	-	8	4	-	-	(6)	-	40	42
Depreciation	100	90	42	32	-	4	27	34	161	15	-	-	330	175
Segment profit/(loss)	(1,218)	(11)	(92)	(57)	-	(229)	(260)	102	(1,475)	(95)	-	17	(3,045)	(273)
Segment assets	72,709	56,122	16,223	20,964	-	607	2,846	3,653	3,829	317	(12,736)	(2,246)	82,872	79,416
Segment liabilities	(10,681)	(8,897)	(4,402)	(11,873)	-	(2,496)	(1,468)	(2,080)	(12,876)	(7,635)	11,853	7,555	(17,574)	(25,426)
Capital expenditure	28	138	5	28	-	-	-	-	-	-	-	-	33	166
Geographical segments:														
	Malaysia				Hong Kong		Singapore		Vietnam		Adjustments and eliminations		Per consolidated financial statements	
	31.3.2014	31.3.2013	31.3.2014	31.3.2013	31.3.2014	31.3.2013	31.3.2014	31.3.2013	31.3.2014	31.3.2013	31.3.2014	31.3.2013	31.3.2014	31.3.2013
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue														
Revenue from external customers			3,315	11,135	22	-	381	1,507	-	232	-	-	3,718	12,873
Segment assets			89,173	78,632	3,468	-	2,860	2,793	107	238	(12,736)	(2,246)	82,872	79,416
Capital expenditure			33	166	-	-	-	-	-	-	-	-	33	166

A9. Valuation of property, plant and equipment

The valuation of land and buildings have been brought forward from last year annual financial statements.

A10. Subsequent Events

Other than as disclosed below, there were no material events subsequent to the end of the period reported on that have not been reflected in the financial statements for the said period.

- On 4 April 2014, the Company issued 557,900 ordinary shares of RM0.50 per share for cash pursuant to the Company's Share Issuance Scheme at an exercise price of RM0.565 per ordinary share.
- On 28 April 2014, the Company disposed in the open market an aggregate of 5,500,000 ordinary shares of RM0.10 each in Solution Engineering Holding Berhad at a gross proceeds of RM696,650.
- On 29 April 2014, the Company disposed in the open market an aggregate of 8,000,000 ordinary shares of RM0.10 each in Solution Engineering Holding Berhad at a gross proceeds of RM1,054,610.
- On 8 May 2014, the Company disposed in the open market an aggregate of 140,800 ordinary shares of RM0.10 each in Solution Engineering Holding Berhad at a gross proceeds of RM21,824.
- On 9 May 2014, the Company disposed in the open market an aggregate of 900,000 ordinary shares of RM0.10 each in Solution Engineering Holding Berhad at a gross proceeds of RM135,000.
- On 16 May 2014, the Company disposed in the open market an aggregate of 1,000,000 ordinary shares of RM0.10 each in Solution Engineering Holding Berhad at a gross proceeds of RM140,000.

NOTES TO THE INTERIM FINANCIAL REPORT

A11. Effect of Changes in the Composition of the Group

Other than as disclosed below, 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, restructuring and discontinuing operations.

- a. On 27 February 2014, the Company has incorporated a wholly-owned subsidiary in Hong Kong with the name "DSC IB Limited" with paid up capital of HKD500,000. The intended principal activities of DSC IB Limited is general business.

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 2013.

A13. Related Party Transactions

- a. Save as disclosed below, there were no significant transactions and balances with related parties of the Group during the current financial period under review.

	Individual Current Quarter RM	Cumulative Quarters RM
Sales to an entity connected with a director of a subsidiary of the group	779,066	779,066

Outstanding balance with related party as at 31 March 2014 and 31 December 2013 are as follows:

	As at 31.3.2014 Unaudited RM	As at 31.12.2013 Audited RM
Sales to an entity connected with a director of a subsidiary of the group	1,172,447	2,264,880

- 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.

A14. Profit/(loss) Before Taxation

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

	Q114 RM	Q113 RM	YTD 14 RM	YTD 13 RM
Interest Income	(88,504)	(87,800)	(88,504)	(87,800)
Other Income	(50,846)	(24,953)	(50,846)	(24,953)
Interest expense	39,480	42,466	39,480	42,466
Depreciation and amortization	330,247	174,563	330,247	174,563
Gain on disposal of property, plant and equipment	(48,590)	-	(48,590)	-
Realised foreign exchange (Gain)/loss	(16,367)	5,753	(16,367)	5,753
Unrealised foreign exchange (Gain)/loss	34,849	(245,705)	34,849	(245,705)

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

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

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

B1. Review of Performance

Quarter ended 31 March 2014 (1Q14) compared with quarter ended 31 March 2013 (1Q13)

The Group's revenue was lower in 1Q14 (RM3.72 million) compared to 1Q13 (RM12.87 million), mainly attributable to lower revenue recognition in Electronics & System Integration segment of approximately RM2.33 million in 1Q14 compared to RM7.48 million in 1Q13 and in Security Systems and M&E segment of approximately RM1.10 million in 1Q14 compared to RM4.04 million in 1Q13.

The Group recorded loss before tax of approximately RM3.05 million in 1Q14 compared to RM0.27 million in 1Q13. This is mainly due to lower revenue in 1Q14.

B2. Material Changes in the Quarterly Results (1Q14) compared to the Results of the Preceding Quarter (4Q13)

Group revenue recorded is RM3.72 million in 1Q14 compared with RM10.05 million in 4Q13. The decrease is mainly due to lower revenue in Electronics & System Integration segment. Loss before tax recorded is RM3.05 million in 1Q14 compared to RM1.48 million in 4Q13 mainly due to lower revenue recorded in 1Q14.

B3. Current Year Prospects

The prevailing uncertainties in the global financial economy and the rising costs continue to pose a challenge to the Group's performance.

The Group will continue with its prudent efforts to widen the applications of its products and shall remain focused on improving operational efficiencies to achieve improved profitability and sustainable business growth.

As part of our growth plans, the Group will explore any opportunities or new market to enhance its core businesses. The Group also will consider new ventures and new business activities which are synergistics to the operations of the Group to further enhance shareholders' value.

B4. Profit Forecast

Not applicable as no profit forecast was published.

B5. Taxation

Taxation comprises the following:-

	Current Quarter RM
Current taxation	-
Deferred taxation	-
	<hr/>
	<hr/>

The effective tax rate of the Group is higher than the statutory tax rate for the current year principally due to losses in certain subsidiaries.

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

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

B6. Profit on Sale of Quoted and Unquoted Investments and Properties

There were no other material sale of quoted and unquoted investments and properties for the financial period ended 31 March 2014.

B7. Purchase/Disposal of Assets Held for Trading Investments

There were no purchases or disposals of assets held for trading investments for the financial period to date.

B8. Status of Corporate Proposals

As at 19 May 2014, being the latest practicable date ("LPD") prior to the issue of this quarterly report, save as disclosed below, there were no corporate proposals announced but not completed by the Company:

a. Proposed Dissolution of Wholly Owned Subsidiary In Vietnam

On 22 August 2013, the Company announced the commencement of the proposed dissolution of its wholly owned subsidiary, Industronics Corporation Limited ("ICL") on 21 August 2013 ("the Dissolution").

As at LPD, the Dissolution is still in the process.

b. Proposed Private Placement

On 25 July 2013, TA Securities Holdings Berhad ("TA Securities") on behalf of the Board of the Company announced that the Company proposes to undertake the Proposed Private Placement.

On 26 July 2013, TA Securities Holdings Berhad on behalf of the Board of the Company announced that an application to Bursa Securities for the listing of and quotation for the Placement Shares on the Main Market of Bursa Securities has been submitted on 26 July 2013 and the approval from Bursa Securities is still pending.

c. Proposed Shareholders Mandate for Disposal of up to 20,041,900 Ordinary Shares of RM0.10 Each in Solution Engineering Holdings Berhad ("SEHB") ("SEHB Shares") ("Proposed Shareholder's Mandate for Disposal of Shares").

On 3 December 2013, on behalf of the Board of Directors of Industronics Berhad ("IB" or the "Company") ("Board"), TA Securities had announced that the Company proposes to obtain a mandate from its shareholders to, if deemed fit in the future, dispose up to 20,041,900 ordinary shares of RM0.10 each in Solution Engineering Holdings Berhad ("SEHB") ("SEHB Shares").

Bursa Malaysia Securities Berhad had via its letter dated 13 December 2013 approve the Proposed Shareholder's Mandate for Disposal of Shares.

The shareholders of IB had on 21 January 2014 approved the Proposed Shareholder's Mandate for Disposal of SEHB Shares at an extraordinary general meeting held.

B9. Group Borrowings and Debt Securities

Total Group Borrowings as at 31 March 2014:-

	RM
a) Secured and unsecured :	
Total secured borrowings	466,248
Total unsecured borrowings	1,290,753
Total borrowings	<u>1,757,001</u>
b) Short Term and Long Term	
Total short-term borrowings	1,455,112
Total long term borrowings	301,889
Total borrowings	<u>1,757,001</u>

All borrowings are denominated in Ringgit Malaysia.

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

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

B10. Off Balance Sheet Financial Instruments

Not applicable as off balance sheet financial instruments are accounted for in the statement of financial position.

B11. Realised and Unrealised Losses Disclosure

	As at 31.3.2014 RM (unaudited)	As at 31.12.2013 RM (audited)
Total accumulated losses of Industronics Berhad and its subsidiaries:		
- Realised	(16,342,139)	(13,398,317)
- Unrealised	(891,171)	(771,397)
Less: consolidation adjustments	10,304,114	10,118,292
Total group (accumulated losses)/retained profits as per consolidated accounts	<u>(6,929,196)</u>	<u>(4,051,422)</u>

B12. Material Litigations

As at the LPD prior to the issue of this quarterly report, the Group is not engaged in any material litigations except for:

Sukitronics Sdn Bhd ("SSB"), a subsidiary company has claimed loss & damage of approximately USD1,184,000 or RM3,706,000 against First Kuwaiti Trading and Contracting W.L.L ("FKTC") for the breach of the contract while FKTC has counter claimed SSB for an amount of USD8,626,000 or approximately RM26,999,000. The Arbitration was relating to the appointment of SSB by FKTC to construct, complete, test, commission and maintain the building, mechanical and electrical works relating to the construction of US New Consulate Compound in Surabaya, Indonesia.

The Continued Arbitration Hearing was held on 22nd till 25th April 2013, 1st till 2nd August 2013, 18th till 22nd November 2013 and 20th till 23rd January 2014. The Arbitrator had further fixed the Arbitration for Continued Hearing on 19th till 23rd May 2014.

B13. Dividend

No dividend has been declared in the current quarter.

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

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

B14. Basic earnings/(loss) per share

	INDIVIDUAL QUARTER		CUMULATIVE QUARTERS	
	Current Year Quarter 31.3.2014	Preceding Year Quarter 31.3.2013	Current Year 31.3.2014	Preceding Year 31.3.2013
Net loss attributable to the owners of the Company for the period	(2,877,774)	(506,691)	(2,877,774)	(506,691)
Weighted average no. of ordinary shares in issue	101,918,700	94,132,000	101,918,700	94,132,000
Basic loss per share (sen)	(2.82)	(0.54)	(2.82)	(0.54)

b) Diluted earnings/(loss) per share

	INDIVIDUAL QUARTER		CUMULATIVE QUARTERS	
	Current Year Quarter 31.3.2014	Preceding Year Quarter 31.3.2013	Current Year 31.3.2014	Preceding Year 31.3.2013
Net loss attributable to the owners of	(2,877,774)	(506,691)	(2,877,774)	(506,691)
Weighted average no. of ordinary shares in issue	109,096,600	94,132,000	109,096,600	94,132,000
Diluted loss per share (sen)	(2.64)	(0.54)	(2.64)	(0.54)

B15. Authorisation For Issue

The interim financial statements for the three (3)-months financial period ended 31 March 2014 were authorised for issue by the Board of Directors.

BY ORDER OF THE BOARD
INDUSTRONICS BERHAD

20 May 2014