

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

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE THREE (3)-MONTHS FINANCIAL PERIOD ENDED 31 MARCH 2015**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTERS	
	CURRENT YEAR QUARTER 31.3.2015	PRECEDING YEAR QUARTER 31.3.2014	CURRENT YEAR 31.3.2015	PRECEDING YEAR 31.3.2014
	RM	RM	RM	RM
Revenue	3,952,288	3,717,973	3,952,288	3,717,973
Cost of Sales	<u>(1,978,466)</u>	<u>(2,722,287)</u>	<u>(1,978,466)</u>	<u>(2,722,287)</u>
Gross profit	1,973,822	995,686	1,973,822	995,686
Other Income	197,728	244,221	197,728	244,221
Operating Expenses	(4,604,897)	(4,245,374)	(4,604,897)	(4,245,374)
Finance Costs	(40,133)	(39,480)	(40,133)	(39,480)
Loss before Tax	(2,473,481)	(3,044,947)	(2,473,481)	(3,044,947)
Income Tax	-	-	-	-
Loss for the year	<u>(2,473,481)</u>	<u>(3,044,947)</u>	<u>(2,473,481)</u>	<u>(3,044,947)</u>
Other comprehensive income/(loss), net of tax:				
Foreign currency translation differences for foreign operations	764,679	21,716	764,679	21,716
	<u>764,679</u>	<u>21,716</u>	<u>764,679</u>	<u>21,716</u>
Total comprehensive (loss)/income for the year	<u>(1,708,802)</u>	<u>(3,023,231)</u>	<u>(1,708,802)</u>	<u>(3,023,231)</u>
<b>Profit/(loss) Attributable to :</b>				
Owners of the Company	(2,391,635)	(2,877,774)	(2,391,635)	(2,877,774)
Non-Controlling Interest	<u>(81,846)</u>	<u>(167,173)</u>	<u>(81,846)</u>	<u>(167,173)</u>
Loss for the year	<u>(2,473,481)</u>	<u>(3,044,947)</u>	<u>(2,473,481)</u>	<u>(3,044,947)</u>
<b>Total Comprehensive (loss)/income Attributable to :</b>				
Owners of the Company	(1,705,192)	(2,906,462)	(1,705,192)	(2,906,462)
Non-Controlling Interest	<u>(3,610)</u>	<u>(116,769)</u>	<u>(3,610)</u>	<u>(116,769)</u>
	<u>(1,708,802)</u>	<u>(3,023,231)</u>	<u>(1,708,802)</u>	<u>(3,023,231)</u>
Earnings/(loss) per share of RM0.50 each				
- Basic (sen)	(2.33)	(2.82)	(2.33)	(2.82)

(The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2014 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 2015**

	AS AT THE END OF THE CURRENT FINANCIAL PERIOD 31.3.2015 RM (Unaudited)	AS AT THE PRECEDING FINANCIAL YEAR END 31.12.2014 RM (Audited)
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, Plant and Equipment	13,130,349	13,168,113
Investment Properties	451,785	461,727
Intangible Assets	-	-
Other Investments	1,034,231	1,034,231
Deferred Tax Assets	-	-
<b>Total Non-current assets</b>	<u>14,616,365</u>	<u>14,664,071</u>
<b>Current Assets</b>		
Inventories	6,365,044	6,271,323
Due from Customers on Contract	1,615,577	1,541,064
Trade & Other Receivables	30,716,700	29,651,145
Cash and Bank Balances	3,796,299	6,443,800
<b>Total Current Assets</b>	<u>42,493,620</u>	<u>43,907,332</u>
<b>TOTAL ASSETS</b>	<u><u>57,109,985</u></u>	<u><u>58,571,403</u></u>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to owners of the Company</b>		
Share Capital	51,381,400	51,381,400
Reserves	(9,465,600)	(7,760,408)
<b>Shareholders' funds</b>	<u>41,915,800</u>	<u>43,620,992</u>
Non-Controlling Interest	4,108,040	4,111,650
<b>Total equity</b>	<u>46,023,840</u>	<u>47,732,642</u>
<b>Non-current liabilities</b>		
Borrowings	292,607	300,728
Deferred Tax Liabilities	1,152,984	1,152,984
<b>Total Non-current liabilities</b>	<u>1,445,591</u>	<u>1,453,712</u>
<b>Current Liabilities</b>		
Provisions	130,211	130,211
Trade & Other Payables	7,249,616	6,979,226
Borrowings	1,972,133	1,335,774
Current Tax Payables	-	7,253
Due to Customers on Contract	288,593	932,585
<b>Total Current Liabilities</b>	<u>9,640,553</u>	<u>9,385,049</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u><u>57,109,985</u></u>	<u><u>58,571,403</u></u>

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

0.41

0.42

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2014 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 2015**

	-----> 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 2014	51,381,400	1,253,054	-	952,281	458,620	4,398,276	74,806	(14,897,445)	43,620,992	4,111,650	47,732,642
Total comprehensive loss for the year	-	-	-	686,443	-	-	-	(2,391,635)	(1,705,192)	(3,610)	(1,708,802)
Exercise of SIS options	-	-	-	-	-	-	-	-	-	-	-
Arising from disposal of properties	-	-	-	-	-	-	-	-	-	-	-
At 31 March 2015	51,381,400	1,253,054	-	1,638,724	458,620	4,398,276	74,806	(17,289,080)	41,915,800	4,108,040	46,023,840
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

(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 2014 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 2015**

	Current Year 3 Months Ended 31.3.2015 (Unaudited)	Preceding Year 3 Months Ended 31.3.2014 (Audited)
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Loss before taxation	(2,473,481)	(3,044,947)
Adjustments for non-cash flow:-		
Non-cash items	115,885	326,441
Non-operating items	39,784	(49,024)
Operating loss before changes in working capital	(2,317,812)	(2,767,530)
Net change in current assets	(2,225,465)	1,088,437
Net change in current liabilities	(375,060)	52,206
Cash used in operations	(4,918,336)	(1,626,887)
Interest paid	(40,132)	(39,480)
Taxes refunded	-	-
Taxes paid	(61,991)	(10,297)
Net cash used in operating activities	(5,020,460)	(1,676,664)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(72,210)	(33,354)
Proceeds from disposal of property, plant and equipment	1,051,902	199,585
Interest received	349	88,504
Net cash generated from/(used in) investing activities	980,040	254,735
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from issuance of ordinary shares pursuant to ESOS	-	865,580
Net (repayment)/drawdown of bank borrowings	-	(800,184)
Net repayment of hire purchase	(11,107)	(41,442)
Net cash (used in)/generated from financing activities	(11,107)	23,954
NET DECREASE IN CASH AND CASH EQUIVALENTS	(4,051,526)	(1,397,975)
Effect of exchange rate changes	764,679	21,716
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	5,373,369	26,383,579
CASH AND CASH EQUIVALENTS AT END OF PERIOD	2,086,522	25,007,321
<b>CASH AND CASH EQUIVALENTS COMPRISE:</b>		
Cash and bank balances	3,796,299	26,110,074
Bank overdraft	(1,709,777)	(1,102,753)
	2,086,522	25,007,321

(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2014 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 2015 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 2014. 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 2014.

The significant accounting policies adopted are consistent with those of the audited financial statements for the year ended 31 December 2014 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 2015:-

**Effective for financial periods beginning on or after 1 July 2014**

Amendment to MFRS 2	Share-based Payment (Annual Improvement to MFRSs 2010-2012 Cycle)
Amendment to MFRS 3	Business Combinations (Annual Improvement to MFRSs 2010-2012 Cycle)
Amendment to MFRS 3	Business Combinations (Annual Improvement to MFRSs 2011-2013 Cycle)
Amendment to MFRS 8	Operating Segments (Annual Improvement to MFRSs 2010-2012 Cycle)
Amendment to MFRS 13	Fair Value Adjustment (Annual Improvement to MFRSs 2011-2013 Cycle)
Amendment to MFRS 116	Property, Plant and Equipment (Annual Improvement to MFRSs 2010-2012 Cycle)
Amendment to MFRS 119	Employee Benefits (Defined Benefit Plans: Employee Contributions)
Amendment to MFRS 124	Related Party Disclosures (Annual Improvements to MFRSs 2010-2012 Cycle)
Amendment to MFRS 138	Intangible Assets (Annual Improvements to MFRSs 2010-2012 Cycle)
Amendment to MFRS 140	Investment Property (Annual Improvements to MFRSs 2011-2013 Cycle)

The adoption of the above standards 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 2014 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 2015.

**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

There was no new ordinary shares issued during the financial period ended 31 March 2015.

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

There was no share buy-backs, share cancellation and sale of treasury shares during the financial period ended 31 March 2015.

**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.
Sheet metal fabrication	- Involving in precision sheet metal fabrications works and manufacturing of precision fabrication.
Other operations	- Involving in provision of mobile entertainment services, integrated internet marketing services and general trading

**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	- Ceased operation

**NOTES TO THE INTERIM FINANCIAL REPORT**

**A8. Segmental Reporting (Continued)**

**a. Information on segments**

<b>Business segments:</b>												
	Electronics & System Integration		Security Systems & M&E		Sheet Metal Fabrication		Other Operations		Adjustments and Eliminations		Per consolidated Financial Statements	
	31.3.2015	31.3.2014	31.3.2015	31.3.2014	31.3.2015	31.3.2014	31.3.2015	31.3.2014	31.3.2015	31.3.2014	31.3.2015	31.3.2014
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>Revenue</b>												
External customers	2,984	2,329	761	1,098	-	269	208	22	-	-	3,952	3,718
Inter-segment	621	458	7	151	-	7	-	-	(628)	(616)	-	-
<b>Total revenue</b>	<b>3,605</b>	<b>2,787</b>	<b>767</b>	<b>1,249</b>	<b>-</b>	<b>276</b>	<b>208</b>	<b>22</b>	<b>(628)</b>	<b>(616)</b>	<b>3,952</b>	<b>3,718</b>
<b>Results</b>												
Interest income	-	78	-	10	-	-	-	-	-	-	-	89
Finance costs	16	18	19	20	-	8	5	-	-	(6)	40	40
Depreciation	47	100	38	42	22	27	55	161	-	-	162	330
Segment profit/(loss)	(410)	(1,218)	(162)	(92)	(28)	(260)	(1,895)	(1,475)	22	-	(2,473)	(3,045)
<b>Segment assets</b>	<b>40,309</b>	<b>72,709</b>	<b>11,244</b>	<b>16,223</b>	<b>1,336</b>	<b>2,846</b>	<b>14,794</b>	<b>3,829</b>	<b>(10,573)</b>	<b>(12,736)</b>	<b>57,110</b>	<b>82,872</b>
<b>Segment liabilities</b>	<b>(7,450)</b>	<b>(10,681)</b>	<b>(3,639)</b>	<b>(4,402)</b>	<b>(521)</b>	<b>(1,468)</b>	<b>(32,089)</b>	<b>(12,876)</b>	<b>32,612</b>	<b>11,853</b>	<b>(11,086)</b>	<b>(17,574)</b>
<b>Capital expenditure</b>	<b>70</b>	<b>28</b>	<b>2</b>	<b>5</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>72</b>	<b>33</b>
<b>Geographical segments:</b>												
	Malaysia		Hong Kong		Singapore		Adjustments and eliminations		Per consolidated financial statements			
	31.3.2015	31.3.2014	31.3.2015	31.3.2014	31.3.2015	31.3.2014	31.3.2015	31.3.2014	31.3.2015	31.3.2014		
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000		
<b>Revenue</b>												
Revenue from external customers		3,303	3,315	208	22	441	381	-	-	3,952	3,718	
<b>Segment assets</b>		<b>49,440</b>	<b>89,173</b>	<b>14,666</b>	<b>3,468</b>	<b>3,577</b>	<b>2,860</b>	<b>(10,573)</b>	<b>(12,736)</b>	<b>57,110</b>	<b>82,872</b>	
<b>Capital expenditure</b>		<b>72</b>	<b>33</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>72</b>	<b>33</b>	

**A9. Valuation of property, plant and equipment**

The valuation of land and buildings have been brought forward from previous valuation done as at 31 December 2013.

**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 17 April 2015, the Company disposed in the open market an aggregate of 3,241,900 ordinary shares of RM0.10 each in Solution Engineering Holding Berhad at a proceed of RM1,063,343.
- On 20 April 2015, the Company disposed in the open market an aggregate of 700,000 ordinary shares of RM0.10 each in Solution Engineering Holding Berhad at a proceed of RM232,500.
- On 21 April 2015, the Company disposed in the open market an aggregate of 100,000 ordinary shares of RM0.10 each in Solution Engineering Holding Berhad at a proceed of RM32,000.
- On 23 April 2015, the Company disposed in the open market an aggregate of 200,000 ordinary shares of RM0.10 each in Solution Engineering Holding Berhad at a proceed of RM64,500.

**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 17 March 2015, the Company has incorporated a wholly-owned subsidiary in Hong Kong with the name "Itronic Management Limited" with paid up capital of HKD10,000. The intended principal activities of Itronic Management Limited is to carry on hospitality management.

**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 2014.

**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	-	-

Outstanding balance with related party as at 31 March 2015 and 31 December 2014 are as follows:

	As at 31.3.2015 Unaudited RM	As at 31.12.2014 Audited RM
Sales to an entity connected with a director of a subsidiary of the group	42,000	1,291,711

- 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):

	Q115 RM	Q114 RM	YTD 15 RM	YTD 14 RM
Interest Income	(349)	(88,504)	(349)	(88,504)
Other Income	(54,558)	(50,546)	(54,558)	(50,546)
Interest expense	32,496	39,480	32,496	39,480
Depreciation and amortization	162,276	330,247	162,276	330,247
Gain on disposal of property, plant and equipment	(30,000)	(48,590)	(30,000)	(48,590)
Realised foreign exchange (gain)/loss	(64,579)	(16,367)	(64,579)	(16,367)
Unrealised foreign exchange (gain)/loss	(47,894)	34,849	(47,894)	34,849

- a. 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**

Quarter ended 31 March 2015 (1Q15) compared with quarter ended 31 March 2014 (1Q14)

The Group's revenue was slightly higher in 1Q15 (RM3.95 million) compared to 1Q14 (RM3.72 million). This is mainly attributable to higher revenue generated in Electronics & System Integration segment and other operations. The Security Systems and M&E segment recorded a slight decrease in revenue compared to 1Q14.

The Group recorded loss before tax of approximately RM2.47 million in 1Q15 compared to RM3.04 million in 1Q14. The lower loss was mainly due to higher gross profit generated in Q115.

**B2. Material Changes in the Quarterly Results (1Q15) compared to the Results of the Preceding Quarter (4Q14)**

The Group recorded revenue of RM3.95 million in 1Q15 compared with RM2.27 million in 4Q14. Loss before tax recorded was RM2.47 million in the current quarter compared to RM7.83 million in 4Q14. Group losses has decreased mainly due to higher sales and gross profit achieved during the current quarter.

**B3. Current Year Prospects**

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

External factors such as increased globalization, increased competition in the industry, changing business trends, and other macro-economic factors are among those that need to be constantly evaluated.

The Group will continue to explore new investment opportunities and improve the efficiency of its operations to enhance shareholders' values.

**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 2015.

**B7. Sale of Properties**

There were no other material sale of properties for the financial period ended 31 March 2015.

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

**B8. Status of Corporate Proposals**

As at 20 May 2015, 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 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 2015:-

	RM
a) Secured and unsecured :	
Total secured borrowings	554,963
Total unsecured borrowings	<u>1,709,777</u>
Total borrowings	<u><u>2,264,740</u></u>
b) Short Term and Long Term	
Total short-term borrowings	1,972,133
Total long term borrowings	<u>292,607</u>
Total borrowings	<u><u>2,264,740</u></u>

All borrowings are denominated in Ringgit Malaysia.

**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 31.3.2015 RM (unaudited)	As at 31.12.2014 RM (audited)
Total accumulated losses of Industronics Berhad and its subsidiaries:		
- Realised	(49,454,615)	(46,842,023)
- Unrealised	37,915	(31,113)
Less: consolidation adjustments	32,127,620	31,975,691
Total group (accumulated losses)/retained profits as per consolidated accounts	<u>(17,289,080)</u>	<u>(14,897,445)</u>

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

**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, 20th till 23rd January 2014, 19th till 23rd May 2014, 8 August 2014, 12th till 14th November 2014 and 30th till 31st March 2015. The Arbitrator had further fixed the Arbitration for Continued Hearing on 20th May 2015.

**B13. Dividend**

No dividend has been declared in the current quarter.

**B14. Basic earnings/(loss) per share**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTERS	
	Current Year Quarter 31.3.2015	Preceding Year Quarter 31.3.2014	Current Year 31.3.2015	Preceding Year 31.3.2014
Net loss attributable to the owners of the Company for the period	(2,391,635)	(2,877,774)	(2,391,635)	(2,877,774)
Weighted average no. of ordinary shares in issue	102,762,800	101,918,700	102,762,800	101,918,700
Basic loss per share (sen)	(2.33)	(2.82)	(2.33)	(2.82)

**b) Diluted earnings/(loss) per share**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTERS	
	Current Year Quarter 31.3.2015	Preceding Year Quarter 31.3.2014	Current Year 31.3.2015	Preceding Year 31.3.2014
Net loss attributable to the owners of	(2,391,635)	(2,877,774)	(2,391,635)	(2,877,774)
Weighted average no. of ordinary shares in issue	109,382,800	109,096,600	109,382,800	109,096,600
Diluted loss per share (sen)	(2.19)	(2.64)	(2.19)	(2.64)

**B15. Authorisation For Issue**

The interim financial statements for the three (3)-months financial period ended 31 March 2015 were authorised for issue by the Board of Directors.

**BY ORDER OF THE BOARD**  
**INDUSTRONICS BERHAD**

20 May 2015