

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

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 30 JUNE 2012**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTERS	
	CURRENT YEAR QUARTER 30.6.2012 RM	PRECEDING YEAR QUARTER 30.6.2011 RM	CURRENT YEAR 30.6.2012 RM	PRECEDING YEAR 30.6.2011 RM
Revenue	9,516,521	14,646,232	20,422,290	21,559,263
Cost of Sales	<u>(6,265,072)</u>	<u>(8,360,136)</u>	<u>(12,997,964)</u>	<u>(12,603,598)</u>
Gross Profit	3,251,449	6,286,096	7,424,326	8,955,665
Other Income	330,390	116,897	510,120	235,537
Operating Expenses	<u>(4,872,027)</u>	<u>(4,951,949)</u>	<u>(9,610,031)</u>	<u>(9,586,189)</u>
Finance Costs	<u>(33,486)</u>	<u>(61,716)</u>	<u>(78,363)</u>	<u>(120,601)</u>
(Loss)/Profit before Tax	<u>(1,323,674)</u>	<u>1,389,328</u>	<u>(1,753,948)</u>	<u>(515,588)</u>
Income Tax	<u>(83,081)</u>	<u>(238,233)</u>	<u>(142,803)</u>	<u>(306,989)</u>
(Loss)/Profit for the Period	<u>(1,406,755)</u>	<u>1,151,095</u>	<u>(1,896,751)</u>	<u>(822,577)</u>
Other comprehensive (loss)/income, net of tax:				
Foreign currency translation differences for foreign operations	57,909	(1,157)	58,749	3,431
	<u>57,909</u>	<u>(1,157)</u>	<u>58,749</u>	<u>3,431</u>
Total comprehensive (loss)/income for the period	<u>(1,348,846)</u>	<u>1,149,938</u>	<u>(1,838,001)</u>	<u>(819,146)</u>
(Loss)/Profit Attributable to :				
Owners of the Company	<u>(1,603,759)</u>	<u>1,101,196</u>	<u>(2,106,869)</u>	<u>(780,390)</u>
Non-Controlling Interest	<u>197,004</u>	<u>49,899</u>	<u>210,118</u>	<u>(42,187)</u>
(Loss)/Profit for the Period	<u>(1,406,755)</u>	<u>1,151,095</u>	<u>(1,896,751)</u>	<u>(822,577)</u>
Total Comprehensive (Loss)/Income Attributable to :				
Owners of the Company	<u>(1,564,879)</u>	<u>1,086,324</u>	<u>(2,067,154)</u>	<u>(781,231)</u>
Non-Controlling Interest	<u>216,033</u>	<u>63,614</u>	<u>229,153</u>	<u>(37,915)</u>
	<u>(1,348,846)</u>	<u>1,149,938</u>	<u>(1,838,001)</u>	<u>(819,146)</u>
(Loss)/Earnings per share of RM0.50 each				
- Basic (sen)	(1.70)	1.17	(2.24)	(0.83)

(The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Annual Financial Report for the year ended 31 December 2011)

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

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2012**

	AS AT END OF CURRENT FINANCIAL YEAR END 30.6.2012 RM (Unaudited)	AS AT PRECEDING FINANCIAL YEAR END 31.12.2011 RM (Audited)
ASSETS		
Non-current assets		
Property, Plant and Equipment	15,667,801	16,011,484
Investment Properties	810,997	830,877
Other Investments	111,001	111,001
Total Non-current assets	<u>16,589,799</u>	<u>16,953,362</u>
Current Assets		
Inventories	7,941,925	7,852,354
Due from Customers on Contract	8,361,837	7,185,024
Trade & Other Receivables	13,736,006	14,834,300
Cash and Bank Balances	28,697,289	31,680,417
Total Current Assets	58,737,057	61,552,095
Assets of disposal group classified as held for sale	-	391,817
TOTAL ASSETS	<u>75,326,856</u>	<u>78,897,274</u>
EQUITY AND LIABILITIES		
Equity attributable to owners of the Company		
Share Capital	47,631,500	47,631,500
Treasury Shares, at cost	(545,154)	(545,154)
Reserves	2,633,298	4,700,452
Shareholders' funds	49,719,644	51,786,798
Non-Controlling Interest	4,103,864	3,874,711
Total equity	<u>53,823,508</u>	<u>55,661,509</u>
Non-current liabilities		
Borrowings	198,327	281,226
Deferred Tax Liabilities	1,001,777	1,001,777
Total Non-current liabilities	<u>1,200,104</u>	<u>1,283,003</u>
Current Liabilities		
Provisions	121,055	121,055
Trade & Other Payables	16,103,598	18,375,445
Borrowings	768,047	1,769,033
Current Tax Payables	571,971	965,589
Due to Customers on Contract	2,738,573	568,358
Total Current Liabilities	<u>20,303,244</u>	<u>21,799,480</u>
Liabilities directly associated with assets classified as held for sale	-	153,282
TOTAL EQUITY AND LIABILITIES	<u>75,326,856</u>	<u>78,897,274</u>
Net Assets per share of RM0.50 each (RM)	0.53	0.55

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Report for the year ended 31 December 2011)

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

**STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 30 JUNE 2012**

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Reserves									Total Equity	
	Non Distributable						Distributable	Share- holders Fund	Non-Controlling Interest		
	Share capital	Share premium	Treasury shares	Share option reserve	Foreign currency reserve	Revaluation reserves	Retained earnings/ (accumulated losses)				
RM	RM	RM	RM	RM	RM	RM	RM	RM	RM		
At 31 December 2011	47,631,500	732	(545,154)	-	(9,666)	2,889,122	1,820,264	51,786,798	3,874,711	55,661,509	
Total comprehensive gain/(loss) for the period	-	-	-	-	39,715	-	(2,106,869)	(2,067,154)	229,153	(1,838,001)	
At 30 June 2012	47,631,500	732	(545,154)	-	30,049	2,889,122	(286,605)	49,719,644	4,103,864	53,823,508	
At 31 December 2010	47,631,500	732	(545,154)	50,638	(1,925)	2,889,122	(1,619,575)	48,405,338	4,492,054	52,897,391	
Total comprehensive loss for the period	-	-	-	-	(841)	-	(780,390)	(781,231)	(37,915)	(819,146)	
Arising from disposal of a subsidiary	-	-	-	-	-	-	-	-	(507,524)	(507,524)	
Changes in fair valuation of share options granted	-	-	-	6,329	-	-	-	6,329	-	6,329	
At 30 June 2011	47,631,500	732	(545,154)	56,967	(2,766)	2,889,122	(2,399,965)	47,630,436	3,946,615	51,577,050	

(The Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the Annual Financial Report for the year ended 31 December 2011)

INDUSTRONICS BERHAD (23699-X)

(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 30 JUNE 2012**

	Current Year 6 Months Ended 30.6.2012 (Unaudited)	Preceding Year 6 Months Ended 30.6.2011 (Unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before taxation	(1,753,948)	(515,588)
Adjustments for non-cash flow:-		
Non-cash items	283,477	522,834
Non-operating items	<u>(103,588)</u>	<u>(49,976)</u>
Operating loss before changes in working capital	(1,574,059)	(42,730)
Net change in current assets	(276,164)	(3,034,517)
Net change in current liabilities	<u>(36,776)</u>	<u>(1,435,033)</u>
Cash used in operations	(1,886,999)	(4,512,280)
Interest paid	(78,361)	(120,600)
Taxes refunded	60,000	100,500
Taxes paid	<u>(497,130)</u>	<u>(192,952)</u>
Net cash used in operating activities	<u>(2,402,490)</u>	<u>(4,725,332)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(29,198)	(192,888)
Proceeds from disposal of property, plant and equipment	-	41,000
Net cash inflow from disposal of a subsidiary	214,269	64,581
Proceeds from disposal of assets held for trading investments	-	21,250
Interest received	207,717	150,914
Net cash generated from investing activities	<u>392,788</u>	<u>84,857</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Net repayment of bank borrowings	(362,623)	(134,962)
Drawdown of hire purchase	-	100,000
Net cash used in financing activities	<u>(362,623)</u>	<u>(34,962)</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(2,372,325)	(4,675,437)
Effect of exchange rate changes	58,749	3,431
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	30,413,727	20,056,659
CASH AND CASH EQUIVALENTS AT END OF PERIOD	<u>28,100,151</u>	<u>15,384,653</u>
CASH AND CASH EQUIVALENTS COMPRISE:		
Deposits, bank balances and cash	28,697,289	17,777,997
Less : Fixed deposit not readily available for use	<u>-</u>	<u>(171,946)</u>
	28,697,289	17,606,051
Bank overdraft	<u>(597,138)</u>	<u>(2,221,398)</u>
	<u>28,100,151</u>	<u>15,384,653</u>

(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Annual Financial Report for the year ended 31 December 2011)

INDUSTRONICS BERHAD (23699-X)

(Incorporated in Malaysia)

NOTES TO THE INTERIM FINANCIAL REPORT

A1. 1. Basis of preparation

These condensed consolidated interim financial statements, for the period ended 30 June 2012, have been prepared in accordance with MFRS 134 Interim Financial Reporting and Paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad. These condensed consolidated interim financial statements also comply with IAS 34 Interim Financial Reporting issued by the International Accounting Standards Board. For the periods up to and including the year ended 31 December 2011, the Group prepared its financial statements in accordance with Financial Reporting Standards ("FRS").

These condensed consolidated interim financial statements are the Group's first MFRS condensed consolidated interim financial statements for part of the period covered by the Group's first MFRS annual financial statements for the year ending 31 December 2012. MFRS 1 First-Time Adoption of Malaysian Financial Reporting Standards ("MFRS 1") has been applied. The transition from FRS to MFRS does not have any material impact on the financial position and the statement of cash flows to the Group.

A2. Auditors' report on preceding annual financial statements

The Group's financial statements for the year ended 31 December 2011 is not qualified.

A3. Seasonal or Cyclical Factors

The business operations of the Group is generally non seasonal. The nature of the group's business is primarily project based and hence impact on the Group subjected to systemic market risk.

A4. Extraordinary Items

Not applicable under the new and revised FRSs

A5. **Changes in estimates**

There is no significant change in estimates of amounts reported in prior interim periods of the current or in previous financial year.

A6. **Debt and Equity Securities**

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

a. Issuance of equity

There is no new shares issued in the current quarter under review.

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

No shares were bought back during the quarter under review.

The total number of shares held as treasury shares as at 30 June 2012 was 1,131,000 at an average price per share of RM0.482. None of the treasury shares were sold or cancelled during the current quarter.

A7. **Dividend paid**

There were no dividends paid during the current period.

A8. Segmental Reporting

With effect from Q2 2012, the Group has reorganised its business 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. |

The comparatives of these reportable operating segments have been restated accordingly.

A8. Segmental Reporting (Continued)

(a) Information about reportable segments

Business segments:														
Individual quarter ended	Electronics & System Integration		Security Systems & M&E		Environmental & Scada System		Sheet Metal Fabrication		Other Operations		Adjustments and Eliminations		Per consolidated Financial Statements	
	30.6.2012	30.6.2011	30.6.2012	30.6.2011	30.6.2012	30.6.2011	30.6.2012	30.6.2011	30.6.2012	30.6.2011	30.6.2012	30.6.2011	30.6.2012	30.6.2011
	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
		(restated)		(restated)		(restated)		(restated)		(restated)		(restated)		(restated)
Revenue														
External customers	2,648	11,553	4,409	804	839	788	1,526	1,293	94	208	-	-	9,516	14,646
Inter-segment	593	3,333	16	24	-	50	33	180	47	278	(689)	(3,864)	-	-
Total revenue	3,241	14,886	4,425	827	839	838	1,559	1,474	141	486	(689)	(3,864)	9,516	14,646
Results														
Interest income	115	65	-	9	-	-	-	-	-	-	(6)	-	109	74
Finance costs	20	39	7	6	-	1	11	14	1	4	(6)	-	33	63
Depreciation	103	107	33	39	4	4	39	40	16	39	-	-	195	228
Segment profit/(loss)	(1,414)	2,372	135	(718)	(73)	78	249	163	(222)	483	2	(988)	(1,324)	1,389
Segment assets	61,676	56,273	16,080	12,495	1,396	1,335	3,734	4,123	478	737	(8,037)	(3,752)	75,327	71,211
Segment liabilities	(12,527)	(13,322)	(8,352)	(3,272)	(2,915)	(2,347)	(2,324)	(2,202)	(7,585)	(7,304)	12,200	8,813	(21,503)	(19,634)
Capital expenditure	18	152	-	1	-	10	-	6	1	2	-	-	19	171
Geographical segments:														
			Malaysia		Singapore		Vietnam		Adjustments and eliminations		Per consolidated financial statements			
	30.6.2012	30.6.2011	30.6.2012	30.6.2011	30.6.2012	30.6.2011	30.6.2012	30.6.2011	30.6.2012	30.6.2011	30.6.2012	30.6.2011		
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000		
		(restated)		(restated)		(restated)		(restated)		(restated)		(restated)		
Revenue														
Revenue from external customers					7,777	10,764	1,507	3,882	232	-	-	-	9,516	14,646
Segment assets					80,333	71,329	2,793	3,478	238	156	(8,037)	(3,752)	75,327	71,211
Capital expenditure					19	171	-	-	-	-	-	-	19	171

Business segments:															
	Electronics & System Integration		Security Systems & M&E		Environmental & Scada System		Sheet Metal Fabrication		Other Operations		Adjustments and Eliminations		Per consolidated Financial Statements		
Cumulative quarters ended	30.6.2012	30.6.2011	30.6.2012	30.6.2011	30.6.2012	30.6.2011	30.6.2012	30.6.2011	30.6.2012	30.6.2011	30.6.2012	30.6.2011	30.6.2012	30.6.2011	
	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	
		(restated)		(restated)		(restated)		(restated)		(restated)		(restated)		(restated)	
Revenue															
External customers	10,058	16,086	6,005	1,735	1,055	795	2,860	2,606	444	337	-	-	20,422	21,559	
Inter-segment	1,932	4,636	17	24	-	50	62	216	68	363	(2,079)	(5,288)	-	-	
Total revenue	11,990	20,722	6,022	1,759	1,055	845	2,922	2,822	513	700	(2,079)	(5,288)	20,422	21,559	
Results															
Interest income	220	129	1	22	-	-	-	-	-	-	(13)	-	208	151	
Finance costs	52	77	10	11	1	1	26	28	2	5	(13)	-	78	121	
Depreciation	205	210	67	99	8	8	80	80	33	113	-	-	392	510	
Segment profit/(loss)	(1,123)	1,701	(223)	(1,424)	(304)	(198)	231	139	(337)	264	2	(998)	(1,754)	(516)	
Segment assets	61,676	56,273	16,080	12,495	1,396	1,335	3,734	4,123	478	737	(8,037)	(3,752)	75,327	71,211	
Segment liabilities	(12,527)	(13,322)	(8,352)	(3,272)	(2,915)	(2,347)	(2,324)	(2,202)	(7,585)	(7,304)	12,200	8,813	(21,503)	(19,634)	
Capital expenditure	23	166	1	3	1	10	3	8	1	5	-	-	29	192	
Geographical segments:															
					Malaysia		Singapore		Vietnam		Adjustments and eliminations		Per consolidated financial statements		
					30.6.2012	30.6.2011	30.6.2012	30.6.2011	30.6.2012	30.6.2011	30.6.2012	30.6.2011	30.6.2012	30.6.2011	
					RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
						(restated)		(restated)		(restated)		(restated)		(restated)	
Revenue															
Revenue from external customers					18,161	16,022	2,002	5,538	259	-	-	-	-	20,422	21,559
Segment assets					80,363	71,329	2,886	3,478	115	156	(8,037)	(3,752)	75,327	71,211	
Capital expenditure					26	192	3	-	-	-	-	-	29	192	

A9. Valuation of property, plant and equipment

The valuations of land and building have been brought forward, without amendment from the previous annual financial statements.

A10. Subsequent Events

As at the date of this report, there are no material events subsequent to the end of the period reported on that have not been reflected in the financial statement for the said period.

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

The Group disposed of its entire 100% equity interest in SKT Innova Sdn Bhd on 27 February 2012 for a total consideration of RM265,979.

A11. Effect of Changes in the Composition of the Group (Continued)

The disposal has the following financial effects on the Group for financial period ended 30 June 2012:-

	RM
Property, plant and equipment	(5,089)
Inventories	(125,005)
Trade and other receivables	(263,225)
Cash and bank balances	(51,710)
Trade and other payables	<u>153,282</u>
	(291,747)
Disposal proceeds	<u>265,979</u>
Loss on disposal to the Group	<u><u>(25,768)</u></u>
Disposal proceeds settled by:-	
Cash	265,979
Cash inflow/(outflow) arising from disposals:	
Cash consideration	265,979
Cash and cash equivalents of subsidiary disposed	<u>(51,710)</u>
Net cash inflow from disposal	<u><u>214,269</u></u>

A12. Contingent Liabilities

There were no material changes in contingent liabilities since the last audited balance sheet date.

A13. Related Party Transactions

a. There is no significant transactions and balances with related parties of the Group during the current quarter.

b. Save as disclosed below, 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.

	Individual Current Quarter RM	Cumulative Quarters Current RM
i. Repayment of advance to a shareholder of a subsidiary by the subsidiary	50,000	50,000
c. Outstanding balance arising from the above transactions with related party as at 30 June 2012 and 31 December 2011 are as follows:		
	As at 30.6.2012	As at 31.12.2011
i. Advance from a non-controlling shareholder of a subsidiary to the subsidiary	150,000	200,000

A14. Profit/(loss) Before Taxation

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

	Q212	Q211	YTD 12	YTD 11
Interest income	(108,387)	(74,174)	(207,717)	(150,914)
Other income	(330,389)	(116,896)	(510,120)	(235,537)
Interest expense	33,486	61,716	78,363	120,601
Depreciation	195,428	227,827	392,370	510,192
Realised foreign exchange loss/(gain)	(33,107)	(3,007)	1,467	11,042
Unrealised foreign exchange (gain)/loss	(137,170)	12,704	(18,664)	108,990

ADDITIONAL INFORMATION REQUIRED BY THE BMSB LISTING REQUIREMENTS

B1. Review of Performance

Quarter ended 30 June 2012(2Q12) compared with quarter ended 30 June 2011(2Q11)

Group revenue decreased to RM9.5 million compared to RM14.6 million in 2Q11 due mainly to significant low revenue recorded for electronics & system integration segment. The continued progress in M&E project activities contributed to the increase in revenue for security system & M&E segment of RM4.4 million in 2Q12. The decline in Group revenue resulted in the loss before tax of RM1.3 million in the current quarter.

Current financial period ended 30 June 2012(6M12) compared with previous financial period ended 30 June 2011(6M11)

Group recorded a slight decrease in revenue from RM21.6 million(6M11) to RM20.4 million(6M12). A significant decrease in revenue is recorded in the electronics & system integration segment from RM16.1 million(6M11) to RM10.1 million(6M12) but this was partially offset by an increase in security systems & M&E segment from RM1.7 million(6M11) to RM6.0 million(6M12). The decline in Group revenue and lower gross profit margin on several key projects resulted in higher loss before tax of RM1.8 million(6M12) compared to RM0.5 million(6M11).

B2. Material Changes in the Quarterly Results (2Q12) compared to the Results of the Preceding Quarter (1Q12)

Group revenue recorded RM9.5 million in 2Q12 compared with RM10.9 million in 1Q12. Revenue for electronics & system integration segment has declined from RM7.4 million in 1Q12 to RM2.6 million in 2Q12. Loss before tax increased to RM1.3 million in 2Q12 from RM0.43 million in 1Q12 due to lower gross margin on several key projects.

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 our 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 businesss. 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:-

	Individual Current Quarter RM	Cumulative Quarters Current RM
Current taxation	83,081	142,803
Deferred taxation	-	-
	<u>83,081</u>	<u>142,803</u>

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

B6. Profit on Sale of Unquoted Investments and/or Properties

There were no sales or purchases of unquoted investments and properties during the current quarter.

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 the date of this report, there were no corporate proposals announced.

B9. Group Borrowings and Debt Securities

Total Group Borrowings as at 30 June 2012:-

RM

a) Secured and unsecured :

Total secured borrowings
Total unsecured borrowings
Total borrowings

369,236
597,138
966,374

b) Short Term and Long Term

Total short-term borrowings
Total long term borrowings
Total borrowings

768,047
198,327
966,374

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 30.6.2012 RM	As at 31.12.2011
Total accumulated losses of Industronics Berhad and its subsidiaries:		
- Realised	(15,845,822)	(13,736,870)
- Unrealised	(220,573)	(430,842)
Less: consolidation adjustments	15,779,790	15,987,976
Total group (accumulated losses)/retained profits as per consolidated accounts	<u>(286,605)</u>	<u>1,820,264</u>

B12. Material Litigations

There are no material litigations since the last financial quarter except the following:

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 Arbitration Hearing was held from 12th - 16th March 2012 before the Arbitrator and the Arbitrator had further fixed the Arbitration for Continued Hearing from 18th until 21st September 2012 and from 9th until 12th October 2012.

B13. Dividend

No dividend has been proposed in the current quarter.

B14. Basic earnings/(loss) per share

	INDIVIDUAL QUARTER		CUMULATIVE QUARTERS	
	CURRENT YEAR QUARTER 30.6.2012	PRECEDING YEAR QUARTER 30.6.2011	CURRENT YEAR 30.6.2012	PRECEDING YEAR 30.6.2011
Basic earnings/(loss) per share				
Net loss for the period	(1,603,759)	1,101,196	(2,106,869)	(780,390)
Weighted average no. of ordinary shares in issue	94,132,000	94,132,000	94,132,000	94,132,000
Basic earnings/(loss) per share (sen)	(1.70)	1.17	(2.24)	(0.83)

B15. Authorisation For Issue

The interim financial statements were authorised for issue by the Board of Directors.

BY ORDER OF THE BOARD
INDUSTRONICS BERHAD

28 Aug 2012