

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

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

	INDIVIDUAL QUARTER		CUMULATIVE QUARTERS	
	CURRENT YEAR QUARTER 30.9.2012 RM	PRECEDING YEAR QUARTER 30.9.2011 RM	CURRENT YEAR 30.9.2012 RM	PRECEDING YEAR 30.9.2011 RM
Revenue	13,491,091	11,303,717	33,913,381	32,862,980
Cost of Sales	<u>(9,364,841)</u>	<u>(6,203,794)</u>	<u>(22,362,805)</u>	<u>(18,807,392)</u>
Gross Profit	4,126,250	5,099,923	11,550,576	14,055,588
Other Income	141,916	105,813	652,036	323,512
Operating Expenses	<u>(4,897,368)</u>	<u>(4,929,337)</u>	<u>(14,507,399)</u>	<u>(14,497,688)</u>
Finance Costs	<u>(34,425)</u>	<u>(52,601)</u>	<u>(112,788)</u>	<u>(173,202)</u>
(Loss)/Profit before Tax	(663,627)	223,798	(2,417,574)	(291,790)
Income Tax	<u>603,545</u>	<u>(175,817)</u>	<u>460,742</u>	<u>(482,806)</u>
(Loss)/Profit for the Period	<u>(60,082)</u>	<u>47,981</u>	<u>(1,956,832)</u>	<u>(774,596)</u>
Other comprehensive (loss)/income, net of tax:				
Foreign currency translation differences for foreign operations	4,566	5,702	63,315	9,132
	<u>4,566</u>	<u>5,702</u>	<u>63,315</u>	<u>9,132</u>
Total comprehensive (loss)/income for the period	<u>(55,516)</u>	<u>53,683</u>	<u>(1,893,517)</u>	<u>(765,464)</u>
(Loss)/Profit Attributable to :				
Owners of the Company	(519,792)	86,304	(2,626,660)	(694,086)
Non-Controlling Interest	<u>459,710</u>	<u>(38,323)</u>	<u>669,828</u>	<u>(80,510)</u>
(Loss)/Profit for the Period	<u>(60,082)</u>	<u>47,981</u>	<u>(1,956,832)</u>	<u>(774,596)</u>
Total Comprehensive (Loss)/Income Attributable to :				
Owners of the Company	(514,744)	90,056	(2,581,898)	(691,176)
Non-Controlling Interest	<u>459,228</u>	<u>(36,373)</u>	<u>688,381</u>	<u>(74,288)</u>
	<u>(55,516)</u>	<u>53,683</u>	<u>(1,893,517)</u>	<u>(765,464)</u>
(Loss)/Earnings per share of RM0.50 each				
- Basic (sen)	(0.55)	0.09	(2.79)	(0.74)

(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 SEPTEMBER 2012**

	AS AT END OF CURRENT FINANCIAL YEAR END 30.9.2012 RM (Unaudited)	AS AT PRECEDING FINANCIAL YEAR END 31.12.2011 RM (Audited)
ASSETS		
Non-current assets		
Property, Plant and Equipment	15,525,830	16,011,484
Investment Properties	801,057	830,877
Other Investments	111,001	111,001
Total Non-current assets	<u>16,437,888</u>	<u>16,953,362</u>
Current Assets		
Inventories	7,425,097	7,852,354
Due from Customers on Contract	9,255,009	7,185,024
Trade & Other Receivables	14,938,584	14,834,300
Cash and Bank Balances	29,310,071	31,680,417
Total Current Assets	60,928,761	61,552,095
Assets of disposal group classified as held for sale	-	391,817
TOTAL ASSETS	<u>77,366,649</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	2,118,555	4,700,452
Shareholders' funds	49,204,901	51,786,798
Non-Controlling Interest	4,563,092	3,874,711
Total equity	<u>53,767,993</u>	<u>55,661,509</u>
Non-current liabilities		
Borrowings	217,825	281,226
Deferred Tax Liabilities	1,001,777	1,001,777
Total Non-current liabilities	<u>1,219,602</u>	<u>1,283,003</u>
Current Liabilities		
Provisions	121,055	121,055
Trade & Other Payables	18,299,744	18,375,445
Borrowings	1,938,451	1,769,033
Current Tax Payables	115,005	965,589
Due to Customers on Contract	1,904,799	568,358
Total Current Liabilities	<u>22,379,054</u>	<u>21,799,480</u>
Liabilities directly associated with assets classified as held for sale	-	153,282
TOTAL EQUITY AND LIABILITIES	<u>77,366,649</u>	<u>78,897,274</u>
Net Assets per share of RM0.50 each (RM)	0.52	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 SEPTEMBER 2012**

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Reserves									Total Equity
	Non Distributable						Distributable Retained earnings/ (accumulated losses)	Share- holders Fund	Non-Controlling Interest	
	Share capital	Share premium	Treasury shares	Share option reserve	Foreign currency reserve	Revaluation reserves				
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	-	-	-	-	44,763	-	(2,626,660)	(2,581,897)	688,381	(1,893,516)
At 30 September 2012	47,631,500	732	(545,154)	-	35,097	2,889,122	(806,396)	49,204,901	4,563,092	53,767,993
At 31 December 2010	47,631,500	732	(545,154)	50,638	(1,925)	2,889,122	(1,619,575)	48,405,337	4,492,054	52,897,391
Total comprehensive loss for the period	-	-	-	-	2,910	-	(694,086)	(691,176)	(74,288)	(765,464)
Arising from disposal of a subsidiary	-	-	-	-	-	-	-	-	(507,524)	(507,524)
Changes in fair valuation of share options granted	-	-	-	9,494	-	-	-	9,494	-	9,494
At 30 September 2011	47,631,500	732	(545,154)	60,132	985	2,889,122	(2,313,661)	47,723,655	3,910,242	51,633,897

(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 SEPTEMBER 2012**

	Current Year 9 Months Ended 30.9.2012 (Unaudited)	Preceding Year 9 Months Ended 30.9.2011 (Unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before taxation	(2,417,574)	(291,790)
Adjustments for non-cash flow:-		
Non-cash items	492,286	743,235
Non-operating items	<u>(173,803)</u>	<u>(66,558)</u>
Operating (loss)/profit before changes in working capital	(2,099,092)	384,887
Net change in current assets	(1,696,742)	(2,134,844)
Net change in current liabilities	<u>2,527,424</u>	<u>(2,691,290)</u>
Cash used in operations	(1,268,411)	(4,441,247)
Interest paid	(112,787)	(173,200)
Taxes refunded	60,000	100,500
Taxes paid	<u>(532,353)</u>	<u>(231,984)</u>
Net cash used in operating activities	<u>(1,853,550)</u>	<u>(4,745,931)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(69,694)	(253,030)
Proceeds from disposal of property, plant and equipment	-	56,000
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	312,358	220,097
Net cash generated from investing activities	<u>456,933</u>	<u>108,898</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Net repayment of bank borrowings	(414,915)	(204,245)
Drawdown of hire purchase	80,000	100,000
Net decrease in pledged fixed deposits	-	171,946
Net cash (used in)/generated from financing activities	<u>(334,915)</u>	<u>67,701</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(1,731,532)	(4,569,332)
Effect of exchange rate changes	63,315	9,132
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	30,413,727	20,056,658
CASH AND CASH EQUIVALENTS AT END OF PERIOD	<u>28,745,511</u>	<u>15,496,458</u>
CASH AND CASH EQUIVALENTS COMPRISE:		
Deposits, bank balances and cash	29,310,071	17,376,990
Less : Fixed deposit not readily available for use	<u>-</u>	<u>-</u>
	29,310,071	17,376,990
Bank overdraft	<u>(564,560)</u>	<u>(1,880,532)</u>
	<u>28,745,511</u>	<u>15,496,458</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 September 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 September 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	
	30.9.2012	30.9.2011	30.9.2012	30.9.2011	30.9.2012	30.9.2011	30.9.2012	30.9.2011	30.9.2012	30.9.2011	30.9.2012	30.9.2011	30.9.2012	30.9.2011
	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	7,712	8,851	4,209	635	232	524	1,211	1,181	127	113	-	-	13,491	11,304
Inter-segment	1,293	2,660	294	1	1,731	3	83	201	29	156	(3,429)	(3,021)	-	-
Total revenue	9,005	11,510	4,503	637	1,963	528	1,294	1,382	156	268	(3,429)	(3,021)	13,491	11,304
Results														
Interest income	111	66	0	4	-	-	-	-	-	-	(6)	-	105	69
Finance costs	23	33	6	7	0	0	11	16	1	2	(6)	(6)	35	52
Depreciation	103	111	33	64	4	4	37	38	16	39	-	-	193	256
Segment profit/(loss)	(518)	1,099	185	(626)	(192)	(199)	15	72	(56)	(128)	(97)	6	(663)	224
Segment assets	61,645	55,698	18,268	11,701	1,066	978	3,701	4,132	495	598	(7,809)	(3,271)	77,367	69,835
Segment liabilities	(13,039)	(11,464)	(9,731)	(3,100)	(2,777)	(2,189)	(2,274)	(2,194)	(7,638)	(7,261)	11,860	8,006	(23,599)	(18,201)
Capital expenditure	25	7	14	2	0	4	1	48	1	-	-	-	41	60
Geographical segments:														
					Malaysia		Singapore		Vietnam		Adjustments and eliminations		Per consolidated financial statements	
					30.9.2012	30.9.2011	30.9.2012	30.9.2011	30.9.2012	30.9.2011	30.9.2012	30.9.2011	30.9.2012	30.9.2011
					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					11,752	8,609	1,507	2,694	232	-	-	-	13,491	11,304
Segment assets					82,144	68,940	2,793	4,004	238	162	(7,809)	(3,271)	77,367	69,835
Capital expenditure					41	60	-	-	-	-	-	-	41	60

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	30.9.2012	30.9.2011	30.9.2012	30.9.2011	30.9.2012	30.9.2011	30.9.2012	30.9.2011	30.9.2012	30.9.2011	30.9.2012	30.9.2011	30.9.2012	30.9.2011
	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	17,770	24,937	10,214	2,371	1,287	1,320	4,071	3,786	571	450	-	-	33,913	32,863
Inter-segment	3,224	7,296	311	25	1,731	53	145	417	98	518	(5,508)	(8,309)	-	-
Total revenue	20,994	32,232	10,525	2,396	3,018	1,373	4,216	4,203	668	968	(5,508)	(8,309)	33,913	32,863
Results														
Interest income	331	195	1	25	-	-	-	-	-	-	(19)	-	312	220
Finance costs	75	109	16	18	1	1	37	44	3	7	(19)	(6)	113	173
Depreciation	308	322	100	163	11	12	117	118	49	151	-	-	585	765
Segment profit/(loss)	(1,641)	2,800	(38)	(2,050)	(496)	(397)	246	211	(393)	136	(95)	(992)	(2,418)	(292)
Segment assets	61,645	55,698	18,268	11,701	1,066	978	3,701	4,132	495	598	(7,809)	(3,271)	77,367	69,835
Segment liabilities	(13,039)	(11,464)	(9,731)	(3,100)	(2,777)	(2,189)	(2,274)	(2,194)	(7,638)	(7,261)	11,860	8,006	(23,599)	(18,201)
Capital expenditure	48	173	16	5	1	14	4	55	1	5	-	-	69	252
Geographical segments:														
			Malaysia		Singapore		Vietnam				Adjustments and eliminations		Per consolidated financial statements	
	30.9.2012	30.9.2011	30.9.2012	30.9.2011	30.9.2012	30.9.2011	30.9.2012	30.9.2011	30.9.2012	30.9.2011	30.9.2012	30.9.2011	30.9.2012	30.9.2011
	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)
Revenue														
Revenue from external customers					30,699	24,631	2,865	8,232	349	-	-	-	33,913	32,863
Segment assets					82,055	68,941	2,921	4,004	200	162	(7,809)	(3,271)	77,367	69,835
Capital expenditure					66	252	3	-	-	-	-	-	69	252

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 September 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
c. Outstanding balance arising from the above transactions with related party as at 30 September 2012 and 31 December 2011 are as follows:		
	As at 30.9.2012	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):

	Q312	Q311	YTD 12	YTD 11
Interest income	(104,641)	(69,183)	(312,358)	(220,097)
Other income	(141,916)	(105,813)	(652,036)	(323,512)
Interest expense	34,425	52,601	112,788	173,202
Depreciation	192,408	255,019	584,778	765,211
Realised foreign exchange loss/(gain)	82,949	28,125	84,416	39,167
Unrealised foreign exchange (gain)/loss	23,291	(44,119)	4,627	64,871

ADDITIONAL INFORMATION REQUIRED BY THE BMSB LISTING REQUIREMENTS

B1. Review of Performance

Quarter ended 30 September 2012(3Q12) compared with quarter ended 30 September 2011(3Q11)

Group revenue increased to RM13.5 million compared to RM11.3 million in 3Q11 due mainly to significant increase in revenue recorded for security systems & M&E segment. The continued progress in M&E project activities contributed to the increase in revenue for security system & M&E segment of RM4.2 million in 3Q12. The Group incurred losses of RM0.7 million compared to profit of RM0.2 million despite higher revenue mainly due to lower gross profit margin on several key projects.

Current financial period ended 30 September 2012(9M12) compared with previous financial period ended 30 September 2011(9M11)

Group recorded a slight increase in revenue from RM32.9 million(9M11) to RM33.9 million(9M12). A significant increase in revenue is recorded in the security systems & M&E segment from RM2.4 million(9M11) to RM10.2 million(9M12) but this was partially offset by a decrease in electronics & system integration segment from RM24.9 million(9M11) to RM17.8 million(9M12). The Group incurred higher losses of RM2.4 million in 9M12 compared to RM0.3 million in 9M11 despite higher revenue mainly due to lower gross profit margin on several key projects.

B2. Material Changes in the Quarterly Results (3Q12) compared to the Results of the Preceding Quarter (2Q12)

Group revenue recorded RM13.5 million in 3Q12 compared with RM9.5 million in 2Q12. Revenue for electronics & system integration segment has increased from RM2.6 million in 2Q12 to RM7.7 million in 3Q12. Loss before tax decreased to RM0.7 million in 3Q12 from RM1.3 million in 2Q12 due to higher revenue.

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	(603,545)	(460,742)
Deferred taxation	-	-
	<u>(603,545)</u>	<u>(460,742)</u>

The effective tax rate of the Group is lower than the statutory tax rate for the current quarter and cumulative quarters to date principally due to writeback of overprovision of taxes in prior years.

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 September 2012:-

	RM
a) Secured and unsecured :	
Total secured borrowings	396,944
Total unsecured borrowings	<u>1,759,332</u>
Total borrowings	<u><u>2,156,276</u></u>
b) Short Term and Long Term	
Total short-term borrowings	1,938,451
Total long term borrowings	<u>217,825</u>
Total borrowings	<u><u>2,156,276</u></u>

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 30.9.2012 RM	As at 31.12.2011
Total accumulated losses of Industronics Berhad and its subsidiaries:		
- Realised	(15,725,157)	(13,736,870)
- Unrealised	(304,224)	(430,842)
Less: consolidation adjustments	15,222,985	15,987,976
Total group (accumulated losses)/retained profits as per consolidated accounts	<u>(806,396)</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 Arbitrator Hearing was held on 18th till 21st September 2012 and from 9th till 12th October 2012 respectively and the Arbitrator had further fixed the Arbitration for continued Hearing on 8th to 12th April 2013, 22nd to 26th April 2013 and 13th to 17th May 2013.

B13. Dividend

No dividend has been proposed in the current quarter.

B14. Basic earnings/(loss) per share

	INDIVIDUAL QUARTER		CUMULATIVE QUARTERS	
	CURRENT YEAR QUARTER 30.9.2012	PRECEDING YEAR QUARTER 30.9.2011	CURRENT YEAR 30.9.2012	PRECEDING YEAR 30.9.2011
Basic earnings/(loss) per share				
Net (loss)/profit for the period	(519,792)	86,304	(2,626,660)	(694,086)
Weighted average no. of ordinary shares in issue	94,132,000	94,132,000	94,132,000	94,132,000
Basic (loss)/earnings per share (sen)	(0.55)	0.09	(2.79)	(0.74)

B15. Authorisation For Issue

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

BY ORDER OF THE BOARD
INDUSTRONICS BERHAD

27 Nov 2012