

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

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 31 DECEMBER 2012**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTERS	
	CURRENT YEAR QUARTER 31.12.2012 RM	PRECEDING YEAR QUARTER 31.12.2011 RM	CURRENT YEAR 31.12.2012 RM	PRECEDING YEAR 31.12.2011 RM
Revenue	16,764,522	26,501,233	50,677,903	59,364,213
Cost of Sales	<u>(10,788,186)</u>	<u>(16,891,157)</u>	<u>(33,150,991)</u>	<u>(35,698,550)</u>
Gross Profit	5,976,336	9,610,076	17,526,912	23,665,663
Other Income	376,755	459,799	1,028,791	765,472
Operating Expenses	<u>(5,774,226)</u>	<u>(5,584,475)</u>	<u>(20,281,625)</u>	<u>(20,064,324)</u>
Finance Costs	<u>(39,183)</u>	<u>(75,174)</u>	<u>(151,971)</u>	<u>(248,376)</u>
Profit/(loss) before Tax	539,681	4,410,225	(1,877,893)	4,118,435
Income Tax	<u>43,734</u>	<u>(67,616)</u>	<u>504,476</u>	<u>(550,422)</u>
Profit/(loss) for the Period	<u>583,415</u>	<u>4,342,609</u>	<u>(1,373,417)</u>	<u>3,568,013</u>
Other comprehensive income/(loss), net of tax:				
Foreign currency translation differences for foreign operations	11,420	(16,021)	74,735	(6,889)
	<u>11,420</u>	<u>(16,021)</u>	<u>74,735</u>	<u>(6,889)</u>
Total comprehensive income/(loss) for the period	<u>594,835</u>	<u>4,326,588</u>	<u>(1,298,682)</u>	<u>3,561,124</u>
Profit/(loss) Attributable to :				
Owners of the Company	385,353	4,083,287	(2,241,307)	3,389,201
Non-Controlling Interest	<u>198,062</u>	<u>259,322</u>	<u>867,890</u>	<u>178,812</u>
Profit/(loss) for the Period	<u>583,415</u>	<u>4,342,609</u>	<u>(1,373,417)</u>	<u>3,568,013</u>
Total Comprehensive Income/(loss) Attributable to :				
Owners of the Company	391,182	4,072,637	(2,190,715)	3,381,461
Non-Controlling Interest	<u>203,653</u>	<u>253,951</u>	<u>892,033</u>	<u>179,663</u>
	<u>594,835</u>	<u>4,326,588</u>	<u>(1,298,682)</u>	<u>3,561,124</u>
Earnings/(loss) per share of RM0.50 each				
- Basic (sen)	0.41	4.34	(2.38)	3.60

(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 31 DECEMBER 2012**

	AS AT END OF CURRENT FINANCIAL YEAR END 31.12.2012 RM (Unaudited)	AS AT PRECEDING FINANCIAL YEAR END 31.12.2011 RM (Audited)
ASSETS		
Non-current assets		
Property, Plant and Equipment	15,356,175	16,011,484
Investment Properties	791,115	830,877
Other Investments	117,001	111,001
Total Non-current assets	<u>16,264,291</u>	<u>16,953,362</u>
Current Assets		
Inventories	7,216,035	7,852,354
Due from Customers on Contract	10,022,538	7,185,024
Trade & Other Receivables	16,628,741	14,834,300
Cash and Bank Balances	29,747,545	31,680,417
Total Current Assets	63,614,859	61,552,095
Assets of disposal group classified as held for sale	-	391,817
TOTAL ASSETS	<u>79,879,150</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	2,509,737	4,700,452
Shareholders' funds	49,596,083	51,786,798
Non-Controlling Interest	4,766,744	3,874,711
Total equity	<u>54,362,827</u>	<u>55,661,509</u>
Non-current liabilities		
Borrowings	114,641	281,226
Deferred Tax Liabilities	943,754	1,001,777
Total Non-current liabilities	<u>1,058,395</u>	<u>1,283,003</u>
Current Liabilities		
Provisions	158,068	121,055
Trade & Other Payables	20,569,195	18,375,445
Borrowings	3,481,935	1,769,033
Current Tax Payables	60,746	965,589
Due to Customers on Contract	187,984	568,358
Total Current Liabilities	<u>24,457,928</u>	<u>21,799,480</u>
Liabilities directly associated with assets classified as held for sale	-	153,282
TOTAL EQUITY AND LIABILITIES	<u>79,879,150</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 31 DECEMBER 2012**

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Reserves						Shareholders Fund	Non-Controlling Interest	Total Equity	
	Non Distributable				Distributable					
	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		
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 loss for the year	-	-	-	-	50,592	-	(2,241,307)	(2,190,715)	892,033	(1,298,682)
At 31 December 2012	47,631,500	732	(545,154)	-	40,926	2,889,122	(421,043)	49,596,083	4,766,744	54,362,827
At 31 December 2010	47,631,500	732	(545,154)	50,638	(1,926)	2,889,122	(1,619,575)	48,405,337	4,492,054	52,897,391
Total comprehensive income for the year	-	-	-	-	(7,740)	-	3,389,201	3,381,461	179,663	3,561,124
Dividends paid to non-controlling shareholders of a subsidiary	-	-	-	-	-	-	-	-	(289,482)	(289,482)
Arising from disposal of a subsidiary	-	-	-	-	-	-	-	-	(507,524)	(507,524)
Realisation of reserve arising from termination of share option previously granted	-	-	-	(50,638)	-	-	50,638	-	-	-
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

(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 31 DECEMBER 2012**

	Current Year 12 Months Ended 31.12.2012 (Unaudited)	Preceding Year 12 Months Ended 31.12.2011 (Audited)
CASH FLOWS FROM OPERATING ACTIVITIES		
(Loss)/profit before taxation	(1,877,893)	4,118,435
Adjustments for non-cash flow:-		
Non-cash items	1,502,377	1,636,851
Non-operating items	<u>(357,614)</u>	<u>(156,053)</u>
Operating (loss)/profit before changes in working capital	(733,130)	5,599,233
Net change in current assets	(4,971,753)	2,335,472
Net change in current liabilities	<u>1,922,696</u>	<u>4,755,689</u>
Cash (used in)/generated from operations	(3,782,188)	12,690,394
Interest paid	(151,746)	(144,658)
Taxes refunded	190,786	133,202
Taxes paid	<u>(490,389)</u>	<u>(238,794)</u>
Net cash (used in)/generated from operating activities	<u>(4,233,537)</u>	<u>12,440,144</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(77,074)	(228,811)
Proceeds from disposal of property, plant and equipment	-	154,394
Net cash inflow from disposal of a subsidiary	214,269	64,581
Proceeds from disposal of assets held for trading investments	-	21,251
Interest received	535,128	302,874
Net cash generated from investing activities	<u>672,323</u>	<u>314,289</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividends paid to non-controlling shareholders of a subsidiary	-	(289,482)
Net (repayment)/drawdown of bank borrowings	1,727,131	(2,241,407)
Drawdown of hire purchase	80,000	100,000
Net decrease in pledged fixed deposits	-	171,946
Net cash generated from/(used in) financing activities	<u>1,807,131</u>	<u>(2,258,943)</u>
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(1,754,083)	10,495,490
Effect of exchange rate changes	74,735	(138,421)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	30,413,727	20,056,658
CASH AND CASH EQUIVALENTS AT END OF PERIOD	<u>28,734,379</u>	<u>30,413,727</u>
CASH AND CASH EQUIVALENTS COMPRISE:		
Deposits, bank balances and cash	29,747,545	31,732,127
Bank overdraft	<u>(1,013,166)</u>	<u>(1,318,400)</u>
	<u>28,734,379</u>	<u>30,413,727</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. Basis of preparation

These condensed consolidated interim financial statements, for the period ended 31 December 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 31 December 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	
	31.12.2012	31.12.2011	31.12.2012	31.12.2011	31.12.2012	31.12.2011	31.12.2012	31.12.2011	31.12.2012	31.12.2011	31.12.2012	31.12.2011	31.12.2012	31.12.2011
	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	8,599	16,945	5,950	7,720	717	392	1,474	1,299	25	145	-	-	16,765	26,501
Inter-segment	628	1,931	3	3	2,305	159	48	31	30	65	(3,012)	(2,188)	-	-
Total revenue	9,226	18,876	5,953	7,723	3,022	551	1,522	1,329	54	210	(3,012)	(2,188)	16,765	26,501
Results														
Interest income	282	93	0	3	-	-	-	-	0	-	(6)	(13)	275	82
Finance costs	27	60	7	4	0	0	10	15	1	2	(6)	(7)	39	75
Depreciation	104	112	28	37	4	4	33	41	15	36	-	-	184	230
Segment profit/(loss)	816	4,921	567	252	52	(4)	146	(28)	(112)	(224)	(930)	(507)	540	4,410
Segment assets	60,444	59,936	19,641	16,758	849	1,254	3,688	3,971	435	616	(5,178)	(3,638)	79,879	78,897
Segment liabilities	(13,137)	(9,684)	(10,490)	(7,919)	(2,508)	(2,469)	(2,191)	(2,105)	(7,690)	(7,385)	10,500	6,326	(25,516)	(23,236)
Capital expenditure	1	6	3	66	-	4	-	-	-	2	-	-	5	79
Geographical segments:														
					Malaysia		Singapore		Vietnam		Adjustments and eliminations		Per consolidated financial statements	
					31.12.2012	31.12.2011	31.12.2012	31.12.2011	31.12.2012	31.12.2011	31.12.2012	31.12.2011	31.12.2012	31.12.2011
					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)	(restated)	(restated)	(restated)	(restated)	(restated)
Revenue														
Revenue from external customers					16,615	23,807	149	2,694	-	-	-	-	16,765	26,501
Segment assets					82,042	78,369	2,844	4,004	171	162	(5,178)	(3,638)	79,879	78,897
Capital expenditure					5	79	-	-	-	-	-	-	5	79

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	31.12.2012	31.12.2011	31.12.2012	31.12.2011	31.12.2012	31.12.2011	31.12.2012	31.12.2011	31.12.2012	31.12.2011	31.12.2012	31.12.2011	31.12.2012	31.12.2011
	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	26,369	41,881	16,164	10,091	2,004	1,712	5,545	5,085	596	595	-	-	50,678	59,364
Inter-segment	3,852	9,227	314	28	4,035	212	193	447	127	583	(8,521)	(10,497)	-	-
Total revenue	30,221	51,108	16,478	10,119	6,039	1,924	5,738	5,532	723	1,178	(8,521)	(10,497)	50,678	59,364
Results														
Interest income	612	288	1	28	-	-	-	-	0	-	(26)	(13)	588	303
Finance costs	102	170	23	23	1	1	48	59	4	8	(26)	(13)	152	248
Depreciation	412	434	128	200	15	15	150	158	64	187	-	-	769	994
Segment profit/(loss)	(825)	7,721	529	(1,798)	(445)	(401)	393	183	(505)	(88)	(1,025)	(1,499)	(1,878)	4,118
Segment assets	60,444	59,936	19,641	16,758	849	1,254	3,688	3,971	435	616	(5,178)	(3,638)	79,879	78,897
Segment liabilities	(13,137)	(9,684)	(10,490)	(7,919)	(2,508)	(2,469)	(2,191)	(2,105)	(7,690)	(7,385)	10,500	6,326	(25,516)	(23,236)
Capital expenditure	49	179	19	71	1	18	4	54	1	7	-	-	74	329
Geographical segments:														
					Malaysia		Singapore		Vietnam		Adjustments and eliminations		Per consolidated financial statements	
					31.12.2012	31.12.2011	31.12.2012	31.12.2011	31.12.2012	31.12.2011	31.12.2012	31.12.2011	31.12.2012	31.12.2011
					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					47,314	49,684	3,014	9,612	349	68	-	-	50,678	59,364
Segment assets					82,043	79,473	2,844	2,869	171	193	(5,178)	(3,638)	79,879	78,897
Capital expenditure					70	329	3	-	-	-	-	-	74	329

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 31 December 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	100,000
c. Outstanding balance arising from the above transactions with related party as at 31 December 2012 and 31 December 2011 are as follows:		
	As at 31.12.2012	As at 31.12.2011
i. Advance from a non-controlling shareholder of a subsidiary to the subsidiary	100,000	200,000

A14. Profit/(loss) Before Taxation

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

	Q412	Q411	YTD 12	YTD 11
Interest income	(275,501)	(81,415)	(587,859)	(301,512)
Other income	(376,755)	(459,799)	(1,028,791)	(765,472)
Interest expense	39,183	75,174	151,971	248,376
Depreciation	184,123	229,740	768,901	994,951
Provision for and write off of receivables	426,452	175,749	426,452	234,108
Provision for and write off of inventories	386,882	446,825	386,882	446,825
Gain/(loss) on disposal of quoted investment	-	-	-	(1,244)
Impairment/(reversal of impairment) of assets				
-Investment properties	-	21,823	-	21,823
-Transferable membership in golf clubs	(6,000)	94,000	(6,000)	94,000
Realised foreign exchange loss/(gain)	13,508	9,814	97,924	53,749
Unrealised foreign exchange (gain)/loss	(7,336)	64,388	(2,709)	129,259

ADDITIONAL INFORMATION REQUIRED BY THE BMSB LISTING REQUIREMENTS

B1. Review of Performance

Quarter ended 31 December 2012(4Q12) compared with quarter ended 31 December 2011(4Q11)

Group revenue decreased to RM16.8 million compared to RM26.5 million in 4Q11 due mainly to significant decrease in revenue recorded for Electronics & System Integration segment. This is mainly due to lower project revenue recognition in 4Q12. The Group recorded lower profit of RM0.54 million in 4Q12 compared to RM4.41 million in 4Q11 mainly due to decrease in revenue in 4Q12.

Current financial year ended 31 December 2012(12M12) compared with previous financial year ended 31 December 2011(12M11)

Group recorded a decrease in revenue from RM59.4 million(12M11) to RM50.7 million(12M12). A significant decrease in revenue is recorded in the Electronics & System Integration segment from RM41.9 million(12M11) to RM26.4 million(12M12) but this was partially offset by an increase in Security Systems & M&E segment from RM10.1 million(12M11) to RM16.2 million(12M12). The Group incurred losses of RM1.9 million in 12M12 compared to profit of RM4.1 million in 12M11 mainly due to lower revenue in 12M12.

B2. Material Changes in the Quarterly Results (4Q12) compared to the Results of the Preceding Quarter (3Q12)

Group revenue recorded RM16.8 million in 4Q12 compared with RM13.5 million in 3Q12. Revenue for Security Systems & M&E segment has increased from RM4.2 million in 3Q12 to RM6.0 million in 4Q12. Profit before tax recorded is RM0.54 million in 4Q12 compared to loss of RM0.7 million in 3Q12 mainly due to higher revenue in 4Q12.

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	14,289	(446,453)
Deferred taxation	(58,023)	(58,023)
	<u>(43,734)</u>	<u>(504,476)</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 31 December 2012:-

RM

a) **Secured and unsecured :**

Total secured borrowings
Total unsecured borrowings
Total borrowings

348,410
3,248,166
3,596,576

b) **Short Term and Long Term**

Total short-term borrowings
Total long term borrowings
Total borrowings

3,481,935
114,641
3,596,576

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 31.12.2012 RM	As at 31.12.2011
Total accumulated losses of Industronics Berhad and its subsidiaries:		
- Realised	(16,419,730)	(13,736,870)
- Unrealised	(296,601)	(430,842)
Less: consolidation adjustments	16,295,288	15,987,976
Total group (accumulated losses)/retained profits as per consolidated accounts	<u>(421,043)</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 31.12.2012	PRECEDING YEAR QUARTER 31.12.2011	CURRENT YEAR 31.12.2012	PRECEDING YEAR 31.12.2011
Basic earnings/(loss) per share				
Net profit/(loss) for the period	385,353	4,083,287	(2,241,307)	3,389,201
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)	0.41	4.34	(2.38)	3.60

B15. Authorisation For Issue

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

BY ORDER OF THE BOARD
INDUSTRONICS BERHAD

26 Feb 2013