

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

CONDENSED CONSOLIDATED BALANCE SHEETS
AS AT 30 SEPTEMBER 2009

	AS AT END OF CURRENT FINANCIAL YEAR END 30.9.2009 RM (Unaudited)	AS AT PRECEDING FINANCIAL YEAR END 31.12.2008 RM (Audited)
ASSETS		
Non-current assets		
Property, Plant and Equipment	14,156,177	14,939,344
Prepaid Land Lease Payments	1,468,758	1,483,094
Development Costs	2,137	23,466
Investment Properties	1,190,073	1,219,895
Other Investments	495,876	411,888
Total Non-current assets	<u>17,313,020</u>	<u>18,077,687</u>
Current Assets		
Inventories	10,615,555	11,406,731
Due from Customers on Contract	6,135,053	2,973,906
Trade & Other Receivables	19,019,529	25,408,986
Cash and Bank Balances	21,922,187	23,848,754
Total Current Assets	<u>57,692,324</u>	<u>63,638,377</u>
TOTAL ASSETS	<u>75,005,344</u>	<u>81,716,064</u>
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the Company		
Share Capital	47,631,500	47,631,500
Treasury Shares, at cost	(545,154)	(545,154)
Reserves	2,760,910	4,416,285
Shareholders' funds	<u>49,847,256</u>	<u>51,502,631</u>
Minority Interests	5,165,279	7,315,350
Total equity	<u>55,012,535</u>	<u>58,817,981</u>
Non-current liabilities		
Borrowings	420,696	640,128
Deferred Tax Liabilities	773,611	685,612
Total Non-current liabilities	<u>1,194,307</u>	<u>1,325,740</u>
Current Liabilities		
Provisions	123,931	140,298
Trade & Other Payables	14,940,890	15,961,833
Borrowings	1,496,512	2,142,277
Current Tax Payables	582,946	586,125
Due to Customers on Contract	1,654,223	2,741,810
Total Current Liabilities	<u>18,798,502</u>	<u>21,572,343</u>
TOTAL EQUITY AND LIABILITIES	<u>75,005,344</u>	<u>81,716,064</u>

Net Assets per share of RM0.50 each (RM) 0.53 0.55

(The Condensed Consolidated Balance Sheets should be read in conjunction with the Annual Financial Report for the year ended 31 December 2008)

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

**CONDENSED CONSOLIDATED INCOME STATEMENTS
FOR THE PERIOD ENDED 30 SEPTEMBER 2009**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTERS	
	CURRENT YEAR QUARTER 30.9.2009 RM	PRECEDING YEAR QUARTER 30.9.2008 RM	CURRENT YEAR 30.9.2009 RM	PRECEDING YEAR 30.9.2008 RM
Revenue	15,685,638	11,154,045	37,753,685	40,829,676
Cost of Sales	<u>(10,448,707)</u>	<u>(6,029,673)</u>	<u>(23,518,054)</u>	<u>(24,569,315)</u>
Gross Profit	5,236,931	5,124,372	14,235,631	16,260,361
Other Income	295,724	457,991	1,103,599	739,420
Operating Expenses	(6,135,593)	(5,737,787)	(16,484,517)	(17,509,685)
Finance Costs	(73,076)	(120,121)	(227,112)	(381,268)
Investing Results	<u>47,800</u>	<u>(49,669)</u>	<u>169,148</u>	<u>(185,174)</u>
(Loss)/Profit Before Tax	(628,214)	(325,214)	(1,203,252)	(1,076,346)
Income Tax	<u>(72,639)</u>	<u>77,916</u>	<u>(269,718)</u>	<u>208,191</u>
(Loss)/Profit for the Year	<u><u>(700,853)</u></u>	<u><u>(247,298)</u></u>	<u><u>(1,472,970)</u></u>	<u><u>(868,154)</u></u>
Attributable to :				
Equity holders of the Company	(821,067)	(244,296)	(1,598,083)	(491,604)
Minority Interest	<u>120,214</u>	<u>(3,002)</u>	<u>125,113</u>	<u>(376,550)</u>
(Loss)/Profit for the Year	<u><u>(700,853)</u></u>	<u><u>(247,298)</u></u>	<u><u>(1,472,970)</u></u>	<u><u>(868,154)</u></u>
Loss per share of RM0.50 each - Basic (sen)	(0.87)	(0.26)	(1.70)	(0.52)

(The Condensed Consolidated Income Statements should be read in conjunction with the Annual Financial Report for the year ended 31 December 2008)

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

**STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 30 SEPTEMBER 2009**

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Reserves						Shareholders Fund	Minority Interest	Total Equity	
	Non Distributable				Distributable					
	Share capital	Share premium	Treasury shares	Share option reserve	Foreign currency reserve	Revaluation reserves				Retained earnings
RM	RM	RM	RM	RM	RM	RM	RM	RM		
At 31 December 2007	46,193,000	330	(545,154)	14,988	31,746	1,892,893	8,472,596	56,060,399	7,222,700	63,283,099
Currency translation differences	-	-	-	-	66,991	-	-	66,991	-	66,991
Net expense recognised directly to equity	-	-	-	-	66,991	-	-	66,991	-	66,991
Loss for the period	-	-	-	-	-	-	(491,604)	(491,604)	(376,550)	(868,154)
Total recognised income and expense for the period	-	-	-	-	66,991	-	(491,604)	(424,613)	(376,550)	(801,163)
Changes in fair valuation of share options granted	-	0	-	9,493	-	-	-	9,493	-	9,493
Issuance of ordinary shares pursuant to ESOS	1,438,500	402	-	(402)	-	-	-	1,438,500	-	1,438,500
At 30 September 2008	47,631,500	732	(545,154)	24,079	98,737	1,892,893	7,980,992	57,083,779	6,846,150	63,929,929

INDUSTRONICS BERHAD (23699-X)

(Incorporated in Malaysia)

**STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 30 SEPTEMBER 2009****CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**

	Reserves						Shareholders Fund	Minority Interest	Total Equity	
	Non Distributable				Distributable					
	Share capital	Share premium	Treasury shares	Share option reserve	Foreign currency reserve	Revaluation reserves	Retained earnings			
	RM	RM	RM	RM	RM	RM	RM	RM	RM	
At 31 December 2008	47,631,500	732	(545,154)	25,319	101,464	1,892,893	2,395,877	51,502,631	7,315,350	58,817,981
Currency translation differences	-	-	-	-	(66,788)	-	-	(66,788)	-	(66,788)
Realisation due to dissolution of a subsidiary	-	-	-	-	(71,432)	-	71,432	-	-	-
Net expense recognised directly to equity	-	-	-	-	(138,220)	-	71,432	(66,788)	-	(66,788)
Profit/(loss) for the period	-	-	-	-	-	-	(1,598,083)	(1,598,083)	125,113	(1,472,969)
Total recognised income and expense for the period	-	-	-	-	(138,220)	-	(1,526,650)	(1,664,870)	125,113	(1,539,757)
Dividends paid to minority shareholders of subsidiaries	-	0	-	0	-	-	-	-	(2,365,125)	(2,365,125)
Changes in fair valuation of share options granted	-	0	-	9,495	-	-	-	9,495	-	9,495
Issuance of ordinary shares by a subsidiary, subscribed by minority shareholders of the subsidiaries	-	-	-	-	-	-	-	-	89,940	89,940
At 30 September 2009	47,631,500	732	(545,154)	34,814	(36,756)	1,892,893	869,227	49,847,256	5,165,279	55,012,535

(The Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the Annual Financial Report for the year ended 31 December 2008)

INDUSTRONICS BERHAD (23699-X)

(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED CASH FLOW STATEMENT
FOR THE PERIOD ENDED 30 SEPTEMBER 2009**

	Current Year 9 Months Ended 30.9.2009 (Unaudited)	Preceding Year 9 Months Ended 30.9.2008 (Unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit/(loss) before taxation	(1,203,252)	(1,076,346)
Adjustments for non-cash flow:-		
Non-cash items	1,070,085	1,399,840
Non-operating items	(229,432)	213,494
Operating profit/(loss) before changes in working capital	(362,600)	536,988
Net change in current assets	3,862,309	8,433,298
Net change in current liabilities	(1,926,538)	(9,477,567)
Cash generated from/(used in) operations	1,573,171	(507,281)
Interest paid	(227,112)	-
Interest received	-	352,948
Taxes refunded	62,202	212,372
Taxes paid	(203,275)	(1,036,938)
Net cash generated from/(used in) operating activities	1,204,987	(978,898)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(156,877)	(242,157)
Proceeds from disposal of property, plant and equipment	20,180	317,774
Net cash inflows from dissolution of a subsidiary	53,938	-
Proceeds from disposal of transferable membership in golf club	23,500	-
Interest received	287,396	-
Dividend income	7,721	14,944
Increase in pledged fixed deposits	-	(3,387,976)
Net cash generated from/(used in) investing activities	235,858	(3,297,415)
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividends paid to minority shareholders of subsidiaries	(2,365,125)	-
Proceeds from issuance of ordinary shares pursuant to ESOS	-	1,438,500
Proceeds from issuance of ordinary shares by a subsidiary, subscribed by minority shareholders of the subsidiary	89,940	-
Repayment of bank borrowings	(244,511)	(592,658)
Interest paid	-	(381,268)
Net decrease in pledged fixed deposits	6,729,156	-
Net cash generated from financing activities	4,209,460	464,574
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	5,650,305	(3,811,739)
Effect of exchange rate changes	(66,788)	66,991
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	15,559,136	19,567,754
CASH AND CASH EQUIVALENTS AT END OF PERIOD	<u>21,142,654</u>	<u>15,823,006</u>
CASH AND CASH EQUIVALENTS COMPRISE:		
Deposits, bank balances and cash	21,922,187	26,057,983
Less : Fixed deposit not readily available for use	-	(6,718,005)
	<u>21,922,187</u>	<u>19,339,978</u>
Bank overdraft	(779,533)	(3,516,972)
	<u>21,142,654</u>	<u>15,823,006</u>

(The Condensed Consolidated Cash Flow Statements should be read in conjunction with the Annual Financial Report for the year ended 31 December 2008)

NOTES TO THE INTERIM FINANCIAL REPORT

A1. 1. Basis of preparation

The interim financial report is unaudited and has been prepared in accordance with FRS 134, Interim Financial Reporting and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad.

The interim financial report should be read in conjunction with the audited financial statements of the Group for the year ended 31 December 2008. These explanatory notes attached to the interim financial report provides an explanation of the events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the year ended 31 December 2008.

The interim financial report has been prepared in accordance with the same accounting policies adopted in the 2008 annual financial statements.

A2 Auditors' report on preceding annual financial statements

There has been no changes in the status of the auditors' report as reported in the previous quarter interim announcement.

A3. Seasonal or Cyclical Factors

The business operations of the Group is generally non seasonal. However, it is 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 2009 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

	INDIVIDUAL QUARTER		CUMULATIVE QUARTERS	
	CURRENT YEAR QUARTER 30.9.2009 RM	PRECEDING YEAR QUARTER 30.9.2008 RM	CURRENT YEAR 30.9.2009 RM	PRECEDING YEAR 30.9.2008 RM
Segmental Revenue				
Security systems & M & E	3,925,261	3,781,022	10,697,640	9,014,517
Telecommunication and AV & ITS	4,932,531	1,642,098	9,017,868	4,595,096
Electronics products	5,287,805	4,030,628	13,505,823	20,011,687
Fabrication and manufacturing	2,438,209	4,033,664	7,055,050	17,943,201
Other operations	2,227,787	283,207	4,538,360	1,389,108
Total revenue including inter-segment sales	18,811,593	13,770,619	44,814,741	52,953,609
Elimination of inter-segment sales	(3,125,956)	(2,616,574)	(7,061,056)	(12,123,933)
Total	15,685,638	11,154,045	37,753,685	40,829,676
Segmental Results				
Security systems & M & E	245,977	(177,397)	411,225	(1,092,268)
Telecommunication and AV & ITS	358,798	362,133	306,186	(132,376)
Electronics products	(1,321,850)	(603,482)	(2,033,991)	(887,104)
Fabrication and manufacturing	(52,510)	478,901	121,144	1,992,809
Other operations	173,302	(114,275)	149,741	(263,991)
Segmental profit	(596,283)	(54,120)	(1,045,695)	(382,930)
Elimination of inter-segment transactions	(6,655)	(101,304)	(99,592)	(126,974)
Profit from operation	(602,938)	(155,424)	(1,145,287)	(509,904)

A9. Valuation of property, plant and equipment

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

A10. Subsequent Events

Save as disclosed below, 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.

a) The Company has announced to Bursa Malaysia on 18 November 2009 that Advance Power Trade Sdn Bhd (APT), a subsidiary of the Company has convened an Extraordinary General Meeting (EGM) for Members' Voluntary Winding-Up pursuant to Section 254(1) of the Companies Act,1965.

The above Members' Voluntary Winding-Up of APT has no material operational impact or financial impact on the share capital, shareholding structure, earnings, gearing and net assets of the Industronics Group.

A11. Effect of Changes in the Composition of the Group

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.

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. 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.

ADDITIONAL INFORMATION REQUIRED BY THE BMSB LISTING REQUIREMENTS

B1. Review of Performance

Group revenue of RM37.754 million for the current financial period ended 30 September 2009 was 8% lower compared to RM40.830 million for the previous year corresponding period. Loss before tax of RM1.203 million was higher than loss before tax of RM1.076 million in the previous corresponding period mainly due to lower gross profit achieved for the current financial period and partly offset by lower operating expenses incurred for the current financial period.

The profitability of the Group was affected by the current economic climate/slowdown which contributed to the decline in revenue of the Group. This is particularly evident in the electronics products, and fabrication and manufacturing segments.

While the Group anticipates the decline to continue to next quarter, it will nevertheless continue to be prudent and vigilant in managing its business to weather the slowdown.

B2. Material Changes in the Quarterly Results compared to the Results of the Preceding Quarter

The Group revenue increased by 28% from RM12.242 million posted in the preceding quarter to RM15.686 million in the current quarter. Pre-tax loss of RM0.628 million for the current quarter is comparable to pre-tax loss of RM0.625 million recorded in the preceding financial quarter.

B3. Current Year Prospects

The Board expects the current year prospects to continue to be challenging in view of the economic slowdown. The Group has sufficient reserves to weather the present situation through prudent financial management and expects to ride on the economic recovery in the near future.

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	72,639	181,718
Deferred taxation	-	88,000
	<u>72,639</u>	<u>269,718</u>

The effective tax rate of the Group is higher than the statutory tax rate for the financial quarter/period to date principally due to the losses in the Company and certain subsidiaries which are not available for tax relief, partially offset by the utilisation of unutilised tax losses and unabsorbed capital allowances from previous years.

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

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

B7. Purchase/Disposal of Quoted Investments

(a) Purchases and disposal of quoted securities for the financial period to date:-

	Individual Current Quarter RM	Cumulative Quarters Current RM
Total Purchases	-	-
Total Sale Proceeds	-	-
Total Gains on Disposals	-	-

(b) Investment in quoted securities as at 30 September 2009:-

	RM
At cost	1,364,787
At carrying value/book value	336,875
At market value	336,875

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 2009:-

	RM
a) Secured and unsecured :	
Total secured borrowings	787,675
Total unsecured borrowings	1,129,533
Total borrowings	<u>1,917,207</u>
b) Short Term and Long Term	
Total short-term borrowings	1,496,512
Total long term borrowings	420,696
Total borrowings	<u>1,917,207</u>

B10. Off Balance Sheet Financial Instruments

The Group does not have any financial instruments with off balance sheet risk as at 24 November 2009, the latest practicable date which shall not be earlier than 7 days from the date of issue of the quarterly report.

B11. Material Litigations**a) Claim by Sukitronics PMC Sdn. Bhd. ("Sukitronics PMC") (formerly known as Sukitronics (Penang) Sdn Bhd) against Mustajab Indah Sdn Bhd ("Mustajab")**

Pursuant to a winding up search on Mustajab, it was found that the said company has been wound up on 20 July 2004. Upon further enquiry with the Insolvency Department, it was confirmed that Sukitronics PMC can still file their Proof of Claim against the company with the Official Receiver. Sukitronics PMC is in the process of collating the documents and settling the proof of claim form. The forms to the Insolvency Department are being settled and once complete, the documents including the Proof of Debt and General Proxy will be filed.

B12. Dividend

No dividend has been proposed in the current quarter.

B13. Loss per share

	INDIVIDUAL QUARTER		CUMULATIVE QUARTERS	
	CURRENT YEAR QUARTER 30.9.2009	PRECEDING YEAR QUARTER 30.9.2008	CURRENT YEAR 30.9.2009	PRECEDING YEAR 30.9.2008
Basic loss per share				
Net (loss)/profit for the period	(821,067)	(244,296)	(1,598,083)	(491,604)
Weighted average no. of ordinary shares in issue	94,132,000	93,827,000	94,132,000	93,827,000
Basic loss per share (sen)	(0.87)	(0.26)	(1.70)	(0.52)

B14. Authorisation For Issue

The interim financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 24 November 2009.

BY ORDER OF THE BOARD
INDUSTRONICS BERHAD

24 November 2009