

SUMMARY OF KEY FINANCIAL INFORMATION  
FOR THE PERIOD ENDED 30 SEPTEMBER 2010

	INDIVIDUAL QUARTER			CUMULATIVE QUARTERS		
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	(%)	CURRENT YEAR	PRECEDING YEAR	(%)
	30.9.2010	30.9.2009		30.9.2010	30.9.2009	
	RM'000	RM'000		RM'000	RM'000	
1 Revenue	16,382	15,686	4	36,378	37,754	(4)
2 Loss before tax	(1,266)	(628)	>100	(4,446)	(1,203)	>100
3 Loss for the period	(1,213)	(701)	73	(4,491)	(1,473)	>100
4 Loss attributable to owners of the Company	(1,018)	(821)	24	(3,918)	(1,598)	>100
5 Basic loss per RM0.50 share (sen)	(1.08)	(0.87)		(4.16)	(1.70)	
6 Proposed/Declared Dividend per RM0.50 share (sen)	0.00	0.00		0.00	0.00	
	AS AT END OF CURRENT QUARTER			AS AT PRECEDING FINANCIAL YEAR END		
7 Net assets per share attributable to ordinary equity holders of the parent (RM)	0.52			0.55		

ADDITIONAL INFORMATION

	INDIVIDUAL QUARTER			CUMULATIVE QUARTERS		
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER		CURRENT YEAR	PRECEDING YEAR	
	30.9.2010	30.9.2009		30.9.2010	30.9.2009	
	RM'000	RM'000		RM'000	RM'000	
1 Gross interest income	81	87		233	287	
2 Gross interest expense	90	73		198	227	

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

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE PERIOD ENDED 30 SEPTEMBER 2010**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTERS	
	CURRENT YEAR QUARTER 30.9.2010 RM	PRECEDING YEAR QUARTER 30.9.2009 RM	CURRENT YEAR 30.9.2010 RM	PRECEDING YEAR 30.9.2009 RM
Revenue	16,381,765	15,685,638	36,378,233	37,753,685
Cost of Sales	<u>(12,332,296)</u>	<u>(10,448,707)</u>	<u>(25,750,917)</u>	<u>(23,518,054)</u>
Gross Profit	4,049,469	5,236,931	10,627,316	14,235,631
Other Income	195,984	295,724	975,012	1,103,599
Operating Expenses	(5,420,260)	(6,135,593)	(15,989,636)	(16,484,517)
Finance Costs	(89,819)	(73,076)	(198,402)	(227,112)
Investing Results	<u>(1,000)</u>	<u>47,800</u>	<u>139,413</u>	<u>169,148</u>
Loss Before Tax	(1,265,626)	(628,214)	(4,446,297)	(1,203,252)
Income Tax	<u>52,357</u>	<u>(72,639)</u>	<u>(44,246)</u>	<u>(269,718)</u>
Loss for the Period	<u>(1,213,269)</u>	<u>(700,853)</u>	<u>(4,490,543)</u>	<u>(1,472,970)</u>
Other comprehensive income, net of tax:				
Revaluation of land and buildings	-	-	1,910,340	-
Foreign currency translation differences for foreign operations	1,404	3,149	(17,216)	(66,788)
Income tax relating to components of other comprehensive income	<u>-</u>	<u>-</u>	<u>(525,085)</u>	<u>-</u>
	<u>1,404</u>	<u>3,149</u>	<u>1,368,039</u>	<u>(66,788)</u>
Total comprehensive income for the period	<u>(1,211,866)</u>	<u>(697,703)</u>	<u>(3,122,504)</u>	<u>(1,539,757)</u>
<b>Loss Attributable to :</b>				
Controlling Shareholders of the Company	(1,018,289)	(821,067)	(3,918,445)	(1,598,083)
Non-Controlling Interest	<u>(194,980)</u>	<u>120,214</u>	<u>(572,098)</u>	<u>125,113</u>
Loss for the Period	<u>(1,213,269)</u>	<u>(700,853)</u>	<u>(4,490,543)</u>	<u>(1,472,970)</u>
<b>Total Comprehensive Income Attributable to :</b>				
Controlling Shareholders of the Company	(1,016,747)	(817,917)	(2,928,980)	(1,664,870)
Non-Controlling Interest	<u>(195,119)</u>	<u>120,214</u>	<u>(193,524)</u>	<u>125,113</u>
	<u>(1,211,866)</u>	<u>(697,703)</u>	<u>(3,122,504)</u>	<u>(1,539,757)</u>
Loss per share of RM0.50 each				
- Basic (sen)	(1.08)	(0.87)	(4.16)	(1.70)

(The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Annual Financial Report for the year ended 31 December 2009)

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

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 SEPTEMBER 2010**

	AS AT END OF CURRENT FINANCIAL YEAR END 30.9.2010 RM (Unaudited)	AS AT PRECEDING FINANCIAL YEAR END 31.12.2009 RM (Restated)
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, Plant and Equipment	17,027,430	15,396,773
Investment Properties	918,005	816,131
Other Investments	188,001	188,001
<b>Total Non-current assets</b>	<u>18,133,436</u>	<u>16,400,905</u>
<b>Current Assets</b>		
Inventories	9,002,418	9,632,466
Due from Customers on Contract	5,559,009	1,323,849
Held for trading investments	18,008	347,558
Trade & Other Receivables	17,086,881	26,823,857
Cash and Bank Balances	23,808,170	21,321,691
<b>Total Current Assets</b>	<u>55,474,486</u>	<u>59,449,421</u>
<b>TOTAL ASSETS</b>	<u>73,607,922</u>	<u>75,850,326</u>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to controlling shareholders of the Company</b>		
Share Capital	47,631,500	47,631,500
Treasury Shares, at cost	(545,154)	(545,154)
Reserves	1,542,006	4,461,491
<b>Shareholders' funds</b>	<u>48,628,352</u>	<u>51,547,837</u>
Non-Controlling Interest	4,985,645	5,179,167
<b>Total equity</b>	<u>53,613,997</u>	<u>56,727,004</u>
<b>Non-current liabilities</b>		
Borrowings	430,518	342,498
Deferred Tax Liabilities	972,018	446,933
<b>Total Non-current liabilities</b>	<u>1,402,536</u>	<u>789,431</u>
<b>Current Liabilities</b>		
Provisions	68,776	79,327
Trade & Other Payables	14,045,810	14,245,905
Borrowings	3,169,947	1,886,228
Current Tax Payables	510,216	611,257
Due to Customers on Contract	796,641	1,511,174
<b>Total Current Liabilities</b>	<u>18,591,390</u>	<u>18,333,891</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>73,607,922</u>	<u>75,850,326</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 2009)

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

**STATEMENT OF CHANGES IN EQUITY  
FOR THE PERIOD ENDED 30 SEPTEMBER 2010**

**CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**

	Reserves										Total Equity	
	Share capital	Share premium	Treasury shares	Non Distributable			Distributable			Share- holders Fund		Non-Controlling Interest
	RM	RM	RM	Share option reserve	Foreign currency reserve	Revaluation reserves	Retained earnings	RM	RM	RM	RM	RM
At 31 December 2009	47,631,500	732	(545,154)	37,979	(42,493)	1,892,893	2,572,380	51,547,837	5,179,167			56,727,004
Total comprehensive income for the period	-	-	-	-	(6,764)	996,229	(3,918,445)	(2,928,980)	(193,524)			(3,122,504)
Changes in fair valuation of share options granted	-	0	-	9,495	-	-	-	9,495	0			9,495
At 30 September 2010	47,631,500	732	(545,154)	47,474	(49,257)	2,889,122	(1,346,065)	48,628,352	4,985,645			53,613,997
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
Total comprehensive income for the period	-	-	-	-	(66,788)	-	(1,598,083)	(1,664,870)	125,113			(1,539,757)
Realisation due to dissolution of a subsidiary	-	-	-	-	(71,432)	-	71,432	-	-			-
Dividends paid to minority shareholders of a subsidiary company	-	0	-	0	-	-	-	-	(2,365,125)			(2,365,125)
Changes in fair valuation of share options granted	-	-	-	9,495	-	-	-	9,495	-			9,495
Issuance of ordinary shares by a subsidiary, subscribed by minority shareholders of the subsidiaries	-	0	-	-	-	-	-	-	89,940			89,940
At 30 September 2009	47,631,500	732	(545,154)	34,814	(36,756)	1,892,893	869,226	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 2009)

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

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE PERIOD ENDED 30 SEPTEMBER 2010**

	Current Year 9 Months Ended 30.9.2010 (Unaudited)	Preceding Year 9 Months Ended 30.9.2009 (Unaudited)
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Loss before taxation	(4,446,297)	(1,203,252)
Adjustments for non-cash flow:-		
Non-cash items	882,187	1,070,085
Non-operating items	<u>(173,688)</u>	<u>(229,432)</u>
Operating loss before changes in working capital	(3,737,798)	(362,600)
Net change in current assets	5,015,380	3,862,309
Net change in current liabilities	<u>(305,638)</u>	<u>(1,926,538)</u>
Cash generated from operations	971,943	1,573,171
Interest paid	(198,403)	(227,112)
Taxes refunded	1,200,861	62,202
Taxes paid	<u>(284,885)</u>	<u>(203,275)</u>
Net cash generated from operating activities	<u>1,689,516</u>	<u>1,204,987</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(618,126)	(156,877)
Proceeds from disposal of property, plant and equipment	45,085	20,180
Net cash inflows from dissolution of a subsidiary	-	53,938
Proceeds from disposal of transferable membership in golf club	-	23,500
Proceeds from disposal of assets held for trading investments	335,341	-
Interest received	232,678	287,396
Dividend income	1,462	7,721
Net cash (used in)/generated from investing activities	<u>(3,559)</u>	<u>235,859</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Dividends paid to minority shareholders of a subsidiary	0	(2,365,125)
Proceeds from issuance of ordinary shares by a subsidiary, subscribed by minority shareholders of the subsidiary	-	89,940
Repayment of bank borrowings	(314,154)	(244,511)
Drawdown of hire purchase	349,600	-
Net (increase)/decrease in pledged fixed deposits	<u>(167,139)</u>	<u>6,729,156</u>
Net cash generated from financing activities	<u>(131,692)</u>	<u>4,209,460</u>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	1,554,264	5,650,306
Effect of exchange rate changes	(17,216)	(66,788)
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD</b>	20,448,643	15,559,136
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	<u>21,985,691</u>	<u>21,142,654</u>
<b>CASH AND CASH EQUIVALENTS COMPRISE:</b>		
Deposits, bank balances and cash	23,808,170	21,922,187
Less : Fixed deposit not readily available for use	<u>(167,139)</u>	<u>-</u>
	23,641,031	21,922,187
Bank overdraft	<u>(1,655,340)</u>	<u>(779,533)</u>
	<u>21,985,691</u>	<u>21,142,654</u>

(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Annual Financial Report for the year ended 31 December 2009)

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

**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 2009. 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 2009.

The interim financial report has been prepared in accordance with the same accounting policies adopted in the 2009 annual financial statements, except the adoption of new and revised FRSS, Amendments to FRSS and Interpretations as described in Note A2 below.

**A2. Changes in Accounting Policies**

In the current period ended 30 September 2010, the Group adopted the following new and revised FRSS, Amendments to FRSS and Interpretations:

**Effective for financial periods beginning on or after 1 July 2009**  
FRS 8: Operating Segments

**Effective for financial periods beginning on or after 1 January 2010**

FRS 7: Financial Instruments: Disclosures  
FRS 101: Presentation of Financial Statements (revised)  
FRS 123: Borrowing Costs  
FRS 139: Financial Instruments: Recognition and Measurement  
Amendments to FRS 1: First-time Adoption of Financial Reporting Standards and FRS 127: Consolidated and Separate Financial Statements: Cost of an Investment, investment in a Subsidiary, Jointly Controlled Entity or Associate  
Amendments to FRS 2: Share-based Payment - Vesting Conditions and Cancellation  
Amendments to FRS 132: Financial Instruments: Presentation  
Amendments to FRS 139: Financial Instruments: Recognition and Measurement, FRS 7: Financial Instruments: Disclosures and IC Interpretation 9: Reassessment of Embedded Derivatives  
Amendments to FRSS "Improvements to FRSS (2009)"  
IC Interpretation 9: Reassessment of Embedded Derivatives  
IC Interpretation 10: Interim Financial Reporting and Impairment  
IC Interpretation 11: FRS 2 - Group and Treasury Share Transactions  
IC Interpretation 13: Customer Loyalty Programmes  
IC Interpretation 14: FRS 119 - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction

## A2. Changes in Accounting Policies (Contd.)

Unless otherwise described below, these pronouncements have no significant impact to the interim financial report of the Group upon their initial application:

### (a) FRS 8: Operating Segment

FRS 8 replaces FRS 114<sup>2004</sup>: Segment Reporting and requires a 'management approach', under which segment information is presented on a similar basis to that used for internal reporting purposes. As a result, the Group's external segmental reporting will be based on the internal reporting to the "chief operating decision maker", who makes decisions on the allocation of resources and assesses the performance of the reportable segments. As this is a disclosure standard, there will be no impact on the financial position or results of the Group.

### (b) FRS 101: Presentation of Financial Statements (revised)

The revised FRS 101 separates owner and non-owner changes in equity. Therefore, the consolidated statement of changes in equity will now include only details of transactions with owners. All non-owner changes in equity are presented as a single line labelled as total comprehensive income. The Standard also introduces the statement of comprehensive income; presenting all items of income and expense recognised in the income statement, together with all other items of recognised income and expense, either in one single statement, or in two linked statements. In addition, a statement of financial position is required at the beginning of the earliest comparative period following a change in accounting policy, the correction of an error or the reclassification of items in the financial statements. This revised FRS does not have any impact on the financial position and results of the Group.

### (c) FRS 139: Financial Instruments: Recognition and Measurement, FRS 7: Financial Instruments: Disclosures and Amendments to FRS 139: Financial Instruments: Recognition and Measurement, FRS 7: Financial Instruments: Disclosures

The new Standard on FRS 139: Financial Instruments: Recognition and Measurement establishes principles for recognising and measuring financial assets, financial liabilities and some contracts to buy and sell non-financial items. Requirements for presenting information about financial instruments are in FRS 132: Financial Instruments: Presentation and the requirements for disclosing information about financial instruments are in FRS 7: Financial Instruments: Disclosures.

FRS 7: Financial Instruments: Disclosures is a new Standard that requires new disclosures in relation to financial instruments. The Standard is considered to result in increased disclosures, both quantitative and qualitative of the Group's exposure to risks, enhanced disclosure regarding components of the Group's financial position and performance, and possible changes to the way of presenting certain items in the financial statements.

In accordance with the respective transitional provisions, the Group is exempted from disclosing the possible impact to the financial statements upon the initial application.

There were no significant changes to the interim financial report other than the designation of the investment in quoted shares previously classified as non-current other investment to current assets held for trading investments.

This standard did not have any significant impact on the financial results of Group.

As disclosed in Note A15, certain comparatives have been reclassified to conform with the current period's presentation.

**A2. Changes in Accounting Policies (Contd.)**

**(d) Amendments to FRSS 'Improvements to FRSSs (2009)' – FRS 117: Leases**

Prior to the adoption of the Amendment to FRS 117, leasehold lands were treated as operating leases. The considerations paid were classified and presented as prepaid land lease payments in the statement of financial position. With the adoption of the Amendment to FRS 117, the classification of a leasehold land as finance lease or an operating lease is based on the extent to which risks and rewards incident to ownership lie.

Accordingly, the Group has applied the change in accounting policy in respect of leasehold land in accordance with the transitional provisions of FRS 117. At 1 January 2009, the unamortised amount of leasehold land is retained as the surrogate carrying amount of property, plant and equipment as allowed by the transitional provisions. This change in classification has no impact on the financial results of the Group.

As disclosed in Note A15, certain comparatives have been restated due to the change in accounting policy.

**A3 Auditors' report on preceding annual financial statements**

The Group's financial statements for the year ended 31 December 2009 is not qualified.

**A4. 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 subjected to systemic market risk.

**A5. Extraordinary Items**

Not applicable under the new and revised FRSSs

**A6. 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.



**A7. 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 2010 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.

**A8. Dividend paid**

There were no dividends paid during the current period.

**A9. Segmental Reporting**

For management purposes, the group is organised into business units based on their products and services, and has four reportable operating segments as follows:

Telecommunication

- Supply and service of telecommunication equipment, audio visual multimedia systems, intelligent transportation system and major system integration projects involving Information Communication Technology.

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.

Electronics products

- Design, manufacturing and installation of electronics and microprocessor controlled products. Renting of electronic board. Trading, maintenance and supply of industrial electronic equipment.

Fabrication and manufacturing

- Involving in precision sheet metal fabrications works and manufacturing of precision fabrication.

Others

- Revenues from operating segments that individually below the quantitative thresholds.

A9. Segmental Reporting (Contd.)

(a) Information about reportable segments

Individual quarter ended	Telecommunication		Security systems & M&E		Electronics products		Fabrication and manufacturing		Others		Total	
	30.9.2010	30.9.2009	30.9.2010	30.9.2009	30.9.2010	30.9.2009	30.9.2010	30.9.2009	30.9.2010	30.9.2009	30.9.2010	30.9.2009
	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM
Revenue from external customers	7,332,558	4,932,531	2,828,657	3,860,317	3,937,091	4,638,549	1,597,644	1,503,094	685,815	751,147	16,381,765	15,685,638
Inter-segment revenue	0	0	6,150	64,944	974,026	696,465	1,192,799	935,115	524,033	1,476,640	2,697,008	3,173,164
Segment profit/(loss) before tax	253,733	307,274	(251,544)	227,760	(786,137)	1,478,279	(221,536)	(76,054)	(163,418)	173,853	(1,168,902)	2,111,112
Cumulative quarters ended												
Revenue from external customers	13,667,114	8,863,534	5,073,953	10,551,212	10,666,363	12,382,314	4,529,408	4,198,961	2,441,395	1,757,664	36,378,233	37,753,665
Inter-segment revenue	0	154,334	57,179	146,428	2,021,635	1,334,198	3,482,365	2,856,089	1,721,125	2,780,696	7,282,304	7,271,745
Segment profit/(loss) before tax	(49,644)	80,444	(1,374,263)	357,047	(2,289,102)	1,013,905	(130,930)	43,059	(326,862)	142,318	(4,170,801)	1,636,773

A9. Segmental Reporting (Contd.)

(a) Information about reportable segments (Contd.)

	Telecommunication RM	Security systems & M&E RM	Electronics products RM	Fabrication and manufacturing RM	Others RM	Total RM
As at 30.9.2010						
Segment assets	10,145,196	15,858,137	41,489,150	7,304,512	2,317,687	77,114,681

(b) Reconciliation of reportable segment profit/(loss)

	INDIVIDUAL QUARTER		CUMULATIVE QUARTERS	
	CURRENT YEAR QUARTER 30.9.2010	PRECEDING YEAR QUARTER 30.9.2009	CURRENT YEAR 30.9.2010	PRECEDING YEAR 30.9.2009
Total segment profit/(loss) before tax for reportable segments	(1,005,484)	1,937,259	(3,843,939)	1,494,455
Other non-reportable segments	(163,418)	173,853	(326,862)	142,318
Components not monitored	111,221	(4,172)	261,733	(2,052)
Elimination of inter-segment profits	(207,946)	(2,735,155)	(537,229)	(2,837,973)
Loss before tax	(1,265,626)	(628,214)	(4,446,297)	(1,203,252)

**A10. Valuation of property, plant and equipment**

In line with the Group's accounting policy on Property, Plant and Equipment, a revaluation exercise was carried out on 8 June 2010 by an independent professional valuer, Mr P.B.Nehru, a registered valuer of City Valuers & Consultants Sdn. Bhd. using the direct comparison method to reflect its fair value.

Arising from this exercise, revaluation surplus of RM1,910 million was credited to other comprehensive income of the Group and deferred tax liabilities of RM0.525 million has been recognised in other comprehensive income. A net surplus of RM0.996 million was credited to revaluation reserve after apportionment to non-controlling interest. The revaluation exercise also resulted in reversal of impairment loss on investment properties of RM0.067 mil (net of non-controlling interest) being credited to profit or loss of the Group. This contributed an increase in the net assets per share of the Group by 1.13 sen.

**A11. Subsequent Events**

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.

**A12. 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, except for the following:

(a) On 23 September 2010, Industriatics Multimedia Sdn Bhd, a wholly-owned dormant subsidiary company, received notifications from the Companies Commission of Malaysia that its name has been struck off from the register pursuant to Section 308(2) of the Companies Act, 1965.

**A13. Contingent Liabilities**

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

**A14. 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. Advance from a shareholder of a subsidiary to the subsidiary	100,000	100,000
ii. Purchase of motor vehicle from a Director	-	195,000
		<u>295,000</u>

**A15. Comparatives**

The following comparatives have been restated as a result of the adoption of FRS 139 and Amendment to FRS 117:

	As previously stated RM	FRS 139 Note A2(c) RM	Amendment to FRS 117 Note A2(d) RM	Restated RM
<b>Statement of Financial Position</b>				
<b>Non-current assets</b>				
Property, Plant and Equipment	13,932,795	-	1,463,978	15,396,773
Prepaid Land Lease Payments	1,463,978	-	(1,463,978)	-
Other Investments	535,559	(347,558)	-	188,001
<b>Current Assets</b>				
Held for Trading Investments	-	347,558	-	347,558

#### ADDITIONAL INFORMATION REQUIRED BY THE BMSB LISTING REQUIREMENTS

**B1. Review of Performance**

Group revenue of RM36.378 million for the current financial period ended 30 September 2010 was 4% lower compared to RM37.754 million for the previous year corresponding period. Loss before tax of RM4.446 million was recorded compared to RM1.203 million in the previous corresponding period mainly due to low gross profit margin reported on few key projects and lower revenue for the period.

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

The Group revenue increased by 38% from RM11.887 million posted in the preceding quarter to RM16.382 million in the current quarter. Pre-tax loss of RM1.266 million for the current quarter recorded compared to RM1.003 million in the preceding financial quarter mainly due to low gross profit margin reported in the current quarter.

**B3. Current Year Prospects**

The Group expects the business environment to improve gradually in line with the recovery of local and global economy.

**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	(52,357)	44,246
Deferred taxation	-	-
	<u>(52,357)</u>	<u>44,246</u>

The effective tax rate of the Group is higher than the statutory tax rate for the current quarter/period 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**

(a) Purchases or disposals of assets held for trading investments during the current financial period.

	Individual Current Quarter RM	Cumulative Quarters Current RM
Total Purchases	-	-
Total Sale Proceeds	-	335,341
Total Gains on Disposals	-	3,795

(b) Assets held for trading investments as at 30 September 2010:-

	RM
At cost	54,318
At market value	18,008

**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 2010:-

a) **Secured and unsecured :**

Total secured borrowings	720,124
Total unsecured borrowings	2,880,340
Total borrowings	<u>3,600,465</u>

b) **Short Term and Long Term**

Total short-term borrowings	3,169,947
Total long term borrowings	430,518
Total borrowings	<u>3,600,465</u>

RM

720,124  
2,880,340  
3,600,465

3,169,947  
430,518  
3,600,465

**B10. Off Balance Sheet Financial Instruments**

The Group does not have any financial instruments with off balance sheet risk as at 23 November 2010, the latest practicable date which shall not be earlier than 7 days from the date of issue of the quarterly report.

**B11. Material Litigations**

There are no material litigations as at 23 November 2010, the latest practicable date which shall not be earlier than 7 days from the date of issue of the quarterly report.

**B12. Dividend**

No dividend has been proposed in the current quarter.

**B13. Basic Loss per share**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTERS	
	CURRENT YEAR QUARTER 30.9.2010	PRECEDING QUARTER 30.9.2009	CURRENT YEAR 30.9.2010	PRECEDING YEAR 30.9.2009
Basic loss per share	(1,018,289)	(821,067)	(3,918,445)	(1,598,083)
Net loss for the period	94,132,000	94,132,000	94,132,000	94,132,000
Weighted average no. of ordinary shares in issue	(1.08)	(0.87)	(4.16)	(1.70)
Basic loss per share (sen)				

**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 23 November 2010.

BY ORDER OF THE BOARD  
INDUSTRONICS BERHAD

23 November 2010