

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE PERIOD ENDED 31 MARCH 2011**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTERS	
	CURRENT YEAR QUARTER 31.3.2011 RM	PRECEDING YEAR QUARTER 31.3.2010 RM	CURRENT YEAR 31.3.2011 RM	PRECEDING YEAR 31.3.2010 RM
Revenue	6,913,031	8,109,844	6,913,031	8,109,844
Cost of Sales	<u>(4,243,462)</u>	<u>(5,353,258)</u>	<u>(4,243,462)</u>	<u>(5,353,258)</u>
Gross Profit	2,669,568	2,756,586	2,669,568	2,756,586
Other Income	118,641	427,157	118,641	427,157
Operating Expenses	(4,634,240)	(5,303,911)	(4,634,240)	(5,303,911)
Finance Costs	(58,885)	(57,177)	(58,885)	(57,177)
Loss Before Tax	<u>(1,904,916)</u>	<u>(2,177,345)</u>	<u>(1,904,916)</u>	<u>(2,177,345)</u>
Income Tax	<u>(68,756)</u>	<u>(14,114)</u>	<u>(68,756)</u>	<u>(14,114)</u>
Loss for the Period	<u>(1,973,672)</u>	<u>(2,191,459)</u>	<u>(1,973,672)</u>	<u>(2,191,459)</u>
Other comprehensive income/(loss), net of tax:				
Foreign currency translation differences for foreign operations	4,587	(17,150)	4,587	(17,150)
	<u>4,587</u>	<u>(17,150)</u>	<u>4,587</u>	<u>(17,150)</u>
Total comprehensive loss for the period	<u>(1,969,084)</u>	<u>(2,208,609)</u>	<u>(1,969,084)</u>	<u>(2,208,609)</u>
<b>Loss Attributable to :</b>				
Owners of the Company	(1,881,586)	(1,940,790)	(1,881,586)	(1,940,790)
Non-Controlling Interest	<u>(92,086)</u>	<u>(250,669)</u>	<u>(92,086)</u>	<u>(250,669)</u>
Loss for the Period	<u>(1,973,672)</u>	<u>(2,191,459)</u>	<u>(1,973,672)</u>	<u>(2,191,459)</u>
<b>Total Comprehensive Loss Attributable to :</b>				
Owners of the Company	(1,867,555)	(1,957,940)	(1,867,555)	(1,957,940)
Non-Controlling Interest	<u>(101,530)</u>	<u>(250,669)</u>	<u>(101,530)</u>	<u>(250,669)</u>
	<u>(1,969,084)</u>	<u>(2,208,609)</u>	<u>(1,969,084)</u>	<u>(2,208,609)</u>
Loss per share of RM0.50 each				
- Basic (sen)	(2.00)	(2.06)	(2.00)	(2.06)

(The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Annual Financial Report for the year ended 31 December 2010)

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

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 MARCH 2011**

	AS AT END OF CURRENT FINANCIAL YEAR END 31.3.2011 RM (Unaudited)	AS AT PRECEDING FINANCIAL YEAR END 31.12.2010 RM (Audited)
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, Plant and Equipment	16,518,056	16,770,161
Investment Properties	882,525	892,466
Other Investments	205,001	205,001
<b>Total Non-current assets</b>	<u>17,605,582</u>	<u>17,867,628</u>
<b>Current Assets</b>		
Inventories	9,421,523	8,581,883
Due from Customers on Contract	4,577,479	6,973,619
Held for trading investments	20,007	17,883
Trade & Other Receivables	15,458,348	18,777,116
Cash and Bank Balances	19,711,682	22,301,413
<b>Total Current Assets</b>	49,189,039	56,651,914
Assets of disposal group classified as held for sale	1,733,425	-
<b>TOTAL ASSETS</b>	<u>68,528,046</u>	<u>74,519,542</u>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to owners of the Company</b>		
Share Capital	47,631,500	47,631,500
Treasury Shares, at cost	(545,154)	(545,154)
Reserves	(545,400)	1,318,991
<b>Shareholders' funds</b>	46,540,946	48,405,337
Non-Controlling Interest	4,390,525	4,492,054
<b>Total equity</b>	<u>50,931,471</u>	<u>52,897,391</u>
<b>Non-current liabilities</b>		
Borrowings	285,295	367,818
Deferred Tax Liabilities	972,018	972,018
<b>Total Non-current liabilities</b>	<u>1,257,313</u>	<u>1,339,836</u>
<b>Current Liabilities</b>		
Provisions	99,507	99,507
Trade & Other Payables	12,022,031	14,646,961
Borrowings	2,736,845	4,478,257
Current Tax Payables	631,991	537,721
Due to Customers on Contract	490,949	519,869
<b>Total Current Liabilities</b>	<u>15,981,323</u>	<u>20,282,315</u>
Liabilities directly associated with assets classified as held for sale	357,939	-
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>68,528,046</u>	<u>74,519,542</u>

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

0.49

0.51

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Report for the year ended 31 December 2010)

**INDUSTRONICS BERHAD (23699-X)**

(Incorporated in Malaysia)

**STATEMENT OF CHANGES IN EQUITY  
FOR THE PERIOD ENDED 31 MARCH 2011****CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**

	<----- Reserves ----->						Distributable Retained earnings/ (accumulated losses)	Share- holders Fund	Non-Controlling Interest	Total Equity
	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 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/(loss) for the period	-	-	-	-	14,031	-	(1,881,586)	(1,867,555)	(101,530)	(1,969,084)
Changes in fair valuation of share options granted	-	-	-	3,164	-	-	-	3,164	-	3,164
At 31 March 2011	47,631,500	732	(545,154)	53,802	12,105	2,889,122	(3,501,161)	46,540,946	4,390,525	50,931,471
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 loss for the period	-	-	-	-	(17,150)	-	(1,940,790)	(1,957,940)	(250,669)	(2,208,609)
Changes in fair valuation of share options granted	-	-	-	3,165	-	-	-	3,165	-	3,165
At 31 March 2010	47,631,500	732	(545,154)	41,144	(59,643)	1,892,893	631,590	49,593,062	4,928,499	54,521,561

(The Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the Annual Financial Report for the year ended 31 December 2010)

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

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE PERIOD ENDED 31 MARCH 2011**

	Current Year 3 Months Ended 31.3.2011 (Unaudited)	Preceding Year 3 Months Ended 31.3.2010 (Unaudited)
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Loss before taxation	(1,904,916)	(2,177,345)
Adjustments for non-cash flow:-		
Non-cash items	378,770	245,861
Non-operating items	<u>(19,980)</u>	<u>(28,391)</u>
Operating loss before changes in working capital	(1,546,126)	(1,959,874)
Net change in current assets	3,360,239	7,516,247
Net change in current liabilities	<u>(3,805,487)</u>	<u>(5,107,615)</u>
Cash (used in)/generated from operations	(1,991,374)	448,757
Interest paid	(58,885)	(57,177)
Taxes refunded	100,500	601,999
Taxes paid	<u>(125,928)</u>	<u>(127,155)</u>
Net cash generated from operating activities	<u>(2,075,686)</u>	<u>866,424</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(20,421)	(298,653)
Proceeds from disposal of property, plant and equipment	-	10,485
Proceeds from disposal of assets held for trading investments	-	335,341
Interest received	76,740	73,573
Dividend income	-	1,275
Net cash generated from investing activities	<u>56,320</u>	<u>122,021</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Net repayment of bank borrowings	(74,283)	(99,666)
Net cash (used in)/generated from financing activities	<u>(74,283)</u>	<u>(99,666)</u>
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(2,093,649)	888,779
Effect of exchange rate changes	4,587	(17,150)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	20,056,658	20,448,643
CASH AND CASH EQUIVALENTS AT END OF PERIOD	<u>17,967,596</u>	<u>21,320,272</u>
CASH AND CASH EQUIVALENTS COMPRISE:		
Deposits, bank balances and cash	20,012,698	22,523,486
Less : Fixed deposit not readily available for use	<u>(171,946)</u>	<u>-</u>
	19,840,752	22,523,486
Bank overdraft	<u>(1,873,156)</u>	<u>(1,203,214)</u>
	<u>17,967,596</u>	<u>21,320,272</u>

(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Annual Financial Report for the year ended 31 December 2010)

**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 2010. 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 2010.

The interim financial report has been prepared in accordance with the same accounting policies adopted in the 2010 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 31 December 2011, the Group adopted the following new and revised FRSs, Amendments to FRSs and Interpretations:

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

Amendments to FRS 132: Classification of Rights Issues

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

FRS 1: First-time Adoption of Financial Reporting Standards

FRS 3: Business Combinations (revised)

Amendments to FRS 2: Share-based payment

Amendments to FRS 5: Non-current Assets Held for Sale and Discontinued Operations

Amendments to FRS 127: Consolidated and Separate Financial Statements

Amendments to FRS138: Intangible Assets

Amendments to IC Interpretation 9: Reassessment of Embedded Derivatives

IC Interpretation 12: Service Concession Arrangements

IC Interpretation 16: Hedges of a Net investment in a Foreign Operation

IC Interpretation 17: Distributions of Non-cash Assets to Owners

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

**Effective for financial periods beginning on or after 1 January 2011**

Amendments to FRS 1: Limited Exemption from Comparative FRS 7  
Disclosures for First-time Adopters  
Amendments to FRS 1: Additional Exemption for First-Time adoption  
Amendments to FRS 7: Improving Disclosures about Financial Instruments  
Amendments to FRS 2: Share based Payment - Group Cash settled Share based Payment Transactions  
IC Interpretation 4: Determining Whether An Arrangement contains a Lease  
IC interpretation 18: Transfers of Assets from Customers  
Improvements to FRSs issued in 2010  
TR i-4: Shariah Compliant Sale Contracts  
IC Interpretation 19: Extinguishing Financial Liabilities with Equity Instruments

The adoption of the above FRSs, Amendments to FRSs and IC Interpretations do not have any significant impact to the interim financial report of the Group upon their initial application

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

The Group's financial statements for the year ended 31 December 2010 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 impact on the Group subjected to systemic market risk.

**A5. Extraordinary Items**

Not applicable under the new and revised FRSs

**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 31 March 2011 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 five 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.
Other operations	- Provide consultation project management and system integration services in industrial automation. Design, manufacture and distribution of power electronics products.

A9. Segmental Reporting (Contd.)

(a) Information about reportable segments

<b>Business segments:</b>														
	Telecommunication		Security systems & M&E		Electronics products		Fabrication and manufacturing		Other Operations		Adjustments and eliminations		Per consolidated financial statements	
	31.3.2011	31.3.2010	31.3.2011	31.3.2010	31.3.2011	31.3.2010	31.3.2011	31.3.2010	31.3.2011	31.3.2010	31.3.2011	31.3.2010	31.3.2011	31.3.2010
	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
<b>Revenue</b>														
External customers	1,256	2,469	932	1,039	3,276	2,663	1,441	1,338	7	600	-	-	6,913	8,110
Inter-segment	-	-	1	5	296	672	1,127	915	-	624	(1,424)	(2,218)	-	-
<b>Total revenue</b>	<b>1,256</b>	<b>2,469</b>	<b>932</b>	<b>1,045</b>	<b>3,572</b>	<b>3,335</b>	<b>2,569</b>	<b>2,254</b>	<b>7</b>	<b>1,225</b>	<b>(1,424)</b>	<b>(2,218)</b>	<b>6,913</b>	<b>8,110</b>
<b>Results</b>														
Interest income	32	29	12	19	33	26	-	-	-	-	-	-	77	74
Finance costs	2	3	5	12	30	18	21	20	-	4	-	-	58	57
Depreciation	6	9	60	77	94	83	118	133	4	5	-	-	282	307
Segment (loss)	(296)	(359)	(706)	(678)	(410)	(857)	(175)	(63)	(308)	(40)	(10)	(181)	(1,905)	(2,177)
<b>Segment assets</b>	<b>7,328</b>	<b>11,015</b>	<b>14,411</b>	<b>14,631</b>	<b>40,485</b>	<b>37,137</b>	<b>7,880</b>	<b>6,929</b>	<b>1,449</b>	<b>1,496</b>	<b>(3,025)</b>	<b>(2,564)</b>	<b>68,528</b>	<b>68,644</b>
<b>Segment liabilities</b>	<b>(2,108)</b>	<b>(1,545)</b>	<b>(3,966)</b>	<b>(2,942)</b>	<b>(6,587)</b>	<b>(5,147)</b>	<b>(6,794)</b>	<b>(5,443)</b>	<b>(6,982)</b>	<b>(7,033)</b>	<b>8,842</b>	<b>7,987</b>	<b>(17,597)</b>	<b>(14,123)</b>
<b>Capital expenditure</b>	<b>7</b>	<b>3</b>	<b>2</b>	<b>5</b>	<b>6</b>	<b>41</b>	<b>5</b>	<b>250</b>	<b>-</b>	<b>4</b>	<b>-</b>	<b>-</b>	<b>21</b>	<b>301</b>
<b>Geographical segments:</b>														
					Malaysia		Singapore		Vietnam		Adjustments and eliminations		Per consolidated financial statements	
					31.3.2011	31.3.2010	31.3.2011	31.3.2010	31.3.2011	31.3.2010	31.3.2011	31.3.2010	31.3.2011	31.3.2010
					RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>Revenue</b>														
Revenue from external customers					5,257	7,956	1,656	151	-	3	-	-	6,913	8,110
<b>Segment assets</b>					<b>69,185</b>	<b>70,256</b>	<b>2,213</b>	<b>886</b>	<b>156</b>	<b>67</b>	<b>(3,025)</b>	<b>(2,564)</b>	<b>68,528</b>	<b>68,644</b>
<b>Capital expenditure</b>					<b>21</b>	<b>301</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>21</b>	<b>301</b>



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

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

**A11. Subsequent Events**

On 3 May 2011, the subsidiary of Industriatics Berhad, i.e. Sukitronics Sdn Bhd entered into a Share Sale Agreement with Shariza Binti Ashari for the disposal of its entire interest, comprising 300,000 ordinary shares of RM1.00 each representing 40% of the total issued and paid-up share capital of Accumax Technology Sdn Bhd for a total consideration of RM354,640. This interim financial report for the period ended 31 March 2011 have not been adjusted for this share sale and 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.

The major classes of assets and liabilities of disposal operation classified as held for sale on the Group's consolidated statement of financial position as at 31 March 2011 are as follows:

	Carrying amount RM
Assets	
Property, plant and equipment	102
Trade and other receivables	156,949
Amount due from customers	1,275,231
Tax Recoverable	127
Cash & bank balances	<u>301,016</u>
Assets of disposal group classified as held for sale	<u>1,733,425</u>
Liabilities	
Trade and other payables	<u>357,939</u>
Liabilities directly associated with assets classified as held for sale	<u>357,939</u>

**A12. Effect of Changes in the Composition of the Group**

Other than as disclosed on note A11 above, 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.

**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. 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 RM6.913 million for the current financial period ended 31 March 2011 was 15% lower compared to RM8.110 million for the previous year corresponding period. Loss before tax of RM1.905 million was recorded compared to loss before tax of RM2.177 million in the previous corresponding period mainly due to higher gross profit margin reported on few key projects and lower operating expenses for the period.

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

The Group revenue decrease by 60% from RM17.101 million posted in the preceding quarter to RM6.913 million in the current quarter. Pre-tax loss of RM1.905 million for the current quarter recorded compared to RM0.523 million in the preceding financial quarter mainly due to lower sales reported in the current quarter.

### 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 business. 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
Current taxation	68,756
Deferred taxation	-
	<hr/>
	68,756

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

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

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

**B7. Purchase/Disposal of Assets Held for Trading Investments**

(a) There were no purchases or disposals of assets held for trading investments during the current quarter.

(b) Assets held for trading investments as at 31 March 2011:-

	RM
At cost	54,318
At market value	20,007

**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 March 2011:-

	RM
<b>a) Secured and unsecured :</b>	
Total secured borrowings	552,984
Total unsecured borrowings	2,469,156
Total borrowings	<u>3,022,140</u>
<b>b) Short Term and Long Term</b>	
Total short-term borrowings	2,736,845
Total long term borrowings	285,295
Total borrowings	<u>3,022,140</u>

**B10. Off Balance Sheet Financial Instruments**

The Group does not have any financial instruments with off balance sheet risk as at 24 May 2011, the latest practicable date which shall not be earlier than 7 days from the date of issue of the quarterly report.

**B11. Realised and Unrealised Losses Disclosure**

	As at 31.3.2011 RM
Total accumulated losses of Industronics Berhad and its subsidiaries:	
- Realised	19,949,403
- Unrealised	344,289
Less: consolidation adjustments	(16,792,531)
Total group accumulated losses as per consolidated accounts	<u>3,501,161</u>

**B12. Material Litigations**

There are no material litigations as at 24 May 2011, the latest practicable date which shall not be earlier than 7 days from the date of issue of the quarterly report.

**B13. Dividend**

No dividend has been proposed in the current quarter.

**B14. Basic (loss)/earnings per share**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTERS	
	CURRENT YEAR QUARTER 31.3.2011	PRECEDING YEAR QUARTER 31.3.2010	CURRENT YEAR 31.3.2011	PRECEDING YEAR 31.3.2010
Basic loss per share				
Net loss for the period	(1,881,586)	(1,940,790)	(1,881,586)	(1,940,790)
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)	(2.00)	(2.06)	(2.00)	(2.06)

**B15. 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 May 2011.

BY ORDER OF THE BOARD  
INDUSTRONICS BERHAD

24 May 2011