

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

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

	INDIVIDUAL QUARTER		CUMULATIVE QUARTERS	
	CURRENT YEAR QUARTER 31.12.2011 RM	PRECEDING YEAR QUARTER 31.12.2010 RM	CURRENT YEAR 31.12.2011 RM	PRECEDING YEAR 31.12.2010 RM
Revenue	26,434,615	16,927,086	59,297,595	53,305,319
Cost of Sales	<u>(16,640,281)</u>	<u>(12,126,668)</u>	<u>(35,447,674)</u>	<u>(37,877,585)</u>
Gross Profit	9,794,334	4,800,418	23,849,921	15,427,734
Other Income	411,864	381,306	735,376	1,495,731
Operating Expenses	<u>(5,714,365)</u>	<u>(5,529,395)</u>	<u>(20,212,053)</u>	<u>(21,519,031)</u>
Finance Costs	<u>(75,323)</u>	<u>(71,465)</u>	<u>(248,525)</u>	<u>(269,867)</u>
Profit/(Loss) Before Tax	4,416,510	(419,136)	4,124,719	(4,865,433)
Income Tax	<u>(68,490)</u>	<u>(141,701)</u>	<u>(551,296)</u>	<u>(185,947)</u>
Profit/(Loss) for the Period	<u>4,348,020</u>	<u>(560,837)</u>	<u>3,573,424</u>	<u>(5,051,380)</u>
Other comprehensive income/(loss), net of tax:				
Revaluation of land and buildings	-	-	-	1,910,340
Foreign currency translation differences for foreign operations	(16,035)	48,347	(6,903)	31,131
Income tax relating to components of other comprehensive income	<u>-</u>	<u>-</u>	<u>-</u>	<u>(525,085)</u>
	<u>(16,035)</u>	<u>48,347</u>	<u>(6,903)</u>	<u>1,416,386</u>
Total comprehensive income/(loss) for the period	<u>4,331,985</u>	<u>(512,490)</u>	<u>3,566,521</u>	<u>(3,634,994)</u>
<b>Profit/(Loss) Attributable to :</b>				
Owners of the Company	4,086,828	(273,510)	3,392,741	(4,191,955)
Non-Controlling Interest	<u>261,192</u>	<u>(287,327)</u>	<u>180,682</u>	<u>(859,425)</u>
Profit/(Loss) for the Period	<u>4,348,020</u>	<u>(560,837)</u>	<u>3,573,424</u>	<u>(5,051,380)</u>
<b>Total Comprehensive Income/(Loss) Attributable to :</b>				
Owners of the Company	4,076,170	(226,179)	3,384,994	(3,155,159)
Non-Controlling Interest	<u>255,815</u>	<u>(286,311)</u>	<u>181,527</u>	<u>(479,835)</u>
	<u>4,331,985</u>	<u>(512,490)</u>	<u>3,566,521</u>	<u>(3,634,994)</u>
Earnings/(Loss) per share of RM0.50 each				
- Basic (sen)	4.34	(0.29)	3.60	(4.45)

(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 DECEMBER 2011**

	AS AT END OF CURRENT FINANCIAL YEAR END 31.12.2011 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	16,010,472	16,770,161
Investment Properties	830,879	892,466
Other Investments	111,001	205,001
<b>Total Non-current assets</b>	<u>16,952,352</u>	<u>17,867,628</u>
<b>Current Assets</b>		
Inventories	7,941,248	8,581,883
Due from Customers on Contract	1,062,544	6,973,619
Held for trading investments	-	17,883
Trade & Other Receivables	20,802,763	18,777,116
Cash and Bank Balances	31,680,438	22,301,413
<b>Total Current Assets</b>	61,486,993	56,651,914
Assets of disposal group classified as held for sale	438,727	-
<b>TOTAL ASSETS</b>	<u>78,878,072</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	4,703,985	1,318,991
<b>Shareholders' funds</b>	<u>51,790,331</u>	<u>48,405,337</u>
Non-Controlling Interest	3,876,575	4,492,054
<b>Total equity</b>	<u>55,666,906</u>	<u>52,897,391</u>
<b>Non-current liabilities</b>		
Borrowings	281,050	367,818
Deferred Tax Liabilities	1,001,777	972,018
<b>Total Non-current liabilities</b>	<u>1,282,827</u>	<u>1,339,836</u>
<b>Current Liabilities</b>		
Provisions	96,827	99,507
Trade & Other Payables	18,390,005	14,646,961
Borrowings	1,722,744	4,478,257
Current Tax Payables	967,536	537,721
Due to Customers on Contract	616,358	519,869
<b>Total Current Liabilities</b>	<u>21,793,469</u>	<u>20,282,315</u>
Liabilities directly associated with assets classified as held for sale	134,869	-
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>78,878,072</u>	<u>74,519,542</u>
Net Assets per share of RM0.50 each (RM)	0.55	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 DECEMBER 2011**

**CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**

	Reserves									Total Equity
	Non Distributable						Distributable Retained earnings/ (accumulated losses)	Share- holders Fund	Non-Controlling Interest	
	Share capital	Share premium	Treasury shares	Share option reserve	Foreign currency reserve	Revaluation reserves				
RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	
At 31 December 2010	47,631,500	732	(545,154)	50,638	(1,925)	2,889,122	(1,619,575)	48,405,337	4,492,054	52,897,391
Total comprehensive gain/(loss) for the period	-	-	-	-	(7,748)	-	3,392,741	3,384,994	181,527	3,566,521
Dividends paid to minority shareholders of a subsidiary company	-	0	-	0	-	-	-	-	(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)	-	(9,673)	2,889,122	1,823,804	51,790,331	3,876,575	55,666,906
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	-	-	-	-	40,567	996,229	(4,191,955)	(3,155,159)	(479,835)	(3,634,994)
Distribution of net assets to minority shareholders of a subsidiary upon members' voluntary winding up	-	-	-	-	-	-	-	-	(207,278)	(207,278)
Changes in fair valuation of share options granted	-	-	-	12,659	-	-	-	12,659	-	12,659
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

(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 DECEMBER 2011**

	Current Year 12 Months Ended 31.12.2011 (Unaudited)	Preceding Year 12 Months Ended 31.12.2010 (Audited)
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit/(loss) before taxation	4,124,719	(4,865,431)
Adjustments for non-cash flow:-		
Non-cash items	1,281,235	1,468,520
Non-operating items	<u>(88,222)</u>	<u>(1,010,500)</u>
Operating profit/(loss) before changes in working capital	5,317,733	(4,407,411)
Net change in current assets	2,479,650	492,906
Net change in current liabilities	<u>2,928,990</u>	<u>1,079,495</u>
Cash generated from/(used in) operations	10,726,373	(2,835,010)
Interest paid	(248,525)	(152,072)
Taxes refunded	133,202	1,965,976
Taxes paid	<u>(200,324)</u>	<u>(353,621)</u>
Net cash generated from/(used in) operating activities	<u>10,410,726</u>	<u>(1,374,727)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(329,036)	(206,653)
Proceeds from disposal of property, plant and equipment	145,368	45,086
Net cash inflow from disposal of a subsidiary	64,581	-
Proceeds from disposal of assets held for trading investments	21,250	337,972
Interest received	301,512	319,531
Dividend income	-	1,842
Net cash generated from investing activities	<u>223,675</u>	<u>497,778</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Dividends paid to minority shareholders of a subsidiary	(289,482)	-
Distribution of net assets to minority shareholders of a subsidiary upon members' voluntary winding up	-	(207,278)
Proceeds from issuance of ordinary shares by a subsidiary, subscribed by minority shareholders of the subsidiary	-	-
Net (repayment)/drawdown of bank borrowings	(272,205)	963,164
Drawdown of hire purchase	100,000	
Net decrease/(increase) in pledged fixed deposits	171,946	(171,946)
Net cash (used in)/generated from financing activities	<u>(289,741)</u>	<u>583,940</u>
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	10,344,659	(293,009)
Effect of exchange rate changes	(6,903)	(98,976)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	20,056,658	20,448,643
CASH AND CASH EQUIVALENTS AT END OF PERIOD	<u>30,394,415</u>	<u>20,056,658</u>
CASH AND CASH EQUIVALENTS COMPRISE:		
Deposits, bank balances and cash	31,732,148	22,301,413
Less : Fixed deposit not readily available for use	<u>-</u>	<u>(171,946)</u>
	31,732,148	22,129,467
Bank overdraft	<u>(1,337,733)</u>	<u>(2,072,809)</u>
	<u>30,394,415</u>	<u>20,056,658</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 Adopters  
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

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.

The Group has not adopted the following new Financial Reporting Standards ("FRS") and IC Interpretations that have been issued but not yet effective:

### Effective for financial periods beginning on or after 1 July 2011

IC Interpretation 19: Extinguishing Financial Liabilities with Equity Instruments  
Amendments to IC Interpretation 14: Prepayment of a Minimum Funding Requirement

### Effective for financial periods beginning on or after 1 Jan 2012

Amendments to FRS 1: Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters  
Amendments to FRS 7: Transfers of Financial Assets  
Amendments to FRS 112: Deferred Tax: Recovery of Underlying Assets  
FRS 124: Related Party Disclosures

## Malaysian Financial Reporting Standards

On 19 November 2011, the Malaysian Accounting Standards Board (MASB) issued a new MASB approved accounting framework, the Malaysian Financial Reporting Standards (MFRS Framework).

The MFRS Framework is to be applied by all Entities Other Than Private Entities for annual periods beginning on or after 1 January 2012, with the exception of entities that are within the scope of MFRS 141 Agriculture (MFRS 141) and IC Interpretation 15 Agreements for Construction of Real Estate (IC 15), including its parent, significant investor and venturer.

The Group will be required to prepare financial statements using the MFRS Framework in its first MFRS financial statements for the year ending 31 December 2012. In presenting its first MFRS financial statements, the Group will be required to restate the comparative financial statements to amounts reflecting the application of MFRS Framework. The majority of the adjustments required on transition will be made, retrospectively, against opening retained profits.

The Group has not completed its assessment of the financial effects of the differences between Financial Reporting Standards and accounting standards under the MFRS Framework. Accordingly, the consolidated financial performance and financial position as disclosed in these financial statements for the year ended 31 December 2011 could be different if prepared under the MFRS Framework.

The Group considers that it is achieving its scheduled milestones and expects to be in a position to fully comply with the requirements of the MFRS Framework for the financial year ending 31 December 2012.

**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 December 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>														
Individual quarter ended	Telecommunication		Security systems & M&E		Electronics products		Fabrication and manufacturing		Other Operations		Adjustments and eliminations		Per consolidated financial statements	
	31.12.2011	31.12.2010	31.12.2011	31.12.2010	31.12.2011	31.12.2010	31.12.2011	31.12.2010	31.12.2011	31.12.2010	31.12.2011	31.12.2010	31.12.2011	31.12.2010
	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	6,326	4,825	7,720	4,113	10,551	4,182	1,378	1,401	460	2,407	-	-	26,435	16,927
Inter-segment	-	-	3	1	431	384	1,595	1,481	159	1,460	(2,188)	(3,326)	-	-
<b>Total revenue</b>	<b>6,326</b>	<b>4,825</b>	<b>7,723</b>	<b>4,114</b>	<b>10,982</b>	<b>4,566</b>	<b>2,973</b>	<b>2,881</b>	<b>619</b>	<b>3,866</b>	<b>(2,188)</b>	<b>(3,326)</b>	<b>26,435</b>	<b>16,927</b>
<b>Results</b>														
Interest income	49	34	2	21	30	32	-	-	-	1	-	-	81	87
Finance costs	32	9	4	25	24	17	22	23	(0)	(1)	(7)	-	75	71
Depreciation	15	7	37	75	94	114	80	96	4	6	-	-	230	298
Segment profit/(loss)	246	1,230	250	(783)	4,589	(1,934)	(77)	(29)	(84)	547	(507)	550	4,417	(419)
<b>Segment assets</b>	<b>15,845</b>	<b>14,634</b>	<b>16,692</b>	<b>16,970</b>	<b>42,318</b>	<b>36,857</b>	<b>6,158</b>	<b>8,225</b>	<b>1,500</b>	<b>2,039</b>	<b>(3,634)</b>	<b>(4,205)</b>	<b>78,878</b>	<b>74,520</b>
<b>Segment liabilities</b>	<b>(3,621)</b>	<b>(6,398)</b>	<b>(7,854)</b>	<b>(6,717)</b>	<b>(8,595)</b>	<b>(4,325)</b>	<b>(2,708)</b>	<b>(7,447)</b>	<b>(6,755)</b>	<b>(7,269)</b>	<b>6,323</b>	<b>10,534</b>	<b>(23,211)</b>	<b>(21,622)</b>
<b>Capital expenditure</b>	<b>2</b>	<b>(1)</b>	<b>66</b>	<b>13</b>	<b>4</b>	<b>4</b>	<b>(1)</b>	<b>22</b>	<b>4</b>	<b>2</b>	<b>-</b>	<b>-</b>	<b>76</b>	<b>41</b>
<b>Geographical segments:</b>														
					Malaysia		Singapore		Vietnam		Adjustments and eliminations		Per consolidated financial statements	
					31.12.2011	31.12.2010	31.12.2011	31.12.2010	31.12.2011	31.12.2010	31.12.2011	31.12.2010	31.12.2011	31.12.2010
					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					24,987	14,414	1,380	1,792	68	721	-	-	26,435	16,927
<b>Segment assets</b>					<b>79,450</b>	<b>76,686</b>	<b>2,869</b>	<b>1,838</b>	<b>193</b>	<b>201</b>	<b>(3,634)</b>	<b>(4,205)</b>	<b>78,878</b>	<b>74,520</b>
<b>Capital expenditure</b>					<b>76</b>	<b>34</b>	<b>-</b>	<b>5</b>	<b>-</b>	<b>2</b>	<b>-</b>	<b>-</b>	<b>76</b>	<b>41</b>



<b>Business segments:</b>														
Cumulative quarters ended	Telecommunication		Security systems & M&E		Electronics products		Fabrication and manufacturing		Other Operations		Adjustments and eliminations		Per consolidated financial statements	
	31.12.2011 RM'000	31.12.2010 RM'000	31.12.2011 RM'000	31.12.2010 RM'000	31.12.2011 RM'000	31.12.2010 RM'000	31.12.2011 RM'000	31.12.2010 RM'000	31.12.2011 RM'000	31.12.2010 RM'000	31.12.2011 RM'000	31.12.2010 RM'000	31.12.2011 RM'000	31.12.2010 RM'000
<b>Revenue</b>														
External customers	14,621	18,492	10,091	9,187	27,192	14,848	5,614	5,930	1,779	4,848	-	-	59,298	53,305
Inter-segment	-	-	28	58	1,826	2,406	8,431	4,963	212	3,181	(10,497)	(10,608)	-	-
<b>Total revenue</b>	<b>14,621</b>	<b>18,492</b>	<b>10,119</b>	<b>9,245</b>	<b>29,018</b>	<b>17,254</b>	<b>14,045</b>	<b>10,893</b>	<b>1,991</b>	<b>8,029</b>	<b>(10,497)</b>	<b>(10,608)</b>	<b>59,298</b>	<b>53,305</b>
<b>Results</b>														
Interest income	137	125	27	78	137	116	-	-	-	1	-	-	301	320
Finance costs	41	36	23	80	110	60	86	90	1	4	(13)	-	248	270
Depreciation	44	35	200	294	377	387	357	474	16	21	-	-	995	1,211
Segment profit/(loss)	410	1,180	(1,800)	(2,157)	6,968	(4,223)	155	(160)	(110)	220	(1,499)	275	4,125	(4,865)
<b>Segment assets</b>	<b>15,845</b>	<b>14,634</b>	<b>16,692</b>	<b>16,970</b>	<b>42,318</b>	<b>36,857</b>	<b>6,158</b>	<b>8,225</b>	<b>1,500</b>	<b>2,039</b>	<b>(3,634)</b>	<b>(4,205)</b>	<b>78,878</b>	<b>74,520</b>
<b>Segment liabilities</b>	<b>(3,621)</b>	<b>(6,398)</b>	<b>(7,854)</b>	<b>(6,717)</b>	<b>(8,595)</b>	<b>(4,325)</b>	<b>(2,708)</b>	<b>(7,447)</b>	<b>(6,755)</b>	<b>(7,269)</b>	<b>6,323</b>	<b>10,534</b>	<b>(23,211)</b>	<b>(21,622)</b>
<b>Capital expenditure</b>	<b>163</b>	<b>9</b>	<b>71</b>	<b>48</b>	<b>17</b>	<b>273</b>	<b>60</b>	<b>313</b>	<b>18</b>	<b>18</b>	<b>-</b>	<b>-</b>	<b>328</b>	<b>661</b>
<b>Geographical segments:</b>														
					Malaysia		Singapore		Vietnam		Adjustments and eliminations		Per consolidated financial statements	
					31.12.2011 RM'000	31.12.2010 RM'000	31.12.2011 RM'000	31.12.2010 RM'000	31.12.2011 RM'000	31.12.2010 RM'000	31.12.2011 RM'000	31.12.2010 RM'000	31.12.2011 RM'000	31.12.2010 RM'000
<b>Revenue</b>														
Revenue from external customers					49,618	50,358	9,612	2,220	68	727	-	-	59,298	53,305
<b>Segment assets</b>					<b>79,450</b>	<b>76,686</b>	<b>2,869</b>	<b>1,838</b>	<b>193</b>	<b>201</b>	<b>(3,634)</b>	<b>(4,205)</b>	<b>78,878</b>	<b>74,520</b>
<b>Capital expenditure</b>					<b>328</b>	<b>654</b>	<b>-</b>	<b>5</b>	<b>-</b>	<b>2</b>	<b>-</b>	<b>-</b>	<b>328</b>	<b>661</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 statements.

#### A11. Subsequent Events

On 27 Feb 2012, the subsidiary of Industriatics Berhad, i.e. Sukitronics Sdn Bhd has entered into a Share Sale Agreement with Mr. Yeap Woon Heng, Mr. Yeap Boon Kooi, Ms. Cheong Yok Hong and Mr. Oah Lock Kim for the disposal of its entire interest, comprising 2,250,000 ordinary shares of RM1.00 each representing 100% of the total issued and paid up capital of SKT Innova Sdn Bhd for a total consideration of RM265,979. This interim financial report for the year ended 31 December 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 December 2011 are as follows:

	Carrying amount RM
Assets	
Property, plant and equipment	5,089
Inventories	125,005
Trade and other receivables	256,923
Cash & bank balances	51,710
Assets of disposal group classified as held for sale	<u>438,727</u>
Liabilities	
Trade and other payables	<u>134,869</u>
Liabilities directly associated with assets classified as held for sale	<u>134,869</u>

#### A12. 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 40% equity interest in Accumax Technology Sdn Bhd on 3 May 2011 for a total consideration of RM354,640.

The disposal has the following financial effects on the Group for financial year ended 31 December 2011:-

	RM
Property, plant and equipment	(77)
Trade and other receivables	(1,428,530)
Cash & bank balances	(290,059)
Tax payable	(1,127)
Trade and other payables	873,923
Add: Minority interest	<u>507,524</u>
	(338,346)
Disposal proceeds	<u>354,640</u>
Gain on disposal to the Group	<u>16,294</u>
Disposal proceeds settled by:-	
Cash	354,640
Cash inflow/(outflow) arising from disposals:	
Cash consideration	354,640
Cash and cash equivalents of subsidiary disposed	<u>(290,059)</u>
Net cash inflow from disposal	<u>64,581</u>

**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:

**A15. Profit/(loss) Before Taxation**

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

	<b>Q411</b>	<b>Q410</b>	<b>YTD 11</b>	<b>YTD 10</b>
Interest income	(81,133)	(87,372)	(301,512)	(319,531)
Other income	(411,864)	(381,306)	(735,376)	(1,495,731)
Interest expense	75,323	71,645	248,525	269,867
Depreciation	229,739	297,877	994,951	1,210,748
Provision for and write off of receivables	175,749	139,388	234,108	182,287
Provision for and write off of inventories	446,825	476,311	446,825	476,311
Gain/(loss) on disposal of quoted investment	-	-	(1,244)	(6,427)
Impairment/(reversal of impairment) of assets				
-Investment properties	21,823	(116,099)	21,823	(116,099)
-Transferable membership in golf clubs	94,000	(17,000)	94,000	(17,000)
Realised foreign exchange (gain)/loss	9,814	(12,876)	53,749	470,643
Unrealised foreign exchange (gain)/loss	64,388	(1,263)	129,259	159,107

## ADDITIONAL INFORMATION REQUIRED BY THE BMSB LISTING REQUIREMENTS

### B1. Review of Performance

#### Quarter ended 31 December 2011(4Q11) compared with quarter ended 31 December 2010(4Q10)

Group revenue increased to RM26.4 million for 4Q11 compared to RM16.9 million in 4Q10 due to higher revenue registered for all major divisions of the Group. With higher revenue, PBT increased to RM4.4 million for 4Q11.

Electronics products division registered a revenue of RM10.5 million due to successful conclusion of an outstanding variation order of a past project undertaken.

Security system & M&E division also registered a revenue of RM7.7 million due to recommencement of a large project undertaken by the division.

#### Current financial period ended 31 December 2011(12M11) compared with previous financial period ended 31 December 2010(12M10)

Group recorded an increase of revenue from RM53.3 million to RM59.3 million due to successful conclusion of an outstanding variation order of a past project undertaken and a higher revenue from sales of traffic lights for the current year. These have contributed to the overall increase in PBT to RM4.1 million for the current year.

### B2. Material Changes in the Quarterly Results (4Q11) compared to the Results of the Preceding Quarter (3Q11)

Group recorded an increase of revenue of RM26.4 million (4Q11) against RM11.3 million (3Q11) due to successful conclusion of an outstanding variation order of a past project undertaken and higher revenue by Security & M&E division as a result of resumption of project undertaken in current quarter. These have contributed to the increase in PBT to RM4.4 million in 4Q11.

### 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 businesses. 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	38,731	521,537
Deferred taxation	29,759	29,759
	<u>68,490</u>	<u>551,296</u>

The effective tax rate of the Group is lower than the statutory tax rate for the current quarter to date principally due to utilization of tax losses by the the Company.

**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 for the financial period to date:

	Individual Current Quarter RM	Cumulative Quarters Current RM
Total Purchases	-	-
Total Sale Proceeds	-	21,250
Total Gain on Disposals	-	1,244

(b) There were no assets held for trading investments as at 31 December 2011.

**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 2011:-

	RM
a) <b>Secured and unsecured :</b>	
Total secured borrowings	455,061
Total unsecured borrowings	<u>1,548,733</u>
Total borrowings	<u>2,003,794</u>
b) <b>Short Term and Long Term</b>	
Total short-term borrowings	1,722,744
Total long term borrowings	<u>281,050</u>
Total borrowings	<u>2,003,794</u>

**B10. Off Balance Sheet Financial Instruments**

Not applicable as off balance sheet financial instruments are accounted for in the statement of financial position in accordance with FRS139.

**B11. Realised and Unrealised Losses Disclosure**

	As at 31.12.2011 RM	As at 31.12.2010 RM
Total accumulated losses of Industronics Berhad and its subsidiaries:		
- Realised	(14,051,798)	(17,934,246)
- Unrealised	(110,504)	(407,110)
Less: consolidation adjustments	15,986,106	16,721,781
Total group retained profits/(accumulated losses) as per consolidated accounts	<u>1,823,804</u>	<u>(1,619,575)</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 in which SSB was appointed by FKTC to construct, complete, test, commission and maintain the building, mechanical and electrical works of the construction of US New Consulate Compound in Surabaya, Indonesia.

The case was brought to Arbitration Chambers and the hearing date was fixed on 12 - 16 March 2012.

**B13. Dividend**

No dividend has been proposed in the current quarter.

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

	INDIVIDUAL QUARTER		CUMULATIVE QUARTERS	
	CURRENT YEAR QUARTER 31.12.2011	PRECEDING YEAR QUARTER 31.12.2010	CURRENT YEAR 31.12.2011	PRECEDING YEAR 31.12.2010
Basic earnings/(loss) per share				
Net profit/(loss) for the period	4,086,828	(273,510)	3,392,741	(4,191,955)
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)	4.34	(0.29)	3.60	(4.45)

**B15. Authorisation For Issue**

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

BY ORDER OF THE BOARD  
INDUSTRONICS BERHAD

28 February 2012