Form 51-102F3
MATERIAL CHANGE REPORT

Item 1. Name and Address of Reporting Issuer

Cantronic Systems Inc. (“Cantronic” or the “Company”)
67A Clipper Street
Coquitlam, BC
V3K 6X2

Item 2. Date of Material Change

October 16, 2011

Item 3. News Release

A press release announcing the material change referred to in this report was issued on October 16, 2011.

Item 4. Summary of Material Change

Cantronic has announced the appointment of Dr. John Shen to Cantronic’s Board of Directors and the chair of the Audit Committee and the resignation of Mr. Jeff Yenyou Zheng from the Board of Directors.

Item 5. Full Description of Material Change

Item 5.1 Full Description of the Material Change

The Company announced the appointment of Dr. John Shen to the Board of Directors and chair of Audit Committee. Dr. Shen received doctorate degree in chemical engineering from Laval University in Quebec in January 1992. From November 1998 to November 2007, Dr. Shen was the founder and chairman of Palcan Fuel cell Ltd. and late changed name to Palcan Power Systems, a TSX-Venture listed company. From October 2007 to today, Dr. Shen is the founder and chairman of Palcan Energy Corporation, a private company based in Vancouver and has manufacturing facility in Asia. The Company also announced the departure of Mr. Jeff Zheng from the Board of Directors.

Item 5.2 Disclosure for Restructuring Transactions

Not applicable.

Item 6. Reliance on subsection 7.1(2) and (3) of National Instrument 51-102

Not applicable.

Item 7. Omitted Information

No information has been omitted on the basis that it is confidential information.

Item 8. Executive officer

The name and business number of the executive office of Cantronic Systems Inc. who is knowledgeable of the material change and this report is:

Kevin Su at (604) 516-6667 ext. 269.

Item 9. Date of Report

November 15, 2011

Cantronic Completes Sale of its 51% interest in Yellow River

Vancouver, British Columbia, October 16, 2011 – Cantronic Systems Inc., (“Cantronic” or the “Company”) (TSX-V: CTS.V, Pink Sheets: CRIXF) announced that further to the news release of September 16, 2011, the Company’s wholly-owned subsidiary, Cantronic Security Systems (China) Co., Ltd of Shanghai, China (“CSSC”), has closed the sale of its 51% interest in Shenzhen Huanghe Digital Technology Co. Ltd., of Shenzhen, China (“Yellow River”) to an arms-length private purchaser.

"The sale of this business unit will provide immediate working capital, allowing us to further grow our other China business units in the area of networked video surveillance," said James Zahn, President and CEO of Cantronic Systems Inc.

Cantronic also announced that Dr. John Shen has been appointed as an independent director of the Company and chair of the Audit Committee. John replaces Jeff Yenyou Zheng who has just resigned for personal reasons. We thank Mr. Zheng for his services to the Board and the Company over the last two years.

About Cantronic Systems Inc.

Cantronic Systems Inc., based in Coquitlam, British Columbia, Canada, manufactures, distributes, and provides training and services in the fields of IP-based networked video security surveillance technologies, specializing in networked video management software and video analytics, IP cameras, speed dome cameras, high definition video surveillance cameras and night vision surveillance systems for demanding security and surveillance applications.

Cantronic, through its China subsidiaries Cantronic Security Systems (China) Co. Ltd ("CSSC"), Beijing Advanced Videoinfo Technology Co. Ltd. ("AVINFO"), and Actiontop Electronics (Shenzhen) Co. Ltd. (“Actiontop”) provides high-speed and digital networked video surveillance solutions to government and corporate customers in China.

Cantronic is a Tier 1 issuer on the TSX-V exchange, trading under the symbol CTS. For further information about Cantronic and Cantronic China, please visit our websites at www.cantronicsecurity.com and www.cantronics.com.cn.

For further information, contact:

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Forward-looking statements

This news release contains forward-looking statements, within the meaning of applicable securities legislation, concerning Cantronic Systems Inc. and the markets in which it operates. Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results, performance and achievements of Cantronic to be materially different from any future results, performance or achievements expressed or implied by said forward-looking statements.

Forward-looking statements include, but are not limited to: the completion of the Proposed Transaction, anticipated share capital following completion of the Proposed Transaction, expectations, opinions, forecasts, projections and other similar statements concerning anticipated future events, conditions or results that are not historical facts. In certain cases, forward-looking statements can be identified by the use of words such as "plans," "expects" or "does not expect," "is expected," "budget," "scheduled," "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or statements that certain actions, events or results "may", "could", "would", "might" or "will be taken", "occur" or "be achieved."

Readers are cautioned not to place undue reliance on such forward-looking statements. Forward-looking information is provided as of the date of this news release, and Cantronic Systems Inc. assumes no obligation to update or revise them to reflect new events or circumstances, except as may be required under applicable securities laws.

Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.