

FLONIC HI-TEC BHD.
(Company No : 655665-T)
Incorporated in Malaysia

NOTES TO THE QUARTERLY REPORT – 30 APRIL 2011
A. EXPLANATORY NOTES AS PER FRS 134 - INTERIM FINANCIAL REPORTING

A1. Basis of Preparation

The interim financial statements are unaudited and have been prepared in compliance with FRS134 – Interim Financial Reporting, and Appendix 9B of the Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”) for the ACE Market.

Except for the changes from the adoption of new Financial Reporting Standards (“FRSs”) applicable to the Group, the accounting policies and method of computation adopted for the interim financial statements were consistent with those adopted for the audited financial statements for the year ended 31 January 2011.

A2. Auditors’ Report

The auditors’ report on the audited annual financial statements for the financial year ended 31 January 2011 was not subject to any qualification.

A3. Seasonal or Cyclical Factors

The operations of the Group were not affected by any seasonal or cyclical factors.

A4. Unusual Items

During the current quarter under review, there were no items or events that arose, which affected the assets, liabilities, equity, net income or cash flows, which are unusual by reason of their nature, size or incidence.

A5. Changes in Estimates

There were no changes in the estimates of amounts reported that have a material effect on the results in the current quarter under review.

A6. Issuance and Repayment of Debt and Equity Securities

There were no issuances, cancellations, repurchases, resale and repayments of debt and equity securities in the current quarter under review.

A7. Dividend Paid

No dividend was declared or paid in the current quarter ended 30 April 2011.

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A8. Segmental Information

Financial data by geographical segment for the Group by customers' location :

	<u>Malaysia</u> RM'000	<u>Asia</u> RM'000	<u>Total</u> RM'000
Revenue	2,307	2,542	4,849
	=====	=====	=====
Result - Loss from operations	29	32	61
	=====	=====	
Finance cost			(4)
Share of profit			0
Profit before taxation			57
Taxation			0
Profit after taxation			57

A9. Valuation of Property, Plant and Equipment

The property, plant and equipment of the Group have not been revalued for the current quarter under review.

A10. Material Events Subsequent to the end of the Interim Reporting Period

There were no material events subsequent to the end of the current quarter under review that have not been reflected in the financial statements.

A11. Changes in the Composition of the Group

There were no changes in the composition of the Group for the current quarter under review.

A12. Contingent Liabilities

As at 30 April 2011, the Company has no outstanding contingent liabilities.

A13. Capital Commitments

As at 30 April 2011, the Group did not have any capital commitments.

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B. ADDITIONAL INFORMATION REQUIRED BY BURSA SECURITIES LISTING REQUIREMENTS

B1. Review of Performance

For the first quarter ended 30 April 2011, the Group made a profit before taxation of RM0.057 million compared to a loss before taxation of RM1.1 million for the corresponding first quarter ended 30 April 2010.

Turnover for the first quarter ended 30 April 2011 was RM4.849 million compared to the turnover of RM1.05 million for the first quarter ended 30 April 2010.

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

	Current quarter ended 30/04/2011 RM'000	Preceding quarter ended 30/01/2011 RM'000
Turnover	4,849 =====	3,143 =====
Profit / (Loss) before taxation	57 =====	(292) =====

The Group recorded a pre-tax profit of RM0.057 million on turnover of RM4.849 million for the current quarter under review compared to pre-tax loss of RM0.292 million on turnover of RM3.143 million for the immediate preceding quarter.

B3. Commentary on Prospects

The directors look forward the prospect for the financial year 2012 to be improved barring unforeseen circumstances.

B4. Variance of Actual Profit from Forecast Profit

This is not applicable as no profit forecast was published.

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B. ADDITIONAL INFORMATION REQUIRED BY BURSA SECURITIES LISTING REQUIREMENTS

B5. Income Tax Expense

	<u>Individual Quarter</u>		<u>Cumulative Year-to-Date</u>	
	<u>Ended</u> 30/04/2011	<u>ended</u> 30/04/2010	<u>ended</u> 30/04/2011	<u>Ended</u> 30/04/2010
	RM	RM	RM	RM
Income tax provision	0	0	0	0

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

There were no disposals of unquoted investments or properties during the current quarter under review.

B7. Quoted Securities

There were no purchases or disposal of quoted and marketable securities during the current quarter under review.

B8. Borrowings

As at 30 April 2011, the Group's borrowings, which are all denominated in Ringgit Malaysia, were as follows:

	RM
Unsecured -	
Hire purchase creditors -	
Repayable within one year	101,298
Repayable after one year	20,391
Total Borrowings	<u>121,689</u>

B9. Off Balance Sheet Financial Instruments

There were no off balance sheet financial instruments as at the date of this report.

B10. Material Litigation

There were no pending material litigation at the date of this report.

B11. Earnings per Share

The earnings per share was calculated by dividing the net profit for the period by the number of ordinary shares in issue.

	Individual Quarter ended <u>30.04.2011</u>	Cumulative quarter to date Ended <u>30.04.2011</u>
Net profit for the financial Period (RM)	57,317	57,317
Number of ordinary Shares of 10 sen each in issue	140,000,000	140,000,000
Earnings per ordinary share of 10 sen (sen)	0.004	0.004

B12. Realised and Unrealised Accumulated Losses

	As at 30.04.2011	As at 31.01.2011
Total accumulated losses of the Company and its subsidiaries:-		
- Realised	(9,356,702)	(9,423,048)
- Unrealised	-	9,029
	<u>(9,356,702)</u>	<u>(9,414,019)</u>
Total share of accumulated losses from associated companies		
- Realised	(61,676)	(61,676)
- Unrealised	0	0
	<u>(61,676)</u>	<u>0</u>
	(9,418,378)	(9,475,695)
Less: Consolidation adjustments	1,632,488	1,632,488
	<u>1,632,488</u>	<u>1,632,488</u>
Total Group accumulated losses as per Consolidated financial statement	<u>(7,785,890)</u>	<u>(7,843,207)</u>

BY ORDER OF THE BOARD

Yen Yoon Fah
Executive Chairman
24th June 2011