

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 31 JULY 2012**

	(Unaudited) Quarter ended 31-Jul-12 RM	(Audited) Year ended 31-Jan-12 RM
ASSETS		
Non-Current Assets		
Property, plant and equipment	3,088,133	2,659,458
Current Assets		
Inventories	6,235,945	4,589,542
Trade and other receivables	4,452,818	4,125,088
Tax recoverable	0	875
Cash and bank balances	10,883,898	23,926
	21,572,661	8,739,431
TOTAL ASSETS	24,660,794	11,398,889
EQUITY		
Share capital	34,994,493	14,000,000
Share premium	70,164	550,571
Currency translation reserve	246,541	202,962
Accumulated losses	(10,616,843)	(8,272,124)
Merger deficit	(2,575,050)	(2,575,050)
Total equity attributable to the parent's equity holders	22,119,305	3,906,359
Non-current liabilities		
Hire purchase liabilities	0	0
Current Liabilities		
Trade and other payables	2,526,969	7,441,797
Hire-purchase liabilities	14,520	50,733
	2,541,489	7,492,530
Total Liabilities	2,541,489	7,492,530
TOTAL EQUITY AND LIABILITIES	24,660,794	11,398,889
NTA per share attributable to equity holders of the Company -basic (RM)	0.0632	0.0279

(The unaudited condensed consolidated Statements of Financial Position should be read in conjunction with the audited financial statements for the year ended 31 January 2012 and the accompanying explanatory notes attached to this interim financial statements)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE QUARTER ENDED 31 JULY 2012**

	<u>Individual Quarter</u> 3 months ended		<u>Cumulative Quarter</u> 6 months ended	
	31-Jul-12 RM	31-Jul-11 RM	31-Jul-12 RM	31-Jul-11 RM
Revenue	1,207,483	1,599,839	1,866,012	6,449,291
Other operating income	63,051	0	153,119	0
Operating expenses	(2,643,406)	(1,568,895)	(4,361,372)	(6,356,996)
(Loss)/profit from operations	(1,372,872)	30,944	(2,342,241)	92,295
Finance costs	(2,304)	(3,670)	(2,479)	(7,704)
(Loss)/profit before taxation	(1,375,176)	27,274	(2,344,720)	84,591
Income tax expense	0	0	0	0
(Loss)/profit for the period	(1,375,176)	27,274	(2,344,720)	84,591
Other comprehensive income:				
Foreign currency translation reserve, net of tax of RM Nil (2011: RM Nil)	44,536	0	43,579	(74,876)
Total comprehensive income	(1,330,640)	27,274	(2,301,141)	9,715
(Loss)/profit for the period attributable to :				
Owners of the Parent	(1,375,176)	27,274	(2,344,720)	84,591
Non-Controlling Interest	0	0	0	0
	(1,375,176)	27,274	(2,344,720)	84,591
Total comprehensive income attributable to:				
Owners of the Parent	(1,330,640)	27,274	(2,301,141)	9,715
Non-Controlling Interest	0	0	0	0
	(1,330,640)	27,274	(2,301,141)	9,715
Basic earnings per ordinary share (sen)	(0.39)	0.02	(0.67)	0.06

(The unaudited condensed consolidated Statements of Comprehensive Income should be read in conjunction with the audited financial statements for the year ended 31 January 2012 and the accompanying explanatory notes attached to this interim financial statements)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE QUATER ENDED 31 JULY 2012**

	Attributable to Owners of the Parent							Non-Controlling Interest	Total Equity
	Share Capital	Non-Distributable		Retained Earnings	Merger Deficit	Total			
		Share Premium	Currency translation reserve						
	RM	RM	RM	RM	RM	RM	RM	RM	
Balance at 1 February 2012	14,000,000	550,571	202,962	(8,272,123)	(2,575,050)	3,906,360	0	3,906,360	
Issuance of ordinary shares arising from rights issue	20,994,493					20,994,493		20,994,493	
Currency translation differences, representing net loss not recognised in income statement	0	0	43,579	0	0	43,579	0	43,579	
Corporate exercises expenses relating to rights issue		(480,407)				(480,407)		(480,407)	
Loss for the period	0	0	0	(2,344,720)	0	(2,344,720)	0	(2,344,720)	
Balance at 31 July 2012	<u>34,994,493</u>	<u>70,164</u>	<u>246,541</u>	<u>(10,616,843)</u>	<u>(2,575,050)</u>	<u>22,119,305</u>	<u>0</u>	<u>22,119,305</u>	

(The unaudited condensed consolidated Statements of Changes in Equity should be read in conjunction with the audited financial statements for the year ended 31 January 2012 and the accompanying explanatory notes attached to this interim financial statements)

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

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE QUARTER ENDED 31 JULY 2012**

	(Unaudited) 6 months ended 31-Jul-12 RM	(Audited) Year ended 31-Jan-12 RM
Cash Flows From Operating Activities		
Loss before taxation	(2,344,720)	(428,917)
Adjustments for :-		
Depreciation and amortisation	309,808	607,585
Trade creditors written off	0	(83,952)
Inventories write-down	0	1
Unrealised gain of foreign exchange difference	(24,277)	(24,914)
Interest expenses	2,479	3,352
Operating (loss) /profit before working capital changes	<u>(2,056,710)</u>	<u>73,155</u>
Increase in inventories	(1,646,403)	(831,195)
Increase in receivables	(324,925)	(95,909)
(Decrease)/Increase in payables	(4,892,480)	962,289
Cash (absorbed by)/ generate from operations	<u>(8,920,518)</u>	<u>108,340</u>
Interest paid	0	0
Net cash (used in)/from operating activities	<u>(8,920,518)</u>	<u>108,340</u>
Cash Flows From Investing Activities		
Purchase of property, plant and equipment	(738,483)	0
Net cash used in investing activities	<u>(738,483)</u>	<u>0</u>
Cash Flows From Financing Activities		
Repayment of hire purchase liabilities	(36,213)	(99,039)
Interest paid	(2,479)	(3,352)
Proceeds from rights issue	20,994,493	0
Corporate exercises expenses relating to rights issue	(480,407)	0
Net cash from/(used in) financing activities	<u>20,475,394</u>	<u>(102,391)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS DURING THE FINANCIAL PERIOD/YEAR	10,816,393	5,949
CURRENCY TRANSLATION DIFFERENCE	43,579	(3,017)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD/YEAR	23,926	20,994
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL PERIOD/YEAR	<u><u>10,883,898</u></u>	<u><u>23,926</u></u>
CASH AND CASH EQUIVALENTS		
Cash and bank balances	<u><u>10,883,898</u></u>	<u><u>23,926</u></u>

(The unaudited condensed consolidated Statements of Cash Flows should be read in conjunction with the audited financial statements for the year ended 31 January 2012 and the accompanying explanatory notes attached to this interim financial statements)