

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE QUARTER ENDED 31 JULY 2013

	<u>Individual Quarter</u> 3 months ended		<u>Cumulative Quarter</u> 6 months ended	
	31-Jul-13 RM	31-Jul-12 RM	31-Jul-13 RM	31-Jul-12 RM
Revenue	9,332,885	1,207,483	12,742,383	1,866,012
Other operating income	107,302	63,051	147,803	153,119
Operating expenses	(7,657,788)	(2,643,406)	(11,634,608)	(4,361,372)
Profit/(Loss) from operations	1,782,399	(1,372,872)	1,255,578	(2,342,241)
Finance costs	(17,075)	(2,304)	(101,538)	(2,479)
Profit/(Loss) before taxation	1,765,324	(1,375,176)	1,154,040	(2,344,720)
Taxation	(170,000)	-	(170,000)	-
Profit/(Loss) for the period	1,595,324	(1,375,176)	984,040	(2,344,720)
Other comprehensive income:				
Foreign currency translation reserve, net of tax of RM Nil (2012: RM Nil)	-	44,536	-	43,579
Total comprehensive income/(loss)	1,595,324	(1,330,640)	984,040	(2,301,141)
Profit/(Loss) for the period attributable to :				
Owners of the Parent	(107,789)	(1,375,176)	(719,073)	(2,344,720)
Non-Controlling Interest	1,703,113	0	1,703,113	0
	<u>1,595,324</u>	<u>(1,375,176)</u>	<u>984,040</u>	<u>(2,344,720)</u>
Total comprehensive income/(loss) attributable to:				
Owners of the Parent	(107,789)	(1,330,640)	(719,073)	(2,301,141)
Non-Controlling Interest	1,703,113	0	1,703,113	0
	<u>1,595,324</u>	<u>(1,330,640)</u>	<u>984,040</u>	<u>(2,301,141)</u>
Basic earnings/(loss) per ordinary share (sen)	(0.03)	(0.39)	(0.21)	(0.67)

(The unaudited condensed consolidated Statements of Comprehensive Income should be read in conjunction with the audited financial statements for the year ended 31 January 2013 and the accompanying explanatory notes attached to this interim financial statements)

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 31 JULY 2013

	(Unaudited) As at 31-Jul-13 RM	(Audited) As at 31-Jan-13 RM
ASSETS		
Non-Current Assets		
Property, plant and equipment	4,283,278	3,318,924
Goodwill on Consolidation	3,081,817	0
Current Assets		
Inventories	7,209,464	5,239,551
Trade and other receivables	13,537,613	6,668,509
Short term deposits	3,763,263	0
Cash and bank balances	1,280,722	5,249,069
	<u>25,791,062</u>	<u>17,157,129</u>
TOTAL ASSETS	<u>33,156,157</u>	<u>20,476,053</u>
EQUITY AND LIABILITIES		
Share capital	34,994,493	34,994,493
Share premium	95,991	95,991
Foreign exchange translation reserve	145,907	145,907
Warrants reserve	611,490	611,490
Accumulated losses	(17,703,301)	(16,984,228)
Merger deficit	<u>(2,575,050)</u>	<u>(2,575,050)</u>
Total equity attributable to the parent's equity holders	15,569,530	16,288,603
Non-controlling Interest	3,117,448	0
Total Equity	<u>18,686,978</u>	<u>16,288,603</u>
Non-current liabilities		
Hire-purchase payables	618,145	0
Deferred tax liabilities	181,300	0
Current Liabilities		
Trade and other payables	9,043,479	4,171,524
Amount owing to an associated company	14,871	14,871
Amount owing to directors	0	1,055
Term Loan	3,750,000	0
Hire-purchase payables	120,631	0
Taxation	740,753	0
	<u>13,669,734</u>	<u>4,187,450</u>
Total Liabilities	14,469,179	4,187,450
TOTAL EQUITY AND LIABILITIES	<u>33,156,157</u>	<u>20,476,053</u>
NTA per share attributable to equity holders of the Company -basic (RM)	0.04	0.05

(The unaudited condensed consolidated Statements of Financial Position should be read in conjunction with the audited financial statements for the year ended 31 January 2013 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 PERIOD ENDED 31 JULY 2013**

	Cumulative 6 months ended 31-Jul-13 RM	Cumulative 6 months ended 31-Jul-12 RM
Cash Flows From Operating Activities		
Profit/(Loss) before taxation	1,154,040	(2,344,720)
Adjustments for :-		
Depreciation and amortisation	435,593	309,808
Gain on disposal of property, plant and equipment	(20,573)	0
Unrealised gain of foreign exchange difference	0	(24,277)
Interest expense	101,538	2,479
Operating profit/(loss) before working capital changes	<u>1,670,598</u>	<u>(2,056,710)</u>
Increase/(Decrease) in inventories	494,740	(1,646,403)
Increase in receivables	(2,414,917)	(324,925)
Decrease in payables	<u>(227,379)</u>	<u>(4,892,480)</u>
Cash absorbed by operations	(476,958)	(8,920,518)
Tax paid	<u>(81,713)</u>	<u>0</u>
Net cash used in operating activities	<u>(558,671)</u>	<u>(8,920,518)</u>
Cash Flows From Investing Activities		
Acquisition of subsidiary	(3,292,650)	0
Short term deposits	(3,763,263)	0
Purchase of property, plant and equipment	(14,523)	(738,483)
Proceeds from disposal of property, plant and equipment	<u>42,700</u>	<u>0</u>
Net cash used in investing activities	<u>(7,027,736)</u>	<u>(738,483)</u>
Cash Flows From Financing Activities		
Drawdown from term loan	3,750,000	0
Interest paid	(101,538)	(2,479)
Repayment of hire purchase creditors	(30,402)	(36,213)
Proceeds from rights issue	0	20,994,493
Corporate exercises expenses relating to rights issue	0	(480,407)
Net cash from financing activities	<u>3,618,060</u>	<u>20,477,873</u>
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS DURING THE FINANCIAL PERIOD	(3,968,347)	10,818,872
CURRENCY TRANSLATION DIFFERENCE	0	43,579
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD	5,249,069	23,926
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL PERIOD	<u><u>1,280,722</u></u>	<u><u>10,886,377</u></u>
CASH AND CASH EQUIVALENTS		
Cash and bank balances	<u><u>1,280,722</u></u>	<u><u>10,883,898</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 2013 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 CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 JULY 2013**

	Attributable to Owners of the Parent								
	Share Capital	Non-Distributable		Warrants Reserve	Accumulated losses	Merger Deficit	Total	Non- Controlling Interest	Total Equity
		Share Premium	Currency translation reserve						
RM	RM	RM	RM	RM	RM	RM	RM	RM	
Balance at 1 February 2013	34,994,493	95,991	145,907	611,490	(16,984,228)	(2,575,050)	16,288,603	-	16,288,603
Total comprehensive income for the period	-	-	-	-	(719,073)	-	(719,073)	-	(719,073)
NCI Share of acquiree's net identifiable assets	-	-	-	-	-	-	-	3,117,448	3,117,448
Balance at 31 July 2013	<u>34,994,493</u>	<u>95,991</u>	<u>145,907</u>	<u>611,490</u>	<u>(17,703,301)</u>	<u>(2,575,050)</u>	<u>15,569,530</u>	<u>3,117,448</u>	<u>18,686,978</u>
Balance at 1 February 2012	14,000,000	550,571	202,962	-	(8,272,123)	(2,575,050)	3,906,360	-	3,906,360
Issuance of ordinary shares arising from rights issue	20,994,493	-	-	-	-	-	20,994,493	-	20,994,493
Expenses incurred in relation to Rights Issue with Warrants	-	(480,407)	-	-	-	-	(480,407)	-	(480,407)
Currency translation differences representing net loss not recognised in income statement	-	-	43,579	-	-	-	43,579	-	43,579
Total comprehensive loss for the period	-	-	-	-	(2,344,720)	-	(2,344,720)	-	(2,344,720)
Balance at 31 July 2012	<u>34,994,493</u>	<u>70,164</u>	<u>246,541</u>	<u>-</u>	<u>(10,616,843)</u>	<u>(2,575,050)</u>	<u>22,119,305</u>	<u>-</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 2013 and the accompanying explanatory notes attached to this interim financial statements)