

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

	<u>Individual Quarter</u> <u>3 months ended</u>		<u>Cumulative Quarter</u> <u>9 months ended</u>	
	<u>31-Oct-13</u> <u>RM</u>	<u>31-Oct-12</u> <u>RM</u>	<u>31-Oct-13</u> <u>RM</u>	<u>31-Oct-12</u> <u>RM</u>
Revenue	11,793,873	6,086,580	24,536,256	7,952,592
Other operating income	60,276	118,189	208,079	271,308
Operating expenses	(8,796,545)	(6,543,572)	(20,431,153)	(10,904,944)
Profit/(Loss) from operations	3,057,604	(338,803)	4,313,182	(2,681,044)
Finance costs	(95,105)	(71)	(196,643)	(2,550)
Profit/(Loss) before taxation	2,962,499	(338,874)	4,116,539	(2,683,594)
Taxation	(931,000)	-	(1,101,000)	-
Profit/(Loss) for the period	2,031,499	(338,874)	3,015,539	(2,683,594)
Other comprehensive income:				
Foreign currency translation reserve, net of tax of RM Nil (2012: RM Nil)	-	(27,197)	-	16,379
Total comprehensive income/(loss)	2,031,499	(366,071)	3,015,539	(2,667,215)
Profit/(Loss) for the period attributable to :				
Owners of the Parent	(201,183)	(338,874)	(920,256)	(2,683,594)
Non-Controlling Interest	2,232,682	-	3,935,795	-
	<u>2,031,499</u>	<u>(338,874)</u>	<u>3,015,539</u>	<u>(2,683,594)</u>
Total comprehensive income/(loss) attributable to:				
Owners of the Parent	(201,183)	(366,071)	(920,256)	(2,667,215)
Non-Controlling Interest	2,232,682	-	3,935,795	-
	<u>2,031,499</u>	<u>(366,071)</u>	<u>3,015,539</u>	<u>(2,667,215)</u>
Basic loss per ordinary share (sen)	(0.06)	(0.10)	(0.25)	(0.76)

(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 OCTOBER 2013

	(Unaudited) As at 31-Oct-13 RM	(Audited) As at 31-Jan-13 RM
ASSETS		
Non-Current Assets		
Property, plant and equipment	8,825,496	3,318,924
Goodwill on Consolidation	3,081,817	-
Current Assets		
Inventories	7,175,622	5,239,551
Trade and other receivables	14,947,403	6,668,509
Short term deposits	3,763,263	-
Cash and bank balances	2,228,897	5,249,069
	28,115,185	17,157,129
TOTAL ASSETS	40,022,498	20,476,053
EQUITY AND LIABILITIES		
Share capital	18,230,338	34,994,493
Share premium	95,991	95,991
Foreign exchange translation reserve	145,907	145,907
Warrants reserve	611,490	611,490
Accumulated loss	(407,237)	(16,984,228)
Merger deficit	(2,575,050)	(2,575,050)
Total equity attributable to the parent's equity holders	16,101,439	16,288,603
Non-controlling Interest	5,600,128	-
Total Equity	21,701,567	16,288,603
Non-current liabilities		
Hire-purchase payables	586,836	-
Deferred tax liabilities	181,300	-
Current Liabilities		
Trade and other payables	8,073,451	4,171,524
Amount owing to an associated company	14,871	14,871
Amount owing to directors	-	1,055
Term loan	7,833,334	-
Hire-purchase payables	122,472	-
Taxation	1,508,667	-
	17,552,795	4,187,450
Total Liabilities	18,320,931	4,187,450
TOTAL EQUITY AND LIABILITIES	40,022,498	20,476,053
	-	-
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)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE PERIOD ENDED 31 OCTOBER 2013**

	Cumulative 9 months ended 31-Oct-13 RM	Cumulative 9 months ended 31-Oct-12 RM
Cash Flows From Operating Activities		
Profit/(Loss) before taxation	4,116,539	(2,683,594)
Adjustments for :-		
Depreciation and amortisation	696,810	488,289
Gain on disposal of property, plant and equipment	(20,573)	(20,706)
Unrealised gain of foreign exchange difference	-	(16,639)
Interest income	-	(66,087)
Interest expense	196,643	2,550
Operating profit/(loss) before working capital changes	<u>4,989,419</u>	<u>(2,296,187)</u>
Increase/(Decrease) in inventories	528,582	(3,266,554)
Increase in receivables	(3,591,891)	(3,389,241)
Decrease in payables	(1,190,224)	(4,832,644)
Cash generated from (absorbed by) operations	<u>735,886</u>	<u>(13,784,626)</u>
Interest paid	(196,643)	(2,550)
Tax paid	(234,799)	-
Net cash from/(used in) operating activities	<u>304,444</u>	<u>(13,787,176)</u>
Cash Flows From Investing Activities		
Acquisition of subsidiary	(3,292,650)	-
Purchase of property, plant and equipment	(4,817,959)	(1,758,281)
Proceeds from disposal of property, plant and equipment	42,700	113,000
Interest received	-	66,087
Net cash used in investing activities	<u>(8,067,909)</u>	<u>(1,579,194)</u>
Cash Flows From Financing Activities		
Drawdown from term loan	7,850,000	-
Repayment of term loan	(16,666)	-
Repayment of hire purchase creditors	(59,870)	(50,733)
Proceeds from rights issue	733,092	20,994,493
Corporate exercises expenses relating to rights issue	-	(550,571)
Net cash from financing activities	<u>8,506,556</u>	<u>20,393,189</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS DURING THE FINANCIAL PERIOD	743,091	5,026,819
CURRENCY TRANSLATION DIFFERENCE	-	16,379
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>5,992,160</u>	<u>5,067,124</u>
CASH AND CASH EQUIVALENTS		
Cash and bank balances	2,228,897	1,015,232
Short term deposits	3,763,263	4,051,892
	<u>5,992,160</u>	<u>5,067,124</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 OCTOBER 2013**

	Attributable to Owners of the Parent								
	Share Capital	Non-Distributable		Warrants Reserve	Accumulated losses	Merger Deficit	Total Attributable to Parent's Equity Holder	Non- Controlling Interest	Total Equity
		Share Premium	Currency translation reserve						
	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	-	-	-	-	(920,256)	-	(920,256)	3,935,795	3,015,539
NCI Share of acquiree's net identifiable assets	-	-	-	-	-	-	-	1,664,333	1,664,333
Issuance of ordinary shares pursuant to subscription of warrants	733,092	-	-	-	-	-	733,092	-	733,092
Par value reduction	(17,497,247)	-	-	-	17,497,247	-	-	-	-
Balance at 31 October 2013	<u>18,230,338</u>	<u>95,991</u>	<u>145,907</u>	<u>611,490</u>	<u>(407,237)</u>	<u>(2,575,050)</u>	<u>16,101,439</u>	<u>5,600,128</u>	<u>21,701,567</u>
Balance at 1 February 2012	14,000,000	550,571	202,962	-	(8,272,124)	(2,575,050)	3,906,359	-	3,906,359
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	-	(454,580)	-	-	-	-	(454,580)	-	(454,580)
Currency translation differences representing net loss not recognised in income statement	-	-	-	611,490	(611,490)	-	-	-	-
Total comprehensive loss for the year	-	-	(57,055)	-	(8,100,614)	-	(8,157,669)	-	(8,157,669)
Balance at 31 January 2013	<u>34,994,493</u>	<u>95,991</u>	<u>145,907</u>	<u>611,490</u>	<u>(16,984,228)</u>	<u>(2,575,050)</u>	<u>16,288,603</u>	<u>-</u>	<u>16,288,603</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)