

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE 4TH QUARTER ENDED 31 JANUARY 2014

	<u>Individual Quarter</u> 3 months ended		<u>Cumulative Quarter</u> 12 months ended	
	31-Jan-14 RM	31-Jan-13 RM	31-Jan-14 RM	31-Jan-13 RM
Revenue	9,148,842	4,149,250	33,685,098	12,101,842
Other operating income	309,603	140,373	517,682	411,681
Operating expenses	(15,543,906)	(9,704,038)	(35,975,059)	(20,608,982)
Loss from operations	(6,085,461)	(5,414,415)	(1,772,279)	(8,095,459)
Finance costs	(169,912)	(4,360)	(366,555)	(6,910)
Loss before taxation	(6,255,373)	(5,418,775)	(2,138,834)	(8,102,369)
Income Tax	(43,892)	1,755	(1,144,892)	1,755
Loss for the period	(6,299,265)	(5,417,020)	(3,283,726)	(8,100,614)
Other comprehensive income:				
Foreign currency translation reserve, net of tax of RM Nil (2013: RM Nil)	-	(73,434)	-	(57,055)
Total comprehensive income/(loss)	(6,299,265)	(5,490,454)	(3,283,726)	(8,157,669)
Profit/(Loss) for the period attributable to :				
Owners of the Parent	(4,773,837)	(5,417,020)	(5,911,856)	(8,100,614)
Non-Controlling Interest	(1,525,428)	-	2,628,130	-
	(6,299,265)	(5,417,020)	(3,283,726)	(8,100,614)
Total comprehensive income/(loss) attributable to:				
Owners of the Parent	(4,773,837)	(5,490,454)	(5,911,856)	(8,157,669)
Non-Controlling Interest	(1,525,428)	-	2,628,130	-
	(6,299,265)	(5,490,454)	(3,283,726)	(8,157,669)
Basic loss per ordinary share (sen)	(1.19)	(1.55)	(1.48)	(2.31)

(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 JANUARY 2014

	(Unaudited) As at 31-Jan-14 RM	(Audited) As at 31-Jan-13 RM
ASSETS		
Non-Current Assets		
Property, plant and equipment	7,553,193	3,318,924
Goodwill on Consolidation	3,124,277	-
Current Assets		
Inventories	5,972,867	5,239,551
Trade and other receivables	11,765,084	6,668,509
Cash and bank balances	4,127,155	5,249,069
	<u>21,865,106</u>	<u>17,157,129</u>
TOTAL ASSETS	<u><u>32,542,576</u></u>	<u><u>20,476,053</u></u>
EQUITY AND LIABILITIES		
Share capital	19,980,062	34,994,493
Share premium	1,384,856	95,991
Foreign exchange translation reserve	145,907	145,907
Warrants reserve	547,433	611,490
Accumulated Losses	(5,398,837)	(16,984,228)
Merger deficit	<u>(2,575,050)</u>	<u>(2,575,050)</u>
Total equity attributable to the parent's equity holders	14,084,371	16,288,603
Non-controlling Interest	4,022,274	-
Total Equity	<u><u>18,106,645</u></u>	<u><u>16,288,603</u></u>
Non-current liabilities		
Term Loan	4,042,547	-
Hire-purchase payables	554,098	-
Deferred tax liabilities	170,052	-
Current Liabilities		
Trade and other payables	7,970,589	4,171,524
Amount owing to an associated company	14,871	14,871
Amount owing to directors	-	1,055
Hire-purchase payables	124,313	-
Taxation	1,559,461	-
	<u>9,669,234</u>	<u>4,187,450</u>
Total Liabilities	14,435,931	4,187,450
TOTAL EQUITY AND LIABILITIES	<u><u>32,542,576</u></u>	<u><u>20,476,053</u></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)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED 31 JANUARY 2014**

	Cumulative Current Year 31-Jan-14 RM	Audited Year Ended 31-Jan-13 RM
Cash Flows From Operating Activities		
Loss before taxation	(2,138,834)	(8,102,369)
Adjustments for :-		
Depreciation and amortisation	1,246,062	642,625
Inventories write-down	1,054,480	455,144
Gain on disposal of property, plant and equipment	(19,483)	(57,759)
Property, plant and equipment written off	12,670	303,054
Impairment for property, plant and equipment	981,404	-
Unrealised gain of foreign exchange difference	-	(1,675)
Unrealised loss of foreign exchange difference	-	8,652
Impairment for trade receivables	-	783,035
Allowance for doubtful debts	938,385	-
Interest income	-	(87,836)
Interest expense	366,555	6,910
Operating profit/(loss) before working capital changes	<u>2,441,239</u>	<u>(6,050,219)</u>
Decrease/(Increase) in inventories	676,857	(1,105,153)
Increase in receivables	(1,585,284)	(3,333,433)
Decrease in payables	<u>(1,448,964)</u>	<u>(3,311,402)</u>
Cash generated from/(absorbed by) operations	83,848	(13,800,207)
Dividend paid	(180,000)	-
Interest paid	(366,555)	(6,910)
Tax refunded	-	2,630
Tax paid	<u>(237,897)</u>	<u>-</u>
Net cash used in operating activities	<u>(700,604)</u>	<u>(13,804,487)</u>
Cash Flows From Investing Activities		
Acquisition of subsidiary	(3,303,831)	-
Purchase of property, plant and equipment	(5,059,582)	(1,785,386)
Proceeds from disposal of property, plant and equipment	42,700	238,000
Interest received	-	87,836
Net cash used in investing activities	<u>(8,320,713)</u>	<u>(1,459,550)</u>
Cash Flows From Financing Activities		
Drawdown from term loan	4,100,000	-
Repayment of term loan	(57,453)	-
Repayment of hire purchase creditors	(90,768)	(50,733)
Proceeds from subscription of warrant	733,092	-
Proceeds from issuance of share	3,214,532	20,539,913
Net cash from financing activities	<u>7,899,403</u>	<u>20,489,180</u>
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS DURING THE FINANCIAL YEAR	(1,121,914)	5,225,143
CURRENCY TRANSLATION DIFFERENCE	-	-
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR	5,249,069	23,926
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR	<u>4,127,155</u>	<u>5,249,069</u>
CASH AND CASH EQUIVALENTS		
Cash and bank balances	<u>4,127,155</u>	<u>5,249,069</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 YEAR ENDED 31 JANUARY 2014**

	Attributable to Owners of the Parent								Total Equity RM
	Share Capital RM	Share Premium RM	Non-Distributable Foreign exchange translation reserve RM	Warrants Reserve RM	Accumulated losses RM	Merger Deficit RM	Total equity Attributable to the Parent's Equity Holders RM	Non- Controlling Interest RM	
	Balance at 1 February 2013	34,994,493	95,991	145,907	611,490	(16,984,228)	(2,575,050)	16,288,603	
Total comprehensive (loss)/income for the period	-	-	-	-	(5,911,856)	-	(5,911,856)	2,628,130	(3,283,726)
NCI Share of acquiree's net identifiable assets	-	-	-	-	-	-	-	1,394,144	1,394,144
Issuance of ordinary shares pursuant to subscription of warrants	733,092	-	-	-	-	-	733,092	-	733,092
Private placement of new ordinary shares	1,749,724	1,224,808	-	-	-	-	2,974,532	-	2,974,532
Exercised of warrant reserve	-	64,057	-	(64,057)	-	-	-	-	-
Par value reduction	(17,497,247)	-	-	-	17,497,247	-	-	-	-
Balance at 31 January 2014	<u>19,980,062</u>	<u>1,384,856</u>	<u>145,907</u>	<u>547,433</u>	<u>(5,398,837)</u>	<u>(2,575,050)</u>	<u>14,084,371</u>	<u>4,022,274</u>	<u>18,106,645</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 period	-	-	(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)