

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE 3RD QUARTER ENDED 31 OCTOBER 2014**

	<u>Individual Quarter</u>		<u>Cumulative Quarter</u>	
	<u>3 months ended</u>		<u>9 months ended</u>	
	<u>31-Oct-14</u>	<u>31-Oct-13</u>	<u>31-Oct-14</u>	<u>31-Oct-13</u>
	<u>RM</u>	<u>RM</u>	<u>RM</u>	<u>RM</u>
Revenue	3,768,443	11,793,873	12,028,656	24,536,256
Other operating income	59,513	60,276	356,647	208,079
Operating expenses	(4,696,127)	(8,796,545)	(14,217,608)	(20,431,153)
<b>(Loss)/Profit from operations</b>	<b>(868,171)</b>	<b>3,057,604</b>	<b>(1,832,305)</b>	<b>4,313,182</b>
Finance costs	(100,560)	(95,105)	(327,159)	(196,643)
<b>(Loss)/Profit before taxation</b>	<b>(968,731)</b>	<b>2,962,499</b>	<b>(2,159,464)</b>	<b>4,116,539</b>
Income Tax	40,000	(931,000)	90,000	(1,101,000)
<b>(Loss)/Profit for the period</b>	<b>(928,731)</b>	<b>2,031,499</b>	<b>(2,069,464)</b>	<b>3,015,539</b>
<b>Other comprehensive income:</b>				
Share of associates' other comprehensive profit	33,638	-	487,205	-
<b>Total comprehensive (loss)/profit</b>	<b>(895,093)</b>	<b>2,031,499</b>	<b>(1,582,259)</b>	<b>3,015,539</b>
<b>(Loss)/Profit for the period attributable to:</b>				
Owners of the Parent	(869,311)	(201,183)	(1,911,984)	(920,256)
Non-Controlling Interest	(59,420)	2,232,682	(157,480)	3,935,795
	<b>(928,731)</b>	<b>2,031,499</b>	<b>(2,069,464)</b>	<b>3,015,539</b>
<b>Total comprehensive (loss)/profit attributable to:</b>				
Owners of the Parent	(835,673)	(201,183)	(1,424,779)	(920,256)
Non-Controlling Interest	(59,420)	2,232,682	(157,480)	3,935,795
	<b>(895,093)</b>	<b>2,031,499</b>	<b>(1,582,259)</b>	<b>3,015,539</b>
Basic loss per ordinary share (sen)	(0.21)	(0.06)	(0.36)	(0.25)

(The unaudited condensed consolidated Statements of Comprehensive Income should be read in conjunction with the audited financial statements for the year ended 31 January 2014 and the accompanying explanatory notes attached to this interim financial statements)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**  
**AS AT 31 OCTOBER 2014**

	(Unaudited) As at 31-Oct-14 RM	(Audited) As at 31-Jan-14 RM
<b>ASSETS</b>		
<b>Non-Current Assets</b>		
Property, plant and equipment	6,759,075	7,553,234
Investment in associated company	776,668	-
Goodwill on consolidation	3,124,277	3,124,277
<b>Current Assets</b>		
Inventories	6,116,025	5,972,867
Trade receivables	7,021,580	11,048,241
Amount due from contract customers	3,486,789	447,179
Other receivables, deposits and prepayment	1,130,826	267,274
Fixed Deposit with a licensed bank	300,000	-
Cash and bank balances	1,451,293	5,041,341
	<u>19,506,513</u>	<u>22,776,902</u>
<b>TOTAL ASSETS</b>	<u>30,166,533</u>	<u>33,454,413</u>
<b>EQUITY AND LIABILITIES</b>		
Share capital	19,980,062	19,980,062
Share premium	1,384,855	1,384,855
Warrants reserve	547,433	547,433
Foreign exchange translation reserve	145,907	145,907
Merger deficit	(2,575,050)	(2,575,050)
Accumulated Losses	(6,825,130)	(5,400,351)
<b>Total equity attributable to the owners of the Company</b>	<u>12,658,077</u>	<u>14,082,856</u>
<b>Non-controlling Interests</b>	<u>2,839,333</u>	<u>3,971,008</u>
<b>Total Equity</b>	<u>15,497,410</u>	<u>18,053,864</u>
<b>Non-current liabilities</b>		
Term loan	3,543,469	3,791,210
Hire-purchase payables	449,665	554,098
Deferred tax liabilities	78,313	101,497
<b>Current Liabilities</b>		
Trade payables	4,267,705	5,867,534
Amount due to contract customers	2,467,429	783,594
Other payables and accruals	1,168,222	1,313,964
Amount owing to associated companies	464,580	14,871
Hire-purchase payables	137,170	124,312
Term loan	294,141	251,337
Bank overdraft	917,659	917,295
Current tax liabilities	880,770	1,680,837
	<u>10,597,676</u>	<u>10,953,744</u>
<b>Total Liabilities</b>	<u>14,669,123</u>	<u>15,400,549</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>30,166,533</u>	<u>33,454,413</u>
NTA per share attributable to equity holders of the Company -basic (RM)	0.03	0.04

(The unaudited condensed consolidated Statements of Financial Position should be read in conjunction with the audited financial statements for the year ended 31 January 2014 and the accompanying explanatory notes attached to this interim financial statements)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS  
FOR THE PERIOD ENDED 31 OCTOBER 2014**

	<b>Cumulative 9 months ended 31-Oct-14 RM</b>	<b>Cumulative 9 months ended 31-Oct-13 RM</b>
<b>Cash Flows From Operating Activities</b>		
(Loss)/Profit before taxation	(2,159,464)	4,116,539
Adjustments for :-		
Depreciation	706,439	696,810
Interest expense	327,159	196,643
Gain on disposal of property, plant and equipment	-	(20,573)
<i>Operating (loss)/profit before working capital changes</i>	<u>(1,125,866)</u>	<u>4,989,419</u>
(Increase)/Decrease in inventories	(143,158)	528,582
Increase in receivables	(2,618,047)	(3,591,891)
Increase/(Decrease) in payables	<u>1,572,003</u>	<u>(1,190,224)</u>
Cash (absorbed by)/generated from operations	(2,315,068)	735,886
Dividend received	450,000	-
Interest paid	(107,663)	(196,643)
Tax paid	<u>(410,698)</u>	<u>(234,799)</u>
<i>Net cash (used in)/from operating activities</i>	<u>(2,383,429)</u>	<u>304,444</u>
<b>Cash Flows From Investing Activities</b>		
Net cash outflow from acquisition of a subsidiary company	-	(3,292,650)
Deemed disposal of a subsidiary company	(936,910)	-
Purchase of property, plant and equipment	(13,649)	(4,817,959)
Proceeds from disposal of property, plant and equipment	-	42,700
<i>Net cash used in investing activities</i>	<u>(950,559)</u>	<u>(8,067,909)</u>
<b>Cash Flows From Financing Activities</b>		
Drawdown from term loan	-	7,850,000
Repayment of term loan	(204,937)	(16,666)
Interest paid	(219,496)	-
Advances from an associated company	559,584	-
Proceeds from rights issue	-	733,092
Repayment of hire purchase creditors	<u>(91,575)</u>	<u>(59,870)</u>
<i>Net cash from financing activities</i>	<u>43,576</u>	<u>8,506,556</u>
<b>NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS DURING THE FINANCIAL PERIOD</b>	(3,290,412)	743,091
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD</b>	4,124,046	5,249,069
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL PERIOD</b>	<u><u>833,634</u></u>	<u><u>5,992,160</u></u>
<b>CASH AND CASH EQUIVALENTS</b>		
Cash and bank balances	1,451,293	2,228,897
Short term deposits	-	3,763,263
Fixed deposit with a licensed bank	300,000	-
Bank Overdraft	<u>(917,659)</u>	<u>-</u>
	<u><u>833,634</u></u>	<u><u>5,992,160</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 2014 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 2014**

	Attributable to Owners of the Parent									
	Share Capital	Share Premium	Non-Distributable Capital Reserve	Foreign exchange translation reserve	Warrants Reserve	Accumulated losses	Merger Deficit	Total equity Attributable to the Parent's Equity Holders	Non-Controlling Interest	Total Equity
	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM
<b>Balance at 1 February 2014</b>	19,980,062	1,384,855	-	145,907	547,433	(5,400,351)	(2,575,050)	14,082,856	3,971,008	18,053,864
Total comprehensive loss for the period	-	-	-	-	-	(1,424,779)	-	(1,424,779)	(157,480)	(1,582,259)
Deemed disposal of a subsidiary company	-	-	-	-	-	-	-	-	(974,195)	(974,195)
<b>Balance at 31 October 2014</b>	<u>19,980,062</u>	<u>1,384,855</u>	<u>-</u>	<u>145,907</u>	<u>547,433</u>	<u>(6,825,130)</u>	<u>(2,575,050)</u>	<u>12,658,077</u>	<u>2,839,333</u>	<u>15,497,410</u>
<b>Balance at 1 February 2013</b>	34,994,493	95,991	-	145,907	611,490	(16,984,228)	(2,575,050)	16,288,603	-	16,288,603
Loss after taxation, representing total comprehensive loss for the year	-	-	-	-	-	(5,913,369)	-	(5,913,369)	2,576,864	(3,336,505)
NCI Share of acquiree's net identifiable assets	-	-	-	-	-	-	-	-	1,334,144	1,334,144
Subscription of shares in subsidiary company by NCI	-	-	-	-	-	-	-	-	240,000	240,000
Dividend paid	-	-	-	-	-	-	-	-	(180,000)	(180,000)
Issuance of ordinary shares pursuant to subscription of warrants	733,091	-	-	-	-	-	-	733,091	-	733,091
Private placement of new ordinary shares	1,749,724	1,224,807	-	-	-	-	-	2,974,531	-	2,974,531
Exercised of Warrants	-	64,057	-	-	(64,057)	-	-	-	-	-
Par value reduction	(17,497,246)	-	17,497,246	-	-	-	-	-	-	-
Elimination of accumulated losses	-	-	(17,497,246)	-	-	17,497,246	-	-	-	-
<b>Balance at 31 January 2014</b>	<u>19,980,062</u>	<u>1,384,855</u>	<u>-</u>	<u>145,907</u>	<u>547,433</u>	<u>(5,400,351)</u>	<u>(2,575,050)</u>	<u>14,082,856</u>	<u>3,971,008</u>	<u>18,053,864</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 2014 and the accompanying explanatory notes attached to this interim financial statements )