

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE 4TH QUARTER ENDED 31 JANUARY 2015

	<u>Individual Quarter</u> 3 months ended		<u>Cumulative Quarter</u> 12 months ended	
	31-Jan-15 RM	31-Jan-14 RM	31-Jan-15 RM	31-Jan-14 RM
Revenue	3,557,194	9,148,842	15,585,850	33,685,098
Cost of Sales	(4,720,905)	(10,345,671)	(15,606,888)	(27,287,030)
Gross (Loss)/Profit	<u>(1,163,711)</u>	<u>(1,196,829)</u>	<u>(21,038)</u>	<u>6,398,068</u>
Other operating income	59,326	309,603	415,973	316,969
Operating expenses	(5,548,639)	(5,198,235)	(8,880,264)	(8,343,866)
Loss from operations	<u>(6,653,024)</u>	<u>(6,085,461)</u>	<u>(8,485,329)</u>	<u>(1,628,829)</u>
Finance costs	(92,697)	(169,912)	(419,856)	(364,374)
Loss before taxation	<u>(6,745,721)</u>	<u>(6,255,373)</u>	<u>(8,905,185)</u>	<u>(1,993,203)</u>
Income Tax	130,000	(43,892)	220,000	(1,343,302)
Loss for the period	<u>(6,615,721)</u>	<u>(6,299,265)</u>	<u>(8,685,185)</u>	<u>(3,336,505)</u>
Other comprehensive income:				
Share of associates' other comprehensive profit	210,128	-	697,333	-
Total comprehensive loss	<u>(6,405,593)</u>	<u>(6,299,265)</u>	<u>(7,987,852)</u>	<u>(3,336,505)</u>
Loss for the period attributable to:				
Owners of the Parent	(5,472,343)	(4,773,837)	(7,384,327)	(5,913,369)
Non-Controlling Interest	<u>(1,143,378)</u>	<u>(1,525,428)</u>	<u>(1,300,858)</u>	<u>2,576,864</u>
	<u>(6,615,721)</u>	<u>(6,299,265)</u>	<u>(8,685,185)</u>	<u>(3,336,505)</u>
Total comprehensive loss attributable to:				
Owners of the Parent	(5,262,215)	(4,773,837)	(6,686,994)	(5,913,369)
Non-Controlling Interest	<u>(1,143,378)</u>	<u>(1,525,428)</u>	<u>(1,300,858)</u>	<u>2,576,864</u>
	<u>(6,405,593)</u>	<u>(6,299,265)</u>	<u>(7,987,852)</u>	<u>(3,336,505)</u>
Basic loss per ordinary share (sen)	(0.66)	(1.19)	(0.84)	(1.48)

(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 JANUARY 2015

	(Unaudited) As at 31-Jan-15 RM	(Audited) As at 31-Jan-14 RM
ASSETS		
Non-Current Assets		
Property, plant and equipment	7,475,339	7,553,234
Investment in associated company	666,795	-
Goodwill on consolidation	2,082,851	3,124,277
Current Assets		
Inventories	4,534,977	5,972,867
Trade receivables	5,285,696	11,048,241
Amount due from contract customers	285,279	447,179
Other receivables, deposits and prepayment	716,742	267,274
Fixed Deposit with a licensed bank	23,446,885	-
Cash and bank balances	2,064,443	5,041,341
	<u>36,334,022</u>	<u>22,776,902</u>
TOTAL ASSETS	<u>46,559,007</u>	<u>33,454,413</u>
EQUITY AND LIABILITIES		
Share capital	39,952,934	19,980,062
Share premium	9,137,517	1,384,855
Warrants reserve	783,920	547,433
Foreign exchange translation reserve	145,907	145,907
Merger deficit	(2,575,050)	(2,575,050)
Accumulated Losses	(14,178,510)	(5,400,351)
Total equity attributable to the owners of the Company	<u>33,266,718</u>	<u>14,082,856</u>
Non-controlling Interests	<u>1,162,120</u>	<u>3,971,008</u>
Total Equity	<u>34,428,838</u>	<u>18,053,864</u>
Non-current liabilities		
Term loan	3,476,782	3,791,210
Hire-purchase payables	423,851	554,098
Deferred tax liabilities	78,197	101,497
Current Liabilities		
Trade payables	4,198,071	5,867,534
Amount due to contract customers	75,857	783,594
Other payables and accruals	1,595,521	1,313,964
Amount owing to associated companies	254,444	14,871
Hire-purchase payables	131,216	124,312
Term loan	296,169	251,337
Bank overdraft	967,838	917,295
Current tax liabilities	632,223	1,680,837
	<u>8,151,339</u>	<u>10,953,744</u>
Total Liabilities	<u>12,130,169</u>	<u>15,400,549</u>
TOTAL EQUITY AND LIABILITIES	<u>46,559,007</u>	<u>33,454,413</u>
NTA per share attributable to equity holders of the Company	0.04	0.04
-basic (RM)		

(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 YEAR ENDED 31 JANUARY 2015**

	Cumulative Current Year 31-Jan-15 RM	Audited Year Ended 31-Jan-14 RM
Cash Flows From Operating Activities		
Loss before taxation	(8,905,185)	(1,993,203)
Adjustments for :-		
Bad debt written off	-	124,160
Deposit written off	-	30,000
Depreciation	997,846	1,016,525
Impairment loss on property, plant & equipment	260,799	981,405
Impairment loss on receivables	1,603,016	938,385
Impairment loss on goodwill	1,041,426	-
Interest expense	419,856	364,374
Inventories written down	973,768	1,074,480
Property, plant & equipment written off	-	12,670
Trade creditor written off	(14,871)	-
Gain on disposal of property, plant and equipment	-	(20,573)
Interest income	(211,613)	(84,984)
<i>Operating (loss)/profit before working capital changes</i>	<u>(3,834,958)</u>	<u>2,443,239</u>
Decrease in inventories	464,122	656,856
Decrease/(Increase) in receivables	1,130,415	(1,729,880)
Decrease in payables	(461,904)	(1,460,579)
Cash absorbed by operations	(2,702,325)	(90,364)
Dividend received	850,000	-
Interest received	211,613	84,984
Interest paid	(118,227)	(364,374)
Tax paid	(609,361)	(394,735)
<i>Net cash used in operating activities</i>	<u>(2,368,300)</u>	<u>(764,489)</u>
Cash Flows From Investing Activities		
Net cash outflow from acquisition of a subsidiary company	(2,625,000)	(3,292,584)
Deemed disposal of a subsidiary company	(936,910)	-
Purchase of property, plant and equipment	(1,282,119)	(4,828,996)
Proceeds from disposal of property, plant and equipment	-	42,700
<i>Net cash used in investing activities</i>	<u>(4,844,029)</u>	<u>(8,078,880)</u>
Cash Flows From Financing Activities		
Dividend paid to non-controlling interest	-	(180,000)
Additional investment by non-controlling interest	-	240,000
Drawdown from term loan	-	4,100,000
Repayment of term loan	(269,596)	(57,453)
Interest paid	(301,629)	-
Advances from an associated company	364,320	-
Proceeds from rights issue	27,962,021	733,091
Proceeds from issuance of share capital	-	2,974,531
Repayment to directors	-	(1,055)
Repayment of hire purchase creditors	(123,343)	(90,768)
<i>Net cash from financing activities</i>	<u>27,631,773</u>	<u>7,718,346</u>
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS DURING THE FINANCIAL YEAR	20,419,444	(1,125,023)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR	4,124,046	5,249,069
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR	<u>24,543,490</u>	<u>4,124,046</u>
CASH AND CASH EQUIVALENTS		
Cash and bank balances	2,064,443	5,041,341
Fixed deposit with a licensed bank	23,446,885	-
Bank Overdraft	(967,838)	(917,295)
	<u>24,543,490</u>	<u>4,124,046</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 YEAR ENDED 31 JANUARY 2015**

	Attributable to Owners of the Parent									
	Share Capital	Share Premium	Non-Distributable		Warrants Reserve	Accumulated losses	Merger Deficit	Total equity Attributable to the Parent's Equity Holders	Non- Controlling Interest	Total Equity
			Capital Reserve	Foreign exchange translation reserve						
RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	
Balance at 1 February 2014	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	-	-	-	-	-	(6,686,994)	-	(6,686,994)	(1,300,858)	(7,987,852)
Deemed disposal of a subsidiary company	-	-	-	-	-	-	-	-	(974,195)	(974,195)
Dilution arising from change in stake	-	-	-	-	-	(2,091,165)	-	(2,091,165)	(533,835)	(2,625,000)
Issuance of ordinary shares pursuant to subscription of warrants	19,972,872	7,752,662	-	-	236,487	-	-	27,962,021	-	27,962,021
Balance at 31 January 2015	<u>39,952,934</u>	<u>9,137,517</u>	<u>-</u>	<u>145,907</u>	<u>783,920</u>	<u>(14,178,510)</u>	<u>(2,575,050)</u>	<u>33,266,718</u>	<u>1,162,120</u>	<u>34,428,838</u>
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
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	-	-	-	-
Balance at 31 January 2014	<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)