

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME FOR THE 1ST QUARTER ENDED 30 APRIL 2015**

	<u>Individual Quarter</u>		<u>Cumulative Quarter</u>	
	<u>3 months ended</u>	<u>3 months ended</u>	<u>3 months ended</u>	<u>3 months ended</u>
	<u>30-Apr-15</u>	<u>30-Apr-14</u>	<u>30-Apr-15</u>	<u>30-Apr-14</u>
	<u>RM</u>	<u>RM</u>	<u>RM</u>	<u>RM</u>
Revenue	4,053,386	3,698,951	4,053,386	3,698,951
Cost of sales	(3,504,673)	(3,699,494)	(3,504,673)	(3,699,494)
Gross profit/(loss)	<u>548,713</u>	<u>(543)</u>	<u>548,713</u>	<u>(543)</u>
Other operating income	441,015	32,315	441,015	32,315
Operating expenses	(1,087,465)	(1,124,365)	(1,087,465)	(1,124,365)
Loss from operations	<u>(97,737)</u>	<u>(1,092,593)</u>	<u>(97,737)</u>	<u>(1,092,593)</u>
Share of result in associated company	118,128	343,196	118,128	343,196
Finance costs	(70,821)	(91,278)	(70,821)	(91,278)
Loss before taxation	<u>(50,430)</u>	<u>(840,675)</u>	<u>(50,430)</u>	<u>(840,675)</u>
Income Tax	-	50,000	-	50,000
Loss for the period / Total comprehensive loss	<u>(50,430)</u>	<u>(790,675)</u>	<u>(50,430)</u>	<u>(790,675)</u>
Loss for the period attributable to:				
Owners of the Parent	(709)	(618,724)	(709)	(618,724)
Non-Controlling Interest	<u>(49,721)</u>	<u>(171,951)</u>	<u>(49,721)</u>	<u>(171,951)</u>
	<u>(50,430)</u>	<u>(790,675)</u>	<u>(50,430)</u>	<u>(790,675)</u>
Total comprehensive loss attributable to:				
Owners of the Parent	(709)	(618,724)	(709)	(618,724)
Non-Controlling Interest	<u>(49,721)</u>	<u>(171,951)</u>	<u>(49,721)</u>	<u>(171,951)</u>
	<u>(50,430)</u>	<u>(790,675)</u>	<u>(50,430)</u>	<u>(790,675)</u>
Basic profit/(loss) per ordinary share (sen)	(0.00)	(0.15)	(0.00)	(0.15)

(The unaudited condensed consolidated Statements of Comprehensive Income should be read in conjunction with the audited financial statements for the year ended 31 January 2015 and the accompanying explanatory notes attached to this interim financial statements)

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 30 APRIL 2015

	(Unaudited) As at 30-Apr-15 RM	(Audited) As at 31-Jan-15 RM
ASSETS		
Non-Current Assets		
Property, plant and equipment	7,294,453	7,475,339
Investment in associated company	504,923	666,796
Available-for-sale investments	1,475,411	-
Goodwill on consolidation	2,082,851	2,082,851
Current Assets		
Inventories	4,421,883	4,534,976
Trade receivables	5,255,350	5,285,697
Amount due from contract customers	285,279	449,865
Other receivables, deposits and prepayment	528,866	983,578
Fixed Deposits with a licensed bank	21,300,000	23,446,885
Cash and bank balances	2,935,254	2,062,928
	<u>34,726,632</u>	<u>36,763,929</u>
TOTAL ASSETS	<u>46,084,270</u>	<u>46,988,915</u>
EQUITY AND LIABILITIES		
Share capital	39,952,934	39,952,934
Share premium	8,815,293	8,815,293
Warrants reserve	1,106,144	1,106,144
Foreign exchange translation reserve	145,907	145,907
Merger deficit	(2,575,050)	(2,575,050)
Accumulated Losses	<u>(14,224,627)</u>	<u>(14,223,918)</u>
Total equity attributable to the owners of the Company	33,220,601	33,221,310
Non-controlling Interests	<u>1,117,059</u>	<u>1,166,780</u>
Total Equity	<u>34,337,660</u>	<u>34,388,090</u>
Non-current liabilities		
Term loan	3,400,394	3,556,444
Hire-purchase payables	394,604	423,391
Deferred tax liabilities	78,197	-
Current Liabilities		
Trade payables	3,657,340	4,483,633
Amount due to contract customers	75,857	240,443
Other payables and accruals	1,508,662	1,235,350
Amount owing to associated companies	73,262	254,444
Amount owing to directors	630,894	317,952
Hire-purchase payables	133,516	131,677
Term loan	302,810	255,314
Bank overdraft	969,977	967,838
Current tax liabilities	521,097	734,339
	<u>7,873,415</u>	<u>8,620,990</u>
Total Liabilities	<u>11,746,610</u>	<u>12,600,825</u>
TOTAL EQUITY AND LIABILITIES	<u>46,084,270</u>	<u>46,988,915</u>
NTA per share attributable to equity holders of the Company -basic (RM)	0.04	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 2015 and the accompanying explanatory notes attached to this interim financial statements)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE PERIOD ENDED 30 APRIL 2015**

	(Unaudited) Quarter Ended 30-Apr-15 RM	(Audited) Year Ended 31-Jan-15 RM
Cash Flows From Operating Activities		
Loss before taxation	(50,430)	(8,055,569)
Adjustments for :-		
Bad debts written off	-	2,564
Depreciation	180,886	997,846
Impairment loss on property, plant & equipment	-	260,799
Impairment loss on trade receivables	-	1,788,500
Impairment on goodwill	-	1,041,426
Interest expense	70,821	437,577
Inventories written down	-	993,918
Loss on foreign exchange - unrealised	-	16,987
Recoverable of impairment loss on receivables	(200,000)	-
Share of result of an associated company	(118,127)	(697,333)
Interest income	(195,503)	(211,613)
<i>Operating loss before working capital changes</i>	<u>(312,353)</u>	<u>(3,424,898)</u>
Decrease in inventories	113,093	443,973
Decrease in receivables	849,645	510,436
Decrease in payables	<u>(717,567)</u>	<u>(279,039)</u>
Cash absorbed by operations	(67,182)	(2,749,528)
Interest paid	(70,821)	(437,577)
Interest received	195,503	211,613
Tax paid	<u>(135,045)</u>	<u>(608,474)</u>
<i>Net cash used in operating activities</i>	<u>(77,545)</u>	<u>(3,583,966)</u>
Cash Flows From Investing Activities		
Net cash outflow from acquisition of NCI	-	(2,625,000)
Dividend received from an associated company	280,000	680,000
Deemed disposal of a subsidiary company	-	(936,401)
Purchase of property, plant and equipment	-	(1,282,119)
Purchase of investments	<u>(1,475,411)</u>	<u>-</u>
<i>Net cash used in investing activities</i>	<u>(1,195,411)</u>	<u>(4,163,520)</u>
Cash Flows From Financing Activities		
Repayment of term loan	(108,554)	(230,789)
(Repayment to)/Advances from an associated company	(181,182)	239,573
Proceeds from issuance of share capital	-	27,962,021
Advances from directors	312,942	317,952
Repayment of hire purchase payables	<u>(26,948)</u>	<u>(123,342)</u>
<i>Net cash generated from financing activities</i>	<u>(3,742)</u>	<u>28,165,415</u>
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(1,276,698)	20,417,929
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD / YEAR	24,541,975	4,124,046
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD / YEAR	<u><u>23,265,277</u></u>	<u><u>24,541,975</u></u>
CASH AND CASH EQUIVALENTS COMPRISE:		
Cash and bank balances	2,935,254	2,062,928
Fixed deposits with a licensed bank	21,300,000	23,446,885
Bank Overdraft	<u>(969,977)</u>	<u>(967,838)</u>
	<u><u>23,265,277</u></u>	<u><u>24,541,975</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 2015 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 30 APRIL 2015**

	Attributable to Owners of the Parent								
	Share Capital	Non-Distributable		Warrants Reserve	Accumulated losses	Merger Deficit	Total equity Attributable to the Parent's Equity Holders	Non- Controlling Interest	Total Equity
		Share Premium	Foreign exchange translation reserve						
RM	RM	RM	RM	RM	RM	RM	RM	RM	
Balance at 1 February 2015	39,952,934	8,815,293	145,907	1,106,144	(14,223,918)	(2,575,050)	33,221,310	1,166,780	34,388,090
Total comprehensive loss for the period	-	-	-	-	(709)	-	(709)	(49,721)	(50,430)
Balance at 30 April 2015	<u>39,952,934</u>	<u>8,815,293</u>	<u>145,907</u>	<u>1,106,144</u>	<u>(14,224,627)</u>	<u>(2,575,050)</u>	<u>33,220,601</u>	<u>1,117,059</u>	<u>34,337,660</u>
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 year	-	-	-	-	(6,732,402)	-	(6,732,402)	(1,296,199)	(8,028,601)
Deemed disposal of a subsidiary company	-	-	-	-	-	-	-	(974,194)	(974,194)
Acquisition of NCI	-	-	-	-	(2,091,165)	-	(2,091,165)	(533,835)	(2,625,000)
Issuance of ordinary shares pursuant to Right Issue with Warrants	19,972,872	7,430,438	-	558,711	-	-	27,962,021	-	27,962,021
Balance at 31 January 2015	<u>39,952,934</u>	<u>8,815,293</u>	<u>145,907</u>	<u>1,106,144</u>	<u>(14,223,918)</u>	<u>(2,575,050)</u>	<u>33,221,310</u>	<u>1,166,780</u>	<u>34,388,090</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 2015 and the accompanying explanatory notes attached to this interim financial statements)