

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE 2ND QUARTER ENDED 31 JULY 2015

	<u>Individual Quarter</u>		<u>Cumulative Quarter</u>	
	<u>3 months ended</u>		<u>6 months ended</u>	
	<u>31-Jul-15</u>	<u>31-Jul-14</u>	<u>31-Jul-15</u>	<u>31-Jul-14</u>
	<u>RM</u>	<u>RM</u>	<u>RM</u>	<u>RM</u>
Revenue	4,497,417	4,561,262	8,550,803	8,260,213
Cost of sales	(4,320,037)	(3,669,021)	(7,824,710)	(7,368,515)
Gross profit	<u>177,380</u>	<u>892,241</u>	<u>726,093</u>	<u>891,698</u>
Other operating income	691,331	264,819	1,132,346	297,134
Operating expenses	(1,091,178)	(1,028,601)	(2,178,643)	(2,152,966)
(Loss)/Profit from operations	<u>(222,467)</u>	<u>128,459</u>	<u>(320,204)</u>	<u>(964,134)</u>
Share of result in associated company	32,451	110,371	150,579	453,567
Finance costs	(78,625)	(135,321)	(149,446)	(226,599)
(Loss)/Profit before taxation	<u>(268,641)</u>	<u>103,509</u>	<u>(319,071)</u>	<u>(737,166)</u>
Income Tax	-	-	-	50,000
(Loss)/Profit for the period / Total comprehensive (loss)/profit	<u>(268,641)</u>	<u>103,509</u>	<u>(319,071)</u>	<u>(687,166)</u>
(Loss)/Profit for the period attributable to:				
Owners of the Parent	(42,300)	29,618	(43,009)	(589,106)
Non-Controlling Interest	<u>(226,341)</u>	<u>73,891</u>	<u>(276,062)</u>	<u>(98,060)</u>
	<u>(268,641)</u>	<u>103,509</u>	<u>(319,071)</u>	<u>(687,166)</u>
Total comprehensive (loss)/profit attributable to:				
Owners of the Parent	(42,300)	29,618	(43,009)	(589,106)
Non-Controlling Interest	<u>(226,341)</u>	<u>73,891</u>	<u>(276,062)</u>	<u>(98,060)</u>
	<u>(268,641)</u>	<u>103,509</u>	<u>(319,071)</u>	<u>(687,166)</u>
Basic (loss)/profit per ordinary share (sen)	(0.01)	0.01	(0.01)	(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 31 JULY 2015

	(Unaudited) As at 31-Jul-15 RM	(Audited) As at 31-Jan-15 RM
ASSETS		
Non-Current Assets		
Property, plant and equipment	7,120,855	7,475,339
Investment in associated company	537,374	666,796
Available-for-sale investments	1,422,004	-
Goodwill on consolidation	2,082,851	2,082,851
Current Assets		
Inventories	4,221,529	4,534,976
Trade receivables	4,698,620	5,285,697
Amount due from contract customers	449,865	449,865
Other receivables, deposits and prepayment	1,021,677	983,578
Fixed Deposits with a licensed bank	21,300,000	23,446,885
Cash and bank balances	2,240,028	2,062,928
	<u>33,931,719</u>	<u>36,763,929</u>
TOTAL ASSETS	<u>45,094,803</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	(14,266,927)	(14,223,918)
Total equity attributable to the owners of the Company	<u>33,178,301</u>	<u>33,221,310</u>
Non-controlling Interests	<u>890,688</u>	<u>1,166,780</u>
Total Equity	<u>34,068,989</u>	<u>34,388,090</u>
Non-current liabilities		
Term loan	3,375,208	3,556,444
Hire-purchase payables	354,300	423,391
Deferred tax liabilities	-	-
Current Liabilities		
Trade payables	3,191,372	4,483,633
Amount due to contract customers	240,443	240,443
Other payables and accruals	1,519,646	1,235,350
Amount owing to associated companies	57,023	254,444
Amount owing to directors	427,880	317,952
Hire-purchase payables	135,358	131,677
Term loan	312,769	255,314
Bank overdraft	901,104	967,838
Current tax liabilities	510,711	734,339
	<u>7,296,306</u>	<u>8,620,990</u>
Total Liabilities	<u>11,025,814</u>	<u>12,600,825</u>
TOTAL EQUITY AND LIABILITIES	<u>45,094,803</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 31 JULY 2015**

	Cumulative 6 months ended 31-Jul-15 RM	Cumulative 6 months ended 31-Jul-14 RM
Cash Flows From Operating Activities		
Loss before taxation	(319,071)	(737,166)
Adjustments for :-		
Depreciation	360,435	472,939
Interest expense	149,446	226,599
Recoverable of impairment loss on receivables	(596,155)	-
Gain on disposal of property, plant and equipment	(5,000)	-
Share of result of an associated company	(150,579)	(453,567)
Interest income	(376,991)	-
<i>Operating loss before working capital changes</i>	<u>(937,915)</u>	<u>(491,195)</u>
Decrease in inventories	313,447	560,148
Decrease/(increase) in receivables	1,145,133	(1,714,531)
(Decrease)/increase in payables	(1,007,965)	1,226,268
Cash absorbed by operations	(487,300)	(419,310)
Interest paid	(41,607)	(77,877)
Interest received	376,991	-
Tax paid	(223,628)	(231,413)
<i>Net cash used in operating activities</i>	<u>(375,544)</u>	<u>(728,600)</u>
Cash Flows From Investing Activities		
Net cash outflow from acquisition of NCI	(30)	-
Dividend received from an associated company	280,000	-
Deemed disposal of a subsidiary company	-	(736,910)
Purchase of property, plant and equipment	(9,951)	(17,934)
Proceeds from disposal of property, plant and equipment	9,000	-
Purchase of investments	(1,422,004)	-
<i>Net cash used in investing activities</i>	<u>(1,142,985)</u>	<u>(754,844)</u>
Cash Flows From Financing Activities		
Repayment of term loan	(123,781)	(136,182)
Interest paid	(107,839)	(148,722)
(Repayment to)/Advances from an associated company	(197,421)	259,549
Advances from directors	109,929	-
Repayment of hire purchase payables	(65,410)	(60,266)
<i>Net cash used in financing activities</i>	<u>(384,522)</u>	<u>(85,621)</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(1,903,051)	(1,569,065)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD	24,541,975	4,124,046
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL PERIOD	<u><u>22,638,924</u></u>	<u><u>2,554,981</u></u>
CASH AND CASH EQUIVALENTS COMPRISE:		
Cash and bank balances	2,240,028	3,436,431
Fixed deposits with a licensed bank	21,300,000	-
Bank Overdraft	(901,104)	(881,450)
	<u><u>22,638,924</u></u>	<u><u>2,554,981</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 31 JULY 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	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	-	-	-	-	(43,009)	-	(43,009)	(276,062)	(319,071)	
Acquisition of NCI	-	-	-	-	-	-	-	(30)	(30)	
Balance at 31 July 2015	<u>39,952,934</u>	<u>8,815,293</u>	<u>145,907</u>	<u>1,106,144</u>	<u>(14,266,927)</u>	<u>(2,575,050)</u>	<u>33,178,301</u>	<u>890,688</u>	<u>34,068,989</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)