

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE 1ST QUARTER ENDED 30 APRIL 2016**

	<u>Individual Quarter</u>		<u>Cumulative Quarter</u>	
	<u>3 Months Ended</u>		<u>3 Months Ended</u>	
	<u>30-Apr-16</u>	<u>30-Apr-15</u>	<u>30-Apr-16</u>	<u>30-Apr-15</u>
	<u>RM</u>	<u>RM</u>	<u>RM</u>	<u>RM</u>
Revenue	2,106,442	4,053,386	2,106,442	4,053,386
Cost of sales	(1,989,764)	(3,504,673)	(1,989,764)	(3,504,673)
Gross profit	<u>116,678</u>	<u>548,713</u>	<u>116,678</u>	<u>548,713</u>
Other operating income	216,401	441,015	216,401	441,015
Operating expenses	(722,726)	(1,087,465)	(722,726)	(1,087,465)
<b>Loss from operations</b>	<u>(389,647)</u>	<u>(97,737)</u>	<u>(389,647)</u>	<u>(97,737)</u>
Share of result in associated company	129,722	118,128	129,722	118,128
Finance costs	(246)	(70,821)	(246)	(70,821)
<b>Loss before taxation</b>	<u>(260,171)</u>	<u>(50,430)</u>	<u>(260,170)</u>	<u>(50,430)</u>
Income Tax	-	-	-	-
<b>Loss for the period / Total comprehensive loss</b>	<u>(260,171)</u>	<u>(50,430)</u>	<u>(260,170)</u>	<u>(50,430)</u>
<b>Loss for the period attributable to:</b>				
Owners of the Parent	(260,171)	(709)	(260,170)	(709)
Non-Controlling Interest	-	(49,721)	-	(49,721)
	<u>(260,171)</u>	<u>(50,430)</u>	<u>(260,170)</u>	<u>(50,430)</u>
<b>Total comprehensive loss attributable to:</b>				
Owners of the Parent	(260,171)	(709)	(260,170)	(709)
Non-Controlling Interest	-	(49,721)	-	(49,721)
	<u>(260,171)</u>	<u>(50,430)</u>	<u>(260,170)</u>	<u>(50,430)</u>
Basic loss per ordinary share (sen)	(0.033)	(0.000)	(0.033)	(0.000)

*(The unaudited condensed consolidated Statements of Profit or Loss and Other Comprehensive Income should be read in conjunction with the audited financial statements for the financial year ended 31 January 2016 and the accompanying explanatory notes attached to this interim financial statements)*

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION  
AS AT 30 APRIL 2016**

	<b>(Unaudited) As at 30-Apr-16 RM</b>	<b>(Audited) As at 31-Jan-16 RM</b>
<b>ASSETS</b>		
<b>Non-Current Assets</b>		
Property, plant and equipment	2,458,062	2,455,950
Investment in associated company	530,442	530,442
Other investments	1,085,500	1,085,500
<b>Current Assets</b>		
Inventories	3,286,899	3,063,419
Trade receivables	1,962,684	2,984,645
Other receivables, deposits and prepayment	4,856,773	352,919
Amount due from associated company	129,722	480,000
Fixed Deposits with a licensed bank	-	21,000,000
Cash and bank balances	17,580,338	631,885
GST Claimable	17,757	-
	<u>27,834,173</u>	<u>28,512,868</u>
<b>TOTAL ASSETS</b>	<u><u>31,908,177</u></u>	<u><u>32,584,760</u></u>
<b>EQUITY AND LIABILITIES</b>		
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>(18,459,009)</u>	<u>(18,198,838)</u>
<b>Total equity attributable to the owners of the Company</b>	<u>28,986,219</u>	<u>29,246,390</u>
<b>Non-controlling Interests</b>	<u>-</u>	<u>-</u>
<b>Total Equity</b>	<u><u>28,986,219</u></u>	<u><u>29,246,390</u></u>
<b>Current Liabilities</b>		
Trade payables	2,526,741	2,415,876
Amount due to contract customers	-	-
Other payables and accruals	349,177	922,047
Amount owing to directors	44,966	-
GST Payable	627	-
Current tax liabilities	447	447
	<u>2,921,958</u>	<u>3,338,370</u>
<b>Total Liabilities</b>	<u>2,921,958</u>	<u>3,338,370</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u><u>31,908,177</u></u>	<u><u>32,584,760</u></u>

NTA per share attributable to equity holders of the Company  
- basic (RM)

0.036

0.037

*(The unaudited condensed consolidated Statements of Financial Position should be read in conjunction with the audited financial statements for the financial year ended 31 January 2016 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 2016**

	Attributable to Owners of the Company						Attributable to owners of the Company	Non-controlling interest	Total equity
	Share capital	Share premium	Warrants reserve	Foreign exchange translation reserve	Merger deficit	Accumulated losses			
	RM	RM	RM	RM	RM	RM	RM	RM	RM
<b>3 Months Period Ended 30 April 2016</b>									
Balance at 1 February 2016	39,952,934	8,815,293	1,106,144	145,907	(2,575,050)	(18,198,838)	29,246,390	-	29,246,390
Total comprehensive loss for the period	-	-	-	-	-	(260,171)	(260,171)	-	(260,171)
Balance at 30 April 2016	<u>39,952,934</u>	<u>8,815,293</u>	<u>1,106,144</u>	<u>145,907</u>	<u>(2,575,050)</u>	<u>(18,459,009)</u>	<u>28,986,219</u>	<u>-</u>	<u>28,986,219</u>
<b>3 Months Period Ended 30 April 2015</b>									
Balance at 1 February 2015	39,952,934	8,815,293	1,106,144	145,907	(2,575,050)	(14,223,918)	33,221,310	1,166,780	34,388,090
Total comprehensive loss for the period	-	-	-	-	-	(709)	(709)	1,139,317	1,138,608
Balance at 30 April 2015	<u>39,952,934</u>	<u>8,815,293</u>	<u>1,106,144</u>	<u>145,907</u>	<u>(2,575,050)</u>	<u>(14,224,627)</u>	<u>33,220,601</u>	<u>2,306,097</u>	<u>35,526,698</u>

*(The unaudited condensed consolidated Statements of Changes in Equity should be read in conjunction with the audited financial statements for the financial year ended 31 January 2016 and the accompanying explanatory notes attached to this interim financial statements )*

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS  
FOR THE PERIOD ENDED 30 APRIL 2016**

	<b>3 Months Ended 30-Apr-16 RM</b>	<b>3 Months Ended 30-Apr-15 RM</b>
<b>Cash Flows From Operating Activities</b>		
Loss before taxation	(260,170)	(50,430)
Adjustments for :-		
Depreciation	81,488	180,886
Impairment loss for trade receivables	-	70,821
Interest income	(168,072)	(195,503)
Reversal of impairment loss on receivables	-	(200,000)
Reversal of inventories written down	-	-
Share of result of an associated company	-	(118,127)
<i>Operating loss before working capital changes</i>	<u>(346,754)</u>	<u>(312,353)</u>
Increase/ (decrease) in inventories	(223,447)	113,093
Increase/ (decrease) in receivables	(3,508,991)	849,645
Decrease in payables	<u>(476,255)</u>	<u>(717,567)</u>
<i>Cash absorbed by operations</i>	(4,555,447)	(67,182)
Interest paid	-	(70,821)
Interest received	168,072	195,503
Tax paid	-	(135,045)
<i>Net cash used in operating activities</i>	<u>(4,387,375)</u>	<u>(77,545)</u>
<b>Cash Flows From Investing Activities</b>		
Dividend received from an associated company	-	280,000
Purchase of property, plant and equipment	(83,600)	-
Purchase of investments	-	(1,475,411)
<i>Net cash (used in)/ generated from investing activities</i>	<u>(83,600)</u>	<u>(1,195,411)</u>
<b>Cash Flows From Financing Activities</b>		
Advances from/ (Repayment to) an associated company	350,278	(181,182)
Repayment of term loan	-	(108,554)
Advances from directors	44,966	312,942
Repayment of hire purchase payables	-	(26,948)
Advances from an Related company	<u>24,184</u>	-
<i>Net cash generated from/ (used in) financing activities</i>	<u>419,428</u>	<u>(3,742)</u>
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	(4,051,547)	(1,276,698)
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD</b>	<u>21,631,885</u>	<u>24,541,975</u>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL PERIOD</b>	<u><b>17,580,338</b></u>	<u><b>23,265,277</b></u>
<b>CASH AND CASH EQUIVALENTS COMPRISE:</b>		
Cash and bank balances	17,580,338	2,935,254
Fixed deposits with a licensed bank	-	21,300,000
Bank Overdraft	-	(969,977)
	<u><b>17,580,338</b></u>	<u><b>23,265,277</b></u>

*(The unaudited condensed consolidated Statements of Cash Flows should be read in conjunction with the audited financial statements for the financial year ended 31 January 2016 and the accompanying explanatory notes attached to this interim financial statements)*