

IFCA MSC BERHAD

(Company No: 453392-T)

(Incorporated in Malaysia)

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE 4TH QUARTER ENDED 31 DECEMBER 2017

**Condensed Statement of Comprehensive Income
For the Twelve Months Period Ended 31 December 2017**

	Current Quarter		Cumulative Y-T-D	
	3 months ended		12 months ended	
	31.12.2017	31.12.2016	31.12.2017	31.12.2016
Note	RM	RM	RM	RM
Continuing Operations				
Revenue	26,522,942	21,647,077	89,412,408	75,372,875
Other income	2,226,729	2,970,463	6,161,033	5,496,950
Employee benefits expenses	(12,096,267)	(11,250,433)	(46,770,717)	(45,785,978)
Changes in inventories	(2,230,568)	(353,163)	(6,230,640)	(2,594,739)
Depreciation of property, plant and equipment	(313,855)	(289,855)	(1,029,685)	(1,131,420)
Amortisation	(1,344,869)	(2,153,947)	(5,155,243)	(6,819,379)
Other expenses	(6,942,939)	(6,052,114)	(21,867,850)	(23,544,469)
Profit from operations	5,821,173	4,518,028	14,519,306	993,840
Finance costs	(9,058)	(6,390)	(30,510)	(34,351)
Profit before tax from continuing operations	5,812,115	4,511,638	14,488,796	959,489
Income tax income/(expense)	B5 (1,658,285)	623,542	(4,517,238)	(1,119,841)
Profit/(Loss) for the year, net of tax	4,153,830	5,135,180	9,971,558	(160,352)
Profit/(Loss) Attributable to:				
Owners of the Company	4,226,999	4,942,841	10,157,229	518,439
Non-controlling interest	(73,169)	192,339	(185,671)	(678,791)
	4,153,830	5,135,180	9,971,558	(160,352)
Other comprehensive income/ (expense):				
Profit/(Loss) for the year, net of tax	4,153,830	5,135,180	9,971,558	(160,352)
Foreign currency translation	(471,057)	(517,753)	(803,817)	440,815
Total comprehensive income for the year	3,682,773	4,617,427	9,167,741	280,463
Attributable to:				
Owners of the Company	3,755,942	4,425,088	9,353,412	959,254
Non-controlling interest	(73,169)	192,339	(185,671)	(678,791)
	3,682,773	4,617,427	9,167,741	280,463
Total comprehensive income/(expense) attributable to holders of the Company in sen:				
- Basic	B13 0.69	0.81	1.67	0.09
- Diluted	B13 0.69	0.81	1.67	0.09

The unaudited condensed consolidated statement of comprehensive income should be read in conjunction with the audited annual financial statements for the year ended 31 December 2016 and the accompanying explanatory notes attached to the interim financial statements.

Condensed Consolidated Statement of Financial Position
As at 31 December 2017

		As at 31.12.2017 (Unaudited) RM	As at 31.12.2016 (Audited) RM
ASSETS	Note		
NON-CURRENT ASSETS			
Property, plant and equipment		8,907,969	9,631,515
Investment properties		240,000	303,100
Deferred development costs		12,143,535	16,374,589
Intangible asset		1,281,068	1,483,426
Goodwill		25,111,525	25,111,525
Other investments		275,674	275,674
		<u>47,959,771</u>	<u>53,179,829</u>
CURRENT ASSETS			
Trade receivables		17,135,121	12,413,888
Other receivables		2,656,736	2,425,092
Other current assets		661,446	955,271
Tax recoverable		1,962,642	2,514,241
Deposits, cash and bank balances		73,229,864	70,787,391
		<u>95,645,809</u>	<u>89,095,883</u>
TOTAL ASSETS		<u>143,605,580</u>	<u>142,275,712</u>
EQUITY AND LIABILITIES			
Equity attributable to owners of the parent			
Share capital		60,829,090	60,829,090
Share premium		23,117,915	23,117,915
Treasury shares		(38,052)	(25,216)
Retained profits		30,509,900	23,393,825
Other reserves		(2,050,477)	(1,246,660)
		<u>112,368,376</u>	<u>106,068,954</u>
Non-Controlling Interest		<u>(494,530)</u>	<u>(308,859)</u>
Total equity		<u>111,873,846</u>	<u>105,760,095</u>
Non-current liabilities			
Other liabilities		6,262,568	6,433,226
Hire purchase and finance lease payable	B9	434,796	463,783
Deferred tax liabilities		1,514,504	1,959,839
		<u>8,211,868</u>	<u>8,856,848</u>
Current Liabilities			
Trade payables		2,411,717	750,045
Other payables		9,928,461	8,776,212
Other liabilities		10,931,268	16,521,686
Hire purchase and finance lease payable	B9	248,420	193,745
Current Tax Payable		-	1,417,081
		<u>23,519,866</u>	<u>27,658,769</u>
Total liabilities		<u>31,731,734</u>	<u>36,515,617</u>
TOTAL EQUITY AND LIABILITIES		<u>143,605,580</u>	<u>142,275,712</u>
Net asset per share		0.18	0.17

The condensed consolidated statement of financial position should be read in conjunction with the audited annual financial statements for the year ended 31 December 2016 and the accompanying explanatory notes attached to the interim financial statements.

Condensed Consolidated Statement of Changes in Equity
For the Twelve Months Period Ended 31 December 2017

	← Attributable to Owners of the Company →					Retained earnings RM	Total RM	Non-controlling Interest RM	Total Equity RM
	←	Non-Distributable			→				
	Share Capital RM	Share Premium RM	Treasury shares	Warrant Reserve RM	Other Reserve RM				
At 1 January 2017	60,829,090	23,117,915	(25,216)	-	(1,246,660)	23,393,825	106,068,954	(308,859)	105,760,095
Total comprehensive expense	-	-	-	-	-	10,157,229	10,157,229	(185,671)	9,971,558
Foreign Currency Translation	-	-	-	-	(803,817)	-	(803,817)	-	(803,817)
Dividends paid	-	-	-	-	-	(3,041,154)	(3,041,154)	-	(3,041,154)
Open market purchase shares	-	-	(12,836)	-	-	-	(12,836)	-	(12,836)
At 31 December 2017	60,829,090	23,117,915	(38,052)	-	(2,050,477)	30,509,900	112,368,376	(494,530)	111,873,846
At 1 January 2016	57,055,410	9,590,868	(9,821)	596,084	(1,687,475)	28,929,058	94,474,124	369,932	94,844,056
Issuance of share capital	1,600,000	-	-	-	-	-	1,600,000	-	1,600,000
Total comprehensive income	-	-	-	-	-	518,439	518,439	(678,791)	(160,352)
Foreign currency translation	-	-	-	-	440,815	-	440,815	-	440,815
Exercise of warrants	2,173,680	567,047	-	(567,047)	-	-	2,173,680	-	2,173,680
Dividends paid	-	-	-	-	-	(6,082,709)	(6,082,709)	-	(6,082,709)
Open market purchase shares	-	-	(15,395)	-	-	-	(15,395)	-	(15,395)
Investment in subsidiary	-	12,960,000	-	-	-	-	12,960,000	-	12,960,000
Reclassifications of warrant reserve	-	-	-	(29,037)	-	29,037	-	-	-
At 31 December 2016	60,829,090	23,117,915	(25,216)	-	(1,246,660)	23,393,825	106,068,954	(308,859)	105,760,095

The condensed consolidated statement of changes in equity changes should be read in conjunction with the audited annual financial statements for the year ended 31 December 2016 and the accompanying explanatory notes attached to the interim financial statements.

Condensed Consolidated Statement of Cash Flows
For the Twelve Months Period Ended 31 December 2017

	12 months ended	
	31.12.2017	31.12.2016
	RM	RM
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	14,488,796	959,489
Adjustments for :		
Non cash items	6,618,010	9,437,199
Non-operating items	(1,753,018)	(1,574,291)
Operating profit before working capital changes	<u>19,353,788</u>	<u>8,822,397</u>
Working capital changes:		
Net changes in assets	<u>(5,228,584)</u>	<u>6,489,492</u>
Net changes in liabilities	<u>1,043,672</u>	<u>680,821</u>
Total working capital changes	<u>(4,184,912)</u>	<u>7,170,313</u>
Net cash generated from operations	15,168,876	15,992,710
Income taxes paid	<u>(5,508,392)</u>	<u>(3,895,223)</u>
Net cash generated in operating activities	<u>9,660,484</u>	<u>12,097,487</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	1,292,310	1,698,717
Purchase of property, plant and equipment	(1,592,691)	(1,233,078)
Proceeds from disposal of property, plant and equipment	1,085,669	83,028
Development costs	-	(1,016,568)
Profit guarantee in respect of acquisition of business	<u>(4,000,000)</u>	<u>(4,000,000)</u>
Net cash used in investing activities	<u>(3,214,712)</u>	<u>(4,467,901)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Interest paid	(30,510)	(34,351)
Dividends paid	(3,041,154)	(6,082,709)
Payments to hire purchase and finance lease	(219,399)	(187,505)
Open market share buy-back	(12,837)	(15,395)
Proceeds from warrants conversion	-	2,173,680
Net cash used in financing activities	<u>(3,303,900)</u>	<u>(4,146,280)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	3,141,872	3,483,306
EFFECTS OF FOREIGN EXCHANGE RATE CHANGES	(699,399)	521,822
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	70,787,391	61,782,263
CASH AND CASH EQUIVALENTS AT END OF PERIOD	<u>73,229,864</u>	<u>65,787,391</u>

The condensed consolidated statement of cash flows should be read in conjunction with the audited annual financial statements for the year ended 31 December 2016 and the accompanying explanatory notes attached to the interim financial statements.