

IFCA MSC BERHAD

(Company No: 453392-T)

(Incorporated in Malaysia)

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE 2ND QUARTER ENDED 30 JUNE 2017

**Condensed Statement of Comprehensive Income
For the Six Months Period Ended 30 June 2017**

	Current Quarter		Cumulative Y-T-D	
	3 months ended		6 months ended	
	30.06.2017	30.06.2016	30.06.2017	30.06.2016
Note	RM	RM	RM	RM
Continuing Operations				
Revenue	20,578,063	17,974,640	39,886,027	35,670,874
Other income	1,640,541	890,586	2,695,345	1,724,740
Employee benefits expenses	(11,938,384)	(10,714,364)	(22,863,747)	(23,911,152)
Changes in inventories	(730,850)	(1,027,733)	(1,223,537)	(1,705,717)
Depreciation of property, plant and equipment	(219,302)	(279,592)	(473,070)	(581,711)
Amortisation	(1,237,386)	(2,119,422)	(2,489,461)	(3,125,050)
Other expenses	(4,940,500)	(4,901,606)	(9,548,913)	(12,212,159)
Profit/(Loss) from operations	3,152,182	(177,491)	5,982,644	(4,140,175)
Finance costs	(6,533)	(10,206)	(13,628)	(19,782)
Profit/(Loss) before tax from continuing operations	3,145,649	(187,697)	5,969,016	(4,159,957)
Income tax expense	B5 (742,673)	(468,416)	(2,015,224)	(1,342,280)
Profit/(Loss) for the year, net of tax	2,402,976	(656,113)	3,953,792	(5,502,237)
Profit/(Loss) Attributable to:				
Owners of the Company	2,509,654	(535,894)	4,182,322	(4,997,346)
Non-controlling interest	(106,678)	(120,219)	(228,530)	(504,891)
	2,402,976	(656,113)	3,953,792	(5,502,237)
Other comprehensive income/ (expense):				
Profit/(Loss) for the year, net of tax	2,402,976	(656,113)	3,953,792	(5,502,237)
Foreign currency translation	(67,983)	1,423,219	(203,799)	1,360,026
Total comprehensive income/(expense) for the year	2,334,993	767,106	3,749,993	(4,142,211)
Attributable to:				
Owners of the Company	2,441,671	887,325	3,978,523	(3,637,320)
Non-controlling interest	(106,678)	(120,219)	(228,530)	(504,891)
	2,334,993	767,106	3,749,993	(4,142,211)
Total comprehensive income/(expense) attributable to holders of the Company in sen:				
- Basic	B13 0.41	(0.09)	0.69	(0.82)
- Diluted	B13 0.41	(0.09)	0.69	(0.82)

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 30 June 2017

		As at 30.06.2017 (Unaudited) RM	As at 31.12.2016 (Audited) RM
ASSETS	Note		
NON-CURRENT ASSETS			
Property, plant and equipment		9,994,487	9,631,515
Investment properties		303,100	303,100
Deferred development costs		14,406,139	16,374,589
Intangible asset		1,128,898	1,483,426
Goodwill		25,111,525	25,111,525
Other investments		275,674	275,674
		<u>51,219,823</u>	<u>53,179,829</u>
CURRENT ASSETS			
Trade receivables		14,853,702	12,413,888
Other receivables		3,507,394	2,425,092
Other current assets		889,154	955,271
Tax recoverable		1,177,416	2,514,241
Deposits, cash and bank balances		69,565,780	70,787,391
		<u>89,993,446</u>	<u>89,095,883</u>
TOTAL ASSETS		<u>141,213,269</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		(34,007)	(25,216)
Retained profits		27,576,147	23,393,825
Other reserves		(1,450,459)	(1,246,660)
		<u>110,038,686</u>	<u>106,068,954</u>
Non-Controlling Interest		<u>(537,388)</u>	<u>(308,859)</u>
Total equity		<u>109,501,298</u>	<u>105,760,095</u>
Non-current liabilities			
Other liabilities		6,262,568	6,433,226
Hire purchase and finance lease payable	B9	554,476	463,783
Deferred tax liabilities		1,874,752	1,959,839
		<u>8,691,796</u>	<u>8,856,848</u>
Current Liabilities			
Trade payables		1,093,346	750,045
Other payables		8,709,821	8,776,212
Other liabilities		12,967,852	16,521,686
Hire purchase and finance lease payable	B9	249,156	193,745
Current Tax Payable		-	1,417,081
		<u>23,020,175</u>	<u>27,658,769</u>
Total liabilities		<u>31,711,971</u>	<u>36,515,617</u>
TOTAL EQUITY AND LIABILITIES		<u>141,213,269</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 Six Months Period Ended 30 June 2017

	← Attributable to Owners of the Company					Retained earnings RM	Total RM	Non-controlling Interest RM	Total Equity RM
	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	-	-	-	-	-	4,182,322	4,182,322	(228,529)	3,953,793
Foreign Currency Translation	-	-	-	-	(203,799)	-	(203,799)	-	(203,799)
Open market purchase shares	-	-	(8,791)	-	-	-	(8,791)	-	(8,791)
At 30 June 2017	60,829,090	23,117,915	(34,007)	-	(1,450,459)	27,576,147	110,038,686	(537,388)	109,501,298
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	-	-	-	-	-	(4,997,346)	(4,997,346)	(504,891)	(5,502,237)
Foreign currency translation	-	-	-	-	1,360,026	-	1,360,026	-	1,360,026
Exercise of warrants	2,173,680	567,047	-	(567,047)	-	-	2,173,680	-	2,173,680
Acquisition of subsidiary	-	12,960,000	-	-	-	-	12,960,000	-	12,960,000
Open market purchase shares	-	-	(7,153)	-	-	-	(7,153)	-	(7,153)
Investment in subsidiary	(2)	-	-	-	-	-	(2)	-	(2)
Reclassifications of warrant reserve	-	-	-	(29,037)	-	29,037	-	-	-
At 30 June 2016	60,829,088	23,117,915	(16,974)	0.00	(327,449)	23,960,749	107,563,329	(134,959)	107,428,370

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.

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Condensed Consolidated Statement of Cash Flows
For the Six Months Period Ended 30 June 2017

	6 months ended	
	30.06.2017	30.06.2016
	RM	RM
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit / (Loss) before tax	5,969,016	(4,159,957)
Adjustments for :		
Non cash items	3,220,529	4,754,578
Non-operating items	(681,618)	(554,705)
Operating profit before working capital changes	<u>8,507,927</u>	<u>39,917</u>
Working capital changes:		
Net changes in assets	<u>(3,395,900)</u>	<u>1,943,912</u>
Net changes in liabilities	<u>549,037</u>	<u>(2,432,850)</u>
Total working capital changes	<u>(2,846,864)</u>	<u>(488,939)</u>
Net cash generated from operations	5,661,064	(449,022)
Income taxes paid	<u>(1,773,636)</u>	<u>(2,028,481)</u>
Net cash generated/ (used) in operating activities	<u>3,887,427</u>	<u>(2,477,503)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	426,922	300,711
Purchase of property, plant and equipment	(1,046,715)	(564,763)
Proceeds from disposal of property, plant and equipment	115,723	54,906
Development costs	(0.00)	(704,731)
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>(4,504,070)</u>	<u>(4,913,877)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Interest paid	(13,628)	(19,782)
Payments to hire purchase and finance lease	(103,516)	(114,087)
Open market share buy-back	(8,792)	(7,153)
Proceeds from warrants conversion	-	2,173,680
Net cash (used in)/generated from financing activities	<u>(125,936)</u>	<u>2,032,658</u>
NET (DECREASE) IN CASH AND CASH EQUIVALENTS	(742,578)	(5,358,722)
EFFECTS OF FOREIGN EXCHANGE RATE CHANGES	(479,033)	956,851
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	70,787,391	67,395,815
CASH AND CASH EQUIVALENTS AT END OF PERIOD	<u>69,565,780</u>	<u>62,993,944</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.