

**IFCA MSC BERHAD**  
**(453392-T)**  
**(Incorporated in Malaysia)**

**QUARTERLY REPORT ON CONSOLIDATED RESULTS**  
**FOR THE 2ND QUARTER ENDED 30 JUNE 2007**

**IFCA MSC BERHAD (453392-T)**  
**(Incorporated in Malaysia)**

**Condensed Consolidated Income Statements**  
**For the Three Month Period Ended 30 June 2007**

	Note	Current Quarter		Cumulative Y-T-D	
		3 months ended		6 months ended	
		30.06.2007	30.06.2006	30.06.2007	30.06.2006
		RM	RM	RM	RM
Revenue		6,452,515	6,485,466	11,470,227	12,274,834
Cost of sales		(2,053,610)	(1,314,453)	(2,667,397)	(2,579,603)
<b>Gross profit</b>		<b>4,398,905</b>	<b>5,171,013</b>	<b>8,802,830</b>	<b>9,695,231</b>
Other income		93,649	89,444	154,086	162,153
Selling and marketing expenses		(1,073,046)	(952,679)	(2,005,416)	(1,888,389)
General and administrative expenses		(4,804,414)	(4,288,983)	(8,622,894)	(7,880,107)
Other expenses#		(3,766,553)	-	(3,766,553)	-
<b>(Loss)/Profit from operations</b>		<b>(5,151,459)</b>	<b>18,795</b>	<b>(5,437,947)</b>	<b>88,888</b>
Finance costs		(15,349)	(20,749)	(31,954)	(41,234)
Share of results of associate		(168,772)	157,427	(665,463)	(157,606)
<b>(Loss)/Profit before tax</b>		<b>(5,335,580)</b>	<b>155,473</b>	<b>(6,135,364)</b>	<b>(109,952)</b>
Income tax expense	B5	(9,799)	(197,156)	(16,688)	(396,328)
<b>Loss for the period</b>		<b>(5,345,379)</b>	<b>(41,683)</b>	<b>(6,152,052)</b>	<b>(506,280)</b>
Attributable to:					
Equity holders of the Company		(5,180,362)	(122,711)	(6,039,842)	(538,048)
Minority interests		(165,017)	81,028	(112,210)	31,768
		<b>(5,345,379)</b>	<b>(41,683)</b>	<b>(6,152,052)</b>	<b>(506,280)</b>
<b>Loss per share attributable to equity holders of the Company in sen:</b>					
- Basic	B12	(1.81)	(0.04)	(2.11)	(0.19)
- Diluted	B12	(1.81)	(0.04)	(2.11)	(0.19)

**Note# - The Group recognised a Loss on Impairment of Deferred Development Cost of RM3,766,553 during the quarter under review. This impairment is a non-cash item.**

The unaudited condensed consolidated income statements should be read in conjunction with the audited annual financial statements for the year ended 31 December 2006 and the accompanying explanatory notes attached to the interim financial statements.

**IFCA MSC BERHAD (453392-T)**  
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**Condensed Consolidated Balance Sheets**

As at 30 June 2007

		As at 30.06.2007 (Unaudited) RM	As at 31.12.2006 (Audited) RM
<b>ASSETS</b>	<b>Note</b>		
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment		8,833,440	8,979,164
Investment properties		1,106,529	1,101,044
Deferred development costs		11,256,459	13,976,392
Investment in an associate		6,020,675	6,686,139
Other investments		102,674	144,274
		<u>27,319,777</u>	<u>30,887,013</u>
<b>CURRENT ASSETS</b>			
Trade receivables		10,513,135	12,397,476
Other receivables		1,068,881	956,175
Cash and bank balances		8,758,739	9,567,367
		<u>20,340,755</u>	<u>22,921,018</u>
<b>TOTAL ASSETS</b>		<u>47,660,532</u>	<u>53,808,031</u>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity attributable to equity holders of the Company</b>			
Share capital	A7	28,670,200	28,509,340
Share premium		6,447,361	6,286,501
Retained earnings		7,064,368	13,104,211
Foreign exchange reserve		(2,997,019)	(3,159,766)
		<u>39,184,910</u>	<u>44,740,286</u>
<b>Minority interests</b>		138,126	250,336
<b>Total equity</b>		<u>39,323,036</u>	<u>44,990,622</u>
<b>Non-current liabilities</b>			
Hire purchase payables	B8	764,315	927,708
Deferred tax liabilities		1,089,050	1,089,050
		<u>1,853,365</u>	<u>2,016,758</u>
<b>Current Liabilities</b>			
Trade payables		291,251	614,405
Other payables		1,926,467	1,796,933
Deposits and advance maintenance fees		3,942,567	4,065,851
Hire purchase payables	B8	323,846	323,462
		<u>6,484,131</u>	<u>6,800,651</u>
Total liabilities		<u>8,337,496</u>	<u>8,817,409</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>47,660,532</u>	<u>53,808,031</u>
Net asset per share		0.14	0.16

The condensed consolidated balance sheets should be read in conjunction with the audited annual financial statements for the year ended 31 December 2006 and the accompanying explanatory notes attached to the interim financial statements.

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**Condensed Consolidated Statement of Changes in Equity**  
**For the Six Month Period Ended 30 June 2007**

	← Attributable to Equity Holders of the Company →					Minority Interests	Total Equity
	← Non-Distributable →			Distributable			
	Share Capital RM	Share Premium RM	Foreign Exchange Reserve RM	Retained Earnings RM	Total RM		
At 1 January 2007	28,509,340	6,286,501	(3,159,766)	13,104,211	44,740,286	250,336	44,990,622
Foreign currency translation from subsidiaries and associate	-	-	162,747	-	162,747	-	162,747
Net expenses recognised directly in equity	28,509,340	6,286,501	(2,997,019)	13,104,211	44,903,033	250,336	45,153,369
Profit/(Loss) for the year, representing total recognised income and expenses for the period	-	-	-	(6,039,843)	(6,039,843)	(112,210)	(6,152,053)
Issue of share capital	160,860	160,860	-	-	321,720	-	321,720
At 30 June 2007	28,670,200	6,447,361	(2,997,019)	7,064,368	39,184,910	138,126	39,323,036
At 1 January 2006	28,111,770	5,888,931	(1,273,128)	13,022,520	45,750,093	255,433	46,005,526
Arising from translation of foreign subsidiaries and associate			(56,142)		(56,142)		(56,142)
Net expenses recognised directly in equity	28,111,770	5,888,931	(1,329,270)	13,022,520	45,693,951	255,433	45,949,384
Profit/(Loss) for the year, representing total recognised income and expenses for the period	-	-	-	(538,048)	(538,048)	31,768	(506,280)
Issue of share capital	389,630	389,630	-	-	779,260	-	779,260
At 30 June 2006	28,501,400	6,278,561	(1,329,270)	12,484,472	45,935,163	287,201	46,222,364

The condensed consolidated statements of equity changes should be read in conjunction with the audited annual financial statements for the year ended 31 December 2006 and the accompanying explanatory notes attached to the interim financial statements.

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**Condensed Consolidated Cash Flow Statements**  
**For the Six Month Period Ended 30 June 2007**

	6 months ended	
	30.06.2007	30.06.2006
	RM	RM
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Loss before tax	(6,135,364)	(109,952)
Adjustments for :		
Non cash items	7,386,306	2,110,648
Non-operating items	(34,275)	(40,535)
Operating profit before working capital changes	1,216,667	1,960,161
Working capital changes:		
Net changes in assets	898,704	(628,651)
Net changes in liabilities	(330,085)	(1,429,956)
Total working capital changes	568,619	(2,058,607)
Net cash generated from (used in) operations	1,785,286	(98,446)
Taxes paid	(1,622)	(40,614)
Net cash generated from (used in) operating activities	1,783,664	(139,060)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Interest received	66,229	81,769
Purchase of property, plant and equipment	(272,032)	(384,475)
Proceeds from disposal of investment	41,600	-
Development costs	(2,701,991)	(3,251,417)
Net cash used in investing activities	(2,866,194)	(3,554,123)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Interest paid	(31,954)	(41,234)
Dividends paid	-	(1,405,589)
Proceeds from issuance of ordinary shares	321,720	779,260
Payments to hire purchase creditors	(163,010)	(149,084)
Net cash generated from (used in) financing activities	126,756	(816,647)
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	(955,774)	(4,509,830)
<b>EFFECTS OF FOREIGN EXCHANGE RATE CHANGES</b>	147,146	(41,020)
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD</b>	9,567,367	15,048,750
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	8,758,739	10,497,900

The condensed consolidated cash flow statements should be read in conjunction with the audited annual financial statements for the year ended 31 December 2006 and the accompanying explanatory notes attached to the interim financial statements.