IFCA MSC BERHAD

(453392-T) (Incorporated in Malaysia)

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE 3RD QUARTER ENDED 30 SEPTEMBER 2007

(Incorporated in Malaysia)

Condensed Consolidated Income Statements

For the Three Month Period Ended 30 September 2007

		Current Quarter 3 months ended		Cumulative Y-T-D			
				9 months ended			
	Note	30.09.2007 RM	30.09.2006 RM	30.09.2007 RM	30.09.2006 RM		
Revenue		5,621,660	7,187,134	17,091,887	19,461,968		
Cost of sales		(1,108,915)	(2,308,260)	(3,776,312)	(4,887,863)		
Gross profit		4,512,745	4,878,874	13,315,575	14,574,105		
Other income Selling and marketing expenses General and administrative expenses Other expenses#		56,592 (965,583) (4,874,459) -	99,630 (949,018) (4,158,595) -	210,678 (2,970,999) (13,497,353) (3,766,553)	261,782 (2,837,407) (12,038,701) -		
(Loss)/Profit from operations Finance costs		(1,270,705) (14,077)	(129,109) (19,167)	(6,708,652) (46,031)	(40,221) (60,401)		
Share of results of associate		(157,220)	(44,088)	(822,684)	(201,694)		
(Loss)/Profit before tax		(1,442,002)	(192,364)	(7,577,367)	(302,316)		
Income tax expense	B5	(14,983)	78,541	(31,671)	(317,787)		
Loss for the period		(1,456,985)	(113,823)	(7,609,038)	(620,103)		
Attributable to: Equity holders of the Company Minority interests		(1,568,799) 111,814 (1,456,985)	(115,527) 1,704 (113,823)	(7,608,642) (396) (7,609,038)	(653,574) 33,471 (620,103)		
Loss per share attributable to equity holders of the Company in sen: - Basic - Diluted	B12 B12	(0.55) (0.55)	(0.04) (0.04)	(2.66) (2.65)	(0.23) (0.23)		

Note# - The Group had recognised a Loss on Impairment on its Deferred Development Cost of RM3,766,553 during the 2nd quarter of the year. This impairment is a non-cash item.

The 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.

(Incorporated in Malaysia)

Condensed Consolidated Balance Sheets

As at 30 September 2007

·		As at 30.09.2007 (Unaudited)	As at 31.12.2006 (Audited)
ASSETS	Note	RM	RM
NON-CURRENT ASSETS			
Property, plant and equipment		8,810,086	8,979,164
Investment properties		1,102,721	1,101,044
Deferred development costs		11,393,190	13,976,392
Investment in an associate		5,863,455	6,686,139
Other investments		102,674	144,274
	_	27,272,126	30,887,013
CURRENT ASSETS			
Trade receivables		9,862,226	12,397,476
Other receivables		1,129,469	956,175
Cash and bank balances		7,520,798	9,567,367
	_	18,512,493	22,921,018
TOTAL ASSETS	-	45,784,619	53,808,031
EQUITY AND LIABILITIES			
Equity attributable to equity holders of the Company		20 (70 200	20 500 240
Share capital	A7	28,670,200	28,509,340
Share premium Retained earnings		6,447,361 5,495,569	6,286,501 13,104,211
Foreign exchange reserve		(2,987,373)	(3,159,766)
Toreign exchange reserve	—	37,625,757	44,740,286
Minority interests		249,940	250,336
Total equity	-	37,875,697	44,990,622
	-	01,010,091	11,770,022
Non-current liabilities	Do		005 500
Hire purchase payables	B8	698,527	927,708
Deferred tax liabilities	-	1,089,050	1,089,050
Current Liabilities	_	1,787,577	2,016,758
Trade payables		281,983	614,405
Other payables		1,691,297	1,796,933
Deposits and advance maintenance fees		3,838,828	4,065,851
Hire purchase payables	B8	309,237	323,462
		6,121,345	6,800,651
Total liabilities		7,908,922	8,817,409
TOTAL EQUITY AND LIABILITIES	-	45,784,619	53,808,031
Net asset per share		0.13	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.

(Incorporated in Malaysia)

Condensed Consolidated Statement of Changes in Equity

For the Nine Month Period Ended 30 September 2007

	 Attributable to Equity Holders of the Company ✓Non-Distributable →Distributable Share Share Forex Retained Capital Premium Reserve Earnings Total 			Minority Interests RM	Total Equity RM		
	RM	RM	RM	RM	RM	KIVI	KIVI
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		-	172,393	-	172,393	-	172,393
Net expenses recognised directly in equity	28,509,340	6,286,501	(2,987,373)	13,104,211	44,912,679	250,336	45,163,015
Profit/(Loss) for the year, representing total							
recognised income/expenses for the period	-	-	-	(7,608,642)	(7,608,642)	(396)	(7,609,038)
Issue of share capital	160,860	160,860	-	-	321,720	-	321,720
At 30 September 2007	28,670,200	6,447,361	(2,987,373)	5,495,569	37,625,757	249,940	37,875,697
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	-	-	(46,968)	-	(46,968)	-	(46,968)
Net expenses recognised directly in equity	28,111,770	5,888,931	(1,320,096)	13,022,520	45,703,125	255,433	45,958,558
Profit/(Loss) for the year, representing total							
recognised income/expenses for the period	-	-	-	(653,574)	(653,574)	33,471	(620,103)
Issue of ordinary shares pursuant to ESOS	397,570	397,570	-	-	795,140	-	795,140
At 30 September 2006	28,509,340	6,286,501	(1,320,096)	12,368,946	45,844,691	288,904	46,133,595

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.

(Incorporated in Malaysia)

Condensed Consolidated Cash Flow Statements

For the Nine Month Period Ended 30 September 2007

9 months ended30.09.200730.09.2006RMRMCASH FLOWS FROM OPERATING ACTIVITIESLoss before tax(7,577,367)Adjustments for :9,511,113Non-cosh items9,511,1133,207,127Non-operating items(54,168)Operating profit before working capital changes1,979,5782,835,638Working capital changes:(62,395)Net changes in assets(62,395)Net changes in assets(62,395)(1,829,290)(242,786)Net changes in assets(63,181)(2,192,680)(242,786)Net changes in labilities(365,181)(2,192,680)(365,181)Net cash generated from (used in) operations1,674,397Alex cash generated from (used in) operating activities1,683,181)(61,917)Net cash generated from (used in) operating activities1,681,811)CASH FLOWS FROM INVESTING ACTIVITIES(445,741)(725,144)Proceeds from disposal of investment(476,741)(725,144)Proceeds from disposal of investment(46,031)(60,401)Development costs(3,512,283)(4,456,600)Net cash used in investing activities(22,007,27)(5,476,677)Proceeds from disposal of investment(24,3407)(27,397)Net cash used in investing activities32,222(5,479,671)CASH FLOWS FROM FINANCING ACTIVITIES(2,200,727)(5,776,877)Proceeds from disposal of investing activities32,222(6,576,877)	for the rame workin rendu Endeu 30 September 2007				
RMRMCASH FLOWS FROM OPERATING ACTIVITIESLoss before tax(7,577,367)(302,316)Adjustments for : Non-operating items9,611,1133,207,127Non-operating items(4,168)(69,173)Operating profit before working capital changes1,979,5782,835,638Working capital changes: Net changes in liabilitios(1,829,290) (242,786)(1,829,290) (242,786)Net changes in liabilitios(242,786) (242,786)(1,829,290) (242,786)Net cash generated from (used in) operating activities1,674,397642,958 (581,181)Net cash generated from (used in) operating activities1,616,216581,041 (1,917)Net cash generated from (used in) operating activities100,199129,573 (242,786)Operating activities100,199129,573 (242,786)129,573 (243,407)CASH FLOWS FROM INVESTING ACTIVITIES100,199129,573 (243,407)2,550 (243,407)Purchase of property, plant and equipment Proceeds from disposal of investment (4,78,741)4,856,600) (3,549,225)(4,856,600) (3,549,225)CASH FLOWS FROM FINANCING ACTIVITIES(60,011) (1,005,589)(1,005,589) (243,407)(22,307,77) (22,397) (243,407)(22,307,77) (22,397) (243,407)Net cash generated from (used in) financing activities32,262(88,842) (243,407)(27,397) (27,397) (243,407)Net cash generated from (used in) financing activities32,262(88,842) (243,407)(27,397) (27,397) (24,3047)Net cash generated from (used in)					
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Adjustments for : Non cash items9,611,1133,207,127Non-cosh items9,611,1133,207,127Non-coperating items(69,173)Operating profit before working capital changes1,979,5782,835,638Working capital changes: Net changes in liabilities(62,395) (242,786)(1,829,290) (263,390)Total working capital changes: Net cash generated from (used in) operations Taxes paid1,674,397642,958Net cash generated from (used in) operations Taxes paid1,674,397642,958Net cash generated from (used in) operating activities1,616,216581,041CASH FLOWS FROM INVESTING ACTIVITIES100,199129,573Interest received100,199129,573Purchase of property, plant and equipment Proceeds from disposal of investment 0 all used in investing activities(3,512,283) (4,856,600)Net cash used in investing activities(3,512,283) (4,856,600)(4,6,031) (1,405,589)CASH FLOWS FROM FINANCING ACTIVITIES(4,631) (1,405,589)Interest paid Dividends paid Proceeds from issuance of ordinary shares Proceeds from issuance of ordinary shares	CASH FLOWS FROM OPERATING ACTIVITIES				
Non cash items9,611,1133,207,127Non-operating items(64,168)(69,173)Operating profit before working capital changes1,979,5782,835,638Working capital changes:(62,395)(1,829,290)Net changes in labilities(242,786)(363,390)Total working capital changes(305,181)(2,192,680)Net cash generated from (used in) operations1,674,397642,958Taxes paid(58,181)(61,917)Net cash generated from (used in) operating activities1,616,216581,041CASH FLOWS FROM INVESTING ACTIVITIES100,199129,573Purchase of property, plant and equipment(478,741)(735,144)Proceeds from disposal of investment41,6002,500Development costs(3,512,283)(4,4856,600)Net cash used in investing activities(3,512,283)(4,4856,600)Interest paid(46,031)(60,401)Dividends paid-(1,405,589)Proceeds from issuance of ordinary shares32,1720795,140Payments to hire purchase creditors32,282(898,247)NET DECREASE IN CASH AND CASH EQUIVALENTS(2,200,727)(5,776,877)EFFECTS OF FOREIGN EXCHANGE RATE CHANGES154,158(31,930)CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD9,567,36715,048,750	Loss before tax	(7,577,367)	(302,316)		
Non-operating items(54,168)(69,173)Operating profit before working capital changes1,979,5782,835,638Working capital changes: Net changes in labilities(62,395) (242,786)(1,829,290) (263,390)Total working capital changes(242,786)(242,786)Net cash generated from (used in) operations Taxes paid1,674,397642,958Net cash generated from (used in) operating activities1,616,216581,041CASH FLOWS FROM INVESTING ACTIVITIES100,199129,573Interest received100,199129,573Purchase of property, plant and equipment Proceeds from disposal of investment41,6002,500Development costs(3,512,283) (4,485,600)(4,485,600)Net cash used in investing activities(3,349,225)(5,459,671)CASH FLOWS FROM FINANCING ACTIVITIES1(400,11) (1,405,589)(1,405,589) (243,407)Interest paid Proceeds from issuance of ordinary shares Proceeds from used and equipments Proceeds from used or projents, plantane equipments (243,407)(223,97) (273,97)NET DECREASE IN CASH AND CASH EQUIVALENTS(2,200,727) (5,776,877)(5,776,877)EFFECTS OF FOREIGN EXCHANGE RATE CHANGES154,158 (31,930)(31,930)CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD9,567,36715,048,750	Adjustments for :				
Operating profit before working capital changes1,979,5782,835,638Working capital changes: Net changes in liabilities(62,395) (242,276)(1,829,290) (363,380)Net changes in liabilities(62,395) (242,276)(1,829,290) (363,380)Total working capital changes(305,181)(2,192,680)Net cash generated from (used in) operations1,674,397642,958 (58,181)Taxes paid(58,181)(61,917)Net cash generated from (used in) operating activities1,616,216581,041CASH FLOWS FROM INVESTING ACTIVITIES100,199129,573 (735,144)Interest received100,199129,573 (735,144)Purchase of property, plant and equipment Development costs(478,741)(735,144) (735,144)Proceeds from disposal of investment(3,512,283) (3,542,225)(4,856,600) (5,459,671)CASH FLOWS FROM FINANCING ACTIVITIES(46,031)(60,401) or (1,405,589)Interest paid Proceeds from issuance of ordinary shares321,720 (221,397) Net cash generated from (used in) financing activities322,822 (989,247)NET DECREASE IN CASH AND CASH EQUIVALENTS(2,200,727) (5,776,877)(5,776,877)EFFECTS OF FOREIGN EXCHANGE RATE CHANGES154,158 (31,930)(31,930)CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD9,567,367 15,048,75015,048,750	Non cash items	9,611,113	3,207,127		
Working capital changes: Net changes in labilities(62,395) (1,829,290) (242,786)(1,829,290) (363,390)Total working capital changes(305,181)(2,192,680)Net cash generated from (used in) operations1,674,397642,958Taxes paid(38,181)(61,917)Net cash generated from (used in) operating activities1,616,216581,041CASH FLOWS FROM INVESTING ACTIVITIES11Interest received100,199129,573Purchase of property, plant and equipment(478,741)(735,144)Proceeds from disposal of investment3,512,283)(4,856,600)Development costs(3,512,283)(4,856,600)Net cash used in investing activities(3,849,225)(5,459,671)CASH FLOWS FROM FINANCING ACTIVITIES1(46,031)(60,401)Dividends paid-(1,405,589)(227,397)Net cash generated from (used in) financing activities32,282(898,247)NET DECREASE IN CASH AND CASH EQUIVALENTS(2,200,727)(5,776,877)EFFECTS OF FOREIGN EXCHANGE RATE CHANGES154,158(31,930)CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD9,567,36715,048,750	Non-operating items	(54,168)	(69,173)		
Net changes in assets(62,395) (242,786)(1,829,290) (363,390)Net changes in liabilities(305,181)(2,192,680)Total working capital changes(305,181)(2,192,680)Net cash generated from (used in) operations1,674,397642,958Taxes paid(58,181)(61,917)Net cash generated from (used in) operating activities1,616,216581,041CASH FLOWS FROM INVESTING ACTIVITIESInterest received100,199129,573Purchase of property, plant and equipment(478,741)(735,144)Proceeds from disposal of investment2,500(3,512,283)(4,856,600)Development costs(3,512,283)(4,856,600)(5,459,671)CASH FLOWS FROM FINANCING ACTIVITIES(3,849,225)(5,459,671)CASH FLOWS FROM FINANCING ACTIVITIES(46,031)(60,401)(1,405,589)Interest paid(46,031)(60,401)(1,405,589)Proceeds from issuance of ordinary shares321,720795,140Payments to hire purchase creditors(243,407)(227,397)Net cash generated from (used in) financing activities32,282(898,247)NET DECREASE IN CASH AND CASH EQUIVALENTS(2,200,727)(5,776,877)EFFECTS OF FOREIGN EXCHANGE RATE CHANGES154,158(31,930)CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD9,567,36715,048,750	Operating profit before working capital changes	1,979,578	2,835,638		
Net changes in liabilities(242,786)(363,390)Total working capital changes(305,181)(2,192,680)Net cash generated from (used in) operations1,674,397642,958Taxes paid(88,181)(61,917)Net cash generated from (used in) operating activities1,616,216581,041CASH FLOWS FROM INVESTING ACTIVITIESInterest received100,199129,573Purchase of property, plant and equipment(478,741)(735,144)Proceeds from disposal of investment41,6002,500Development costs(3,512,283)(4,856,600)Net cash used in investing activities(3,849,225)(5,459,671)CASH FLOWS FROM FINANCING ACTIVITIESInterest paid(46,031)(60,401)Dividends paid-(1,405,589)Proceeds from issuance of ordinary shares321,720795,140Payments to hire purchase creditors(243,407)(227,397)Net cash generated from (used in) financing activities32,282(898,247)NET DECREASE IN CASH AND CASH EQUIVALENTS(2,200,727)(5,776,877)EFFECTS OF FOREIGN EXCHANGE RATE CHANGES154,158(31,930)CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD9,567,36715,048,750	Working capital changes:				
Total working capital changes(2,192,680)Net cash generated from (used in) operations1,674,397642,958Taxes paid(58,181)(61,917)Net cash generated from (used in) operating activities1,616,216581,041CASH FLOWS FROM INVESTING ACTIVITIESInterest received100,199129,573Purchase of property, plant and equipment(478,741)(735,144)Proceeds from disposal of investment41,6002,500Development costs(3,512,283)(4,856,600)Net cash used in investing activities(3,849,225)(5,459,671)CASH FLOWS FROM FINANCING ACTIVITIES(46,031)(60,401)Dividends paid-(1,405,589)Proceeds from issuance of ordinary shares321,720795,140Payments to hire purchase creditors(243,407)(227,397)Net cash generated from (used in) financing activities32,282(898,247)NET DECREASE IN CASH AND CASH EQUIVALENTS(2,200,727)(5,776,877)EFFECTS OF FOREIGN EXCHANGE RATE CHANGES154,158(31,930)CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD9,567,36715,048,750	Net changes in assets	(62,395)	(1,829,290)		
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Taxes paid(58,181)(61,917)Net cash generated from (used in) operating activities1,616,216581,041CASH FLOWS FROM INVESTING ACTIVITIESInterest received100,199129,573Purchase of property, plant and equipment(478,741)(735,144)Proceeds from disposal of investment41,6002,500Development costs(3,512,283)(4,856,600)Net cash used in investing activities(3,849,225)(5,459,671)CASH FLOWS FROM FINANCING ACTIVITIES(1,405,589)Interest paid(46,031)(60,401)Dividends paid(1,405,589)Proceeds from issuance of ordinary shares321,720Payments to hire purchase creditors(243,407)(227,397)Net cash generated from (used in) financing activities32,282(898,247)NET DECREASE IN CASH AND CASH EQUIVALENTS(2,200,727)(5,776,877)EFFECTS OF FOREIGN EXCHANGE RATE CHANGES154,158(31,930)CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD9,567,36715,048,750	Total working capital changes	(305,181)	(2,192,680)		
Net cash generated from (used in) operating activities1,616,216581,041CASH FLOWS FROM INVESTING ACTIVITIESInterest received100,199129,573Purchase of property, plant and equipment(478,741)(735,144)Proceeds from disposal of investment41,6002,500Development costs(3,512,283)(4,856,600)Net cash used in investing activities(3,849,225)(5,459,671)CASH FLOWS FROM FINANCING ACTIVITIES(46,031)(60,401)Dividends paid-(1,405,589)Proceeds from issuance of ordinary shares321,720795,140Payments to hire purchase creditors(243,407)(227,397)Net cash generated from (used in) financing activities32,282(898,247)NET DECREASE IN CASH AND CASH EQUIVALENTS(2,200,727)(5,776,877)EFFECTS OF FOREIGN EXCHANGE RATE CHANGES154,158(31,930)CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD9,567,36715,048,750	Net cash generated from (used in) operations	1,674,397	642,958		
CASH FLOWS FROM INVESTING ACTIVITIESInterest received100,199129,573Purchase of property, plant and equipment(478,741)(735,144)Proceeds from disposal of investment41,6002,500Development costs(3,512,283)(4,856,600)Net cash used in investing activities(3,849,225)(5,459,671)CASH FLOWS FROM FINANCING ACTIVITIES(46,031)(60,401)Dividends paid-(1,405,589)Proceeds from issuance of ordinary shares321,720795,140Payments to hire purchase creditors(243,407)(227,397)Net cash generated from (used in) financing activities32,282(898,247)NET DECREASE IN CASH AND CASH EQUIVALENTS(2,200,727)(5,776,877)EFFECTS OF FOREIGN EXCHANGE RATE CHANGES154,158(31,930)CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD9,567,36715,048,750	Taxes paid	(58,181)	(61,917)		
Interest received100,199129,573Purchase of property, plant and equipment(478,741)(735,144)Proceeds from disposal of investment41,6002,500Development costs(3,512,283)(4,856,600)Net cash used in investing activities(3,849,225)(5,459,671)CASH FLOWS FROM FINANCING ACTIVITIESInterest paid(46,031)(60,401)Dividends paid-(1,405,589)Proceeds from issuance of ordinary shares321,720795,140Payments to hire purchase creditors(243,407)(227,397)Net cash generated from (used in) financing activities32,282(898,247)NET DECREASE IN CASH AND CASH EQUIVALENTS(2,200,727)(5,776,877)EFFECTS OF FOREIGN EXCHANGE RATE CHANGES154,158(31,930)CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD9,567,36715,048,750	Net cash generated from (used in) operating activities	1,616,216	581,041		
Purchase of property, plant and equipment(478,741)(735,144)Proceeds from disposal of investment41,6002,500Development costs(3,512,283)(4,856,600)Net cash used in investing activities(3,849,225)(5,459,671)CASH FLOWS FROM FINANCING ACTIVITIESInterest paid(46,031)(60,401)Dividends paid-(1,405,589)Proceeds from issuance of ordinary shares321,720795,140Payments to hire purchase creditors(243,407)(227,397)Net cash generated from (used in) financing activities32,282(898,247)NET DECREASE IN CASH AND CASH EQUIVALENTS(2,200,727)(5,776,877)EFFECTS OF FOREIGN EXCHANGE RATE CHANGES154,158(31,930)CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD9,567,36715,048,750	CASH FLOWS FROM INVESTING ACTIVITIES				
Proceeds from disposal of investment41,6002,500Development costs(3,512,283)(4,856,600)Net cash used in investing activities(3,849,225)(5,459,671)CASH FLOWS FROM FINANCING ACTIVITIESInterest paid(46,031)(60,401)Dividends paid-(1,405,589)Proceeds from issuance of ordinary shares321,720795,140Payments to hire purchase creditors(243,407)(227,397)Net cash generated from (used in) financing activities32,282(898,247)NET DECREASE IN CASH AND CASH EQUIVALENTS(2,200,727)(5,776,877)EFFECTS OF FOREIGN EXCHANGE RATE CHANGES154,158(31,930)CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD9,567,36715,048,750	Interest received	100,199	129,573		
Development costs(3,512,283)(4,856,600)Net cash used in investing activities(3,849,225)(5,459,671)CASH FLOWS FROM FINANCING ACTIVITIESInterest paid(46,031)(60,401)Dividends paid-(1,405,589)Proceeds from issuance of ordinary shares321,720795,140Payments to hire purchase creditors(243,407)(227,397)Net cash generated from (used in) financing activities32,282(898,247)NET DECREASE IN CASH AND CASH EQUIVALENTS(2,200,727)(5,776,877)EFFECTS OF FOREIGN EXCHANGE RATE CHANGES154,158(31,930)CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD9,567,36715,048,750	Purchase of property, plant and equipment	(478,741)	(735,144)		
Net cash used in investing activities(3,849,225)(5,459,671)CASH FLOWS FROM FINANCING ACTIVITIESInterest paid(46,031)(60,401)Dividends paid-(1,405,589)Proceeds from issuance of ordinary shares321,720795,140Payments to hire purchase creditors(243,407)(227,397)Net cash generated from (used in) financing activities32,282(898,247)NET DECREASE IN CASH AND CASH EQUIVALENTS(2,200,727)(5,776,877)EFFECTS OF FOREIGN EXCHANGE RATE CHANGES154,158(31,930)CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD9,567,36715,048,750	Proceeds from disposal of investment	41,600	2,500		
CASH FLOWS FROM FINANCING ACTIVITIESInterest paid(46,031)(60,401)Dividends paid-(1,405,589)Proceeds from issuance of ordinary shares321,720795,140Payments to hire purchase creditors(243,407)(227,397)Net cash generated from (used in) financing activities32,282(898,247)NET DECREASE IN CASH AND CASH EQUIVALENTS(2,200,727)(5,776,877)EFFECTS OF FOREIGN EXCHANGE RATE CHANGES154,158(31,930)CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD9,567,36715,048,750	Development costs	(3,512,283)	(4,856,600)		
Interest paid (46,031) (60,401) Dividends paid - (1,405,589) Proceeds from issuance of ordinary shares 321,720 795,140 Payments to hire purchase creditors (243,407) (227,397) Net cash generated from (used in) financing activities 32,282 (898,247) NET DECREASE IN CASH AND CASH EQUIVALENTS (2,200,727) (5,776,877) EFFECTS OF FOREIGN EXCHANGE RATE CHANGES 154,158 (31,930) CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD 9,567,367 15,048,750	Net cash used in investing activities	(3,849,225)	(5,459,671)		
Dividends paid-(1,405,589)Proceeds from issuance of ordinary shares321,720795,140Payments to hire purchase creditors(243,407)(227,397)Net cash generated from (used in) financing activities32,282(898,247)NET DECREASE IN CASH AND CASH EQUIVALENTS(2,200,727)(5,776,877)EFFECTS OF FOREIGN EXCHANGE RATE CHANGES154,158(31,930)CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD9,567,36715,048,750	CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds from issuance of ordinary shares321,720795,140Payments to hire purchase creditors(243,407)(227,397)Net cash generated from (used in) financing activities32,282(898,247)NET DECREASE IN CASH AND CASH EQUIVALENTS(2,200,727)(5,776,877)EFFECTS OF FOREIGN EXCHANGE RATE CHANGES154,158(31,930)CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD9,567,36715,048,750	Interest paid	(46,031)	(60,401)		
Payments to hire purchase creditors(243,407)(227,397)Net cash generated from (used in) financing activities32,282(898,247)NET DECREASE IN CASH AND CASH EQUIVALENTS(2,200,727)(5,776,877)EFFECTS OF FOREIGN EXCHANGE RATE CHANGES154,158(31,930)CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD9,567,36715,048,750	Dividends paid	-	(1,405,589)		
Net cash generated from (used in) financing activities32,282(898,247)NET DECREASE IN CASH AND CASH EQUIVALENTS(2,200,727)(5,776,877)EFFECTS OF FOREIGN EXCHANGE RATE CHANGES154,158(31,930)CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD9,567,36715,048,750	Proceeds from issuance of ordinary shares	321,720	795,140		
NET DECREASE IN CASH AND CASH EQUIVALENTS(2,200,727)(5,776,877)EFFECTS OF FOREIGN EXCHANGE RATE CHANGES154,158(31,930)CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD9,567,36715,048,750		(243,407)	(227,397)		
EFFECTS OF FOREIGN EXCHANGE RATE CHANGES154,158(31,930)CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD9,567,36715,048,750	Net cash generated from (used in) financing activities	32,282	(898,247)		
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD 9,567,367 15,048,750	NET DECREASE IN CASH AND CASH EQUIVALENTS	(2,200,727)	(5,776,877)		
	EFFECTS OF FOREIGN EXCHANGE RATE CHANGES	154,158	(31,930)		
CASH AND CASH EQUIVALENTS AT END OF PERIOD7,520,7989,239,943	CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	9,567,367	15,048,750		
	CASH AND CASH EQUIVALENTS AT END OF PERIOD	7,520,798	9,239,943		

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.