

# **IFCA MSC BERHAD**

(Company No: 453392-T)

(Incorporated in Malaysia)

## **CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE 1ST QUARTER ENDED 31 MARCH 2017**

**IFCA MSC BERHAD** (Company No: 453392-T)  
(Incorporated in Malaysia)

**Condensed Statement of Comprehensive Income  
For the Three Months Period Ended 31 March 2017**

|  | Quarter and Year-to-date<br>Ended |                    |
|--|-----------------------------------|--------------------|
|  | 3 months ended                    |                    |
|  | 31.03.2017                        | 31.03.2016         |
| Note   | RM                                | RM                 |
| <b><u>Continuing Operations</u></b>  |                                   |                    |
| Revenue  | 19,307,964                        | 17,696,234         |
| Other income   | 1,054,804                         | 834,154            |
| Employee benefits expenses   | (10,925,363)                      | (13,196,788)       |
| Changes in inventories   | (492,687)                         | (677,984)          |
| Depreciation of property, plant and equipment  | (253,768)                         | (302,119)          |
| Amortisation   | (1,252,075)                       | (1,005,628)        |
| Other expenses   | (4,608,413)                       | (7,310,553)        |
| Profit/(Loss) from operations  | 2,830,462                         | (3,962,684)        |
| Finance costs  | (7,095)                           | (9,576)            |
| <b>Profit/(Loss) before tax from continuing operations</b>                                 | <b>2,823,367</b>                  | <b>(3,972,260)</b> |
| Income tax expense   | B5 (1,272,551)                    | (873,864)          |
| <b>Profit/(Loss) for the year, net of tax</b>  | <b>1,550,816</b>                  | <b>(4,846,124)</b> |
| Profit/(Loss) Attributable to:   |                                   |                    |
| Owners of the Company  | 1,672,667                         | (4,461,452)        |
| Non-controlling interest   | (121,851)                         | (384,672)          |
|  | <b>1,550,816</b>                  | <b>(4,846,124)</b> |
| Other comprehensive income/ (expense):   |                                   |                    |
| Profit/(Loss) for the year, net of tax   | 1,550,816                         | (4,846,124)        |
| Foreign currency translation   | (135,816)                         | (63,193)           |
| <b>Total comprehensive income for the year</b>   | <b>1,415,000</b>                  | <b>(4,909,317)</b> |
| Attributable to:   |                                   |                    |
| Owners of the Company  | 1,536,851                         | (4,524,645)        |
| Non-controlling interest   | (121,851)                         | (384,672)          |
|  | <b>1,415,000</b>                  | <b>(4,909,317)</b> |
| <b>Total comprehensive income/(expense) attributable to holders of the Company in sen:</b> |                                   |                    |
| - Basic  | B13 0.27                          | (0.73)             |
| - Diluted  | B13 0.27                          | (0.73)             |

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 March 2017**

|  |             | As at<br>31.03.2017<br>(Unaudited)<br>RM | As at<br>31.12.2016<br>(Audited)<br>RM |
|--|-------------|--|--|
| <b>ASSETS</b>                                      | <b>Note</b> |  |  |
| <b>NON-CURRENT ASSETS</b>                          |             |  |  |
| Property, plant and equipment                      |             | 10,017,238                               | 9,631,515                              |
| Investment properties                              |             | 303,100                                  | 303,100                                |
| Deferred development costs                         |             | 15,364,610                               | 16,374,589                             |
| Intangible asset                                   |             | 1,306,162                                | 1,483,426                              |
| Goodwill   |             | 25,111,525                               | 25,111,525                             |
| Other investments                                  |             | 275,674                                  | 275,674                                |
|  |             | <u>52,378,309</u>                        | <u>53,179,829</u>                      |
| <b>CURRENT ASSETS</b>                              |             |  |  |
| Trade receivables                                  |             | 15,567,340                               | 12,413,888                             |
| Other receivables                                  |             | 2,874,131                                | 2,425,092                              |
| Other current assets                               |             | 699,961                                  | 955,271                                |
| Tax recoverable                                    |             | 1,609,797                                | 2,514,241                              |
| Deposits, cash and bank balances                   |             | 69,760,574                               | 70,787,391                             |
|  |             | <u>90,511,803</u>                        | <u>89,095,883</u>                      |
| <b>TOTAL ASSETS</b>                                |             | <u>142,890,112</u>                       | <u>142,275,712</u>                     |
| <b>EQUITY AND LIABILITIES</b>                      |             |  |  |
| <b>Equity attributable to owners of the parent</b> |             |  |  |
| Share capital                                      |             | 60,829,090                               | 60,829,090                             |
| Share premium                                      |             | 23,117,915                               | 23,117,915                             |
| Treasury shares                                    |             | (30,112)                                 | (25,216)                               |
| Retained profits                                   |             | 25,066,492                               | 23,393,825                             |
| Other reserves                                     |             | (1,382,476)                              | (1,246,660)                            |
|  |             | <u>107,600,909</u>                       | <u>106,068,954</u>                     |
| <b>Non-Controlling Interest</b>                    |             | <u>(430,710)</u>                         | <u>(308,859)</u>                       |
| <b>Total equity</b>                                |             | <u>107,170,199</u>                       | <u>105,760,095</u>                     |
| <b>Non-current liabilities</b>                     |             |  |  |
| Other liabilities                                  |             | 6,262,568                                | 6,433,226                              |
| Hire purchase and finance lease payable            | B9          | 409,400                                  | 463,783                                |
| Deferred tax liabilities                           |             | 1,917,296                                | 1,959,839                              |
|  |             | <u>8,589,264</u>                         | <u>8,856,848</u>                       |
| <b>Current Liabilities</b>                         |             |  |  |
| Trade payables                                     |             | 1,075,082                                | 750,045                                |
| Other payables                                     |             | 8,524,147                                | 8,776,212                              |
| Other liabilities                                  |             | 17,338,881                               | 16,521,686                             |
| Hire purchase and finance lease payable            | B9          | 192,539                                  | 193,745                                |
| Current Tax Payable                                |             | -  | 1,417,081                              |
|  |             | <u>27,130,649</u>                        | <u>27,658,769</u>                      |
| Total liabilities                                  |             | <u>35,719,913</u>                        | <u>36,515,617</u>                      |
| <b>TOTAL EQUITY AND LIABILITIES</b>                |             | <u>142,890,112</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 Three Months Period Ended 31 March 2017**

|                              | Attributable to Owners of the Company |                   |                          |                 |                 |                    | Retained earnings | Total              | Non-controlling Interest | Total Equity       |
|------------------------------|---------------------------------------|-------------------|--------------------------|-----------------|-----------------|--------------------|-------------------|--------------------|--------------------------|--------------------|
|                              | Non-Distributable                     |                   |                          | Distributable   |                 |                    |                   |                    |                          |                    |
|                              | Share Capital                         | Share Premium     | Share Application Monies | Treasury shares | Warrant Reserve | Other Reserve      |                   |                    |                          |                    |
|                              | RM                                    | RM                | RM                       | RM              | RM              | RM                 | RM                | RM                 | 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  | -                                     | -                 | -                        | -               | -               | -                  | 1,672,667         | 1,672,667          | (121,851)                | 1,550,816          |
| Foreign Currency Translation | -                                     | -                 | -                        | -               | -               | (135,816)          | -                 | (135,816)          | -                        | (135,816)          |
| Open market purchase shares  | -                                     | -                 | -                        | (4,896)         | -               | -                  | -                 | (4,896)            | -                        | (4,896)            |
| At 31 March 2017             | <u>60,829,090</u>                     | <u>23,117,915</u> | <u>-</u>                 | <u>(30,112)</u> | <u>-</u>        | <u>(1,382,476)</u> | <u>25,066,492</u> | <u>107,600,909</u> | <u>(430,710)</u>         | <u>107,170,199</u> |
| 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   | -                                     | -                 | -                        | -               | -               | -                  | (4,461,452)       | (4,461,452)        | (384,672)                | (4,846,124)        |
| Foreign currency translation | -                                     | -                 | -                        | -               | -               | (63,193)           | -                 | (63,193)           | -                        | (63,193)           |
| 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         |
| At 31 March 2016             | <u>60,829,090</u>                     | <u>23,117,915</u> | <u>-</u>                 | <u>(9,821)</u>  | <u>29,037</u>   | <u>(1,750,668)</u> | <u>24,467,606</u> | <u>106,683,159</u> | <u>(14,740)</u>          | <u>106,668,419</u> |

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 Three Months Period Ended 31 March 2017**

|   | 3 months ended    |                     |
|---|-------------------|---------------------|
|   | 31.03.2017        | 31.03.2016          |
|   | RM                | RM                  |
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                 |                   |                     |
| Profit / (Loss) before tax                                  | 2,823,367         | (3,972,260)         |
| Adjustments for :   |                   |                     |
| Non cash items  | 1,585,969         | 2,610,305           |
| Non-operating items   | (285,736)         | (113,612)           |
| Operating profit/(loss) before working capital changes      | 4,123,601         | (1,475,566)         |
| Working capital changes:                                    |                   |                     |
| Net changes in assets                                       | (3,396,837)       | (3,260,271)         |
| Net changes in liabilities                                  | 717,886           | (3,594,213)         |
| Total working capital changes                               | (2,678,951)       | (6,854,485)         |
| Net cash generated from operations                          | 1,444,650         | (8,330,052)         |
| Income taxes paid   | (1,492,001)       | (1,371,246)         |
| Net cash used in operating activities                       | (47,352)          | (9,701,298)         |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>                 |                   |                     |
| Interest received   | 111,613           | 113,612             |
| Purchase of property, plant and equipment                   | (657,524)         | (125,105)           |
| Proceeds from disposal of property, plant and equipment     | 19,000            | 12,264              |
| Cash of consideration paid for acquisition of business      | -                 | (4,000,000)         |
| Net cash used in investing activities                       | (526,911)         | (3,999,229)         |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>                 |                   |                     |
| Interest paid   | (7,095)           | (9,576)             |
| Payments to hire purchase and finance lease                 | (55,209)          | (64,136)            |
| Open market share buy-back                                  | (4,896)           | -                   |
| Proceeds from warrants conversion                           | -                 | 2,173,680           |
| Net cash (used in)/generated from financing activities      | (67,200)          | 2,099,968           |
| <b>NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS</b> | <b>(641,463)</b>  | <b>(11,600,559)</b> |
| <b>EFFECTS OF FOREIGN EXCHANGE RATE CHANGES</b>             | <b>(385,354)</b>  | 1,410,620           |
| <b>CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD</b>     | <b>70,787,391</b> | 67,395,815          |
| <b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>           | <b>69,760,574</b> | 57,205,876          |

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.