

IFCA MSC BERHAD

(Company No: 453392-T)

(Incorporated in Malaysia)

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE 3RD QUARTER ENDED 30 SEPTEMBER 2017

**Condensed Statement of Comprehensive Income
For the Nine Months Period Ended 30 September 2017**

	Current Quarter		Cumulative Y-T-D	
	3 months ended		9 months ended	
	30.09.2017	30.09.2016	30.09.2017	30.09.2016
Note	RM	RM	RM	RM
Continuing Operations				
Revenue	23,003,439	18,054,924	62,889,466	53,725,798
Other income	1,238,959	801,747	3,934,304	2,526,487
Employee benefits expenses	(11,810,703)	(10,624,393)	(34,674,450)	(34,535,545)
Changes in inventories	(2,776,535)	(535,859)	(4,000,072)	(2,241,576)
Depreciation of property, plant and equipment	(242,760)	(259,854)	(715,830)	(841,565)
Amortisation	(1,320,913)	(1,540,382)	(3,810,374)	(4,665,432)
Other expenses	(5,375,998)	(5,280,195)	(14,924,911)	(17,492,354)
Profit/(Loss) from operations	2,715,489	615,988	8,698,133	(3,524,187)
Finance costs	(7,824)	(8,179)	(21,452)	(27,961)
Profit/(Loss) before tax from continuing operations	2,707,665	607,809	8,676,681	(3,552,148)
Income tax expense	B5 (843,729)	(401,103)	(2,858,953)	(1,743,383)
Profit/(Loss) for the year, net of tax	1,863,936	206,706	5,817,728	(5,295,531)
Profit/(Loss) Attributable to:				
Owners of the Company	1,747,908	572,944	5,930,230	(4,424,402)
Non-controlling interest	116,028	(366,238)	(112,502)	(871,129)
	1,863,936	206,706	5,817,728	(5,295,531)
Other comprehensive income/ (expense):				
Profit/(Loss) for the year, net of tax	1,863,936	206,706	5,817,728	(5,295,531)
Foreign currency translation	(128,961)	(401,458)	(332,760)	958,568
Total comprehensive income/(expense) for the year	1,734,975	(194,752)	5,484,968	(4,336,963)
Attributable to:				
Owners of the Company	1,618,947	171,486	5,597,470	(3,465,834)
Non-controlling interest	116,028	(366,238)	(112,502)	(871,129)
	1,734,975	(194,752)	5,484,968	(4,336,963)
Total comprehensive income/(expense) attributable to holders of the Company in sen:				
- Basic	B13 0.29	0.09	0.97	(0.73)
- Diluted	B13 0.29	0.09	0.97	(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 30 September 2017

		As at 30.09.2017 (Unaudited) RM	As at 31.12.2016 (Audited) RM
ASSETS	Note		
NON-CURRENT ASSETS			
Property, plant and equipment		10,069,147	9,631,515
Investment properties		303,100	303,100
Deferred development costs		13,271,231	16,374,589
Intangible asset		951,634	1,483,426
Goodwill		25,111,525	25,111,525
Other investments		275,674	275,674
		<u>49,982,311</u>	<u>53,179,829</u>
CURRENT ASSETS			
Trade receivables		18,242,791	12,413,888
Other receivables		3,089,170	2,425,092
Other current assets		1,072,534	955,271
Tax recoverable		1,562,428	2,514,241
Deposits, cash and bank balances		65,279,377	70,787,391
		<u>89,246,300</u>	<u>89,095,883</u>
TOTAL ASSETS		<u>139,228,611</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		26,282,901	23,393,825
Other reserves		(1,579,420)	(1,246,660)
		<u>108,616,479</u>	<u>106,068,954</u>
Non-Controlling Interest		<u>(421,361)</u>	<u>(308,859)</u>
Total equity		<u>108,195,118</u>	<u>105,760,095</u>
Non-current liabilities			
Other liabilities		6,262,568	6,433,226
Hire purchase and finance lease payable	B9	498,500	463,783
Deferred tax liabilities		1,832,209	1,959,839
		<u>8,593,277</u>	<u>8,856,848</u>
Current Liabilities			
Trade payables		972,333	750,045
Other payables		9,906,978	8,776,212
Other liabilities		11,321,119	16,521,686
Hire purchase and finance lease payable	B9	239,786	193,745
Current Tax Payable		-	1,417,081
		<u>22,440,216</u>	<u>27,658,769</u>
Total liabilities		<u>31,033,493</u>	<u>36,515,617</u>
TOTAL EQUITY AND LIABILITIES		<u>139,228,611</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 Nine Months Period Ended 30 September 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	-	-	-	-	-	5,930,230	5,930,230	(112,502)	5,817,728
Foreign Currency Translation	-	-	-	-	(332,760)	-	(332,760)	-	(332,760)
Dividends paid	-	-	-	-	-	(3,041,154)	(3,041,154)	-	(3,041,154)
Open market purchase shares	-	-	(8,791)	-	-	-	(8,791)	-	(8,791)
At 30 September 2017	60,829,090	23,117,915	(34,007)	-	(1,579,420)	26,282,901	108,616,479	(421,361)	108,195,118
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	-	-	-	-	-	(4,424,402)	(4,424,402)	(871,129)	(5,295,531)
Foreign currency translation	-	-	-	-	958,568	-	958,568	-	958,568
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	-	-	(12,050)	-	-	-	(12,050)	-	(12,050)
Investment in subsidiary	-	12,960,000	-	-	-	-	12,960,000	-	12,960,000
Reclassifications of warrant reserve	-	-	-	(29,037)	-	29,037	-	-	-
At 30 September 2016	60,829,090	23,117,915	(21,871)	-	(728,907)	18,450,984	101,647,211	(501,197)	101,146,014

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 Nine Months Period Ended 30 September 2017**

	9 months ended	
	30.09.2017	30.09.2016
	RM	RM
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit / (Loss) before tax	8,676,681	(3,552,148)
Adjustments for :		
Non cash items	5,024,862	7,190,066
Non-operating items	(1,089,381)	(794,977)
Operating profit before working capital changes	<u>12,612,162</u>	<u>2,842,941</u>
Working capital changes:		
Net changes in assets	<u>(6,228,237)</u>	<u>2,136,938</u>
Net changes in liabilities	<u>(23,584)</u>	<u>(2,125,990)</u>
Total working capital changes	<u>(6,251,821)</u>	<u>10,948</u>
Net cash generated from operations	6,360,341	2,853,889
Income taxes paid	<u>(3,386,498)</u>	<u>(2,891,080)</u>
Net cash generated/ (used) in operating activities	<u>2,973,843</u>	<u>(37,191)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	729,816	529,939
Purchase of property, plant and equipment	(1,468,140)	(630,754)
Proceeds from disposal of property, plant and equipment	116,340	57,256
Development costs	-	(903,259)
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>(4,621,984)</u>	<u>(4,946,818)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Interest paid	(21,452)	(27,961)
Dividends paid	(3,041,154)	(6,082,709)
Payments to hire purchase and finance lease	(162,752)	(163,048)
Open market share buy-back	(8,792)	(12,050)
Proceeds from warrants conversion	-	2,173,680
Net cash used in from financing activities	<u>(3,234,150)</u>	<u>(4,112,088)</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(4,882,291)	(9,096,097)
EFFECTS OF FOREIGN EXCHANGE RATE CHANGES	(625,723)	1,245,047
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	70,787,391	67,395,815
CASH AND CASH EQUIVALENTS AT END OF PERIOD	<u>65,279,377</u>	<u>59,544,765</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.