

IFCA MSC BERHAD

(Company No: 453392-T)

(Incorporated in Malaysia)

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE 2ND QUARTER ENDED 30 JUNE 2018

**Condensed Statement of Comprehensive Income
For the Six Months Period Ended 30 June 2018**

| | Current Quarter | | Cumulative Y-T-D | |
|--|------------------|------------------|------------------|------------------|
| | 3 months ended | | 6 months ended | |
| | 30.6.2018 | 30.6.2017 | 30.6.2018 | 30.6.2017 |
| Note | RM | RM | RM | RM |
| Continuing Operations | | | | |
| Revenue | 19,500,622 | 20,578,063 | 38,763,332 | 39,886,027 |
| Other income | 2,372,594 | 1,640,541 | 3,876,724 | 2,695,345 |
| Employee benefits expenses | (13,048,701) | (11,938,384) | (25,384,520) | (22,863,747) |
| Changes in inventories | (291,948) | (730,850) | (516,069) | (1,223,537) |
| Depreciation of property, plant and equipment | (206,727) | (219,302) | (426,280) | (473,070) |
| Amortisation | (1,330,029) | (1,237,386) | (2,634,035) | (2,489,461) |
| Other expenses | (4,943,598) | (4,940,500) | (10,201,598) | (9,548,913) |
| Profit from operations | 2,052,213 | 3,152,182 | 3,477,554 | 5,982,644 |
| Finance costs | (6,569) | (6,533) | (13,960) | (13,628) |
| Profit before tax from continuing operations | 2,045,644 | 3,145,649 | 3,463,594 | 5,969,016 |
| Income tax expense | B5 (751,827) | (742,673) | (1,881,388) | (2,015,224) |
| Profit for the year, net of tax | 1,293,817 | 2,402,976 | 1,582,206 | 3,953,792 |
| Profit/(Loss) Attributable to: | | | | |
| Owners of the Company | 1,401,147 | 2,509,654 | 1,713,842 | 4,182,322 |
| Non-controlling interest | (107,330) | (106,678) | (131,636) | (228,530) |
| | 1,293,817 | 2,402,976 | 1,582,206 | 3,953,792 |
| Other comprehensive income: | | | | |
| Profit for the year, net of tax | 1,293,817 | 2,402,976 | 1,582,206 | 3,953,792 |
| Foreign currency translation | 94,198 | (67,983) | (338,554) | (203,799) |
| Total comprehensive income for the year | 1,388,015 | 2,334,993 | 1,243,652 | 3,749,993 |
| Attributable to: | | | | |
| Owners of the Company | 1,495,345 | 2,441,671 | 1,375,288 | 3,978,523 |
| Non-controlling interest | (107,330) | (106,678) | (131,636) | (228,530) |
| | 1,388,015 | 2,334,993 | 1,243,652 | 3,749,993 |
| Total comprehensive income attributable to holders of the Company in sen: | | | | |
| - Basic | B13 0.23 | 0.41 | 0.28 | 0.69 |
| - Diluted | B13 0.23 | 0.41 | 0.28 | 0.69 |

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 2017 and the accompanying explanatory notes attached to the interim financial statements.

Condensed Consolidated Statement of Financial Position
As at 30 June 2018

| | | As at 30.6.2018 (Unaudited) RM | As at 31.12.2017 (Audited) RM |
|--|-------------|---|--|
| ASSETS | Note | | |
| NON-CURRENT ASSETS | | | |
| Property, plant and equipment | | 8,285,888 | 8,907,969 |
| Investment properties | | 240,000 | 240,000 |
| Deferred development costs | | 10,321,520 | 12,650,234 |
| Intangible asset | | 511,451 | 774,369 |
| Goodwill | | 25,111,525 | 25,111,525 |
| Other investments | | 275,674 | 275,674 |
| | | <u>44,746,058</u> | <u>47,959,771</u> |
| CURRENT ASSETS | | | |
| Trade receivables | | 16,542,936 | 17,299,963 |
| Other receivables | | 2,047,316 | 2,785,077 |
| Other current assets | | 883,978 | 661,446 |
| Tax recoverable | | 3,449,734 | 2,719,144 |
| Deposits, cash and bank balances | | 69,718,464 | 73,229,864 |
| | | <u>92,642,428</u> | <u>96,695,494</u> |
| TOTAL ASSETS | | <u>137,388,486</u> | <u>144,655,265</u> |
| EQUITY AND LIABILITIES | | | |
| Equity attributable to owners of the parent | | | |
| Share capital | | 83,947,005 | 83,947,005 |
| Treasury shares | | (276,769) | (38,052) |
| Retained profits | | 31,364,408 | 30,007,711 |
| Other reserves | | (2,371,089) | (2,032,535) |
| | | <u>112,663,555</u> | <u>111,884,129</u> |
| Non-Controlling Interest | | <u>(626,166)</u> | <u>(494,530)</u> |
| Total equity | | <u>112,037,389</u> | <u>111,389,599</u> |
| Non-current liabilities | | | |
| Other liabilities | | 3,200,000 | 3,384,020 |
| Hire purchase and finance lease payable | B9 | 188,748 | 429,206 |
| Deferred tax liabilities | | 1,451,404 | 1,514,504 |
| | | <u>4,840,152</u> | <u>5,327,730</u> |
| Current Liabilities | | | |
| Trade payables | | 1,122,453 | 2,411,717 |
| Other payables | | 7,435,177 | 9,406,690 |
| Other liabilities | | 11,777,534 | 15,494,922 |
| Hire purchase and finance lease payable | B9 | 175,781 | 254,010 |
| Current Tax Payable | | - | 370,597 |
| | | <u>20,510,945</u> | <u>27,937,936</u> |
| Total liabilities | | <u>25,351,097</u> | <u>33,265,666</u> |
| TOTAL EQUITY AND LIABILITIES | | <u>137,388,486</u> | <u>144,655,265</u> |
| Net asset per share | | 0.13 | 0.13 |

The condensed consolidated statement of financial position should be read in conjunction with the audited annual financial statements for the year ended 31 December 2017 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 2018**

| | ← Attributable to Owners of the Company → | | | | | Total | Non- controlling Interest | Total Equity |
|------------------------------|---|------------------------|-----------------|------------------------|----------------------------|-------------|---------------------------------|--------------|
| | ← Non-Distributable | | → Distributable | | | | | |
| | Share Capital RM | Share Premium RM | Treasury shares | Other Reserve RM | Retained earnings RM | | | |
| At 1 January 2018 | 83,947,005 | - | (38,052) | (2,032,535) | 30,007,711 | 111,884,129 | (494,530) | 111,389,599 |
| Total comprehensive expense | - | - | - | - | 1,713,842 | 1,713,842 | (131,636) | 1,582,206 |
| Foreign Currency Translation | - | - | - | (338,554) | - | (338,554) | - | (338,554) |
| Dividends paid | - | - | - | - | (357,145) | (357,145) | - | (357,145) |
| Open market purchase shares | - | - | (238,717) | - | - | (238,717) | - | (238,717) |
| At 30 June 2018 | 83,947,005 | - | (276,769) | (2,371,089) | 31,364,408 | 112,663,555 | (626,166) | 112,037,389 |
| 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 income | - | - | - | - | 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 |

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 2017 and the accompanying explanatory notes attached to the interim financial statements.

**Condensed Consolidated Statement of Cash Flows
For the Six Months Period Ended 30 June 2018**

| | 6 months ended | |
|---|-----------------|-----------------|
| | 30.6.2018 RM | 30.6.2017 RM |
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Profit before tax | 3,463,594 | 5,969,016 |
| Adjustments for : | | |
| Non cash items | 3,030,220 | 3,220,529 |
| Non-operating items | (622,459) | (681,618) |
| Operating profit before working capital changes | 5,871,355 | 8,507,926 |
| Working capital changes: | | |
| Net changes in assets | 1,425,982 | (3,395,900) |
| Net changes in liabilities | (3,871,238) | 549,037 |
| Total working capital changes | (2,445,255) | (2,846,864) |
| Net cash generated from operations | 3,426,100 | 5,661,064 |
| Income taxes paid | (3,239,657) | (1,773,636) |
| Net cash generated from operating activities | 186,443 | 3,887,427 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Interest received | 511,765 | 426,922 |
| Purchase of property, plant and equipment | (223,761) | (1,046,715) |
| Proceeds from disposal of property, plant and equipment | 297,568 | 115,723 |
| Profit guarantee in respect of acquisition of business | (3,293,785) | (4,000,000) |
| Net cash used in investing activities | (2,708,213) | (4,504,070) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Interest paid | (13,960) | (13,628) |
| Payments to hire purchase and finance lease | (317,831) | (103,516) |
| Open market share buy-back | (238,717) | (8,792) |
| Net cash used in financing activities | (570,507) | (125,936) |
| NET DECREASE IN CASH AND CASH EQUIVALENTS | (3,092,278) | (742,578) |
| EFFECTS OF FOREIGN EXCHANGE RATE CHANGES | (419,122) | (479,033) |
| CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD | 73,229,864 | 70,787,391 |
| CASH AND CASH EQUIVALENTS AT END OF PERIOD | 69,718,464 | 69,565,780 |

The condensed consolidated statement of cash flows should be read in conjunction with the audited annual financial statements for the year ended 31 December 2017 and the accompanying explanatory notes attached to the interim financial statements.