

**DUFU TECHNOLOGY CORP. BERHAD**

(Company No. 581612 A)
(Incorporated in Malaysia)

**INTERIM FINANCIAL REPORT
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2017****CONDENSED CONSOLIDATED INCOME STATEMENTS**

(The figures have not been audited)

	Individual Quarter (2nd Q)		Cumulative Quarter (6 months)	
	Current Period Quarter	Preceding Period Corresponding Quarter	Current Period To Date	Preceding Period Corresponding Period
	30 June 2017	30 June 2016	30 June 2017	30 June 2016
	RM'000	RM'000	RM'000	RM'000
Revenue	40,970	38,065	87,361	79,092
Cost of sales	(26,500)	(27,795)	(59,630)	(60,441)
Gross profit	14,470	10,270	27,731	18,651
Other operating income	189	865	413	3,164
General and administrative expenses	(5,311)	(8,098)	(10,429)	(13,094)
Profit from operations	9,348	3,037	17,715	8,721
Finance costs	(125)	(264)	(275)	(617)
Profit before tax	9,223	2,773	17,440	8,104
Income tax expense	(2,347)	(1,136)	(4,249)	(1,900)
Profit net of tax	6,876	1,637	13,191	6,204
Profit attributable to:				
Owners of the parent	6,876	1,637	13,191	6,204
Non-controlling interests	-	-	-	-
	6,876	1,637	13,191	6,204
Basic/Diluted earnings per ordinary share (sen)	4.1	1.0	7.9	3.6

The Condensed Consolidated Income Statements should be read in conjunction with the Annual Financial Report for the year ended 31 December 2016.

The accompanying notes are an integral part of this statement.

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(Company No. 581612 A)
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**INTERIM FINANCIAL REPORT
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2017****CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**

(The figures have not been audited)

	Individual Quarter (2nd Q)		Cumulative Quarter (6 months)	
	Current Period	Preceding Period	Current Period	Preceding Period
	Quarter	Corresponding	To Date	Corresponding
	30 June 2017	Quarter	30 June 2017	Period
	30 June 2016		30 June 2016	
	RM'000	RM'000	RM'000	RM'000
Profit net of tax	6,876	1,637	13,191	6,204
Other comprehensive income:				
<i>Other comprehensive income to be reclassified to profit or loss in subsequent period:</i>				
Foreign currency translation	(1,008)	9,839	(1,472)	(692)
Total comprehensive income for the period	5,868	11,476	11,719	5,512
Total comprehensive income attributable to:				
Owners of the parent	5,868	11,476	11,719	5,512
Non-controlling interests	-	-	-	-
	5,868	11,476	11,719	5,512

The Condensed Consolidated Statements of Comprehensive Income should be read in conjunction with the Annual Financial Report for the year ended 31 December 2016.

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**INTERIM FINANCIAL REPORT
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2017**

NOTES TO CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(The figures have not been audited)

	Individual Quarter (2nd Q)		Cumulative Quarter (6 months)	
	Current Period Quarter	Preceding Period Corresponding Quarter	Current Period To Date	Preceding Period Corresponding Period
	30 June 2017	30 June 2016	30 June 2017	30 June 2016
	RM'000	RM'000	RM'000	RM'000
Profit before taxation is arrived at after charging/(crediting) :				
(a) Interest expense	125	264	275	617
(b) Other income including investment income	-	-	-	-
(c) Interest income	(178)	(124)	(330)	(152)
(d) Depreciation and amortisation	2,349	2,486	4,880	4,892
(e) (Reversal)/Impairment loss on receivables	46	1,721	(6)	1,721
(f) Provision for and write off of inventories	-	-	-	-
(g) (Gain) or loss on disposal of quoted or unquoted investments or properties	(412)	-	(246)	-
(h) Property, plant and equipment written off	-	-	-	283
(i) Realised foreign exchange (gain)/ loss	650	1,200	328	1,879
(j) Unrealised foreign exchange (gain)/ loss	427	220	1,120	220

The Notes to Condensed Consolidated Statements of Comprehensive Income should be read in conjunction with the Annual Financial Report for the year ended 31 December 2016.

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INTERIM FINANCIAL REPORT
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2017

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	(Unaudited)	(Audited)
	As at 30 June 2017	As at 31 Dec 2016
	<u>RM'000</u>	<u>RM'000</u>
ASSETS		
NON-CURRENT ASSETS		
PROPERTY, PLANT AND EQUIPMENT	39,760	44,968
INVESTMENT PROPERTIES	9,915	10,189
OTHER INVESTMENTS	6,144	-
INVESTMENT IN CLUB MEMBERSHIP, AT COST	61	61
DEFERRED TAX ASSETS	529	522
	<u>56,409</u>	<u>55,740</u>
CURRENT ASSETS		
Inventories	35,229	20,927
Trade and other receivables	45,598	54,506
Cash and bank balances	35,607	46,562
	116,434	121,995
TOTAL ASSETS	<u>172,843</u>	<u>177,735</u>
EQUITY AND LIABILITIES		
EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT		
SHARE CAPITAL	87,735	87,735
TREASURY SHARES	(5,012)	(5,012)
RESERVES	54,347	48,467
TOTAL EQUITY	<u>137,070</u>	<u>131,190</u>
NON-CURRENT LIABILITIES		
BORROWINGS	4,741	6,040
DEFERRED TAX LIABILITIES	1,355	1,331
	<u>6,096</u>	<u>7,371</u>
CURRENT LIABILITIES		
Borrowings	3,155	6,955
Trade and other payables	21,613	28,129
Tax payable	4,909	4,090
	<u>29,677</u>	<u>39,174</u>
TOTAL LIABILITIES	<u>35,773</u>	<u>46,545</u>
TOTAL EQUITY AND LIABILITIES	<u>172,843</u>	<u>177,735</u>
Net Assets per ordinary share (RM)	<u>0.78</u>	<u>0.75</u>

The Condensed Consolidated Statements of Financial Position should be read in conjunction with the Annual Financial Report for the year ended 31 December 2016.

The accompanying notes are an integral part of this statement.



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**INTERIM FINANCIAL REPORT
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2017**

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

(The figures have not been audited)

Six Months Ended 30 June 2017

	← Attributable to owners of the parent →					Non-controlling Interest	Total Equity
	Non-distributable		Distributable				
	Share Capital	Treasury Shares	Other Reserves	Retained Earnings	Total		
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
At 1 January 2017	87,735	(5,012)	(15,236)	63,703	131,190	-	131,190
Total comprehensive income for the period	-	-	(1,472)	13,191	11,719	-	11,719
Transactions with owners :							
Purchase of treasury shares	-	-	-	-	-	-	-
Dividends	-	-	-	(5,839)	(5,839)	-	(5,839)
Total transactions with owners :	-	-	-	(5,839)	(5,839)	-	(5,839)
At 30 June 2017	87,735	(5,012)	(16,708)	71,055	137,070	-	137,070

Six Months Ended 30 June 2016

	← Attributable to owners of the parent →					Non-controlling Interest	Total Equity
	Non-distributable		Distributable				
	Share Capital	Treasury Shares	Other Reserves	Retained Earnings	Total		
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
At 1 January 2016	87,735	-	(12,484)	40,191	115,442	-	115,442
Total comprehensive income for the period	-	-	(692)	6,204	5,512	-	5,512
Transactions with owners :							
Purchase of treasury shares	-	(2,962)	-	-	(2,962)	-	(2,962)
Dividends	-	-	-	(1,918)	(1,918)	-	(1,918)
Total transactions with owners :	-	(2,962)	-	(1,918)	(4,880)	-	(4,880)
At 31 March 2016	87,735	(2,962)	(13,176)	44,477	116,074	-	116,074

The Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the Annual Financial Report for the year ended 31 December 2016.

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**DUFU TECHNOLOGY CORP. BERHAD**(Company No. 581612 A)
(Incorporated in Malaysia)**INTERIM FINANCIAL REPORT
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2017****CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOW**

(The figures have not been audited)

	6 months ended 30 June 2017 RM'000	6 months ended 30 June 2016 RM'000
OPERATING ACTIVITIES		
Profit before tax	17,440	8,104
Adjustments for:		
Depreciation	4,880	4,892
Interest income	(330)	(152)
Interest expense	275	617
Gain on disposal of property, plant and equipment	(246)	-
Plant and equipment written off	-	283
(Reversal on)/ impairment loss on loan and receivables	(6)	1,721
Unrealised loss/ (gain) on foreign exchange	1,120	220
Total adjustments	5,693	7,581
Operating cash flows before changes in working capital	23,133	15,685
Changes in working capital		
Net change in current assets	(5,387)	13,551
Net change in current liabilities	(6,516)	(6,007)
Total changes in working capital	(11,903)	7,544
Cash flows from operations	11,230	23,229
Tax paid	(3,418)	(1,580)
Tax refunded	-	6
Net cash flow generated from operating activities	7,812	21,655
INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(639)	(1,580)
Interest received	330	152
Proceeds from disposal of plant and equipment	1,201	-
Acquisition of long term investment	(6,144)	-
Net cash used in investing activities	(5,252)	(1,428)
FINANCING ACTIVITIES		
Repayment of term loans	(1,386)	(1,503)
Repayment of hire-purchase	(1,098)	(1,661)
Dividends paid to shareholders	(5,839)	-
Purchase of treasury shares	-	(2,962)
Net change in other bank borrowings	-	(5,895)
Interest paid	(275)	(617)
Net cash used in financing activities	(8,598)	(12,638)
NET (DECREASE)/ INCREASE IN CASH AND CASH EQUIVALENTS	(6,038)	7,589
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL QUARTER	43,946	24,826
Effects of exchange rate changes	(2,301)	(2,610)
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL QUARTER	35,607	29,805
Cash and cash equivalents in the condensed consolidated statements of cash flow comprise:		
Cash on hand and at banks	23,690	29,805
Bank overdraft	-	-
Deposits with licensed banks:		
Fixed deposit	11,917	-
Short term placements	-	-
	35,607	29,805

The Condensed Consolidated Statements of Cash Flow should be read in conjunction with the Annual Financial Report for the year ended 31 December 2016.

The accompanying notes are an integral part of this statement.