



DUFU TECHNOLOGY CORP. BERHAD

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

INTERIM FINANCIAL REPORT FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2017

CONDENSED CONSOLIDATED INCOME STATEMENTS

(The figures have not been audited)

	Individual Quarter (3rd Q)		Cumulative Quarter (9 months)	
	Current Period Quarter	Preceding Period Corresponding Quarter	Current Period To Date	Preceding Period Corresponding Period
	30 Sept 2017	30 Sept 2016	30 Sept 2017	30 Sept 2016
	RM'000	RM'000	RM'000	RM'000
Revenue	43,534	43,500	130,895	122,592
Cost of sales	(28,815)	(31,119)	(88,445)	(91,560)
Gross profit	14,719	12,381	42,450	31,032
Other operating income	849	306	1,262	3,470
General and administrative expenses	(7,195)	(5,052)	(17,622)	(18,146)
Profit from operations	8,373	7,635	26,090	16,356
Finance costs	(137)	(274)	(413)	(891)
Profit before tax	8,236	7,361	25,677	15,465
Income tax expense	(1,818)	(1,656)	(6,067)	(3,556)
Profit net of tax	6,418	5,705	19,610	11,909
Profit attributable to:				
Owners of the parent	6,418	5,705	19,610	11,909
Non-controlling interests	-	-	-	-
	6,418	5,705	19,610	11,909
Basic/Diluted earnings per ordinary share (sen)	3.8	3.4	11.8	7.1

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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INTERIM FINANCIAL REPORT FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2017

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(The figures have not been audited)

	Individual Quarter (3rd Q)		Cumulative Quarter (9 months)	
	Current Period Quarter	Preceding Period Corresponding Quarter	Current Period To Date	Preceding Period Corresponding Period
	30 Sept 2017	30 Sept 2016	30 Sept 2017	30 Sept 2016
	RM'000	RM'000	RM'000	RM'000
Profit net of tax	6,418	5,705	19,610	11,909
Other comprehensive income:				
<i>Other comprehensive income to be reclassified to profit or loss in subsequent period:</i>				
Foreign currency translation	(305)	(525)	(1,777)	(1,217)
Total comprehensive income for the period	6,113	5,180	17,833	10,692
Total comprehensive income attributable to:				
Owners of the parent	6,113	5,180	17,833	10,692
Non-controlling interests	-	-	-	-
	6,113	5,180	17,833	10,692

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 SEPTEMBER 2017

NOTES TO CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(The figures have not been audited)

	Individual Quarter (3rd Q)		Cumulative Quarter (9 months)	
	Current Period Quarter	Preceding Period Corresponding Quarter	Current Period To Date	Preceding Period Corresponding Period
	30 Sept 2017	30 Sept 2016	30 Sept 2017	30 Sept 2016
	RM'000	RM'000	RM'000	RM'000
Profit before taxation is arrived at after charging/(crediting) :				
(a) Interest expense	137	274	413	891
(b) Interest income	(128)	(250)	(458)	(402)
(c) Depreciation and amortisation	2,289	3,385	7,169	8,277
(d) (Reversal)/Impairment loss on receivables	298	2,192	292	3,913
(e) Provision for and write off of inventories	-	-	-	-
(f) (Gain) or loss on disposal of quoted or unquoted investments or properties	-	-	(246)	-
(g) Property, plant and equipment written off	-	-	-	283
(h) Realised foreign exchange (gain)/ loss	312	(352)	640	1,527
(i) Unrealised foreign exchange (gain)/ loss	265	-	1,385	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.

The accompanying notes are an integral part of this statement.



INTERIM FINANCIAL REPORT
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2017

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	(Unaudited) As at 30 Sept 2017	(Audited) As at 31 Dec 2016
	RM'000	RM'000
ASSETS		
NON-CURRENT ASSETS		
PROPERTY, PLANT AND EQUIPMENT	40,611	44,968
INVESTMENT PROPERTIES	9,777	10,189
OTHER INVESTMENTS	6,144	-
INVESTMENT IN CLUB MEMBERSHIP, AT COST	61	61
DEFERRED TAX ASSETS	529	522
	<u>57,122</u>	<u>55,740</u>
CURRENT ASSETS		
Inventories	35,865	20,927
Trade and other receivables	46,033	54,506
Cash and bank balances	37,463	46,562
	119,361	121,995
TOTAL ASSETS	<u>176,483</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	57,125	48,467
TOTAL EQUITY	<u>139,848</u>	<u>131,190</u>
NON-CURRENT LIABILITIES		
BORROWINGS	4,143	6,040
DEFERRED TAX LIABILITIES	1,355	1,331
	<u>5,498</u>	<u>7,371</u>
CURRENT LIABILITIES		
Borrowings	2,575	6,955
Dividend payable	3,336	-
Trade and other payables	21,988	28,129
Tax payable	3,238	4,090
	<u>31,137</u>	<u>39,174</u>
TOTAL LIABILITIES	<u>36,635</u>	<u>46,545</u>
TOTAL EQUITY AND LIABILITIES	<u>176,483</u>	<u>177,735</u>
Net Assets per ordinary share (RM)	<u>0.80</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.

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INTERIM FINANCIAL REPORT FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2017

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

(The figures have not been audited)

Nine Months Ended 30 September 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	
At 1 January 2017	87,735	(5,012)	(15,236)	63,703	131,190	-	131,190
Total comprehensive income for the period	-	-	(1,777)	19,610	17,833	-	17,833
Transactions with owners :							
Purchase of treasury shares	-	-	-	-	-	-	-
Dividends	-	-	-	(9,175)	(9,175)	-	(9,175)
Total transactions with owners :	-	-	-	(9,175)	(9,175)	-	(9,175)
At 30 September 2017	87,735	(5,012)	(17,013)	74,138	139,848	-	139,848

Nine Months Ended 30 September 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	
At 1 January 2016	87,735	-	(12,484)	40,191	115,442	-	115,442
Total comprehensive income for the period	-	-	(1,217)	11,909	10,692	-	10,692
Transactions with owners :							
Purchase of treasury shares	-	(4,175)	-	-	(4,175)	-	(4,175)
Dividends	-	-	-	(3,600)	(3,600)	-	(3,600)
Total transactions with owners :	-	(4,175)	-	(3,600)	(7,775)	-	(7,775)
At 30 September 2016	87,735	(4,175)	(13,701)	48,500	118,359	-	118,359

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

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOW

(The figures have not been audited)

	9 months ended 30 Sept 2017 RM'000	9 months ended 30 Sept 2016 RM'000
OPERATING ACTIVITIES		
Profit before tax	25,677	15,465
Adjustments for:		
Depreciation	7,169	8,277
Interest income	(458)	(402)
Interest expense	413	891
Inventories written (back)/down	-	-
Gain on disposal of property, plant and equipment	(246)	-
Net fair value (gain)/ loss on derivatives	-	-
Plant and equipment written off	-	283
(Reversal on)/ impairment loss on loan and receivables	292	3,913
Unrealised loss/ (gain) on foreign exchange	1,385	220
Total adjustments	8,555	13,182
Operating cash flows before changes in working capital	34,232	28,647
Changes in working capital		
Net change in current assets	(6,757)	6,914
Net change in current liabilities	(6,140)	2,360
Total changes in working capital	(12,897)	9,274
Cash flows from operations	21,335	37,921
Tax paid	(6,908)	(4,567)
Tax refunded	-	42
Net cash flow generated from operating activities	14,427	33,396
INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(3,658)	(2,530)
Interest received	458	402
Proceeds from disposal of plant and equipment	1,201	-
Acquisition of long term investment	(6,144)	-
Net cash used in investing activities	(8,143)	(2,128)
FINANCING ACTIVITIES		
Repayment of term loans	(2,041)	(2,330)
Repayment of hire-purchase	(1,620)	(2,275)
Dividends paid to shareholders	(5,839)	-
Purchase of treasury shares	-	(4,175)
Net change in other bank borrowings	-	(7,315)
Interest paid	(413)	(891)
Net cash used in financing activities	(9,913)	(16,986)
NET (DECREASE)/ INCREASE IN CASH AND CASH EQUIVALENTS	(3,629)	14,282
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL QUARTER	43,946	24,826
Effects of exchange rate changes	(2,854)	(5,019)
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL QUARTER	37,463	34,089
Cash and cash equivalents in the condensed consolidated statements of cash flow comprise:		
Cash on hand and at banks	27,024	34,089
Bank overdraft	-	-
Deposits with licensed banks:		
Fixed deposit	10,439	-
Short term placements	-	-
	37,463	34,089

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.