PART A - EXPLANATORY NOTES PURSUANT TO FRS 134

A1. BASIS OF PREPARATION

The interim financial reports of the Group have been prepared in accordance with FRS 134 "Interim Financial Reporting" and Appendix 9B of the Listing Requirements for the MESDAQ Market of Bursa Malaysia Securities Berhad.

This interim financial report is unaudited and should be read in conjunction with the Group's audited financial statements for the financial year ended 31 December 2005. The following notes explain the events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial year ended 31 December 2005.

A2. CHANGES IN ACCOUNTING POLICIES

The significant accounting policies adopted are consistent with those of the audited financial statements for the year ended 31 December 2005 except for the adoption of the following new/revised Financial Report Standards ("FRS") effective for the financial year beginning 1 January 2006:

FRS 2	Share-based Payment
FRS 3	Business Combinations
FRS 5	Non-current Assets Held for Sale and Discontinued Operations
FRS 101	Presentation of Financial Statements
FRS 108	Accounting Policies, Changes in Estimates and Errors
FRS 110	Events after the Balance Sheet Date
FRS 116	Property, Plant and Equipment
FRS 121	The Effects of Changes in Foreign Exchange Rates
FRS 127	Consolidated and Separate Financial Statements
FRS 128	Investments in Associates
FRS 131	Interests in Joint Ventures
FRS 132	Financial Instruments: Disclosure and Presentation
FRS 133	Earnings Per Share
FRS 136	Impairment of Assets
FRS 138	Intangible Assets
FRS 140	Investment Properties

The adoption of all FRSs mentioned above does not have significant financial impact on the Group. The principal effects of the changes in accounting policies resulting from the adoption of the other new/revised FRS is discussed below:

(a) FRS 2: Share-based Payment

This FRS requires an entity to recognise share-based payment transactions in its financial statements, including transactions with employees or other parties to be settled in cash, other assets, or equity instruments of the entity.

The company operates an equity-settled, share-based compensation plan for the employees of the Group under an Employee Share Options Scheme ("ESOS"). Prior to 1 January 2006, no compensation expense was recognised in the income statement for share options granted. With the adoption of FRS 2, the compensation expense relating to share options is recognized in the income statement over the vesting periods of the grants with a corresponding increase to the fair value of the share options at the date of the grant and the number of share options to be vested by vesting date. At every balance sheet date, the Group revises its estimates of the number of share options that are expected to vest by the vesting date. Any revision of this estimate is included in the income statement and a corresponding adjustment to equity over remaining vesting period.

Under the transitional provision of FRS2, this FRS must be applied to share options that were granted after 31 December 2004 and had not vested on 1 January 2006. No adjustments to the opening balances as at 1 January 2005 are required as the existing options were granted before 31 December 2004.

(b) FRS 3: Business Combinations, FRS 136: Impairment of Assets and FRS 138: Intangible Assets

The new FRS 3 has resulted in consequential amendments to two other accounting standards, FRS 136 and FRS 138.

Goodwill is carried at cost less accumulated impairment losses and is now tested for impairment annually. Any impairment loss is recognised in profit or loss and subsequent reversal is not allowed.

Under FRS 3, any excess of the Group's interest in the net fair value of acquirees' identifiable assets, liabilities and contingent liabilities over cost of acquisitions (previously referred to as "negative goodwill"), after reassessment, is now recognised immediately in profit or loss.

In addition, the useful lives of other intangible assets are now assessed at the individual asset level as having either a finite or indefinite life. Prior to 1 January 2006, intangible assets were considered to have a finite useful life and were stated at cost less accumulated amortisation and impairment losses. Under the new FRS 138, some of the intangible assets are regarded to have an indefinite useful life when, based on an analysis of all the relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows for the Group. Intangible assets with indefinite useful lives are not amortised but instead, are tested for impairment annually. Other intangible assets of the Group with finite useful lives continue to be stated at cost less accumulated amortisation and impairment losses.

(c) FRS 101: Presentation of Financial Statements

The adoption of the revised FRS 101 has affected the presentation of minority interest, share of net after-tax results of associated and other disclosures. In the consolidated balance sheet, minority interests are now presented within total equity. In the consolidated income statement, minority interests are presented as an allocation of the total profit or loss for the period. A similar requirement is also applicable to the statement of changes in equity. FRS 101 also requires disclosure, on the face of the statement of changes in equity, total recognised income and expenses for the period, showing separately the amounts attributable to equity holders of the parent and to minority interest.

The current period's presentation of the Group's financial statements is based on the revised requirements of FRS 101, with the comparatives restated to conform with the current period's presentation.

(d) FRS 140: Investment Properties

The adoption of this new FRS is applied prospectively and the comparative as at 31 December 2005 are not restated. Following the adoption of this new standard, properties of the Group that meets the criteria of recognition as an investment properties have been reclassified accordingly.

Investment properties are properties which are held either to earn rental income or for capital appreciation or for both. Such properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at fair value. Fair value is arrived at by reference to publicly available market evidence of transaction prices for similar properties.

Gain or losses arising from changes in the fair values of investment properties are recognised in the Income Statement in the year in which they arise.

A3. AUDITOR'S REPORT ON PRECEDING ANNUAL FINANCIAL STATEMENTS

The auditor's report on the financial statements for the year ended 31 December 2005 was not qualified.

A4. SEASONAL OR CYCLICAL FACTORS

The operations of the Group were not affected by any seasonal or cyclical factors.

A5. UNUSUAL ITEMS

There were no items affecting assets, liabilities, equity, net income or cash flows that are unusual because of their nature, size or incidence during the financial period under review.

A6 MATERIAL CHANGES IN ESTIMATES

The Group has not submitted any financial forecast or projections to any authorities during the current quarter and prior financial year ended 31 December 2005. As such, there is no change in estimates that had a material effect in the current quarter results.

A7 CHANGES IN DEBTS AND EQUITY SECURITIES

There were no issuances, cancellations, repurchases, resale, repayments of debt and/or securities, share held as treasury shares and resale of treasury shares during the financial year ended 31 December 2006 except for the issuance of 397,570 new ordinary shares of RM0.10 each for cash pursuant to the Company's Employee Share Option Scheme at the exercise price of RM0.20 per ordinary share.

A8 DIVIDENDS PAID

No dividend has been paid for the current quarter under review.

A9 SEGMENTAL INFORMATION

Segmental information for the 12 months ended 31 December 2006 and 31 December 2005 are as follows:

	Malaysia		**Overseas**		**Elimination**		**Consolidated**	
	2006	2005	**2006**	2005	**2006**	2005	**2006**	2005
	RM	RM	**RM**	RM	**RM**	RM	**RM**	RM
Revenue								
External sales	**22,333,978**	23,099,733	**3,898,959**	3,773,015	**-**	-	**26,232,937**	26,872,748
Inter-segment sales	**6,822,059**	8,943,518	**-**	-	**(6,822,059)**	(8,943,518)	**-**	-
Total revenue	**29,156,037**	32,043,251	**3,898,959**	3,773,015	**(6,822,059)**	(8,943,518)	**26,232,937**	26,872,748
Result								
Segment results	**896,569**	3,699,383	**2,279,237**	2,327,304			**3,175,806**	6,026,687
Amortisation (unallocated)							**(2,898,528)**	(2,417,729)
Finance costs							**(78,464)**	(77,966)
Share of results of associate							**333,983**	403,462
Profit before tax							**532,797**	3,934,454
Income tax expense							**(456,203)**	(770,136)
Profit for the year							**76,594**	3,164,318

A10. VALUATIONS OF PROPERTY, PLANT AND EQUIPMENT

The valuation of property, plant and equipment and investment properties have been brought forward without amendment from the financial statements for the year ended 31 December 2005.

A11. MATERIAL EVENTS SUBSEQUENT TO THE CURRENT QUARTER

There were no significant events arising, in the period from 1 January 2007 to the date of this announcement, which will have a material effect on the financial results of the Group for the period under review.

A12. CHANGES IN THE COMPOSITION OF THE GROUP

There were no major changes in the composition of the Group for the current quarter under review.

A13. CONTINGENT LIABILITIES

There were no material contingent liabilities since the last annual balance sheet as at 31 December 2005.

A14. CAPITAL COMMITMENTS

There were no material capital commitments as at the date of this report.

PART B - EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS FOR THE MESDAQ MARKET

B1. REVIEW OF YEAR-ON-YEAR PERFORMANCE

For the 12 month year ended 31 December 2006, the Group registered a revenue of RM26.23 million compared to RM26.87 million recorded in the corresponding year of the previous year. This slight drop of 2.4% was mainly attributed to the decrease in revenue from the domestic market.

For the same period under review, the Group recorded a net profit after minority interest of RM0.08 million compared to a profit of RM3.24 million recorded for the corresponding period of last year. The dropped were mainly attributed to the provision for deferred tax on deferred development cost for the year of RM0.35 million, higher amortisation of deferred development expenditure of RM3.34 million for both the Company and associate company. Impairment loss in properties, goodwill written off and provision of doubtful debts total amounting to RM0.90 million also contributed to the dropped.

B2. VARIATION OF RESULTS AGAINST THE PRECEDING QUARTER

	Current Quarter 31.12.2006 RM'000	**Preceding Quarter 30.9.2006 RM'000**
Revenue	6,771	7,187
Profit/(Loss) Before Tax ("PBT")	835	(192)

For the quarter under review, the Group registered revenue and PBT of approximately RM6.77 million and RM0.84 million respectively. The decrease in revenue of 11.0% as compared to RM7.19 million for the preceding quarter was mainly due to drop in revenue from hardware sales. Despite of the decrease in hardware sales, the higher of the software sales has resulted in a higher gross profit which was contributed in a higher margin.

The increase of gross profit and share of results of associate has contribute a higher profit before tax of RM0.84 million compare to the previous quarter of loss before tax of RM0.19 million.

B3. PROSPECTS

The Group is planning to launch the new property and hotel software solution in first quarter 2007. With the new product launched, the group is expected to achieve good revenue growth in the domestic and overseas market for the coming year. The new product is expected to contribute positively to revenue from system replacement and upgrades besides increasing market share in property and hotel industry.

The Group is also continues pushing aggressively its new browser based Loans Management Solution (iFinance) both locally and in the Asean region. The maiden deal for iFinance was concluded in January 2007.

However the financial performance for the coming year is expected to be affected by the continuous amortization of intellectual property in its associate and provision of deferred taxation on deferred development cost.

Hence, barring any unforeseen circumstances, Directors anticipated a reasonable performance for the Group for the coming year.

B4. PROFIT FORECAST

The Group has not provided any profit forecast in any public documents for the current quarter under review.

B5. INCOME TAX EXPENSE

	Current Quarter 3 months ended 31.12.2006 RM	Cumulative Quarter 12 months ended 31.12.2006 RM
Current tax	73,311	103,273
Deferred tax	65,105	352,930
	138,416	456,203

The effective tax rate of the Group is lower than the statutory tax rate for the current financial period under review mainly due to the Company's MSC status.

B6. PROFIT OR LOSS ON SALE OF INVESTMENTS AND/OR PROPERTIES

There were no sales of unquoted investments or properties during the current quarter under review.

B7. PURCHASE OR DISPOSAL OF QUOTED SECURITIES

There were no purchases or disposals of quoted securities for the current quarter and financial year to date.

B8. GROUP BORROWINGS AND DEBT SECURITIES

The total borrowings of the Group as at 31 December 2006 comprised hire purchase liabilities amounting to RM1,251,171 analysed as follows:

	RM
Secured - due within 12 months	323,447
Secured - due after 12 months	927,724
	1,251,171

B9. OFF BALANCE SHEET FINANCIAL INSTRUMENTS

The Group has no off-balance sheet financial instruments at the date of this announcement.

B10. MATERIAL LITIGATION

The Group does not have any material litigation, of which, in the opinion of the Directors, would have a material adverse effect on the financial results of the Group as at the date of this announcement.

B11. DIVIDEND PAYABLE

No dividend has been proposed and declared for the current quarter under review.

B12. EARNINGS PER SHARE

	Current Quarter 3 months ended		Cumulative Quarter 12 months ended	
	31.12.2006	**31.12.2005**	**31.12.2006**	**31.12.2005**
	RM	**RM**	**RM**	**RM**
Earnings				
Profit for the period attributable to equity holders of the Company	735,265	213,719	81,691	3,242,439
Number of shares				
Weighted average number of share in issue for basic earnings per share	285,093,400	281,117,700	284,043,558	281,090,133
Effect of dilutive potential ordinary shares on conversion of options under ESOS	259,695	-	1,928,420	997,169
Weighted average number of share in issue for diluted earnings per share	285,353,095	281,117,700	285,971,979	282,087,302
Earnings per share (sen)				
- Basic	0.26	0.08	0.03	1.15
- Diluted	0.26	0.08	0.03	1.15

B13. STATUS OF CORPORATE PROPOSALS

The listing of IFCA Technologies Limited, a special purpose vehicle newly incorporated in the Republic of South Africa to facilitate the listing of IFCA sWare (Proprietary) Limited *(formerly known as IFCA MBS Software (Proprietary) Limited),* a 44.2% associate company of IFCA on the Alternative Exchange of the Johannesburg Stock Exchange was completed on 8 December 2006.

B14. AUTHORISATION FOR ISSUE

The interim financial statements were authorized for issue by the Board of Directors in accordance with a resolution of the directors on 28 February 2007.