

**IFCA MSC BERHAD (453392-T)**  
**(Incorporated in Malaysia)**

**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 Chapter 9 of the Listing Requirements for the ACE 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 2009. 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 2009.

**A2. SIGNIFICANT ACCOUNTING POLICIES**

The significant accounting policies adopted are consistent with those of the audited financial statements for the year ended 31 December 2009.

The Group has adopted the following new FRSs and Interpretations:

<b>FRSs and Interpretations</b>	<b>Effective for financial periods beginning on or after</b>
FRS 7	1 January 2010
FRS 101	1 January 2010
FRS 123	1 January 2010
FRS 139	1 January 2010
Amendments to FRS 1	1 January 2010
Amendments to FRS 132	1 January 2010
Amendments to FRS 139	1 January 2010
Amendments to FRSs 'Improvements to FRSs (2009)'	
IC Interpretation 9	1 January 2010
IC Interpretation 10	1 January 2010



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**A3. AUDITOR'S REPORT ON PRECEDING ANNUAL FINANCIAL STATEMENTS**

The auditor's report on the financial statements for the year ended 31 December 2009 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 current quarter.

**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 2009. 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 period ended 31 March 2010.

**A8. DIVIDENDS PAID**

There were no dividends paid during the current quarter.



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**A9 SEGMENTAL INFORMATION**

Segmental information for the 3 months ended 31 March 2010 and 31 March 2009 are as follows:

	Malaysia		Overseas		Elimination		Consolidated	
	2010	2009	2010	2009	2010	2009	2010	2009
	RM	RM	RM	RM	RM	RM	RM	RM
<b>REVENUE</b>								
External sales	11,726,137	4,856,023	703,657	784,240	-	-	12,429,794	5,640,263
Inter-segment sales	210,280	1,355,722	-	-	(210,280)	(1,355,722)	-	-
Total Revenue	11,936,417	6,211,745	703,657	784,240	(210,280)	(1,355,722)	12,429,794	5,640,263
<b>RESULT</b>								
Operating results	3,742,761	170,878	(854,291)	(338,779)			2,888,470	(167,901)
Amortisation (unallocated)							(710,274)	(1,000,787)
Finance costs							(9,173)	(7,414)
Share of results of associate							-	-
Profit/(Loss) before tax							2,169,023	(1,176,102)
Income tax expense							(3,200)	(72,000)
Profit/(Loss) for the period							2,165,823	(1,248,102)

**A10. VALUATIONS OF PROPERTY, PLANT AND EQUIPMENT**

The valuations of property, plant and equipment have been brought forward without any material amendments from the previous financial statements.

**A11. MATERIAL EVENTS SUBSEQUENT TO THE CURRENT QUARTER**

There was no significant event arising in the period from 1 April 2010 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 changes in the composition of the Group.

**A13. CONTINGENT LIABILITIES**

The Group is not aware of any material contingent liabilities since the last annual balance sheet as at 31 December 2009.

**A14. CAPITAL COMMITMENTS**

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



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

**B1. REVIEW OF YEAR-ON-YEAR PERFORMANCE**

For the quarter ended 31 March 2010, the Group recorded revenue of RM12.4 million, increasing by 121% compared to RM5.6 million posted in the corresponding period last year.

The Group registered comprehensive income of RM2.2 million in the reporting quarter compared to a loss of RM1.2 million in the corresponding period last year. This is primarily due to high value contribution from our new generation of web-based software products.

**B2. VARIATION OF RESULTS AGAINST THE PRECEDING QUARTER**

	<b>Current Qtr 31.03.2010 RM'000</b>	<b>Preceding Qtr 31.12.2009 RM'000</b>
Revenue	12,430	7,039
<i>Gross Profits</i>	<i>9,088</i>	<i>5,156</i>
<i>Gross Margin</i>	<i>73.11%</i>	<i>73.2%</i>
Operating Profit/(Loss)	3,474	(1,178)
Adj : Doubtful debts provision	(586)	(410)
Amortisation	(710)	(1,651)
Finance costs	(9)	(8)
Profit/(Loss) Before Tax	2,169	(3,247)

The Group recorded an increase in revenue during the quarter ended 31 March 2010 compared to the preceding quarter mainly due to higher web-based software billings. Margins remain stable at approximately 73%.

We are pleased that the Group strategic plans are bearing fruition as the Group recorded a profit before tax of RM2.2 million compared to a loss of RM3.2 million in the previous quarter.

**B3. PROSPECTS**

The success of our strategy to move to our new generation web-based software products has resulted in this turnaround.

We are confident that the Group will be able to tap into enterprises' needs for web-based IT solutions to drive business efficiency and cost reduction, both locally and regionally, to contribute positively to the Group results for the remainder of the year.



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**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**

	<b>Cumulative Quarter 3 months ended 31.03.2010 RM</b>
Current tax	<u>3,200</u>

**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 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 March 2010 comprised of hire purchase and finance lease liabilities amounting to RM 1,006,402 analyzed as follows:

	<b>RM</b>
Secured - due within 12 months	335,617
Secured - due after 12 months	670,785
	<u>1,006,402</u>

**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.



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**B11. DIVIDEND PAYABLE**

No interim ordinary dividend has been declared for the financial period ended 31 March 2010.

**B12. EARNINGS PER SHARE**

	<b>Quarter and 3 months ended</b>	
	<b>31.03.2010</b>	<b>31.03.2009</b>
	<b>RM</b>	<b>RM</b>
<b>Total Comprehensive Income/(Expense) attributable to:</b>		
Owners of the company	1,787,570	(1,248,102)
Minority interests	378,253	(3,591)
	<u>2,165,823</u>	<u>(1,251,693)</u>
<b>Number of shares</b>		
Weighted average number of ordinary shares in issue	286,702,000	286,702,000
<b>Earnings/(Loss) per share (sen)</b>		
- basic	0.62	(0.44)
- diluted	0.62	(0.44)

**B13. AUTHORISATION FOR ISSUE**

The interim financial statements were authorized for issue by the Board of Directors during its meeting held on 27 May 2010.