



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:

FRSs and Interpretations	Effective for financial periods beginning on or after
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



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

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 30 June 2010.

A8. DIVIDENDS PAID

There were no dividends paid during the current quarter.



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

A9 SEGMENTAL INFORMATION

Segmental information for the 6 months ended 30 June 2010 and 30 June 2009 are as follows:

	Malaysia		Overseas		Elimination		Consolidated	
	2010	2009	2010	2009	2010	2009	2010	2009
	RM	RM	RM	RM	RM	RM	RM	RM
REVENUE								
External sales	18,804,026	12,366,129	2,774,094	1,851,780	-	-	21,578,120	14,217,909
Inter-segment sales	483,013	2,856,602	-	-	(483,013)	(2,856,602)	-	-
Total Revenue	19,287,039	15,222,731	2,774,094	1,851,780	(483,013)	(2,856,602)	21,578,120	14,217,909
RESULT								
Operating results	5,283,235	1,741,642	(1,094,081)	(916,152)			4,189,154	825,490
Amortisation (unallocated)							(1,420,715)	(2,068,585)
Provision for doubtful debts							(414,323)	(699,841)
Finance costs							(33,389)	(17,548)
Profit/(Loss) before tax							2,320,727	(1,960,484)
Income tax expense							(1,171)	(72,000)
Profit/(Loss) for the period							2,319,556	(2,032,484)

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 July 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.



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

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 30 June 2010, the Group recorded revenue of RM21.6 million, increasing by 52% compared to RM14.2 million as posted in the corresponding period last year.

The Group registered an operating profit of RM1.3 million in the reporting quarter compared to a loss of RM0.5 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

	Current Qtr 30.06.2010 RM'000	Preceding Qtr 31.03.2010 RM'000
Revenue	9,148	12,430
<i>Gross Profits</i>	5,528	9,088
<i>Gross Margin</i>	60.43%	73.11%
Operating Profit	1,302	3,474
Adj : Doubtful debts provision	(414)	(586)
Amortisation	(710)	(710)
Finance costs	(24)	(9)
Profit Before Tax	154	2,169

The Group recorded a decline in revenue during the quarter ended 30 June 2010 compared to the preceding quarter mainly due to lower billings on software and maintenance services. This is reflected in the reduction in gross margin.

However, the Group's bottom line remains profitable for the quarter ended 30 June 2010.

B3. PROSPECTS

The Group will continue its effort to expand and tap into enterprises' needs for web-based IT solutions to drive business efficiency and cost reduction. This is our strategy to widen the customer base and further reinforce the Group's presence both locally and overseas.

Barring any unforeseen circumstances, the Board believes that the performance of the Group for the financial year ended 31 December 2010 shall be better than the previous year.



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

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 30.06.2010 RM	Cumulative Quarter 6 months ended 30.06.2010 RM
Current tax	(2,029)	1,171

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 30 June 2010 comprised of hire purchase liabilities amounting to RM 1,013,024 analyzed as follows:

	RM
Secured - due within 12 months	340,427
Secured - due after 12 months	672,597
	<u>1,013,024</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.



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

B11. DIVIDEND PAYABLE

No interim ordinary dividend has been declared for the financial period ended 30 June 2010.

B12. EARNINGS PER SHARE

	3 months ended		6 months ended	
	30.06.2010	30.06.2009	30.06.2010	30.06.2009
	RM	RM	RM	RM
Total Comprehensive Income/(Expense) attributable to:				
Owners of the company	465,799	(738,352)	2,253,368	(1,990,045)
Minority Interests	(312,066)	(46,030)	66,188	(42,439)
	<u>153,733</u>	<u>(784,382)</u>	<u>2,319,556</u>	<u>(2,032,484)</u>
Number of shares				
Weighted average number of ordinary shares in issue	286,702,000	286,702,000	286,702,000	286,702,000
(Loss)/profit per share (sen)				
- basic	0.16	(0.26)	0.79	(0.69)
- diluted	0.16	(0.26)	0.79	(0.69)

B13. AUTHORISATION FOR ISSUE

The interim financial statements were authorized for issue by the Board of Directors during its meeting held on 25 Aug 2010.