

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

**UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 MARCH 2015
NOTES TO THE INTERIM FINANCIAL REPORT**

PART A - EXPLANATORY NOTES PURSUANT TO FRS 134

A1. BASIS OF PREPARATION

The interim financial report is unaudited and has been prepared in accordance with the requirements of Malaysian Financial Reporting Standard (“MFRS”) 134: Interim Financial Reporting issued by the Malaysian Accounting Standards Board (“MASB”) and Paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”) for the ACE Market.

This interim financial report should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 December 2014 and the accompanying explanatory notes. These explanatory notes provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the year ended 31 December 2014.

A2. SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies and methods of computation adopted by the Group in this quarterly financial statement are consistent with those of the annual financial statements for the year ended 31 December 2014.

The adoption of the following MFRSs, Amendments to MFRSs and IC Interpretation that came into effect on 1 January 2015 did not have any significant impact on the unaudited condensed consolidated financial statements upon their initial application.

	Effective date for financial periods beginning on or after
Amendment to MFRS 119 : Defined Benefits Plan: Employee Contributions	1 July 2014
Annual Improvements to MFRSs 2010 – 2012 Cycle	1 July 2014
Annual Improvements to MFRSs 2011 – 2013 Cycle	1 July 2014

A3. AUDITOR'S REPORT ON PRECEDING ANNUAL FINANCIAL STATEMENTS

The auditor’s report on the financial statements for the year ended 31 December 2014 was not subject to qualification.

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 under review.

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

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 2014. As such, there is no change in estimates that had a material effect in the current quarter's 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 2015.

A8 DIVIDENDS PAID

There were no dividends paid during the current quarter under review.

A9 SEGMENTAL INFORMATION

Segmental information for the three months ended 31 March 2015 and 31 March 2014 are as follows:

	Malaysia		Overseas		Elimination		Consolidated	
	2015	2014	2015	2014	2015	2014	2015	2014
	RM	RM	RM	RM	RM	RM	RM	RM
REVENUE								
External sales	26,806,911	9,773,122	5,176,595	3,916,872	-	-	31,983,506	13,689,994
Inter-segment sales	3,296,529	2,625,072	-	-	(3,296,529)	(2,625,072)	-	-
Total Revenue	30,103,440	12,398,194	5,176,595	3,916,872	(3,296,529)	(2,625,072)	31,983,506	13,689,994
RESULT								
Segment results	15,279,337	3,247,698	(1,276,338)	(1,845,865)			14,002,999	1,401,833
Amortisation							(103,946)	(429,599)
Depreciation							(300,445)	(209,498)
Finance costs							(6,020)	(5,348)
Profit before tax							13,592,588	757,388
Income tax expense							(3,317,589)	(54,617)
Profit for the period							10,274,999	702,771

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

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 2015 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 during the current reporting quarter;

A13. CONTINGENT LIABILITIES

The Group is not aware of any material contingent liabilities since the last reporting date as at 31 March 2015.

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 PERFORMANCE

Comparison results of current quarter and previous year corresponding quarter

For the three months year-to-date, the Group revenue increased by 133 times to RM32.0 million as compared to RM13.7 million in the previous quarter corresponding period. Overseas business grew 32% to RM5.2 million, whilst Malaysia grew 143 times to RM30.1 million.

Current quarter profit after tax was RM10.3 million as compared to a profit of RM 0.7million in the same period last year. This represents a strong billing quarter for software implementation works done for the quarter.

Group cash reserves stood at RM53.8 as at 31 March 2015.

B2. COMPARISON WITH IMMEDIATE PRECEDING QUARTER'S RESULTS

	Current Quarter 31.03.2015 RM '000	Preceding Quarter 31.12.2014 RM '000
Revenue	31,984	31,188
Gross Profits	26,904	26,807
Gross Margin	84.1%	86.0%
Profit Before Tax	13,593	11,867

B3. BUSINESS PROSPECTS

The Group achieved strong growth in Q1 FY 2015. Our total unbilled projects in hand is RM30.5 million as at 31 March 2015. In spite of the challenging economic conditions, we continue to expand both locally and internationally. We have established two new offices in Malaysia (Ipoh and Kuantan) and seven new offices in China.

The Group expects to maintain its business growth momentum from China operations, GST services and Software As A Service (SaaS) solutions offerings in Malaysia. The internet and cloud technology enable IFCA to offer solutions on a subscription basis. The SaaS solution represents potentially a significant business opportunity as customers only pay as they use. Our SaaS solutions will be the catalyst for achieving our recurring income model strategy.

**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 31.03.2015 RM
Current Year	3,006,280
Deferred tax	311,309
	<u>3,317,589</u>

The effective tax rate is lower than the Malaysia statutory tax rate mainly due to effect of offset of deferred tax assets benefits which are not recognized in prior year, effect of income not subject to tax and expenses not deductible for tax purpose.

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

There were no sales of unquoted investments and/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. STATUS OF CORPORATE PROPOSALS ANNOUNCED

There was no corporate exercise as at the date of this announcement.

B9. GROUP BORROWINGS AND DEBT SECURITIES

The total borrowings of the Group as at 31 March 2015 comprised of hire purchase payable and finance lease amounting to RM 621,871 and analyzed as follows:

	31.03.2015 RM
Secured - due within 12 months	196,268
Secured - due after 12 months	425,603
	<u>621,871</u>

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

B10. OFF BALANCE SHEET FINANCIAL INSTRUMENTS

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

B11. 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 report.

B12. DIVIDEND PAYABLE

The Board of Directors recommended a final single tier dividend of 1 sen (10%) per ordinary share for the financial year ended 31 December 2014. The final dividend is subject to shareholders' approval at the forthcoming 17th Annual General Meeting.

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

B13. EARNINGS PER SHARE

	3 months ended	
	31.03.2015	31.03.2014
	RM	RM
<i>Total Comprehensive Income</i>		
<i>attributable to:</i>		
Owners of the parents	9,685,269	420,793
Non-controlling Interests	589,730	281,978
	10,274,999	702,771
Number of shares		
Weighted average number of share in issue for basic earnings per share	537,104,800	450,053,000
Effect of dilutive potential ordinary shares from the exercise of warrants	56,299,200	143,351,000
Weighted average number of shares in issue of diluted earnings per share	593,404,000	593,404,000
Profit per share (sen)		
- Basic	1.80	0.09
- Diluted	1.63	0.07

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

B14. NOTES TO THE CONDENSED STATEMENT OF COMPREHENSIVE INCOME

GROUP	Year-to-date ended	
	Three months ended	
	31.03.2015	31.03.2014
Profit before tax is arrived at after (charging) / crediting :	RM	RM
Depreciation of property, plant and equipment	(300,445)	(209,499)
Amortisation of deferred development expenditure	(103,946)	(429,599)
Interest expenses	(6,020)	(5,348)
Interest income from short term deposits	122,960	67,420
Rental income	2,850	4,890
Bad debt recovered	48,609	-
Foreign exchange gain (realised/unrealised)	314,756	2,172
Gain/(Loss) on disposal of property, plant and equipment	16,972	(224,769)
Property, plant and equipment written off	(63,822)	-
Impairment of quoted/unquoted securities	-	(1,655)

There were no gains/losses on disposal of quoted and unquoted securities, investments and/or derivatives included in the results for the current quarter and preceding year corresponding quarter.

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

B15. DISCLOSURE OF REALIZED AND UNREALIZED PROFITS/LOSSES

The breakdown of the retained profits/(accumulated losses) of the Group as at 31 March 2015 into realized and unrealized profits/(losses) is presented in accordance with the directive issued by Bursa Malaysia Securities Berhad dated 25 March 2010 and is compiled in accordance with Guidance of Special Matter No. 1, Determination of Realized and Unrealized Profits or Losses in the Context of Disclosure Pursuant to Bursa Securities Listing Requirements, as issued by the Malaysian Institute of Accountants on 20 December 2010.

	As at 31.03.2015 RM	As at 31.03.2014 RM
Total retained profits/(accumulated losses) of the Company and its subsidiaries:		
- Realised	(15,318,442)	(31,673,418)
- Unrealised	(309,857)	(2,787,468)
	<hr/>	<hr/>
	(15,628,299)	(34,460,886)
Less: Consolidation adjustments	38,209,252	27,007,675
	<hr/>	<hr/>
Total group retained profits/(accumulated losses) as per consolidated accounts	22,580,953	(7,453,211)
	<hr/>	<hr/>

B.16 AUTHORISATION FOR ISSUE

The interim financial statements were authorized for issue by the Board of Directors during its meeting held on 20 May 2015.