

**INFORTECH ALLIANCE BERHAD**  
(Company No : 439230 A)

**QUARTERLY REPORT**

On consolidated results for the first quarter ended 31 March 2009

**Unaudited Condensed Consolidated Income Statement**

	Note	Individual Quarter		Cumulative Quarter	
		Current Year Quarter 31-Mar-09 RM'000	Preceding Year Corresponding Quarter 31-Mar-08 RM'000	Current Year To-date 31-Mar-09 RM'000	Preceding Year Corresponding Period 31-Mar-08 RM'000
<b>Revenue</b>		824	532	824	532
Operating expenses		(117)	(210)	(117)	(210)
<b>Gross Profit</b>		<u>707</u>	<u>322</u>	<u>707</u>	<u>322</u>
Other income		5	9	5	9
Selling and distribution expenses		(18)	(2)	(18)	(2)
Administrative expenses		(187)	(250)	(187)	(250)
Other operating expenses		(41)	(79)	(41)	(79)
Finance costs		0	(1)	0	(1)
Share of results of associated companies		4	(138)	4	(138)
<b>Profit/(Loss) before taxation</b>		<u>470</u>	<u>(139)</u>	<u>470</u>	<u>(139)</u>
Taxation	B5	0	(4)	0	(4)
<b>Profit/(Loss) for the period</b>		<u><u>470</u></u>	<u><u>(143)</u></u>	<u><u>470</u></u>	<u><u>(143)</u></u>
<b>Attributable to:</b>					
Equity holders of the parent		470	(143)	470	(143)
Minority Interest		-	-	-	-
		<u><u>470</u></u>	<u><u>(143)</u></u>	<u><u>470</u></u>	<u><u>(143)</u></u>
<b>Earnings per share attributable to equity holders of the parent :</b>					
Basic Earnings/(Loss) Per Share (sen)		<u>0.71</u>	<u>(0.22)</u>	<u>0.71</u>	<u>(0.22)</u>
Diluted Earnings Per Share (sen)		<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>

The unaudited Condensed Consolidated Income Statement should be read in conjunction with the audited financial statement for the year ended 31 December 2008 and the accompanying explanatory notes attached to this interim financial statements.

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**QUARTERLY REPORT**

On consolidated results for the first quarter ended 31 March 2009

**Unaudited Condensed Consolidated Balance Sheet**

	Note	As at End of Current Quarter 31-Mar-09 RM'000	As at Preceding Financial Year Ended 31-Dec-08 RM'000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	A9	121	110
Investment in Associated Company		370	355
Other investments		769	769
Development costs		315	383
	-	1,575	1,617
<b>Current assets</b>			
Inventories		14	14
Trade and other receivables		596	227
Amount owing by related parties		1	13
Tax refundable		30	30
Short term deposits with licensed banks		607	704
Cash and cash bank balances		290	88
		1,538	1,076
<b>TOTAL ASSETS</b>		<b>3,113</b>	<b>2,693</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity attributable to equity holders of the parent</b>			
Share capital		6,600	6,600
Share premium		3,113	3,113
Foreign Exchange Translation Reserve		35	24
Accumulated losses		(6,853)	(7,287)
		2,895	2,450
Minority Interest		-	-
<b>Total Equity</b>		<b>2,895</b>	<b>2,450</b>
<b>Current liabilities</b>			
Trade and other payables		208	233
Borrowings	B9	-	-
Tax payable		10	10
		218	243
<b>Long Term Liabilities</b>			
Deferred taxation		-	-
<b>TOTAL LIABILITIES</b>		<b>218</b>	<b>243</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>3,113</b>	<b>2,693</b>
Net assets per share (RM)		0.044	0.037

The unaudited Condensed Consolidated Balance Sheet should be read in conjunction with the audited financial statements for the year ended 31 December 2008 and the accompanying explanatory notes attached to this interim financial statements.

QUARTERLY REPORT

On consolidated results for the first quarter ended 31 March 2009

Unaudited Condensed Consolidated Statement of Changes in Equity

Group	<-----Attributable to Equity Holders of the Parent ----->					Total RM'000	Minority Interest RM'000	Total Equity RM'000
	Share Capital RM'000	<----- Non-Distributable ----->		Reserve on Consolidation RM'000	Distributable (Accumulated Losses) RM'000			
		Share Premium RM'000	Translation Reserve RM'000					
At 1 January 2009	6,600	3,113	24	-	(7,323)	2,414	-	2,414
Net loss for the period	-	-	-	-	470	470	-	470
<b>At 31 March 2009</b>	<b>6,600</b>	<b>3,113</b>	<b>24</b>	<b>-</b>	<b>(6,853)</b>	<b>2,884</b>	<b>-</b>	<b>2,884</b>
At 1 January 2008	6,600	3,113	2	-	(6,382)	3,333	-	3,333
Net loss for the year	-	-	-	-	(941)	(941)	-	(941)
Movement during the year	-	-	22	-	-	22	-	22
<b>At 31 December 2008</b>	<b>6,600</b>	<b>3,113</b>	<b>24</b>	<b>-</b>	<b>(7,323)</b>	<b>2,414</b>	<b>-</b>	<b>2,414</b>

The unaudited Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements for the year ended 31 December 2008 and the accompanying explanatory notes attached to this interim financial statements.

**INFORTECH ALLIANCE BERHAD**  
(Company No : 439230 A)

**QUARTERLY REPORT**

On consolidated results for the first quarter ended 31 March 2009

**Unaudited Condensed Consolidated Cash Flow Statement**

	<b>Current Quarter To-date 31-Mar-09 RM'000</b>	<b>Preceding Year Corresponding Period 31-Mar-08 RM'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit/(Loss) before taxation	470	(139)
Adjustments for:		
Non cash items	41	76
Non operating items	(5)	(9)
Operating profit before working capital changes	<u>506</u>	<u>(72)</u>
Net changes in current assets	(358)	(117)
Net changes in current liabilities	<u>(24)</u>	<u>(84)</u>
	124	(273)
Changes in investment	(15)	138
Interest paid	-	-
Income tax paid	-	(5)
Income tax refunded	-	5
<b>Net cash used in operating activities</b>	<b><u>109</u></b>	<b><u>(135)</u></b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of plant and equipment	(20)	-
Interest received	4	9
<b>Net cash used in investing activities</b>	<b><u>(16)</u></b>	<b><u>9</u></b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Repayment of hire purchase	-	-
Repayment to associates	-	-
<b>Net cash used in financing activities</b>	<b><u>0</u></b>	<b><u>0</u></b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	94	(126)
Effects of foreign currency translation	11	-
<b>Cash and cash equivalents at 1 January</b>	<u>792</u>	<u>1,088</u>
<b>Cash and cash equivalents at 31 March</b>	<b><u>897</u></b>	<b><u>962</u></b>
<b>Cash and cash equivalents comprise of:</b>		
Fixed deposits with licensed banks	607	800
Cash and bank balances	290	162
	<b><u>897</u></b>	<b><u>962</u></b>

The unaudited Condensed Consolidated Cash Flow Statement should be read in conjunction with the audited financial statements for the year ended 31 December 2008 and the accompanying explanatory notes attached to this interim financial statements.

**INFORTECH ALLIANCE BERHAD**  
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**QUARTERLY REPORT**

Notes on the quarterly report for the first quarter ended 31 March 2009

**A EXPLANATORY NOTES AS PER FRS 134**

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**A1 Basis of preparation**

The interim unaudited financial statements have been prepared in compliance with the Financial Reporting Standards 134 ("FRS134") "Interim Financial Reporting" and Appendix 9B of the Listing Requirements for the MESDAQ Market, and should be read in conjunction with the Group's audited financial statements for the year ended 31 December 2008. The significant accounting policies and methods of computation adopted by the Group in the interim financial statements are consistent with those adopted for the financial year ended 31 December 2008.

**A2 Audit report**

There is no audit qualification on the annual financial statements for the financial year ended 31 December 2008.

**A3 Seasonality or cyclicity of interim operations**

The Group's interim operations are not affected by seasonal or cyclical factors.

**A4 Unusual items**

During the quarter under review, there were no items or events that arose, which affected assets, liabilities, equity, net income or cash flows, that are unusual by reason of their nature, size or incidence.

**A5 Changes in estimates**

There were no changes in the estimates of amounts reported that have a material effect in the current quarter.

**A6 Issuance, cancellations, repurchases, resale and repayments of debts and equity securities**

There were no issuance or repayment of debt securities, share buy-back, share cancellations, shares held as treasury shares and resale of treasury shares for the current financial period under review.

**A7 Dividends paid**

No dividends were paid during the quarter under review.

**A8 Segmental reporting**

The Group's segmental information for the interim financial report are as follows:

<i>Segment Revenue</i>	<i>As at 31 Mar 2009 RM'000</i>	<i>As at 31 Mar 2008 RM'000</i>
Customised projects	45	196
Proprietary solutions	245	79
Maintenance & training	508	343
Others	26	8
	<u>824</u>	<u>626</u>
Elimination of inter-segment sales	0	(94)
Total Revenue	<u>824</u>	<u>532</u>

<i>Segment Results</i>	<i>As at 31 Mar 2009 RM'000</i>	<i>As at 31 Mar 2008 RM'000</i>
Customised projects	21	(117)
Proprietary solutions	143	24
Maintenance & training	286	87
Others	11	(4)
Profit / (Loss) from operations	<u>461</u>	<u>(10)</u>

**A9 Plant and equipment**

**INFORTECH ALLIANCE BERHAD**  
(Company No : 439230 A)

**QUARTERLY REPORT**

**Notes on the quarterly report for the first quarter ended 31 March 2009**

**A EXPLANATORY NOTES AS PER FRS 134**

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The Group has not carried out any valuation on its plant and equipment for the current financial period or in the preceding financial year ended 31 December 2008.

**A10 Material events subsequent to the balance sheet date**

There were no material events subsequent to the end of the quarter under review that have not been reflected in the financial statements.

**A11 Changes in the composition of the Group**

There were no changes in the composition of the Group during the quarter under review.

**A12 Changes in contingent liabilities or contingent assets**

There are no material contingent liabilities as at the date of this report.

**QUARTERLY REPORT**

Notes on the first quarterly report ended 31 March 2009

**B ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA SECURITIES BERHAD'S LISTING REQUIREMENTS FOR THE MESDAQ MARKET**

**B1 Review of group results for the quarter ended 31 March 2009**

For the current quarter under review and financial period to-date, the Group registered a revenue of RM0.824 million, an increase of 54.9% from RM0.532 million recorded in the previous year's corresponding period due to increase in maintenance fees and secure of new customers. The Group recorded a profit before taxation of RM0.470 million as compared to a loss before taxation of RM0.139 million as reported in the preceding year corresponding period. The improved financial performance was mainly due to improved margins and the continuing cost-cutting measures which the Group undertook in 2008 as well as the reduction in the share of losses from one of its associated companies, Beijing Infotech Software Development Pte Ltd. The Directors of that company had decided to place the company into liquidation due to recurring losses.

**B2 Variation of results against the preceding quarter**

	<i>Current Quarter 31 Mar '09 RM'000</i>	<i>Preceding Quarter 31 Dec '08 RM'000</i>
Revenue	824	72
Profit/(Loss) before taxation	470	(631)

For the current quarter, the Group achieved a revenue of RM824,000 and a profit before taxation of RM470,000 compared to a revenue of RM72,000 accompanied by a loss before taxation of RM631,000 in the immediate preceding quarter. The significant loss before taxation in the immediate preceding quarter was attributed to the loss on the disposal of the Indian subsidiary, Infotech Alliance India Pvt Ltd (IAIPL) amounting to RM35,000, provision for doubtful debts of RM155,000, provision for diminution in value of investment of RM130,000 and bad debts written off of RM26,000. Other than the non-recurrence of these one-off charges, continuing cost-cutting measures also contributed to the improved performance.

**B3 Current year's prospects**

The Board of Directors of IAB had foreseen the weak demand for its products in view of the competitive local ICT market and the adverse global financial turmoil. In the interim, the Group has been focusing its efforts to consolidate its business operations and lowering its operating costs. The Group will market its products in the local market and enhance its services to its existing clients.

**B4 Profit forecast**

Not applicable.

**B5 Taxation**

	<i>Individual quarter ended</i>		<i>Cumulative quarter ended</i>	
	<i>31 Mar '09 RM'000</i>	<i>31 Mar '08 RM'000</i>	<i>31 Mar '09 RM'000</i>	<i>31 Mar '08 RM'000</i>
Current year provision	-	4	-	4
Under provision in previous years	-	-	-	-
	<u>-</u>	<u>4</u>	<u>-</u>	<u>4</u>

The pioneer status incentive enjoyed by Infotech Alliance Berhad (IAB) expired in 2007. Accordingly, no provision for taxation is necessary for interest income earned during the period as it may be set-off against the company's business losses. The provision in the corresponding quarter was purely on interest income earned by IAB during that period.

**B6 Sale of unquoted investments and/or properties**

There were no disposal of unquoted investments during the quarter under review and there were no properties owned by the Group as at 31 March 2009.

**B7 Quoted and marketable securities**

There were no investments in quoted securities as at 31 March 2009.

**B8 Status of corporate proposals**

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**QUARTERLY REPORT**

Notes on the first quarterly report ended 31 March 2009

**B ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA SECURITIES BERHAD'S LISTING REQUIREMENTS FOR THE MESDAQ MARKET**

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The only approved scheme is the employee share option scheme of up to 15% of the issued and paid-up share capital of the Company. However, as at 31 March 2009 no options have been offered pursuant to the scheme.

**B9 Group borrowings and debts securities**

As at 31 March 2009 the Group had zero borrowings

**B10 Off balance sheet financial instruments**

There are no off balance sheet financial instruments as at the date of this report.

**B11 Material litigation**

There was no material litigation as at 21 April 2009, being a date not earlier than 7 days from the date of this announcement.

**B12 Dividends**

No dividend has been recommended for the quarter under review.

**B13 Basic earnings per share**

	<i>Individual quarter ended</i>		<i>Cumulative quarter ended</i>	
	<i>31 Mar '09</i>	<i>31 Mar '08</i>	<i>31 Mar '09</i>	<i>31 Mar '08</i>
Net profit/(loss) for the period (RM'000)	470	(143)	470	(143)
Weighted average number of ordinary shares in issue ('000)	66,000	66,000	66,000	66,000
Basic earning/(loss) per share (sen)	0.71	(0.22)	0.71	(0.22)

**B14 Authorisation For Issue**

The issuance of this quarterly report on consolidated results for the first quarter ended 31 March 2009 was authorised by the Board of Directors in accordance with a resolution passed during the Board of Directors' meeting held on 28 April 2009.

**By Order of the Board**

Jauhari Bin Hassan (LS 03681)

Company Secretary

Selangor Darul Ehsan

28 April 2009