

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

**QUARTERLY REPORT**

On consolidated results for the second quarter ended 30 June 2009

**Unaudited Condensed Consolidated Income Statement**

	Note	Individual Quarter		Cumulative Quarter	
		Current Year Quarter 30-Jun-09 RM'000	Preceding Year Corresponding Quarter 30-Jun-08 RM'000	Current Year To-date 30-Jun-09 RM'000	Preceding Year Corresponding Period 30-Jun-08 RM'000
<b>Revenue</b>		240	273	1,064	805
Operating expenses		(143)	(27)	(260)	(237)
<b>Gross Profit</b>		<u>97</u>	<u>246</u>	<u>804</u>	<u>568</u>
Other income		22	7	27	16
Selling and distribution expenses		(3)	(6)	(21)	(8)
Administrative expenses		(219)	(227)	(406)	(477)
Other operating expenses		(11)	(87)	(52)	(166)
Finance costs		-	(1)	-	(2)
Share of results of associated companies		(2)	73	2	(65)
<b>Profit/(Loss) before taxation</b>		<u>(116)</u>	<u>5</u>	<u>354</u>	<u>(134)</u>
Taxation	B5	-	-	-	(1)
<b>Profit/(Loss) for the period</b>		<u><u>(116)</u></u>	<u><u>5</u></u>	<u><u>354</u></u>	<u><u>(135)</u></u>
<b>Attributable to:</b>					
Equity holders of the parent		(116)	5	354	(135)
Minority Interest		-	-	-	-
		<u><u>(116)</u></u>	<u><u>5</u></u>	<u><u>354</u></u>	<u><u>(135)</u></u>
<b>Earnings per share attributable to equity holders of the parent :</b>					
Basic Earnings/(Loss) Per Share (sen)		<u><u>(0.18)</u></u>	<u><u>0.01</u></u>	<u><u>0.54</u></u>	<u><u>(0.20)</u></u>
Diluted Earnings Per Share (sen)		<u><u>N/A</u></u>	<u><u>N/A</u></u>	<u><u>N/A</u></u>	<u><u>N/A</u></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 second quarter ended 30 June 2009

**Unaudited Condensed Consolidated Balance Sheet**

	Note	As at End of Current Quarter 30-Jun-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	124	110
Investment in Associated Company		367	355
Other investments		769	769
Development costs		283	347
		<u>1,543</u>	<u>1,581</u>
<b>Current assets</b>			
Inventories		14	14
Trade and other receivables		604	238
Amount owing by related parties		2	2
Tax refundable		19	19
Short term deposits with licensed banks		508	704
Cash and cash bank balances		<u>253</u>	<u>89</u>
		<u>1,400</u>	<u>1,066</u>
<b>TOTAL ASSETS</b>		<b><u>2,943</u></b>	<b><u>2,647</u></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		<u>(6,969)</u>	<u>(7,323)</u>
		2,779	2,414
Minority Interest		<u>-</u>	<u>-</u>
<b>Total Equity</b>		<b><u>2,779</u></b>	<b><u>2,414</u></b>
<b>Current liabilities</b>			
Trade and other payables		164	233
Borrowings	B9	-	-
Tax payable		<u>-</u>	<u>-</u>
		<u>164</u>	<u>233</u>
<b>Long Term Liabilities</b>			
Deferred taxation		-	-
<b>TOTAL LIABILITIES</b>		<u>164</u>	<u>233</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b><u>2,943</u></b>	<b><u>2,647</u></b>
Net assets per share (RM)		<u>0.042</u>	<u>0.037</u>

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.

**INFORTECH ALLIANCE BERHAD**

(Company No : 439230 A)

**QUARTERLY REPORT**

On consolidated results for the second quarter ended 30 June 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
	<----- Non-Distributable ----->			Distributable				
	Share Capital RM'000	Share Premium RM'000	Translation Reserve RM'000	Reserve on Consolidation RM'000	(Accumulated Losses) RM'000			
At 1 January 2009	6,600	3,113	24	-	(7,323)	2,414	-	2,414
Net profit for the period	-	-	-	-	354	354	-	354
Movement during the period	-	-	11	-	-	11	-	11
<b>At 30 June 2009</b>	<b>6,600</b>	<b>3,113</b>	<b>35</b>	<b>-</b>	<b>(6,969)</b>	<b>2,779</b>	<b>-</b>	<b>2,779</b>
At 1 January 2008	6,600	3,113	2	-	(6,382)	3,333	-	3,333
Net loss for the period	-	-	-	-	(135)	(135)	-	(135)
Movement during the period	-	-	7	-	-	7	-	7
<b>At 30 June, 2008</b>	<b>6,600</b>	<b>3,113</b>	<b>9</b>	<b>-</b>	<b>(6,517)</b>	<b>3,205</b>	<b>-</b>	<b>3,205</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**  
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**QUARTERLY REPORT**

On consolidated results for the first quarter ended 30 June 2009

**Unaudited Condensed Consolidated Cash Flow Statement**

	<b>Current Quarter To-date 30-Jun-09 RM'000</b>	<b>Preceding Year Corresponding Period 30-Jun-08 RM'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit/(Loss) before taxation	354	(134)
Adjustments for:		
Non cash items	82	164
Non operating items	(8)	(16)
Operating profit before working capital changes	<u>428</u>	<u>14</u>
Net changes in current assets	(369)	130
Net changes in current liabilities	<u>(66)</u>	<u>(90)</u>
Cash (used in) / generated from operating activities	(7)	54
Interest paid	-	-
Income tax paid	-	(7)
Income tax refunded	-	4
<b>Net cash used in operating activities</b>	<u>(7)</u>	<u>51</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(32)	(42)
Proceeds from disposal of property, plant and equipment	-	1
Investments	(12)	58
Development costs	-	(150)
Interest received	9	16
<b>Net cash used in investing activities</b>	<u>(35)</u>	<u>(117)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Repayment of hire purchase	-	-
Repayment to associates	-	-
<b>Net cash used in financing activities</b>	-	-
<b>Net increase/(decrease) in cash and cash equivalents</b>	(42)	(66)
Effects of foreign currency translation	11	6
<b>Cash and cash equivalents at 1 January</b>	<u>792</u>	<u>1,088</u>
<b>Cash and cash equivalents at 30 June</b>	<u><u>761</u></u>	<u><u>1,028</u></u>
<b>Cash and cash equivalents comprise of:</b>		
Fixed deposits with licensed banks	508	800
Cash and bank balances	253	228
	<u><u>761</u></u>	<u><u>1,028</u></u>

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 30 June 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.

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**QUARTERLY REPORT**

Notes on the quarterly report for the first quarter ended 30 June 2009

**A EXPLANATORY NOTES AS PER FRS 134**

**A8 Segmental reporting**

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

<i>Segment Revenue</i>	<i>As at</i> <i>30 June 2009</i> <i>RM'000</i>	<i>As at</i> <i>30 June 2008</i> <i>RM'000</i>
Customised projects	45	292
Proprietary solutions	240	104
Maintenance & training	716	552
Others	63	1
	<u>1,064</u>	<u>949</u>
Elimination of inter-segment sales	-	(144)
Total Revenue	<u>1,064</u>	<u>805</u>

<i>Segment Results</i>	<i>As at</i> <i>30 June 2009</i> <i>RM'000</i>	<i>As at</i> <i>30 June 2008</i> <i>RM'000</i>
Customised projects	12	(185)
Proprietary solutions	60	33
Maintenance & training	236	75
Others	15	(8)
Profit / (Loss) from operations	<u>323</u>	<u>(85)</u>

**A9 Property, plant and equipment**

The Group has not carried out any valuation on its property, 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 30 June 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 30 June 2009**

For the current quarter under review and financial period to-date, the Group registered a revenue of RM0.240 million, a decrease of 12% from RM0.273 million recorded in the previous year's corresponding period. The Group recorded a loss before taxation of RM0.116 million as compared to a profit before taxation of RM0.005 million as reported in the preceding year corresponding period. The drop in financial performance was mainly due to lower turnover and increase in cost.

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

	<i>Current Quarter 30 June '09 RM'000</i>	<i>Preceding Quarter 31 Mar '09 RM'000</i>
Revenue	240	824
Profit/(Loss) before taxation	(116)	470

For the current quarter, the Group achieved a revenue of RM240,000 and a loss before taxation of RM116,000 compared to a revenue of RM824,000 accompanied by a profit before taxation of RM470,000 in the immediate preceding quarter. The decrease in revenue is mainly due to the decreasing sales in all segments of the business in view of the intense market competition in the ICT industry in Malaysia.

**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 lower its operating costs. The Group will market its products in the local market and endeavour to 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>30 June '09 RM'000</i>	<i>30 June '08 RM'000</i>	<i>30 June '09 RM'000</i>	<i>30 June '08 RM'000</i>
Current year provision	-	-	-	-
Underprovision in previous years	-	-	-	1
	<u>-</u>	<u>-</u>	<u>-</u>	<u>1</u>

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 30 June 2009.

**B7 Quoted and marketable securities**

There were no investments in quoted securities as at 30 June 2009.

**B8 Status of corporate proposals**

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 30 June 2009 no options have been offered pursuant to the scheme.

**B9 Group borrowings and debts securities**

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**QUARTERLY REPORT**

Notes on the first quarterly report ended 30 June 2009

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

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As at 30 June 2009 the Group had zero borrowings

**B10 Offbalance 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 19 August 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>30 June '09</i>	<i>30 June '08</i>	<i>30 June '09</i>	<i>30 June '08</i>
Net profit/(loss) for the period (RM'000)	(116)	5	354	(135)
Weighted average number of ordinary shares in issue ('000)	66,000	66,000	66,000	66,000
Basic earning/(loss) per share (sen)	(0.18)	0.01	0.54	(0.20)

**B14 Authorisation For Issue**

The issuance of this quarterly report on consolidated results for the second quarter ended 30 June 2009 was authorised by the Board of Directors in accordance with a resolution passed during the Board of Directors' meeting held on 26 August 2009.

**By Order of the Board**

Jauhari Bin Hassan (LS 03681)  
Company Secretary  
Selangor Darul Ehsan  
26 August 2009