

INFORTECH ALLIANCE BERHAD
(Company No : 439230 A)

QUARTERLY REPORT

On consolidated results for the fourth quarter ended 31 December 2009

Unaudited Condensed Consolidated Income Statement

	Note	Individual Quarter		Cumulative Quarter	
		Current Year Quarter 31-Dec-09 RM'000	Preceding Year Corresponding Quarter 31-Dec-08 RM'000	Current Year To-date 31-Dec-09 RM'000	Preceding Year Corresponding Period 31-Dec-08 RM'000
Revenue		84	72	1,303	1,112
Operating expenses		28	(110)	(403)	(668)
Gross Profit		<u>112</u>	<u>(38)</u>	<u>900</u>	<u>444</u>
Other income		87	7	126	39
Selling and distribution expenses		(6)	(14)	(29)	(28)
Administrative expenses		(233)	(159)	(875)	(890)
Other operating expenses		(296)	(394)	(360)	(432)
Finance costs		-	-	-	(2)
Share of results of associated companies		20	2	17	(66)
Loss on disposal of subsidiary		-	(35)	-	(4)
Loss before taxation		<u>(316)</u>	<u>(631)</u>	<u>(221)</u>	<u>(939)</u>
Taxation	B5	-	(1)	-	(2)
Loss for the period		<u><u>(316)</u></u>	<u><u>(632)</u></u>	<u><u>(221)</u></u>	<u><u>(941)</u></u>
Attributable to:					
Equity holders of the parent		(316)	(632)	(221)	(941)
Minority Interest		-	-	-	-
		<u><u>(316)</u></u>	<u><u>(632)</u></u>	<u><u>(221)</u></u>	<u><u>(941)</u></u>
Earnings per share attributable to equity holders of the parent :					
Basic Earnings/(Loss) Per Share (sen)		<u><u>(0.48)</u></u>	<u><u>(0.96)</u></u>	<u><u>(0.33)</u></u>	<u><u>(1.43)</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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Unaudited Condensed Consolidated Balance Sheet

	Note	As at End of Current Quarter 31-Dec-09 RM'000	As at Preceding Financial Year Ended 31-Dec-08 RM'000
ASSETS			
Non-current assets			
Property, plant and equipment	A9	162	110
Investment in Associated Company		382	355
Other investments		769	769
Development costs		401	347
		1,714	1,581
Current assets			
Inventories		14	14
Trade and other receivables		299	238
Amount owing by associate		4	2
Amount owing by related parties		1	-
Tax refundable		19	19
Short term deposits with licensed banks		213	704
Cash and cash bank balances		333	89
		883	1,066
TOTAL ASSETS		2,597	2,647
EQUITY AND LIABILITIES			
Equity attributable to equity holders of the parent			
Share capital		6,600	6,600
Share premium		3,113	3,113
Foreign Exchange Translation Reserve		35	24
Accumulated losses		(7,544)	(7,323)
		2,204	2,414
Minority Interest		-	-
Total Equity		2,204	2,414
Current liabilities			
Trade and other payables		393	233
Borrowings	B9	-	-
Tax payable		-	-
		393	233
Long Term Liabilities			
Deferred taxation		-	-
TOTAL LIABILITIES		393	233
TOTAL EQUITY AND LIABILITIES		2,597	2,647
Net assets per share (RM)		0.033	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.

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On consolidated results for the fourth quarter ended 31 December 2009

Unaudited Condensed Consolidated Statement of Changes in Equity

Group	Attributable to Equity Holders of the Parent ----->						Minority Interest RM'000	Total Equity RM'000
	Share Capital RM'000	Share Premium RM'000	Non-Distributable Translation Reserve RM'000	Reserve on Consolidation RM'000	Distributable (Accumulated Losses) RM'000	Total RM'000		
At 1 January 2009	6,600	3,113	24	-	(7,323)	2,414	2,414	
Net profit for the period	-	-	-	-	(221)	(221)	(221)	
Movement during the period	-	-	11	-	-	11	11	
At 31 December 2009	6,600	3,113	35	-	(7,544)	2,204	2,204	
At 1 January 2008	6,600	3,113	2	-	(6,382)	3,333	3,333	
Net loss for the period	-	-	-	-	(941)	(941)	(941)	
Movement during the period	-	-	22	-	-	22	22	
At 31 December, 2008	6,600	3,113	24	-	(7,323)	2,414	2,414	

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.

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On consolidated results for the fourth quarter ended 31 December 2009

Unaudited Condensed Consolidated Cash Flow Statement

	Current Quarter To-date 31-Dec-09 RM'000	Preceding Year Corresponding Period 31-Dec-08 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before taxation	(221)	(939)
Adjustments for:		
Non cash items	439	698
Non operating items	(30)	(28)
Operating profit before working capital changes	188	(269)
Net changes in current assets	(349)	337
Net changes in current liabilities	179	(50)
Cash generated from operating activities	18	18
Changes in investment	-	-
Interest paid	-	-
Income tax paid	-	(4)
Income tax refunded	-	42
Net cash generated from operating activities	18	56
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(92)	(82)
Proceeds from disposal of property, plant and equipment	-	2
Investments	(27)	-
Development costs	(168)	(293)
Net cashflow from disposal of subsidiary	-	(9)
Dividend received	-	4
Interest received	12	28
Net cash used in investing activities	(275)	(350)
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of hire purchase	-	-
Repayment to associates	-	-
Net cash used in financing activities	-	-
Net decrease in cash and cash equivalents	(257)	(294)
Effects of foreign currency translation	11	(2)
Cash and cash equivalents at 1 January	792	1,088
Cash and cash equivalents at 31 December	546	792
Cash and cash equivalents comprise of:		
Fixed deposits with licensed banks	213	704
Cash and bank balances	333	88
	546	792

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.

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QUARTERLY REPORT

Notes on the quarterly report for the fourth quarter ended 31 December 2009

A EXPLANATORY NOTES AS PER FRS 134

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 ACE 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 Dec 2009 RM'000</i>	<i>As at 31 Dec 2008 RM'000</i>
Customised projects	44	335
Proprietary solutions	277	153
Maintenance & training	897	755
Others	85	47
	<u>1,303</u>	<u>1,290</u>
Elimination of inter-segment sales	-	(178)
Total Revenue	<u>1,303</u>	<u>1,112</u>

<i>Segment Results</i>	<i>As at 31 Dec 2009 RM'000</i>	<i>As at 31 Dec 2008 RM'000</i>
Customised projects	(13)	(241)
Proprietary solutions	7	(45)
Maintenance & training	(130)	(464)
Others	(8)	(83)
Loss from operations	<u>(144)</u>	<u>(833)</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

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Notes on the quarterly report for the fourth quarter ended 31 December 2009

A EXPLANATORY NOTES AS PER FRS 134

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.

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Notes on the quarterly report for the fourth quarter ended 31 December 2009

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

B1 Review of group results for the quarter ended 31 December 2009

For the current quarter under review and financial year to-date, the Group registered a revenue of RM0.084 million, an increase of 16.7% from RM0.072 million recorded in the previous year's corresponding period. The Group recorded a loss before taxation of RM0.316 million as compared to a loss before taxation of RM0.631 million as reported in the preceding year corresponding period. The lower loss before taxation was mainly due to higher turnover and reduction in cost.

B2 Variation of results against the preceding quarter

	<i>Current Quarter 31 Dec 2009 RM'000</i>	<i>Preceding Quarter 30 Sept '09 RM'000</i>
Revenue	84	155
Loss before taxation	(316)	(259)

For the current quarter, the Group achieved a revenue of RM84,000 and a loss before taxation of RM316,000 compared to a revenue of RM155,000 accompanied by a loss before taxation of RM259,000 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>31 Dec '09</i>	<i>31 Dec '08</i>	<i>31 Dec '09</i>	<i>31 Dec '08</i>
	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>
Current year provision	-	-	-	-
Underprovision in previous years	-	1	-	2
	<u>-</u>	<u>1</u>	<u>-</u>	<u>2</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 31 December 2009.

B7 Quoted and marketable securities

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

B8 Status of corporate proposals

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

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 December 2009 no options have been offered pursuant to the scheme.

B9 Group borrowings and debts securities

As at 31 December 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 17 February, 2010, 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 Dec '09</i>	<i>31 Dec '08</i>	<i>31 Dec '09</i>	<i>31 Dec '08</i>
Net loss for the period (RM'000)	(316)	(632)	(221)	(941)
Weighted average number of ordinary shares in issue ('000)	66,000	66,000	66,000	66,000
Basic loss per share (sen)	(0.48)	(0.96)	(0.33)	(1.43)

B14 Authorisation For Issue

The issuance of this quarterly report on consolidated results for the fourth quarter ended 31 December 2009 was authorised by the Board of Directors in accordance with a resolution passed during the Board of Directors' meeting held on 24 February 2010.

By Order of the Board
Jauhari Bin Hassan (LS 03681)
Company Secretary
Selangor Darul Ehsan
24 February, 2010