

QUARTERLY REPORT

Notes on the quarterly report for the fourth quarter ended 31 December 2010

Part A - Explanatory notes pursuant to Financial Reporting Standard 134 ("FRS 134") Interim Financial Reporting

A1. Basis of preparation

The interim unaudited financial statements have been prepared in compliance with the Financial Reporting Standards 134 ("FRS 134") "Interim Financial Reporting" and Paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad's for the ACE Market, and should be read in conjunction with the Group's audited financial statements for the year ended 31 December 2009.

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 2009 except that the Group has adopted the Malaysian Financial Reporting Standards (FRSs) and other interpretations that are effective for financial statements commencing on 1 January 2010.

A2. Qualification of Annual Financial Statements

There were no audit qualifications on the annual financial statements for the year ended 31 December 2009.

A3. Seasonal and cyclical factors

The Group's business operation results were not materially affected by any seasonal or cyclical factors in the quarter under review.

A4. Unusual nature and amounts of items affecting assets, liabilities, equity, net income or cash flows

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. Material changes in estimates

There were no changes in estimates of amounts reported in prior financial periods, which have a material effect in the current quarter under review.

A6. Debts and equity securities

There were no issuance and repayment of debt and equity securities, share buy-backs, share cancellation, shares held as treasury shares and resale of treasury shares for the current quarter under review except for a private placement of 6,600,000 new ordinary shares of RM0.10 each which was approved by Bursa Malaysia on 15 November and successfully completed on 13 December 2010.

A7. Dividend Paid

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

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A8. Segment information

The Group's segmental information for the current financial period is as follows:

	As at 31 Dec 2010 RM'000	As at 31 Dec 2009 RM'000
Customised projects	36	44
Proprietary solutions	55	277
Maintenance & training	845	897
Others	129	85
	<u>1,065</u>	<u>1,303</u>
Elimination of inter-segment sales	-	-
Total revenue	<u>1,065</u>	<u>1,303</u>
 Segment results		
Customised projects	3	(5)
Proprietary solutions	5	(32)
Maintenance & training	(301)	(105)
Others	5	(10)
Loss from operations	<u>(288)</u>	<u>(152)</u>

A9. Valuation of 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 2009.

A10. Material events subsequent to the end of the interim period

There were no material events subsequent to the end of the current quarter under review.

A11. Changes in the composition of the Group

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

A12. Changes in contingent liabilities

As at the date of announcement, there were no material contingent liabilities incurred by the Group which, upon becoming enforceable, may have material impact on the financial position of the Group.

A13. Capital commitments

There were no significant capital commitments as at 31 December 2010.

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Part B-Explanatory Notes Pursuant to Appendix 9B of the Listing Requirements of Bursa Securities for the ACE Market

B1. Review of performance

The Group recorded lower revenue of RM1,065,000 and loss before taxation of RM376,000 for the period under review compared to preceding year corresponding period. The Group has recorded a lower revenue and higher loss before taxation compared to preceding year corresponding period due to lower revenue achieved during the period and high operation cost.

B2. Variation of results against preceding quarter

The Group recorded a revenue of RM60,000 and loss before taxation of RM404,000 for the current quarter as compared to a revenue of RM151,000 and loss before taxation of RM215,000 in the immediate preceding quarter. The decreased in revenue was due to some planned customized projects which did not materialize and the proprietary solutions business is getting more intense and competitive. An increase in amortization of development cost has mainly contributed to an increase in direct cost and correspondingly increased the loss before taxation for the quarter.

B3. Current year prospects

The Board of Directors of IAB had foreseen the weak demand for its products in view of the growing competition from existing and new players in the local ICT market which has made pricing very competitive. In the interim, the Group has been focusing its efforts to consolidate its business operations and lower its operating costs. The Group will continue to market its products in the local market and expand to overseas market. The Group endeavour to enhance its services to its existing clients. The Group also plans to diversify its business operation in future.

B4. Variance of actual and forecast profit

The Group has not provided any profit forecast or profit guarantee and thus this is not applicable to the Group.

B5. Taxation

There was no taxation being provided during the current quarter under review as the Company recorded a loss before taxation.

B6. Unquoted investments and/or properties

There was no sale of unquoted investments and/or properties during the current quarter under review.

B7. Quoted and marketable investments

There were no investments in quoted and marketable securities made during the current quarter under review.

B8. Status of corporate proposal

There was no corporate proposal announced as at 31 December 2010.

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B9. Group borrowings

There were no group borrowings as at 31 December 2010.

B10. Off balance sheet financial instruments

There are no financial instruments with off balance sheet risk as at the date of this announcement.

B11. Material litigation

There was no pending material litigation as at the date of this announcement.

B12. Dividends

There was no dividend declared by the Company during the current quarter under review.

B13. Retained Profits/Accumulated Losses

The breakdown of accumulated losses of the Group as at the reporting date, into realized and unrealized is as follows:

	As at 31 Dec 2010 RM'000	As at 30 Sep 2010 RM'000
Total accumulated losses of the Company & its subsidiaries		
- Realized	(11,403)	(11,007)
- Unrealized	-	-
Total accumulated losses profits from associates		
- Realized	(47)	(39)
- Unrealized	-	-
Total before consolidation adjustment		
- Realized	(11,450)	(11,046)
- Unrealized	-	-
	(11,450)	(11,046)
Less: Consolidation adjustments	3,530	3,530
Total accumulated losses as per consolidated accounts	(7,920)	(7,516)

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B14. Earnings per share

(i) Basic earnings/(losses) per share

The basic earnings/(losses) per share were calculated by dividing the net profit/(loss) for the quarter/period by the number of ordinary shares in issue during the quarter/period:

	Individual quarter ended		Cumulative quarter ended	
	31 Dec 2010	31 Dec 2009	31 Dec 2010	31 Dec 2009
Net profit/(loss) attributable to owner of the parent (RM'000)	(404)	(316)	(376)	(221)
Weighted average number of ordinary shares in issue ('000)	67,291	66,000	66,325	66,000
Basic earnings/(loss) per share (sen)	(0.60)	(0.48)	(0.56)	(0.34)

(ii) Diluted earnings/(losses) per share

The diluted earnings per share are not presented as there were no potential ordinary shares to be issued as at the end of the reporting period.