

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2012

Unaudited Condensed Consolidated Statements of Comprehensive Income

	<u>Individual Quarter</u>		<u>Cumulative Quarter</u>	
	Current year Quarter 31-Dec-12 RM'000	Preceding year Corresponding Quarter 31-Dec-11 RM'000	Current Year To date 31-Dec-12 RM'000	Preceding year Corresponding Period 31-Dec-11 RM'000
Revenue	298	257	812	917
Direct costs	(54)	(100)	(466)	(398)
Gross profit/(loss)	<u>244</u>	<u>157</u>	<u>346</u>	<u>519</u>
Other income	26	6	68	15
Gain on disposal of associated company	0	0	185	0
Selling and distribution expenses	(4)	0	(8)	(1)
Administrative expenses	(188)	(222)	(621)	(609)
Other operating expenses	(49)	(105)	(87)	(144)
Finance cost	0	0	(1)	(1)
Share of result of associated company	0	51	0	32
Profit/(Loss) before taxation	<u>29</u>	<u>(113)</u>	<u>(118)</u>	<u>(189)</u>
Taxation	0	0	10	0
Profit/(Loss) for the period	<u>29</u>	<u>(113)</u>	<u>(108)</u>	<u>(189)</u>
Other comprehensive income/(expense), net of tax				
Foreign exchange translation	0	17	(18)	17
Total comprehensive income/(expense) for the period	<u>29</u>	<u>(96)</u>	<u>(126)</u>	<u>(172)</u>
Total profit/(loss) for the period attributable to:				
Owners of the parent	29	(113)	(108)	(189)
Minority interest	0	0	0	0
	<u>29</u>	<u>(113)</u>	<u>(108)</u>	<u>(189)</u>
Total comprehensive income/(expense) for the period attributable to:				
Owners of the parent	29	(96)	(126)	(172)
Minority interest	0	0	0	0
	<u>29</u>	<u>(96)</u>	<u>(126)</u>	<u>(172)</u>
Earning/(loss) per share attributable to owners of the parent:				
Basic earning/(loss) per share (sen)	<u>0.04</u>	<u>(0.16)</u>	<u>(0.14)</u>	<u>(0.26)</u>
Diluted earning per share (sen)	<u>NA</u>	<u>NA</u>	<u>NA</u>	<u>NA</u>

The unaudited Condensed Consolidated Statements of Comprehensive Income should be read in conjunction with the audited financial statements for the financial year ended 31 December 2011 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 FOURTH QUARTER ENDED 31 DECEMBER 2012

Unaudited Condensed Consolidated Statements of Financial Position

	As at end of Current Quarter 31-Dec-12 RM'000	Audited As at preceding Financial Year Ended 31-Dec-11 RM'000
ASSETS		
Non Current assets		
Property, plant and equipment	90	139
Investment In Subsidiaries	0	0
Other investment	770	770
Development costs	362	410
	<u>1,222</u>	<u>1,319</u>
Current Assets		
Inventories	8	11
Trade and other receivables	1,261	896
Amount owing by associated company	0	2
Tax refundable	6	14
Short term deposits with licensed banks	1,521	103
Cash and bank balances	71	312
Asset classified as held for sale	0	381
	<u>2,867</u>	<u>1,719</u>
TOTAL ASSETS	<u>4,089</u>	<u>3,038</u>
EQUITY AND LIABILITIES		
Capital and reserves attributable to owners of the parent		
Share capital	7,986	7,260
Share premium	3,729	3,234
Foreign exchange translation reserves	0	18
Accumulated losses	(8,217)	(8,109)
	<u>3,498</u>	<u>2,403</u>
Minority interest	0	0
Total equity	<u>3,498</u>	<u>2,403</u>
Current Liabilities		
Trade and other payables	591	635
	<u>591</u>	<u>635</u>
Long term liabilities		
Deferred taxation	0	0
TOTAL LIABILITIES	<u>591</u>	<u>635</u>
TOTAL EQUITY AND LIABILITIES	<u>4,089</u>	<u>3,038</u>
Net assets per share (sen) attributable to owners of the parent	4.38	3.31

The unaudited Condensed Consolidated Statements of Financial Position should be read in conjunction with the audited financial statements for the financial year ended 31 December 2011 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 FOURTH QUARTER ENDED 31 DECEMBER 2012

Unaudited Condensed Consolidated Statements of Changes in Equity

	----- Attributable to Equity Holders of the Parent -----					Total Equity RM'000	
	Share Capital RM'000	Share Premium RM'000	Foreign Translation Reserve RM'000	Accumulated Losses RM'000	Minority Interest RM'000		
GROUP	----- Non-distributable -----		Distributable		Total RM'000		
Balance as at 1 January 2012	7,260	3,234	18	(8,109)	2,403	0	2,403
Shares issued during the period	726	495	-	-	1,221		1,221
Total comprehensive income/(expense) for the period	0	0	(18)	(108)	(126)	0	(126)
Balance as at 31 December 2012	<u>7,986</u>	<u>3,729</u>	<u>0</u>	<u>(8,217)</u>	<u>3,498</u>	<u>0</u>	<u>3,498</u>
Balance as at 1 January 2011	7,260	3,234	1	(7,920)	2,575	0	2,575
Total comprehensive income/(expense) for the period	0	0	17	(189)	(172)	0	(172)
Balance as at 31 December 2011	<u>7,260</u>	<u>3,234</u>	<u>18</u>	<u>(8,109)</u>	<u>2,403</u>	<u>0</u>	<u>2,403</u>

The unaudited Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the audited financial statements for the financial year ended 31 December 2011 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 FOURTH QUARTER ENDED 31 DECEMBER 20

Unaudited Condensed Consolidated Statements of Cash Flow

	Cumulative Current Year 31-Dec-12 RM'000	Preceding Year Corresponding Period 31-Dec-11 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before taxation	(118)	(189)
Adjustments for:		
Amortisation of development costs	88	87
Bad debts written off	0	1
Depreciation of property, plant and equipment	49	47
Impairment loss on trade receivables	0	75
Impairment loss on development costs	31	0
Interest income	(25)	(13)
Inventories written down	0	8
Loss on disposal of property, plant and equipment	0	3
Gain on disposal of associated company	(185)	0
Share of result of associated company	0	(32)
Operating cash outflows before working capital changes	<u>(160)</u>	<u>(13)</u>
Changes in working capital:		
Net changes in current assets	(360)	(617)
Net changes in current liabilities	(44)	272
Increase in development costs	(71)	(63)
Cash used in operations	<u>(635)</u>	<u>(421)</u>
Tax refund	18	5
Net cash used in operating activities	<u>(617)</u>	<u>(416)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from disposal of property, plant and equipment	0	1
Proceeds from disposal of associated company	572	0
Incidental expenses incurred on the disposal of associated company	(24)	0
Purchase of property, plant and equipment	0	(41)
Interest received	25	13
Net cash generated from/(used in) investing activities	<u>573</u>	<u>(27)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issuance of shares	1,271	0
Share issuance expense	(50)	0
Net cash generated from financing activities	<u>1,221</u>	<u>0</u>
Net increase/(decrease) in cash and cash equivalents	1,177	(443)
Effect of exchange rate changes	0	0
Cash and cash equivalents at 1 January	<u>415</u>	<u>858</u>
Cash and cash equivalents at 31 December	<u>1,592</u>	<u>415</u>
Cash and cash equivalents at end of financial period comprised:		
Cash & bank balances	71	312
Fixed deposits with licensed banks	1,521	103
	<u>1,592</u>	<u>415</u>

The unaudited Condensed Consolidated Statements of Cash Flow should be read in conjunction with the audited financial statements for the financial year ended 31 December 2011 and the accompanying explanatory notes attached to this interim financial statements.

QUARTERLY REPORT

Notes on the quarterly report for the fourth quarter ended 31 December 2012

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

A1. BASIS OF PREPARATION

This interim financial report is based on the unaudited financial statements for the quarter ended 31 December 2012 and has been prepared in accordance with the applicable disclosure provisions of the Listing Requirements of the Bursa Malaysia Securities Berhad and MFRS 134, *Interim Financial Reporting* in Malaysia. They do not include all of the information required for full annual financial statements, and should be read in conjunction with the consolidated financial statements of the Group as at and for the year ended 31 December 2011.

These are the Group's interim financial statements for part of the period covered by the Group's first MFRS framework annual financial statements and MFRS1, *First-time Adoption of Malaysian Financial Reporting Standards* has been applied.

The adoption of the MFRSs and Amendments do not have any material impact on the financial statements of the Group.

A2. QUALIFICATION OF ANNUAL FINANCIAL STATEMENTS

There was no audit qualification on the annual financial statements for the financial year ended 31 December 2011.

A3. SEASONAL AND CYCLICAL FACTORS

The Group's business operations were not materially affected by any seasonal or cyclical factors during the financial quarter under review.

A4. UNUSUAL ITEMS AFFECTING ASSETS, LIABILITIES, EQUITY, NET INCOME OR CASH FLOWS

During the financial 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 material changes in estimates that have had effect on the current financial quarter under review.

A6. ISSUANCES, CANCELLATIONS, REPURCHASES, RESALE AND REPAYMENTS OF DEBT AND EQUITY SECURITIES

There were no issuances, cancellations, repurchases, resale and repayments of debt and equity securities held as treasury shares or resale of treasury shares during the current financial quarter under review.

A7. DIVIDEND

No dividend has been declared, recommended or paid during the financial quarter under review.

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QUARTERLY REPORT

Notes on the quarterly report for the fourth quarter ended 31 December 2012

A8. SEGMENT INFORMATION

The Group's segmental information is as follows:

	Year ended 31 December 2012 RM'000	Year ended 31 December 2011 RM'000
Segment Revenue		
Customized projects	0	70
Proprietary solutions	147	29
Maintenance & training	539	735
Others	127	83
	<u>813</u>	<u>917</u>
Elimination of inter-segment sales	0	0
Total revenue	<u>813</u>	<u>917</u>
Segment results		
Customized projects	0	(79)
Proprietary solutions	60	5
Maintenance & training	(188)	(100)
Others	(175)	(15)
Gain on disposal of associated company	185	0
Loss Before Taxation	<u>(118)</u>	<u>(189)</u>

A9. VALUATION OF PROPERTY, PLANT AND EQUIPMENT

There was no revaluation of property, plant and equipment during the financial quarter under review or in the preceding financial year ended 31 December 2011.

A10. MATERIAL EVENTS SUBSEQUENT TO THE CURRENT FINANCIAL QUARTER

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

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 were no changes in the contingent liabilities and contingent assets since the last financial year ended 31 December 2011.

A13. CAPITAL COMMITMENTS

There were no significant capital commitments as at 31 December 2012.

QUARTERLY REPORT

Notes on the quarterly report for the fourth quarter ended 31 December 2012

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 a revenue and profit before taxation of approximately of RM298,000 and RM29,000 respectively for the current financial quarter ended 31 December 2012 as compared to a revenue and loss before taxation of approximately RM257,000 and RM113,000 respectively in the corresponding quarter of the preceding financial year.

The increase in revenue of approximately RM41,000 between the current financial quarter ended 31 December 2012 and the corresponding quarter of the preceding financial year is attributed to more sales secured during the current financial quarter ended 31 December 2012.

B2. COMPARISON OF CURRENT FINANCIAL QUARTER RESULTS WITH THE PRECEDING QUARTER

The Group recorded a revenue of approximately RM298,000 for the current quarter under review as compared with the revenue of approximately RM187,000 in the preceding quarter ended 30 September 2012 . Furthermore, the Group recorded a profit before taxation of approximately RM29,000 for the current quarter under review as compared with the Group's loss before taxation of approximately RM72,000 in the preceding quarter ended 30 September 2012.

B3. PROSPECTS FOR THE NEXT FINANCIAL YEAR

The profitability of the Group is expected to improve after the completion of the corporate proposal in April 2013. In the interim, the Group would continue to manage its operating costs.

B4. VARIANCE OF FORECAST PROFIT AND PROFIT GUARANTEE

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 financial quarter under review as the Company has unutilized tax losses and unabsorbed capital allowances.

B6. UNQUOTED INVESTMENTS AND/OR PROPERTIES

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

B7. QUOTED AND MARKETABLE SECURITIES

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

QUARTERLY REPORT

Notes on the quarterly report for the fourth quarter ended 31 December 2012

B8. STATUS OF CORPORATE PROPOSAL

As reported in the previous quarters, on 16 January 2012, TA Securities had submitted a new application and a revised corporate proposal to Bursa Malaysia Securities. As the approval from Bursa Malaysia Securities was still pending, IAB and the Vendors had mutually agreed to an extension of two months from 25 April 2012 to 24 June 2012 for the fulfillment of the conditions precedent of Share Sale Agreement (SSA).

On 25 June 2012, TA Securities on behalf of the Board has announced that IAB and the Vendors have mutually agreed to a further extension of two months from 24 June 2012 to 24 August 2012 for the fulfillment of the conditions precedent of the SSA.

On 24 August 2012, TA Securities on behalf of the Board has announced that IAB and the Vendors had entered into a Second Supplemental SSA on even date, pursuant to the Proposals. The Second Supplemental SSA varied the terms of the SSA to reflect the change in the identity of the Vendors and their respective shareholdings in JMI and proposed shareholdings in IAB (upon completion of the Proposed Acquisition) due to the demise of one of the Vendors namely, Mr Ng Lam San @ Ng Kok Kar.

Subsequent to the demise of Mr Ng Lam San @ Ng Kok Kar, the 653,334 JMI Shares held by the late Mr Ng Lam San @ Ng Kok Kar have been transferred to Teh Chin Ching (200,000 JMI Shares) and Ng Yaw Long (453,334 JMI Shares). In this regard, the revised allocation of the Consideration Shares among the Vendors is summarised in the table below:

Vendors	Number of JMI shares held	%	Purchase consideration (RM)	Number of consideration shares
Ng Meow Giak	1,306,667	32.7	21,168,005	151,200,036
NKKCSB	1,306,667	32.7	21,168,005	151,200,036
Ng Yaw Long	860,000	21.5	13,932,000	99,514,286
Teh Chin Ching	<u>526,666</u>	<u>13.1</u>	<u>8,531,990</u>	<u>60,942,785</u>
TOTAL	<u>4,000,000</u>	<u>100</u>	<u>64,800,000</u>	<u>462,857,143</u>

Further to the announcements made by TA Securities on 25 June 2012 and 24 August 2012 on the extension of time to 24 August 2012 and 24 November 2012 respectively, for the fulfillment of the conditions precedent of the SSA, IAB and the Vendors have agreed to further extend the last conditions date for the fulfillment of the conditions precedent of the SSA to 24 December 2012.

IAB and the Vendors have on 26 December 2012 mutually agreed to yet another extension of four (4) months from 25 December 2012 to 24 April 2013 for the fulfillment of the conditions precedent of the SSA.

Approvals for the corporate proposal were received from Bursa Malaysia Securities and the Securities Commission on 17 December 2012 and 18 January 2013 respectively.

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Notes on the quarterly report for the fourth quarter ended 31 December 2012

B9. GROUP BORROWINGS

There were no group borrowings as at 31 December 2012.

B10. OFF BALANCE SHEET FINANCIAL INSTRUMENTS

There were no off balance sheet financial instruments as at the date of this announcement.

B11. MATERIAL LITIGATION

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

B12. REALISED AND UNREALISED PROFITS/(LOSSES) DISCLOSURE

The accumulated losses of the Group may be analyzed as follows:

	As at 31 Dec 2012 RM'000	As at 31 Dec 2011 RM'000
Total accumulated losses of the Group		
- Realized	(11,482)	(11,705)
- Unrealized	0	0
Total accumulated profits from associated company		
- Realized	0	81
- Unrealized	0	0
Total before consolidation adjustments	(11,482)	(11,624)
Less: Consolidation adjustments	3,266	3,515
Total accumulated losses as per statement of financial position	(8,217)	(8,109)

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QUARTERLY REPORT

Notes on the quarterly report for the fourth quarter ended 31 December 2012

B13. NOTES TO THE STATEMENT OF COMPREHENSIVE INCOME

	Current quarter ended 31 Dec 2012 RM'000	Current year to date 31 Dec 2012 RM'000
Interest income	16	25
Amortization of development costs	22	88
Depreciation of property, plant and equipment	12	49
Gain on disposal of associated company	0	185
Impairment of development costs	31	31

Other than as disclosed above, the Group does not have other material items that are recognized as profit/(loss) in the Statement of Comprehensive Income.

B14. EARNINGS/(LOSS) PER SHARE

(i) Basic earnings/(loss) per share

The basic earnings/(loss) per share were calculated by dividing the net earnings/(loss) for the current financial quarter and the current financial quarter to date by the number of ordinary shares in issue during the quarter:

	Current quarter ended		Year to date	
	31 Dec 2012	31 Dec 2011	31 Dec 2012	31 Dec 2011
Net profit/(loss) attributable to owner of the parent (RM'000)	29	(113)	(108)	(189)
Weighted average number of ordinary shares in issue ('000)	75,801	72,600	75,801	72,600
Basic earnings/(loss) per share (sen)	0.04	(0.16)	(0.14)	(0.26)

(ii) Diluted earnings 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 financial quarter under review.