

**INFORTECH ALLIANCE BERHAD**  
(Company No. 439230 - A)

**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED 31 MARCH 2013**

**Unaudited Condensed Consolidated Statements of Comprehensive Income**

	<u>Individual Quarter</u>		<u>Cumulative Quarter</u>	
	<u>Current year Quarter 31-Mar-13 RM'000</u>	<u>Preceding year Corresponding Quarter 31-Mar-12 RM'000</u>	<u>Current Year To date 31-Mar-13 RM'000</u>	<u>Preceding year Corresponding Period 31-Mar-12 RM'000</u>
<b>Revenue</b>	171	183	171	183
Direct costs	(110)	(113)	(110)	(113)
<b>Gross profit</b>	<u>61</u>	<u>70</u>	<u>61</u>	<u>70</u>
Other income	22	9	22	9
Gain on disposal of associated company	0	185	0	185
Selling and distribution expenses	(6)	(1)	(6)	(1)
Administrative expenses	(182)	(156)	(182)	(156)
Other operating expenses	(11)	(13)	(11)	(13)
Finance cost	(1)	(1)	(1)	(1)
Share of result of associated company	0	0	0	-
<b>(Loss)/Profit before taxation</b>	<u>(117)</u>	<u>93</u>	<u>(117)</u>	<u>93</u>
Taxation	0	0	0	0
<b>(Loss)/Profit after taxation</b>	<u>(117)</u>	<u>93</u>	<u>(117)</u>	<u>93</u>
<b>Other comprehensive income/(expense), net of tax</b>				
Foreign exchange translation	0	(18)	0	(18)
<b>Total comprehensive (expense)/income for the period</b>	<u>(117)</u>	<u>75</u>	<u>(117)</u>	<u>75</u>
<b>Total (loss)/profit for the period attributable to:</b>				
Owners of the parent	(117)	93	(117)	93
Minority interest	0	0	0	0
	<u>(117)</u>	<u>93</u>	<u>(117)</u>	<u>93</u>
<b>Total comprehensive (expense)/income for the period attributable to:</b>				
Owners of the parent	(117)	75	(117)	75
Minority interest	0	0	0	0
	<u>(117)</u>	<u>75</u>	<u>(117)</u>	<u>75</u>
<b>(Loss)/Earning per share attributable to owners of the parent:</b>				
Basic (loss)/earning per share (sen)	<u>(0.15)</u>	<u>0.13</u>	<u>(0.15)</u>	<u>0.13</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 2012 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 2013**

**Unaudited Condensed Consolidated Statements of Financial Position**

	<b>As at end of Current Quarter 31-Mar-13 RM'000</b>	<b>Audited As at preceding Financial Year Ended 31-Dec-12 RM'000</b>
<b>ASSETS</b>		
<b>Non Current assets</b>		
Property, plant and equipment	79	90
Investment In Subsidiaries	0	0
Other investment	770	770
Development costs	341	362
	<u>1,190</u>	<u>1,222</u>
<b>Current Assets</b>		
Inventories	-	8
Trade and other receivables	1,518	1,263
Amount owing by associated company	0	0
Tax refundable	6	6
Short term deposits with licensed banks	1,213	1,521
Cash and bank balances	126	71
Asset classified as held for sale	0	0
	<u>2,863</u>	<u>2,869</u>
<b>TOTAL ASSETS</b>	<u><u>4,053</u></u>	<u><u>4,091</u></u>
<b>EQUITY AND LIABILITIES</b>		
<b>Capital and reserves attributable to owners of the parent</b>		
Share capital	7,986	7,986
Share premium	3,729	3,729
Foreign exchange translation reserves	0	-
Accumulated losses	(8,333)	(8,216)
	<u>3,382</u>	<u>3,499</u>
Minority interest	-	-
<b>Total equity</b>	<u><u>3,382</u></u>	<u><u>3,499</u></u>
<b>Current Liabilities</b>		
Trade and other payables	671	592
	<u>671</u>	<u>592</u>
<b>Long term liabilities</b>		
Deferred taxation	0	0
<b>TOTAL LIABILITIES</b>	<u><u>671</u></u>	<u><u>592</u></u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u><u>4,053</u></u>	<u><u>4,091</u></u>
Net assets per share (sen) attributable to owners of the parent	4.23	4.38

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 2012 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 2013**

Unaudited Condensed Consolidated Statements of Changes in Equity

GROUP	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	Total Equity RM'000	
Balance as at 1 January 2013	7,986	3,729	0	(8,216)	0	3,499	3,499
Total comprehensive expense for the period	0	0	0	(117)	0	(117)	(117)
Balance as at 31 March 2013	7,986	3,729	0	(8,333)	0	3,382	3,382
Balance as at 1 January 2012	7,260	3,234	18	(8,109)	0	2,403	2,403
Total comprehensive income/(expense) for the period	0	0	(18)	93	0	75	75
Balance as at 31 March 2012	7,260	3,234	-	(8,016)	0	2,478	2,478

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 2012 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 2013**

**Unaudited Condensed Consolidated Statements of Cash Flow**

	<b>Cumulative Current Year 31-Mar-13 RM'000</b>	<b>Preceding Year Corresponding Period 31-Mar-12 RM'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	(117)	93
Adjustments for:		
Amortisation of development costs	21	22
Depreciation of property, plant and equipment	11	13
Impairment loss on trade receivables	0	0
Interest income	(9)	(1)
Gain on disposal of associated company	0	(185)
Share of result of associated company	0	-
Operating cash flows before working capital changes	<u>(94)</u>	<u>(58)</u>
Changes in working capital:		
Net changes in current assets	(247)	(143)
Net changes in current liabilities	79	49
Increase in development costs	0	(18)
Cash used in operations	<u>(262)</u>	<u>(170)</u>
Tax refund	0	0
<b>Net cash generated from/(used in) operating activities</b>	<b><u>(262)</u></b>	<b><u>(170)</u></b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceeds from disposal of property, plant and equipment	0	0
Proceeds from disposal of associated company	0	572
Incidental expenses incurred on the disposal of associated company	0	(24)
Purchase of property, plant and equipment	0	0
Interest received	9	1
<b>Net cash generated from/(used in) investing activities</b>	<b><u>9</u></b>	<b><u>549</u></b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from issuance of shares	0	0
Share issuance expense	0	0
<b>Net cash generated from/(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>	<b>(253)</b>	<b>379</b>
Effect of exchange rate changes	0	0
<b>Cash and cash equivalents at 1 January</b>	<b>1,592</b>	<b>415</b>
<b>Cash and cash equivalents at 31 March</b>	<b><u>1,339</u></b>	<b><u>794</u></b>
<b>Cash and cash equivalents at end of financial period comprised:</b>		
Cash & bank balances	126	291
Fixed deposits with licensed banks	1,213	503
	<b><u>1,339</u></b>	<b><u>794</u></b>

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 2012 and the accompanying explanatory notes attached to this interim financial statements.

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**QUARTERLY REPORT**

**Notes on the quarterly report for the first quarter ended 31 March 2013**

**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 March 2013 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 2012.

**A2. QUALIFICATION OF ANNUAL FINANCIAL STATEMENTS**

There was no audit qualification on the annual financial statements for the financial year ended 31 December 2012.

**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 first quarter ended 31 March 2013

**A8. SEGMENT INFORMATION**

The Group's segmental information is as follows:

<b>Segment Revenue</b>	<b>Quarter ended 31 March 2013 RM'000</b>	<b>Quarter ended 31 March 2012 RM'000</b>
Proprietary solutions	28	11
Maintenance & training	143	155
Others	0	17
	<u>171</u>	<u>183</u>
Elimination of inter-segment sales	0	0
Total revenue	<u>171</u>	<u>183</u>
<b>Segment results</b>		
Proprietary solutions	6	2
Maintenance & training	(123)	(98)
Others	0	4
Gain on disposal of associated company	0	185
(Loss)/Profit Before Taxation	<u>(117)</u>	<u>93</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 2012.

**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 2012.

**A13. CAPITAL COMMITMENTS**

There were no significant capital commitments as at 31 March 2013.

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**QUARTERLY REPORT**

**Notes on the quarterly report for the first quarter ended 31 March 2013**

**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 loss before taxation of approximately of RM171,000 and RM117,000 respectively for the current financial quarter ended 31 March 2013 as compared to a revenue and profit before taxation of approximately RM183,000 and RM93,000 respectively in the corresponding quarter of the preceding financial year.

The decrease in revenue of approximately RM12,000 between the current financial quarter ended 31 March 2013 and the corresponding quarter of the preceding financial year is attributed to less sales secured during the current financial quarter ended 31 March 2013.

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

The Group recorded a revenue of approximately RM171,000 for the current quarter under review as compared with the revenue of approximately RM298,000 in the preceding quarter ended 31 December 2012 . Furthermore, the Group incurred a loss before taxation of approximately RM117,000 for the current quarter under review as compared with the Group's profit before taxation of approximately RM29,000 in the preceding quarter ended 31 December 2012.

**B3. PROSPECTS FOR THE CURRENT FINANCIAL YEAR**

The profitability of the Group is expected to improve after the completion of the corporate proposal in June 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.

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**QUARTERLY REPORT**

Notes on the quarterly report for the first quarter ended 31 March 2013

**B8. STATUS OF CORPORATE PROPOSAL**

IAB and the Vendors have on 24 April 2013 mutually agreed to yet another extension of two (2) months from 25 April 2013 to 24 June 2013 for the fulfilment of the conditions precedent of the SSA.

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

**B9. GROUP BORROWINGS**

There were no group borrowings as at 31 March 2013.

**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:

	<b>As at 31 March 2013 RM'000</b>	<b>As at 31 Dec 2012 RM'000</b>
Total accumulated losses of the Group		
- Realized	(11,599)	(11,482)
- Unrealized	0	0
Total accumulated profits from associated company		
- Realized	0	0
- Unrealized	0	0
<b>Total before consolidation adjustments</b>	<b>(11,599)</b>	<b>(11,482)</b>
Less: Consolidation adjustments	3,266	3,266
<b>Total accumulated losses as per statement of financial position</b>	<b>(8,333)</b>	<b>(8,216)</b>



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**QUARTERLY REPORT**

Notes on the quarterly report for the first quarter ended 31 March 2013

**B13. NOTES TO THE STATEMENT OF COMPREHENSIVE INCOME**

	<b>Current quarter ended 31 Mar 2013 RM'000</b>	<b>Current year to date 31 Mar 2013 RM'000</b>
Interest income	9	9
Amortization of development costs	21	21
Depreciation of property, plant and equipment	11	11

Other than as disclosed above, the Group does not have other material items that are recognised 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:

	<b>Current quarter ended</b>		<b>Year to date</b>	
	<b>31 March 2013</b>	<b>31 March 2012</b>	<b>31 March 2013</b>	<b>31 March 2012</b>
Net (loss)/ profit attributable to owner of the parent (RM'000)	(117)	93	(117)	93
Weighted average number of ordinary shares in issue ('000)	79,860	72,600	79,860	72,600
Basic (loss) /earnings per share (sen)	(0.15)	0.13	(0.15)	0.13

(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.