

INFORTECH ALLIANCE BERHAD ("IAB" OR "COMPANY")
(Company No. 439230 - A)

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2013

Unaudited Condensed Consolidated Statements of Profit and Loss and Other Comprehensive Income

	<u>Individual Quarter</u>		<u>Cumulative Quarter</u>	
	<u>Current year Quarter 31-Dec-13 RM'000</u>	<u>Preceding year (1) Corresponding Quarter 31-Dec-12 RM'000</u>	<u>Current Year To date 31-Dec-13 RM'000</u>	<u>Audited Preceding year (2) Corresponding Period 31-Dec-12 RM'000</u>
Revenue	35,502	NA	135,716	125,506
Direct costs	(11)	NA	(11)	0
Changes in inventories of finished goods and work in progress	(614)	NA	779	(5,532)
Raw materials & consumables used	(23,406)	NA	(96,353)	(84,061)
Changes in inventories of trading materials	(2,011)	NA	(6,649)	(7,592)
Staff costs	(2,866)	NA	(11,046)	(8,396)
Other income	328	NA	1,256	4,044
Depreciation & amortisation	(973)	NA	(3,066)	(2,866)
Other operating expenses	(3,273)	NA	(10,175)	(8,948)
Finance cost	(338)	NA	(1,370)	(1,610)
Profit before taxation	<u>2,338</u>	<u>NA</u>	<u>9,081</u>	<u>10,545</u>
Taxation	(614)	NA	(1,206)	(2,048)
Profit after taxation	<u>1,724</u>	<u>NA</u>	<u>7,875</u>	<u>8,497</u>
Other comprehensive income, net of tax				
Revaluation surplus on property, plant and equipment (net of tax)	0	NA	7,138	0
Tax effects of revaluation reserve	-	NA	-	(292)
Total comprehensive profit for the period	<u>1,724</u>	<u>NA</u>	<u>15,013</u>	<u>8,205</u>
Total profit for the period attributable to:				
Owners of the parent	1,724	NA	7,875	8,497
Non-controlling interest	0	NA	0	0
	<u>1,724</u>	<u>NA</u>	<u>7,875</u>	<u>8,497</u>
Total comprehensive profit for the period attributable to:				
Owners of the parent	1,724	NA	15,013	8,205
Non-controlling interest	0	NA	0	0
	<u>1,724</u>	<u>NA</u>	<u>15,013</u>	<u>8,205</u>
Earnings per share attributable to owners of the parent:				
Basic earnings per share (sen)	<u>0.36</u>	<u>NA</u>	<u>1.66</u>	<u>1.83</u>
Diluted earning per share (sen)	<u>NA</u>	<u>NA</u>	<u>NA</u>	<u>NA</u>
Earnings per board lot (i.e., 100 shares) (RM)	0.36	NA	1.66	NA

The Unaudited Condensed Consolidated Statements of Profit and Loss and Other Comprehensive Income should be read in conjunction with the Accountants' Report of the Circular to Shareholders dated 12 November 2013 and the audited financial statements of IAB for the financial year ended 31 December 2012 and the accompanying explanatory notes attached to this interim financial statement.

(1) No comparatives for the preceding year corresponding quarter 31 December 2012 have been presented in view that the corporate exercise was only completed on 10 December 2013.

(2) The comparatives for preceding year corresponding period 31 December 2012 is that of Jaring Metal Industries Sdn Bhd ("JMI"). Please refer to Part A12 of the Notes for further details.

INFORTECH ALLIANCE BERHAD ("IAB" OR "COMPANY")
(Company No. 439230 - A)

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2013

Unaudited Condensed Consolidated Statements of Financial Position

	As at end of Current Quarter 31-Dec-13 RM'000	Audited As at preceding (1) Financial Year Ended 31-Dec-12 RM'000
ASSETS		
Non Current assets		
Property, plant and equipment	41,656	34,156
Other investment	108	108
	41,764	34,264
Current Assets		
Inventories	41,230	28,975
Trade and other receivables	25,514	20,375
Short term deposits with licensed banks	1,800	1,135
Cash and bank balances	22,273	2,396
	90,817	52,881
TOTAL ASSETS	132,581	87,145
EQUITY AND LIABILITIES		
Capital and reserves attributable to owners of the parent		
Share capital	64,981	7,986
Share premium	41,621	0
Reverse acquisition reserve	(72,051)	(3,986)
Revaluation reserve	14,686	7,548
Retained profits	48,553	40,678
	97,790	52,226
Non-controlling interest	0	0
Total equity	97,790	52,226
Current Liabilities		
Trade and other payables	11,534	9,807
Short term borrowings	20,352	22,984
	31,886	32,791
Long term liabilities		
Deferred taxation	2,070	863
Hire purchase liabilities	835	1,265
Total Liabilities	34,791	34,919
TOTAL EQUITY AND LIABILITIES	132,581	87,145
Net assets per share (sen) attributable to owners of the parent	15.05	65.40
Net assets per board lot (i.e., 100 shares) (RM)	15.05	65.40

The Unaudited Condensed Consolidated Statements of Financial Position should be read in conjunction with Accountants' Report of the Circular to Shareholders dated 12 November 2013 and the audited financial statements of IAB for the financial year ended 31 December 2012 and the accompanying explanatory notes attached to this interim financial statement.

(1) The comparatives for preceding year corresponding period 31 December 2012 is that of JMI. Please refer to Part A12 of the Notes for further details.

INFORTECH ALLIANCE BERHAD
CONDENSED UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FOURTH QUARTER 31 DECEMBER 2013

	Share capital RM'000	Share premium RM'000	Revaluation reserve RM'000	Reverse acquisition reserve RM'000	Foreign exchange translation reserve RM'000	Retained profits RM'000	Total equity RM'000
At 1 January 2012	4,000	-	7,840	-	-	34,681	46,521
- as reported in JMI	3,986	-	-	(3,986)	-	-	-
- reverse acquisition adjustments							
- as restated	7,986	-	7,840	(3,986)	-	34,681	46,521
Dividend	-	-	-	-	-	(2,500)	(2,500)
Total comprehensive income							
- net profit for the year	-	-	-	-	-	8,497	8,497
- tax effects on revaluation reserve	-	-	(292)	-	-	-	(292)
	-	-	(292)	-	-	8,497	8,205
At 31 December 2012	7,986	-	7,548	(3,986)	-	40,678	52,226
Adjustment arising from reverse acquisition	-	3,729	-	(68,065)	-	-	(64,336)
Issue of shares	56,995	38,326	-	-	-	-	95,321
Listing expenses		(434)					(434)
Total comprehensive income:							
- net profit for the year	-	-	-	-	-	7,875	7,875
- revaluation reserve (net of tax)	-	-	7,138	-	-	-	7,138
	-	-	7,138	-	-	7,875	15,013
At 31 December 2013	64,981	41,621	14,686	(72,051)	-	48,553	97,790

The unaudited Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the Accountants' Report of the Circular to Shareholders dated 12 November 2013 and the audited financial statements of IAB for the financial year ended 31 December 2012 and the accompanying explanatory notes attached to these interim financial statements.

The comparatives for preceding year corresponding period 31 December 2012 is that of JMI. Please refer to Part A 12 of the Notes for further details.

INFORTECH ALLIANCE BERHAD ("IAB" OR "COMPANY")
(Company No. 439230 - A)

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2013

Unaudited Condensed Consolidated Statements of Cash Flows

	Cumulative Current Year 31-Dec-13 RM'000	Audited Preceding Year (1) Corresponding Period 31-Dec-12 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	9,081	10,545
Adjustments for:		
Changes in fair value on derivative financial instrument	(114)	90
Depreciation of property, plant and equipment	3,066	2,866
Inventories written down	296	0
Interest income	(34)	(33)
Interest expense	1,370	1,610
Loss/(Gain) on foreign exchange - unrealised	63	(27)
Plant and equipment written off	5	290
Gain on disposal of plant and equipment	(160)	(243)
Operating profit before working capital changes	<u>13,573</u>	<u>15,098</u>
Changes in working capital:		
Decrease/(increase) in inventories	(12,551)	5,406
Decrease in trade and other receivables	(2,332)	(3,952)
Increase in trade and other payables	1,415	15
Net cash from/(used in) operating activities	<u>105</u>	<u>16,567</u>
Income tax paid	(1,292)	(1,124)
Income tax refunded	0	390
Net cash used in operating activities	<u>(1,187)</u>	<u>15,833</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Increase in fixed deposit pledged	(34)	(33)
Net cashflow from acquisition of subsidiaries	348	0
Deposit paid for purchase PPE	(1,923)	(256)
Purchase of intangible assets	0	(38)
Proceeds from disposal of PPE	211	361
Purchase of property, plant and equipment	(1,766)	(2,434)
Interest received	34	33
Net cash generated from investing activities	<u>(3,130)</u>	<u>(2,367)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Interest paid	(1,370)	(1,610)
Dividend paid	0	-2,500
Payment of listing expenses	(434)	0
Proceeds from issuance of shares	30,521	0
Proceeds from trade finance	56,815	59,151
Proceeds from revolving credit	4,500	3,704
Repayment to directors	0	-5
Repayment for trade finance	(56,039)	(60,761)
Repayment of hire purchase	(1,040)	(1,178)
Repayment of revolving credit	(2,300)	(4,404)
Repayment of loan term loan	(288)	(706)
Net cash generated from/(used in) financing activities	<u>30,365</u>	<u>-8,309</u>
Net (decrease)/increase in cash and cash equivalents	<u>26,048</u>	<u>5,157</u>
Cash and cash equivalents at 1 January	<u>(3,144)</u>	<u>(8,301)</u>
Cash and cash equivalents at 31 December	<u>22,904</u>	<u>(3,144)</u>
Cash and cash equivalents at end of financial period comprised:		
Cash & bank balances	22,273	2,396
Fixed deposits with licensed banks	1,800	1,135
Bank overdrafts	0	(5,540)
	<u>24,073</u>	<u>(2,009)</u>
Less: Fixed deposit pledged	(1,169)	(1,135)
	<u>22,904</u>	<u>(3,144)</u>

The Unaudited Condensed Consolidated Statements of Cash Flows should be read in conjunction with Accountants' Report of the Circular to Shareholders dated 12 November 2013 and the audited financial statements of IAB for the financial year ended 31 December 2012 and the accompanying explanatory notes attached to this interim financial statement.

(1) The comparatives for preceding year corresponding period 31 December 2012 is that of JMI. Please refer to Part A12 of the Notes for further details.

INFORTECH ALLIANCE BERHAD ("IAB" OR "COMPANY")
(Company No: 439230 - A)

QUARTERLY REPORT

Notes on the quarterly report for the last quarter ended 31 December 2013

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

A1. BASIS OF PREPARATION

The interim financial statements are unaudited and have been prepared in accordance with the requirements of MFRS134: Interim Financial Reporting and Rule 9.22 and Appendix 9B of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities"). It should be read in conjunction with the Accountants' Report of the Circular to Shareholders dated 12 November 2013 and IAB and its subsidiaries' ("IAB Group" or "Group") annual audited financial statements as at 31 December 2012.

The Unaudited Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with Accountants' Report of the Circular to Shareholders dated 12 November 2013 and the Group's annual audited financial statements as at 31 December 2012 and the accompanying explanatory notes attached to this interim financial statement.

A2. SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies and methods of computation applied in the unaudited condensed interim financial statements are consistent with those adopted as disclosed in the Accountants' Report of the Circular to Shareholders of the Company dated 12 November 2013 and the Group's annual audited financial statements as at 31 December 2012.

The Group has adopted the new and revised Malaysian Financial Reporting Standards ("MFRSs") and IC Interpretations that became mandatory for the current reporting period. The adoption of these new and revised MFRSs and IC Interpretations does not result in significant changes in the accounting policies of the Group.

A3. AUDITORS REPORT ON PRECEDING ANNUAL FINANCIAL STATEMENTS

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

A4. SEASONAL AND CYCLICAL FACTORS

The Group's business operations were mainly attributable (i.e., contributing 99.93% and 100% of its total revenue and total segment results, respectively) from its wholly-owned subsidiary namely Jaring Metal Industries Sdn Bhd ("JMI") and are affected by the cyclicity of the semiconductor companies. The semiconductor industry is cyclical and dependent on its end user industries, in particular the electrical & electronic industries. The demand for semiconductors typically mirrors the trend in the demand for personal computers, mobile phones and other electronic equipment.

As the availability of electrical and electronic waste ("E-waste") for recycling and manufacturing services is dependent on the volume of E-waste discharged by semiconductor manufacturers, the E-waste recycling industry is dependent on the trends in the semiconductor industry.

INFORTECH ALLIANCE BERHAD ("IAB" OR "COMPANY")
 (Company No: 439230 - A)

QUARTERLY REPORT

Notes on the quarterly report for the last quarter ended 31 December 2013

A5. 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.

A6. MATERIAL CHANGES IN ESTIMATES

There were no material changes in estimates that have had effect on the current financial quarter under review.

A7. ISSUANCES, CANCELLATIONS, REPURCHASES, RESALE AND REPAYMENTS OF DEBT AND EQUITY SECURITIES

Save for the private placement which was part of the corporate exercise and completed on 10 December 2013 there were no other 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.

A8. DIVIDEND

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

A9. SEGMENT INFORMATION

The Group's segmental information is as follows:

	Quarter ended		Year to date	
	31	31	31	31
	December	December	December	December
	2013	2012	2013	2012
	RM'000	RM'000	RM'000	RM'000
Revenue - External				
Manufacturing activities	32,796	NA	127,170	117,235
Trading activities	2,616	NA	8,456	8,271
Proprietary solutions and software maintenance	90	NA	90	0
	<u>35,502</u>	<u>NA</u>	<u>135,716</u>	<u>125,506</u>
Elimination of inter-segment sales	0	NA	0	0
	<u>35,502</u>	<u>NA</u>	<u>135,716</u>	<u>125,506</u>
Segment result				
Manufacturing activities	2,564	NA	9,877	11,273
Trading activities	193	NA	630	849
Proprietary solutions and software Maintenance	(90)	NA	(90)	0
Profit/(loss) from operations	<u>2,667</u>	<u>NA</u>	<u>10,417</u>	<u>12,122</u>

INFORTECH ALLIANCE BERHAD ("IAB" OR "COMPANY")
(Company No: 439230 - A)

QUARTERLY REPORT

Notes on the quarterly report for the last quarter ended 31 December 2013

	Quarter ended		Year to date	
	31	31	31	31
	December	December	December	December
	2013	2012	2013	2012
	RM'000	RM'000	RM'000	RM'000
Interest income	9	NA	34	33
Finance cost	(338)	NA	(1,370)	(1,610)
Profit before tax	2,338	NA	9,081	10,545
Income tax	(614)	NA	(1,206)	(2,048)
Profit after tax	1,724	NA	7,875	8,497

Revenue from sales of end-products for the financial year ended 31 December 2013 increased by RM10.1 million or 8.1% compared to the previous corresponding year was due to higher export sales. Export sales consisted mainly of sales to China and Japan.

A10. VALUATION OF PROPERTY, PLANT AND EQUIPMENT

Revaluation of freehold land and building (i.e., JMI's factory complex at Lot 7, Jalan Sungai Kayu Ara 32/37, Taman Berjaya, Seksyen 32, 40460 Shah Alam, Selangor) was done during the financial year under review and the market value of the property was RM30.7 million.

The said property was revalued on 15 July 2013 by the directors of JMI and concurred by the Board of Directors of IAB ("Board") based upon revaluations carried out by independent professional valuers using the fair value method which is determined by reference to open market values on an existing use basis.

A11. MATERIAL EVENTS SUBSEQUENT TO THE CURRENT FINANCIAL QUARTER

Save for the acquisition of the property located beside JMI's existing factory complex as announced on Bursa Securities on 24 January 2014, there were no other material events that happened subsequent to the current financial quarter.

The rest of the page is intentionally left blank

INFORTECH ALLIANCE BERHAD ("IAB" OR "COMPANY")
(Company No: 439230 - A)

QUARTERLY REPORT

Notes on the quarterly report for the last quarter ended 31 December 2013

A12. CHANGES IN THE COMPOSITION OF THE GROUP

On 10 December 2013, IAB completed the acquisition of the entire issued and paid up share capital of JMI comprising of 4,000,000 ordinary shares of RM1.00 each for a total purchase consideration of RM64,800,000 satisfied by the issuance of 462,857,143 new ordinary shares ("Consideration Shares") of RM0.10 each in IAB ("IAB Share(s)" or "Share(s)") at an issue price of RM0.14 each ("Acquisition").

The acquisition of JMI is accounted for using the reverse acquisition method of accounting in accordance with Malaysian Financial Reporting Standard 3: Business Combination ("MFRS 3").

Upon completion of the Acquisition, the Company becomes the legal parent company of JMI. Due to the relative values of JMI and the Company, the owners of JMI becomes the majority shareholders in the Company, and controlling about 85.29% of the issued and paid up share capital of the Company at the date of acquisition. Further, the key executive management of JMI has the power to govern the financial and operating policies of the legal parent company so as to obtain benefits from its activities. Accordingly, the substance of the business combination is that JMI acquired the Company in a reverse acquisition.

MFRS 3 requires that the consolidated financial statements be issued under the name of the legal parent company, a continuation of the financial statements of the legal subsidiary. Hence, the following have been reflected in the condensed consolidated statements of financial position:

- (i) the assets and liabilities of JMI have been recognised and measured at their pre-combination carrying amounts immediately prior to the reverse acquisition;
- (ii) the identifiable assets and liabilities of the Company were recorded in the consolidated statements of financial position at fair value on the date of reverse acquisition; and
- (iii) the retained profits and reserves recognised in the consolidated statements of financial position are those of JMI immediately prior to the reverse acquisition.
- (iv) the comparative information presented in the consolidated financial statements is that of JMI.

There were changes to the Group structure after the reverse takeover exercise, namely the inclusion of JMI into the enlarged Group of IAB during the quarter under review.

A13. CHANGES IN CONTINGENT LIABILITIES OR CONTINGENT ASSETS

There were no changes in the contingent liabilities and contingent assets.

A14. CAPITAL COMMITMENTS

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

INFORTECH ALLIANCE BERHAD ("IAB" OR "COMPANY")
(Company No: 439230 - A)

QUARTERLY REPORT

Notes on the quarterly report for the last quarter ended 31 December 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 of approximately of RM135,716,000 and RM125,506,000 for the current financial year ended 31 December 2013 and 31 December 2012 respectively. The increase was due to higher sales of end-products to the export market in particular China and Japan.

The increase in changes in inventories of finished goods, work in progress and trading merchandise as well as raw materials & consumables used was mainly due to additional procurement contracts secured for the current financial year.

The reduction in other income for the financial year ended 31 December 2013 was mainly due to the absence of a gain on commodity hedging of RM2,586,000 in the current financial year compared to the previous financial year.

The increase in staff cost was mainly due to yearly increment and higher bonuses paid as well as an increase in the overall head count of JMI for the current financial year. In addition, part of the staff cost was attributable to IAB and its subsidiaries prior to the acquisition of JMI.

The increase in other operating expenses was mainly due to loss on commodity hedging of RM1,027,000 for the financial year ended 31 December 2013.

Premised on the above, the profit before taxation reduced to RM9,081,000 for the financial year ended 31 December 2013 compared to RM10,545,000 for the financial year ended 31 December 2012.

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

There is no comparative figure for the preceding year corresponding quarter as the corporate exercise was only completed on 10 December 2013.

B3. PROSPECTS FOR THE CURRENT FINANCIAL YEAR

The corporate exercise has enabled IAB to diversify into the recycling of scheduled waste industry where there are favourable growth prospects. Consequent thereto, the Group foresees a better financial position for the Group for the current financial year ending 31 December 2014.

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.

INFORTECH ALLIANCE BERHAD ("IAB" OR "COMPANY")
 (Company No: 439230 - A)

QUARTERLY REPORT

Notes on the quarterly report for the last quarter ended 31 December 2013

B5. TAXATION

	Current quarter ended 31 December 2013	31 December 2012	Current year to date 31 December 2013	31 December 2012
Estimated income tax payable				
- Current year	(845)	NA	(1,437)	(1,459)
- Over/(under) provision in prior year	580	NA	580	(18)
	(265)	NA	(857)	(1,477)
Deferred tax				
- Current year	22	NA	22	(571)
- Under provision in prior year	(371)	NA	(371)	0
	(349)	NA	(349)	(571)
	(614)	NA	(1,206)	(2,048)
Profit before tax	2,338	NA	9,081	10,545
Taxation at statutory rate of 25% (31.12.2012: 25%)	(585)	NA	(2,270)	(2,636)
Expenses not deductible for tax purposes	(238)	NA	(472)	(341)
Income not subject to tax	0	NA	1,327	1,310
Recognition of previously unrecognised deferred tax liabilities	0	NA	0	(363)
(Under)/over provision in prior year				
- Income tax	580	NA	580	(18)
- Deferred tax	(371)	NA	(371)	0
	(614)	NA	(1,206)	(2,048)

There was a net provision for taxation of RM1,206,000 provided by the Group after taking into account of prior year over-provision and deferred taxation during the financial quarter under review.

The Group's effective tax rate of 13% for the financial year ended 31 December 2013 which is lower than the statutory tax rate (ie 25%) because JMI had been granted pioneer status by MITI under provisions of the Promotion of Investment Act, 1986. The pioneer period was from 1 July 2008 to 30 June 2013 thus for the first half of 2013, 70% of the statutory income from manufacturing activities were exempted from tax.

B6. UNQUOTED INVESTMENTS AND/OR PROPERTIES

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

INFORTECH ALLIANCE BERHAD ("IAB" OR "COMPANY")
(Company No: 439230 - A)

QUARTERLY REPORT

Notes on the quarterly report for the last quarter ended 31 December 2013

B7. QUOTED AND MARKETABLE SECURITIES

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

B8. STATUS OF CORPORATE PROPOSAL

Save for the acquisition of the property which was announced on 24 January 2014, there is no other corporate proposal announced but not completed as at the date of issuance of this announcement.

In respect of the said announcement, the acquisition of the property is expected to be completed by April 2014 after taking into consideration, among others, the payment of the balance purchase price and procurement of the relevant approvals. Please refer to IAB's announcement on Bursa Securities on 24 January 2014.

B9. GROUP BORROWINGS

Group borrowings stood at RM21,187,000 as at 31 December 2013 and consisted mainly of trade facilities provided by a licensed commercial bank such as banker's acceptance, revolving credit and hire purchase facilities.

The details of the borrowings are as follows:-

- (a) Secured borrowings of approximately RM19,237,000 and the remaining RM1,950,000 are unsecured borrowings.
- (b) The current portion of the borrowings is approximately RM20,352,000 and the remaining of RM835,000 are long term borrowings.
- (c) The Group did not have any borrowings in foreign currencies as at 31 December 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.

The rest of the page is intentionally left blank

INFORTECH ALLIANCE BERHAD ("IAB" OR "COMPANY")
(Company No: 439230 - A)

QUARTERLY REPORT

Notes on the quarterly report for the last quarter ended 31 December 2013

B12. REALISED AND UNREALISED PROFITS/(LOSSES) DISCLOSURE

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

	As at 31 December 2013 RM'000	As at 31 December 2012 RM'000
Total accumulated profits of the Group		
- Realised	48,892	40,705
- Unrealised	(359)	(27)
Total before consolidation adjustments	48,533	40,678
Less: Consolidation adjustments	0	-
Total accumulated profits as per statement of financial position	48,533	40,678

B13. NOTES TO THE STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME

	Current quarter ended 31 December 2013 RM'000	Current year to date 31 December 2013 RM'000
Interest income	9	34
Gain on disposal of property, plant and equipment	160	160
Changes in fair value of derivative financial instrument	24	114
Gain/(loss) on foreign exchange		
- Realised	135	479
- unrealised	(63)	(63)
Depreciation of property, plant and equipment	973	3,066
Inventories written down	296	296

Other than as disclosed above, the Group does not have other material items (such as provision for and write-off of receivables, impairment of assets and exception items) that are recognised as profit/(loss) in the Statement of Profit and Loss and Other Comprehensive Income.

INFORTECH ALLIANCE BERHAD ("IAB" OR "COMPANY")
(Company No: 439230 - A)

QUARTERLY REPORT

Notes on the quarterly report for the last quarter ended 31 December 2013

B14. EARNINGS/(LOSS) PER SHARE

(i) Basic earnings per share

The basic earnings per share was calculated by dividing the net profit for the current financial quarter and the current financial quarter to date by the weighted average number of ordinary shares in issue:

	Current quarter ended	Current quarter ended	Current year to date	Current year to date
	31	31	31	31
	December	December	December	December
	2013	2012	2013	2012
Net profit attributable to owners of the parent (RM'000)	1,724	NA	7,875	8,497
Weighted average number of ordinary shares in issue ('000)	474,690	NA	474,690	464,000
Basic earnings per share (sen)	0.36	NA	1.66	1.83

(ii) Diluted earnings per share

Diluted earnings per share are not applicable for the financial quarter under review.

The rest of the page is intentionally left blank

INFORTECH ALLIANCE BERHAD ("IAB" OR "COMPANY")
(Company No: 439230 - A)

QUARTERLY REPORT

Notes on the quarterly report for the last quarter ended 31 December 2013

B15. UTILISATION OF THE PROCEEDS AS AT THE DATE OF THIS ANNOUNCEMENT

Purpose	Proposed Utilisation	Actual Utilisation	Intended Timeframe For Utilisation	Deviation (Excess)/ Shortfall Amount RM'000	%	Balance RM'000	Notes
	RM'000	RM'000					
Repayment of bank borrowings	9,000	9,000	Within 3 months	-	-	-	(i)
Capital expenditure	3,300	3,859	Within 12 months	(559)	(16.9)	-	(ii)
Working capital	16,221	-	Within 6 months	-	-	15,831	(iii)
Estimated expenses in relation to the proposal	2,000	1,831	Within 2 weeks	169	8.5%	-	(iv)
Total	30,521*	14,690				15,831	

Notes:

* The private placement of 107,091,400 Shares were placed out at 28.5 sen per Share thus the actual proceeds raised were approximately RM30.521 million.

(i) The funds have been fully utilised.

(ii) The additional funds utilised for capital expenditure was due to modifications made to the pulverizer and electrostatic separator machine. Thus and as disclosed in the Circular to Shareholders dated 12 November 2013, the shortfall funds of RM559,000 have been adjusted from the amount allocated for working capital purposes.

(iii) Includes the adjustments made for shortfall in the amount allocated for capital expenditure of RM559,000 and surplus of estimated expenses of RM169,000.

(iv) The actual expenses utilised were less than the estimated expenses. Thus and as disclosed in the Circular to Shareholders dated 12 November 2013, the surplus funds of RM169,000 have been adjusted to the amount allocated for working capital purposes.