

# **IFCA MSC BERHAD**

(Company No: 199701037892/453392-T)  
(Incorporated in Malaysia)

## **CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE 1ST QUARTER ENDED 31 MARCH 2024**

**Condensed Statement of Comprehensive Income  
For the Three Months Period Ended 31 March 2024**

Quarter and Year-to-date Ended			
3 months ended			
		31.3.2024	31.3.2023
	Note	RM	RM
<b><u>Continuing Operations</u></b>			
Revenue		18,572,979	17,436,402
Other income		1,062,594	707,894
Employee benefits expenses		(11,958,220)	(11,669,371)
Changes in inventories		(7,650)	(45,772)
Depreciation of Property, Plant & Equipment and Right-of-use assets		(323,746)	(412,387)
Amortisation of development costs		(1,084,514)	(996,971)
Other expenses		(3,635,040)	(4,093,911)
<b>Profit from operations</b>		<b>2,626,403</b>	<b>925,884</b>
Finance costs		(16,301)	(5,727)
<b>Profit before tax from continuing operations</b>		<b>2,610,102</b>	<b>920,157</b>
Income tax expense	B5	(575,762)	(420,469)
<b>Profit for the year, net of tax</b>		<b>2,034,340</b>	<b>499,688</b>
Profit attributable to:			
Owners of the Company		1,805,868	290,376
Non-controlling interest		228,472	209,312
		<b>2,034,340</b>	<b>499,688</b>
Other comprehensive income:			
Profit for the year, net of tax		2,034,340	499,688
Foreign currency translation		(147,704)	552,105
<b>Total comprehensive income for the year</b>		<b>1,886,636</b>	<b>1,051,793</b>
Attributable to:			
Owners of the Company		1,658,164	842,481
Non-controlling interest		228,472	209,312
		<b>1,886,636</b>	<b>1,051,793</b>
<b>Total comprehensive income attributable to holders of the Company in sen:</b>			
- Basic	B10	0.30	0.05
- Diluted	B10	0.30	0.05

The unaudited condensed consolidated statement of comprehensive income should be read in conjunction with the audited annual financial statements for the year ended 31 December 2023 and the accompanying explanatory notes attached to the interim financial statements.

**Condensed Consolidated Statement of Financial Position  
As at 31 March 2024**

		As at 31.03.2024 (Unaudited) RM	As at 31.12.2023 (Audited) RM
<b>ASSETS</b>	<b>Note</b>		
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment		6,002,632	6,030,446
Investment properties		10,493,711	11,395,283
Deferred development costs		16,511,440	16,572,588
Deferred tax asset		2,172,735	2,192,011
Goodwill		25,111,525	25,111,525
Right-of-use asset		1,395,118	1,501,840
Other investments		177,384	177,384
		<u>61,864,545</u>	<u>62,981,077</u>
<b>CURRENT ASSETS</b>			
Trade receivables		14,588,076	9,424,413
Contract assets		2,420,566	2,780,917
Other receivables		1,944,072	1,294,838
Other current assets		637,306	459,519
Tax recoverable		-	25,659
Fixed deposits with licensed banks		50,938,843	50,818,931
Cash and bank balances		25,821,117	28,015,426
		<u>96,349,980</u>	<u>92,819,703</u>
<b>TOTAL ASSETS</b>		<u>158,214,525</u>	<u>155,800,780</u>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity attributable to owners of the parent</b>			
Share capital		83,947,005	83,947,005
Treasury shares		(912,564)	(912,564)
Retained profits		40,700,072	38,894,204
Other reserves		(614,576)	(466,872)
		<u>123,119,937</u>	<u>121,461,773</u>
<b>Non-Controlling Interest</b>		<u>(268,995)</u>	<u>(497,467)</u>
<b>Total equity</b>		<u>122,850,942</u>	<u>120,964,306</u>
<b>Non-current liabilities</b>			
Contract liabilities		-	133,341
Employees' retirement benefits		939,589	946,210
Lease Liabilities	B9	1,012,906	1,106,139
Deferred tax liabilities		1,805,769	1,829,707
		<u>3,758,264</u>	<u>4,015,397</u>
<b>Current Liabilities</b>			
Trade payables		198,700	145,440
Other payables		5,395,797	8,401,496
Contract liabilities		24,515,132	20,598,893
Lease Liabilities	B9	450,288	452,222
Tax Payable		1,045,402	1,223,026
		<u>31,605,319</u>	<u>30,821,077</u>
<b>Total liabilities</b>		<u>35,363,583</u>	<u>34,836,474</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>158,214,525</u>	<u>155,800,780</u>
 Net asset per share		 0.20	 0.20

The condensed consolidated statement of financial position should be read in conjunction with the audited annual financial statements for the year ended 31 December 2023 and the accompanying explanatory notes attached to the interim financial statements.

**Condensed Consolidated Statement of Changes in Equity  
For the Three Months Period Ended 31 March 2024**

	Attributable to Owners of the Company						
	Non-Distributable		Distributable				
	Share Capital	Treasury shares	Other Reserve	Retained earnings	Total	Non-controlling Interest	Total Equity
	RM	RM	RM	RM	RM	RM	RM
At 1 January 2024	83,947,005	(912,564)	(466,872)	38,894,204	121,461,773	(497,467)	120,964,306
Total comprehensive expense	-	-	-	1,805,868	1,805,868	228,472	2,034,340
Foreign Currency Translation	-	-	(147,704)	-	(147,704)	-	(147,704)
At 31 March 2024	83,947,005	(912,564)	(614,576)	40,700,072	123,119,937	(268,995)	122,850,942
At 1 January 2023	83,947,005	(912,564)	(1,305,173)	36,802,091	118,531,359	(1,035,712)	117,495,647
Total comprehensive income	-	-	-	290,376	290,376	209,312	499,688
Foreign currency translation	-	-	552,105	-	552,105	-	552,105
At 31 March 2023	83,947,005	(912,564)	(753,068)	37,092,467	119,373,840	(826,400)	118,547,440

The condensed consolidated statement of changes in equity changes should be read in conjunction with the audited annual financial statements for the year ended 31 December 2023 and the accompanying explanatory notes attached to the interim financial statements.

**Condensed Consolidated Statement of Cash Flows  
For the Three Months Period Ended 31 March 2024**

	<b>3 months ended</b>	
	<b>31.3.2024</b>	<b>31.3.2023</b>
	<b>RM</b>	<b>RM</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before tax	2,610,102	920,157
Adjustments for :		
Non cash items	1,303,445	1,746,870
Non-operating items	(706,793)	(337,149)
Operating profit before working capital changes	3,206,754	2,329,878
Changes in working capital:		
Assets	(5,629,811)	(6,967,766)
Liabilities	830,459	895,472
Total working capital changes	(4,799,352)	(6,072,294)
Cash generated from operating activities	(1,592,598)	(3,742,416)
Tax refund	-	249,219
Tax paid	(609,360)	(303,212)
Net cash used in operating activities	(2,201,958)	(3,796,409)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Interest received	400,747	304,915
Purchase of property, plant and equipment	(173,295)	(67,336)
Proceeds from disposal of property, plant and equipment	1	12,518
Proceeds from disposal of other investments	-	130,000
Proceeds from disposal of investment property	1,087,479	-
Development costs	(1,023,366)	(490,301)
Net cash from/(used) in investing activities	291,566	(110,204)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Interest paid	(16,301)	(5,727)
Payments to hire purchase and finance lease	-	(16,450)
Net cash used in financing activities	(16,301)	(22,177)
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(1,926,692)</b>	<b>(3,928,790)</b>
<b>EFFECTS OF FOREIGN EXCHANGE RATE CHANGES</b>	<b>(147,705)</b>	<b>805,594</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD</b>	<b>78,834,357</b>	<b>72,809,007</b>
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	<b>76,759,960</b>	<b>69,685,811</b>

The condensed consolidated statement of cash flows should be read in conjunction with the audited annual financial statements for the year ended 31 December 2023 and the accompanying explanatory notes attached to the interim financial statements.

**UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 MARCH 2024**  
**NOTES TO THE INTERIM FINANCIAL REPORT**

**PART A - EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING  
STANDARDS 134 (“MFRS 134”)**

**A1. Basis of Preparation**

This interim financial report is unaudited and has been prepared in accordance with the requirements of the Malaysian Financial Reporting Standard (“MFRS”) 134: Interim Financial Reporting issued by the Malaysian Accounting Standards Board (“MASB”) and Paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”) for the ACE Market.

This interim financial report should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 December 2023 and the accompanying explanatory notes. These explanatory notes provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the year ended 31 December 2023.

**A2. Summary of Accounting Policies**

***Adoption of Amendments to Standards***

The accounting policies and methods of computation adopted by the Group in this interim financial report are consistent with those adopted in preparation for the audited consolidated financial statements of the Group for the financial year ended 31 December 2023 as disclosed in the Annual Report except for the adoption of the following amendments/improvements to MFRSs that are mandatory for the current financial year.

**Effective for annual periods beginning on or after 1 January 2024**

<b><i>Amendments</i></b>	<b><i>Title</i></b>
<i>Amendments to MFRS 7</i>	<i>: Financial Instruments: Disclosures – Supplier Finance Arrangements</i>
<i>Amendments to MFRS 16</i>	<i>: Leases – Lease Liability in a Sale and Leaseback</i>
<i>Amendments to MFRS 101</i>	<i>: Presentation of Financial Statements – Classification of Liabilities as Current or Non-current</i>
<i>Amendments to MFRS 101</i>	<i>: Presentation of Financial Statements – Non-current Liabilities with Covenants</i>
<i>Amendments to MFRS 107</i>	<i>: Statement of Cash Flows – Supplier Finance Arrangements</i>

**A2. Summary of Accounting Policies (Con't)**

The following are accounting standards, amendments and interpretations that have been issued by the Malaysian Accounting Standards Board ("MASB") but not yet effective and have not applied by the Group (Con't):

**Effective for annual periods beginning on or after 1 January 2025**

- *Amendments to MFRS 121, The Effects of Changes in Foreign Exchange Rates – Lack of Exchangeability*

**A3. Auditor's Report on Preceding Annual Financial Statements**

The auditor's report on the financial statements for the financial year ended 31 December 2023 was not subject to any qualification.

**A4. Seasonal or Cyclical Factors**

The operations of the Group were not affected by any seasonal or cyclical factors.

**A5. Unusual Items**

There were no items affecting assets, liabilities, equity, net income or cash flows that are unusual because of their nature, size or incidence during the current quarter under review.

**A6. Material Changes in Estimates**

The Group has not submitted any financial forecast or projections to any authorities during the current quarter and prior to the financial year ended 31 December 2023. As such, there are no changes in estimates that would have had a material effect on the current quarter's results.

**A7. Changes in Debts and Equity Securities**

There were no issuances, cancellations, repurchases, resales, repayments of debt and/or securities, shares held as treasury shares or the resale of treasury shares during the financial period ended 31 March 2024.

**A8. Dividend Paid**

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

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**A9. Segmental Information**

Segmental information for the three months period ended 31 March 2024 and 31 March 2023 are as follows: -

	Malaysia		Overseas		Elimination		Consolidated	
	2024	2023	2024	2023	2024	2023	2024	2023
	RM	RM	RM	RM	RM	RM	RM	RM
<b>REVENUE:</b>								
External revenue	11,111,292	9,188,634	6,518,838	8,970,105	(49,896)	(722,338)	17,580,235	17,436,402
Inter-segment revenue	4,487,355	2,783,317	-	-	(3,494,611)	(2,783,317)	992,744	-
Total revenue	15,598,647	11,971,951	6,518,838	8,970,105	(3,544,506)	(3,505,655)	18,572,979	17,436,402
<b>RESULT:</b>								
Segment results	4,071,663	2,125,493	(2,213,810)	693,392	1,357,785	(432,699)	3,215,638	2,386,186
Interest income							400,747	304,915
Amortisation							(1,084,514)	(996,971)
Depreciation							(323,746)	(412,387)
Impairment losses							-	(387,327)
Other non-cash expenses							418,278	31,468
Finance costs							(16,301)	(5,727)
<b>Profit before Tax</b>							<b>2,610,102</b>	<b>920,157</b>
Income tax expense							(575,762)	(420,469)
<b>Profit after Tax</b>							<b>2,034,340</b>	<b>499,688</b>

**A10. Valuation of Property, Plant and Equipment**

The valuations of property, plant and equipment have been brought forward without any material amendments from the previous financial statements.

**A11. Material Events Subsequent to the Current Quarter**

There was no significant event arising in the period from 1 April 2024 to the date of this announcement, which will have a material effect on the financial results of the Group for the period under review.

**A12. Changes in the Composition of the Group**

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

**A13. Contingent Liabilities**

The Group is not aware of any material contingent liabilities since the last reporting date as at 31 March 2024.

**A14. Capital Commitments**

There were no material capital commitments as at the date of this report.



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**A15. Significant Related Party Transactions**

The Group is not aware of any related party transactions which would have a significant impact on the financial position and business of the Group since the last reporting date as at 31 March 2024.

**PART B - EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS FOR THE ACE MARKET**

**B1. Review of Performance**

The Group recorded revenue of RM18.6 million for the current quarter ("Q1FY2024"), an increase of RM1.1 million compared to revenue of RM17.4 million in the previous year's corresponding quarter ("Q1FY2023"). The increase in revenue was mainly contributed by the Malaysia (28%) and Indonesia (54%) segments despite a drop of revenue (42%) from China segment. The transformation from outright sales to SaaS has also impacted revenue recognized.

Despite of a loss of RM3.5 million in our China operation, the Group reported a profit before tax of RM2.6 million compared to RM920K in Q1FY2023. As a result, the Group registered profit attributable to equity holders of the parent company of RM1.8 million as compared to profit attributable to equity holders of the parent company of RM290K for Q1FY2023.

**B2. Comparison with Preceding Quarter's Results**

	<b>Current Quarter Ended 31.3.2024 RM '000</b>	<b>Preceding Quarter Ended 31.12.2023 RM '000</b>
Revenue	18,573	20,874
Gross Profits	17,942	19,656
Gross Margin	97.0%	94.0%
Profit Before Tax	2,610	1,012

The Group recorded a lower revenue of RM18.6 million for the current quarter ("Q1FY2024") as compared to RM20.9 million in preceding quarter ("Q4FY2023"). According to the revenue trend in IFCA, Quarter 1 typically experiences a slight dip in productivity due to the festive slowdown, resulting in lesser business days. This impact is particularly noticeable in China. However, revenue is expected to grow progressively through the financial quarters in the calendar year.

Despite the revenue decline in Q1FY2024, the Group recorded a higher profit before tax of RM2.6 million as compared to profit before tax of RM 1.0 million in Q4FY2023.

### **B3. Business Prospects**

IFCA has four strategic marketplaces, namely Malaysia, Indonesia, China and International.

Malaysia segment has actively organized E-Invoice campaigns by collaborating with a world's established firm of accountants and business advisers, PKF nationwide. The response to these campaigns has been overwhelmingly positive, with e-invoice orders surging and driving sales orders to achieve strong double-digit growth in the first quarter. With existing clients transitioning to our E-Invoice Compliance edition and nationwide adoption of IFCA software on the horizon, the Malaysia outlook is promising. The Board is optimistic that these efforts will continue to generate new business opportunities for the segment.

The China segment continues to face challenges as the China's property industry remains difficult. Meanwhile, the Board continues to exercise prudence in cost management in view of the uncertainties in China. Nevertheless, our partner program remains active, focusing on collaborating with local partners to tap into 150+ sizeable cities and expand our reach.

Leveraging on our existing 250+ customers in Indonesia, we are launching X-series products - namely PropertyX ERP, ContractX ERP, HotelX ERP in this marketplace. Given the upgrade opportunities from our existing customers, we anticipate significant contributions from Indonesia moving forward.

On the International marketplace, we will continue to grow our Partner Program by introducing our next generation cloud-based mobile solutions. The Global Partner Engagement Program will be largely digital ensuring speedy and cost-effective market penetration.

With firm enthusiasm and commitment to the strategy execution, the Board is optimistic to deliver a stronger performance in FY2024.

As at 31 March 2024, the Group has strong and healthy unbilled orders in hand amounting to RM38.3 million.

### **B4. Profit Forecast**

The Group has not provided any profit forecasts in any public documents for the current quarter under review.

### **B5. Taxation**

	<b>Cumulative Quarter 3 months ended</b>
	<b>RM</b>
Current Year	599,701
Deferred tax	(23,939)
	<u><b>575,762</b></u>

The effective tax rate is lower than the Malaysian statutory tax rate due to certain entities utilization of unabsorbed losses and overseas tax incentives granted to High-Tech enterprise.

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**B6. Status of Corporate Proposals Announced**

There were no corporate proposals announced but not completed as at the date of this announcement.

**B7. Group Borrowings and Debt Securities**

The Group does not have borrowings and Debt Securities of the Group as at 31 March 2024.

**B8. Material Litigation**

The Group does not have any material litigation, of which, in the opinion of the Directors, would have a material adverse effect on the financial results of the Group as at the date of this report.

**B9. Dividend Payable**

No interim ordinary dividend has been declared for the financial period ended 31 March 2024.

**B10. Earnings per Share**

	<b>3 months ended</b>	
	<b>31.3.2024</b>	<b>31.3.2023</b>
	<b>RM</b>	<b>RM</b>
<b><i>Total Comprehensive Income/(Expense)</i></b>		
<b><i>attributable to:</i></b>		
Owners of the parents	1,805,868	290,376
Non-controlling interests	228,472	209,312
	<u>2,034,340</u>	<u>499,688</u>
 <b>Number of shares</b>		
Weighted average number of shares in issue for basic earnings per share	608,290,900	608,290,900
Effect of treasury shares held	(3,086,100)	(3,086,100)
Weighted average number of shares in issue of diluted earnings per share	<u>605,204,800</u>	<u>605,204,800</u>
 <b>Earnings per share (sen)</b>		
-Basic	0.30	0.05
-Diluted	0.30	0.05

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**B11. Notes to the Condensed Statement of Comprehensive Income**

GROUP	Year -to-date	
	Three months ended	
	31.3.2024	31.3.2023
Profit before tax is arrived at after (charging) / crediting:	RM	RM
Depreciation of property, plant and equipment	(199,179)	(216,795)
Depreciation of right-of-use assets	(124,567)	(195,591)
Amortisation	(1,084,514)	(996,971)
Interest expenses	(16,301)	(5,727)
Interest income from short term deposits	400,747	304,915
Rental Income	10,500	6,838
Reversal of impairment loss on trade receivables	77,566	59,210
Impairment loss on trade receivables	(59,200)	(387,327)
Foreign exchange gain (realised/unrealised)	322,436	45,436
Foreign exchange loss (realised/unrealised)	-	(997)
Gain/(Loss) on disposal of investment properties	201,542	(120,300)
Property, plant and equipment written off	-	(4,612)

There were no gains or/losses from the disposal of quoted and unquoted securities, investments and/or derivatives included in the results for the current quarter under review.

**B12. Authorisation for Issue**

The interim financial statements were authorised for issue by the Board of Directors during its meeting held on 23 May 2024.