

# **IFCA MSC BERHAD**

(Company No: 199701037892/453392-T)

(Incorporated in Malaysia)

## **CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE 4TH QUARTER ENDED 31 DECEMBER 2023**

**Condensed Statement of Comprehensive Income  
For the Twelve Months Period Ended 31 December 2023**

	Note	Current Quarter		Quarter and Year-to-date Ended	
		3 months ended		12 months ended	
		31.12.2023	31.12.2022	31.12.2023	31.12.2022
		RM	RM	RM	RM
<b>Continuing Operations</b>					
Revenue		20,873,842	20,550,678	78,042,298	75,475,944
Other income		1,492,989	(50,469)	4,573,115	2,357,800
Employee benefits expenses		(15,032,626)	(14,309,434)	(52,622,242)	(56,659,380)
Changes in inventories		(79,380)	(40,248)	(237,655)	(368,793)
Depreciation of Property, Plant & Equipment and Right-of-use assets		(390,000)	(457,827)	(1,647,787)	(1,990,960)
Amortisation of development costs		(1,084,513)	(855,254)	(4,162,969)	(3,523,491)
Other expenses		(4,744,443)	(4,263,942)	(18,792,682)	(15,590,465)
<b>Profit/(Loss) before impairment losses</b>		<b>1,035,869</b>	<b>573,504</b>	<b>5,152,078</b>	<b>(299,345)</b>
Impairment losses on:					
Contract Asset		(5,981)	(34,500)	(30,131)	(2,330,510)
<b>Profit/(Loss) from operations</b>		<b>1,029,888</b>	<b>539,004</b>	<b>5,121,947</b>	<b>(2,629,855)</b>
Finance costs		(18,002)	(14,471)	(53,830)	(63,786)
<b>Profit/(Loss) before tax from continuing operations</b>		<b>1,011,886</b>	<b>524,533</b>	<b>5,068,117</b>	<b>(2,693,641)</b>
Income tax expense	B5	(442,365)	(215,134)	(2,400,416)	(1,503,345)
<b>Profit/(Loss) for the year, net of tax</b>		<b>569,521</b>	<b>309,399</b>	<b>2,667,701</b>	<b>(4,196,986)</b>
Profit/(Loss) attributable to:					
Owners of the Company		672,503	261,959	2,129,456	(4,138,801)
Non-controlling interest		(102,982)	47,440	538,245	(58,185)
		<b>569,521</b>	<b>309,399</b>	<b>2,667,701</b>	<b>(4,196,986)</b>
Other comprehensive income/(expense):					
Profit/(Loss) for the year, net of tax		569,521	309,399	2,667,701	(4,196,986)
Actuarial loss on employee's retirement scheme		(47,877)	537,377	(47,877)	537,377
Tax related to employee's retirement scheme		10,533	(118,223)	10,533	(118,223)
Foreign currency translation		(283,971)	(1,083,961)	838,301	(358,660)
<b>Total comprehensive (expense)/income for the year</b>		<b>248,206</b>	<b>(355,408)</b>	<b>3,468,658</b>	<b>(4,136,492)</b>
Attributable to:					
Owners of the Company		351,188	(402,848)	2,930,413	(4,078,307)
Non-controlling interest		(102,982)	47,440	538,245	(58,185)
		<b>248,206</b>	<b>(355,408)</b>	<b>3,468,658</b>	<b>(4,136,492)</b>
<b>Total comprehensive income/(expense) attributable to holders of the Company in sen:</b>					
- Basic	B10	0.11	0.04	0.35	(0.68)
- Diluted	B10	0.11	0.04	0.35	(0.68)

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 2022 and the accompanying explanatory notes attached to the interim financial statements.

**Condensed Consolidated Statement of Financial Position  
As at 31 December 2023**

		As at 31.12.2023 (Unaudited) RM	As at 31.12.2022 (Audited) RM
<b>ASSETS</b>	<b>Note</b>		
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment		6,030,446	6,031,117
Investment properties		11,395,283	8,005,676
Deferred development costs		16,572,588	18,700,267
Deferred tax asset		2,192,011	2,165,075
Goodwill		25,111,525	25,111,525
Right-of-use asset		1,501,840	639,376
Other investments		177,384	177,384
		<u>62,981,077</u>	<u>60,830,420</u>
<b>CURRENT ASSETS</b>			
Trade receivables		9,424,413	10,177,524
Contract assets		2,780,917	3,141,649
Other receivables		1,317,504	1,017,165
Other current assets		436,853	326,594
Tax recoverable		-	522,448
Deposits, cash and bank balances		78,834,356	72,809,007
		<u>92,794,043</u>	<u>87,994,387</u>
<b>TOTAL ASSETS</b>		<u>155,775,120</u>	<u>148,824,807</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		38,894,203	36,802,091
Other reserves		(466,872)	(1,305,173)
		<u>121,461,772</u>	<u>118,531,359</u>
<b>Non-Controlling Interest</b>		<u>(497,467)</u>	<u>(1,035,712)</u>
<b>Total equity</b>		<u>120,964,305</u>	<u>117,495,647</u>
<b>Non-current liabilities</b>			
Contract liabilities		-	121,720
Employees' retirement benefits		946,210	680,932
Lease Liabilities	B9	1,106,139	28,195
Deferred tax liabilities		1,829,707	2,046,613
		<u>3,882,056</u>	<u>2,877,460</u>
<b>Current Liabilities</b>			
Trade payables		145,440	120,190
Other payables		8,401,496	9,460,866
Contract liabilities		20,732,234	18,230,257
Lease Liabilities	B9	452,222	434,459
Tax Payable		1,197,367	205,928
		<u>30,928,759</u>	<u>28,451,700</u>
Total liabilities		<u>34,810,815</u>	<u>31,329,160</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>155,775,120</u>	<u>148,824,807</u>
Net asset per share		0.20	0.19

The condensed consolidated statement of financial position should be read in conjunction with the audited annual financial statements for the year ended 31 December 2022 and the accompanying explanatory notes attached to the interim financial statements.

**Condensed Consolidated Statement of Changes in Equity  
For the Twelve Months Period Ended 31 December 2023**

	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 2023	83,947,005	(912,564)	(1,305,173)	36,802,091	118,531,359	(1,035,712)	117,495,647
Total comprehensive expense	-	-	-	2,092,112	2,092,112	538,245	2,630,357
Foreign Currency Translation	-	-	838,301	-	838,301	-	838,301
At 31 December 2023	83,947,005	(912,564)	(466,872)	38,894,203	121,461,772	(497,467)	120,964,305
At 1 January 2022	83,947,005	(430,221)	(946,513)	46,584,609	129,154,880	(681,813)	128,473,067
Total comprehensive income	-	-	-	(3,719,647)	(3,719,647)	(58,185)	(3,777,832)
Foreign currency translation	-	-	(358,660)	-	(358,660)	-	(358,660)
Dividends paid	-	-	-	(6,062,871)	(6,062,871)	(295,714)	(6,358,585)
Open market purchase shares	-	(482,343)	-	-	(482,343)	-	(482,343)
At 31 December 2022	83,947,005	(912,564)	(1,305,173)	36,802,091	118,531,359	(1,035,712)	117,495,647

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 2022 and the accompanying explanatory notes attached to the interim financial statements.

**Condensed Consolidated Statement of Cash Flows  
For the Twelve Months Period Ended 31 December 2023**

	12 months ended	
	31.12.2023	31.12.2022
	RM	RM
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit/(Loss) before tax	5,068,117	(2,693,641)
Adjustments for :		
Non cash items	7,394,734	5,731,053
Non-operating items	(1,155,553)	1,841,446
Operating profit before working capital changes	11,307,298	4,878,858
Changes in working capital:		
Assets	(2,039,367)	(4,093,211)
Liabilities	665,205	3,833,612
Total working capital changes	(1,374,162)	(259,599)
Cash generated from operating activities	9,933,136	4,619,259
Tax refund	733,995	1,229,332
Tax paid	(1,323,979)	(2,701,756)
Net cash from operating activities	9,343,152	3,146,835
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Interest received	1,364,552	972,419
Purchase of property, plant and equipment	(745,573)	(905,021)
Purchase of investment properties	(2,835,511)	(266,239)
Proceeds from disposal of property, plant and equipment	14,588	2,935
Proceeds from disposal of other investments	-	13,500
Proceeds from disposal of investment property	168,000	-
Development costs	(2,035,290)	(4,497,027)
Addition of other investments	-	(11,384)
Net cash used in investing activities	(4,069,234)	(4,690,817)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Interest paid	(53,830)	(63,786)
Dividends paid	-	(6,358,585)
Payments to hire purchase and finance lease	(33,040)	(1,239,886)
Open market share buy-back	-	(482,343)
Net cash used in financing activities	(86,870)	(8,144,600)
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>	5,187,048	(9,688,582)
<b>EFFECTS OF FOREIGN EXCHANGE RATE CHANGES</b>	838,301	(1,938,754)
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD</b>	72,809,007	84,436,343
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	78,834,356	72,809,007

The condensed consolidated statement of cash flows should be read in conjunction with the audited annual financial statements for the year ended 31 December 2022 and the accompanying explanatory notes attached to the interim financial statements.

**UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 DECEMBER 2023**  
**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 2022 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 2022.

**A2. Significant Accounting Policies**

***Adoption of Amendments to Standards***

The accounting policies and methods of computation adopted for the interim financial report are consistent with those adopted for the audited consolidated financial statements of the Group for the financial year ended 31 December 2022.

On 1 January 2023, the Company adopted the following amended MFRS.

<b>Amendments</b>	<b>Title</b>
MFRS 17	: Insurance Contracts
Amendments to MFRS 17	: Insurance Contracts
Amendments to MFRS 17	: Initial application of MFRS 17 and MFRS 9 – Comparative Information
Amendments to MFRS 101	: Disclosure of Accounting Policies
Amendments to MFRS 108	: Disclosure of Accounting Estimates
Amendments to MFRS 112	: Deferred Tax related to Assets and Liabilities arising from a Single Transaction

**A2. Significant Accounting Policies (Con't)**

***MFRSs and Amendments to MFRSs issued but not yet effective***

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):

- Amendments to MFRS 101, Classification of Liabilities as Current or Non-current (*Effective from 1 Jan 2024*)
- Amendments to MFRS 16, Lease Liability in a Sale and Leaseback (*Effective from 1 Jan 2024*)
- Amendments to MFRS 101, Non-current Liabilities with Covenants (*Effective from 1 Jan 2024*)
- Amendments to MFRS 10 and MFRS 128, Sale of Contribution of Assets between an Investor and its Associate or Joint Venture (*Deferred until further notice*)

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

The auditor's report on the financial statements for the financial year ended 31 December 2022 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 2022. 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, resale, repayments of debt and/or securities, shares held as treasury shares or the resale of treasury shares during the financial period ended 31 December 2023.

**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 twelve months period ended 31 December 2023 and 31 December 2022 are as follows: -

	Malaysia		Overseas		Elimination		Consolidated	
	2023	2022	2023	2022	2023	2022	2023	2022
	RM	RM	RM	RM	RM	RM	RM	RM
<b>REVENUE:</b>								
External revenue	38,958,309	34,204,686	39,756,536	41,271,258	(672,547)		78,042,298	75,475,944
Inter-segment revenue	11,799,584	15,361,473	-	-	(11,799,584)	(15,361,473)	-	-
Total revenue	50,757,893	49,566,159	39,756,536	41,271,258	(12,472,131)	(15,361,473)	78,042,298	75,475,944
<b>RESULT:</b>								
Segment results	6,549,382	10,919,414	3,821,698	(2,351,932)	301,696	(3,688,624)	10,672,775	4,878,858
Interest income							1,364,552	972,419
Amortisation							(4,162,969)	(3,523,491)
Depreciation							(1,647,787)	(1,990,960)
Impairment losses							(30,131)	(2,330,510)
Other non-cash expenses							(1,074,494)	(636,171)
Finance costs							(53,830)	(63,786)
<b>Profit/(Loss) before Tax</b>							<b>5,068,117</b>	<b>(2,693,641)</b>
Income tax expense							(2,400,416)	(1,503,345)
<b>Profit/(Loss) after Tax</b>							<b>2,667,701</b>	<b>(4,196,986)</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 January 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 December 2023.

**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 December 2023.

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

**B1. Review of Performance**

Current quarter against previous year corresponding quarter

The Group recorded revenue of RM20.9 million for the current quarter ("Q4FY2023"), an increase of RM274K as compared to revenue of RM20.5 million in the previous year's corresponding quarter ("Q4FY2022"). In line with cost rationalization strategy, the Group reported a higher profit before tax of RM 1.0 million in Q4FY2023 as compared to RM524K in Q4FY2022. As a result, the Group registered profit attributable to equity holders of the parent company of RM673K as compared to RM261K for Q4FY2022.

Current cumulative period against previous year cumulative period

The Group recorded revenue of RM78.4 million, an increase of RM2.5 million as compared to revenue of RM75.4 million the corresponding financial period in the previous year. The increase in revenue was primarily driven by Malaysia and Indonesia segment. The Group reported a profit before tax of RM5.1 million as compared to a loss before tax of RM2.6 million in the preceding year's corresponding financial period. As a result, the Group registered profit attributable to equity holders of the parent company of RM2.1 million as compared to loss attributable to equity holders of the parent company of RM4.1 million for the corresponding quarter last year.

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

	<b>Current Quarter Ended 31.12.2023 RM '000</b>	<b>Preceding Quarter Ended 30.9.2023 RM '000</b>
Revenue	20,874	21,148
Gross Profits	19,656	20,036
Gross Margin	94.0%	95.0%
Profit Before Tax	1,012	1,694

The Group recorded a slightly lower revenue of RM20.8 million for the current quarter ("Q4FY2023") as compared to revenue of RM21.1 million in the preceding quarter ("Q3FY2023").

As a result, the Group recorded a lower profit before tax of RM1.0 million as compared to profit before tax of RM1.7 million in Q3FY2023.

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**B3. Business Prospects**

In the Malaysia segment, besides actively participating in local and international events to enhance awareness of IFCA's latest mobile internet solutions, IFCA is looking to tap into the tremendous opportunity available for e-invoicing systems due to the increased demand having upgraded its systems to cater for this. IFCA remains focused on penetrating unexplored markets through its partnership program. The Board is confident that these initiatives will drive growth in the Malaysia segment.

China property industry remains challenging. The Board, however, remains committed to leveraging existing market opportunities by extending its product offerings to potential customers outside the property market. IFCA is optimistic in extending its reach in the China market to over 150 major cities that remains untapped by working with local partners via a partner program.

Indonesia segment continues to contribute positively to Group revenue and earnings particularly in the property market. IFCA is looking to grow this market by expanding its X-series products to the Human Resource, Hotel and Construction sectors.

With firm enthusiasm and commitment to the strategy execution, the Board is poised to continue delivering a stronger performance in the next financial year.

As at 31 December 2023, the Group has relatively healthy unbilled orders in hand amounting to RM29.5 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>Current Quarter ended 31.12.2023 RM</b>	<b>Cumulative Quarter 12 months ended RM</b>
Current Year	400,357	2,603,551
Deferred tax	42,008	(203,136)
	<u><b>442,365</b></u>	<u><b>2,400,415</b></u>

The effective tax rate is higher 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 any borrowings and debt securities as of 31 December 2023.

**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 December 2023.

**B10. Earnings per Share**

	3 months ended		12 months ended	
	31.12.2023	31.12.2022	31.12.2023	31.12.2022
	RM	RM	RM	RM
<b>Total Comprehensive Income/(Expense)</b>				
<b>attributable to:</b>				
Owners of the parents	672,503	261,959	2,129,456	(4,138,801)
Non-controlling interests	(102,981)	47,440	538,245	(58,185)
	<u>569,521</u>	<u>309,399</u>	<u>2,667,701</u>	<u>(4,196,986)</u>
<b>Number of shares</b>				
Weighted average number of shares in issue for basic earnings per share	608,290,900	608,290,900	608,290,900	608,290,900
Effect of treasury shares held	<u>(3,086,100)</u>	<u>(3,086,100)</u>	<u>(3,086,100)</u>	<u>(3,086,100)</u>
Weighted average number of shares in issue of diluted earnings per share	<u>605,204,800</u>	<u>605,204,800</u>	<u>605,204,800</u>	<u>605,204,800</u>
<b>Earnings per share (sen)</b>				
-Basic	0.11	0.04	0.35	(0.68)
-Diluted	0.11	0.04	0.35	(0.68)

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

<b>GROUP</b>	<b>Year-to-date</b>	
	<b>Twelve months ended</b>	<b>31.12.2022</b>
<b>Profit/(Loss) before tax is arrived at after (charging)/crediting:</b>	<b>RM</b>	<b>RM</b>
Depreciation of property, plant and equipment	(994,194)	(804,007)
Depreciation of right-of-use assets	(653,593)	(1,186,953)
Amortisation	(4,162,969)	(3,523,491)
Interest expenses	(53,829)	(63,786)
Interest income from short term deposits	1,364,552	972,419
Rental income	24,608	29,362
Reversal of impairment loss on trade receivables	808,224	268,163
Bad debt written off	(702,787)	(208,443)
Deposit written off	(121,446)	-
Impairment loss on trade receivables	(1,230,030)	(1,022,985)
Foreign exchange gain (realised/unrealised)	280,687	157,310
Foreign exchange loss (realised/unrealised)	(38,324)	(25,153)
Loss on disposal of investment properties	(232,000)	-
Fair value (loss)/gain on investment properties	(354,537)	178,866
Loss on disposal of property, plant and equipment	(5,300)	-
Property, plant and equipment written off	(11,117)	(8,159)
Impairment loss on contract asset	(30,131)	(2,330,510)

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 29 February 2024.