



(Company No: 591898-H)

QUARTERLY REPORT

On consolidated results for the first quarter ended 30 June 2003

The Directors are pleased to announce the following:

Unaudited Condensed Consolidated Income Statement for the first quarter ended 30 June 2003

	Note	Individual Quarter ended		Cumulative Quarter ended	
		30 June 2003	30 June 2002	30 June 2003	30 June 2002
		RM' 000	RM' 000	RM' 000	RM' 000
Revenue	A8	6,416	-	6,416	-
Operating profit		1,235	-	1,235	-
Finance costs		(33)	-	(33)	-
Profit before taxation	A8	1,202	-	1,202	-
Taxation	B5	(84)	-	(84)	-
Net profit for the period		1,118	-	1,118	-
Basic earnings per share (sen)		0.61	-	0.61	-

Note :

Comparative figures for the preceding year are not available as this is Nova MSC Berhad's first quarterly report to the Kuala Lumpur Stock Exchange.

The unaudited Condensed Consolidated Income Statement should be read in conjunction with the annual audited financial statements for the period ended 31 March 2003



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Unaudited Condensed Consolidated Balance Sheet

	Note	As at End of Current Quarter 30 June 2003 RM' 000	As at Preceding Financial Year Ended 31 March 2003 RM' 000
Plant and equipment	A9	553	569
Intangible assets		14,748	14,109
Current assets			
Inventories		517	562
Contract work in progress		10,616	7,705
Trade and other receivable		4,763	7,003
Cash and cash equivalents		2,704	2,841
		18,600	18,111
Current liabilities			
Trade and other payables		9,494	10,731
Borrowings	B9	326	2,003
		9,820	12,734
Net Current Assets		8,780	5,377
		24,081	20,055
Financed by:			
Capital and reserves			
Share capital		20,090	15,803
Reserves		3,017	3,366
		23,107	19,169
Long term and deferred liabilities			
Deferred taxation		974	886
		24,081	20,055

The unaudited Condensed Consolidated Balance Sheet should be read in conjunction with the annual audited financial statements for the period ended 31 March 2003



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Unaudited Condensed Consolidated Statement of Changes in Equity for the first quarter ended 30 June 2003

Group	Note	Share Capital RM' 000	Non Distributable Share premium RM' 000	Translation reserve RM' 000	Distributable Retained profits RM' 000	Total RM' 000
At 1 April 2003		15,803	1,570	70	1,726	19,169
Issue of shares	A6	1,755	965	-	-	2,720
Bonus Issue	A6	2,532	(2,532)			
Exchange differences on translation of the financial statements of foreign entities		-	-	100	-	100
Net profit for the period		-	-	-	1,118	1,118
At 30 June 2003		<u>20,090</u>	<u>3</u>	<u>170</u>	<u>2,844</u>	<u>23,107</u>

The unaudited Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the annual audited financial statements for the period ended 31 March 2003



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Unaudited Condensed Consolidated Cash Flow Statement for the first quarter ended 30 June 2003

	30 June 2003
	RM' 000
CASH FLOWS FROM OPERATING ACTIVITIES	
Profit before taxation	1,202
Adjustments for:	
Non cash items	1,088
Non operating items	<u>(2)</u>
Operating profit before working capital changes	2,288
Net changes in current assets	(626)
Net changes in current liabilities	<u>(1,237)</u>
	425
Tax paid	-
Net cash used in operating activities	<u>425</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchase of plant and equipment	(227)
Addition of software development expenditure	(1,483)
Interest received	<u>2</u>
Net cash used in investing activities	<u>(1,708)</u>
CASH FLOWS FROM FINANCING ACTIVITIES	
Proceeds from issuance of share capital	<u>2,720</u>
Net cash generated from financing activities	<u>2,720</u>
Net increase in cash and cash equivalents	1,437
Cash and cash equivalents at 1 April 2003	838
Effect of foreign exchange differences	<u>103</u>
Cash and cash equivalents at 30 June 2003	<u>2,378</u>

The unaudited Condensed Consolidated Cash Flow Statement should be read in conjunction with the annual audited financial statements for the period ended 31 March 2003

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Notes on the quarterly report - 30 June 2003

A. EXPLANATORY NOTES AS PER MASB 26

A1. Basis of preparation

The interim unaudited financial statements have been prepared in compliance with the Malaysian Accounting Standards Board ("MASB") Standard No.26, Interim Financial Reporting and Appendix 7A of the Listing Requirements of Kuala Lumpur Stock Exchange for the MESDAQ Market, and should be read in conjunction with the Group's annual audited financial statements for the period ended 31 March 2003. The accounting policies and methods of computation adopted by the Group in the interim financial statements are consistent with those adopted for the financial period ended 31 March 2003.

A2. Audit report

There were no audit qualifications on the annual financial statements for the financial period ended 31 March 2003.

A3. Seasonality or cyclicity of interim operations

The Group's interim operations are not affected by seasonal or cyclical factors.

A4. Unusual items

During the 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. Changes in estimates

There were no changes in the estimates of amounts reported that have a material effect in the current quarter.

A6. Issuance, cancellations, repurchases, resale and repayments of debt and equity securities

During the quarter under review, the Company undertook the following issuance of shares:

(a) Employees' Share Option Scheme ("Share Option")

On 25 June 2003, 1,755,000 new NMSC ordinary shares of RM1.00 each were issued at RM1.55 per share pursuant to a Share Option Scheme which was implemented for eligible employees of NMSC Group representing approximately 10% of the enlarged share capital

(b) Bonus Issue

Upon completion of the share issuance under the Share Option, a bonus issue of 2,532,150 from the share premium account was completed on 27 June 2003.

(c) Share Split

Upon completion of the bonus issue a share split of 20,090,000 NMSC ordinary shares of RM1.00 each into 200,900,000 ordinary shares of RM0.10 each was carried out on 27 June 2003.

Other than as disclosed above, there were no issuance and repayment of debt securities, share buy-back, share cancellation, shares held as treasury shares and resale of treasury shares for the current financial period under review.

A7. Dividends paid

No dividends were paid during the quarter under review.

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Notes on the quarterly report - 30 June 2003

A8. Segmental reporting**Segmental information workings**

<i>Geographical segments</i>	Malaysia RM'000	Singapore RM'000	Eliminations RM'000	Consolidated RM'000
Revenue from external customers	1,087	5,329		6,416
Total revenue	1,087	5,329	-	6,416
Segment result	862	373	-	1,235
Interest expense				(33)
Profit before taxation				1,202
Taxation				(84)
Net profit for the period				1,118
Segment assets	22,514	30,120	(18,733)	33,901
Segment liabilities	184	14,970	(4,360)	10,794
Capital Expenditure	91	136	-	227
Depreciation and amortisation	5	1083	-	1,088

A9. Plant and equipment

The Group did not carry out any valuation on its plant and equipment.

A10. Material events subsequent to the balance sheet date

There were no material events subsequent to the end of the quarter under review that have not been reflected in the financial statements.

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 are no material contingent liabilities as at the date of this report.

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Notes on the quarterly report - 30 June 2003

B. ADDITIONAL INFORMATION REQUIRED BY THE KUALA LUMPUR STOCK EXCHANGE LISTING REQUIREMENTS

B1. Review of group results for the quarter ended 30 June 2003

For the quarter ended 30 June 2003, the Group has achieved consolidated turnover and profit before tax of approximately RM6.4 million and RM1.2 million respectively. The satisfactory performance has been achieved amidst the challenging economic environment arising from, inter-alia, the Severe Acute Respiratory Syndrome ("SARS") outbreak and Iraq War.

B2. Variation of results against the preceding quarter

Not applicable as this is the first quarterly report for the Group.

B3. Current year prospects

The Group believes that there will be continuing demand for its e-government and healthcare products and services. After recognising the revenue of RM6.4 million in the first quarter, the Group's order book as at 30 June 2003 was approximately RM18.0 million. From 1 July 2003 till 8 August 2003, the Group had received an additional sales order of RM5.6 million.

Barring unforeseen circumstances, the Directors expect the performance for the financial year ending 31 March 2004 to be satisfactory.

B4. Profit forecast

The Company has not issued any forecast for the current year.

B5. Taxation

	Individual quarter ended		Cumulative quarter ended	
	30 June 2003	30 June 2002	30 June 2003	30 June 2002
	RM'000	RM'000	RM'000	RM'000
Deferred taxation	84	-	84	-

There is no income tax charges for the Company as it was granted Multimedia Super Corridor ("MSC") status. Income derived from its operating activities is exempted from tax. The subsidiaries are not subject to income tax due to tax savings arising from utilisation of tax losses. However, this is subject to agreement from the Comptroller of Income Tax.

B6. Sale of unquoted investments and/or properties

There were no disposal of unquoted investments during the quarter under review and there were no properties as at 30 June 2003.

B7. Quoted and marketable securities

There were no investments in quoted securities as at 30 June 2003.

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Notes on the quarterly report - 30 June 2003

B8. Status of corporate proposals

On 21 July 2003, the Company issued a prospectus for the issuance of 55,000,000 new ordinary shares of RM0.10 at an issue price of RM0.28 per ordinary share by way of private placement and public offer payable in full on application in conjunction with its listing on the Mesdaq Market of the Kuala Lumpur Stock Exchange.

At the close of the offer on 28 July 2003, a total of 29,357 applications for 207.5 million shares were received for the 5 million shares available for public subscription representing an over-subscription of 40.5 times. The private placement was also fully subscribed.

The official quotation for the enlarged issued and paid-up share capital of the Company comprising 255,900,000 ordinary shares of RM0.10 each on the MESDAQ Market of the Kuala Lumpur Stock Exchange is scheduled to be on 19 August 2003.

B9. Group borrowings

The Group borrowings are as follows :

	RM'000
Short term, secured	<u>326</u>

B10. Off balance sheet financial instruments

There are no off balance sheet financial instruments as at the date of this report.

B11. Material litigation

The Group has no outstanding material litigation as at 8 August 2003 (a date not earlier than 7 days from the date of this report).

B12. Dividends

No dividend has been recommended for the quarter under review.

B13. Basic earnings per share

	Individual quarter ended		Cumulative quarter ended	
	30 June 2003	30 June 2002	30 June 2003	30 June 2002
Net profit for the period (RM'000)	1,118	-	1,118	-
Weighted average number of ordinary shares in issue ('000)	181,935	-	181,935	-
Basic earnings per share (sen)	0.61	-	0.61	-

By the Order of the Board
15 August 2003