



(Company No: 591898-H)

QUARTERLY REPORT

Unaudited Condensed Consolidated Income Statement

For the second quarter ended 30 September 2003

	Note	Individual Quarter ended		Cumulative Quarter ended	
		30 Sep 2003	30 Sep 2002	30 Sep 2003	30 Sep 2002
		RM'000	RM'000	RM'000	RM'000
Revenue	A8	6,505	-	12,921	-
Operating profit		1,040	-	2,273	-
Interest income		52	-	54	-
Interest expense		(41)	-	(74)	-
			-		-
Profit before taxation	A8	1,051	-	2,253	-
Taxation	B5	(42)	-	(126)	-
			-		-
Net profit for the period		1,009	-	2,127	-
Earning per ordinary share (sen)	B13	0.47	-	1.03	-

Note :

Comparative figures for the preceding year are not available as this is Nova MSC Berhad's second 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 Sep 2003 RM'000	As at Preceding Financial Year Ended 31 Mar 2003 RM'000
Plant and equipment	A9	717	569
Intangible assets		15,615	14,109
Current assets			
Inventories		574	562
Contract work in progress		13,548	7,705
Trade and other receivable		5,073	7,003
Cash and cash equivalents		10,876	2,841
		30,071	18,111
Current liabilities			
Trade and other payables		7,344	10,731
Provision for taxation		14	-
Borrowings	B9	-	2,003
		7,358	12,734
Net Current Assets		22,713	5,377
		<u>39,045</u>	<u>20,055</u>
Financed by:			
Capital and reserves			
Share capital		25,590	15,803
Reserves		12,436	3,366
		38,026	19,169
Long term and deferred liabilities			
Deferred taxation		1,019	886
		<u>39,045</u>	<u>20,055</u>
Net tangible asset per share (RM)			
per ordinary share of RM0.10		0.09	
per ordinary share of RM1.00			0.32

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 half year ended 30 September 2003

Group	Share capital RM'000	Non Distributable Share premium RM'000	Translation reserve RM'000	Distributable Retained earnings RM'000	Total RM'000
At 1 April 2003	15,803	1,570	70	1,726	19,169
Issue of shares	7,255	10,865	-	-	18,120
Bonus issue	2,532	(2,532)	-	-	-
Listing expense	-	(1,758)	-	-	(1,758)
Exchange differences on translation of the financial statements of foreign entities	-	-	368	-	368
Net losses not recognised in the income statement	-	(1,758)	368	-	(1,390)
Net profit for the period	-	-	-	2,127	2,127
At 30 September 2003	<u>25,590</u>	<u>8,145</u>	<u>438</u>	<u>3,853</u>	<u>38,026</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 Statements

For the half year ended 30 September 2003

	30 Sep 2003 RM'000
Cash flows from operating activities	
Profit before taxation	2,253
Adjustments for:	
Non cash items	1,862
Non operating items	(54)
Operating profit before working capital changes	<u>4,061</u>
Net changes in current assets	(3,925)
Net changes in current liabilities	(3,387)
Cash generated from operations	<u>(3,251)</u>
Taxation paid	-
Net cash generated from/(used in) operating activities	<u>(3,251)</u> -----
Cash flows from investing activities	
Purchase of property, plant and equipment	(518)
Addition of software development expenditure	(2,998)
Interest received	54
Net cash used in investing activities	<u>(3,462)</u> -----
Cash flows from financing activities	
Proceed from issuance of share capital	18,120
Listing expenses	(1,758)
Net cash generated from financing activities	<u>16,362</u> -----
Net increase in cash and cash equivalents	9,649
Cash and cash equivalents at 1 April 2003	838
Effect of foreign exchange differences	389
Cash and cash equivalents at 30 September 2003	<u><u>10,876</u></u>

The unaudited Condensed Consolidated Statement 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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Part A – Explanatory Notes Pursuant to MASB 26

A1. Basis of Preparation.

The interim financial report is unaudited and is prepared in accordance with MASB 26 “Interim Financial Reporting” and Appendix 7A of the Listing Requirement of the Kuala Lumpur Stock Exchange for MESDAQ market, and should be read in conjunction with the Group’s annual audited financial statements for the period ended 31st March 2003.

The accounting policies and presentation adopted for the Interim financial report are consistent with those adopted for the annual financial statements for the period ended 31st March 2003.

A2. Auditors’ Report on Preceding Annual Financial Statements

The audit report of the preceding annual financial statements was not subject to any qualification.

A3. Comments About Seasonal or Cyclical Factors

The business of the Group is not affected by any significant seasonal or cyclical factors.

A4. Unusual Items Due to their Nature, Size or Incidence

There were no unusual items during the quarter.

A5. Changes in Estimates

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

A6. Debt and Equity Securities

Other than as disclosed in note B8, there were no issuances, cancellations, repurchases, resale and repayments of debt and equity securities during the quarter under review.

A7. Dividend Paid

No dividend was paid during the quarter under review.



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A8. Segmental Information

	Half year ended 30 September 2003			Consolidated RM'000
	Malaysia RM'000	Singapore RM'000	Eliminations RM'000	
<i>Geographical segments</i>				
Revenue from external customers	2,535	10,386	-	12,921
Total revenue	<u>2,535</u>	<u>10,386</u>	<u>-</u>	<u>12,921</u>
Segment result	<u>1,876</u>	<u>397</u>	<u>-</u>	<u>2,273</u>
Interest income				54
Interest expense				(74)
Profit before taxation				<u>2,253</u>
Taxation				(126)
Profit after taxation				<u>2,127</u>
Segment assets	22,837	33,282	(9,717)	46,402
Investment in subsidiaries	14,373	-	(14,373)	-
Segment liabilities	<u>232</u>	<u>17,861</u>	<u>(9,717)</u>	<u>8,376</u>
Capital expenditure	288	230	-	518
Depreciation and amortisation	24	1,838	-	1,862

A9. Valuation of Property, Plant and Equipment

The Company did not revalue any of its property, plant and equipment.

A10. Subsequent Events

There were no material events between 30th September 2003 and 12th November 2003 that have not been reflected in the financial statement for the quarter ended 30th September 2003.

A11. Changes in the Composition Of the Group

There were no changes in the composition of the Group during the quarter under review.



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A12. Contingent Liabilities

The Company has issued corporate guarantees to banks in respect of overdraft and bank guarantee facilities for its wholly owned subsidiaries amounting to approximately RM8.0 million. As at 12th November 2003, the actual utilisation of bank guarantee facilities is approximately RM1.2 million.



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Part B – Explanatory Notes Pursuant to Appendix 7A of the Listing Requirements of KLSE for MESDAQ Market

B1. Performance Review

The Group continued to register satisfactory performance for the current quarter on back of its strong order book. For the current quarter under review, the Group achieved consolidated revenue and profit before tax of approximately RM6.5 million and RM1.0 million respectively. For the half-year ended 30 September 2003, the Group's revenue and profit before tax amounted to approximately RM12.9 million and RM2.1 million respectively.

The Group ended the current second quarter with an order book of RM28.2 million as compared to RM18.0 million as at the end of immediate preceding quarter. The vast majority of the new orders were from the e-Government sector.

B2. Variation of Results against the Preceding Quarter

	Current Quarter 30 September 2003 RM'000	Preceding Quarter 30 June 2003 RM'000	Difference (%)
Revenue	6,505	6,416	1.4%
Profit before taxation	1,051	1,202	(12.6%)

The Group had registered a lower profit before tax in the current quarter as compared to the immediate preceding quarter due to slightly higher operating and overseas marketing cost.

B3. Commentary on current year prospects

Moving ahead, the Group will continue its focus on R&D and overseas sales & marketing effort. Barring unforeseen circumstances, the directors expect the performance for the financial year ending 31 March 2004 to be satisfactory.

B4. Profit Forecast and Profit Guarantee

The Company did not issue any profit forecast or profit guarantee.



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B5. Taxation

	Individual quarter ended 30 September		Cumulative quarter ended 30 September	
	2003 RM'000	2002 RM'000	2003 RM'000	2002 RM'000
Current taxation	14	-	14	-
Deferred taxation	28	-	112	-
	-----	-----	-----	-----
	42	-	126	-
	=====	=====	=====	=====

The current taxation charge is in respect of interest income. There is no taxation charge on the business sources of income as the Company was granted a Pioneer Status effective from 15th January 2003, which exempts 100% of the Company's statutory business income from taxation for a period of 5 years, with an option to extend a further period of another 5 years. The subsidiaries are not subject to income tax due to utilization of brought forward tax losses. However, this is subject to approval from the relevant tax authorities.

B6. Sale of Unquoted Investments and Properties

There were no sales of unquoted investment and properties during the quarter.

B7. Quoted and marketable securities

The Group does not have any investment in quoted securities.

B8. Status of Corporate Proposals

(a) Listing on the Mesdaq Market of the Kuala Lumpur Stock Exchange ("Public Issue")

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.

The Company was listed on the Mesdaq Market of the Kuala Lumpur Stock Exchange on 19th August 2003.



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(b) Status of utilisation of listing proceeds

The status of utilisation of the proceeds raised from the Public Issue pursuant to the listing of the Company on the Mesdaq Market of the Kuala Lumpur Stock Exchange ("KLSE") amounting to RM15.4 million is as follows:

Description	Proposed Utilisation	Actual Utilisation	Balance
	RM'000	As at 30 Sep 2003 RM'000	RM'000
(i) R & D expenditure	5,500	246	5,254
(ii) Proposed overseas projects/investment	1,850	-	1,850
(iii) Working capital	6,150	6,292	- #
(iv) Listing expenses	1,900	1,758	- #
	-----	-----	-----
	15,400	8,296	7,104
	=====	=====	=====

The balance of listing expenses will be utilised for working capital purpose.

B9. Group Borrowings and Debt Securities

The Company did not have any borrowings and debt securities as at 30th September 2003.

B10. Off Balance Sheet Financial Instruments

The Company does not have any financial instrument with off balance sheet risk.

B11. Material Litigation

The Company is not engaged in any material litigation either as plaintiff or defendant and the directors do not have any knowledge of any proceedings pending or threatened against the Group.

B12. Dividend

No dividend has been recommended for the quarter under review.



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B13. Earnings Per Share

The earnings per share was calculated by dividing the Company's profit after taxation by the weighted number of Ordinary Shares in the respective period as follows:-

	Individual quarter ended		Cumulative quarter ended	
	30 September 2003	2002	30 September 2003	2002
Net profit attributable to shareholders (RM'000)	1,009	-	2,127	-
Weighted average number of ordinary shares in issue during the period ('000)	215,405	-	206,027	-
Basic earnings per ordinary share (sen)	0.47	-	1.03	-
	=====	=====	=====	=====

By the Order of the Board

Loy Tuan Bee (BC/L/168)
Wong Wai Yin (MAICSA 7003000)
Secretaries
Kuala Lumpur

13th November 2003