



(Company No: 591898-H)

QUARTERLY REPORT

Unaudited Condensed Consolidated Income Statement

For the fourth quarter ended 31 March 2006

	Note	Individual Quarter ended		Cumulative Quarter ended	
		31 Mar 2006	31 Mar 2005	31 Mar 2006	31 Mar 2005
		RM'000	RM'000	RM'000	RM'000
Revenue	A8	3,039	1,424	14,679	10,171
Operating loss		(7,197)	(11,029)	(9,383)	(19,392)
Interest income		24	3	35	35
Interest expense		(206)	(77)	(476)	(311)
Loss before taxation	A8	(7,379)	(11,103)	(9,824)	(19,668)
Taxation	B5	(7)	1,171	(7)	1,164
Net loss for the period		(7,386)	(9,932)	(9,831)	(18,504)
Loss per ordinary share (sen)	B14	(2.63)	(3.88)	(3.67)	(7.23)

Note :

The unaudited Condensed Consolidated Income Statement should be read in conjunction with the annual audited financial statements for the year ended 31 March 2005.



(Company No: 591898-H)

Unaudited Condensed Consolidated Balance Sheet

	Note	As at End of Current Quarter 31 Mar 2006 RM'000	As at Preceding Financial Year Ended 31 Mar 2005 RM'000
Plant and equipment	A9	497	932
Intangible assets		23,257	24,211
Current assets			
Inventories		386	385
Contract work in progress		250	6,503
Trade and other receivable		8,345	4,207
Tax recoverable		12	18
Cash and cash equivalents		2,817	2,690
		11,810	13,803
Current liabilities			
Trade and other payables		13,341	10,996
Provision for taxation		-	-
Borrowings	B9	7,788	6,058
		21,129	17,054
Net Current Liabilities		(9,319)	(3,251)
		14,435	21,892
Financed by:			
Capital and reserves			
Share capital		28,090	25,590
Reserves		(13,655)	(3,698)
		14,435	21,892
Long term and deferred liabilities			
Deferred taxation		-	-
		14,435	21,892
Net tangible assets per share (RM)		(0.03)	(0.01)
Net assets per share (RM)		0.05	0.09

The unaudited Condensed Consolidated Balance Sheet should be read in conjunction with the annual audited financial statements for the year ended 31 March 2005.



(Company No: 591898-H)

Unaudited Condensed Consolidated Statement of Changes in Equity

For the period ended 31 March 2006

Group	Share capital	Non-Distributable Share premium	Translation reserve	Distributable Retained earnings/ (Accumulated Loss)	Total
	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 April 2005	25,590	8,145	1,917	(13,760)	21,892
Issued during the period	2,500	-	-	-	2,500
Items not recognized in the income statements					
- Exchange differences on translation of the financial statements of foreign entities	-	-	10	-	10
- Share issue expenses written off	-	(136)	-	-	(136)
Net profit for the period	-	-	-	(9,831)	(9,831)
At 31 December 2005	<u>28,090</u>	<u>8,009</u>	<u>1,927</u>	<u>(23,591)</u>	<u>14,435</u>

The unaudited Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the annual audited financial statements for the year ended 31 March 2005.



(Company No: 591898-H)

Unaudited Condensed Consolidated Cash Flow Statements

For the period ended 31 March 2006

	Year To Date ended 31 Mar 2006 RM'000	Year To Date ended 31 Mar 2005 RM'000
Loss before taxation	(9,824)	(19,668)
Adjustments for :-		
Non-cash items	9,179	9,144
Non-operating items	(35)	(35)
Operating profit before working capital changes	<u>(680)</u>	<u>(10,559)</u>
Net change in current assets	(1,680)	15,488
Net change in current liabilities	2,345	(1,139)
Tax paid	-	(18)
Net cash from operating activities	<u>(15)</u>	<u>3,772</u>
Investing activities		
Purchase of property, plant and equipment	(105)	(731)
Interest received	35	35
Addition of software development expenditure, net of grant	(3,891)	(13,731)
Net cash used in investing activities	<u>(3,961)</u>	<u>(14,427)</u>
Financing activities		
Proceeds from issuance of new shares	2,500	-
Shares issue expenses	(136)	-
Net cash generated in financing activities	<u>2,364</u>	<u>-</u>
Net changes in cash and cash equivalents	(1,612)	(10,655)
Cash and cash equivalents at beginning of financial year	(3,368)	6,536
Effect of exchange rate changes	9	751
Cash and cash equivalents at end of the financial period	<u>(4,971)</u>	<u>(3,368)</u>
Cash and cash equivalents at end of financial period comprise of:		
	31 Mar 2006	31 Mar 2005
Cash and cash equivalents	2,817	2,690
Bank overdraft/Short Term borrowing	(7,788)	(6,058)
Cash and cash equivalents at end of the financial period	<u>(4,971)</u>	<u>(3,368)</u>

The unaudited Condensed Consolidated Statement Cash Flow Statement should be read in conjunction with the annual audited financial statements for the year ended 31 March 2005.



(Company No: 591898-H)

Part A – Explanatory Notes Pursuant to MASB 26

A1. Basis of Preparation.

The interim financial report is unaudited and is prepared in accordance with FRS 134 “Interim Financial Reporting” and Appendix 7A of the Listing Requirements of Bursa Malaysia Securities Berhad for the MESDAQ market, and should be read in conjunction with the Group’s annual audited financial statements for the period ended 31st March 2005.

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 2005.

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

A detailed review on the intangible asset was carried out in the 4th quarter ended 31 March 2006. To better reflect the future economic benefits of the said intangible assets, the Group has decided to change the amortisation method to a straight-line method over a period of time (to the maximum of 15 years) in which the assets are expected to be sold or used. The effect on the current year is to decrease the current year amortisation expense by RM5.8million.

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.



(Company No: 591898-H)

A8. Segmental Information

	Period ended 31 March 2006			Consolidated RM'000
	Malaysia RM'000	Singapore RM'000	Eliminations RM'000	
<i>Geographical segments</i>				
External	343	14,336	-	14,679
Inter-segment	-	-	-	-
Total revenue	343	14,336	-	14,679
Segment result	(2,676)	(6,708)	-	(9,383)
Interest income				35
Interest expense				(476)
Loss before taxation				(9,824)
Taxation				(7)
Profit after taxation				(9,831)
Segment assets	22,588	10,670	(21,447)	11,810
Investment in subsidiaries	7,680	-	(7,680)	-
Segment liabilities	3,018	39,559	(21,447)	21,130
Capital expenditure	65	40	-	105
Depreciation and amortisation	143	2,840	-	2,983
Allowance for impairment on intangibles	-	2,402	-	2,402
Allowance for foreseeable loss on projects	524	3,270	-	3,794

A9. Valuation of Property, Plant and Equipment

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

A10. Subsequent Events

There were no material events between 1st April 2006 and 27th May 2006 that would be required to be reflected in the financial statement for the quarter ended 31st March 2006.

A11. Changes in the Composition Of the Group

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



(Company No: 591898-H)

Part B – Additional Information required by Bursa Malaysia Securities Berhad’s Listing Requirements

B1. Performance Review

The Group recorded revenue of RM3.0 million and loss before taxation of RM7.4 million for the current quarter under review compared to revenue of RM1.4 million and loss before taxation of RM11.1 million for the preceding year’s corresponding quarter period ended 31 March 2005. The higher revenue achieved was due to higher contribution from the Group’s existing order book. In line with the higher revenue recognized, the loss before taxation for the current quarter under review improved by 33% mainly due to lower operating loss arising from the higher revenue recognition from its existing order books and lower amortisation charge, though partly offset by the higher allowance for foreseeable loss of RM3.8 million and allowance for impairment of intangible assets of RM2.4million.

B2. Variation of Results against the Preceding Quarter

	Current Quarter 31 Mar 2006 RM’000	Preceding Quarter 31 Dec 2005 RM’000	Difference (%)
Revenue	3,039	2,839	7%
Loss before taxation	(7,379)	(2,749)	-168%

The revenue of RM3.0 million achieved in the current quarter under review was comparable to that achieved in the preceding quarter ended 31st December 2005. The Group recorded a loss before taxation of RM7.4 million as compared to a loss before taxation of \$2.7 million in the preceding quarter mainly due to additional allowance for foreseeable loss of RM3.8 million and allowance for impairment of intangible assets of RM2.4million.

The Group ended the current fourth quarter with an order book of RM12.8 million as compared to RM13.7 million as at the end of immediate preceding quarter. The majority of the order book consists of e-government contracts.

B3. Prospect

Due to a more focused approach to the business and cost control measures implemented, the Group had reduced the loss suffered in FY05/06 compared to that in FY04/05. Plans implemented had started to show results; the group had achieved a significant breakthrough in Brunei by securing a substantial contract which is expected to contribute positively to current year’s result and the Group had managed to significantly lower the monthly operating cost of the Group as compared to that a year ago.

Hence, the Group is cautiously optimistic that it will perform better in the coming financial year. The Group will continue its effort to improve its financial performance and position. These plans include marketing efforts to seek customers outside the traditional markets to



(Company No: 591898-H)

improve revenue, costs reduction exercises to improve efficiencies and fund raising exercises to ensure that the Group have sufficient financial resources for its operations. It should be noted however that the satisfactory outcome of these plans would, to a certain extent, be dependent on market forces and conditions, including but not limited to continued financial support from creditors and bankers, and the success of the Group's fund raising exercise.

B4. Profit Forecast and Profit Guarantee

The Group has not issued any profit forecast or profit guarantee.

B5. Taxation

	Individual quarter ended 31 March		Cumulative quarter ended 31 March	
	2006 RM'000	2005 RM'000	2006 RM'000	2005 RM'000
Current taxation (charge)/Write back	(7)	2	(7)	(5)
Write back of Deferred taxation charge	-	1,169	-	1,169
	-----	-----	-----	-----
Tax expenses (charge)/write back	(7)	1,171	(7)	1,164
	=====	=====	=====	=====

The taxation charge was in respect of interest income.

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) Proposed private placement

On 24 January 2006, the Company proposed to implement a private placement of up to 32,303,500 new ordinary shares of RM0.10 each in the Company, representing not more than ten percent (10%) of the issued and paid-up share capital of the Company, to investors to be identified ("Proposed Private Placement"). The Securities Commission had vide their letter dated 15 March 2006 approved the Proposed Private Placement. The Proposed Private Placement is currently pending implementation.



(Company No: 591898-H)

(b) Employee Share Option Scheme ("ESOS")

At an extraordinary general meeting on 28 September 2004, the Company's shareholders approved the establishment of a ten (10) year ESOS of up to thirty percent (30%) of the issued and paid-up capital of the Company, subject to a maximum entitlement of fifteen percent (15%) for the first five (5) years to eligible Directors and employees of the Group

On 20 March 2006, a total of 17,810,000 options had been issued to eligible employees of the Group. As at 31 March 2006, none of the options had been exercised.

B9. Group Borrowings and Debt Securities

The total borrowings of the Group as at 31 March 2006 are as follows:

	RM'000
Secured due within 12 months	
<i>Singapore Dollar bank overdraft/short term borrowing</i>	5,993
<i>Malaysian Ringgit bank overdraft/Short term borrowing</i>	1,795

	7,788
	=====

The bank overdrafts and short-term borrowings are secured by way of corporate guarantees and pledge of fixed deposits of approximately RM2,777,000 and certain account receivables.

B10. Off Balance Sheet Financial Instruments

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

B11. Material Litigation

The Group 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.



(Company No: 591898-H)

B13. Related party transactions

**Cumulative quarter ended
31 March 2006
RM'000**

With a company in which Mr. Chan Wing Kong, a Director, has or deemed to have a substantial interest:

PT novaSPRINT.com	
Revenue from consultancy services rendered	249
novaC2R Pte Ltd	
Purchase of scanning services	306

B14. Loss Per Share

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

	Individual quarter ended		Cumulative quarter ended	
	31 March		31 March	
	2006	2005	2006	2005
Loss attributable to shareholders (RM'000)	(7,386)	(9,932)	(9,831)	(18,504)
Weighted average number of ordinary shares in issue during the period ('000)	280,900	255,900	268,015	255,900
Basic loss per ordinary share (sen)	(2.63)	(3.88)	(3.67)	(7.23)
	=====	=====	=====	=====

By the Order of the Board

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

27th May 2006