



(Company No: 591898-H)

QUARTERLY REPORT

Unaudited Condensed Consolidated Income Statement

For the second quarter ended 30 September 2006

Group	Individual Quarter ended		Cumulative Quarter ended	
	Unaudited 30 Sep 2006 RM'000	Unaudited 30 Sep 2005 RM'000	Unaudited 30 Sep 2006 RM'000	Unaudited 30 Sep 2005 RM'000
Revenue	4,013	4,360	8,339	8,801
Depreciation and amortization	(1,003)	(612)	(1,988)	(1,183)
Share option expenses	(130)	-	(441)	-
Other operating expenses	(2,802)	(3,485)	(6,223)	(7,140)
Interest expenses	(142)	(70)	(254)	(175)
Interest income	5	5	19	7
(Loss)/Profit before taxation	(59)	198	(548)	310
Tax expense	-	-	-	-
Net (loss)/profit for the period	(59)	198	(548)	310
(Loss)/Earnings per ordinary share (sen):				
- Basic	(0.02)	0.08	(0.19)	0.12
- Diluted	N.M.	N.A.	N.M.	N.A.

Note :

The unaudited Condensed Consolidated Income Statement should be read in conjunction with the annual audited financial statements for the year ended 31 March 2006 and the accompanying explanatory notes attached to the interim financial statements.



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Unaudited Condensed Consolidated Balance Sheet

Group	Unaudited 30 September 2006 RM'000	Audited 31 March 2006 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	292	497
Intangible assets	22,006	23,257
	<u>22,298</u>	<u>23,754</u>
Current assets		
Inventories	393	386
Contract work in progress	2,391	250
Trade and other receivables	3,879	8,346
Tax recoverable	3	12
Cash and cash equivalents	2,596	2,817
	<u>9,262</u>	<u>11,811</u>
TOTAL ASSETS	<u>31,560</u>	<u>35,565</u>
EQUITY & LIABILITIES		
Equity and reserves		
Share capital	29,902	28,090
Reserves	(13,384)	(13,640)
Total equity	<u>16,518</u>	<u>14,450</u>
Current liabilities		
Trade and other payables	9,162	13,327
Borrowings	5,880	7,788
	<u>15,042</u>	<u>21,115</u>
Total liabilities	<u>15,042</u>	<u>21,115</u>
TOTAL EQUITY AND LIABILITIES	<u>31,560</u>	<u>35,565</u>
Net tangible assets per share (RM)	(0.02)	(0.03)
Net assets per share (RM)	<u>0.06</u>	<u>0.05</u>

The unaudited Condensed Consolidated Balance Sheet should be read in conjunction with the annual audited financial statements for the year ended 31 March 2006 and the accompanying explanatory notes attached to the interim financial statements.



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Unaudited Condensed Consolidated Statement of Changes in Equity

For the period ended 30 September 2006

Group	----- Reserves -----					Total
	Share Capital	Share premium	Equity Compensation Reserves	Translation reserve	Distributable Accumulated loss	
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 April 2006	28,090	8,009	-	1,927	(23,576)	14,450
Issuance of new shares	1,812	66	-	-	-	1,878
Exchange differences on translation of the financial statements of foreign entity	-	-	-	307	-	307
Shares issues expenses written off	-	(10)	-	-	-	(10)
Net gain not recognized in the income statement	-	(10)	-	307	-	297
Employee Stock Option - Value of Employee services	-	-	441	-	-	441
Net loss for the period	-	-	-	-	(548)	(548)
At 30 September 2006	29,902	8,065	441	2,234	(24,124)	16,518
At 1 April 2005	25,590	8,145	-	1,917	(13,760)	21,892
Issuance of new shares	1,500	-	-	-	-	1,500
Exchange differences on translation of the financial statements of foreign entity	-	-	-	(676)	-	(676)
Shares issues expenses written off	-	(83)	-	-	-	(83)
Net loss not recognized in the income statement	-	(83)	-	(676)	-	(759)
Net profit for the period	-	-	-	-	310	310
At 30 September 2005	27,090	8,062	-	1,241	(13,450)	22,943

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 2006 and the accompanying explanatory notes attached to the interim financial statements.



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Unaudited Condensed Consolidated Cash Flow Statements

For the period ended 30 September 2006

Group	Year To Date ended	Year To Date ended
	30 Sep 2006 RM'000	30 Sep 2005 RM'000
(Loss)/Profit before taxation	(548)	310
Adjustments for :-		
Non-cash items	2,429	1,183
Non-operating items	(19)	(7)
Operating profit before working capital changes	1,862	1,486
Net change in current assets	2,319	(991)
Net change in current liabilities	(4,165)	500
Tax recovered/(paid)	7	-
Net cash from operating activities	23	995
Investing activities		
Purchase of property, plant and equipment	(28)	(17)
Interest received	19	7
Addition of software development expenditure, net of grant	(838)	(1,986)
Net cash used in investing activities	(847)	(1,996)
Financing activities		
Proceeds from issuance of new shares	1,878	1,500
Shares issue expenses	(10)	(83)
Increase in pledged deposits with bank	(121)	
Proceed/(Repayment) of short term borrowing	(394)	-
Net cash generated in financing activities	1,353	1,417
Net changes in cash and cash equivalents	529	416
Cash and cash equivalents at beginning of financial year	(3,494)	(3,368)
Effect of exchange rate changes	643	(676)
Cash and cash equivalents at end of the financial period	(2,322)	(3,628)
Cash and cash equivalents at end of financial period comprise of:		
Cash and cash equivalents (excluding pledged deposits with bank)	500	2,078
Bank overdraft	(2,822)	(5,706)
Cash and cash equivalents at end of the financial period	(2,322)	(3,628)

The unaudited Condensed Consolidated Cash Flow Statement should be read in conjunction with the annual audited financial statements for the year ended 31 March 2006 and the accompanying explanatory notes attached to the interim financial statements.



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Part A – Explanatory Notes Pursuant to FRS 134

A1. Basis of Preparation.

The interim financial report is unaudited and has been prepared in compliance with FRS134 Interim Financial Reporting and should be read in conjunction with the audited financial statements of the Group for the year ended 31 March 2006.

The accounting policies and methods of computation adopted by the Group in this interim financial report are consistent with those adopted in the audited financial statements for the year ended 31 March 2006, except that the Group has adopted the applicable new/revised Financial Reporting Standards (FRS) for the financial year beginning 1 April 2006.

A summary of the principal impact on the Group's accounting policies resulting from the adoption of new or revised standards is as follows:

FRS 2

The adoption of FRS 2 has resulted in a change in the accounting policy for share-based payments.

The Company has Employees' Share Option Scheme (ESOS) whereby share options are granted to eligible employees.

Prior to 1 April 2006, share options granted to employees were not recognised as compensation expense in the income statement. Following the adoption of FRS 2, the fair value of the employee services received in exchange for the grant of the options is recognised as an expense in the income statement. The total amount to be expensed over the vesting period is determined by reference to the fair value of the options granted, excluding the impact of any non-market vesting conditions. Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable. At each balance sheet date, the entity revises its estimates of the number of options that are expected to become exercisable. It recognises the impact of the revision of original estimates, if any, in the income statement, and a corresponding adjustment to equity over the remaining vesting period. For ESOS of the Company granted to the employees of subsidiaries, the expense will be recognised in the subsidiaries financial statements over the vesting period.

The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium when the options are exercised.

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.



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

There were no unusual items during the quarter.

A5. Changes in Estimates

There are no changes in the estimates of amount 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.

A8. Segmental Information

	Period ended 30 September 2006			
	Malaysia RM'000	Singapore RM'000	Eliminations RM'000	Consolidated RM'000
<i>Geographical segments</i>				
External	269	8,070	-	8,339
Inter-segment	-	-	-	-
Total revenue	269	8,070	-	8,339
Segment result	(530)	217	-	(313)
Interest income				19
Interest expense				(254)
Loss before taxation				(548)
Taxation				-
Loss after taxation				(548)
Segment assets	20,674	30,488	(19,602)	31,560
Segment liabilities	2,720	31,924	(19,602)	15,042
Capital expenditure	11	17	-	28
Depreciation and amortisation	57	1,932	-	1,988



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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 October 2006 and 28th November 2006 that would be required to be reflected in the financial statement for the quarter ended 30th September 2006.

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

B1. Performance Review

In the current quarter under review, the Group recorded a revenue of RM4.0 million and loss before taxation of RM0.1 million as compared to revenue of RM4.4 million and profit before taxation of RM0.2 million for the preceding year's corresponding quarter period ended 30th September 2005. The higher loss before taxation incurred for the current quarter under review was mainly due to higher amortisation charge and share option expenses incurred though partly offset by write back of excess provision for project foreseeable losses and allowance for doubtful debt.

B2. Variation of Results against the Preceding Quarter

	Current Quarter 30 Sep 2006 RM'000	Preceding Quarter 30 Jun 2006 RM'000	Difference (%)
Revenue	4,013	4,325	(7%)
Loss before taxation	(59)	(489)	88%

The revenue of RM4.0 million achieved in the current quarter under review was lower than that achieved in the preceding quarter ended 30th June 2006 due to lower consultancy revenue. The Group recorded a lower loss before taxation of RM0.1 million as compared to a loss before taxation of RM0.5 million in the preceding quarter mainly due to write back of excess allowance for doubtful debt of RM0.2 million and provision for project foreseeable loss of RM0.2 million.

The Group ended the current second quarter with an order book of RM21.5 million as compared to RM24.8 million as at the end of immediate preceding quarter. The majority of the order book consists of e-government contracts.

B3. Prospect

The Group will continue its conscious effort to improve its operating performance for the current financial year. Efforts taken since the last financial year are beginning to show results. Nevertheless, the cashflow position remains tight. Further improvement of the financial results and position would require the continued support from the bankers, creditors and the ability of the Group to raise additional funds in the future.

B4. Profit Forecast and Profit Guarantee

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



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B5. Taxation

	Individual quarter ended 30 September		Cumulative quarter ended 30 September	
	2006 RM'000	2005 RM'000	2006 RM'000	2005 RM'000
Current taxation (charge)/Write back	-	-	-	-
Write back of Deferred taxation charge	-	-	-	-
	-----	-----	-----	-----
Tax expenses (charge)/write back	-	-	-	-
	=====	=====	=====	=====

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) 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. On 21 June 2006, a total of 7,300,000 options had been issued to eligible Directors of the Group. On 30 August 2006, a total of 960,000 options had been issued to eligible employees of the Group. As at 30 September 2006, a total of 5,115,000 options had been exercised.

(b) 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



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had vide their letter dated 15 March 2006 approved the Proposed Private Placement. The Proposed Private Placement is currently pending implementation.

Additional 13,000,000 new ordinary shares of RM0.10 each issued at RM0.107 per share, being a portion of the Private Placement, was granted listing and quotation with effect from 9.00 a.m., Tuesday, 8 August 2006. The proceeds of approximately RM1.4 million raised from the said placement had been fully utilized in the working capital of the Group as at date of this report.

B9. Group Borrowings and Debt Securities

The total borrowings of the Group as at 30 September 2006 are as follows:

	RM'0()
Secured due within 12 months	
<i>Bank overdraft</i>	2,822
<i>Short term borrowing</i>	2,023
<i>Revolving credit</i>	1,000

	5,845
	=====

The borrowings are secured by way of corporate guarantees and pledge of fixed deposits of approximately RM2,096,000 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.



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B13. Related party transactions

**Cumulative quarter ended
30 September 2006
RM'000**

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

novaC2R Pte Ltd	
Purchase of scanning services	734

B14. Loss Per Share

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current year quarter 30 Sep 2006	Preceding year corresponding quarter 30 Sep 2005	Current year to date 30 Sep 2006	Preceding year corresponding period 30 Sep 2005
(a) Basic earnings per share				
Net (loss)/profit attributable to shareholders (RM '000)	(59)	198	(548)	310
Weighted average number of ordinary shares ('000)	293,586	263,482	289,106	259,691
Basic earnings per share (sen)	(0.02)	0.08	(0.19)	0.12

(b) Diluted earnings per share

Diluted earning per share was not calculated as the outstanding ESOS options were considered to be anti-dilutive.

By the Order of the Board

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

28th November 2006