



(Company No: 591898-H)

QUARTERLY REPORT

Unaudited Condensed Consolidated Income Statement

For the fourth quarter ended 31 March 2007

Group	Individual Quarter ended		Cumulative Quarter ended	
	Unaudited 31 Mar 2007 RM'000	Unaudited 31 Mar 2006 RM'000	Unaudited 31 Mar 2007 RM'000	Unaudited 31 Mar 2006 RM'000
Revenue	4,296	3,039	17,721	14,679
Depreciation and amortization	(1,165)	(676)	(4,065)	(8,799)
Share option expenses	(103)	-	(647)	-
Impairment loss on intangible asset	-	(2,402)	-	(2,402)
Write back of impairment loss on intangible asset	1,791	-	1,791	-
Other operating expenses	(3,673)	(7,158)	(13,888)	(12,847)
Interest expenses	(78)	(206)	(401)	(476)
Interest income	21	24	41	35
Profit/(loss) before taxation	1,089	(7,379)	552	(9,809)
Tax expense	(5)	(7)	(5)	(7)
Net profit/(loss) for the period	1,084	(7,386)	547	(9,816)
(Loss)/Earnings per ordinary share (sen):				
- Basic	0.36	(2.63)	0.19	(3.66)
- Diluted	0.35	N.A.	0.18	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 31 March 2007 RM'000	Audited 31 March 2006 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	178	497
Intangible assets	23,779	23,257
	<u>23,957</u>	<u>23,754</u>
Current assets		
Inventories	383	386
Contract work in progress	995	250
Trade and other receivables	4,368	8,346
Tax recoverable	1	12
Cash and cash equivalents	2,261	2,817
	<u>8,008</u>	<u>11,811</u>
TOTAL ASSETS	<u>31,965</u>	<u>35,565</u>
EQUITY & LIABILITIES		
Equity and reserves		
Share capital	30,577	28,090
Reserves	(12,604)	(13,640)
Total equity	<u>17,973</u>	<u>14,450</u>
Current liabilities		
Trade and other payables	11,288	13,327
Borrowings	2,704	7,788
	<u>13,992</u>	<u>21,115</u>
Total liabilities	<u>13,992</u>	<u>21,115</u>
TOTAL EQUITY AND LIABILITIES	<u>31,965</u>	<u>35,565</u>
Net tangible assets per share (RM)	(0.02)	(0.03)
Net assets per share (RM)	<u>0.05</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 31 March 2007

Group	Reserves					Total RM'000
	Share Capital RM'000	Share premium RM'000	Equity Compensation Reserves RM'000	Translation reserve RM'000	Distributable Accumulated loss RM'000	
At 1 April 2006	28,090	8,009	-	1,927	(23,576)	14,450
Issuance of new shares	2,487	66	-	-	-	2,553
Exchange differences on translation of the financial statements of foreign entity	-	-	-	(183)	-	(183)
Shares issues expenses written off	-	(41)	-	-	-	(41)
Net gain not recognized in the income statement	-	(41)	-	(183)	-	(224)
Employee Stock Option - Value of Employee services	-	-	647	-	-	647
Net profit for the period	-	-	-	-	547	547
At 31 March 2007	30,577	8,034	647	1,744	(23,029)	17,973
At 1 April 2005	25,590	8,145	-	1,917	(13,760)	21,892
Issuance of new shares	2,500	-	-	-	-	2,500
Exchange differences on translation of the financial statements of foreign entity	-	-	-	10	-	10
Shares issues expenses written off	-	(136)	-	-	-	(136)
Net loss not recognized in the income statement	-	(136)	-	10	-	(126)
Net loss for the period	-	-	-	-	(9,816)	(9,816)
At 31 March 2006	28,090	8,009	-	1,927	(23,576)	14,450

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 31 March 2007

Group	Year To Date ended	Year To Date ended
	31 Mar 2007 RM'000	31 Mar 2006 RM'000
Profit/(Loss) before taxation	552	(9,809)
Adjustments for :-		
Non-cash items	2,921	6,606
Non-operating items	(41)	(35)
Operating profit before working capital changes	3,432	(3,238)
Net change in current assets	3,235	4,741
Net change in current liabilities	(2,040)	(296)
Tax recovered/(paid)	6	-
Net cash from operating activities	4,633	1,207
Investing activities		
Purchase of property, plant and equipment	(46)	(103)
Interest received	41	35
Addition of software development expenditure, net of grant	(2,565)	(5,083)
Net cash used in investing activities	(2,570)	(5,151)
Financing activities		
Proceeds from issuance of new shares	2,553	2,500
Shares issue expenses	(41)	(136)
Decrease in pledged deposits with bank	919	685
Proceed/(Repayment) of short term borrowing	(1,853)	3,452
Net cash generated in financing activities	1,578	6,501
Net changes in cash and cash equivalents	3,641	2,557
Cash and cash equivalents at beginning of financial year	(3,494)	(6,028)
Effect of exchange rate changes	(47)	(23)
Cash and cash equivalents at end of the financial period	100	(3,494)
Cash and cash equivalents at end of financial period comprise of:		
Cash and cash equivalents (excluding pledged deposits with bank)	1,205	842
Bank overdraft	(1,105)	(4,336)
Cash and cash equivalents at end of the financial period	100	(3,494)

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 31 March 2007			
	Malaysia RM'000	Singapore/Brunei RM'000	Eliminations RM'000	Consolidated RM'000
<i>Geographical segments</i>				
External	705	17,016	-	17,721
Inter-segment	-	-	-	-
Total revenue	705	17,016	-	17,721
Segment result	(1,054)	1,966	-	912
Interest income				41
Interest expense				(401)
Loss before taxation				552
Taxation				(5)
Loss after taxation				547
Segment assets	20,751	30,910	(19,696)	31,965
Segment liabilities	2,690	30,997	(19,696)	13,991
Capital expenditure	17	29	-	46
Depreciation and amortisation	79	3,986	-	4,065



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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 April 2007 and 29th May 2007 that would be required to be reflected in the financial statement for the quarter ended 31st March 2007.

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

For the quarter under review, the Group recorded revenue of approximately RM4.3 million. The significant increase as compared to revenue of approximately RM3.0 million for the preceding year’s corresponding quarter ended 31st March 2006 was mainly due to higher completion of projects from its existing order book.

Profit before taxation for the current quarter was RM1.1 million as compared to the loss before taxation of RM7.4 million for the preceding year’s corresponding quarter. The improvement was mainly due to higher revenue achieved coupled with a write back of impairment loss on intangible asset of RM1.8 million and bad debt recovered of RM0.4 million.

B2. Variation of Results against the Preceding Quarter

	Current Quarter 31 Mar 2007 RM’000	Preceding Quarter 31 Dec 2006 RM’000	Difference (%)
Revenue	4,296	5,086	-16%
Profit before taxation	1,089	12	8,975%

The revenue of approximately RM4.3 million achieved in the current quarter under review was lower than that achieved in the preceding quarter ended 31 December 2006 due to lower delivery of hardware from the Group’s existing order books. The Group recorded a profit before taxation of RM1.1 million as compared to a profit before taxation of approximately RM0.01 million in the preceding quarter mainly due to write-back of impairment loss on intangible asset of RM1.8 million though partly offset by higher amortization and staff cost.

The Group ended the current fourth quarter with an order book of RM16.6 million as compared to RM20.6 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 efforts to improve its operating performance and marketing in overseas markets for the next financial year.

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 31 March		Cumulative quarter ended 31 March	
	2007 RM'000	2006 RM'000	2007 RM'000	2006 RM'000
Current taxation (charge)/Write back	(5)	-	(5)	-
Write back of Deferred taxation charge	-	-	-	-
	-----	-----	-----	-----
Tax expenses (charge)/write back	(5)	-	(5)	-
	=====	=====	=====	=====

The Company was granted Multimedia Super Corridor ("MSC") status on 29 October 2002. By virtue of this status, the Company obtained its pioneer status incentive which includes five year exemption on statutory business income under Section 127 of the Income Tax Act, 1967 which expires in January 2008.

A reconciliation of tax applicable to the profit/(loss) before taxation at the statutory tax rates to current year's tax expense of the Group is as follows:-

	GROUP	
	2007 RM '000	2006 RM '000
Profit/(Loss) before taxation	552	(9,809)
Income tax using Malaysian tax rate	149	(2,747)
Tax effect of:		
Different tax rates in foreign jurisdictions	(135)	564
Non-deductible expenses	19	91
Deferred tax benefit not recognized	289	2,070
Subsidiaries deferred tax benefit utilized	(325)	-
Others	8	29
	5	7

B6. Sale of Unquoted Investments and Properties

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



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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 31 March 2007, a total of 11,865,000 options had been exercised.

(b) Private Placement Proposed private placement

On 5 March 2007, the Company proposed to implement a private placement of up to 34,517,825 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 27 March 2007 approved the Proposed Private Placement.

On 10 May 2007, additional 17,000,000 new ordinary shares of RM0.10 each issued at RM0.117 per share, being the first tranche of the Private Placement, was granted listing and quotation. The proceeds of approximately RM1.98 million had been fully utilized as the working capital of the Group as to date.



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B9. Group Borrowings and Debt Securities

The total borrowings of the Group as at 31 March 2007 are as follows:

	RM'000
Secured due within 12 months	
<i>Bank overdraft</i>	1,105
<i>Short term borrowing</i>	599
<i>Revolving credit</i>	1,000

	2,704
	=====

The borrowings are secured by way of corporate guarantees and pledge of fixed deposits of approximately RM1,056,000 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.

B13. Related party transactions

**Cumulative quarter ended
31 March 2007
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



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B14. Earning/(Loss) Per Share

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current year quarter	Preceding year corresponding quarter	Current year to date	Preceding year corresponding period
	31 Mar 2007	31 Mar 2006	31 Mar 2007	31 Mar 2006
(a) Basic earnings per share				
Net profit/(loss) attributable to shareholders (RM'000)	1,084	(7,386)	547	(9,816)
Weighted average number of ordinary shares ('000)	299,633	280,900	294,226	268,015
Basic earnings per share (sen)	0.36	(2.63)	0.19	(3.67)
(b) Diluted earnings per share				
Net profit/(loss) attributable to shareholders (RM'000)	1,084	(7,386)	547	(9,816)
Weighted average number of ordinary shares ('000)	299,633	280,900	294,226	268,015
Effect of dilution on share options ('000)	14,205	-	12,924	-
Adjusted weighted average number of ordinary shares in issues (diluted) ('000)	313,838	280,900	307,150	268,015
Basic earnings per share (sen)	0.35	(2.63)	0.18	(3.67)

By the Order of the Board

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

29th May 2007