



(Company No: 591898-H)

QUARTERLY REPORT

Unaudited Condensed Consolidated Income Statement

For the first quarter ended 30 June 2007

Group	Individual Quarter ended		Cumulative Quarter ended	
	Unaudited 30 Jun 2007 RM'000	Unaudited 30 Jun 2006 RM'000	Unaudited 30 Jun 2007 RM'000	Unaudited 30 Jun 2006 RM'000
Revenue	4,289	4,325	4,289	4,325
Depreciation and amortization	(989)	(985)	(989)	(985)
Share option expenses	(113)	(311)	(113)	(311)
Other operating expenses	(3,022)	(3,420)	(3,022)	(3,420)
Interest expenses	(57)	(112)	(57)	(112)
Interest income	-	14	-	14
Profit/(loss) before taxation	108	(489)	108	(489)
Tax expense	-	-	-	-
Net profit/(loss) for the period	108	(489)	108	(489)
(Loss)/Earnings per ordinary share (sen):				
- Basic	0.03	(0.17)	0.03	(0.17)
- Diluted	0.03	(0.16)	0.03	(0.16)

Note :

The unaudited Condensed Consolidated Income Statement should be read in conjunction with the annual audited financial statements for the year ended 31 March 2007 and the accompanying explanatory notes attached to the interim financial statements.



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Unaudited Condensed Consolidated Balance Sheet

Group	Unaudited 30 June 2007 RM'000	Audited 31 March 2007 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	151	178
Intangible assets	23,693	23,779
	<u>23,844</u>	<u>23,957</u>
Current assets		
Inventories	380	383
Contract work in progress	1,652	995
Trade and other receivables	4,372	4,368
Tax recoverable	3	1
Cash and cash equivalents	2,204	2,261
	<u>8,611</u>	<u>8,008</u>
TOTAL ASSETS	<u>32,455</u>	<u>31,965</u>
EQUITY & LIABILITIES		
Equity and reserves		
Share capital	32,277	30,577
Reserves	(12,347)	(12,604)
Total equity	<u>19,930</u>	<u>17,973</u>
Current liabilities		
Trade and other payables	9,197	11,288
Borrowings	3,328	2,704
	<u>12,525</u>	<u>13,992</u>
Total liabilities	<u>12,525</u>	<u>13,992</u>
TOTAL EQUITY AND LIABILITIES	<u>32,455</u>	<u>31,965</u>
Net tangible assets per share (RM)	(0.01)	(0.02)
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 2007 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 June 2007

Group	Reserves					Total RM'000
	Share Capital RM'000	Share premium RM'000	Equity Compensation Reserves RM'000	Translation reserve RM'000	Accumulated loss RM'000	
At 1 April 2007	30,577	8,370	311	1,744	(23,029)	17,973
Issuance of new shares	1,700	289	-	-	-	1,989
Exchange differences on translation of the financial statements of foreign entity	-	-	-	(175)	-	(175)
Shares issues expenses written off	-	(76)	-	-	-	(76)
Net gain not recognized in the income statement	-	(76)	-	(175)	-	(251)
Employee Stock Option - Value of Employee services	-	-	113	-	-	113
Net profit for the period	-	-	-	-	108	108
At 30 June 2007	32,277	8,583	424	1,567	(22,921)	19,930
At 1 April 2006	28,090	8,009	-	1,927	(23,576)	14,450
Issuance of new shares -exercise of stock options	512	-	-	-	-	512
Exchange differences on translation of the financial statements of foreign entity	-	-	-	34	-	34
Shares issues expenses written off	-	(10)	-	-	-	(10)
Net loss not recognized in the income statement	-	(10)	-	34	-	24
Employee Stock Option - Value of Employee services	-	-	311	-	-	311
Net loss for the period	-	-	-	-	(489)	(489)
At 30 June 2007	28,602	7,999	311	1,961	(24,065)	14,808

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 2007 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 June 2007

Group	Year To Date ended	Year To Date ended
	30 June 2007 RM'000	30 Jun 2006 RM'000
Profit/(Loss) before taxation	108	(489)
Adjustments for :-		
Non-cash items	1,102	1,296
Non-operating items	-	(14)
Operating profit before working capital changes	1,210	793
Net change in current assets	(659)	2,526
Net change in current liabilities	(2,091)	(2,130)
Tax recovered/(paid)	(2)	(1)
Net cash from operating activities	(1,542)	1,188
Investing activities		
Purchase of property, plant and equipment	(46)	(12)
Interest received	-	14
Addition of software development expenditure, net of grant	(1,040)	(737)
Net cash used in investing activities	(1,086)	(735)
Financing activities		
Proceeds from issuance of new shares	1,989	512
Shares issue expenses	(76)	(10)
Decrease/(increase) in pledged deposits with bank	-	(370)
Proceed/(Repayment) of short term borrowing	(462)	(1,014)
Net cash generated in financing activities	1,451	(882)
Net changes in cash and cash equivalents	(1,177)	429
Cash and cash equivalents at beginning of financial year	100	(3,494)
Effect of exchange rate changes	34	33
Cash and cash equivalents at end of the financial period	(1,043)	(3,890)
Cash and cash equivalents at end of financial period comprise of:		
Cash and cash equivalents (excluding pledged deposits with bank)	1,148	36
Bank overdraft	(2,191)	(3,926)
Cash and cash equivalents at end of the financial period	(1,043)	(3,890)

The unaudited Condensed Consolidated Cash Flow Statement should be read in conjunction with the annual audited financial statements for the year ended 31 March 2007 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 2007.

The accounting policies and methods of computation adopted by the Group in this interim financial report are consistent with those adopted in the annual financial statements for the year ended 31st March 2007 except for the adoption of the following new/revised Financial Reporting Standards (FRS) issued by MASB that are effective for the Group's annual reporting date, 31st March 2008:-

FRS 117	Leases
FRS 124	Related Party Disclosures

The adoption of the above FRSs does not have any financial impact on the Group.

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 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.



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A8. Segmental Information

	Period ended 30 June 2007			
	Malaysia RM'000	Overseas RM'000	Eliminations RM'000	Consolidated RM'000
<i>Geographical segments</i>				
External	432	3,858	-	4,289
Inter-segment	-	-	-	-
Total revenue	432	3,858	-	4,289
Segment result	(124)	289	-	165
Interest income				-
Interest expense				(57)
Profit before taxation				108
Taxation				-
Loss after taxation				108
Segment assets	22,460	31,113	(21,117)	32,455
Segment liabilities	2,612	31,031	(21,117)	12,525
Capital expenditure	25	21	-	46
Depreciation and amortisation	10	979	-	989

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 July 2007 and 28th August 2007 that would be required to be reflected in the financial statement for the quarter ended 30th June 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, which was comparable to the revenue recorded for the preceding year’s corresponding quarter ended 30th June 2006.

Profit before taxation for the current quarter was RM0.1 million as compared to the loss before taxation of approximately RM0.5 million for the preceding year’s corresponding quarter. The improvement was mainly due to lower stock option expenses and higher margin achieved from the existing order book.

B2. Variation of Results against the Preceding Quarter

	Current Quarter 30 Jun 2007 RM’000	Preceding Quarter 31 Mar 2007 RM’000	Difference (%)
Revenue	4,289	4,296	-
Profit before taxation	108	1,089	(90%)

The revenue of approximately RM4.3 million achieved in the current quarter under review was comparable that achieved in the preceding quarter ended 31 March 2007. The Group recorded a profit before taxation of RM0.1 million as compared to a profit before taxation of approximately RM1.1 million in the preceding quarter as there was write-back of impairment loss on intangible asset and doubtful debt in the preceding quarter.

The Group ended the current first quarter with an order book of RM21.8 million as compared to RM16.6 million as at the end of immediate preceding quarter. The majority of the order book consists of e-government contracts.

B3. Prospect

The Group has achieved two quarters of positive EBITDA and the order book has increased from the preceding quarter. Hence, the Group expects the performance for the current financial year to be sustained.

The Group will continue its efforts to improve its operating performance and marketing in overseas markets.

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 June		Cumulative quarter ended 30 June	
	2007 RM'000	2006 RM'000	2007 RM'000	2006 RM'000
Current taxation (charge)/Write back	(31)	-	(31)	-
Write back of Deferred taxation charge	31	-	31	-
	-----	-----	-----	-----
Tax expenses (charge)/write back	-	-	-	-
	=====	=====	=====	=====

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.

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. On 15 June 2007, another 8,440,000 options had been granted to eligible employees of the Group. As at 30 June 2007, a total of 11,865,000 options had been exercised.



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(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 (“Private Placement”). The Securities Commission had vide their letter dated 27 March 2007 approved the 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.

On 27 August 2007, the Board announced that it had fixed the issue price for the second tranche of shares to be issued pursuant to the Private Placement at RM0.10 for every new ordinary share of RM0.10 each. The issue price of RM0.10 represents a premium of approximately 8.81% from RM0.0919, being the five (5) days weighted average market price of the Company’s shares up to and including 24 August 2007.

B9. Group Borrowings and Debt Securities

The total borrowings of the Group as at 30 June 2007 are as follows:

	RM'000
Secured due within 12 months	
<i>Bank overdraft</i>	2,191
<i>Short term borrowing</i>	137
<i>Revolving credit</i>	1,000

	3,328
	=====

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.



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B12. Dividend

No dividend has been recommended for the quarter under review.

B13. Earning/(Loss) Per Share

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current year quarter 30 Jun 2007	Preceding year corresponding quarter 30 Jun 2006	Current year to date 30 Jun 2007	Preceding year corresponding period 30 Jun 2006
(a) Basic earnings per share				
Net profit/(loss) attributable to shareholders (RM'000)	108	(489)	108	(489)
Weighted average number of ordinary shares ('000)	315,479	284,610	315,479	284,610
Basic earnings per share (sen)	0.03	(0.17)	0.03	(0.17)
(b) Diluted earnings per share				
Net profit/(loss) attributable to shareholders (RM'000)	108	(489)	108	(489)
Weighted average number of ordinary shares ('000)	315,479	284,160	315,479	284,160
Effect of dilution on stock options ('000)	15,689	19,995	15,689	19,995
Adjusted weighted average number of ordinary shares in issues (diluted) ('000)	331,168	304,605	331,168	304,605
Basic earnings per share (sen)	0.03	(0.16)	0.03	(0.16)

By the Order of the Board

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

28th August 2007