



(Company No: 591898-H)

QUARTERLY REPORT

Unaudited Condensed Consolidated Income Statement

For the first quarter ended 30 June 2008

Group	Individual Quarter ended		Cumulative Quarter ended	
	Unaudited 30 Jun 2008 RM'000	Unaudited 30 Jun 2007 RM'000	Unaudited 30 Jun 2008 RM'000	Unaudited 30 Jun 2007 RM'000
Revenue	5,231	4,289	5,231	4,289
Depreciation and amortization	(995)	(989)	(995)	(989)
Share option expenses	(86)	(113)	(86)	(113)
Other operating expenses	(3,723)	(3,022)	(3,723)	(3,022)
Interest expenses	(64)	(57)	(64)	(57)
Interest income	1	-	1	-
Profit/before taxation	364	108	364	108
Tax expense	-	-	-	-
Net profit for the period	364	108	364	108
Earnings per ordinary share (sen):				
- Basic	0.11	0.03	0.11	0.03
- Diluted	0.10	0.03	0.10	0.03

Note :

The unaudited Condensed Consolidated Income Statement should be read in conjunction with the annual audited financial statements for the year ended 31 March 2008 and the accompanying explanatory notes attached to the interim financial statements.



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Unaudited Condensed Consolidated Balance Sheet

Group	Unaudited 30 June 2008 RM'000	Audited 31 March 2008 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	159	141
Intangible assets	23,269	22,366
	<u>23,428</u>	<u>22,507</u>
Current assets		
Amount due from contract customers	6,239	3,682
Trade and other receivables	4,685	5,299
Tax recoverable	2	-
Cash and cash equivalents	2,983	2,557
	<u>13,909</u>	<u>11,538</u>
TOTAL ASSETS	<u>37,337</u>	<u>34,045</u>
EQUITY & LIABILITIES		
Equity and reserves		
Share capital	33,567	33,567
Reserves	(12,877)	(13,981)
Total equity	<u>20,690</u>	<u>19,586</u>
Current liabilities		
Amount due to contract customers	2,477	478
Trade and other payables	10,384	9,365
Borrowings	3,786	4,616
	<u>16,647</u>	<u>14,459</u>
Total liabilities	<u>16,647</u>	<u>14,459</u>
TOTAL EQUITY AND LIABILITIES	<u>37,337</u>	<u>34,045</u>
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 2008 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 2008

Group	Reserves					Total RM'000
	Share Capital RM'000	Share premium RM'000	Equity Compensation Reserves RM'000	Translation reserve RM'000	----- Non-distributable----- Distributable Accumulated loss RM'000	
At 1 April 2008	33,567	8,530	830	2,028	(25,368)	19,587
Exchange differences on translation of the financial statements of foreign entity	-	-	-	653	-	653
Net gain not recognized in the income statement	-	-	-	653	-	653
Employee Stock Option - Value of Employee services	-	-	86	-	-	86
Net profit for the period	-	-	-	-	364	364
At 30 June 2008	33,567	8,530	916	2,681	(25,004)	20,690
At 1 April 2007	30,577	8,370	311	1,744	(23,029)	17,973
Issuance of new shares -exercise of stock options	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 loss 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 2008	32,277	8,583	424	1,567	(22,921)	19,930

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 2008 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 2008

Group	Year To Date ended	Year To Date ended
	30 June 2008 RM'000	30 Jun 2007 RM'000
Profit before taxation	364	108
Adjustments for :-		
Non-cash items	1,081	1,102
Non-operating items	(1)	-
Operating profit before working capital changes	1,444	1,210
Net change in current assets	(1,944)	(659)
Net change in current liabilities	3,018	(2,091)
Tax recovered/(paid)	(2)	(2)
Net cash from operating activities	2,516	(1,542)
Investing activities		
Purchase of property, plant and equipment	(39)	(46)
Interest received	1	-
Addition of software development expenditure, net of grant	(942)	(1,040)
Net cash used in investing activities	(980)	(1,086)
Financing activities		
Proceeds from issuance of new shares	-	1,989
Shares issue expenses	-	(76)
Proceed/(Repayment) of short term borrowing	(912)	(462)
Net cash generated in financing activities	(912)	1,451
Net changes in cash and cash equivalents	624	(1,177)
Cash and cash equivalents at beginning of financial year	(3)	100
Effect of exchange rate changes	(279)	34
Cash and cash equivalents at end of the financial period	342	(1,043)
Cash and cash equivalents at end of financial period comprise of:		
Cash and cash equivalents (excluding pledged deposits with bank)	1,141	1,148
Bank overdraft	(799)	(2,191)
Cash and cash equivalents at end of the financial period	342	(1,043)

The unaudited Condensed Consolidated Cash Flow Statement should be read in conjunction with the annual audited financial statements for the year ended 31 March 2008 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 2008.

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 2008 except for the adoption of the following new/revised Financial Reporting Standards (FRS) that are effective for the Group's annual reporting date, 31st March 2009:-

FRS 107	Cash Flow Statements
FRS 111	Construction Contracts
FRS 112	Income Taxes
FRS 118	Revenue
FRS 120	Accounting for Government Grants and Disclosure of Government Assistance
FRS 134	Interim Financial Reporting
FRS 137	Provisions, Contingent Liabilities and Contingent Assets

The Group has not adopted FRS 139 Financial Instruments: Recognition and Measurement as its effective date has been deferred.

The adoption of the above FRSs mentioned above does not result in significant changes in accounting policies of 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.



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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 June 2008			Consolidated RM'000
	Malaysia RM'000	Overseas RM'000	Eliminations RM'000	
<i>Geographical segments</i>				
External	6	5,225	-	5,231
Inter-segment	197	-	(197)	-
Total revenue	203	5,225	(197)	5,231
Segment result	(237)	665	-	427
Interest income				1
Interest expense				(64)
Profit before taxation				364
Taxation				-
Profit after taxation				364
Segment assets	23,887	35,545	(22,095)	37,337
Segment liabilities	2,955	26,023	(12,331)	16,647
Capital expenditure	3	36	-	39
Depreciation and amortisation	10	985	-	995

A9. Valuation of Property, Plant and Equipment

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



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A10. Subsequent Events

There were no material events between 1st July 2008 and 14th August 2008 that would be required to be reflected in the financial statement for the quarter ended 30th June 2008.

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

The Group recorded revenue of RM5.2 million for the current quarter under review as compared to revenue of RM4.3 million for the preceding year’s corresponding quarter period ended 30 June 2007. The higher revenue achieved was due to higher contribution from the Group’s existing order book as the Group rolled out its implementation plan. With the higher revenue recorded, the Group achieved a profit before taxation of approximately RM0.4 million for the current quarter as compared to the profit before taxation of approximately RM0.1 million for the preceding year’s corresponding quarter.

B2. Variation of Results against the Preceding Quarter

	Current Quarter 30 Jun 2008 RM’000	Preceding Quarter 31 Mar 2008 RM’000	Difference (%)
Revenue	5,231	3,916	34%
Profit before taxation	364	(1,086)	133%

The Group recorded higher revenue of approximately RM5.2 million in the current quarter under review as comparable to that achieved in the preceding quarter ended 31 March 2008. This is mainly due to the rollout of the Group implementation plan from the new orders secured. In line with the higher revenue achieved, the profit before taxation improved significantly from the preceding quarter.

The Group ended the current first quarter with an order book of RM29.6 million as compared to RM31.8 million as at the end of immediate preceding quarter. The majority of the order book consists of e-government contracts.

B3. Prospect

The Group continues to operate in a challenging market in view of the regional and global economic uncertainty despite our Group’s healthy order book. The Group will continue to source for new partners or ventures in new markets to improve its financial performance.

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		Cumulative quarter ended	
	30 June		30 June	
	2008	2007	2008	2007
	RM'000	RM'000	RM'000	RM'000
Current taxation (charge)/Write back	(120)	(31)	(120)	(31)
Write back of Deferred taxation charge	120	31	120	31
	-----	-----	-----	-----
Tax expenses (charge)/write back	-	-	-	-
	=====	=====	=====	=====

The Company was granted Multimedia Super Corridor ("MSC") status. By virtue of this status, the Company has also obtained an extension of its Pioneer Status until January 2013 whereby its statutory business income is exempted from income tax under Section 127 of the Income Tax Act, 1967.

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 2008, a total of 11,865,000 options had been exercised while a total of 3,495,000 options had lapsed or expired due to staff resignation.



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(b) Private Placement Proposed private placement

On 28 March 2008, the Company proposed to implement a private placement of up to 77,202,950 new ordinary shares of RM0.10 each in the Company, representing not more than twenty percent (20%) of the issued and paid-up share capital of the Company. The Placement Shares are proposed to be placed out to Raden Corporation Sdn Bhd (“Raden”) and other places to be identified at a later date. Raden is deemed interested by virtue of Y.A.M. Tunku Dato’ Seri Nadzaruddin Ibni Tuanku Ja’afar’s directorship in NOVAMSC and his directorship and major shareholdings in Raden. Raden has indicated their interest to subscribe up to 19,300,738 Placement Shares or equivalent up to five percent (5%) of the issued and paid-up share capital of the Company.

The Securities Commission ("SC") had vide its letter dated 31 July 2008 approved the Proposed Private Placement, subject to the following conditions:-

Conditions

- (i) Company/OSK (the Company’s financial adviser) to disclose in its Circular to Shareholders and introductory documents to potential places the following:-
 - (a) Commentary on the past three (3) years’ financial results and the current financial status of the Company;
 - (b) Commentary on the financial status of the Company upon completion of the Proposed Private Placement; and
 - (c) Commentary on the future plan of the Company to improve its financial position.
- (ii) In the event that the Company becomes an Affected Listed Company under Guidance Note No.3/2006 of the Listing Requirements of Bursa Malaysia Securities Berhad for the MESDAQ Market (“GN3 Date”) prior to implementation of the Proposed Private Placement, Company/OSK is to ensure that no allotment of the Placement Shares is made on or after the GN3 Date. OSK is to confirm in writing to the SC that Company is not an Affected Listed Company on the allotment date of any tranche of the Placement Shares;
- (iii) Company/OSK to fully comply with the relevant provisions in the SC’s Guidelines on the offering of Equity and Equity-linked Securities for the MESDAQ Market, in implementing the Proposed Private Placement.
- (iv) Company/OSK to inform the SC upon completion of the Proposed Private Placement



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B9. Group Borrowings and Debt Securities

The total borrowings of the Group as at 30 June 2008 are as follows:

	RM'000
Secured due within 12 months	
<i>Bank overdraft</i>	799
<i>Short term borrowing</i>	1,987
<i>Revolving credit</i>	1,000

	3,786
	=====

The borrowings are secured by way of corporate guarantees and pledge of fixed deposits of approximately RM1,842,000 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. Earning Per Share

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current year quarter 30 Jun 2008	Preceding year corresponding quarter 30 Jun 2007	Current year to date 30 Jun 2008	Preceding year corresponding period 30 Jun 2007
(a) Basic earnings per share				
Net profit attributable to shareholders (RM'000)	364	108	364	108
Weighted average number of ordinary shares ('000)	335,665	315,479	335,665	315,479
Basic earnings per share (sen)	0.11	0.03	0.11	0.03



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(b) Diluted earnings per share

Net profit attributable to shareholders (RM'000)	364	108	364	108
Weighted average number of ordinary shares ('000)	335,665	315,479	335,665	315,479
Effect of dilution on stock options ('000)	19,150	15,689	19,150	15,689
Adjusted weighted average number of ordinary shares in issues (diluted) ('000)	354,815	331,168	354,815	331,168
Diluted earnings per share (sen)	0.10	0.03	0.10	0.03

By the Order of the Board

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

14th August 2008