



(Company No: 591898-H)

QUARTERLY REPORT

Unaudited Condensed Consolidated Income Statement

For the second quarter ended 30 September 2009

| Group | Individual Quarter ended | | Cumulative Quarter ended | |
|------------------------------------|------------------------------------|------------------------------------|------------------------------------|------------------------------------|
| | Unaudited 30 Sep 2009 RM'000 | Unaudited 30 Sep 2008 RM'000 | Unaudited 30 Sep 2009 RM'000 | Unaudited 30 Sep 2008 RM'000 |
| Revenue | 6,350 | 6,109 | 11,636 | 11,340 |
| Depreciation and amortization | (1,035) | (1,017) | (2,048) | (2,011) |
| Share option expenses | (20) | (84) | (62) | (170) |
| Other operating expenses | (4,884) | (4,638) | (8,763) | (8,362) |
| Interest expenses | (94) | (61) | (158) | (125) |
| Interest income | 3 | 4 | 20 | 5 |
| Profit before taxation | 320 | 313 | 625 | 677 |
| Tax expense | - | - | - | - |
| Net profit for the period | 320 | 313 | 625 | 677 |
| Earnings per ordinary share (sen): | | | | |
| - Basic | 0.09 | 0.09 | 0.17 | 0.20 |
| - Diluted | 0.09 | 0.08 | 0.17 | 0.19 |

Note :

The unaudited Condensed Consolidated Income Statement should be read in conjunction with the annual audited financial statements for the year ended 31 March 2009 and the accompanying explanatory notes attached to the interim financial statements.



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Unaudited Condensed Consolidated Balance Sheet

| Group | Unaudited 30 Sep 2009 RM'000 | Audited 31 Mar 2009 RM'000 |
|-------------------------------------|---|---|
| ASSETS | | |
| Non-current assets | | |
| Property, plant and equipment | 259 | 125 |
| Intangible assets | 23,962 | 23,471 |
| | <u>24,221</u> | <u>23,596</u> |
| Current assets | | |
| Amount due from contract customers | 8,783 | 5,411 |
| Trade and other receivables | 4,583 | 6,390 |
| Tax recoverable | 8 | 6 |
| Cash and cash equivalents | 2,799 | 3,075 |
| | <u>16,173</u> | <u>14,882</u> |
| TOTAL ASSETS | <u>40,394</u> | <u>38,478</u> |
| EQUITY & LIABILITIES | | |
| Equity and reserves | | |
| Share capital | 35,995 | 35,995 |
| Reserves | (11,095) | (12,280) |
| Total equity | <u>24,900</u> | <u>23,715</u> |
| Current liabilities | | |
| Amount due to contract customers | 573 | 635 |
| Trade and other payables | 12,157 | 11,955 |
| Borrowings | 2,764 | 2,173 |
| | <u>15,494</u> | <u>14,763</u> |
| Total liabilities | <u>15,494</u> | <u>14,763</u> |
| TOTAL EQUITY AND LIABILITIES | <u>40,394</u> | <u>38,478</u> |
| | | |
| Net assets per share (RM) | <u>0.07</u> | <u>0.07</u> |

The unaudited Condensed Consolidated Balance Sheet should be read in conjunction with the annual audited financial statements for the year ended 31 March 2009 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 2009

| 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 2009 | 35,995 | 8,377 | 894 | 2,751 | (24,302) | 23,715 |
| Exchange differences on translation of the financial statements of foreign entity | - | - | - | 498 | - | 498 |
| Net gain not recognized in the income statement | - | - | - | 498 | - | 498 |
| Employee Stock Option | | | | | | |
| - Value of Employee services | - | - | 62 | - | - | 62 |
| - Transferred to Accumulated Loss for Lapsed ESOS | - | - | (9) | - | 9 | - |
| Net profit for the period | - | - | - | - | 625 | 625 |
| At 30 September 2009 | 35,995 | 8,377 | 947 | 3,249 | (23,668) | 24,900 |
| 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 | - | - | - | 701 | - | 701 |
| Net gain not recognized in the income statement | - | - | - | 701 | - | 701 |
| Employee Stock Option | | | | | | |
| - Value of Employee services | - | - | 170 | - | - | 170 |
| Net profit for the period | - | - | - | - | 677 | 677 |
| At 30 September 2008 | 33,567 | 8,530 | 1,000 | 2,681 | (24,691) | 21,135 |

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 2009 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 2009

| Group | Year To Date ended | Year To Date ended |
|---|-----------------------|-----------------------|
| | 30 Sep 2009 RM'000 | 30 Sep 2008 RM'000 |
| Profit before taxation | 625 | 677 |
| Adjustments for :- | | |
| Non-cash items | 2,109 | 2,181 |
| Non-operating items | (20) | (5) |
| Operating profit before working capital changes | 2,714 | 2,853 |
| Net change in current assets | (1,565) | (2,883) |
| Net change in current liabilities | 139 | 2,615 |
| Tax paid | (2) | (3) |
| Net cash from operating activities | 1,286 | 2,582 |
| Investing activities | | |
| Purchase of property, plant and equipment | (183) | (60) |
| Interest received | 20 | 5 |
| Addition of software development expenditure, net of grant | (1,958) | (1,867) |
| Net cash used in investing activities | (2,121) | (1,922) |
| Financing activities | | |
| Proceed/(Repayment) of short term borrowing | 148 | (112) |
| Decrease/(Increase) in pledged deposit place with bank | 462 | (529) |
| Net cash (used)/generated in financing activities | 610 | (641) |
| Net changes in cash and cash equivalents | (225) | 19 |
| Cash and cash equivalents at beginning of financial year | (402) | 3 |
| Effect of exchange rate changes | (33) | (285) |
| Cash and cash equivalents at end of the financial period | (660) | (270) |
| Cash and cash equivalents at end of financial period comprise of: | | |
| Cash and cash equivalents (excluding pledged deposits with bank) | 534 | 469 |
| Bank overdraft | (1,194) | (739) |
| Cash and cash equivalents at end of the financial period | (660) | (270) |

The unaudited Condensed Consolidated Cash Flow Statement should be read in conjunction with the annual audited financial statements for the year ended 31 March 2009 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 accordance with the requirements of FRS134 “Interim Financial Reporting” and Chapter 9, Part K Rule 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad for the ACE Market. The interim financial report should also be read in conjunction with the audited financial statements of the Group for the year ended 31 March 2009.

These explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since financial year ended 31 March 2009.

A2. Changes in Accounting Policies

The significant accounting policies applied in the interim financial statements are consistent with those adopted in the most recent audited financial statements for the financial year ended 31 March 2009.

A3. Auditors’ Report on Preceding Annual Financial Statements

The audit report of the preceding annual financial statements was not subject to any qualification.

A4. Comments about Seasonal or Cyclical Factors

The business of the Group is not affected by any significant seasonal or cyclical factors.

A5. Unusual Items Due to their Nature, Size or Incidence

There were no unusual items during the quarter.

A6. Changes in Estimates

There are no changes in the estimates of amount reported that have material effect in the current quarter.

A7. 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.

A8. Dividend Paid

No dividend was paid during the quarter under review.



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A9. Segmental Information

| | Period ended 30 September 2009 | | | |
|-------------------------------|---------------------------------------|----------------------------|--------------------------------|--------------------------------|
| | Malaysia RM'000 | Overseas RM'000 | Eliminations RM'000 | Consolidated RM'000 |
| <i>Geographical segments</i> | | | | |
| External | 195 | 11,441 | - | 11,636 |
| Inter-segment | - | - | - | - |
| Total revenue | 195 | 11,441 | - | 11,636 |
| Segment result | (614) | 1,377 | - | 763 |
| Interest income | | | | 20 |
| Interest expense | | | | (158) |
| Profit before taxation | | | | 625 |
| Taxation | | | | - |
| Profit after taxation | | | | 625 |
| Segment assets | 24,524 | 38,858 | (22,988) | 40,394 |
| Segment liabilities | 2,542 | 25,973 | (13,021) | 15,494 |
| Capital expenditure | 116 | 67 | - | 183 |
| Depreciation and amortisation | 15 | 2,033 | - | 2,048 |

A10. Valuation of Property, Plant and Equipment

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

A11. Subsequent Events

There were no material events between 1st October 2009 and 24th November 2009 that would be required to be reflected in the financial statement for the quarter ended 30th September 2009.

A12. 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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A13. Changes in Contingent Liabilities

| | As at end of current quarter ended 30 Sep 2009 RM'000 |
|---|--|
| Guarantees given by the Company to financial institutions for credit facilities granted to subsidiaries | 1,570 ===== |

A14. Significant Related Party Transaction

The Group has no related party transactions which would have material impact on the financial position and business of the Group during the current 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 approximately RM6.4 million and profit before taxation of approximately RM0.3 million for the current quarter under review as compared to revenue of approximately RM6.1 million and profit before taxation of approximately RM0.3 million for the preceding year’s corresponding quarter period ended 30th September 2008. The slightly higher revenue recorded for the current quarter under review was mainly due to higher recognition of revenue from the Group’s existing order book.

B2. Variation of Results against the Preceding Quarter

| | Current Quarter 30 Sep 2009 RM’000 | Preceding Quarter 30 Jun 2009 RM’000 | Difference (%) |
|------------------------|---|---|---------------------------|
| Revenue | 6,350 | 5,286 | 20% |
| Profit before taxation | 320 | 304 | 5% |

The Group recorded higher revenue of approximately RM6.4 million in the current quarter under review as compared to RM5.3 million in the preceding quarter ended 30 June 2009 as a result of higher delivery of hardware/services to customers. The Group recorded a profit before taxation of approximately RM0.3 million in the current quarter which is comparable to that achieved in the preceding quarter.

The Group ended the current quarter with a secured order book of RM20.6 million as compared to RM26.0 million as at the end of immediate preceding quarter. The majority of the order book consists of e-government contracts.

B3. Prospect

The Group operates in a challenging market, even though there are early signs of a possible global economic recovery. 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 30 September | | Cumulative quarter ended 30 September | |
|---|--|----------------|--|----------------|
| | 2009 RM'000 | 2008 RM'000 | 2009 RM'000 | 2008 RM'000 |
| Current taxation (charge)/Write back | - | - | - | - |
| Under provision in prior years | - | - | - | - |
| | ----- | ----- | ----- | ----- |
| 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) 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 placees to be identified at a later date. On 3 August 2009, the Securities Commission ("SC") had approved the Company's application to complete the Proposed Private Placement by 31 January 2010.

As at the date of this report, the Company had issued 24,283,250 new ordinary shares of RM0.10 each at par for cash. Of the new shares issued, 16,783,250 new ordinary shares had been allocated and fully subscribed by Raden. Raden is deemed interested by virtue of Y.A.M. Tunku Dato' Seri Nadzaruddin Ibni Almarhum Tuanku Ja'afar's directorship in NOVAMSC and his directorship and major shareholdings in Raden. The net proceeds from the said placements had been utilized in the Company's working capital.



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(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.

Set out below are the details of options over the ordinary shares of the Company under the ESOS:-

| <u>Grant date</u> | <u>Number of options over ordinary shares of RM0.10 in the Company</u> | | | |
|-------------------|--|---------------------|--------------------|--------------------|
| | Granted | Exercised | Lapsed | As at 30.9.2009 |
| 20.3.2006 | 17,810,000 | (8,865,000) | (4,145,000) | 4,800,000 |
| 21.6.2006 | 7,300,000 | (2,700,000) | - | 4,600,000 |
| 30.8.2006 | 960,000 | (300,000) | (180,000) | 480,000 |
| 15.6.2007 | 8,440,000 | - | (1,980,000) | 6,460,000 |
| | <u>34,510,000</u> | <u>(11,865,000)</u> | <u>(6,305,000)</u> | <u>16,340,000</u> |

B9. Group Borrowings and Debt Securities

The total borrowings of the Group as at 30 September 2009 are as follows:

| | RM'000 |
|------------------------------|---------------|
| Secured due within 12 months | |
| <i>Bank overdraft</i> | 1,194 |
| <i>Short term borrowing</i> | 1,570 |
| | ----- |
| | 2,764 |
| | ===== |

The borrowings and banker guarantees are secured by way of corporate guarantees and pledge of fixed deposits of approximately RM2,265,000 and certain account receivables.

B10. Off Balance Sheet Financial Instruments

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



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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 | Preceding year corresponding quarter | Current year to date | Preceding year corresponding period |
| | 30 Sep 2009 | 30 Sep 2008 | 30 Sep 2009 | 30 Sep 2008 |
| (a) Basic earnings per share | | | | |
| Net profit attributable to shareholders (RM'000) | 320 | 313 | 625 | 677 |
| Weighted average number of ordinary shares ('000) | 359,948 | 335,665 | 359,948 | 335,665 |
| Basic earnings per share (sen) | 0.09 | 0.09 | 0.17 | 0.20 |
| (b) Diluted earnings per share | | | | |
| Net profit attributable to shareholders (RM'000) | 320 | 313 | 625 | 677 |
| Weighted average number of ordinary shares ('000) | 359,948 | 335,665 | 359,948 | 335,665 |
| Effect of dilution on stock options ('000) | 16,340 | 19,150 | 16,340 | 19,150 |
| Adjusted weighted average number of ordinary shares in issues (diluted) ('000) | 376,288 | 354,815 | 376,288 | 354,815 |
| Diluted earnings per share (sen) | 0.09 | 0.08 | 0.17 | 0.19 |



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By the Order of the Board

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

24th November 2009