



(Company No: 591898-H)

QUARTERLY REPORT

Unaudited Condensed Consolidated Income Statement

For the third quarter ended 31 December 2009

Group	Individual Quarter ended		Cumulative Quarter ended	
	Unaudited 31 Dec 2009 RM'000	Unaudited 31 Dec 2008 RM'000	Unaudited 31 Dec 2009 RM'000	Unaudited 31 Dec 2008 RM'000
Revenue	5,541	5,709	17,177	17,049
Depreciation and amortization	(1,044)	(1,009)	(3,092)	(3,020)
Share option expenses	(301)	(83)	(363)	(253)
Other operating expenses	(4,035)	(4,451)	(12,799)	(12,813)
Interest expenses	(84)	(58)	(241)	(183)
Interest income	7	4	27	5
Profit before taxation	84	108	709	785
Tax expense	-	-	-	-
Net profit for the period	84	108	709	785
Earnings per ordinary share (sen):				
- Basic	0.02	0.03	0.20	0.23
- Diluted	0.02	0.03	0.19	0.22

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 31 Dec 2009 RM'000	Audited 31 Mar 2009 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	234	125
Intangible assets	23,474	23,471
	<u>23,708</u>	<u>23,596</u>
Current assets		
Amount due from contract customers	6,804	5,411
Trade and other receivables	6,903	6,390
Tax recoverable	11	6
Cash and cash equivalents	3,060	3,075
	<u>16,778</u>	<u>14,882</u>
TOTAL ASSETS	<u>40,486</u>	<u>38,478</u>
EQUITY & LIABILITIES		
Equity and reserves		
Share capital	35,995	35,995
Reserves	(10,972)	(12,280)
Total equity	<u>25,023</u>	<u>23,715</u>
Current liabilities		
Amount due to contract customers	1,198	635
Trade and other payables	11,066	11,955
Borrowings	3,199	2,173
	<u>15,463</u>	<u>14,763</u>
Total liabilities	<u>15,463</u>	<u>14,763</u>
TOTAL EQUITY AND LIABILITIES	<u>40,486</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 31 December 2009

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 2009	35,995	8,377	894	2,751	(24,302)	23,715
Exchange differences on translation of the financial statements of foreign entity	-	-	-	236	-	236
Net gain not recognized in the income statement	-	-	-	236	-	236
Employee Stock Option						
- Value of Employee services	-	-	363	-	-	363
- Transferred to Accumulated Loss for Lapsed ESOS	-	-	(9)	-	9	-
Net profit for the period	-	-	-	-	709	709
At 31 December 2009	35,995	8,377	1,248	2,987	(23,584)	25,023
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	-	-	-	684	-	684
Net gain not recognized in the income statement	-	-	-	684	-	684
Employee Stock Option						
- Value of Employee services	-	-	253	-	-	253
Net profit for the period	-	-	-	-	785	785
At 31 December 2008	33,567	8,530	1,083	2,712	(24,583)	21,309

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 31 December 2009

Group	Year To Date ended	Year To Date ended
	31 Dec 2009 RM'000	31 Dec 2008 RM'000
Profit before taxation	709	785
Adjustments for :-		
Non-cash items	3,454	3,273
Non-operating items	(27)	(5)
Operating profit before working capital changes	4,136	4,053
Net change in current assets	(1,906)	(2,425)
Net change in current liabilities	(327)	3,883
Tax paid	(2)	-
Net cash from operating activities	1,901	5,511
Investing activities		
Purchase of property, plant and equipment	(192)	(76)
Interest received	27	5
Addition of software development expenditure, net of grant	(2,647)	(2,843)
Net cash used in investing activities	(2,812)	(2,914)
Financing activities		
Proceed/(Repayment) of short term borrowing	989	(1,308)
Decrease/(Increase) in pledged deposit place with bank	470	(934)
Net cash (used)/generated in financing activities	1,459	(2,242)
Net changes in cash and cash equivalents	548	356
Cash and cash equivalents at beginning of financial year	(402)	(3)
Effect of exchange rate changes	(131)	(264)
Cash and cash equivalents at end of the financial period	15	89
Cash and cash equivalents at end of financial period comprise of:		
Cash and cash equivalents (excluding pledged deposits with bank)	803	1,083
Bank overdraft	(788)	(994)
Cash and cash equivalents at end of the financial period	15	89

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 31 December 2009			Consolidated RM'000
	Malaysia RM'000	Overseas RM'000	Eliminations RM'000	
<i>Geographical segments</i>				
External	258	16,919	-	17,177
Inter-segment	-	-	-	-
Total revenue	258	16,919	-	17,177
Segment result	(1,016)	1,939	-	923
Interest income				27
Interest expense				(241)
Profit before taxation				709
Taxation				-
Profit after taxation				709
Segment assets	23,969	39,050	(22,533)	40,486
Segment liabilities	2,116	25,723	(12,376)	15,463
Capital expenditure	116	76	-	192
Depreciation and amortisation	29	3,063	-	3,092

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 January 2010 and 23rd February 2010 that would be required to be reflected in the financial statement for the quarter ended 31st December 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 31 Dec 2009 RM'000
Guarantees given by the Company to financial institutions for credit facilities granted to subsidiaries	2,411 =====

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

In the current quarter under review, the Group recorded revenue of RM5.5 million and profit before taxation of approximately RM84K as compared to revenue of RM5.7 million and profit before taxation of approximately RM108K for the preceding year’s corresponding quarter period ended 31st December 2008. The slightly lower profit before taxation recorded was mainly due to lower recognition of revenue from the Group’s existing order book and higher share option expenses though partly offset by lower labor cost.

B2. Variation of Results against the Preceding Quarter

	Current Quarter 31 Dec 2009 RM’000	Preceding Quarter 30 Sep 2009 RM’000	Difference (%)
Revenue	5,541	6,350	-13%
Profit before taxation	84	320	-74%

The Group recorded lower revenue of approximately RM5.5 million in the current quarter under review as compared to RM6.4 million in the preceding quarter ended 30 September 2009. This is mainly due to lower delivery of hardware to customers. The Group recorded lower profit before taxation of approximately RM0.1 million in the current quarter as compared to preceding quarter of RM0.3 million due to high share options expenses.

The Group ended the current quarter with a secured order book of RM20.5 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 operates in a challenging market. The Group will continue to source for new partners or ventures in new markets to improve its financial performance, though the realization of such new orders may depends upon the extent and depth of the global recovery.

A detailed review on the intangible asset and projects work in progress will be carried out in the 4th quarter ending 31 March 2010. In the event that there is impairment to the value of the intangible assets and the projects work in progress, the necessary write-down will be effected in that quarter and this may have an adverse effect on the result.

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 December		Cumulative quarter ended 31 December	
	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, representing not more than twenty percent (20%) of the issued and paid-up share capital of the Company. On 3 August 2009, the Securities Commission ("SC") had approved the Company's application to complete the Proposed Private Placement by 31 January 2010.

In January 2010, the Company had issued the third and final tranche of the Proposed Private Placement comprising of 42,849,750 new ordinary shares at the issue price of RM0.10 each.

Hence, as at the date of this report, the Company had completed the Proposed Private Placement whereby the Company had issued, in three tranches, 67,133,000 new ordinary shares of RM0.10 each at par for cash. 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 31.12.09
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
01.10.2009	5,430,000	-	-	5,430,000
	<u>39,940,000</u>	<u>(11,865,000)</u>	<u>(6,305,000)</u>	<u>21,770,000</u>

B9. Group Borrowings and Debt Securities

The total borrowings of the Group as at 31 December 2009 are as follows:

	RM'000
Secured due within 12 months	
<i>Bank overdraft</i>	788
<i>Short term borrowing</i>	2,411

	3,199
	=====

The borrowings and banker guarantees are secured by way of corporate guarantees and pledge of fixed deposits of approximately RM 2,250,000 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
	31 Dec 2009	31 Dec 2008	31 Dec 2009	31 Dec 2008
(a) Basic earnings per share				
Net profit attributable to shareholders (RM'000)	84	108	709	785
Weighted average number of ordinary shares ('000)	359,948	335,665	359,948	335,665
Basic earnings per share (sen)	0.02	0.03	0.20	0.23
(b) Diluted earnings per share				
Net profit attributable to shareholders (RM'000)	84	108	709	785
Weighted average number of ordinary shares ('000)	359,948	335,665	359,948	335,665
Effect of dilution on stock options ('000)	21,770	17,600	18,157	17,600
Adjusted weighted average number of ordinary shares in issues (diluted) ('000)	381,718	353,265	378,105	353,265
Diluted earnings per share (sen)	0.02	0.03	0.19	0.22



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By the Order of the Board

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

23rd February 2010