



(Company No: 591898-H)

QUARTERLY REPORT

Unaudited Condensed Consolidated Income Statement

For the fourth quarter ended 31 March 2010

Group	Individual Quarter ended		Cumulative Quarter ended	
	Unaudited 31 Mar 2010 RM'000	Unaudited 31 Mar 2009 RM'000	Unaudited 31 Mar 2010 RM'000	Unaudited 31 Mar 2009 RM'000
Revenue	5,094	4,427	22,272	21,476
Depreciation and amortization	(1,018)	(989)	(4,131)	(4,009)
Share option expenses	(21)	(30)	(384)	(283)
Other operating expenses	(3,946)	(3,241)	(16,724)	(16,054)
Interest expenses	(48)	(130)	(289)	(313)
Interest income	17	24	44	29
Profit before taxation	78	61	788	846
Tax expense	(4)	-	(4)	-
Net profit for the period	74	61	784	846
Earnings per ordinary share (sen):				
- Basic	0.02	0.02	0.21	0.25
- Diluted	0.02	0.02	0.21	0.24

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 Mar 2010 RM'000	Audited 31 Mar 2009 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	213	125
Investment in associate	29	-
Intangible assets	21,945	23,471
	<u>22,187</u>	<u>23,596</u>
Current assets		
Amount due from contract customers	8,138	5,411
Trade and other receivables	2,760	6,390
Tax recoverable	8	6
Cash and cash equivalents	3,983	3,075
	<u>14,889</u>	<u>14,882</u>
TOTAL ASSETS	<u>37,076</u>	<u>38,478</u>
EQUITY & LIABILITIES		
Equity and reserves		
Share capital	40,280	35,995
Reserves	(12,125)	(12,280)
Total equity	<u>28,155</u>	<u>23,715</u>
Current liabilities		
Amount due to contract customers	312	635
Trade and other payables	7,263	11,955
Borrowings	1,346	2,173
	<u>8,921</u>	<u>14,763</u>
Total liabilities	<u>8,921</u>	<u>14,763</u>
TOTAL EQUITY AND LIABILITIES	<u>37,076</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 March 2010

Group RM'000	Reserves					Total
	Non-distributable		Distributable			
	Share Capital	Share premium	Equity Compensation Reserves	Translation reserve	Accumulated loss	
At 1 April 2009	35,995	8,377	894	2,751	(24,302)	23,715
Issuance of new shares	4,285	-	-	-	-	4,285
Exchange differences on translation of the financial statements of foreign entity	-	-	-	(943)	-	(943)
Share issue expenses written off	-	(70)	-	-	-	(70)
Net loss not recognized in the income statement	-	(70)	-	(943)	-	(1,012)
Employee Stock Option	-	-	384	-	-	384
- Value of Employee services	-	-	-	-	-	-
- Transferred to Accumulated Loss for Lapsed ESOS	-	-	(329)	-	329	-
Net profit for the period	-	-	-	-	784	784
At 31 March 2010	40,280	8,307	949	1,808	(23,189)	28,155
At 1 April 2008	33,567	8,530	830	2,028	(25,368)	19,587
Issuance of new shares	2,428	-	-	-	-	2,428
Exchange differences on translation of the financial statements of foreign entity	-	-	-	724	-	724
Share issue expenses written off	-	(153)	-	-	-	(153)
Net gain not recognized in the income statement	-	(153)	-	724	-	571
Employee Stock Option	-	-	283	-	-	253
- Value of Employee services	-	-	-	-	-	-
- Transferred to Accumulated Loss for Lapsed ESOS	-	-	(219)	-	219	-
Net profit for the period	-	-	-	-	846	846
At 31 March 2009	35,995	8,377	894	2,752	(24,303)	23,715

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 March 2010

Group	Year To Date ended	Year To Date ended
	31 Mar 2010 RM'000	31 Mar 2009 RM'000
Profit before taxation	788	846
Adjustments for :-		
Non-cash items	4,514	4,310
Non-operating items	(44)	(29)
Operating profit before working capital changes	5,258	5,127
Net change in current assets	904	(2,820)
Net change in current liabilities	(5,016)	2,748
Tax paid	(6)	(6)
Net cash from operating activities	1,140	5,049
Investing activities		
Purchase of property, plant and equipment	(216)	(79)
Investment in associate	(29)	-
Interest received	44	29
Addition of software development expenditure, net of grant	(3,099)	(4,000)
Net cash used in investing activities	(3,300)	(4,050)
Financing activities		
Proceed from issuance of new shares	4,285	2,428
Share issues expenses	(70)	(153)
Proceed/(Repayment) of short term borrowing	(77)	2,476
Decrease/(Increase) in pledged deposit placed with bank	604	(885)
Net cash (used)/generated in financing activities	4,742	(1,086)
Net changes in cash and cash equivalents	2,582	87
Cash and cash equivalents at beginning of financial year	(402)	(3)
Effect of exchange rate changes	(320)	(312)
Cash and cash equivalents at end of the financial period	1,860	(402)
Cash and cash equivalents at end of financial period comprise of:		
Cash and cash equivalents (excluding pledged deposits with bank)	1,860	348
Bank overdraft	-	(750)
Cash and cash equivalents at end of the financial period	1,860	(402)

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.

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. The following Financial Reporting Standards (“FRS”) and Interpretations were issued but not yet effective and have not been applied by the Company:

FRS 7	Financial Instruments: Disclosures
FRS 8	Operating Segments
FRS 101 (revised)	Presentation of Financial Statements
FRS 123	Borrowing Costs
Amendments to FRS 1	First-time Adoption of Financial Reporting Standards
Amendments to FRS 2	Share-based Payment – Vesting Conditions and Cancellations
Amendment to FRS 7	Financial Instruments: Disclosures
Amendment to FRS 8	Operating Segments
Amendment to FRS 107	Statement of Cash Flows
Amendment to FRS 108	Accounting Policies, Changes in Accounting Estimates and Errors
Amendment to FRS 110	Events after the Reporting Period
Amendment to FRS 116	Property, Plant and Equipment
Amendment to FRS 117	Leases
Amendment to FRS 118	Revenue
Amendment to FRS 119	Employee Benefits
Amendment to FRS 120	Accounting for Government Grants and Disclosure of Government Assistance
Amendment to FRS 123	Borrowing Costs
Amendment to FRS 127	Consolidated and Separate Financial Statements
Amendment to FRS 128	Investments in Associates
Amendment to FRS 132	Financial Instruments: Presentation
Amendment to FRS 134	Interim Financial Reporting
Amendment to FRS 136	Impairment of Assets
Amendment to FRS 138	Intangible Assets
Amendment to FRS 139	Financial Instruments: Recognition and Measurement

The adoptions of the above FRSs and Interpretations upon their effective dates are not expected to have any significant impact on the interim financial statements of the Group.



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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.

A8. Valuation of Property, Plant and Equipment

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

A9. Subsequent Events

There were no material events between 1st April 2010 and 25th May 2010 that would be required to be reflected in the financial statement for the quarter ended 31st March 2010.

A10. Changes in the Composition Of the Group

On 2nd March 2010, the Company had subscribed for 12,000 ordinary shares of B\$1 each in a newly incorporated company in Brunei Darussalam called B-Nova Sdn Bhd ("B-Nova"), for a consideration of B\$12,000, representing 40% equity interest. The principal activity of B-Nova is to provide information technology solutions in Brunei Darussalam.



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A11. Segmental Information

	Period ended 31 March 2010			Consolidated RM'000
	Malaysia RM'000	Overseas RM'000	Eliminations RM'000	
<i>Geographical segments</i>				
External	261	22,011	-	22,272
Inter-segment	-	-	-	-
Total revenue	261	22,011	-	22,272
Segment result	(1,553)	2,585	-	1,033
Interest income				44
Interest expense				(289)
Profit before taxation				788
Taxation				(4)
Profit after taxation				784
Segment assets	26,320	34,609	(23,853)	37,076
Segment liabilities	749	21,820	(13,648)	8,921
Capital expenditure	116	100	-	216
Depreciation and amortisation	42	4,089	-	4,131

A12. Changes in Contingent Liabilities

	As at end of current quarter ended 31 Mar 2010 RM'000
Guarantees given by the Company to financial institutions for credit facilities granted to subsidiary	1,346

A13. 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 RM5.1 million as compared to revenue of RM4.4 million for the preceding year’s corresponding quarter period ended 31st March 2009 due to higher recognition of the Group’s existing order book.

The Group achieved a profit before taxation of RM78K in the current quarter that is comparable to the profit before taxation of approximately RM61K for the preceding year’s corresponding quarter period ended 31st March 2009. The Group incurred lower interest expenses and other discretionary expenses though partly offset by higher third party material and service cost.

B2. Variation of Results against the Preceding Quarter

	Current Quarter 31 Mar 2010 RM’000	Preceding Quarter 31 Dec 2009 RM’000	Difference (%)
Revenue	5,094	5,541	-8%
Profit before taxation	78	84	-12%

For the current quarter, the Group recorded revenue of approximately RM5.1 million, which was comparable to RM5.5 million recorded in the preceding quarter ended 31 December 2009. The Group’s profit before taxation of approximately RM78K in the current quarter was also comparable to the preceding quarter profit before taxation of approximately RM84K.

The Group ended the current quarter with a secured order book of RM19.6 million as compared to RM20.5 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.

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	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Current taxation charge	(4)	-	(4)	-
Tax expenses charge	(4)	-	(4)	-

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>Option Grant date</u>	<u>Option Expiry date</u>	<u>Exercise price</u>	<u>Number of options over ordinary shares of RM0.10</u>			<u>As at 31.03.10</u>
			Granted	Exercised	Lapsed	
20.3.2006	30.10.2010	RM 0.10	17,810,000	(8,865,000)	(4,145,000)	4,800,000
21.6.2006	07.03.2010	RM 0.10	7,300,000	(2,700,000)	(4,600,000)	-
30.8.2006	07.03.2010	RM 0.10	960,000	(300,000)	(660,000)	-
15.6.2007	30.10.2015	RM 0.10	8,440,000	-	(1,980,000)	6,460,000
01.10.2009	30.10.2015	RM 0.10	5,430,000	-	-	5,430,000
			<u>39,940,000</u>	<u>(11,865,000)</u>	<u>(11,385,000)</u>	<u>16,690,000</u>

(c) Establishment of Joint Venture Company with Jerudong Park Medical Centre (JPMC) in Brunei Darussalam.

On 19th May 2010, the Company had announced that novaHEALTH Pte Ltd ("NOVA"), a wholly owned subsidiary of the Company, had signed an agreement ("Agreement") with Jerudong Park Medical Centre ("JPMC") to establish a joint venture company in Brunei Darussalam ("JV Company") in the form of a private company limited by shares to carry out Information Technology business related to the healthcare industries in Brunei Darussalam.

The initial paid-up capital of the new JV Company will be B\$50,000 divided into 50,000 ordinary shares of B\$1.00 each. JPMC will have an equity interest of 51% of the JV Company while novahealth will hold the remaining 49%.



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B9. Group Borrowings and Debt Securities

The total borrowings of the Group as at 31 March 2010 are as follows:

	RM'000
Secured due within 12 months	
<i>Short term borrowing</i>	1,346

	1,346
	=====

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.

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 31 Mar 2010	Preceding year corresponding quarter 31 Mar 2009	Current year to date 31 Mar 2010	Preceding year corresponding period 31 Mar 2009
(a) Basic earnings per share				
Net profit attributable to shareholders (RM'000)	74	61	784	846
Weighted average number of ordinary shares ('000)	390,419	345,152	367,462	337,895
Basic earnings per share (sen)	0.02	0.02	0.21	0.25



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(b) Diluted earnings per share

Net profit attributable to shareholders (RM'000)	74	61	784	846
Weighted average number of ordinary shares ('000)	390,419	345,152	367,462	337,895
Effect of dilution on stock options ('000)	16,690	16,490	13,968	16,490
Adjusted weighted average number of ordinary shares in issues (diluted) ('000)	407,109	361,462	381,430	354,385
Diluted earnings per share (sen)	0.02	0.02	0.21	0.24

By the Order of the Board

Tan Kok Aun (LS00361)
Wong Wai Yin (MAICSA 7003000)
Secretaries
Kuala Lumpur

25th May 2010