



(Company No: 591898-H)

QUARTERLY REPORT

Condensed Consolidated Statement of Comprehensive Income

For the third quarter ended 31 December 2010

(Unaudited)

| Group | Individual Quarter ended | | Cumulative Quarter ended | |
|--|------------------------------------|------------------------------------|------------------------------------|------------------------------------|
| | Unaudited 31 Dec 2010 RM'000 | Unaudited 31 Dec 2009 RM'000 | Unaudited 31 Dec 2010 RM'000 | Unaudited 31 Dec 2009 RM'000 |
| Revenue | 6,604 | 5,541 | 18,161 | 17,177 |
| Depreciation and amortization | (1,204) | (1,044) | (3,430) | (3,092) |
| Share option expenses | (164) | (301) | (181) | (363) |
| Other operating expenses | (5,053) | (4,035) | (13,010) | (12,799) |
| Interest expenses | (41) | (84) | (121) | (241) |
| Interest income | 4 | 7 | 8 | 27 |
| Share of results of associates | 42 | - | 164 | - |
| Profit before taxation | 188 | 84 | 1,591 | 709 |
| Tax expense | - | - | - | - |
| Net profit for the period | 188 | 84 | 1,591 | 709 |
| Other comprehensive income: | | | | |
| Exchange differences on translating foreign operations | 457 | (262) | 732 | 236 |
| Total Comprehensive Income | 645 | (178) | 2,323 | 945 |
| Total comprehensive income attributable to: | | | | |
| Equity Holders of Company | 645 | (178) | 2,323 | 945 |
| Non-controlling interest | - | - | - | - |
| | 645 | (178) | 2,323 | 945 |
| Earnings per ordinary share (sen): | | | | |
| - Basic | 0.05 | 0.02 | 0.40 | 0.20 |
| - Diluted | 0.04 | 0.02 | 0.38 | 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 2010 and the accompanying explanatory notes attached to the interim financial statements.



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Condensed Consolidated Statement of Financial Position

| Group | Unaudited 31 Dec 2010 RM'000 | Audited 31 Mar 2010 RM'000 |
|-------------------------------------|---|---|
| ASSETS | | |
| Non-current assets | | |
| Property, plant and equipment | 189 | 214 |
| Intangible assets | 20,234 | 21,945 |
| Investment in associates | 252 | 30 |
| | <u>20,675</u> | <u>22,187</u> |
| Current assets | | |
| Amount due from contract customers | 10,117 | 8,138 |
| Trade and other receivables | 6,301 | 2,760 |
| Tax recoverable | 6 | 2 |
| Cash and cash equivalents | 3,037 | 3,982 |
| | <u>19,461</u> | <u>14,882</u> |
| TOTAL ASSETS | <u>40,136</u> | <u>37,069</u> |
| EQUITY & LIABILITIES | | |
| Equity and reserves | | |
| Share capital | 40,280 | 40,280 |
| Reserves | (9,627) | (12,131) |
| Total equity | <u>30,653</u> | <u>28,149</u> |
| Current liabilities | | |
| Amount due to contract customers | 202 | 40 |
| Trade and other payables | 7,513 | 7,535 |
| Borrowings | 1,768 | 1,346 |
| | <u>9,483</u> | <u>8,920</u> |
| Total liabilities | <u>9,483</u> | <u>8,920</u> |
| TOTAL EQUITY AND LIABILITIES | <u>40,136</u> | <u>37,069</u> |
| | | |
| Net assets per share (RM) | <u>0.08</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 2010 and the accompanying explanatory notes attached to the interim financial statements.



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Condensed Consolidated Statement of Changes in Equity

For the period ended 31 December 2010
(Unaudited)

| Group | Share Capital RM'000 | Share premium RM'000 | Equity Compensation Reserves RM'000 | Translation reserve RM'000 | Accumulated loss RM'000 | Total RM'000 |
|---|----------------------------|----------------------------|--|----------------------------------|-------------------------------|-----------------|
| At 1 April 2010 | 40,280 | 8,307 | 949 | 1,808 | (23,195) | 28,149 |
| Total Comprehensive Income for the period | - | - | - | 732 | 1,591 | 2,323 |
| Employee Stock Option | | | | | | |
| - Value of Employee services | - | - | 181 | - | - | 181 |
| - Transferred to Accumulated Loss for Lapsed ESOS | - | - | (360) | - | 360 | - |
| At 31 December 2010 | 40,280 | 8,307 | 770 | 2,540 | (21,244) | 30,653 |
| At 1 April 2009 | 35,995 | 8,377 | 894 | 2,751 | (24,302) | 23,715 |
| Total Comprehensive Income for the period | - | - | - | 236 | 709 | 945 |
| Employee Stock Option | | | | | | |
| - Value of Employee services | - | - | 363 | - | - | 363 |
| - Transferred to Accumulated Loss for Lapsed ESOS | - | - | (9) | - | 9 | - |
| At 31 December 2009 | 35,995 | 8,377 | 1,248 | 2,987 | (23,584) | 25,023 |

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 2010 and the accompanying explanatory notes attached to the interim financial statements.



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Condensed Consolidated Cash Flow Statements

For the period ended 31 December 2010

(Unaudited)

| Group | Year To Date ended | Year To Date ended |
|---|-----------------------|-----------------------|
| | 31 Dec 2010 RM'000 | 31 Dec 2009 RM'000 |
| Profit before taxation | 1,591 | 709 |
| Adjustments for :- | | |
| Non-cash items | 3,667 | 3,454 |
| Non-operating items | (8) | (27) |
| Operating profit before working capital changes | 5,250 | 4,136 |
| Net change in current assets | (5,520) | (1,906) |
| Net change in current liabilities | 141 | (327) |
| Tax paid | (5) | (2) |
| Net cash from operating activities | (134) | 1,901 |
| Investing activities | | |
| Purchase of property, plant and equipment | (68) | (192) |
| Interest received | 8 | 27 |
| Investment in associate | (58) | - |
| Addition of software development expenditure, net of grant | (1,131) | (2,647) |
| Net cash used in investing activities | (1,249) | (2,812) |
| Financing activities | | |
| (Repayment)/Proceed of short term borrowing, net | (192) | 989 |
| Decrease/(Increase) in pledged deposit place with bank | 86 | 470 |
| Net cash (used)/generated in financing activities | (106) | 1,459 |
| Net changes in cash and cash equivalents | (1,489) | 548 |
| Cash and cash equivalents at beginning of financial year | 1,872 | (402) |
| Effect of exchange rate changes on opening balance | 16 | (131) |
| Cash and cash equivalents at end of the financial period | 399 | 15 |
| Cash and cash equivalents at end of financial period comprise of: | | |
| Cash and cash equivalents (excluding pledged deposits with bank) | 1,015 | 803 |
| Bank overdraft | (614) | (788) |
| Cash and cash equivalents at end of the financial period | 399 | 15 |

The unaudited Condensed Consolidated Cash Flow Statement should be read in conjunction with the annual audited financial statements for the year ended 31 March 2010 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 2010.

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 financial year ended 31st March 2010 except for the adoption of the following new FRS, Amendments to FRS and Interpretations, that are effective for financial statements effective from 1 January 2010:-

| | |
|----------------------|---|
| FRS 7 | Financial Instruments: Disclosures |
| FRS 8 | Operating Segments |
| FRS 101 | Presentations of Financial Statements (Revised) |
| FRS 123 | Borrowing Costs (Revised) |
| FRS 127 | Consolidated and Separate Financial Statements (Revised) |
| FRS 139 | Financial Instruments: Recognition and Measurement |
| Amendment to FRS 1 | First-time Adoption of Financial Reporting Standards |
| Amendment 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 Polices, 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 123 | Borrowing Costs |
| 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 |
| IC Interpretation 10 | Interim Financial Reporting and Impairment |
| IC Interpretation 14 | FRS 119 – The limit on a Defined Benefit Assets, Minimum Funding Requirements and their Interaction |

The adoption of the abovementioned FRS, Amendments to FRS and Interpretations will have no material impact on the financial statements of the Group except the following:-

FRS 101: Presentation of Financial Statement

Prior to the adoption of the revised FRS 101, the components of the financial statements presented consisted of a balance sheet, an income statement, a statement of changes in equity, a cash flow statement and notes to financial statements. With the adoption of the revised



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FRS 101, the components of the interim financial statement presented consisted of a statement of financial position, a statement of comprehensive income, a statement of changes in equity, a statement of cash flows and notes to financial statements. This standard does not have any impact on the financial position and results 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.

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 31 December 2010 | | | Eliminations RM'000 |
|--------------------------------|-------------------------------|--------------------|----------|------------------------|
| | Malaysia RM'000 | Overseas RM'000 | | |
| <i>Geographical segments</i> | | | | |
| External | 191 | 17,970 | - | 18,161 |
| Inter-segment | - | - | - | - |
| Total revenue | 191 | 17,970 | - | 18,161 |
| Segment result | (994) | 2,534 | - | 1,540 |
| Interest income | | | | 8 |
| Interest expense | | | | (121) |
| Share of results of associates | | | | 164 |
| Profit before taxation | | | | 1,591 |
| Taxation | | | | - |
| Profit after taxation | | | | 1,591 |
| Segment assets | 25,842 | 38,817 | (24,523) | 40,136 |
| Segment liabilities | 1,242 | 22,572 | (14,331) | 9,483 |
| Capital expenditure | 20 | 48 | - | 68 |
| Depreciation and amortisation | 33 | 3,397 | - | 3,430 |

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 January 2011 and 16th February 2011 that would be required to be reflected in the financial statement for the quarter ended 31st December 2010.

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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A12. Changes in Contingent Liabilities

| | As at end of current quarter ended 31 Dec 2010 RM'000 |
|--|--|
| Guarantees given by the Company to financial institution for credit facilities granted to subsidiary | 1,154 ===== |

A13. Capital Commitments

There were no material capital commitments approved and contracted for as at 31 December 2010.

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

For the quarter under review, the Group recorded revenue of approximately RM6.6 million which is about 19% higher than the revenue of approximately RM5.5 million for the preceding year’s corresponding quarter due to higher recognition from the Group’s existing order book.

In line with the increase in revenue, the Group recorded a profit before taxation of approximately RM0.2 million for the current quarter as compared to a 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 31 Dec 2010 RM’000 | Preceding Quarter 30 Sep 2010 RM’000 | Difference (%) |
|------------------------|---|---|---------------------------|
| Revenue | 6,604 | 6,052 | 9% |
| Profit before taxation | 188 | 707 | (73%) |

The Group recorded higher revenue of approximately RM6.6 million in the current quarter under review as compared to RM6.1 million in the preceding quarter ended 30 September 2010 as a result of higher completion of projects from its existing order book. However, the Group ended the current quarter with a lower profit before tax as compared to the immediate preceding quarter as the result of the current quarter was affected by higher staff cost and pre-sales cost incurred to expand its overseas business.

The Group ended the current quarter with a secured order book of RM29.9 million as compared to RM25.4 million as at the end of immediate preceding quarter.

B3. Prospect

The marketing efforts undertaken by the Group since the last financial year have shown favourable result in this financial year. The Board expects the operating result of the Group for the financial year ending 31 March 2011 to be better than the previous year.

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 | |
|-----------------------------------|--------------------------|-------------|--------------------------|-------------|
| | 31 Dec 2010 | 31 Dec 2009 | 31 Dec 2010 | 31 Dec 2009 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Current taxation charge | 398 | - | 398 | - |
| Utilization of deferred tax asset | (398) | - | (398) | - |
| | ----- | ----- | ----- | ----- |
| 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.

Net deferred tax assets in respect of unutilized tax losses and development expenditure capitalized have not been recognized because of uncertainty that future taxable profits will be available against which the Company and its subsidiaries can utilize the benefits.

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.



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B8. Status of Corporate Proposals (Cont'd)

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> | | | As at 31.12.10 |
|------------------------------|-------------------------------|---------------------------|---|--------------------|---------------------|---------------------------|
| | | | Granted | Exercised | Lapsed | |
| 20.3.2006 | 30.10.2010 | RM 0.10 | 17,810,000 | (8,865,000) | (8,945,000) | - |
| 15.6.2007 | 30.10.2015 | RM 0.10 | 8,440,000 | - | (2,260,000) | 6,180,000 |
| 01.10.2009 | 30.10.2015 | RM 0.10 | 5,430,000 | - | - | 5,430,000 |
| 01.10.2010 | 30.10.2015 | RM 0.10 | 3,600,000 | - | - | 3,600,000 |
| | | | <u>35,280,000</u> | <u>(8,865,000)</u> | <u>(11,205,000)</u> | <u>15,210,000</u> |

B9. Group Borrowings and Debt Securities

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

| | RM'000 |
|------------------------------|---------------|
| Secured due within 12 months | |
| <i>Bank overdraft</i> | 614 |
| <i>Short term borrowing</i> | 1,154 |
| | ----- |
| | 1,768 |
| | ===== |

The borrowings and banker guarantees are secured by way of corporate guarantees and pledge of fixed deposits of approximately RM2.0 million and certain account receivables.



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B10. Realised and unrealized accumulated losses

| | As at 31 Dec 2010 RM'000 | As at 30 Sep 2010 RM'000 |
|---|--------------------------------|--------------------------------|
| i) Total Accumulated Losses of Nova MSC Bhd and its subsidiaries | | |
| - Realized loss | (36,893) | (37,160) |
| - Unrealised gain | 449 | 177 |
| | <u>(36,444)</u> | <u>(36,983)</u> |
| ii) Total share of retained earning from Associates | | |
| - Realized profit | 164 | 123 |
| - Unrealised gain | - | - |
| | <u>164</u> | <u>123</u> |
| iii) Group Consolidation adjustments | <u>15,063</u> | <u>15,068</u> |
| Total Group accumulated losses as per consolidated accounts | <u>(21,244)</u> | <u>(21,792)</u> |

Note: As per Bursa Malaysia's directive dated 20 December 2010, prior year comparatives are not required in the first year of complying with the Realized and Unrealized Profit/Losses Disclosure.

B11. Off Balance Sheet Financial Instruments

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

B12. 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.

B13. Dividend

No dividend has been recommended for the quarter under review.



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B14. Earning Per Share

| | INDIVIDUAL QUARTER | | CUMULATIVE QUARTER | |
|--|-------------------------|--|-------------------------|---|
| | Current year quarter | Preceding year corresponding quarter | Current year to date | Preceding year corresponding period |
| | 31 Dec 2010 | 31 Dec 2009 | 31 Dec 2010 | 31 Dec 2009 |
| (a) Basic earnings per share | | | | |
| Net profit attributable to shareholders (RM'000) | 188 | 84 | 1,591 | 709 |
| Weighted average number of ordinary shares ('000) | 402,798 | 359,948 | 402,798 | 359,948 |
| Basic earnings per share (sen) | 0.05 | 0.02 | 0.40 | 0.20 |
| (b) Diluted earnings per share | | | | |
| Net profit attributable to shareholders (RM'000) | 188 | 84 | 1,591 | 709 |
| Weighted average number of ordinary shares ('000) | 402,798 | 359,948 | 402,798 | 359,948 |
| Effect of dilution on stock options ('000) | 15,210 | 21,770 | 12,814 | 18,157 |
| Adjusted weighted average number of ordinary shares in issues (diluted) ('000) | 418,008 | 381,718 | 415,612 | 378,105 |
| Diluted earnings per share (sen) | 0.04 | 0.02 | 0.38 | 0.19 |

By the Order of the Board

Tan Kok Aun (MACS 01564)
Wong Wai Yin (MAICSA 7003000)
Secretaries
Kuala Lumpur

16th February 2011