



(Company No: 591898-H)

QUARTERLY REPORT

Condensed Consolidated Statement of Comprehensive Income

For the second quarter ended 30 September 2011

(Unaudited)

Group	Individual Quarter ended		Cumulative Quarter ended	
	Unaudited 30 Sep 2011 RM'000	Unaudited 30 Sep 2010 RM'000	Unaudited 30 Sep 2011 RM'000	Unaudited 30 Sep 2010 RM'000
Revenue	7,047	6,052	14,439	11,557
Depreciation and amortization	(1,496)	(1,210)	(2,962)	(2,226)
Share option expenses	-	-	(150)	(17)
Other operating expenses	(5,476)	(4,118)	(11,093)	(7,959)
Interest expenses	(43)	(57)	(102)	(79)
Interest income	-	2	1	4
Share of results of associates	16	38	136	123
Profit before taxation	48	707	269	1,403
Tax expense	-	-	-	-
Net profit for the period	48	707	269	1,403
Other comprehensive income:				
Exchange differences on translating foreign operations	(110)	354	583	275
Total Comprehensive (Loss)/Income	(62)	1,061	852	1,678
Total comprehensive (loss)/income attributable to:				
Equity Holders of Company	(62)	1,061	852	1,678
Non-controlling interest	-	-	-	-
	(62)	1,061	852	1,678
Earnings per ordinary share (sen):				
- Basic	0.01	0.18	0.07	0.35
- Diluted	0.01	0.17	0.06	0.33

Note :

The unaudited Condensed Consolidated Income Statement should be read in conjunction with the annual audited financial statements for the year ended 31 March 2011 and the accompanying explanatory notes attached to the interim financial statements.



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Condensed Consolidated Statement of Financial Position

Group	Unaudited 30 Sep 2011 RM'000	Audited 31 Mar 2011 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	343	207
Intangible assets	18,503	19,640
Investment in associates	546	403
	<u>19,392</u>	<u>20,250</u>
Current assets		
Amount due from contract customers	10,425	7,010
Trade and other receivables	7,127	10,559
Tax recoverable	6	3
Cash and cash equivalents	2,547	2,432
	<u>20,105</u>	<u>20,004</u>
TOTAL ASSETS	<u>39,497</u>	<u>40,254</u>
EQUITY & LIABILITIES		
Equity and reserves		
Share capital	40,280	40,280
Reserves	(9,773)	(10,775)
Total equity	<u>30,507</u>	<u>29,505</u>
Current liabilities		
Amount due to contract customers	994	949
Trade and other payables	6,247	8,612
Borrowings	1,749	1,188
	<u>8,990</u>	<u>10,749</u>
Total liabilities	<u>8,990</u>	<u>10,749</u>
TOTAL EQUITY AND LIABILITIES	<u>39,497</u>	<u>40,254</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 2011 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 30 September 2011
(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 2011	40,280	8,307	855	2,706	(22,643)	29,505
Total Comprehensive Income for the period	-	-	-	583	269	852
Employee Stock Option						
- Value of Employee services	-	-	150	-	-	150
- Transferred to Accumulated Loss for Lapsed ESOS	-	-	(19)	-	19	-
At 30 September 2011	40,280	8,307	986	3,289	(22,355)	30,507
At 1 April 2010	40,280	8,307	949	1,808	(23,195)	28,149
Total Comprehensive Income for the period	-	-	-	275	1,403	1,678
Employee Stock Option						
- Value of Employee services	-	-	17	-	-	17
At 30 September 2010	40,280	8,307	966	2,083	(21,792)	29,844

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 2011 and the accompanying explanatory notes attached to the interim financial statements.



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Condensed Consolidated Cash Flow Statements

For the period ended 30 September 2011

(Unaudited)

Group	Year To Date ended	Year To Date ended
	30 Sep 2011 RM'000	30 Sep 2010 RM'000
Profit before taxation	269	1,403
Adjustments for :-		
Non-cash items	3,111	2,223
Non-operating items	31	(4)
Operating profit before working capital changes	3,411	3,622
Net change in current assets	17	(3,476)
Net change in current liabilities	(2,319)	(31)
Tax paid	(3)	(3)
Net cash from operating activities	1,106	112
Investing activities		
Purchase of property, plant and equipment	(218)	(29)
Interest received	1	4
Investment in associate	-	(57)
Addition of software development expenditure, net of grant	(1,344)	(633)
Net cash used in investing activities	(1,561)	(715)
Financing activities		
Proceed of short term borrowing, net	661	484
Decrease in pledged deposit place with bank	165	108
Net cash (used)/generated in financing activities	826	592
Net changes in cash and cash equivalents	371	(11)
Cash and cash equivalents at beginning of financial year	(90)	1,872
Effect of exchange rate changes on opening balance	8	5
Cash and cash equivalents at end of the financial period	289	1,866
Cash and cash equivalents at end of financial period comprise of:		
Cash and cash equivalents (excluding pledged deposits with bank)	792	2,635
Bank overdraft	(503)	(769)
Cash and cash equivalents at end of the financial period	289	1,866

The unaudited Condensed Consolidated Cash Flow Statement should be read in conjunction with the annual audited financial statements for the year ended 31 March 2011 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 2011.

The significant 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 2011 except for the adoption of the following new Financial Reporting Standards (“FRS”), Amendments to FRS and Interpretations by the Group with effect from 1 January 2011:-

FRS 1 (Revised)	First-time Adoption of Financial Reporting Standard
FRS 3 (Revised)	Business Combinations
FRS 127 (Revised)	Consolidated and Separate Financial Statements
Amendment to FRS 1	Limited Exemption from Comparative FRS 7 Disclosure for First-time Adopters
Amendment to FRS 1	Additional Exemptions for First-time Adopters
Amendment to FRS 2 (Revised)	Share Based Payment
Amendment to FRS 2	Group Cash-settled Share-based Payment Transactions
Amendment to FRS 5 (Revised)	Non-current Assets Held for Sale and Discontinue Operations
Amendment to FRS 7	Improving Disclosures about Financial Instruments
Amendment to FRS 132	Financial Instruments: Presentation
Amendment to FRS 138 (Revised)	Intangible Assets
IC Interpretation 4	Determining Whether an Arrangement contains a Lease
IC Interpretation 12	Service Concession Arrangements
IC Interpretation 16	Hedges of a Net Investment in a Foreign Operation
IC Interpretation 17	Distribution of Non-cash Assets to Owners
IC Interpretation 18	Transfer of Assets from Customers
Amendment to IC Interpretation 9	Reassessment of Embedded Derivatives

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

The Group has not early adopted the following new and revised FRSs, Amendments to FRSs, IC Interpretations which have been issued by the Malaysian Accounting Standard Board (“MASB”) but are not yet effective for the current financial period:

FRS 124	Related Party Disclosures
IC Interpretation 19	Extinguishing Financial Liabilities with Equity Instruments
Amendments to IC Interpretation 14	Prepayments of a Minimum Funding Requirement

The Group expects the adoption of the above FRS, Amendments to FRSs and Interpretations will not have a material impact on the financial statements in the period of initial applications.



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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.



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A8. Segmental Information

	Period ended 30 September 2011			Consolidated RM'000
	Malaysia RM'000	Overseas RM'000	Eliminations RM'000	
<i>Geographical segments</i>				
External	1,104	13,335	-	14,439
Inter-segment	-	-	-	-
Total revenue	1,104	13,335	-	14,439
Segment result	51	183	-	234
Interest income				1
Interest expense				(102)
Share of results of associates				136
Profit before taxation				269
Taxation				-
Profit after taxation				269
Segment assets	24,863	40,147	(25,512)	39,497
Segment liabilities	1,151	22,972	(15,133)	8,990
Capital expenditure	15	203	-	218
Depreciation and amortisation	27	2,934	-	2,962

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 October 2011 and 14th November 2011 that would be required to be reflected in the financial statement for the quarter ended 30th September 2011.

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 30 Sep 2011 RM'000
Guarantees given by the Company to financial institution for credit facilities granted to subsidiary	1,246 =====

A13. Capital Commitments

There were no material capital commitments approved and contracted for as at 30 September 2011.

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 except the following:-

	Individual quarter ended		Cumulative quarter ended	
	30 Sep 2011	30 Sep 2010	30 Sep 2011	30 Sep 2010
	RM'000	RM'000	RM'000	RM'000
Transactions between the Group with a substantial shareholder				
Rental income	23	-	23	-
Development expenses	(67)		(132)	
	=====	=====	=====	=====
Transactions between the Group with a company which certain directors may have or deemed to have substantial interests				
Rental income	7	7	15	14
	=====	=====	=====	=====



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Part B – Additional Information required by Bursa Malaysia Securities Berhad’s Listing Requirements

B1. Performance Review

For the current quarter under review, the Group achieved revenue of approximately RM7.0 million, which was approximately 16% higher than the revenue of approximately RM6.1 million for the preceding year’s corresponding quarter as a result of higher contribution from the Group’s existing order books. The Group, however, recorded a lower second quarter profit before taxation of approximately RM0.05 million as compared to the profit before taxation of approximately RM0.7 million for the preceding year’s corresponding quarter due to higher third party direct cost, amortization charges, staff cost and accrued benefits.

B2. Variation of Results against the Preceding Quarter

	Current Quarter 30 Sep 2011 RM’000	Preceding Quarter 30 Jun 2011 RM’000	Difference (%)
Revenue	7,047	7,391	(5%)
Profit before taxation	48	221	(78%)

The Group recorded a slightly lower revenue of approximately RM7.0 million in the current quarter under review as compared to RM7.4 million in the preceding quarter ended 30 June 2011 due to lower consultancy services from the Group’s existing order books. The Group ended the current quarter with a profit before tax of RM0.05million as compared to a profit before taxation of RM0.2 million in the immediate preceding quarter mainly as a result of the lower revenue and share of associate profit coupled with higher staff cost though partly offset by absence of share option expenses in this current quarter under review.

The Group ended the current quarter with a secured order book of RM27.3 million as compared to RM28.5 million as at the end of immediate preceding quarter.

B3. Prospect

While the Group’s order book is relatively stable, the outlook remains challenging due to the uncertainty brought on from the Euro-zone financial crisis.

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 Sep 2011	30 Sep 2010	30 Sep 2011	30 Sep 2010
	RM'000	RM'000	RM'000	RM'000
Current taxation charge	-	-	-	-
Utilization of deferred tax asset	-	-	-	-
	-----	-----	-----	-----
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 30.09.11
			Granted	Exercised	Lapsed	
15.6.2007	30.10.2015	RM 0.10	8,440,000	-	(2,760,000)	5,680,000
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
15.04.2011	30.10.2015	RM 0.10	3,440,000	-	-	3,440,000
			<u>20,910,000</u>	<u>-</u>	<u>(2,760,000)</u>	<u>18,150,000</u>

B9. Group Borrowings and Debt Securities

The total borrowings of the Group as at 30 September 2011 are as follows:

	RM'000
Secured due within 12 months	
<i>Bank overdraft</i>	503
<i>Short term borrowing</i>	1,246

	1,749
	=====

The borrowings and banker guarantees are secured by way of corporate guarantees and pledge of fixed deposits of approximately RM1.7 million and certain account receivables.



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B10. Realised and unrealized accumulated losses

	As at 30 Sep 2011 RM'000	As at 31 Mar 2011 RM'000
i) Total Accumulated Losses of Nova MSC Bhd and its subsidiaries		
- Realized loss	(37,180)	(38,269)
- Unrealised (loss)/gain	(390)	472
	<u>(37,570)</u>	<u>(37,796)</u>
ii) Total share of retained earning from Associates		
- Realized profit	445	309
- Unrealised gain	-	-
	<u>445</u>	<u>309</u>
iii) Group Consolidation adjustments	<u>14,770</u>	<u>14,843</u>
Total Group accumulated losses as per consolidated accounts	<u>(22,355)</u>	<u>(22,643)</u>

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
	30 Sep 2011	30 Sep 2010	30 Sep 2011	30 Sep 2010
(a) Basic earnings per share				
Net profit attributable to shareholders (RM'000)	48	707	269	1,403
Weighted average number of ordinary shares ('000)	402,798	402,798	402,798	402,798
Basic earnings per share (sen)	0.01	0.18	0.07	0.35
(b) Diluted earnings per share				
Net profit attributable to shareholders (RM'000)	48	707	269	1,403
Weighted average number of ordinary shares ('000)	402,798	402,798	402,798	402,798
Effect of dilution on stock options ('000)	18,150	16,690	17,887	16,690
Adjusted weighted average number of ordinary shares in issues (diluted) ('000)	420,948	419,488	420,685	419,488
Diluted earnings per share (sen)	0.01	0.17	0.06	0.33

By the Order of the Board

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

14th November 2011