



(Company No: 591898-H)

## QUARTERLY REPORT

### Condensed Consolidated Statement of Comprehensive Income

For the third quarter ended 31 December 2011

(Unaudited)

Group	Individual Quarter ended		Cumulative Quarter ended	
	Unaudited 31 Dec 2011 RM'000	Unaudited 31 Dec 2010 RM'000	Unaudited 31 Dec 2011 RM'000	Unaudited 31 Dec 2010 RM'000
<b>Revenue</b>	<b>8,959</b>	<b>6,604</b>	<b>23,398</b>	<b>18,161</b>
Depreciation and amortization	(1,495)	(1,204)	(4,456)	(3,430)
Impairment of intangible assets	(4,764)	-	(4,764)	-
Other operating expenses	(7,397)	(5,217)	(18,642)	(13,191)
Interest expenses	(30)	(41)	(131)	(121)
Interest income	3	4	4	8
Share of results of associates	14	42	149	164
(Loss)/Profit before taxation	(4,710)	188	(4,442)	1,591
Tax expense	-	-	-	-
<b>Net (loss)/profit for the period</b>	<b>(4,710)</b>	<b>188</b>	<b>(4,442)</b>	<b>1,591</b>
Other comprehensive income:				
Exchange differences on translating foreign operations	(107)	457	476	732
<b>Total Comprehensive (Loss)/Income</b>	<b>(4,817)</b>	<b>645</b>	<b>(3,966)</b>	<b>2,323</b>
Total comprehensive (loss)/income attributable to:				
Equity Holders of Company	(4,817)	645	(3,966)	2,323
Non-controlling interest	-	-	-	-
	(4,817)	645	(3,966)	2,323
(Loss)/Earnings per ordinary share (sen):				
- Basic	(1.17)	0.05	(1.10)	0.40
- Diluted	N.M.	0.04	N.M.	0.38

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

<b>Group</b>	<b>Unaudited 31 Dec 2011 RM'000</b>	<b>Audited 31 Mar 2011 RM'000</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	349	207
Intangible assets	12,887	19,640
Investment in associates	558	403
	<u>13,794</u>	<u>20,250</u>
<b>Current assets</b>		
Amount due from contract customers	12,130	7,010
Trade and other receivables	7,160	10,559
Tax recoverable	7	3
Cash and cash equivalents	2,379	2,432
	<u>21,676</u>	<u>20,004</u>
<b>TOTAL ASSETS</b>	<u>35,470</u>	<u>40,254</u>
<b>EQUITY &amp; LIABILITIES</b>		
<b>Equity and reserves</b>		
Share capital	40,280	40,280
Reserves	(14,591)	(10,775)
<b>Total equity</b>	<u>25,689</u>	<u>29,505</u>
<b>Current liabilities</b>		
Amount due to contract customers	2,198	949
Trade and other payables	6,482	8,612
Borrowings	1,101	1,188
	<u>9,781</u>	<u>10,749</u>
<b>Total liabilities</b>	<u>9,781</u>	<u>10,749</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>35,470</u>	<u>40,254</u>
Net assets per share (RM)	<u>0.06</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 31 December 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
<b>At 1 April 2011</b>	40,280	8,307	855	2,706	(22,643)	29,505
Total Comprehensive Income for the period	-	-	-	476	(4,442)	(3,966)
Employee Stock Option						
- Value of Employee services	-	-	150	-	-	150
- Transferred to Accumulated Loss for Lapsed ESOS	-	-	(26)	-	26	-
<b>At 31 December 2011</b>	40,280	8,307	979	3,182	(27,059)	25,689
<b>At 1 April 2010</b>	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	-
<b>At 31 December 2010</b>	40,280	8,307	770	2,540	(21,244)	30,653

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 31 December 2011

(Unaudited)

Group	Year To Date ended	Year To Date ended
	31 Dec 2011 RM'000	31 Dec 2010 RM'000
(Loss)/Profit before taxation	(4,442)	1,591
Adjustments for :-		
Non-cash items	9,370	3,667
Non-operating items	(37)	(8)
Operating profit before working capital changes	4,891	5,250
Net change in current assets	(1,719)	(5,520)
Net change in current liabilities	(880)	141
Tax paid	(4)	(5)
Net cash from operating activities	2,288	(134)
Investing activities		
Purchase of property, plant and equipment	(275)	(68)
Interest received	4	8
Investment in associate	-	(58)
Addition of software development expenditure, net of grant	(1,989)	(1,131)
Net cash used in investing activities	(2,260)	(1,249)
Financing activities		
Proceed of short term borrowing, net	41	(192)
Decrease in pledged deposit place with bank	584	86
Net cash (used)/generated in financing activities	625	(106)
Net changes in cash and cash equivalents	653	(1,489)
Cash and cash equivalents at beginning of financial year	(90)	1,872
Effect of exchange rate changes on opening balance	6	16
Cash and cash equivalents at end of the financial period	569	399
Cash and cash equivalents at end of financial period comprise of:		
Cash and cash equivalents (excluding pledged deposits with bank)	1,043	1,013
Bank overdraft	(474)	(614)
Cash and cash equivalents at end of the financial period	569	399

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 B6, 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. Capital Commitments**

There were no material capital commitments approved and contracted for as at 31 December 2011.

**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 1<sup>st</sup> January 2012 and 27<sup>th</sup> February 2012 that would be required to be reflected in the financial statement for the quarter ended 31<sup>st</sup> December 2011.



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**A11. Changes in the Composition Of the Group**

There were no changes in the composition of the Group during the quarter under review.

**A12. Segmental Information**

	Period ended 31 December 2011			Consolidated RM'000
	Malaysia RM'000	Overseas RM'000	Eliminations RM'000	
<i>Geographical segments</i>				
External	1,171	22,227	-	23,398
Inter-segment	-	-	-	-
<b>Total revenue</b>	<u>1,171</u>	<u>22,227</u>	<u>-</u>	<u>23,398</u>
<b>Segment result</b>	<u>(456)</u>	<u>(4,008)</u>	<u>-</u>	<u>(4,464)</u>
Interest income				4
Interest expense				(131)
Share of results of associates				149
Loss before taxation				<u>(4,442)</u>
Taxation				-
Loss after taxation				<u>(4,442)</u>
<b>Segment assets</b>	<u>24,429</u>	<u>36,398</u>	<u>(25,357)</u>	<u>35,470</u>
<b>Segment liabilities</b>	<u>1,237</u>	<u>23,521</u>	<u>(14,977)</u>	<u>9,781</u>
Capital expenditure	20	255	-	275
Depreciation and amortisation	41	4,415	-	4,456

**A13. Changes in Contingent Liabilities**

As at end of current  
quarter ended  
31 Dec 2011  
RM'000

Guarantees given by the Company to financial institution  
for credit facilities granted to subsidiary

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#### 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	
	31 Dec 2011 RM'000	31 Dec 2010 RM'000	31 Dec 2011 RM'000	31 Dec 2010 RM'000
Transactions between the Group with a substantial shareholder				
Rental income	35	-	59	-
Development expenses	(66)	-	(198)	-
	=====	=====	=====	=====
Transactions between the Group with a company which certain directors may have or deemed to have substantial interests				
Rental income	7	7	22	21
	=====	=====	=====	=====





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

### **B1. Performance Review**

#### Current Year-to-date vs Previous Year-to-date

For the 9 months ended 31 December 2011, the Group recorded revenue of RM23.4 million. This represented an approximately 29% increase over the revenue for the 9 months period ended 31 Dec 2010 of RM18.1 million. The increase was mainly due to higher revenue recognition resulting from higher delivery of third party products and project milestone completion.

Despite the higher revenue, the Group incurred a loss before taxation of approximately RM4.4 million for the 9 months ended 31 December 2011 as compared to the preceding year’s profit before taxation of approximately RM1.6million. This was due to an impairment charge of approximately RM4.8 million related to one of its intangible assets coupled with increase in third party direct cost and staff cost.

#### Current Quarter vs Previous Year Corresponding Quarter

For the current quarter under review, the Group achieved revenue of approximately RM9.0 million, which was approximately 35% higher than the revenue of approximately RM6.6 million for the previous year’s corresponding quarter, as a result of higher revenue recognition from higher delivery of third party products.

The Group, however, recorded a third quarter loss before taxation of approximately RM4.7 million as compared to the profit before taxation of approximately RM0.2 million for the preceding year’s corresponding quarter due to an impairment charge of approximately RM4.8 million on its intangible asset coupled with higher corresponding third party direct cost and staff cost.

### **B2. Variation of Results against the Preceding Quarter**

	<b>Current Quarter 31 Dec 2011 RM’000</b>	<b>Preceding Quarter 30 Sep 2011 RM’000</b>	<b>Difference (%)</b>
Revenue	8,959	7,047	27%
(Loss)/Profit before taxation	(4,710)	48	N.M.

The Group recorded a higher revenue of approximately RM9.0 million in the current quarter under review as compared to RM7.0 million in the preceding quarter ended 30 September 2011 due to higher delivery of third party products in accordance to project milestone requirements. The Group ended the current quarter with a loss before tax of approximately RM4.7 million due to an impairment charge of approximately RM4.8 million on one of its intangible assets.

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



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**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.

**B5. Taxation**

	Individual quarter ended		Cumulative quarter ended	
	31 Dec 2011	31 Dec 2010	31 Dec 2011	31 Dec 2010
	RM'000	RM'000	RM'000	RM'000
Current taxation charge	-	-	-	-
Utilization of deferred tax asset	-	-	-	-
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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. Status of Corporate Proposals**

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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#### B6. 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>			<b>As at 31.12.11</b>
			Granted	Exercised	Lapsed	
15.6.2007	30.10.2015	RM 0.10	8,440,000	-	(2,860,000)	5,580,000
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>(2,860,000)</u>	<u>18,050,000</u>

#### B7. Group Borrowings and Debt Securities

The total borrowings of the Group as at 31 December 2011 are as follows:

	<b>RM'000</b>
Secured due within 12 months	
<i>Bank overdraft</i>	474
<i>Short term borrowing</i>	627
	-----
	1,101
	=====

The borrowings and banker guarantees are secured by way of corporate guarantees and pledge of fixed deposits of approximately RM1.3 million and certain account receivables.

#### B8. 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.

#### B9. Dividend

No dividend has been recommended for the quarter under review.



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**B10. Realised and unrealized accumulated losses**

	<b>As at 31 Dec 2011 RM'000</b>	<b>As at 31 Mar 2011 RM'000</b>
i) Total Accumulated Losses of Nova MSC Bhd and its subsidiaries		
- Realized loss	(42,637)	(38,269)
- Unrealised (losses)/gain	325	472
	<u>(42,312)</u>	<u>(37,796)</u>
ii) Total share of retained earning from Associates		
- Realized profit	459	309
- Unrealised gain	-	-
	<u>459</u>	<u>309</u>
iii) Group Consolidation adjustments	<u>14,794</u>	<u>14,843</u>
Total Group accumulated losses as per consolidated accounts	<u>(27,059)</u>	<u>(22,643)</u>

**B11. Notes to Condensed Consolidated Statement of Comprehensive Income**

Operating profit is arrived at after charging/(crediting) the following items:

	<b>Individual Quarter ended 31 Dec 2011 RM'000</b>	<b>Cumulative Quarter ended 31 Dec 2011 RM'000</b>
i) Depreciation and amortization	1,495	4,456
ii) Foreign exchange (gain)/loss	(6)	(129)
iii) Provision for and write off of receivables	-	-
iv) Provision for and write off of inventories	-	-
v) Gain and loss on disposal of quoted and unquoted investments or properties	-	-
vi) Impairment of asset	4,764	4,764
vii) Gain or loss on derivatives	-	-
viii) Exceptional items	-	-



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**B12. (Loss)/Earning Per Share**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current year quarter	Preceding year corresponding quarter	Current year to date	Preceding year corresponding period
	31 Dec 2011	31 Dec 2010	31 Dec 2011	31 Dec 2010
<b>(a) Basic earnings per share</b>				
Net (loss)/profit attributable to shareholders (RM'000)	(4,710)	188	(4,442)	1,591
Weighted average number of ordinary shares ('000)	402,798	402,798	402,798	402,798
Basic (loss)/earnings per share (sen)	(1.17)	0.05	(1.10)	0.40
<b>(b) Diluted earnings per share</b>				
Net profit attributable to shareholders (RM'000)	N.M.	188	N.M.	1,591
Weighted average number of ordinary shares ('000)	N.M.	402,798	N.M.	402,798
Effect of dilution on stock options ('000)	N.M.	15,210	N.M.	12,814
Adjusted weighted average number of ordinary shares in issues (diluted) ('000)	N.M.	418,008	N.M.	415,612
Diluted earnings per share (sen)	N.M.	0.04	N.M.	0.38

N.M.: Diluted earning per share was not calculated as the outstanding ESOS options were considered to be anti-dilutive.

By the Order of the Board

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

27<sup>th</sup> February 2012