



(Company No: 591898-H)

QUARTERLY REPORT

Condensed Consolidated Statement of Comprehensive Income

For the second quarter ended 30 September 2012

(Unaudited)

Group	Individual Quarter ended		Cumulative Quarter ended	
	Unaudited 30 Sep 2012 RM'000	Unaudited 30 Sep 2011 RM'000	Unaudited 30 Sep 2012 RM'000	Unaudited 30 Sep 2011 RM'000
Revenue	8,628	7,047	18,191	14,439
Depreciation and amortization	(1,389)	(1,496)	(2,772)	(2,962)
Other operating expenses	(6,990)	(5,476)	(14,894)	(11,243)
Interest expenses	(39)	(43)	(70)	(102)
Interest income	-	-	-	1
Share of results of associates	37	16	45	136
Profit before taxation	247	48	500	269
Tax expense	-	-	-	-
Net Profit for the period	247	48	500	269
Other comprehensive income:				
Exchange differences on translating foreign operations	10	(110)	624	583
Total Comprehensive (Loss)/Income	257	(62)	1,124	852
Total comprehensive (loss)/income attributable to:				
Equity Holders of Company	257	(62)	1,124	852
Non-controlling interest	-	-	-	-
	257	(62)	1,124	852
(Loss)/Earnings per ordinary share (sen):				
- Basic	0.06	0.01	0.12	0.07
- Diluted	0.06	0.01	0.12	0.06

Note :

The unaudited Condensed Consolidated Income Statement should be read in conjunction with the annual audited financial statements for the year ended 31 March 2012 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 2012 RM'000	Audited 31 Mar 2012 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	462	403
Intangible assets	10,834	12,602
Investment in associates	623	565
	<u>11,919</u>	<u>13,570</u>
Current assets		
Amount due from contract customers	13,908	13,671
Trade and other receivables	8,801	4,532
Tax recoverable	6	4
Cash and cash equivalents	2,956	6,478
	<u>25,671</u>	<u>24,685</u>
TOTAL ASSETS	<u>37,590</u>	<u>38,255</u>
EQUITY & LIABILITIES		
Equity and reserves		
Share capital	40,280	40,280
Reserves	(13,507)	(14,631)
Total equity	<u>26,773</u>	<u>25,649</u>
Non-current liabilities		
Borrowings	-	812
	<u>-</u>	<u>812</u>
Current liabilities		
Amount due to contract customers	1,442	133
Trade and other payables	7,547	10,038
Borrowings	1,828	1,623
	<u>10,817</u>	<u>11,794</u>
Total liabilities	<u>10,817</u>	<u>12,606</u>
TOTAL EQUITY AND LIABILITIES	<u>37,590</u>	<u>38,255</u>
Net assets per share (RM)	<u>0.07</u>	<u>0.06</u>

The unaudited Condensed Consolidated Balance Sheet should be read in conjunction with the annual audited financial statements for the year ended 31 March 2012 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 2012

(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 2012	40,280	8,307	958	3,101	(26,997)	25,649
Total Comprehensive Income for the period	-	-	-	624	500	1,124
Employee Stock Option - Transferred to Accumulated Loss for Lapsed ESOS	-	-	(16)	-	16	-
At 30 September 2012	40,280	8,307	942	3,725	(26,481)	26,773
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

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 2012 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 2012

(Unaudited)

Group	Year To Date ended	Year To Date ended
	30 Sep 2012 RM'000	30 Sep 2011 RM'000
Profit before taxation	500	269
Adjustments for :-		
Non-cash items	2,772	3,111
Non-operating items	88	31
Operating profit before working capital changes	3,360	3,411
Net change in current assets	(4,506)	17
Net change in current liabilities	(1,181)	(2,319)
Tax paid	(2)	(3)
Net cash from operating activities	(2,329)	1,106
Investing activities		
Purchase of property, plant and equipment	(111)	(218)
Interest received	-	1
Addition of software development expenditure, net of grant	(605)	(1,344)
Net cash used in investing activities	(716)	(1,561)
Financing activities		
Proceed/(Repayment) of short term borrowing, net	(607)	661
(Increase)/Decrease in pledged deposit place with bank	(121)	165
Net cash (used)/generated in financing activities	(728)	826
Net changes in cash and cash equivalents	(3,773)	371
Cash and cash equivalents at beginning of financial year	5,852	(90)
Effect of exchange rate changes on opening balance	130	8
Cash and cash equivalents at end of the financial period	2,209	289
Cash and cash equivalents at end of financial period comprise of:		
Cash and cash equivalents (excluding pledged deposits with bank)	2,209	792
Bank overdraft	-	(503)
Cash and cash equivalents at end of the financial period	2,209	289

The unaudited Condensed Consolidated Cash Flow Statement should be read in conjunction with the annual audited financial statements for the year ended 31 March 2012 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 Malaysian Financial Reporting Standards (“MFRS”) 134 “Interim Financial Reporting” and Paragraph 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 2012.

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 2012 except for the adoption of new/revised FRSs that are effective 1 January 2012. These new/revised FRSs are not expected to have a significant impact on the financial position or results.

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.



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A8. Capital Commitments

There were no material capital commitments approved and contracted for as at 30 June 2012.

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 July 2012 and 22nd August 2012 that would be required to be reflected in the financial statement for the quarter ended 30th June 2012.

A11. Changes in the Composition Of the Group

There were no changes in the composition of the Group during the quarter under review except the following:-

On 3 April 2012, the Company announced that the Company had incorporated a wholly-owned subsidiary in the Republic of The Philippines under the name of "novaSOLUTIONS (Philippines), Inc" ("NSP").

The authorized capital stock of NSP is Philippine Pesos Eight Hundred Thousands (PHP800,000.00) only divided into 800,000 shares of PHP1.00 each, of which 800,000 shares have been issued at par and fully paid-up. The Company had subscribed for 799,995 shares while the remaining 5 shares are held by the 5 directors in NSP with each director holding one (1) share each. The incorporation of NSP is for the purpose of future expansion of business.

A12. Changes in Contingent Liabilities

	As at end of current quarter ended 30 Sep 2012 RM'000
Guarantees given by the Company to financial institution for credit facilities granted to subsidiary	1,828 =====



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A13. Segmental Information

	Period ended 30 September 2012			Consolidated RM'000
	Malaysia RM'000	Overseas RM'000	Eliminations RM'000	
<i>Geographical segments</i>				
External	1,983	16,207	-	18,191
Inter-segment	-	-	-	-
Total revenue	<u>1,983</u>	<u>16,207</u>	<u>-</u>	<u>18,191</u>
Segment result	<u>(585)</u>	<u>1,110</u>	<u>-</u>	<u>525</u>
Interest income				-
Interest expense				(70)
Share of results of associates				45
Loss before taxation				<u>500</u>
Taxation				-
Loss after taxation				<u>500</u>
Segment assets	<u>27,223</u>	<u>39,243</u>	<u>(28,876)</u>	<u>37,590</u>
Segment liabilities	<u>1,498</u>	<u>23,888</u>	<u>(14,569)</u>	<u>10,817</u>
Capital expenditure	6	105	-	111
Depreciation and amortisation	25	2,747	-	2,772

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 2012 RM'000	30 Sep 2011 RM'000	30 Sep 2012 RM'000	30 Sep 2011 RM'000
Transactions between the Group with a substantial shareholder				
Rental income	35	23	69	23
Consultancy income	47	-	47	-
Development expenses	-	(67)	(66)	(132)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>



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A14. Significant Related Party Transaction (Cont'd)

	Individual quarter ended		Cumulative quarter ended	
	30 Sep 2012	30 Sep 2011	30 Sep 2012	30 Sep 2011
	RM'000	RM'000	RM'000	RM'000
Transactions between the Group with a company which certain directors may have or deemed to have substantial interests				
Rental income	7	7	14	15
	=====	=====	=====	=====



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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 6 months ended 30 September 2012, the Group recorded revenue of RM18.2 million. This represented an approximately 26% increase over the revenue for the 6 months period ended 30 September 2011 of RM14.4 million. The increase was mainly due to higher revenue recognition resulting from higher delivery of third party products and project milestone completion.

In line with the increase in revenue, the Group recorded a profit before taxation of approximately RM0.5 million for the 6 months ended 30 September 2012 as compared to the preceding year’s profit before taxation of approximately RM0.3 million.

Current Quarter vs Previous Year Corresponding Quarter

For the current quarter under review, the Group achieved revenue of approximately RM8.6 million, which was approximately 22% higher than the revenue of approximately RM7.0 million for the previous year’s corresponding quarter, as a result of higher revenue recognition from higher delivery of third party products.

In line with increase in revenue, the Group recorded a higher profit before taxation of RM0.25 million as compared to the profit before taxation of approximately RM0.05 million for the preceding year’s corresponding quarter.

B2. Variation of Results against the Preceding Quarter

	Current Quarter 30 Sep 2012 RM’000	Preceding Quarter 30 Jun 2012 RM’000	Difference (%)
Revenue	8,628	9,563	-10%
Profit before taxation	247	253	-2%

The Group recorded revenue of approximately RM8.6 million in the current quarter, which was approximately 10% lower than that recorded in the preceding quarter ended 30 June 2012 of RM 9.6 million due to lower delivery of third party products. The Group ended the current quarter with a profit before tax of approximately RM 247,000 which was comparable to the profit before taxation of approximately RM253,000 recorded in the preceding quarter.

The Group ended the current quarter with a secured order book of RM30.1 million as compared to RM32.1 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 as business sentiments continue to be affected from 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	
	30 Sep 2012	30 Sep 2011	30 Sep 2012	30 Sep 2011
	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. 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>			As at 30.09.12
			Granted	Exercised	Lapsed	
15.6.2007	30.10.2015	RM 0.10	8,440,000	-	(3,100,000)	5,340,000
01.10.2009	30.10.2015	RM 0.10	5,430,000	-	(200,000)	5,230,000
01.10.2010	30.10.2015	RM 0.10	3,600,000	-	(200,000)	3,400,000
15.04.2011	30.10.2015	RM 0.10	3,440,000	-	-	3,440,000
			<u>20,910,000</u>	-	<u>(3,500,000)</u>	<u>17,410,000</u>

B7. Group Borrowings and Debt Securities

The total borrowings of the Group as at 30 September 2012 are as follows:

	RM'000
Term loan	
<i>Payable within 12 months</i>	1,828
<i>Payable after 12 months</i>	-

	1,828
	=====

The borrowings are secured by pledge of present and future proceeds from certain consultancy contracts. Deposits with licensed banks amounting to RM747K are pledged as security for other banking facilities.

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

	As at 30 Sep 2012 RM'000	As at 30 Sep 2011 RM'000
i) Total Accumulated Losses of Nova MSC Bhd and its subsidiaries		
- Realized loss	(38,228)	(37,180)
- Unrealised (losses)/gain	374	(390)
	<u>(37,854)</u>	<u>(37,570)</u>
ii) Total share of retained earning from Associates		
- Realized profit	512	445
- Unrealised gain	-	-
	<u>512</u>	<u>445</u>
iii) Group Consolidation adjustments	<u>10,861</u>	<u>14,770</u>
Total Group accumulated losses as per consolidated accounts	<u>(26,481)</u>	<u>(22,355)</u>

B11. Notes to Condensed Consolidated Statement of Comprehensive Income

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

	Individual Quarter ended 30 Sep 2012 RM'000	Cumulative Quarter ended 30 Sep 2012 RM'000
i) Depreciation and amortization	1,389	2,772
ii) Foreign exchange (gain)/loss	71	(30)
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 intangible asset	-	-
vii) Gain or loss on derivatives	-	-
viii) Exceptional items	-	-



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B12. Earning Per Share

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current year quarter 30 Sep 2012	Preceding year corresponding quarter 30 Sep 2011	Current year to date 30 Sep 2012	Preceding year corresponding period 30 Sep 2011
(a) Basic earnings per share				
Net profit attributable to shareholders (RM'000)	247	48	500	269
Weighted average number of ordinary shares ('000)	402,798	402,798	402,798	402,798
Basic earning/(loss) per share (sen)	0.06	0.01	0.12	0.07
(b) Diluted earnings per share				
Net profit attributable to shareholders (RM'000)	247	48	500	269
Weighted average number of ordinary shares ('000)	402,798	402,798	402,798	402,798
Effect of dilution on stock options ('000)	17,410	18,150	17,410	17,887
Adjusted weighted average number of ordinary shares in issues (diluted) ('000)	420,208	420,948	420,208	420,685
Diluted earnings per share (sen)	0.06	0.01	0.12	0.06

By the Order of the Board

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

27th November 2012