



(Company No: 591898-H)

QUARTERLY REPORT

Condensed Consolidated Statement of Comprehensive Income For the third quarter ended 31 December 2012 (Unaudited)

Group	Individual Quarter ended		Cumulative Quarter ended	
	Unaudited 31 Dec 2012 RM'000	Unaudited 31 Dec 2011 RM'000	Unaudited 31 Dec 2012 RM'000	Unaudited 31 Dec 2011 RM'000
Revenue	4,192	8,959	22,384	23,398
Depreciation and amortization	(1,393)	(1,495)	(4,165)	(4,456)
Impairment on intangible assets	(906)	(4,764)	(906)	(4,764)
Other operating expenses	(6,285)	(7,397)	(21,180)	(18,642)
Interest expenses	(41)	(30)	(110)	(131)
Interest income	-	3	-	4
Share of results of associates	44	14	89	149
Loss before taxation	(4,389)	(4,710)	(3,888)	(4,442)
Tax expense	-	-	-	-
Net Loss for the period	(4,389)	(4,710)	(3,888)	(4,442)
Other comprehensive income:				
Exchange differences on translating foreign operations	63	(107)	687	476
Total Comprehensive Loss	(4,326)	(4,817)	(3,201)	(3,966)
Total comprehensive loss attributable to:				
Equity Holders of Company	(4,326)	(4,817)	(3,201)	(3,966)
Non-controlling interest	-	-	-	-
	(4,326)	(4,817)	(3,201)	(3,966)
(Loss) per ordinary share (sen):				
- Basic	(1.09)	(1.17)	(0.97)	(1.10)
- Diluted	N.M.	N.M.	N.M.	N.M.

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 31 Dec 2012 RM'000	Audited 31 Mar 2012 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	473	403
Intangible assets	9,575	12,602
Investment in associates	669	565
	<u>10,717</u>	<u>13,570</u>
Current assets		
Amount due from contract customers	7,912	13,671
Trade and other receivables	10,626	4,532
Tax recoverable	6	4
Cash and cash equivalents	3,584	6,478
	<u>22,128</u>	<u>24,685</u>
TOTAL ASSETS	<u>32,845</u>	<u>38,255</u>
EQUITY & LIABILITIES		
Equity and reserves		
Share capital	40,280	40,280
Reserves	(17,832)	(14,631)
Total equity	<u>22,448</u>	<u>25,649</u>
Non-current liabilities		
Borrowings	-	812
	<u>-</u>	<u>812</u>
Current liabilities		
Amount due to contract customers	2,395	133
Trade and other payables	6,716	10,038
Borrowings	1,286	1,623
	<u>10,397</u>	<u>11,794</u>
Total liabilities	<u>10,397</u>	<u>12,606</u>
TOTAL EQUITY AND LIABILITIES	<u>32,845</u>	<u>38,255</u>
Net assets per share (RM)	<u>0.06</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 31 December 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	-	-	-	687	(3,888)	(3,201)
Employee Stock Option - Transferred to Accumulated Loss for Lapsed ESOS	-	-	(16)	-	16	-
At 31 December 2012	40,280	8,307	942	3,788	(30,869)	22,448
At 1 April 2011	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	-
At 31 December 2011	40,280	8,307	979	3,182	(27,059)	25,689

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 31 December 2012

(Unaudited)

Group	Year To Date ended	Year To Date ended
	31 Dec 2012 RM'000	31 Dec 2011 RM'000
Loss before taxation	(3,888)	(4,442)
Adjustments for :-		
Non-cash items	5,071	9,370
Non-operating items	48	(37)
Operating profit before working capital changes	1,231	4,891
Net change in current assets	(335)	(1,719)
Net change in current liabilities	(1,059)	(880)
Tax paid	(2)	(4)
Net cash from operating activities	(165)	2,288
Investing activities		
Purchase of property, plant and equipment	(182)	(275)
Interest received	-	4
Addition of software development expenditure, net of grant	(1,551)	(1,989)
Net cash used in investing activities	(1,733)	(2,260)
Financing activities		
Proceed/(Repayment) of short term borrowing, net	(1,149)	41
(Increase)/Decrease in pledged deposit place with bank	(123)	584
Net cash (used)/generated in financing activities	(1,272)	625
Net changes in cash and cash equivalents	(3,170)	653
Cash and cash equivalents at beginning of financial year	5,852	(90)
Effect of exchange rate changes on opening balance	153	6
Cash and cash equivalents at end of the financial period	2,835	569
Cash and cash equivalents at end of financial period comprise of:		
Cash and cash equivalents (excluding pledged deposits with bank)	2,835	1,043
Bank overdraft	-	(474)
Cash and cash equivalents at end of the financial period	2,835	569

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 2013. 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 B7, 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 31 December 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 January 2013 and 28th February 2013 that would be required to be reflected in the financial statement for the quarter ended 31st December 2012.

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 2012			Consolidated RM'000
	Malaysia RM'000	Overseas RM'000	Eliminations RM'000	
<i>Geographical segments</i>				
External	2,299	20,085	-	22,384
Inter-segment	-	1,741	(1,741)	-
Total revenue	<u>2,299</u>	<u>21,826</u>	<u>(1,741)</u>	<u>22,384</u>
Segment result	<u>(2,596)</u>	<u>(1,271)</u>	<u>-</u>	<u>(3,867)</u>
Interest income				-
Interest expense				(110)
Share of results of associates				89
Loss before taxation				<u>(3,888)</u>
Taxation				-
Loss after taxation				<u><u>(3,888)</u></u>
Segment assets	<u>24,793</u>	<u>36,734</u>	<u>(28,682)</u>	<u>32,845</u>
Segment liabilities	<u>1,080</u>	<u>23,692</u>	<u>(14,375)</u>	<u>10,397</u>
Capital expenditure	6	175	-	182
Depreciation and amortisation	32	4,133	-	4,165



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A13. Changes in Contingent Liabilities

As at end of current
quarter ended
31 Dec 2012
RM'000

Guarantees given by the Company to financial institution for credit facilities granted to subsidiary	1,286 =====
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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 2012 RM'000	31 Dec 2011 RM'000	31 Dec 2012 RM'000	31 Dec 2011 RM'000
Transactions between the Group with a substantial shareholder				
Rental income	35	35	105	59
Consultancy income	30	-	78	-
Development expenses	-	(66)	(66)	(198)
	=====	=====	=====	=====
Transactions between the Group with a company which certain directors may have or deemed to have substantial interests				
Rental income	8	7	23	22
	=====	=====	=====	=====



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

B1. Performance Review

Current Quarter vs Previous Year Corresponding Quarter

For the current quarter under review, the Group achieved revenue of approximately RM4.2 million as compared to a revenue of approximately RM9.0 million for the previous year’s corresponding quarter. The decrease in the revenue was mainly due to the following reasons:-

- (i) A reduction in revenue in this quarter of RM1.4 million which arose from an ongoing discussion with a customer for the partial acceptance of the contract and discontinuance of any obligations on either party. This revenue was mainly recognized in the previous year. The partial acceptance is subject to formalization by the customer and the Group. No further material impact is expected ; and
- (ii) Generally lower revenue for other contracts in line with the milestones achieved.

The Group recorded a lower loss before taxation of RM4.4 million for the current quarter under review as compared to a loss before taxation of RM4.7 million for the preceding year’s corresponding quarter mainly due to lower impairment charge on intangibles.

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

For the nine months ended 31 December 2012, the Group recorded revenue of RM22.4 million, representing an approximately 4% decrease over the revenue for the nine months period ended 31 December 2011 of RM23.4 million.

For the nine months ended 31 December 2012, the Group incurred a lower loss before taxation of approximately RM3.9 million as compared to the loss before taxation of approximately RM4.4 million for the nine months ended 31 December 2011. This was due to lower impairment charge on intangibles though partly offset by increase in staff cost.

B2. Variation of Results against the Preceding Quarter

	Current Quarter 31 Dec 2012 RM’000	Preceding Quarter 30 Sep 2012 RM’000	Difference (%)
Revenue	4,192	8,628	-51%
(Loss)/Profit before taxation	(4,389)	247	N.M

The Group recorded revenue of approximately RM4.2 million in the current quarter, which was approximately 51% lower than that recorded in the preceding quarter ended 30 September 2012 of RM 8.6 million due to:-



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- (i). a reduction in revenue in this quarter of RM1.4 million which arose from an ongoing discussion with a customer for the partial acceptance of the contract and discontinuance of any obligations on either party; and
- (ii). generally lower revenue for other contracts in line with the milestones achieved.

As a result of the decrease in revenue, the Group ended the current quarter with a loss before tax of approximately RM 4.4 million as compared to the profit before taxation of approximately RM247,000 recorded in the preceding quarter.

The Group ended the current quarter with a secured order book of RM27.8 million as compared to RM30.1 million as at the end of immediate preceding quarter.

B3. Prospect

The Group does not expect the current financial year to be profitable. While the Group's order book is relatively stable, the outlook remains sluggish amidst weak business sentiments from uncertainty brought on from the 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 2012	31 Dec 2011	31 Dec 2012	31 Dec 2011
	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	-	-	-	-
	=====	=====	=====	=====

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.



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B6. Group Borrowings and Debt Securities

The total borrowings of the Group as at 31 December 2012 are as follows:

	RM'000
Term loan	
<i>Payable within 12 months</i>	1,286
<i>Payable after 12 months</i>	-

	1,286
	=====

The borrowings are secured by pledge of present and future proceeds from certain consultancy contracts. Deposits with licensed banks amounting to RM749K are pledged as security for other banking facilities.

B7. 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.

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 31.12.12</u>
			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>

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.



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B9. Dividend

No dividend has been recommended for the quarter under review.

B10. Realised and unrealized accumulated losses

	As at 31 Dec 2012 RM'000	As at 31 Dec 2011 RM'000
i) Total Accumulated Losses of Nova MSC Bhd and its subsidiaries		
- Realized loss	(42,723)	(42,637)
- Unrealised (losses)/gain	410	325
	<u>(42,313)</u>	<u>(42,312)</u>
ii) Total share of retained earning from Associates		
- Realized profit	555	459
- Unrealised gain	-	-
	<u>555</u>	<u>459</u>
iii) Group Consolidation adjustments	<u>10,889</u>	<u>14,794</u>
Total Group accumulated losses as per consolidated accounts	<u>(30,869)</u>	<u>(27,059)</u>

B11. Notes to Condensed Consolidated Statement of Comprehensive Income

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

	Individual Quarter ended 31 Dec 2012 RM'000	Cumulative Quarter ended 31 Dec 2012 RM'000
i) Depreciation and amortization	1,393	4,165
ii) Foreign exchange (gain)/loss	(15)	27
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	(906)	(906)
vii) Gain or loss on derivatives	-	-
viii) Exceptional items	-	-



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B12. Earning Per Share

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current year quarter 31 Dec 2012	Preceding year corresponding quarter 31 Dec 2011	Current year to date 31 Dec 2012	Preceding year corresponding period 31 Dec 2011
(a) Basic loss per share				
Net loss attributable to shareholders (RM'000)	(4,389)	(4,710)	(3,888)	(4,442)
Weighted average number of ordinary shares ('000)	402,798	402,798	402,798	402,798
Basic loss per share (sen)	(1.09)	(1.17)	(0.97)	(1.10)

(b) Diluted earnings per share

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

28th February 2013