



(Company No: 591898-H)

**QUARTERLY REPORT**

**Condensed Consolidated Statement of Comprehensive Income**  
For the fourth quarter ended 31 March 2014  
(Unaudited)

Group	Individual Quarter ended		Cumulative Quarter ended	
	Unaudited 31 Mar 2014 RM'000	Unaudited 31 Mar 2013 RM'000	Unaudited 31 Mar 2014 RM'000	Unaudited 31 Mar 2013 RM'000
<b>Revenue</b>	<b>7,380</b>	<b>8,300</b>	<b>32,392</b>	<b>30,683</b>
Depreciation and amortization	(556)	(1,398)	(2,135)	(5,568)
Write back/(Impairment) on intangible assets	927	-	927	(908)
Other operating expenses	(7,701)	(7,641)	(30,410)	(28,816)
Interest expenses	(42)	(21)	(218)	(131)
Interest income	-	6	1	6
Share of results of associates	(2)	27	165	116
Profit/(Loss) before taxation	6	(727)	722	(4,618)
Tax expense	(1)	-	(1)	-
<b>Net Profit/(Loss) for the period</b>	<b>5</b>	<b>(727)</b>	<b>721</b>	<b>(4,618)</b>
Other comprehensive income:				
Exchange differences on translating foreign operations	(60)	(145)	905	540
<b>Total Comprehensive Income</b>	<b>(55)</b>	<b>(872)</b>	<b>1,626</b>	<b>(4,078)</b>
Net Profit/(loss) attributable to:				
Equity Holders of Company	10	(727)	726	(4,618)
Non-controlling interest	(5)	-	(5)	-
	5	(727)	721	(4,618)
Total comprehensive income attributable to:				
Equity Holders of Company	(50)	(872)	1,631	(4,078)
Non-controlling interest	(5)	-	(5)	-
	(55)	(872)	1,626	(4,078)
Earning per ordinary share (sen):				
- Basic				
- Diluted	0.002	(0.18)	0.18	(1.15)
	0.002	N.M.	0.17	N.M.

The unaudited Condensed Consolidated Income Statement should be read in conjunction with the annual audited financial statements for the year ended 31 March 2013 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 Mar 2014 RM'000</b>	<b>Audited 31 Mar 2013 RM'000</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	681	571
Intangible assets	10,343	8,756
Investment in associates	890	694
	<u>11,914</u>	<u>10,021</u>
<b>Current assets</b>		
Amount due from contract customers	10,958	6,569
Trade and other receivables	7,298	13,819
Tax recoverable	3	5
Cash and cash equivalents	6,311	4,280
	<u>24,570</u>	<u>24,673</u>
<b>TOTAL ASSETS</b>	<u>36,484</u>	<u>34,694</u>
<b>EQUITY &amp; LIABILITIES</b>		
<b>Equity and reserves</b>		
Share capital	40,280	40,280
Reserves	(17,078)	(18,709)
	<u>23,202</u>	<u>21,571</u>
Non-Controlling Interest	28	-
<b>Total Equity</b>	<u>23,230</u>	<u>21,571</u>
<b>Current liabilities</b>		
Amount due to contract customers	48	41
Trade and other payables	8,362	8,478
Borrowings	4,844	4,604
	<u>13,254</u>	<u>13,123</u>
<b>Total liabilities</b>	<u>13,254</u>	<u>13,123</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>36,484</u>	<u>34,694</u>
Net assets per share (RM)	0.06	0.05

The unaudited Condensed Consolidated Balance Sheet should be read in conjunction with the annual audited financial statements for the year ended 31 March 2013 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 March 2014  
(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 2013</b>	40,280	8,307	942	3,641	(31,599)	21,571
Total Comprehensive Income for the period	-	-	-	905	726	1,631
<b>At 31 March 2014</b>	40,280	8,307	942	4,546	(30,873)	23,202
<b>At 1 April 2012</b>	40,280	8,307	958	3,101	(26,997)	25,649
Total Comprehensive Income for the period	-	-	-	540	(4,618)	(4,078)
Employee Stock Option - Transferred to Accumulated Loss for Lapsed ESOS	-	-	(16)	-	16	-
<b>At 31 March 2013</b>	40,280	8,307	942	3,641	(31,599)	21,571

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 2013 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 March 2014  
(Unaudited)

Group	Year To Date ended	Year To Date ended
	31 Mar 2014 RM'000	31 Mar 2013 RM'000
Profit/(Loss) before taxation	722	(4,618)
Adjustments for :-		
Non-cash items	1,208	6,476
Non-operating items	37	(225)
Operating profit before working capital changes	1,967	1,633
Net change in current assets	2,132	(2,185)
Net change in current liabilities	(108)	(1,652)
Tax paid	2	(1)
Net cash from operating activities	3,993	(2,025)
Investing activities		
Purchase of property, plant and equipment	(325)	(201)
Acquisition of controlling interest in subsidiary, net of cash	33	-
Interest received	1	6
Addition of software development expenditure, net of grant	(2,076)	(2,101)
Net cash used in investing activities	(2,367)	(2,296)
Financing activities		
Proceed/(Repayment) of short term borrowing, net	240	2,169
(Increase)/Decrease in pledged deposit place with bank	752	(126)
Net cash (used)/generated in financing activities	992	2,043
Net changes in cash and cash equivalents	2,618	(2,458)
Cash and cash equivalents at beginning of financial year	3,528	5,852
Effect of exchange rate changes on opening balance	165	134
Cash and cash equivalents at end of the financial period	6,311	3,528
Cash and cash equivalents at end of financial period comprise of:		
Cash and cash equivalents (excluding pledged deposits with bank)	6,311	3,528
Bank overdraft	-	-
Cash and cash equivalents at end of the financial period	6,311	3,528

The unaudited Condensed Consolidated Cash Flow Statement should be read in conjunction with the annual audited financial statements for the year ended 31 March 2013 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 2013.

### **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 B9, 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**

No material capital commitments were approved and contracted for as at 31 March 2014.

### **A9. Valuation of Property, Plant and Equipment**

The Group did not revalue any of its property, plant and equipment.



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#### A10. Segmental Information

	Period ended 31 March 2014			Consolidated RM'000
	Malaysia RM'000	Overseas RM'000	Eliminations RM'000	
<i>Geographical segments</i>				
External	2,739	29,653	-	32,392
Inter-segment	-	3,079	(3,079)	-
<b>Total revenue</b>	<u>2,739</u>	<u>32,732</u>	<u>(3,079)</u>	<u>32,392</u>
<b>Segment result</b>	<u>(2,232)</u>	<u>3,006</u>	<u>-</u>	<u>774</u>
Interest income				1
Interest expense				(218)
Share of results of associates				165
Profit before taxation				<u>722</u>
Taxation				(1)
Profit after taxation				<u>721</u>
<b>Segment assets</b>	<u>30,548</u>	<u>41,196</u>	<u>(35,260)</u>	<u>36,484</u>
<b>Segment liabilities</b>	<u>6,879</u>	<u>12,882</u>	<u>(6,507)</u>	<u>13,254</u>
Capital expenditure	37	288	-	325
Depreciation and amortisation	29	2,106	-	2,135

#### A11. Subsequent Events

There were no material events between 1<sup>st</sup> April 2014 and 29<sup>th</sup> May 2014 that would be required to be reflected in the financial statement for the quarter ended 31<sup>st</sup> March 2014.

#### A12. 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 12<sup>th</sup> February 2014, the Company had applied for an additional 5,495,000 ordinary shares in the share capital of its wholly owned subsidiary, Novacitynets Pte Ltd ("NCN") for a total consideration of S\$5,495,000 by way of agreed discharge of amount of indebtedness by NCN to the Company.



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**A12. Changes in the Composition of the Group (Cont'd)**

- b. On 12<sup>th</sup> March 2014, the Company transferred 100 ordinary shares held in novaCITYNETS International Pte Ltd (“NCI”), representing 100% of the total issued and paid up shares in NCI, to NCN for a consideration of S\$100 (the “Transfer”) to streamline the structure and operations of the Group. Following the Transfer, the Company will continue to have 100% effective interest in both NCI and NCN

**A13. Changes in Contingent Liabilities**

	As at end of current quarter ended 31 Mar 2014 RM'000
Guarantees given by the Company to financial institution for credit facilities granted to subsidiaries	4,844 =====

**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:-

	<b>Individual quarter ended</b>		<b>Cumulative quarter ended</b>	
	<b>31 Mar 2014</b>	<b>31 Mar 2013</b>	<b>31 Mar 2014</b>	<b>31 Mar 2013</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Transactions between the Group with a substantial shareholder				
Rental income	38	35	147	140
Consultancy income	-	31	10	109
Development expenses	-	-	-	(66)
	=====	=====	=====	=====
Transactions between the Group with a company which certain directors may have or deemed to have substantial interests				
Rental income	-	8	-	31
	=====	=====	=====	=====



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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 financial year ended 31 March 2014, the Group recorded revenue of RM32.4 million, representing an approximately 6% increase over the revenue for the 12 months period ended 31 March 2013 of RM30.7 million, arising from higher maintenance revenue recorded.

In line with the higher revenue, the Group achieved a profit before taxation of approximately RM0.7 million for the financial year ended 31 March 2013 as compared to the preceding year’s loss before taxation of approximately RM4.6 million. The higher profit before tax was also due to lower amortization charge for the current year and write back of impairment charge of approximately RM0.9 million related to one of its intangible assets.

#### Current Quarter vs Previous Year Corresponding Quarter

For the current quarter under review, the Group achieved revenue of approximately RM7.3 million, which was approximately 12% lower than the revenue of approximately RM8.3 million for the previous year’s corresponding quarter. This was mainly due to lower revenue recognition resulting from project milestone completion.

Despite the lower revenue recorded, the Group recorded a fourth quarter profit before taxation of approximately RM0.005 million as compared to the loss before taxation of approximately RM0.7 million for the preceding year’s corresponding quarter due to lower amortization charge and write back of impairment charge of approximately RM0.9 million on its intangible asset.

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

	<b>Current Quarter 31 Mar 2014 RM’000</b>	<b>Preceding Quarter 31 Dec 2013 RM’000</b>	<b>Difference (%)</b>
Revenue	7,380	7,850	(6%)
Profit before taxation	5	85	(94%)

The Group recorded revenue of approximately RM7.4 million in the current quarter, which was approximately 6% lower than the revenue recorded in the preceding quarter ended 31 December 2013 due to lower revenue recognition resulting from project milestone completion. The Group ended the current quarter with a profit before tax of RM0.005 million as compared to a profit before taxation of RM0.09 million in the immediate preceding quarter due to lower revenue recorded though offset by a write back of impairment charge of approximately RM0.9 million related to one of its intangible assets

The Group ended the current quarter with a secured order book of RM24.3 million as compared to RM29.7 million as at the end of immediate preceding quarter.





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**B3. Prospect**

The Group is operating in a challenging market. Despite the Group's relatively stable order books and focused marketing strategies, its operating performance for the next financial year will be dependent on its marketing effort in the overseas markets.

**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 Mar 2014 RM'000	31 Mar 2013 RM'000	31 Mar 2014 RM'000	31 Mar 2013 RM'000
Current taxation charge	(1)	-	(1)	-
Utilization of deferred tax asset	-	-	-	-
	-----	-----	-----	-----
Tax expenses (charge)/write back	(1)	-	(1)	-
	=====	=====	=====	=====

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. Group Borrowings and Debt Securities**

The total borrowings of the Group as at 31 March 2014 are as follows:

	RM'000
Term loan	
<i>Payable within 12 months</i>	4,844
<i>Payable after 12 months</i>	-
	-----
	4,844
	=====

The borrowings are secured by pledge of present and future proceeds from certain consultancy contracts.

**B7. 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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**B8. Dividend**

No dividend has been recommended for the quarter under review.

**B9. 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:-

Number of options over ordinary shares of RM0.10						
<u>Option</u> <u>Grant date</u>	<u>Option</u> <u>Expiry date</u>	<u>Exercise</u> <u>price</u>	Granted	Exercised	Lapsed	<b>As at 31.03.14</b>
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>-</u>	<u>(3,500,000)</u>	<u>17,410,000</u>



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**B10. Realised and unrealized accumulated losses**

	<b>As at 31 Mar 2014 RM'000</b>	<b>As at 31 Mar 2013 RM'000</b>
i) Total Accumulated Losses of Nova MSC Bhd and its subsidiaries		
- Realized loss	(38,075)	(43,508)
- Unrealised (losses)/gain	(1,495)	291
	<u>(39,570)</u>	<u>(43,217)</u>
ii) Total share of retained earning from Associates		
- Realized profit	631	582
- Unrealised gain	-	-
	<u>631</u>	<u>582</u>
iii) Group Consolidation adjustments	<u>8,066</u>	<u>11,036</u>
Total Group accumulated losses as per consolidated accounts	<u>(30,873)</u>	<u>(31,599)</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 Mar 2014 RM'000</b>	<b>Cumulative Quarter ended 31 Mar 2014 RM'000</b>
i) Depreciation and amortization	556	2,135
ii) Foreign exchange loss	31	5
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) (Write back)/Impairment of intangible asset	(927)	(927)
vii) Gain or loss on derivatives	-	-
viii) Exceptional items	-	-



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**B12. Earning Per Share**

	<b>INDIVIDUAL QUARTER</b>		<b>CUMULATIVE QUARTER</b>	
	Current year quarter	Preceding year corresponding quarter	Current year to date	Preceding year corresponding period
	31 Mar 2014	31 Mar 2013	31 Mar 2014	31 Mar 2013
<b>(a) Basic earning per share</b>				
Net profit attributable to shareholders (RM'000)	10	(727)	726	(4,618)
Weighted average number of ordinary shares ('000)	402,798	402,798	402,798	402,798
Basic earning per share (sen)	0.002	(0.18)	0.18	(1.15)
<b>(b) Diluted earnings per share</b>				
Net profit attributable to shareholders (RM'000)	10	(727)	726	(4,618)
Weighted average number of ordinary shares ('000)	402,798	402,798	402,798	402,798
Effect of dilution on stock options ('000)	17,410	17,410	17,410	17,410
Adjusted weighted average number of ordinary shares in issues (diluted) ('000)	420,208	420,208	420,208	420,208
Diluted earnings per share (sen)	0.002	N.M.	0.17	N.M.

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

29<sup>th</sup> May 2014