



(Company No: 591898-H)

**QUARTERLY REPORT**

**Condensed Consolidated Statement of Comprehensive Income**  
For the second quarter ended 30 September 2015  
(Unaudited)

Group	Individual Quarter ended		Cumulative Quarter ended	
	Unaudited 30 Sep 2015 RM'000	Audited 30 Sep 2014 RM'000	Unaudited 30 Sep 2015 RM'000	Audited 30 Sep 2014 RM'000
<b>Revenue</b>	<b>6,477</b>	<b>7,101</b>	<b>14,686</b>	<b>15,818</b>
Depreciation and amortization	(632)	(573)	(1,297)	(1,165)
Other operating expenses	(5,784)	(5,860)	(13,119)	(13,476)
Interest expenses	(18)	(61)	(50)	(146)
Interest income	8	-	30	-
Share of results of associates	12	35	2	60
Profit before taxation	63	642	252	1,091
Tax expense	(3)	-	(3)	-
<b>Net Profit for the period</b>	<b>60</b>	<b>642</b>	<b>249</b>	<b>1,091</b>
Other comprehensive income:				
Exchange differences on translating foreign operations	4,324	(3)	5,454	(228)
<b>Total Comprehensive Income</b>	<b>4,384</b>	<b>639</b>	<b>5,703</b>	<b>863</b>
Net Profit attributable to:				
Equity Holders of Company	60	642	250	1,091
Non-controlling interest	-	-	(1)	-
	60	642	249	1,091
Total comprehensive income attributable to:				
Equity Holders of Company	4,384	639	5,701	863
Non-controlling interest	-	-	2	-
	4,384	639	5,703	863
Earning per ordinary share (sen):				
- Basic	0.01	0.16	0.05	0.27
- Diluted	0.01	0.15	0.05	0.26

The unaudited Condensed Consolidated Income Statement should be read in conjunction with the annual audited financial statements for the year ended 31 March 2015 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 30 Sep 2015 RM'000</b>	<b>Audited 31 Mar 2015 RM'000</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	737	709
Intangible assets	15,547	10,980
Investment in associates	980	589
	<u>17,264</u>	<u>12,278</u>
<b>Current assets</b>		
Amount due from contract customers	24,970	18,931
Trade and other receivables	6,995	8,325
Tax recoverable	3	3
Cash and cash equivalents	4,024	8,940
	<u>35,992</u>	<u>36,199</u>
<b>TOTAL ASSETS</b>	<u>53,256</u>	<u>48,477</u>
<b>EQUITY &amp; LIABILITIES</b>		
<b>Equity and reserves</b>		
Share capital	49,799	49,359
Reserves	(5,811)	(11,512)
	<u>43,988</u>	<u>37,847</u>
Non-Controlling Interest	30	28
<b>Total Equity</b>	<u>44,018</u>	<u>37,875</u>
<b>Current liabilities</b>		
Amount due to contract customers	129	239
Trade and other payables	8,785	8,359
Borrowings	319	1,999
Taxation	5	5
	<u>9,238</u>	<u>10,602</u>
<b>Total liabilities</b>	<u>9,238</u>	<u>10,602</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>53,256</u>	<u>48,477</u>
Net assets per share (RM)	<u>0.09</u>	<u>0.08</u>

The unaudited Condensed Consolidated Balance Sheet should be read in conjunction with the annual audited financial statements for the year ended 31 March 2015 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 2015  
(Unaudited)

<b>Group</b>	<b>Share capital</b>	<b>Share premium</b>	<b>Equity compensation reserves</b>	<b>Translation reserve</b>	<b>Accumulated loss</b>	<b>Total</b>	<b>Non controlling interest</b>	<b>Total</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>At 1 April 2015</b>	49,359	11,659	514	5,989	(29,674)	37,847	28	37,875
Profit for the period	-	-	-	-	250	250	(1)	249
Foreign Currency Translation	-	-	-	5,451	-	5,451	3	5,454
Employee Stock Option								
- Issue of shares								
- Exercise price	440	-	-	-	-	440	-	440
- Value of services received	-	257	(257)	-	-	-	-	-
<b>At 30 Sep 2015</b>	<b>49,799</b>	<b>11,916</b>	<b>257</b>	<b>11,440</b>	<b>(29,424)</b>	<b>43,988</b>	<b>30</b>	<b>44,018</b>
<b>At 1 April 2014</b>	40,280	8,307	942	4,545	(30,872)	23,202	28	23,230
Profit for the period	-	-	-	-	1,091	1,091	-	1,091
Foreign Currency Translation	-	-	-	(228)	-	(228)	-	(228)
Employee Stock Option								
- Issue of shares								
- Exercise price	374	-	-	-	-	374	-	-
- Value of services received	-	179	(179)	-	-	-	-	-
- Transferred to Accumulated Loss for Lapsed ESOS	-	-	(19)	-	19	-	-	-
<b>At 30 Sep 2014</b>	<b>40,654</b>	<b>8,486</b>	<b>744</b>	<b>4,317</b>	<b>(29,762)</b>	<b>24,439</b>	<b>28</b>	<b>23,455</b>

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 2015 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 2015

(Unaudited)

Group	Year To Date ended 30 Sep 2015 RM'000	Year To Date ended 30 Sep 2014 RM'000
Profit/(Loss) before taxation	252	1,091
Adjustments for :-		
Non-cash items	1,297	1,165
Non-operating items	3,410	(112)
Operating profit before working capital changes	4,959	2,144
Net change in current assets	(4,710)	(3,031)
Net change in current liabilities	316	(1,162)
Tax paid	(3)	-
Net cash from operating activities	562	(2,049)
Investing activities		
Purchase of property, plant and equipment	(130)	(232)
Investment in associate	(292)	-
Dividend received from associate	-	412
Interest received	30	-
Addition of software development expenditure, net of grant	(4,108)	(1,268)
Net cash used in investing activities	(4,500)	(1,088)
Financing activities		
Proceed from issue of shares	440	374
Proceed/(Repayment) of short term borrowing, net	(1,680)	(2,364)
Net cash (used)/generated in financing activities	(1,240)	(1,990)
Net changes in cash and cash equivalents	(5,178)	(5,127)
Cash and cash equivalents at beginning of financial year	8,940	6,311
Effect of exchange rate changes on opening balance	262	(61)
Cash and cash equivalents at end of the financial period	4,024	1,123
Cash and cash equivalents at end of financial period comprise of:		
Cash and cash equivalents (excluding pledged deposits with bank)	4,024	1,123

The unaudited Condensed Consolidated Cash Flow Statement should be read in conjunction with the annual audited financial statements for the year ended 31 March 2015 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 2015.

### **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 30 Sep 2015.



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

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

**A10. Segmental Information**

	Period ended 30 September 2015			Consolidated RM'000
	Malaysia RM'000	Overseas RM'000	Eliminations RM'000	
<i>Geographical segments</i>				
External	536	14,150	-	14,686
Inter-segment	-	1,167	(1,167)	-
<b>Total revenue</b>	<u>536</u>	<u>15,317</u>	<u>(1,167)</u>	<u>14,686</u>
<b>Segment result</b>	<u>(1,262)</u>	<u>1,532</u>	<u>-</u>	<u>270</u>
Interest income				30
Interest expense				(50)
Share of results of associates				2
Profit before taxation				<u>252</u>
Taxation				(3)
Profit after taxation				<u>249</u>
<b>Segment assets</b>	<u>34,592</u>	<u>51,570</u>	<u>(32,906)</u>	<u>53,256</u>
<b>Segment liabilities</b>	<u>1,305</u>	<u>12,092</u>	<u>(4,159)</u>	<u>9,238</u>
Capital expenditure	2	128	-	130
Depreciation and amortisation	8	1,289	-	1,297

**A11. Subsequent Events**

There were no material events between 1<sup>st</sup> October 2015 and 25<sup>th</sup> November 2015 that would be required to be reflected in the financial statement for the quarter ended 30<sup>th</sup> September 2015.



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**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:-

- i. On 31 July 2015, the Company announced that its wholly owned subsidiary, novaHEALTH Pte Ltd, via its nominee Mr Lai Teik Kin, has subscribed for 245 cash shares of AED 1,000 each, representing 49% of equity in a newly incorporated company called Estemarat Information Technology LLC in United Arab Emirates.

In October 2015, the Company's wholly owned subsidiary, novaCITYNETS Pte Ltd had incorporated a wholly owned limited liability company called novaBIM(Lao) Co., Ltd ("NBL"), in the Lao People's Democratic Republic with a paid up capital of USD40,000. The principal activities of the NBL are those relating to the provision of BIM services and information technology consultancy.

**A13. Changes in Contingent Liabilities**

As at end of current  
quarter ended  
30 Sep 2015  
RM'000

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

319

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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:-

	<b>Individual quarter ended</b>		<b>Cumulative quarter ended</b>	
	<b>30 Sep 2015</b>	<b>30 Sep 2014</b>	<b>30 Sep 2015</b>	<b>30 Sep 2014</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	40	37	79	76
	=====	=====	=====	=====



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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 recorded revenue of approximately RM6.5 million as compared to revenue of approximately RM7.1 million for the preceding year’s corresponding quarter period ended 30 September 2014. The decrease was mainly due to lower sales orders received. In line with the decrease in revenue, the Group recorded a lower profit before taxation of approximately RM0.06 million for the current quarter as compared to the profit before taxation of approximately RM0.6 million for the preceding year’s corresponding quarter.

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

For the 6 months ended 30 September 2015, the Group recorded revenue of RM14.7 million, representing an approximately 7% decrease over the revenue for the 6 months period ended 30 September 2014 of RM15.8 million. This was mainly due to lower sales orders received. In line with the decrease in revenue, the Group recorded a lower profit before taxation of approximately RM0.3 million for the 6 months ended 30 September 2015 as compared to the preceding year’s profit before taxation of approximately RM1.1 million.

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

	<b>Current Quarter 30 Sep2015 RM’000</b>	<b>Preceding Quarter 30 Jun 2015 RM’000</b>	<b>Difference (%)</b>
Revenue	6,477	8,210	(21%)
Profit before taxation	60	188	(68%)

The Group recorded lower revenue of approximately RM6.5 million in the current quarter under review as compared to that achieved in the preceding quarter ended 30 June 2015. This was mainly due to the lower revenue recognition resulting from lower sales orders. In line with the decrease in revenue, the Group recorded the current quarter with lower profit before tax as compared to that in the immediate preceding quarter.

The Group ended the current quarter with a secured order book of RM36.5 million as compared to RM35.0 million as at the end of immediate preceding quarter.





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**B3. Prospect**

The Group expects the performance to be challenging due to the uncertainty in the global economy, which has affected demand from existing and potential clients. Marketing activities have been broadened to cover more overseas markets to meet this challenge. The Group is also transforming our business model to a pay-per-use basis incorporating cloud technology. However, this will take some time before this new business model will gain traction. The Group is also looking into potential investment into a complimentary new business segment as further explained in B9 (d).

**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 2015 RM'000	30 Sep 2014 RM'000	30 Sep 2015 RM'000	30 Sep 2014 RM'000
Current taxation charge	(3)	-	(3)	-
Utilization of deferred tax asset	-	-	-	-
	-----	-----	-----	-----
Tax expenses (charge)/write back	(3)	-	(3)	-
	=====	=====	=====	=====

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 30<sup>th</sup> September 2015 are as follows:

	RM'000
Term loan	
<i>Payable within 12 months</i>	319
<i>Payable after 12 months</i>	-
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	319
	=====

The borrowings are secured by corporate guarantee by the Company to financial institution for credit facilities granted to subsidiaries and pledge of present and future proceeds from certain consultancy contracts.



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**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.

**B8. Dividend**

No dividend has been recommended for the quarter under review.

**B9. 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. 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>			
			Granted	Exercised	Lapsed	As at 30.09.15
15.6.2007	30.10.2015	RM 0.10	8,440,000	(3,540,000)	(3,380,000)	1,520,000
01.10.2009	30.10.2015	RM 0.10	5,430,000	(4,300,000)	(200,000)	930,000
01.10.2010	30.10.2015	RM 0.10	3,600,000	(2,650,000)	(200,000)	750,000
15.04.2011	30.10.2015	RM 0.10	3,440,000	(2,720,000)	(440,000)	280,000
30.10.2014	30.10.2015	RM 0.10	1,440,000	(400,000)	-	1,040,000
			<u>22,350,000</u>	<u>(13,610,000)</u>	<u>(4,220,000)</u>	<u>4,520,000</u>

In October 2015, there were 3,000,000 options exercised. As at the date of this report, the ESOS has expired.



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## B9. Status of Corporate Proposals (Cont'd)

### (b) New Employee Share Option Scheme ("New ESOS")

At an extraordinary general meeting on 27 August 2015, 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. As at the date of this report, no stock option has been granted under this New ESOS.

### (c) Private Placement

On 14 September 2015, the Company proposed to implement a private placement of up to ten percent (10%) of the issued and paid-up share capital of the Company. On 5 October 2015, the Board fixed the issue price at RM0.106 per placement share. On 13 October 2015, the Private Placement has been completed following the listing of and quotation for 49,798,760 new shares on the ACE Market of Bursa Securities. As at the date of this report, the net proceeds from the said placements had been utilized in the Company's working capital.

### (d) Proposed Subscription Agreement

On 6 November 2015, the Company entered into a conditional subscription agreement with CNA Development Pte Ltd ("CNAD") for the proposed subscription of 12,500 new CNAD Shares representing 20% equity interest in CNAD for a cash consideration of S\$2 million. CNAD is in the business of providing integrated building control and automation system particularly in infrastructure and building industries. The Company is of the view that the prospects for CNAD are favourable. It will synergistically benefit the Group by providing comprehensive solutions in the Smart City segment. As at the date of this report, the proposed subscription is pending completion.

## B10. Realised and unrealized accumulated losses

	As at 30 Sep 2015 RM'000	As at 30 Sep 2014 RM'000
i) Total Accumulated Losses of Nova MSC Bhd and its subsidiaries		
- Realized loss	(39,523)	(38,585)
- Unrealised (loss)/gain	662	84
	<hr/> (38,861)	<hr/> (39,137)
ii) Total share of retained earnings from Associates		
- Realized profit	496	857
- Unrealised gain	-	-
	<hr/> 496	<hr/> 857
iii) Group Consolidation adjustments	8,941	7,882
Total Group accumulated losses as per consolidated accounts	<hr/> (29,424)	<hr/> (29,762)



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

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

	<b>Individual Quarter ended 30 Sep 2015 RM'000</b>	<b>Cumulative Quarter ended 30 Sep 2015 RM'000</b>
i) Depreciation and amortization	632	1,297
ii) Foreign exchange loss	20	236
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	-	-
vii) Gain or loss on derivatives	-	-
viii) Exceptional items	-	-

**B12. Earning Per Share**

	<b>INDIVIDUAL QUARTER</b>		<b>CUMULATIVE QUARTER</b>	
	Current year quarter 30 Sep 2015	Preceding year corresponding quarter 30 Sep 2014	Current year to date 30 Sep 2015	Preceding year corresponding period 30 Sep 2014
<b>(a) Basic earning per share</b>				
Net profit attributable to shareholders (RM'000)	60	642	250	1,091
Weighted average number of ordinary shares ('000)	497,259	404,111	495,991	403,194
Basic earnings per share (sen)	0.01	0.16	0.05	0.27



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**B12. Earning Per Share (Cont'd)**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current year quarter	Preceding year corresponding quarter	Current year to date	Preceding year corresponding period
	30 Jun 2015	30 Jun 2014	30 Jun 2015	30 Jun 2014
<b>(b) Diluted earnings per share</b>				
Net profit attributable to shareholders (RM'000)	60	642	250	1,091
Weighted average number of ordinary shares ('000)	497,259	404,111	495,991	403,194
Effect of dilution on stock options ('000)	4,520	13,390	4,520	13,390
Adjusted weighted average number of ordinary shares in issues (diluted) ('000)	501,779	417,501	500,511	416,584
Diluted earnings per share (sen)	0.01	0.15	0.05	0.26

By the Order of the Board

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

25<sup>th</sup> November 2015