



(Company No: 591898-H)

QUARTERLY REPORT

Condensed Consolidated Statement of Comprehensive Income
For the third quarter ended 31 December 2015
(Unaudited)

Group	Individual Quarter ended		Cumulative Quarter ended	
	Unaudited 31 Dec 2015 RM'000	Audited 31 Dec 2014 RM'000	Unaudited 31 Dec 2015 RM'000	Audited 31 Dec 2014 RM'000
Revenue	7,950	6,849	22,636	22,667
Depreciation and amortization	(712)	(581)	(2,009)	(1,746)
Other operating expenses	(7,091)	(6,077)	(20,211)	(19,555)
Interest expenses	(45)	(77)	(95)	(222)
Interest income	8	-	39	-
Share of results of associates	125	44	127	104
Profit before taxation	235	158	487	1,248
Tax expense	(3)	-	(7)	-
Net Profit for the period	232	158	480	1,248
Other comprehensive income:				
Exchange differences on translating foreign operations	(715)	990	4,737	763
Total Comprehensive Income	(483)	1,148	5,217	2,011
Net Profit attributable to:				
Equity Holders of Company	232	158	481	1,248
Non-controlling interest	-	-	(1)	-
	232	158	480	1,248
Total comprehensive income attributable to:				
Equity Holders of Company	(482)	1,148	5,216	2,011
Non-controlling interest	(1)	-	1	-
	(483)	1,148	5,217	2,011
Earning per ordinary share (sen):				
- Basic	0.04	0.04	0.09	0.30
- Diluted	N.A.	0.04	N.A.	0.30

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.



(Company No: 591898-H)

Condensed Consolidated Statement of Financial Position

Group	Unaudited 31 Dec 2015 RM'000	Audited 31 Mar 2015 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	731	709
Intangible assets	16,509	10,980
Investment in associates	7,206	589
	<u>24,446</u>	<u>12,278</u>
Current assets		
Amount due from contract customers	17,179	18,931
Trade and other receivables	17,409	8,325
Tax recoverable	3	3
Cash and cash equivalents	2,362	8,940
	<u>36,953</u>	<u>36,199</u>
TOTAL ASSETS	<u>61,399</u>	<u>48,477</u>
EQUITY & LIABILITIES		
Equity and reserves		
Share capital	55,079	49,359
Reserves	(6,114)	(11,512)
	<u>48,965</u>	<u>37,847</u>
Non-Controlling Interest	29	28
Total Equity	<u>48,994</u>	<u>37,875</u>
Current liabilities		
Amount due to contract customers	394	239
Trade and other payables	8,941	8,359
Borrowings	3,065	1,999
Taxation	5	5
	<u>12,405</u>	<u>10,602</u>
Total liabilities	<u>12,405</u>	<u>10,602</u>
TOTAL EQUITY AND LIABILITIES	<u>61,399</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.



(Company No: 591898-H)

Condensed Consolidated Statement of Changes in Equity

For the period ended 31 December 2015

(Unaudited)

Group	Share Capital	Share Premium	Equity Compensation Reserves	Translation Reserves	Accumulated Loss	Total	Non- Controlling Interest	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 April 2015	49,359	11,659	514	5,989	(29,674)	37,847	28	37,875
Profit for the period	-	-	-	-	481	481	(1)	480
Foreign Currency Translation	-	-	-	4,735	-	4,735	2	4,737
Issuance of new shares	4,980	299	-	-	-	5,279	-	5,279
Share issuance expense	-	(117)	-	-	-	(117)	-	(117)
Employee Stock Option								
- Issue of shares								
o Exercise price	740	-	-	-	-	740	-	740
o Value of services received	-	416	(416)	-	-	-	-	-
o Transferred to Accumulated Loss for Lapsed ESOS	-	-	(98)	-	98	-	-	-
At 31 December 2015	55,079	12,257	-	10,724	(29,095)	48,965	29	48,994
At 1 April 2014	40,280	8,307	942	4,545	(30,872)	23,202	28	23,230
Profit for the period	-	-	-	-	1,248	1,248	-	1,248
Foreign Currency Translation	-	-	-	763	-	763	-	763
Issuance of new shares	8,158	3,100	-	-	-	11,258	-	11,258
Share issuance expense	-	(223)	-	-	-	(223)	-	(223)
Employee Stock Option								
- Grant of new option	-	-	89	-	-	89	-	89
- Issue of shares								
o Exercise price	921	-	-	-	-	921	-	921
o Value of services received	-	477	(477)	-	-	-	-	-
o Transferred to Accumulated Loss for Lapsed ESOS	-	-	(33)	-	33	-	-	-
At 31 December 2014	49,359	11,661	521	5,308	(29,591)	37,258	28	37,286

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.



(Company No: 591898-H)

Condensed Consolidated Cash Flow Statements

For the period ended 31 December 2015

(Unaudited)

Group	Year To Date ended	Year To Date ended
	31 Dec 2015 RM'000	31 Dec 2014 RM'000
Profit before taxation	487	1,248
Adjustments for :-		
Non-cash items	2,009	1,834
Non-operating items	2,784	267
Operating profit before working capital changes	5,280	3,349
Net change in current assets	(7,334)	(5,668)
Net change in current liabilities	737	(1,055)
Tax paid	(7)	-
Net cash from operating activities	(1,324)	(3,374)
Investing activities		
Purchase of property, plant and equipment	(243)	(305)
Investment in associate	(6,417)	-
Dividend received from associate	-	425
Interest received	39	-
Addition of software development expenditure, net of grant	(5,835)	(2,176)
Net cash used in investing activities	(12,456)	(2,056)
Financing activities		
Proceed from issue of shares	6,018	12,179
Share issues expenses	(117)	(223)
Proceed/(Repayment) of short term borrowing, net	1,066	(853)
Net cash (used)/generated in financing activities	6,967	11,103
Net changes in cash and cash equivalents	(6,813)	5,673
Cash and cash equivalents at beginning of financial year	8,940	6,311
Effect of exchange rate changes on opening balance	235	119
Cash and cash equivalents at end of the financial period	2,362	12,103
Cash and cash equivalents at end of financial period comprise of:		
Cash and cash equivalents (excluding pledged deposits with bank)	2,362	12,103

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.



(Company No: 591898-H)

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 31 Dec 2015.



(Company No: 591898-H)

A9. Valuation of Property, Plant and Equipment

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

A10. Segmental Information

	Period ended 31 December 2015			Consolidated RM'000
	Malaysia RM'000	Overseas RM'000	Eliminations RM'000	
<i>Geographical segments</i>				
External	843	21,793	-	22,636
Inter-segment	-	2,145	(2,145)	-
Total revenue	<u>843</u>	<u>23,938</u>	<u>(2,145)</u>	<u>22,636</u>
Segment result	<u>(1,840)</u>	<u>2,256</u>	<u>-</u>	<u>416</u>
Interest income				39
Interest expense				(95)
Share of results of associates				127
Profit before taxation				<u>487</u>
Taxation				(7)
Profit after taxation				<u>480</u>
Segment assets	<u>39,414</u>	<u>54,435</u>	<u>(32,450)</u>	<u>61,399</u>
Segment liabilities	<u>1,237</u>	<u>14,871</u>	<u>(3,703)</u>	<u>12,405</u>
Capital expenditure	2	241	-	243
Depreciation and amortisation	12	1,997	-	2,009

A11. Subsequent Events

There were no material events between 1st January 2016 and 24th February 2016 that would be required to be reflected in the financial statement for the quarter ended 31st December 2015.



(Company No: 591898-H)

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. 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.
- ii. On 30 November 2015, the Company had subscribed for 12,500 new ordinary shares in CNA Development Pte Ltd (“CNAD”), a company incorporated in Singapore, 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.

A13. Changes in Contingent Liabilities

As at end of current
quarter ended
31 Dec 2015
RM’000

Guarantees given by the Company to financial institution for credit facilities granted to subsidiaries	3,065 =====
---	----------------

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 2015	31 Dec 2014	31 Dec 2015	31 Dec 2014
	RM’000	RM’000	RM’000	RM’000
Transactions between the Group with a substantial shareholder				
Rental income	42 =====	38 =====	125 =====	113 =====



(Company No: 591898-H)

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 RM8.0 million. The increase in revenue of approximately 16% over revenue of approximately RM6.8 million for the preceding year’s corresponding quarter period ended 31 December 2014 was mainly due to higher revenue recognition resulting from higher delivery of third party products. The Group recorded a profit before taxation of approximately RM0.2 million for the current quarter, which is comparable to the profit before taxation for the preceding year’s corresponding quarter.

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

For the 9 months ended 31 December 2015, the Group recorded revenue of approximately RM22.6 million, which is comparable to the revenue of approximately RM22.7 million for the 9 months period ended 31 December 2014. The Group, however, recorded a lower profit before taxation of approximately RM0.5 million for the 9 months ended 31 December 2015 as compared to the preceding year’s profit before taxation of approximately RM1.2 million due to higher third party project cost .

B2. Variation of Results against the Preceding Quarter

	Current Quarter 31 Dec2015 RM’000	Preceding Quarter 30 Sep 2015 RM’000	Difference (%)
Revenue	7,950	6,477	23%
Profit before taxation	229	60	282%

The higher revenue of approximately RM8.0 million recorded in the current quarter under review as compared to the revenue of RM6.5 million recorded in the preceding quarter ended 30 September 2015 was mainly due to the higher revenue recognition resulting from higher delivery of third party products. The Group recorded the current quarter with higher profit before tax as compared to that in the immediate preceding quarter mainly due to higher share of profit from associated companies.

The Group ended the current quarter with a secured order book of RM38.8 million as compared to RM36.5 million as at the end of immediate preceding quarter.



(Company No: 591898-H)

B3. Prospect

The upheaval in the oil and commodity market has created uncertainty affecting business sentiment. Amidst this backdrop, the Group expects the performance for the current financial year to remain challenging. The Group has embarked on strategies to (1) broaden its marketing activities to cover more overseas markets, (2) introduce a pay-per-use business model incorporating cloud technology and (3) enter into new complimentary business segment in providing integrated building automation and control system. However, this may take some time before these strategies gain traction.

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 2015	31 Dec 2014	31 Dec 2015	31 Dec 2014
	RM'000	RM'000	RM'000	RM'000
Current taxation charge	(3)	-	(7)	-
Utilization of deferred tax asset	-	-	-	-
	-----	-----	-----	-----
Tax expenses (charge)/write back	(3)	-	(7)	-
	=====	=====	=====	=====

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 31st December 2015 are as follows:

	RM'000
Term loan	
<i>Payable within 12 months</i>	3,065
<i>Payable after 12 months</i>	-

	3,065
	=====

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.



(Company No: 591898-H)

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>			As at 31.10.15
			Granted	Exercised	Lapsed	
15.6.2007	30.10.2015	RM 0.10	8,440,000	(3,540,000)	(4,900,000)	-
01.10.2009	30.10.2015	RM 0.10	5,430,000	(5,230,000)	(200,000)	-
01.10.2010	30.10.2015	RM 0.10	3,600,000	(3,400,000)	(200,000)	-
15.04.2011	30.10.2015	RM 0.10	3,440,000	(3,000,000)	(440,000)	-
30.10.2014	30.10.2015	RM 0.10	1,440,000	(1,440,000)	-	-
			<u>22,350,000</u>	<u>(16,610,000)</u>	<u>(5,740,000)</u>	<u>-</u>

The ESOS has expired on 31 Oct 2015.



(Company No: 591898-H)

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 in CNA Development Pte Ltd ("CNAD")

On 6 November 2015, the Company entered into a conditional subscription agreement with 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 ("Subscription"). On 30 November 2015, the Company completed the Subscription.

(e) Proposed Acquisition and Proposed Placement ("Proposals")

On 18 January 2016, the Company announced the following:

- (i) the Company had entered into a conditional share sale agreement ("SSA") with Stone Villa Limited ("Stone Villa") on 18 January 2016 for the proposed acquisition of 19,375 ordinary shares in CNAD, representing 31% of the issued share capital in CNAD from Stone Villa, for a total aggregate consideration of up to RM10.00 million to be satisfied via the issuance of 45,454,545 new ordinary shares of RM0.10 each in NOVAMSC and up to RM5.00 million in cash ("Proposed Acquisition"); and
- (ii) the Company proposes to undertake a proposed private placement of up to 155,022,635 new NOVAMSC Shares, representing 20% of the enlarged issued and paid-up share capital of NOVAMSC ("Placement Shares") after the Proposed Acquisition. The Company intends to place out the Placement Shares to third party investors to be identified later and at an issue price to be determined by the Board and announced later.

On 5 February 2016, the listing application in regards to the above Proposals has been submitted to Bursa Securities.



(Company No: 591898-H)

B10. Realised and unrealized accumulated losses

	As at 31 Dec 2015 RM'000	As at 31 Dec 2014 RM'000
i) Total Accumulated Losses of Nova MSC Bhd and its subsidiaries		
- Realized loss	(39,287)	(38,851)
- Unrealised (loss)/gain	430	238
	<u>(38,857)</u>	<u>(38,613)</u>
ii) Total share of retained earnings from Associates		
- Realized profit	622	902
- Unrealised gain	-	-
	<u>622</u>	<u>902</u>
iii) Group Consolidation adjustments	<u>9,140</u>	<u>8,120</u>
Total Group accumulated losses as per consolidated accounts	<u>(29,095)</u>	<u>(29,591)</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 2015 RM'000	Cumulative Quarter ended 31 Dec 2015 RM'000
i) Depreciation and amortization	712	2,009
ii) Foreign exchange (gain)/loss	(4)	232
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	-	-



(Company No: 591898-H)

B12. Earning Per Share

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current year quarter	Preceding year corresponding quarter	Current year to date	Preceding year corresponding period
	31 Dec 2015	31 Dec 2014	31 Dec 2015	31 Dec 2014
(a) Basic earning per share				
Net profit attributable to shareholders (RM'000)	232	158	481	1,248
Weighted average number of ordinary shares ('000)	545,126	433,535	511,898	413,520
Basic earnings per share (sen)	0.04	0.04	0.09	0.30
(b) Diluted earnings per share				
Net profit attributable to shareholders (RM'000)	232	158	481	1,248
Weighted average number of ordinary shares ('000)	545,126	433,535	511,898	413,520
Effect of dilution on stock options ('000)	-*	8,588	-*	8,113
Adjusted weighted average number of ordinary shares in issues (diluted) ('000)	545,126	442,123	511,898	421,633
Diluted earnings per share (sen)	N.A.	0.04	N.A.	0.30

* The ESOS under section B9(a) expired on 31 Oct 2015 and no option was granted under the New ESOS under section B9(b).

By the Order of the Board

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

24th February 2016