

ANNUAL REPORT **2010**



NOVA MSC BERHAD
(591898-H)

www.novamsc.com



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Notice of Annual General Meeting

NOVA MSC BERHAD
(Co. No.591898-H)
(Incorporated in Malaysia)

NOTICE IS HEREBY GIVEN that the Eighth Annual General Meeting of the Company will be held at Kuala Lumpur Golf & Country Club, No.10 Jalan 1/70D, Off Jalan Bukit Kiara, 60000 Kuala Lumpur on Thursday, 26 August 2010 at 3.30 pm for following purposes :-

As Ordinary Business

1. To receive and adopt the Audited Accounts for the year ended 31 March 2010, together with the Reports of Directors and Auditors thereon. **(Resolution 1)**
2. To re-elect Y.A.M. Tunku Dato' Seri Nadzaruddin Ibni Almarhum Tuanku Ja'afar who retires as Director pursuant to Article 96 of the Company's Articles of Association. **(Resolution 2)**
3. To re-elect Dr Victor John Stephen Price who retires as Director pursuant to Article 96 of the Company's Articles of Association. **(Resolution 3)**
4. To re-elect Mr Suresh Parthasarathy who retires as Director pursuant to Article 101 of the Company's Articles of Association **(Resolution 4)**
5. To approve the payment of Directors' fees for the year ended 31 March 2010. **(Resolution 5)**
6. To appoint Messrs. Folks DFK & Co. as Auditors of the Company and to authorize the Directors to fix the Auditors' remuneration. **(Resolution 6)**

As Special Business

7. To consider and, if thought fit, pass with or without any modification, the following:-

a) SECTION 132D OF THE COMPANIES ACT, 1965

"THAT pursuant to Section 132D of the Companies Act, 1965 and subject to the approval of the relevant regulatory authorities, the Directors be and are hereby authorized to issue shares in the Company, at any time and upon such terms and conditions and for such purposes and to such person or persons whomsoever as the Directors may deem fit, provided that the aggregate number of shares to be issued pursuant to this resolution shall not exceed 10% of the issued capital of the Company for the time being and that such authority shall continue in force until the conclusion of the next Annual general Meeting of the Company." **(Ordinary Resolution) (Resolution 7)**

b) PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION OF THE COMPANY.

"THAT the amendments to the Articles of Association of the Company contained in Appendix 1 be and are hereby approved." **(Special Resolution) (Resolution 8)**

8. To transact any other business for which due notice has been given.

BY ORDER OF THE BOARD

Tan Kok Aun (LS00361)
Wong Wai Yin (MAICSA 7003000)
Company Secretaries
Kuala Lumpur

4 August 2010

Notice of Annual General Meeting_(contd')

Notes

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy or proxies to attend and vote on his/her behalf. A proxy need not be a member of the Company.
2. Where a member appoints two or more proxies, the appointment shall be invalid unless the member specifies the proportion of his/her shareholding to be represented by each proxy.
3. The instrument appointing a proxy shall be in writing under the hands of the appointer or his attorney duly authorised in writing, or if the appointer is a corporation, either under its Common Seal, or the hand of its attorney duly authorised.
4. The Proxy Form must be deposited at the Registered Office of the Company at No 1 & 1A , 2nd Floor Jalan Ipoh Kecil 50350 Kuala Lumpur not less than forty-eight (48) hours before the time appointed for holding the meeting or any adjournment thereof.
5. Explanatory note on item 7 of the Agenda.

Ordinary Resolution : Resolution 7

Authority to Issue Shares Pursuant to Section 132D of the Companies Act, 1965

The proposed Ordinary Resolution 7 is a renewal mandate for the issue of shares under Section 132D of the Act. If passed, it will give flexibility to the Directors of the Company to issue shares up to a maximum of ten per centum (10%) of the issued share capital of the Company at the time of such issuance of shares (other than bonus or rights issue) and for such purposes as they consider would be in the best interest of the Company without having to convene separate general meetings. This authority, unless revoked or varied at a general meeting, will expire at the conclusion of the next Annual General Meeting of the Company.

The rationale for this resolution is to eliminate the need to seek shareholders' approval to convene general meeting(s) from time to time as and when the Company issues new shares for future business opportunities and thereby reducing administrative time and cost associated. No shares had been issued and allotted by the Company since obtaining the said authority from its shareholders at the last Annual General Meeting held on 26 August 2009 . The Directors would utilise the proceeds raised from this mandate for working capital or such other applications they may in their absolute discretion deem fit.

Special Resolution : Resolution 8

Proposed Amendments to the Articles of Association

The rationale for the proposed amendments to the Articles of Association of the Company under Special Resolution are as follows:

Article 102(1), 102(2) and 102(3) – This is to enhance the Board's efficiency in conducting board meeting.

Article 113A- This is to provide for the resignation of secretary by notice in writing to the Company

Article 122 (1) – This is to facilitate the payment of dividends through electronic means which would reduce the cost and increase efficiency of the Company.

Statement Accompanying Notice of Annual General Meeting

1. Directors who retire by rotation and standing for re-election pursuant to the Article of Association of the Company
 - (i) Y.A.M. Tunku Dato' Seri Nadzaruddin Ibni Almarhum Tuanku Ja'afar
 - (ii) Dr Victor John Stephen Price
 - (iii) Mr Suresh Parthasarathy
2. The profiles of Y.A.M. Tunku Dato' Seri Nadzaruddin Ibni Almarhum Tuanku Ja'afar, Dr Victor John Stephen Price and Mr Suresh Parthasarathy, who are standing for re-election, are set out in the Directors' Profiles appearing on page 8 to 10 of this Annual Report. The Directors' interests in shares are shown in page 27 of the Annual Report.
3. Details of attendance of Directors at Board of Directors' Meetings

There were 4 Board of Directors' Meetings held during the financial year ended 31 March 2010. The details of the attendance of the Directors are as follows:

	Number of Meetings Attended
Executive Directors	
Chan Wing Kong	3/4
Suresh Parthasarathy (<i>appointed on 7 April 2010</i>)	n.a.
Non-Executive Directors	
Y.A.M. Tunku Dato' Seri Nadzaruddin Ibni Almarhum Tuanku Ja'afar	4/4
Onn Kien Hoe	4/4
Dr Victor John Stephen Price	4/4
Chua Hock Hoo (<i>appointed on 12 May 2009</i>)	4/4

4. Place, date and time of the Eighth Annual General Meeting

The Eighth Annual General Meeting is scheduled to be held on Thursday, 26 August 2010 at Kuala Lumpur Golf & Country Club, No.10 Jalan 1/70D, 6000 Kuala Lumpur at 3.30 pm.

Corporate Information

BOARD OF DIRECTORS

Y.A.M. Tunku Dato' Seri Nadzaruddin Ibni Almarhum Tuanku Ja'afar
(Chairman, Non-Executive Non-Independent Director)
Chan Wing Kong
(Chief Executive Officer)
Suresh Parthasarathy
(Executive Director)
Onn Kien Hoe
(Non-Executive Independent Director)
Chua Hock Hoo
(Non-Executive Independent Director)
Victor John Stephen Price
(Non-Executive Non-Independent Director)

AUDIT COMMITTEE

Onn Kien Hoe
(Chairman, Non-Executive Independent Director)
Y.A.M. Tunku Dato' Seri Nadzaruddin Ibni Almarhum Tuanku Ja'afar
(Non-Executive Non-Independent Director)
Chua Hock Hoo
(Non-Executive Independent Director)

NOMINATION COMMITTEE

Onn Kien Hoe
(Chairman, Non-Executive Independent Director)
Y.A.M. Tunku Dato' Seri Nadzaruddin Ibni Almarhum Tuanku Ja'afar
(Non-Executive Non-Independent Director)
Chua Hock Hoo
(Non-Executive Independent Director)

RENUMERATION COMMITTEE

Onn Kien Hoe
(Chairman, Non-Executive Independent Director)
Y.A.M. Tunku Dato' Seri Nadzaruddin Ibni Almarhum Tuanku Ja'afar
(Non-Executive Non-Independent Director)
Chua Hock Hoo
(Non-Executive Independent Director)
Victor John Stephen Price
(Non-Executive Non-Independent Director)

ESOS COMMITTEE

Y.A.M. Tunku Dato' Seri Nadzaruddin Ibni Almarhum Tuanku Ja'afar
(Chairman, Non-Executive Independent Director)
Onn Kien Hoe
(Non-Executive Independent Director)
Victor John Stephen Price
(Non-Executive Non-Independent Director)
Chan Wing Kong
(Chief Executive Officer)

COMPANY SECRETARIES

Tan Kok Aun (LS00361)
Wong Wai Yin (MAICSA 7003000)

REGISTERED OFFICE

No. 1 & 1A, 2nd Floor
Jalan Ipoh Kecil
50350 Kuala Lumpur
Tel: (03) 40435750
Fax: (03) 40435755
e-mail: steven.chan@nova-hub.com
website: www.novamsc.com

BUSINESS OFFICES

2-D, Block 2330
Century Square
63000 Cyberjaya
Tel: (03) 8319 2628
Fax: (03) 8319 3628

E 33-3A
Dataran 3 Two Square
No 2, Jalan 19/1
46300 Petaling Jaya
Tel: (03) 7957 6628
Fax: (03) 7954 6628

REGISTRARS AND TRANSFER OFFICE

Symphony Share Registrars Sdn Bhd
Level 6, Symphony House
Block D13, Pusat Dagangan Dana 1
Jalan PJU 1A/46
47301 Petaling Jaya
Selangor

Tel: (03) 7841 8000
Fax: (03) 7841 8008

AUDITORS

Folks DFK & Co (AF : 0502)
12th Floor, Wisma Tun Sambanthan
No.2, Jalan Sultan Sulaiman
50000 Kuala Lumpur

STOCK EXCHANGE LISTING

ACE Market of Bursa Malaysia

Chairman's Statement

The Year under review

In 2009, the global economic was adversely affected by the global financial crisis. Most of the world economies went into recession and governments implemented counter recession and stimulus measures.

In spite of the economic slowdown in the past year, I am pleased to report that the Group has registered a reasonable performance. The Group revenue grew approximately 4% to RM22.3 million from RM21.5 million recorded in the previous year. The profit before taxation of RM0.79 million in the current financial year was also comparable to the profit before taxation of approximately RM0.85 million for the preceding year's ended 31st March 2009. Earning per share was recorded at 0.20 sen as compared to earning per share of 0.25 sen for the previous financial year.

The Company had also completed the third and final tranche of the Private Placement. 42,849,750 new ordinary shares at the issue price of RM0.10 each were issued in January 2010. With that, the Company had in total issued of 67,133,000 new ordinary shares of RM0.10 each at par for cash from this Private Placement exercise. The net proceeds from the said placements had been utilized in the Company's working capital. Shareholders' funds as at 31 March 2010 stood at approximately RM28.1 million as compared to RM23.7 million as at 31 March 2009.

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Research and Development

For the current financial year, an expenditure of approximately RM3.0 million was incurred for our essential enhancement to our flagship products, PAVO and VESALIUS. The enhancement to the PAVO is to cater for business portal, ready-to-deploy business application and plug-in services while the enhancement to the VESALIUS will further improve features to cater for centralized architecture; that is linking multiple healthcare facilities into a single shared system and also a new module – Management Dashboard.

Business Direction

The Group is operating in a highly competitive environment. With the current economic uncertainty, the year ahead will continue to be a challenging one.

However, I believe the Group is ready to face this challenge. Our strategy to strengthen our core competences, improve our operational efficiency and extend our marketing effort around the region and beyond are beginning to show results. The Group will continue to leverage on our core strengths built over the years to carve a niche in the e-Government and Healthcare sector.

Chairman's Statement (contd')

Corporate Governance

The Board strives to maintain high standards of corporate governance in the Group as part of our responsibilities to protect and maximize shareholders' value and ensure business sustainability. Our corporate website on www.novamsc.com provides public announcements, press release and financial reports that are easily accessible by the public. Further measures implemented during the year under review have been highlighted in the Statement of Corporate Governance in this Annual Report.

Appreciation

I thank the Board for their wise counsel. I welcome Mr Suresh Parthasarathy, who brings with him extensive business experiences in Asia. I am equally grateful to the management and staff for their contributions and supports during the year. My gratitude and sincere thanks are also extended to our shareholders, customers, bankers, suppliers and business partners who have given us their invaluable support.

Y.A.M. Tunku Dato' Seri Nadzaruddin Ibni Almarhum Tuanku Ja'afar
Chairman, Non-Executive Non-Independent Director

Directors' Profiles

Y.A.M. Tunku Dato' Seri Nadzaruddin Ibni Almarhum Tuanku Ja'afar,

50, Malaysian,

Non-Executive Non-Independent Director

Tunku Nadzaruddin was appointed to the Board on 27 June 2003. He was appointed Chairman of the Group on 1 July 2003. He is also the Chairman of the ESOS Committee and a member of the Audit Committee, Nomination, and Remuneration Committee. He graduated from Middlesex University (formerly known as Middlesex Polytechnic) with a degree in Bachelor of Science (Honours) in Mathematics in 1984.

He is currently an Executive Director of Hwang-DBS Investment Management Berhad. He also holds directorships in Box-Pak (Malaysia) Berhad, Kian-Joo Can Factory Berhad, Hwang-DBS (Malaysia) Berhad, HwangDBS Investment Bank Berhad and Universal Trustee (Malaysia) Berhad.

Tunku Nadzaruddin was President of the Persatuan Broker Niaga Hadapan Malaysia (Malaysia Futures Brokers Association) and is the current Patron.

Tunku Nadzaruddin does not have any family relationship with any other Directors. However, he is deemed interested by virtue of his directorship in the Company and major shareholding in Raden Corporation Sdn Bhd, which is a major shareholder of the Company. Neither has he been convicted of any offences in the last ten (10) years. Tunku Nadzaruddin attended all four of the Board Meetings held in the financial year ended 31 March 2010.

Mr Chan Wing Kong,

52, Singapore citizen

Executive Non-Independent Director.

Mr Chan Wing Kong is the founder and Chief Executive Officer of Nova MSC Berhad ("Company"). He was appointed to the Board on 31 October 2002. He also sits as a member of the ESOS Committee. His responsibilities include the overall development of the business strategies and policies of the Group to achieve long-term business objectives. He leads the senior management in the development and implementation of the Group's business vision.

He has more than twenty-four (24) years of working experience at various organizations in the areas of marketing and implementation of large IT projects. Mr Chan obtained his Bachelor of Surveying (Hons) degree from the University of Newcastle in Australia under a Colombo Plan Scholarship awarded by the Singapore Government and a Master of Science degree from the University of Queensland.

Mr Chan does not have any family relationship with any other Directors and/or major shareholders of the Company or any conflict of interest with the Company. Neither has he been convicted of any offences in the last ten (10) years. Mr Chan attended three out of the four of the Board Meetings held in the financial year ended 31 March 2010.

Directors' Profiles (contd')

Dr Victor John Stephen Price,

68, South African

Non Executive Non Independent Director

Dr Victor John Stephen Price is a founder of the Company and was appointed to the Board on 31 October 2002. He is also a member of the Audit Committee, Nomination Committee, Remuneration Committee and ESOS Committee.

Dr Stephen Price has more than 40 years of experience in land planning, development and management in both the government and private sectors.

Dr Price serve the company as Chief Technical Officer from its inception until his retirement in January 2009.

Dr Price does not have any family relationship with any other Directors and/or major shareholders of the Company or any conflict of interest with the Company. Neither has he been convicted of any offences in the last ten (10) years. Dr Price attended all four of the Board Meetings held in the financial year ended 31 March 2010.

Mr Onn Kien Hoe

45, Malaysian,

Non Executive Independent Director

Mr Onn Kien Hoe was appointed to the Board on 5 June 2003. He is currently the Chairman of the Audit Committee, Remuneration Committee and Nomination Committee. He is also a member of the ESOS Committee. Mr Onn completed his professional qualification with the Association of Chartered Certified Accountants in 1988, and has been in the accounting profession since then. He is also a member of the Malaysian Institute of Accountants and Malaysian Institute of Certified Public Accountants.

Mr Onn is a partner of Horwath (Kuala Lumpur Office), and is in charge of Horwath's corporate advisory department. Mr Onn has served as an examiner for the Malaysian Institute of Certified Public Accountants and as a member of the Interpretation Committee of the Malaysian Accounting Standards Board. He holds directorship in M3Nergy Berhad, Melewar Industrial Group Berhad and Mithril Berhad and Kian joo Can Factory Berhad.

Mr Onn does not have any family relationship with any other Directors and/or major shareholders of the Company or any conflict of interest with the Company. Neither has he been convicted of any offences in the last ten (10) years. Mr Onn attended all four of the Board Meetings held in the financial year ended 31 March 2010.

Directors' Profiles (contd')

Chua Hock Hoo,

44, Malaysian,

Non Executive Independent Director

Mr Chua Hock Hoo was appointed as a Non-Executive Independent Director of Company on 12 May 2009. Currently, he is also a member of the Audit Committee, Remuneration Committee and Nomination Committee.

Mr Chua qualified as a professional accountant from the Chartered Institute of Management Accountant in 1993. He obtained his Master of Business Administration (MBA) from Oklahoma City University, USA in 1995, and is currently pursuing his PhD with University of Malaya on part time basis.

Mr Chua distinguished himself in practice as an auditor, licensed liquidator and a tax consultant. He is the co-founder and currently the Managing Partner of Cheng & Co., a Chartered Accountants firm.

He is a member of the Malaysian Institute of Accountants, Malaysian Institute of Taxation, Financial Planning Association of Malaysia and Malaysian Institute of Directors, a fellow member of the Chartered Institute of Management Accountants (UK), a fellow member of CPA Australia, an associate member of the Institute of Internal Auditors Malaysia.

Mr Chua does not have any family relationship with any other Directors and/or major shareholders of the Company nor does he has any conflict of interest with the Company. Neither has he been convicted of any offences in the last ten (10) years. Mr Chua attended all four of the Board Meetings held in the financial year ended 31 March 2010.

Suresh Parthasarathy,

39, Indian,

Executive Non-Independent Director

Mr Suresh Parthasarathy was appointed to the Board on 7 April 2010.

He has more than 18 years of extensive Software Project and Resources Management experience. He has successfully executed various projects, from design stage till deployment. He has done extensive multi-tier and web applications design for the leading financial institutions.

Before 2006, Mr Suresh was heading the Sales for the Indian businesses for an Indian Software Company. He was instrumental in building the banking products practice, where he was able to procure some prestigious orders from leading MNC Bank.

Beside the Company, Mr Suresh also sits on board of Zylog Systems Asia Pacific Pte Ltd, a substantial shareholder of the Company.

Mr Suresh does not have any family relationship with other Directors and/or major shareholders of the Company. Neither has he been convicted of any offences in last ten (10) years.

Statement of corporate governance

The Board of Directors recognizes the importance of good corporate governance and is committed to the establishment and implementation of a proper framework and controls that are in line with the principles and best practices as recommended by the Malaysian Code of Corporate Governance ("the Code").

The following statements set out the application of the principles of the Code:

1. THE BOARD OF DIRECTORS

1.1 Composition and Board Balance

Composition

The Board currently has six members, comprising two Executive Directors, two Non-Executive Non-Independent Directors (including the Chairman of the Company) and two Non-Executive Independent Directors. The Board is of the opinion that the interests of shareholders of the Company are fairly represented through the current composition and its size constitutes an effective Board of the Company. The wide spectrum of knowledge, skills and experience of the Board gives added strength to the leadership which is necessary for the effective stewardship of the Group.

Board Balance

The four Non Executive Directors of the Company, which form two-third (2/3) of the Board, provide the Board with a good mix of industry-specific knowledge plus broad business and commercial experience. They provide guidance, unbiased, fully balanced and independent views, advice and judgment to many aspects of the Group's strategy so as to safeguard the interests of minority shareholders and to ensure that higher standards of conduct and integrity are maintained by the Group.

The profiles of the Directors are provided in pages 8 and 10 of the Annual Report.

1.2 Duties and Responsibilities

The Executive Directors are in charge of the day-to day operations of the business, implementation of Board policies and making strategic decisions for the expansion of the business. The Non-Executive Directors contribute their expertise and experience to give independent judgment to the Board on issues of strategy, performance and resources, including major policies, key directions and standards of conduct. The roles of the Non-Executive Independent Directors are to ensure that the strategies proposed by the executive management are fully reviewed and examined. They also undertake the responsibility of protecting and securing the varied long-term interests of the shareholders, employees, customers, and the communities in which the Group conducts its business.

No individual or group of individuals dominates the Board's decision-making. Together, the Directors possess the wide range of business, commercial and financial knowledge, expertise and skills essential in the management and direction of a corporation with regional presence.

Statement of corporate governance (contd')

1.3 Access to Information and Advice

Before each Board meeting, the Directors are provided with the agenda and full set of Board papers containing relevant information relating to the business of the meeting. Where necessary, additional information is provided during the Board meeting on significant issues that arise or when specifically requested by a Director.

The directors also have access to the services of the Company Secretary and senior management staff whether as a full board or in their individual capacity. In certain instances as deemed appropriate, the Board may also engage the services of professionals at the expense of the Group on specialized issues.

1.4 Appointment Process

The Board appoints its members through a formal and transparent selection process, which is consistent with the Articles of Association of the Company. This process has been reviewed, approved and adopted by the Board. The Company Secretary will ensure that all appointments are properly made and that legal and regulatory obligations are met. The Board has set up a Nomination Committee on 28 August 2007.

1.5 Re-election of Directors

Directors appointed by the Board during the financial year are subject to re-election by the shareholders at the next Annual General Meeting held following their appointments and thereafter shall retire at least once every 3 years and retiring directors shall be eligible for re-election.

1.6 Meetings

During the year under review, four (4) Board Meetings have been held. The attendance record of each Director since the last financial year or the date of appointment is as follows:

	Number of Meetings Attended
Executive Directors	
Chan Wing Kong	3/4
Suresh Parthasarathy (appointed on 7 April 2010)	N.A.
Non-Executive Directors	
Y.A.M. Tunku Dato' Seri Nadzaruddin Ibni Almarhum Tuanku Ja'afar	4/4
Onn Kien Hoe	4/4
Victor John Stephen Price	4/4
Chua Hock Hoo (appointed on 12 May 2009)	4/4

During the financial year, the Board also resolved and approved the Company's matters through circular resolutions. Board members are provided sufficient detailed information for approvals via circular resolutions and are given full access to senior management to clarify any matters arising.

Statement of corporate governance^(contd')

1.7 Directors' Training

At every Board Meeting, all Directors were brief on the latest developments of the Group's business and operation to enhance and ensure that they have a comprehensive understanding on the Group's operations to enable them to discharge their responsibilities effectively and to keep abreast with developments in the market place. The Company does not have a formal training programme for new director. However, familiarization programme with the operations of the Group shall be arranged for any new appointee to the Board. In 2009, all Directors have attended development and training programmes, seminars and courses, the details of which are as follows:-

1. Y.A.M. Tunku Dato' Seri Nadzaruddin ibni Almarhum Tuanku Ja'afar
 - Basel Requirements
2. Onn Kien Hoe
 - MASB Conference: Accounting Challenges in Turbulent Times
 - National Tax Conference 2009
 - 2010 Budget Talk
 - The Audit Oversight Board & Ethical Dimensions
3. Dr Victor John Stephen Price
 - Comprehensive Writing
4. Chua Hock Hoo
 - International Affiliation (Practitioners) Showcase
 - Taxation Seminar 2009
 - Enhancing Audit Quality Control & Practice Review
 - Finding and Tax Compliance Conference
 - National Seminar on Taxation 2009
5. Chan Wing Kong
 - CommunicAsia 2009 Exhibition
 - World Bank-Singapore Infrastructure Finance Summit

Mr Suresh Parthasarathy joined the Board on 7 April 2010. He completed his Mandatory Accreditation Programme for Directors of Public Listed Companies on 14 & 15 July 2010.

The Director will continue to attend relevant training programme from time to time to further enhance their knowledge to enable them to discharge their duties and responsibilities more effectively.

1.8 Board Committee

The Board has established the following committees:-

i) Audit Committee

The Board has set up an Audit Committee, which composition is in compliance with the relevant regulatory requirements. The report of the Audit Committee is found on pages 19 to 22.

An appropriate relationship is maintained with the Company's external and internal auditors through the Audit Committee. The Audit Committee has been explicitly accorded the power to communicate directly with both external and internal auditors.

ii) Nomination Committee

The Nomination Committee is responsible to assist the Board in appointing new directors and assessing directors on an ongoing basis. It comprises of the following:-

- Onn Kien Hoe (Chairman), Independent Non-Executive Director
- Y.A.M. Tunku Dato' Seri Nadzaruddin Ibni Almarhum Tuanku Ja'afar, Non-Independent Non-Executive Director
- Chua Hock Hoo, Independent Non-Executive Director

Statement of corporate governance (contd')

1.8 Board Committee (cont'd)

The Board has established the following committees:-

iii) ESOS Committee

The ESOS committee was established to administer the Company's ESOS. The Committee's principal function is to ensure that the Scheme is administered in accordance with the by-laws approved by the shareholders of the Company. The present ESOS was implemented on 31 October 2005 and is governed by the by-laws that were approved by the shareholders on 28 September 2004. It comprises of:-

- Y.A.M. Tunku Dato' Seri Nadzaruddin Ibni Almarhum Tuanku Ja'afar, Chairman, Non-Executive Independent Director
- Onn Kien Hoe, Non-Executive Independent Director
- Victor John Stephen Price, Non-Executive Non-Independent Director
- Chan Wing Kong, Chief Executive Officer

iv) Remuneration Committee

The Remuneration Committee is responsible to assist the Board in developing and establishing commensurate remuneration policies and packages. It comprises of:-

- Onn Kien Hoe, Chairman, Non-Executive Independent Director
- Y.A.M. Tunku Dato' Seri Nadzaruddin Ibni Almarhum Tuanku Ja'afar, Non-Executive Non-Independent Director
- Chua Hock Hoo, Non-Executive Independent Director
- Victor John Stephen Price, Non-Executive Non-Independent Director

2. DIRECTORS' REMUNERATION

2.1 Remuneration Policy and Procedures

The directors' remuneration is determined in accordance to the performance and their capability to the Group. The Board recognizes that levels of remuneration must be sufficient to attract, retain and motivate the directors of the quality required to manage the business of the Company and the Group and to align the interest of the Directors with those of the shareholders.

The Board has set up a Remuneration Committee on 28 August 2007. The Remuneration Committee will be responsible for reviewing annually and recommending to the Board, the remuneration policy and packages of the Executive Directors.

Aggregate remuneration of the Directors during the financial year ended 31 March 2010 can be categorized into the following components:

Category	Proposed Director's Fees (RM)	Salaries and other emolument (RM)	Total (RM)
Executive Directors	-	408,326	408,326
Non-Executive Directors	147,250	-	147,250

Statement of corporate governance (contd')

2. DIRECTORS' REMUNERATION (cont'd)

2.1 Remuneration Policy and Procedures (cont'd)

Directors' remuneration is broadly categorized into the following bands:

Range of Remuneration	Number of Directors	
	Executive	Non-Executive
Below 50,000	-	4
RM50,001 to RM100,000	-	-
RM100,001 to RM150,000	-	-
RM150,001 to RM200,000	-	-
RM200,001 to RM300,000	-	-
RM300,001 to RM400,000	-	-
RM400,001 to RM500,000	1	-

The Board is of the view that the above disclosure, without divulging respective Director's individual remuneration, is sufficient.

3. SHAREHOLDERS

Relation with Shareholders and Investors

The Board recognizes the importance of communicating with shareholders and investors. This is done through annual reports, press releases, announcements through Bursa Malaysia, and also via the Company's web site (subject to the disclosure requirements of Bursa Malaysia).

Shareholders and investors are kept informed of all major developments with the Group by way of announcements via the Bursa Malaysia Link, the Company annual reports and other circulars to shareholders.

The principle forum for dialogue with shareholders is during the Annual General Meeting ("AGM"). At the AGM, the Board provides opportunities for shareholders to raise questions pertaining to issues in the Annual Report, Audited Financial Statements, corporate developments in the Group, the resolutions being proposed and on the business of the Group in general.

4. ACCOUNTABILITY AND AUDIT

4.1 Financial Reporting

The Directors are required by the Companies Act, 1965 to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Company and the Group as at the end of the financial year and the income statements of the Company and the Group for the year then ended.

The Directors are responsible for ensuring that financial statements are drawn up in accordance with the provisions of the Companies Act, 1965 and applicable approved accounting standards in Malaysia. In preparing the financial statements, the Directors are required to select appropriate accounting policies, consistently applied and supported by reasonable and prudent judgments and estimates. The Directors are required to prepare the financial statements on a going concern basis unless it is inappropriate to do so.

Statement of corporate governance (cont'd)

4. ACCOUNTABILITY AND AUDIT

4.1 Financial Reporting

The Directors are required by the Companies Act, 1965 to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Company and the Group as at the end of the financial year and the income statements of the Company and the Group for the year then ended.

The Directors are responsible for ensuring that financial statements are drawn up in accordance with the provisions of the Companies Act, 1965 and applicable approved accounting standards in Malaysia. In preparing the financial statements, the Directors are required to select appropriate accounting policies, consistently applied and supported by reasonable and prudent judgments and estimates. The Directors are required to prepare the financial statements on a going concern basis unless it is inappropriate to do so.

The Directors have responsibility for ensuring that the Group keeps proper accounting records which disclose with accuracy at any time the financial position of the Group which enables them to ensure that the financial statements comply with the Companies Act, 1965. The Directors also have responsibility for taking such steps as are reasonable to safeguard the assets of the Group for prevention and detection of fraud and other irregularities.

4.2 Internal Control

The Group's Statement of Internal Control is set out on pages 23 to 24 of this Annual Report.

4.3 Relationship with Auditors

The Group would continue to maintain a close and transparent relationship with its Auditors in seeking professional advice and ensure compliance with the appropriate accounting standards. The role of the Audit Committee in relation to the auditors may be found in the Report of the Audit Committee on pages 20 to 23.

4.4 Compliance with the Code

The Board has to the best of its ability and knowledge complied with the Best Practices in Corporate Governance set out in Part II of the Code. The Board expects to continue to improve and enhance the procedures from time to time, especially in both corporate governance and internal control.

Additional Compliance Information

The following set out below is disclosed in compliance with the Listing Requirements of Bursa Securities:-

1. STATUS OF UTILISATION OF PROCEEDS RAISED FROM CORPORATE PROPOSALS

On 28 March 2008, the Company proposed to implement a private placement of up to 77,202,950 new ordinary shares of RM0.10 each in the Company, representing not more than twenty percent (20%) of the issued and paid-up share capital of the Company ("Proposed Private Placement").

As at the date of this report, the Company had completed the Proposed Private Placement whereby the Company had issued, in three tranches, 67,133,000 new ordinary shares of RM0.10 each at par for cash. The net proceeds from the said placements had been utilized in the Company's working capital.

2. SHARE BUY-BACK

The Company does not have a scheme to buy back its own shares.

3. OPTIONS, WARRANTS OR CONVERTIBLE SECURITIES EXERCISED

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						
Option Grant date	Option Expiry date	Exercise price	Granted	Exercised	Lapsed	As at 31.03.10
20.3.2006	30.10.2010	RM 0.10	17,810,000	(8,865,000)	(4,145,000)	4,800,000
21.6.2006	07.03.2010	RM 0.10	7,300,000	(2,700,000)	(4,600,000)	-
30.8.2006	07.03.2010	RM 0.10	960,000	(300,000)	(660,000)	-
15.6.2007	30.10.2015	RM 0.10	8,440,000	-	(1,980,000)	6,460,000
01.10.2009	30.10.2015	RM 0.10	5,430,000	-	-	5,430,000
			<u>39,940,000</u>	<u>(11,865,000)</u>	<u>(11,385,000)</u>	<u>16,690,000</u>

The Company does not have any warrants or convertible securities in issue.

Additional Compliance Information (cont'd)

4. NON- AUDIT FEES

There was no non-audit fees paid by the Group to the external auditors for the financial year ended 31 March 2010.

5. VARIATION OF RESULTS

There was no material variation between the audited result for the financial year ended 31 March 2010 and that of the unaudited results previously announced on 25th May 2010.

6. MATERIAL CONTRACTS

For the financial year ended 31st March 2010, no contracts of a material nature were entered into or were subsisting between the Group and its Directors or major shareholders.

7. CORPORATE SOCIAL RESPONSIBILITY (CSR)

The Group recognizes the importance of being a responsible corporate citizen to enhance and positively contribute to society in addition to its pursuit of business objective. As such, the Group will to its best endeavor integrate CSR practice into its business operation. The Group considers its people as the most valuable asset. To ensure optimal performance and staff job satisfaction, adequate trainings are provided to develop and upgrade skills, knowledge and attitudes of our people. We also offer our staff fair and equitable benefits packages, including insurances policies covering life, travel and hospitalization. Social gathering and yearly reviews were also organized during the year to create social balance, maintain harmony and build better rapport.

The Group will be looking at implementing the best practices of CSR in areas of environment, community, workplace and marketplace in the coming years.

Audit Committee Report

The Audit Committee was formed on 1 July 2003 as a committee within the Board of Directors primarily responsible to assist the Directors in carrying out their duties in relation to accounting and financial reporting of the Group and the Company.

MEMBERS OF THE AUDIT COMMITTEE

The Audit Committee consists of:

Name	Designation	Directorship
Onn Kien Hoe	Chairman	Non-Executive Independent
Y.A.M. Tunku Dato' Seri Nadzaruddin Ibni Almarhum Tuanku Ja'afar	Member	Non-Executive Non-Independent
Chua Hock Hoo (appointed on 12 May 2009)	Member	Non-Executive Independent
Dr Victor John Stephen Price (resigned on 18 May 2009)	Member	Non-Executive Non-Independent

TERMS OF REFERENCE

COMPOSITION OF THE AUDIT COMMITTEE

The Audit Committee shall be appointed from amongst the Board and shall consist of not less than three members. All Audit Committee members must be non-executive directors with a majority of them being independent directors.

At least one member of the Audit Committee must be:-

- (a) a member of the Malaysian Institute of Accountants (MIA); or
- (b) if he is not a member of MIA, he must have at least three (3) years working experience and:-
 - (i) he must have passed the examinations specified in Part 1 of the 1st Schedule of the Accountants Act, 1967; or
 - (ii) he is a member of one (1) of the Associations specified in Part II of the 1st Schedule of the Accountants Act, 1976.
- (c) Fulfills such other requirements as prescribed or approved by Bursa Malaysia Securities Bhd.

No alternate director shall be appointed as a member of the Committee.

The Chairman who shall be elected by the Audit Committee, must be an independent director.

In the event the elected Chairman is not able to attend a meeting, a member of the Audit Committee shall be nominated as Chairman for the meeting. The nominated Chairman shall be an Independent Director.

In the event of any vacancy with the result that the number of members is reduced to below three, the vacancy must be filled within three (3) months.

Audit Committee Report (cont'd)

TERMS OF REFERENCE (cont'd)

AUTHORITY

The Audit Committee shall be granted the authority to investigate any activity of the Company and its subsidiaries and all employees shall be directed to co-operate as and when required by the Audit Committee. The Audit Committee shall also be empowered to consult independent experts where necessary to assist in executing its duties.

MEETINGS

The Audit Committee is to meet at least four times a year and as many times as the Audit Committee deems necessary.

The quorum for a meeting shall be two (2) members, provided that the majority of members present at the meeting shall be independent.

NOTICE OF MEETINGS AND ATTENDANCE

The agenda of the Audit Committee meetings shall be circulated before each meeting to members of the Audit Committee. The Audit Committee may require the external auditors and any officer of the Company to attend any of its meeting as it determines.

The external and internal auditors shall have the right to appear and be heard at any meeting of the Audit Committee and shall so appear when required to do so by the Audit Committee.

Upon the request of the external or internal auditors, the Chairman of the Audit Committee shall convene a meeting of the Audit Committee to consider any matters that the auditors believe should be brought to the attention of the Directors or shareholders.

The Company Secretary shall be the Secretary of the Audit Committee and shall be responsible, in conjunction with the Chairman, for drawing up the agenda and circulating it prior to each meeting.

The Company Secretary shall also be responsible for keeping the minutes of meetings of the Audit Committee and circulating them to the Audit Committee members.

Audit Committee Report (cont'd)

DUTIES AND RIGHTS OF THE AUDIT COMMITTEE

The duties and rights of the Audit Committee shall be :-

1. To review the following: -

- a. The nomination of external auditors;
- b. The adequacy of existing external audit arrangements, with particular emphasis on the scope and quality of the audit;
- c. The effectiveness of the internal audit function;
- d. The effectiveness of the internal control and management information systems;
- e. The Committee is authorized to convene meetings with the external auditors, the internal auditors or both excluding the attendance of other directors and employees of the listed company, whenever deemed necessary;
- g. Any management letters sent by the external auditors to the Company and the management's response to such letters;
- h. Any letter of resignation from the Company's external auditors;
- i. The assistance given by the Company's officers to the external auditors;
- j. All areas of significant financial risk and the arrangements in place to contain those risks to acceptable levels; and
- k. All related-party transactions and potential conflict of interests situations.
- l. The implementation and allocation of the Group's Employee Share Option Scheme ("ESOS"), as being in compliance with the criteria set out in the Listing Requirements of Bursa Malaysia Securities Berhad and in accordance with the ESOS by-laws as approved by the Board of Directors and shareholders.

2. The Audit Committee shall:-

- a. Have explicit authority to investigate any matters within its terms of reference;
 - b. Have the resources which it needs to perform its duties;
 - c. Have full access to any information which it requires in the course of performing its duties;
 - d. Have unrestricted access to the chief executive officer and the chief financial officer;
 - e. Have direct communication channels with the external and internal auditors;
 - f. Be able to obtain independent professional or other advice in the performance of its duties at the cost of the Company; and
 - g. Be able to invite outsiders with relevant experience to attend its meetings if necessary.
3. Where the Audit Committee is of the view that any matter reported by it to the Board of Directors of the Company has not been satisfactorily resolved resulting in a breach of the Listing Requirements, the Audit Committee must promptly report such matters to the Bursa Malaysia Securities Berhad;
 4. To make recommendations to the Board of Directors to outsource certain of its internal audit functions to an independent firm of consultants, if necessary.
 5. To discuss problems and reservations arising from the interim and final audits, their evaluation of the system of internal controls, and any matters the external auditors may wish to discuss (in the absence of management, where necessary).
 6. To consider the major findings of internal investigations and management's response during the year with management and the external auditors, including the status of previous audit recommendations.
 7. To carry out any other functions that may be mutually agreed upon by the Audit Committee and the Board.

Audit Committee Report (cont'd)

SUMMARY OF ACTIVITIES OF THE COMMITTEE

The Audit Committee met 4 times during the financial year ended 31 March 2010. The attendance record of each Director since the last financial year or the date of appointment is as follows:

	Number of Meetings Attended
Onn Kien Hoe	4/4
Y.A.M. Tunku Dato' Seri Nadzaruddin Ibni Almarhum Tuanku Ja'afar	4/4
Chua Hock Hoo	4/4

During the financial year ended 31 March 2010, the Audit Committee reviewed the quarterly and yearly results/ announcements of the Group to ensure compliance with approved accounting standards and adherence with other legal and regulatory requirements as well as making relevant recommendations to the Board for approval.

INTERNAL AUDIT FUNCTION

The Board outsources its internal audit function for a fee of RM30,000 to a professional consulting firm which provides support to the Audit Committee in monitoring and managing risks and internal control systems of the Group.

The main responsibilities of the internal auditors are:

- (i) To assist in reviewing the adequacy, integrity and effectiveness of the Company's internal control system for the Board to make an accurate Statement of Internal Controls in the Annual Report;
- (ii) To support the Audit Committee in evaluating the effectiveness of the existing internal control system, identify future requirements and co-develop a prioritized action plan to further enhanced the internal control system;
- (iii) To perform a risk assessment of the Group to identify the business processes within the Group that the internal audit should focus on;
- (iv) To allocate resources to areas within the Group in order to provide management and the Audit Committee with efficient and effective levels of internal audit coverage.

All internal auditors' reports are deliberated by the Audit Committee and recommendations made to the Board and/ or the management are acted upon.

REVIEW OF STATEMENT BY EXTERNAL AUDITORS

The external auditors have reviewed this Statement on Internal Control for the inclusion in the annual report of the Group for the financial year ended 31 March 2010 and reported to the Board that nothing has come to their attention that causes them to believe that the statement is inconsistent with their understanding of the process adopted by the Board in reviewing the adequacy and integrity of the system of internal control.

The above statement is made in accordance with the resolution passed at the Board of Directors meeting held on 29 July 2010.

STATEMENT BY THE AUDIT COMMITTEE IN RELATION TO THE ESOS ALLOCATION

During the financial year, the Committee administered the Employee Share Option Scheme ("ESOS"). Shares options had been offered and granted to eligible employees of the Group pursuant to the criteria as set out in the by-laws of the Company's ESOS. The Audit Committee had reviewed the allocation of the share options granted and noted that they were made in compliance with the by-laws of the Company's ESOS.

Statement of Internal Control

INTRODUCTION

The Malaysian Code on Corporate Governance stipulates that the Board is required to maintain a sound system of internal controls to safeguard shareholders' investments and the Group's assets. The Board is pleased to include a statement on the state of the Group's internal controls in accordance with paragraph 15.26 of the Bursa Malaysia Securities Berhad's Listing Requirement for the ACE Market.

The Board of Directors is committed to maintaining a sound system of internal controls in the Group and is pleased to outline the nature and scope of the internal controls of the Group during the financial year.

The Group's system of internal controls includes establishing an appropriate control environment and framework as well as reviewing its adequacy and integrity. The system of internal controls covers, inter-alia, financial, operational and compliance controls and risk management procedures.

BOARD RESPONSIBILITY

The Board acknowledges its responsibility for maintaining a sound system of internal controls and for implementing risk management practices for good corporate governance. However, the Board recognises that reviewing the adequacy of the Group's system of internal controls is a concerted and continuous process, designed to manage rather than eliminate the risk of failure to achieve business objectives.

In pursuing these objectives, internal controls can only provide reasonable but not absolute assurance against material misstatement or loss.

The Board confirms that there is an informal on-going process for identifying, evaluating and managing the significant risks faced by the Group for the financial year under review and up to date of approval of the annual report and financial statements.

KEY PROCESSES OF INTERNAL CONTROL

The key processes that the Board have established in reviewing the adequacy and integrity of the system of internal controls, are as follows:

- The Group has in place an organisational structure that supports business and operational requirements, with clearly defined levels of responsibilities, lines of accountability and delegated authority with appropriate reporting procedures.
- The Board is assisted by the Audit Committee in specific areas in order to enhance the system of internal controls and corporate governance.
- The Executive Directors are involved in the day-to-day business operations of the Group. Scheduled informal operational and management meetings are held with senior management to identify, discuss and resolve business and operational issues. Significant matters identified during these meetings are highlighted to the Board.
- The Company's subsidiaries are accredited with ISO9001:2000. Documented internal procedures and standard operating procedures have been put in place and surveillance/certification audits are conducted on a periodic basis by assessors of the ISO certification body to ensure that standard operating procedures are being adhered to.

Statement of Internal Control (cont'd)

INTERNAL AUDIT

Presently the Group does not have an internal audit department. The Company had engaged a professional consulting firm in March 2004 to carry out the internal audit services, which provides support to the Audit Committee in discharging its duties with respect to the adequacy and integrity of the system of internal controls within the Group. During the year under review, the third party internal auditors carried out four audits based on the internal audit plan approved by the Audit Committee. The audit findings are deliberated and resolved with the senior management. The Audit Committee, on behalf of the Board, reviews internal control issues identified and recommendations from reports by internal and external auditors on a regular basis.

Internal control weaknesses identified from the internal audits conducted are all being addressed by management. None of these weaknesses have resulted in any material loss that would require disclosure in the Group's Annual Report.

CONCLUSION

This Statement of Internal Control has been reviewed by the external auditors, who had reported to the Board that nothing has come to their attention that causes them to believe that the statement is inconsistent with their understanding of the process adopted by the Board in reviewing the adequacy and integrity of the system of internal controls.

The Board and Management will continue to take measures and maintain an ongoing commitment to strengthen the Group's control environment and processes.

This statement was made in accordance with a resolution of the Board dated 29 July 2010.

Statement of Internal Control

Reports And Financial Statements

FOR THE YEAR ENDED 31 MARCH 2010

- Director's Report
- Balance Sheets
- Income Statements
- Statement in Change of Equity
- Cash Flow Statement
- Notes To The Financial Statements
- Statement By Directors
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Directors' Report

DIRECTORS' REPORT

The directors hereby submit their report together with the audited financial statements of the Group and the Company for the year ended 31 March 2010.

1. PRINCIPAL ACTIVITIES

The Company is principally engaged in investment holding, software research and development, provision of e- business solutions through the sale of application software and professional services for software customisation and implementation. The principal activities of the subsidiaries are as stated in Note 7 to the financial statements. There has been no significant change in the nature of these activities during the financial year.

The Company is listed on the ACE Market of Bursa Malaysia Securities Berhad.

2. RESULTS

	GROUP RM	COMPANY RM
Profit/(loss) for the year	777,587	(1,605,585)

3. RESERVES AND PROVISIONS

There were no material transfers to or from reserves and provisions during the year except for disclosed in the financial statements.

4. DIVIDENDS

No dividend was declared or paid since the end of the last financial year and the Directors do not recommend any dividend to be paid for the financial year ended 31 March 2010.

5. DIRECTORS OF THE COMPANY

Directors who served since the date of the last Directors' Report are:-

Y.A.M. Tunku Dato' Seri Nadzaruddin Ibni Almarhum Tuanku Ja'afar (Chairman)
Chan Wing Kong
Victor John Stephen Price
Onn Kien Hoe
Chua Hock Hoo
Suresh Parthasarathy (Appointed on 7 April 2010)

According to Article 96 of the Company's Article of Association, Y.A.M. Tunku Dato' Seri Nadzaruddin Ibni Almarhum Tuanku Ja'afar and Victor John Stephen Price retire at the forthcoming Annual General Meeting and, being eligible, offer themselves for re-election.

According to Article 101 of the Company's Article of Association, Suresh Parthasarathy retires at the forthcoming Annual General Meeting and, being eligible, offers himself for re-election.

Directors' Report (cont'd)

6. DIRECTORS' INTERESTS

According to the register of directors' shareholding, the interest of directors in office at the end of the financial year in shares and options over ordinary shares in the Company and its related corporations during the financial year were as follows:

	Number of ordinary shares of RM0.10 each in the Company			
	As at 1.4.2009	Bought	Sold	As at 31.3.2010
Direct interest				
Y.A.M. Tunku Dato' Seri Nadzaruddin Ibni Almarhum Tuanku Ja'afar	2,000,000	-	-	2,000,000
Chan Wing Kong	16,770,230	-	-	16,770,230
Victor John Stephen Price	8,608,211	-	-	8,608,211
Indirect interest				
Y.A.M. Tunku Dato' Seri Nadzaruddin Ibni Almarhum Tuanku Ja'afar	24,783,250	-	-	24,783,250

	Number of options over ordinary shares of RM0.10 each in the Company				
	Exercise price RM/share	As at 1.4.2009	Granted	Lapsed	As at 31.3.2010
Direct interest					
Y.A.M. Tunku Dato' Seri Nadzaruddin Ibni Almarhum Tuanku Ja'afar	0.10	1,000,000	540,000	(1,000,000)	540,000
Chan Wing Kong	0.10	2,500,000	360,000	(2,500,000)	360,000
Victor John Stephen Price	0.10	700,000	380,000	(700,000)	380,000
Onn Kien Hoe	0.10	400,000	450,000	(400,000)	450,000

None of the Directors holding office at the end of the financial year had any other interest in the ordinary shares of the Company and of its related corporations during the financial year.

Directors' Report (cont'd)

7. DIRECTORS' BENEFITS

Since the end of the previous financial year, no Director of the Company has received nor become entitled to receive any benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by directors shown in the financial statements, or the fixed salary of a full time employee of the Company) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest, other than a Directors who has or is deemed to have substantial financial interests in companies which traded with certain companies in the Group in the ordinary course of business as disclosed in Note 27 to the financial statements.

There were no arrangements during and at the end of the financial year which had the object of enabling Directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate apart from the Employees' Share Option Scheme as explained in Section 9 of the Directors' Report.

8. ISSUE OF SHARES

During the financial year, the issued and fully paid-up share capital of the Company was increased from RM35,994,825 comprising 359,948,250 ordinary shares of RM0.10 each to RM40,279,800 comprising 402,798,000 ordinary shares of RM0.10 each by way of:-

- (i) the issue of 42,849,750 new ordinary shares of RM0.10 each of the Company at par for cash pursuant to the private placement exercise on 21 January 2010 for the purpose of working capital.

All shares issued during the financial year rank pari passu in all respects with the existing ordinary shares of the Company.

9. OPTIONS GRANTED OVER UNISSUED SHARES

The Company's Employees' Share Option Scheme ("ESOS") for eligible employees and Directors of the Group and the Company was approved by the shareholders at the extraordinary general meeting held on 28 September 2004. The ESOS is valid for a period of ten years.

The salient features of the scheme are as follows:-

- (i) The total number of new ordinary shares of RM0.10 each that may be made available under the ESOS shall not exceed thirty per cent (30%) of the issued and paid-up capital of the Company, subject to a maximum entitlement of fifteen per cent (15%) for the first 5 years.
- (ii) Eligible employees are Directors and confirmed employees of the Group (save and except for companies which are dormant) who meet the criteria of eligibility for participation as set out in the By-Laws, at the date of the offer.
- (iii) The option is personal to the grantee and is non-assignable.
- (iv) An option may, at the discretion of the ESOS Committee, be determined based on a discount of not more than 10% from the 5-day weighted average market price of the underlying shares as shown in the Daily Official List issued by Bursa Malaysia for the 5 market days immediately preceeding the Date of Offer in writing to the grantee.

The option price per new share shall in no event be less than the par value of the share.

Directors' Report (cont'd)

9. OPTIONS GRANTED OVER UNISSUED SHARES (cont'd)

- (v) An option may be exercised by notice in writing to the Company in the prescribed form from time to time during the option period in respect of all or any part of the new shares comprised in the option, provided that where an option is exercised in respect of a part of the new shares comprised therein, the number of new shares of which such an option may be exercised shall not be less than one hundred (100) and shall be in multiples of one hundred (100).

The number of options outstanding as at the end of the financial year are as follows:-

Grant date	Number of options over ordinary shares of RM0.10 each in the Company				
	As at 1.4.2009	Granted	Exercised	Lapsed	As at 31.3.2010
20.3.2006	4,850,000	-	-	(50,000)	4,800,000
21.6.2006	4,600,000	-	-	(4,600,000)	-
30.8.2006	480,000	-	-	(480,000)	-
15.6.2007	6,560,000	-	-	(100,000)	6,460,000
1.10.2009	-	5,430,000	-	-	5,430,000
	16,490,000	5,430,000	-	(5,230,000)	16,690,000

Options outstanding at the end of the financial year have the following expiry date and exercise price:

Grant date	Number of options over ordinary shares of RM0.10 each in the Company			
	Exercised Price (RM)	Expiry Date	Numbers of options 2010	2009
20.3.2006	0.10	30.10.2010	4,800,000	4,850,000
21.6.2006	0.10	7.3.2010	-	4,600,000
30.8.2006	0.10	7.3.2010	-	480,000
15.6.2007	0.10	30.10.2015	6,460,000	6,560,000
1.10.2009	0.10	30.10.2015	5,430,000	-
			16,690,000	16,490,000

The Company has been granted exemption by the Companies Commission of Malaysia from having to disclose the names of option holders who have been granted options in aggregate of less than 350,000 share options during the year. The names of option holders and the number of options granted during the financial year which in aggregate are 350,000 options or more as follows:-

Name of option holder	Exercise price (RM)	Number of options over ordinary shares of RM0.10 each in the Company
Y.A.M Tunku Dato' Seri Nadzaruddin Ibni Almarhum Tuanku Ja'afar	0.10	540,000
Chan Wing Kong	0.10	360,000
Victor John Stephen Price	0.10	380,000
Onn Kien Hoe	0.10	450,000
Tan Yew Soon	0.10	1,025,000
Lai Teik Kin	0.10	500,000
Tan Chee Ping	0.10	570,000
Ng Boon Siew	0.10	370,000
Wong Pek Wai	0.10	735,000

Directors' Report (cont'd)

10. OTHER STATUTORY INFORMATION

Before the financial statements of the Group and the Company were made out, the Directors took reasonable steps to ascertain that:-

- (i) action had been taken in relation to writing off of bad debts and the making of allowances for doubtful debts, and have satisfied themselves that all known bad debts had been written off and adequate allowances had been made for doubtful debts; and
- (ii) any current assets which were unlikely to realise in the ordinary course of business, their values as stated in the accounting records of the Group and the Company have been written down to an amount which they might expected so to realise.

At the date of this report, the Directors are not aware of any circumstances:-

- (i) that would render the amount of bad debts written off or the amount of the allowance for doubtful debts, in the financial statements of the Group and the Company inadequate to any substantial extent;
- (ii) that would render the value attributed to the current assets in the financial statements of the Group and the Company misleading;
- (iii) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and the Company misleading or inappropriate; and
- (iv) not otherwise dealt with in this report or in the financial statements, that would render any amount stated in the financial statements of the Group and the Company misleading.

At the date of this report, there does not exist:

- (i) any charge on the assets of the Group and the Company that has arisen since the end of the financial year and which secures the liabilities of any other person; and
- (ii) any contingent liability in respect of the Group or the Company that has arisen since the end of the financial year.

No contingent liability or other liability of the Group and the Company has become enforceable, or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the Directors, will or may substantially affect the ability of the Group and the Company to meet their obligations as and when they fall due

In the opinion of the Directors:

- (i) the results of the operations of the Group and the Company for the financial year ended 31 March 2010 were not substantially affected by any item, transaction or event of a material and unusual nature; and
- (ii) there has not arisen in the interval between 31 March 2010 and the date of this report any item, transaction or event of a material and unusual nature likely to affect substantially the results of the Group and the Company for the financial year in which this report is made.

Directors' Report (cont'd)

11. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

On 2 March 2010, the Company has subscribed for a 40% equity interest in a newly incorporated company in Brunei Darussalam namely B-Nova Sdn Bhd ("B-Nova").

The issued and paid-up share capital of B-Nova is B\$30,000 divided into 30,000 ordinary shares of B\$1.00 each. The Company had subscribed for 12,000 ordinary shares of B\$1.00 each for a total consideration of B\$12,000 in B-Nova, representing a 40% equity interest whilst the remaining 60% equity interest of B-Nova is held by Pengiran Anak Haji Abdul Wadood Bolkiah.

The investment of B-Nova does not have any material effect on the share capital, shareholding structure, gearing, net assets per share and earnings per share of Nova for the financial year ended 31 March 2010.

12. EVENTS SUBSEQUENT TO BALANCE SHEET DATE

On 19 May 2010, the Company had announced that novaHEALTH Pte Ltd, a wholly owned subsidiary of the Company, has subscribed for 24,500 ordinary shares of B\$1 each, representing an equity interest of 49%, in a newly incorporated company called JPMCnova Sdn Bhd, whose registered office is at Jerudong Park, BG3122, Brunei Darussalam.

13. AUDITORS

The auditors, Messrs Folks DFK & Co., have indicated their willingness to accept re-appointment.

Signed in accordance with a resolution of the Directors,

**Y.A.M. TUNKU DATO' SERI NADZARUDDIN
IBNI ALMARHUM TUANKU JA'AFAR**

CHAN WING KONG

**Kuala Lumpur,
29 JULY 2010**

Balance Sheets

As At 31 March 2010

		Group		Company	
	Note	2010 RM	2009 RM	2010 RM	2009 RM
ASSETS					
Non-Current Assets					
Property, plant and equipment	5	213,289	125,361	95,242	21,037
Intangible assets	6	21,944,547	23,470,526	-	-
Investment in subsidiaries	7	-	-	10,176,118	9,910,279
Investment in an associate	8	29,072	-	29,072	-
		22,186,908	23,595,887	10,300,432	9,931,316
Current Assets					
Amount due from contrac customers	9	8,137,857	5,411,469	-	-
Trade and other receivables	10	2,759,876	6,389,806	16,515,612	16,816,357
Tax recoverable		1,886	6,189	1,886	6,189
Cash and bank balances	11	3,982,071	3,075,477	1,819,168	678,204
		14,881,690	14,882,941	18,336,666	17,500,750
TOTAL ASSETS		37,068,598	38,478,828	28,637,098	27,432,066
EQUITY					
Share capital	12	40,279,800	35,994,825	40,279,800	35,994,825
Share premium	13	8,307,010	8,376,708	8,307,010	8,376,708
Accumulated losses		(23,195,397)	(24,302,333)	(23,970,098)	(22,693,862)
Equity compensation reserve		948,764	894,397	948,764	894,397
Foreign currency translation reserve		1,808,683	2,751,228	-	-
Equity attributable to the shareholders of the Company		28,148,860	23,714,825	25,565,476	22,572,068
LIABILITIES					
Current Liabilities					
Amount due to contract customers	9	39,078	634,926	-	-
Trade and other payables	15	7,535,109	11,956,408	3,071,622	3,509,911
Bank borrowings	16	1,345,551	2,172,669	-	1,350,087
TOTAL LIABILITIES		8,919,738	14,764,003	3,071,622	4,859,998
TOTAL EQUITY AND LIABILITIES		37,068,598	38,478,828	28,637,098	27,432,066

The notes on pages 40 to 73 form part of these financial statements.

Income Statements

For The Year Ended 31 March 2010

	Note	Group		Company	
		2010 RM	2009 RM	2010 RM	2009 RM
Revenue	17	22,271,838	21,475,634	260,830	1,613,918
Other income		717,357	167,209	2,418	3,282
Employee benefits expenses	18	(8,701,138)	(9,415,828)	(1,051,576)	(1,089,703)
Hardware and material costs		(6,637,861)	(4,408,241)	-	(637,364)
Office rental		(822,478)	(886,666)	(144,969)	(217,296)
Other expenses		(1,680,772)	(1,793,441)	(571,967)	(636,533)
Depreciation and amortisation		(4,109,083)	(4,008,741)	(42,183)	(30,928)
Interest income		44,261	28,935	17,217	20,715
Finance costs	19	(294,234)	(312,923)	(65,052)	(126,699)
Profit/(loss) before taxation	21	787,890	845,938	(1,595,282)	(1,100,608)
Tax expense	22	(10,303)	-	(10,303)	-
Profit/(loss) for the year		777,587	845,938	(1,605,585)	(1,100,608)
EARNINGS/(LOSS) PER ORDINARY SHARE					
Basic	23	0.21 sen	0.25 sen		
Fully diluted	23	0.20 sen	0.25 sen		

The notes on pages 13 to 41 form part of these financial statements.

Statements Of Changes In Equity

For The Year Ended 31 March 2010 (cont'd)

GROUP	Attributable to the shareholders of the Company					
	Share Capital RM	Share Premium RM	Non-distributable		Accumulated Losses RM	Total RM
			Equity Compensation Reserve RM	Foreign currency Translation Reserve RM		
2010						
At 1 April 2009	35,994,825	8,376,708	894,397	2,751,228	(24,302,333)	23,714,825
Foreign currency translation	-	-	-	(942,545)	-	(942,545)
Share issue expenses	-	(69,698)	-	-	-	(69,698)
Income/(expenses) recognised directly in equity	-	(69,698)	-	(942,545)	-	(1,012,243)
Profit for the year	-	-	-	-	777,587	777,587
Total recognised income/ (expense) for the year	-	(69,698)	-	(942,545)	777,587	(234,656)
Transfer to retained earnings on ESOS lapsed	-	-	(329,349)	-	329,349	-
Equity compensation arising from Group ESOS	-	-	383,716	-	-	383,716
Issue of shares	4,284,975	-	-	-	-	4,284,975
At 31 March 2010	40,279,800	8,307,010	948,764	1,808,683	(23,195,397)	28,148,860

Statements Of Changes In Equity (cont'd)

For The Year Ended 31 March 2010

GROUP (cont'd)	Attributable to the shareholders of the Company					Total RM
	Share Capital RM	Non-distributable		Foreign currency Translation Reserve RM	Accumulated Losses RM	
		Share Premium RM	Equity Compensation Reserve RM			
2009						
At 1 April 2008	33,566,500	8,529,705	829,961	2,027,484	(25,367,314)	19,586,336
Foreign currency translation	-	-	-	723,744	-	723,744
Share issue expenses	-	(152,997)	-	-	-	(152,997)
Income/(expenses) recognised directly in equity	-	(152,997)	-	723,744	-	570,747
Profit for the year	-	-	-	-	845,938	845,938
Total recognised income/(expense) for the year	-	(152,997)	-	723,744	845,938	1,416,685
Transfer to retained earnings on ESOS lapsed	-	-	219,043	-	219,043	-
Equity compensation arising from Group ESOS	-	-	283,479	-	-	283,479
Issue of shares	2,428,325	-	-	-	-	2,428,325
At 31 March 2009	35,994,825	8,376,708	(24,302,333)	2,751,228	(24,302,333)	23,714,825

Statements Of Changes In Equity (cont'd)

For The Year Ended 31 March 2010

Attributable to the shareholders of the Company

COMPANY	Non-distributable				Total RM
	Share Capital RM	Share Premium RM	Equity Compensation Reserve	Accumulated Losses RM	
2010					
As at 1 April 2009	35,994,825	8,376,708	894,397	(22,693,862)	22,572,068
Share issue expenses charged directly to equity	-	69,698	-	-	(69,698)
Loss for the year	-	-	-	(1,605,585)	(1,605,585)
Total recognised expense for the year	-	69,698	-	(1,605,585)	(1,675,283)
Transfer to retained earnings on ESOS lapsed	-	-	(329,349)	329,349	-
Equity compensation arising from Group ESOS	-	-	383,716	-	383,716
Issue of shares	4,284,975	-	-	-	4,284,975
As at 31 March 2010	40,279,800	8,307,010	948,764	(23,970,098)	25,565,476
2009					
At 1 April 2008	33,566,500	8,529,705	829,961	(21,812,297)	21,113,869
Share issue expenses charged directly to equity	-	(152,997)	-	-	(152,997)
Loss for the year	-	-	-	(1,100,608)	(1,100,608)
Total recognised expense for the year	-	(152,997)	-	(1,100,608)	(1,253,605)
Transfer to retained earnings on ESOS lapsed	-	-	(219,043)	219,043	-
Equity compensation arising from Group ESOS	-	-	283,479	-	283,479
Issue of shares	2,428,325	-	-	-	2,428,325
At 31 March 2009	35,994,825	8,376,708	894,397	(22,693,862)	22,572,068

The notes on pages 40 to 73 form part of these financial statements.

Cash Flow Statement

For The Year Ended 31 March 2010

	Group		Company	
	2010 RM	2009 RM	2010 RM	2009 RM
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit/(loss) before taxation	787,890	845,938	(1,595,282)	(1,100,608)
Adjustments for:				
Amortisation of intangible assets	4,005,334	3,952,852	-	-
Depreciation of property, plant and equipment	103,749	79,821	42,183	30,928
Loss/(gain) on disposal of property, plant and equipment	-	41	(2,040)	-
(Gain)/loss on foreign exchange (net)	(441,938)	(93,942)	8,191	(63,860)
Interest expense	294,234	312,923	65,052	126,699
Interest income	(44,261)	(28,935)	(17,217)	(20,715)
Share-based compensation expense	383,716	283,479	117,877	65,493
Operating profit/(loss) before working capital changes	5,088,724	5,328,245	(1,381,236)	(962,063)
Changes in working capital:				
Amount due from contract customers	(2,726,388)	(1,729,428)	-	635,169
Inventories	-	-	-	-
Trade and other receivables	3,629,930	(1,091,035)	300,745	(1,798,307)
Amount due to contract customers	-	156,522	-	-
Trade and other payables	(5,017,147)	2,591,807	(446,480)	356,662
Cash generated from/(used in) operations	975,119	5,256,111	(1,526,971)	(1,768,539)
Income tax paid	(6,000)	(6,000)	6,000	(6,000)
Interest paid	(294,234)	(312,923)	(65,052)	(126,699)
Net cash generated from/(used in) operating activities	674,885	4,937,188	(1,598,023)	(1,901,238)

Cash Flow Statement (cont'd)

For The Year Ended 31 March 2010

	Group		Company	
	2010 RM	2009 RM	2010 RM	2009 RM
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchase of property, plant and equipment	(212,818)	(80,225)	(116,388)	(7,189)
Proceeds from disposal of property, plant and equipment	-	958	2,040	-
Development expenditure incurred, net of government grant received	(2,951,266)	(4,200,098)	-	-
Investment in an associate	(29,072)	-	(29,072)	-
Interest received	44,261	28,935	17,217	20,715
Net cash (used in)/generated from investing activities	(3,148,895)	(4,250,430)	(126,203)	13,526
CASH FLOWS FROM FINANCING ACTIVITIES				
Increase in pledged deposits placed with licensed banks	617,561	(884,765)	-	-
Repayment of bank borrowings	(77,031)	(2,475,615)	(600,000)	(400,000)
Proceeds from issue of shares	4,284,975	2,428,325	4,284,975	2,428,325
Share issue expenses	(69,698)	(152,997)	(69,698)	(152,997)
Net cash generated from financing activities	4,755,807	(1,085,052)	3,615,277	1,875,328
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	2,281,797	(398,294)	1,891,051	(12,384)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	(401,825)	(3,251)	(671,883)	(659,499)
FOREIGN EXCHANGE DIFFERENCE ON OPENING BALANCE	(7,555)	(280)	-	-
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	1,872,417	(401,825)	1,219,168	(671,883)

Cash Flow Statement (cont'd)

For The Year Ended 31 March 2010

Cash and cash equivalents included in the cash flow statements comprise the following balance sheet amounts:

	Group		Company	
	2010 RM	2009 RM	2010 RM	2009 RM
Cash and bank balance	781,714	271,226	128,466	1,168
Deposits with licensed banks	3,200,702	961,801	1,690,702	677,036
Less : Fixed deposit pledged with bank	(2,109,654)	(884,765)	(600,000)	(600,000)
	1,090,703	77,036	1,090,702	77,036
Bank overdrafts	-	(750,087)	-	(750,087)
	1,872,417	(401,825)	1,219,168	(671,883)

The notes on pages 40 to 73 form part of these financial statements.

Notes To The Financial Statements

- 31 March 2010

1. PRINCIPAL ACTIVITIES

The Company is principally engaged in investment holding, software research and development, provision of e-business solutions through the sale of application software and professional services for software customisation and implementation. The principal activities of the subsidiaries are as stated in Note 7 to the financial statements. There has been no significant change in the nature of these activities during the financial year.

2. GENERAL INFORMATION

The financial statements were approved and authorised for issue by the Board of Directors on 29 July 2010.

The Company is a public limited company, incorporated and domiciled in Malaysia.

The Company is listed on the ACE Market of Bursa Malaysia Securities Berhad.

The address of the Company's registered office is No. 1 & 1A, 2nd Floor, Jalan Ipoh Kecil, 50350 Kuala Lumpur.

The principal place of business of the Company are:

- 2-D, Block 0330, Century Square, 63000 Cyber Jaya
- E33-3A, Dataran 3 Two Square, No.2, Jalan 19/1 46300 Petaling Jaya

3. SIGNIFICANT ACCOUNTING POLICIES

The following accounting policies, unless otherwise stated below, have been used consistently in dealing with items which are considered material in relation to the financial statements:

3.1 Basis of preparation

The financial statements of the Group and the Company are prepared under the historical cost convention unless otherwise indicated in this summary of significant accounting policies. The financial statements comply with Financial Reporting Standards ("FRSs") and the provisions of the Companies Act, 1965 in Malaysia.

The preparation of financial statements in conformity with the Financial Reporting Standards in Malaysia requires management to exercise their judgement in the process of applying the Company's accounting policies and which may have significant effects on the amounts recognised in the financial statements. It also requires the use of accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of financial statements and the results reported for the reporting period and that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year. Although these judgement and estimates are based on the management's best knowledge of current events and actions, actual results may differ. The areas involving a high degree of judgement or complexity or areas where estimates and assumptions are significant to the financial statements are disclosed in Note 28 to the financial statements.

Notes To The Financial Statements (cont'd)

- 31 March 2010

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

3.1 Basis of preparation (cont'd)

The Group has not applied the new or revised Financial Reporting Standards ("FRSs"), amendments to FRSs and the Issues Committee ("IC") Interpretations which have been issued by the Malaysian Accounting Standards Board ("MASB") as described hereunder :-

New and Revised FRSs and Interpretations		Effective for financial period beginning on or after
FRS 1	First-time Adoption of Financial Reporting Standards (Revised)	1 July 2010
FRS 3	Business Combinations (Revised)	1 July 2010
FRS 4	Insurance Contracts	1 January 2010
FRS 7	Financial Instruments : Disclosures	1 January 2010
FRS 8	Operating Segments	1 July 2009
FRS 101	Presentation of Financial Statements (Revised)	1 January 2010
FRS 123	Borrowing Costs (Revised)	1 January 2010
FRS 127	Consolidated and Separate Financial Statements (Revised)	1 July 2010
FRS 139	Financial Instruments : Recognition and Measurement	1 January 2010
IC Interpretation 9	Reassessment of Embedded Derivatives	1 January 2010
IC Interpretation 10	Interim Financial Reporting and Impairment	1 January 2010
IC Interpretation 11	FRS 2 - Group and Treasury Share Transactions	1 January 2010
IC Interpretation 12	Service Concession Arrangements	1 July 2010
IC Interpretation 13	Customer Loyalty Programmes	1 January 2010
IC Interpretation 14	FRS 119 - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction	1 January 2010
IC Interpretation 15	Agreements for the Construction of Real Estate	1 July 2010
IC Interpretation 16	Hedges of a Net Investment in a Foreign Operation	1 July 2010
IC Interpretation 17	Distribution of Non-cash Assets to Owners	1 July 2010
Amendments to FRSs and Interpretations		
FRS 1	First-time Adoption of Financial Reporting Standards	1 January 2010
	Limited Exemption from Comparative FRS 7 Disclosures for First-time Adopters (Amendment to FRS 1)	1 January 2011
FRS 2	Share-based Payment - Vesting Conditions and Cancellations	1 January 2010

Notes To The Financial Statements (cont'd)

- 31 March 2010

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

3.1 Basis of preparation (cont'd)

Amendments to FRSs and Interpretations (cont'd)		Effective for financial period beginning on or after
FRS 5	Non-current Assets Held for Sale and Discontinued Operations - Plan to sell the controlling interest in a subsidiary	1 July 2010
FRS 7	Financial Instruments : Disclosures Improving Disclosures about Financial Instruments (Amendments to FRS 7)	1 January 2010 1 January 2011
FRS 127	Consolidated and Separate Financial Statements : Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate	1 January 2010
FRS 132	Financial Instruments : Presentation - Puttable Financial Instruments and Obligations Arising on Liquidation - Classification of Rights Issues - Component Part Classification for a Compound Financial Instrument	1 January 2010 1 March 2010 1 January 2010
FRS 138	Intangible Assets - Additional consequential amendments arising from revised FRS 3	1 July 2010
FRS 139	Financial Instruments : Recognition and Measurement	1 January 2010
IC Interpretation 9	Reassessment of Embedded Derivatives - Scope of IC Interpretation 9 and revised FRS 3	1 July 2010

Amendments to FRSs Classified as "Improvement to FRSs (2009)"

FRS 2	Share-based Payment : Scope of FRS 2 and revised FRS 3	1 July 2010
FRS 5	Non-current Assets Held for Sale and Discontinued Operations - Disclosures of non-current assets (or disposal groups) classified as held for sale or discontinued operations	1 January 2010
FRS 7	Financial Instruments : Disclosures - Presentation of finance costs	1 January 2010
FRS 8	Operating Segments - Disclosure of information about segment assets	1 January 2010
FRS 10	Statement of Cash Flows - Classification of expenditures on unrecognised assets	1 January 2010
FRS 108	Accounting Policies, Changes in Accounting Estimates or Errors - Status of implementation guidance	1 January 2010

Notes To The Financial Statements (cont'd)

- 31 March 2010

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

3.1 Basis of preparation (cont'd)

Amendments to FRSs Classified as "Improvement to FRSs (2009)" (cont'd)		Effective for financial period beginning on or after
FRS 110	Events After the Reporting Period - Dividends declared after the end of the reporting period	1 January 2010
FRS 116	, Plant and Equipment - Recoverable amount; and sale of assets held for rental	1 January 2010
FRS 117	Leases - Classification of leases of land and buildings	1 January 2010
FRS 118	Revenue - Costs of originating a loan; and determining whether an entity is acting as a principal or as an agent	1 January 2010
FRS 119	Employee Benefits : - Curtailment and negative past service cost; - Plan administration costs; - Replacement of term 'fall due'; and - Guidance on contingent liabilities	1 January 2010
FRS 120	Accounting for Government Grants and Disclosure of Government Assistance : - Government loans with a below market rate of interest; and - Consistency of terminology with other FRSs	
FRS 123	Borrowing Costs - Components of borrowing costs	1 January 2010
FRS 127	Consolidated and Separate Financial Statements - Measurement of subsidiary held for sale in separate financial statements	1 January 2010
FRS 128	Investments in Associates : - Required disclosures when investments in associates are accounted for at fair value through profit or loss; and - Impairment of investment in associate	1 January 2010
FRS 129	Financial Reporting in Hyperinflationary Economies : - Description of measurement basis in financial statements; and - Consistency of terminology with other FRSs	1 January 2010

Notes To The Financial Statements (cont'd)

- 31 March 2010

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

3.1 Basis of preparation (cont'd)

Amendments to FRSs Classified as "Improvement to FRSs (2009)"		Effective for financial period beginning on or after
FRS 131	Interests in Joint Ventures - Required disclosures when interests in jointly controlled entities are accounted for at fair value through profit or loss	1 January 2010
FRS 134	Interim Financial Reporting - Earnings per share disclosures in interim financial reports	1 January 2010
FRS 136	Impairment of Assets : - Disclosure of estimates used to determine recoverable amount; and - Unit of accounting for goodwill impairment test	1 January 2010
FRS 138	Intangible Assets : - Advertising and promotional activities; - Unit of production method of amortisation; and - Measuring the fair value of an intangible asset acquired in a business combination	1 January 2010
FRS 140	Investment Property : - Property under construction or development for future use as investment property; - Consistency of terminology with FRS 108; and - Investment property held under lease	1 January 2010

The Group will adopt the above FRSs, amendments to FRSs and interpretations, where applicable, when they become effective and they are expected not to have any significant impact on the financial statements of the Group and of the Company upon their initial application.

The impact of applying FRS 7 and FRS 139 on the financial statements upon their first adoption is not disclosed by virtue of the exemptions provided in the respective FRSs.

3.2 Basis of Consolidation

Subsidiaries are those enterprises controlled by the Company. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an enterprise so as to obtain benefits from its activities. The financial statements of the subsidiaries are prepared for the same reporting date of the Company and are consolidated using the purchase method of accounting.

Under the purchase method of accounting the results of subsidiaries acquired or disposed are included from the date of acquisition or up to the date of disposal. At the date of acquisition, the fair values of the subsidiaries' identifiable net assets are determined and these values are reflected in the Group's financial statements.

Notes To The Financial Statements (cont'd)

- 31 March 2010

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

3.2 Basis of Consolidation

Any excess of the cost of the acquisition over the Group's interest in the net fair value of the subsidiaries' identifiable assets, liabilities and contingent liabilities represents goodwill. The carrying value of goodwill is reviewed at each balance sheet date and is written down for impairment, where necessary.

Negative goodwill represents the excess of the Group's interest in the net fair value of the subsidiaries net identifiable assets, liabilities and contingent liabilities over the cost of acquisition and is taken to consolidated income statement immediately on consolidation.

Intragroup transactions and balances and the resulting unrealised profits are eliminated on consolidation. Unrealised losses resulting from intragroup transactions are also eliminated unless costs cannot be recovered.

3.3 Property, Plant and Equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses, if any.

Property, plant and equipment is depreciated on a straight line basis to write down the depreciable amount of the assets over their estimated useful lives. Depreciable amount is the cost of an asset less its residual value.

The principal annual rates used for this purpose are:-

Renovations	33 1/3%
Computers and office equipment	33 1/3%
Furniture and fittings	33 1/3%

The residual value and the useful life of property, plant and equipment are reviewed at least at each financial year end. If the residual value and/or the useful life of the asset differ from the previous estimates, the revised depreciation charge will be adjusted immediately in the income statement in the year of the change.

3.4 Investments in subsidiaries

Investment in subsidiaries are stated in the Company's balance sheet at cost, less impairment loss where applicable. The investments are reviewed for impairment in accordance with the accounting policy for impairment of assets.

3.5 Investments in Associates

An associate is a company in which the Group exercises significant influence, but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Significant influence is the power to participate in the financial and operating policy decisions of the associate but not the power to exercise control over those policies.

Investment in an associate is stated in the Company's financial statements at cost. Allowance is made in the event of an impairment in value.

Notes To The Financial Statements (cont'd)

- 31 March 2010

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

3.5 Investments in Associates (cont'd)

The Group's investment in an associate is accounted for under the equity method of accounting. The Group's share of the post acquisition results and reserves of the associate are included in the Group's financial statements based on the latest audited financial statements of the company concerned, while dividend received is reflected as a reduction of the investment in the consolidated balance sheet. Equity accounting is discontinued when the carrying amount of the investment in an associate reaches zero, unless the Group has incurred obligations on the associate.

Unrealised profits and losses arising on transactions between the Group and its associate are eliminated to the extent of the Group's equity interest in the relevant associate except where unrealised losses provide evidence of an impairment of the assets transferred.

3.6 Intangible Assets

Research cost and development expenditure

Research costs are charged as an expense in the income statement in the year in which they are incurred. Costs incurred on development project are recognised as intangible assets when all the following criteria are fulfilled:

- (i) it is technically feasible to complete the intangible asset so that it will be available for use or sale;
- (ii) management intends to complete the intangible asset and use or sell it;
- (iii) there is an ability to use or sell the intangible asset;
- (iv) it can be demonstrated how the intangible asset will generate probable future economic benefits;
- (v) adequate technical, financial and other resources to complete the development and to use or sell the intangible asset are available; and
- (vi) the expenditure attributable to the intangible asset during its development can be reliably measured.

Other development expenditure that do not meet these criteria are recognised as an expense when incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period. Capitalised development cost are recorded as intangible assets.

Subsequent cost on capitalised product development expenditure are capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other costs are expensed as incurred.

Capitalised development expenditure is stated at cost less accumulated amortisation and any impairment losses.

Development expenditure capitalised are tested for impairment annually, in accordance with the accounting policy on impairment of assets.

Computer software

Computer software which is acquired by the Group are stated at cost less accumulated amortisation and impairment losses, if any.

Amortisation

Capitalised development expenditure and other intangible assets are charged to the income statement on a straight line basis over their estimated useful lives of 8 years.

Amortisation shall begin when the asset is available for use, when it is in the location and condition necessary for it to be capable of operating in a manner determined by management.

Notes To The Financial Statements (cont'd)

- 31 March 2010

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

3.7 Government Grants

Asset-related government grants for the development of e-business solutions are deducted from the product development expenditure incurred to arrive at the cost of the e-business solutions. The net cost is amortised on a systematic basis based on the estimated revenue to be derived from the use of the intangible asset over its estimated useful life.

Income-related government grants are recognised in the income statement over the periods necessary to match them with the costs they are intended to compensate.

All government grants are accounted for on an accrual basis when there is reasonable assurance that the Group has complied with all terms and conditions attached to them and that there is reasonable certainty that the grants will be received.

3.8 Contract Work-In-Progress

When the outcome of a contract cannot be estimated reliably, contract revenue is recognised only to the extent of contract cost incurred that is probably recoverable and contract cost is recognised as expense in the period in which it is incurred.

When the outcome of a contract can be estimated reliably, contract revenue and contract cost are recognised over the period of the contract as revenue and expenses respectively.

The Group uses the percentage of completion method to determine the appropriate amount of revenue and cost to recognise in a given period. The stage of completion is measured by reference to the proportion of contract costs incurred for work performed to date to the estimated total costs for the contract. When it is probable that the total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

The aggregate of the costs incurred and the profit/loss recognised on each contract is compared against the progress billings up to the financial year end. Where costs incurred and recognised profit (less recognised losses) exceeds progress billings, the balance is shown as amounts due from customers on construction contracts under current assets. Where progress billings exceed costs incurred plus recognised profit (less recognised losses), the balance is shown as amounts due to customers on contracts under current liabilities.

Cost of contracts include direct labour and other costs related to contract performance.

3.9 Trade and Other Receivables

Trade and other receivables are stated at cost less allowance for doubtful debts.

3.10 Cash and Cash Equivalents

Cash and cash equivalents consist of cash on hand, balances and deposits with bank and highly liquid investments which have an insignificant risk of changes in value. For the purpose of the cash flow statements, cash and cash equivalents are presented net of bank overdrafts and pledged deposits.

Notes To The Financial Statements (cont'd)

- 31 March 2010

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

3.11 Liabilities

Borrowings and trade and other payables are stated at cost.

3.12 Employee Benefits

Short term employee benefits

Wages, salaries, bonuses and social security contributions are recognised as expenses in the year in which the associated services are rendered by employees of the Group. Short term accumulating compensated absences such as paid annual leave are recognised when services are rendered by employees that increase their entitlement to future compensated absences, and short term non-accumulating compensated absences such as sick leave are recognised when absences occur.

Defined contribution plans

The Group make contributions to the Employee Provident Fund ("EPF"), the national contribution plan in Malaysia and the Central Provident Fund ("CPF"), a defined contribution plan managed by the Government of Singapore. Contributions to defined contribution plans are recognised as an expense in the income statement as incurred.

Equity compensation benefits

The employee share option programme allows Group employees to acquire shares of the Company. When the options are exercised, equity is increased by the amount of the proceeds received.

The total fair value of share options granted to employees is recognised as an employee cost with a corresponding increase in the equity compensation reserve within equity over the vesting period and taking into account the "probability that the options will vest. The fair values of share options are measured at grant date, taking into account the market vesting conditions, if any, upon which the options were granted but excluding the impact of any non-market vesting conditions. Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable on vesting date.

At each balance sheet date, the Group revises its estimates of the number of options that are expected to become exercisable on vesting date. It recognises the impact of the revision of original estimates, if any, in the profit or loss, and a corresponding adjustment to equity over the remaining vesting period. The equity amount is recognised in the equity compensation reserve until the option is exercised, upon which it will be transferred to share premium, or until the options expire, upon which it will be transferred directly to retained earnings.

The proceeds received net of any directly attributable transaction costs are credited to equity when the options are exercised.

Notes To The Financial Statements (cont'd)

- 31 March 2010

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

3.13 Impairment of Assets

The carrying amounts of the Group's and the Company's assets other than inventories, contract work-in-progress and financial assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. An impairment loss is recognised whenever the carrying amount of an asset or the cash-generating unit to which it belongs exceeds its recoverable amount. Impairment losses are recognised in the income statement.

The recoverable amount is the greater of the asset's net selling price and its value in use. In assessing value in use, estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessment of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount and it is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. The reversal, if any, is recognised in the income statement.

3.14 Income Tax

Tax on the profit or loss for the year comprises current and deferred tax. Income tax is recognised in the income statement except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected amount of income tax payable in respect of the taxable profit for the year and is measured using the tax rates at the balance sheet date.

Deferred tax is provided for in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Temporary differences are not recognised for the initial recognition of assets or liabilities that at the time of the transaction affects neither accounting nor taxable profit. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised.

3.15 Foreign Currency

Foreign currency transactions

Transactions in currencies other than an entity's functional currency ("foreign currencies") are translated into the entity's functional currency at the exchange rates ruling at the date of the transactions. Monetary assets and liabilities denominated in foreign currencies outstanding at the balance sheet date are translated at the exchange rates ruling at that date. All exchange differences arising from the settlement of foreign currency transactions and the translation of foreign currency monetary assets and liabilities outstanding at the balance sheet date are recognised in the income statement.

Notes To The Financial Statements (cont'd)

- 31 March 2010

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

3.15 Foreign Currency (cont'd)

Foreign Operations

For the purpose of consolidation, the financial of the subsidiaries incorporated overseas are translated into Ringgit Malaysia as follows:-

Share Capital	-	at historical rates (ruling at transaction dates)
Reserved	-	at historical rates (average rates)
Assets and liabilities	-	at closing rate
Income statement	-	at average rate prevailing during the financial period

All transaction gains or losses are taken up and reflected in the foreign currency translation reserve account under shareholders' equity in the consolidated balance sheet.

When a foreign operation is disposed of or sold, the accumulated exchanged differences that are recorded within equity will be recognized in the consolidated income statement as part of the gain or loss sale.

3.16 Revenue

Consultancy services

Revenue from consultancy contracts, principally relating to the sale of specific e-business solutions to customers, including licence and hardware revenue, is recognised on the percentage of completion method when the outcome of the contract can be estimated reliably. The percentage of completion is determined by the proportion that costs incurred for work performed to date bears to estimated total contract costs or cost of services performed to date as a percentage of total cost of services to be rendered, depending on the nature of transaction. Losses, if any, are recognised immediately when their existence is foreseen.

Maintenance services

Revenue from maintenance services rendered are recognised on a straight line basis over the life of the contract.

Licensing revenue

Licensing revenue is recognised upon delivery, provided that no significant obligations remain, no significant uncertainties exist with respect to product acceptance and collection is probable.

3.17 Expenses

Operating lease payments

Rental payable under operating leases are recognised in the income statement on a straight line basis over the period of the respective leases.

Notes To The Financial Statements (cont'd)

- 31 March 2010

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

3.17 Expenses (cont'd)

Interest expense

Interest expense and similar charges are expensed in the income statement in the year in which they are incurred.

3.18 Segment Information

Segment revenues and expenses are those directly attributable to the segments and include any joint revenue and expenses where a reasonable basis of allocation exists. Segment assets include all assets used by a segment and consist principally of cash, short term deposits, receivables, property, plant and equipment and intangible assets (net of accumulated depreciation and amortisation and impairment losses, if any). Most segment assets can be directly attributed to the segment on a reasonable basis. Segment assets and liabilities do not include income tax asset and liabilities respectively.

4. FUNCTIONAL AND PRESENTATION CURRENCY

Transactions and balances included in the financial statements of the Company and each of its subsidiaries are measured using the currency of the primary economic environment in which each entity operates (the "functional currency"). The financial statements of the Group and the Company are presented in Ringgit Malaysia, which is the Company's functional and presentation currency.

5. PROPERTY, PLANT AND EQUIPMENT

	Renovations RM	Computers and office equipment RM	Furniture & Fitting RM	Total RM
GROUP				
2010				
Cost				
At 1 April 2009	294,172	1,227,943	362,463	1,884,578
Additions	85,338	115,505	11,975	212,818
Disposal	-	(68,982)	(5,349)	(74,331)
Written Off	(100,994)	-	-	(100,994)
Exchange differences	(5,404)	(22,728)	(9,640)	(37,772)
At 31 March 2010	273,112	1,251,738	359,449	1,884,299
Deduct : Accumulated depreciation				
At 1 April 2009	294,172	1,102,582	362,463	1,759,217
Charge for the year	18,964	104,415	1,978	125,357
Disposal	-	(68,982)	(5,349)	(74,331)
Written Off	(100,994)	-	-	(100,994)
Exchange differences	(5,404)	(23,166)	(9,669)	(38,239)
At 31 March 2010	206,738	1,114,849	349,423	1,671,010

Notes To The Financial Statements (cont'd)

- 31 March 2010

5. PROPERTY, PLANT AND EQUIPMENT (cont'd)

	Renovations RM	Computers and office equipment RM	Furniture & Fitting RM	Total RM
Net book value at 31 March 2010	66,374	136,889	10,026	213,289
Depreciation charge for the year:				
Recognised in income statement	18,964	82,807	1,978	103,749
Capitalised as development expenditure	-	21,608	-	21,608
	18,964	104,415	1,978	125,357
GROUP				
2009				
Cost				
At 1 April 2008	287,235	2,276,456	350,090	2,913,781
Additions	-	80,225	-	80,225
Disposal	-	(1,209,281)	-	(1,209,281)
Exchange differences	6,937	80,543	2,373	99,853
At 31 March 2009	294,172	1,227,943	362,463	1,884,578
Deduct : Accumulated depreciation				
At 1 April 2008	287,235	2,145,989	350,090	2,783,314
Charge for the year	-	98,077	-	98,077
Disposal	-	(1,208,282)	-	(1,208,282)
Exchange differences	6,937	66,798	12,373	86,108
At 31 March 2009	294,172	1,102,582	362,463	1,759,217
Net book value at 31 March 2009	-	125,361	-	125,361
Depreciation charge for the year:				
Recognised in income statement	-	79,821	-	79,821
Capitalised as development expenditure	-	18,256	-	18,256
	-	98,077	-	98,077

Notes To The Financial Statements (cont'd)

- 31 March 2010

5. PROPERTY, PLANT AND EQUIPMENT (cont'd)

COMPANY	Renovations RM	Computers and office equipment RM	Furniture & Fitting RM	Total RM
2010				
Cost				
At 1 April 2009	100,994	415,491	17,885	534,370
Additions	85,338	25,500	5,550	116,388
Disposal	-	(68,982)	(5,349)	(74,331)
Written off	(100,994)	-	-	(100,994)
At 31 March 2010	85,338	372,009	18,086	475,433
Deduct : Accumulated depreciation				
At 1 April 2009	100,994	394,454	17,885	513,333
Charge for the year	18,964	21,986	1,233	42,183
Disposal	-	(68,982)	(5,349)	(74,331)
Written off	(100,994)	-	-	(100,994)
At 31 March 2010	18,964	347,458	13,769	380,191
Net book value at 31 March 2010	66,374	24,551	4,317	95,242
COMPANY				
2009				
Cost				
At 1 April 2008	100,994	408,302	17,885	527,181
Additions	-	7,189	-	7,189
At 31 March 2009	100,994	415,491	17,885	534,370
Deduct : Accumulated depreciation				
At 1 April 2008	100,994	363,526	17,885	482,405
Charge for the year	-	30,928	-	30,928
At 31 March 2009	100,994	394,454	17,885	513,333
Net book value at 31 March 2009	-	21,037	-	21,037

Notes To The Financial Statements (cont'd)

- 31 March 2010

6. INTANGIBLE ASSETS

Group	Computers software RM	Development expenditure RM	Total RM
2010			
Cost			
At 1 April 2009	3,656,523	55,340,418	58,996,941
Amount capitalised during the year	-	2,972,875	2,972,875
Exchange differences	(102,291)	(1,361,419)	(1,463,710)
At 31 March 2010	3,554,232	56,951,874	60,506,106
Deduct : Government grant			
At 1 April 2009	-	3,960,591	3,960,591
Amount received during the year	-	-	-
At 31 March 2010	-	3,960,591	3,960,591
Deduct : Accumulated amortisation			
At 1 April 2009	2,715,535	28,339,918	31,055,453
Amortisation charge for the year	238,390	3,766,944	4,005,334
Exchange differences	(85,692)	(984,032)	(1,069,724)
At 31 March 2010	2,868,233	31,122,830	33,991,063
Deduct : Accumulated impairment losses			
At 1 April 2009	-	627,459	627,459
Exchange differences	-	(17,554)	(17,554)
At 31 March 2010	-	609,905	609,905
Net book value at 31 March 2010	685,999	21,258,548	21,944,547

Notes To The Financial Statements (cont'd)

- 31 March 2010

6. INTANGIBLE ASSETS (cont'd)

Group	Computers software RM	Development expenditure RM	Total RM
2009			
Cost			
At 1 April 2008	3,525,223	49,420,306	52,945,529
Amount capitalised during the year	-	4,224,030	4,224,030
Exchange differences	131,299	1,696,082	1,827,381
At 31 March 2009	3,656,522	55,340,418	58,996,940
Deduct : Government grant			
At 1 April 2008	-	3,882,478	3,882,478
Amount received during the year	-	-	-
At 31 March 2009	-	3,882,478	3,882,478
Deduct : Accumulated amortisation			
At 1 April 2008	2,432,866	23,658,955	26,091,821
Amortisation charge for the year	235,246	3,693,674	3,928,920
Exchange differences	8,447	987,289	995,736
At 31 March 2009	2,676,559	28,339,918	31,016,477
Deduct : Accumulated impairment losses			
At 1 April 2008	-	604,928	604,928
Exchange differences	-	22,531	22,531
At 31 March 2009	-	627,459	627,459
Net book value at 31 March 2009	979,963	22,490,563	23,470,526

Notes To The Financial Statements (cont'd)

- 31 March 2010

7. INVESTMENT IN SUBSIDIARIES

	COMPANY	
	2010 RM	2009 RM
Unquoted shares, at cost	23,108,970	23,108,970
Less: Accumulated impairment losses	(14,372,690)	(14,372,690)
	8,736,280	8,736,280
Options granted to employees of subsidiaries	1,439,838	1,173,999
	10,176,118	9,910,279

The principal activities of the subsidiaries, country of incorporation and the effective equity interest of the Group are as follows:

Name of Company	Principal Activity	Country of Incorporation	Effective Equity Interest 2010 %	2009 %
novaHEALTH Pte. Ltd.	Provision of e-business solutions for healthcare industry	Republic of Singapore	100	100
novaCITYNETS Pte. Ltd.	Provision of e-business solutions for the building and construction, city, town council and telecommunications industries	Republic of Singapore	100	100

Both subsidiaries are not audited by Folks DFK & Co.

8. INVESTMENT IN AN ASSOCIATE

	GROUP		COMPANY	
	2010 RM	2009 RM	2010 RM	2009 RM
Unquoted shares, at cost	29,072	-	29,072	-

Notes To The Financial Statements (cont'd)

- 31 March 2010

8. INVESTMENT IN AN ASSOCIATE (cont'd)

Detail of the associates are as follow:

Name of Company	Principal Activity	Country of Incorporation	Effective Equity Interest 2010 %	Effective Equity Interest 2009 %
B-Nova Sdn Bhd	To market and deliver Information Technology solutions	Brunei Darussalam	40	-

On 2 March 2010, the Company had acquired 12,000 shares of B\$1 each, representing 40% equity interest in B-Nova Sdn Bhd, a company incorporated in Brunei Darussalam for a purchase consideration of RM29,072. The company has not commenced operations.

The investment in B-Nova does not have any material effect on the share capital, shareholding structure, gearing, net assets per share and earning per share of the Group for the financial year ended 31 March 2010.

9. AMOUNT DUE FROM/(TO) CONTRACT CUSTOMERS

	GROUP		COMPANY	
	2010 RM	2009 RM	2010 RM	2009 RM
Aggregate costs incurred to date and attributable profit	28,902,469	22,122,754	103,254	803,336
Less : Progress billings	(20,803,690)	(16,822,561)	(103,254)	(279,686)
Less : Provision for foreseeable losses	-	(523,650)	-	(523,650)
	8,098,779	4,776,543	-	-
Analysed as:				
Amount due from contract customers	8,137,857	5,411,469	-	-
Amount due to contract customers	(39,078)	(634,926)	-	-
	8,098,779	4,776,543	-	-

10. TRADE AND OTHER RECEIVABLES

	GROUP		COMPANY	
	2010 RM	2009 RM	2010 RM	2009 RM
Trade receivables	2,236,269	4,804,093	502,696	1,505,881
Less: Allowance for doubtful debts	-	(1,818,029)	-	(649,195)
Net trade receivables	2,236,269	2,986,064	502,696	856,686
Accrued receivables	199,707	3,163,050	-	-
Other receivables, deposits and prepayments	323,900	240,692	49,098	76,238
Amount due from subsidiaries - trade	-	-	1,903,920	1,903,920
Less: Allowance for doubtful debts	-	-	(269,661)	(269,661)
Net amount due from subsidiaries - trade	-	-	1,634,259	1,634,259

Notes To The Financial Statements (cont'd)

- 31 March 2010

10. TRADE AND OTHER RECEIVABLES (cont'd)

	GROUP		COMPANY	
	2010 RM	2009 RM	2010 RM	2009 RM
Amount due from subsidiaries				
- non-trade	-	-	17,059,776	16,979,391
Less: Allowance for doubtful debts	-	-	(2,730,217)	(2,730,217)
Net amount due from subsidiaries - non-trade	-	-	14,329,559	14,249,174
	2,759,876	6,389,806	16,515,612	16,816,357

The normal credit terms of trade receivables of the Group/Company range from 30 to 60 (2009: 30 to 60) days.

The currency exposure profile of trade receivables is as follows:-

	GROUP		COMPANY	
	2010 RM	2009 RM	2010 RM	2009 RM
Ringgit Malaysia	500,108	734,216	500,108	734,216
US Dollar	2,588	771,665	2,588	771,665
Singapore Dollar	1,733,573	3,298,212	-	-
	2,236,269	4,804,093	502,696	1,505,881

The currency exposure profile of other receivables, deposits, repayments and accrued receivable are as follows:-

	GROUP		COMPANY	
	2010 RM	2009 RM	2010 RM	2009 RM
Ringgit Malaysia	49,098	76,238	49,098	76,238
Singapore Dollar	474,509	3,327,504	-	-
	523,607	3,403,742	49,098	76,238

The trade amounts due from subsidiaries are interest free, unsecured and have no fixed terms of repayment. Non-trade balances with subsidiaries are in respect of advances made to subsidiaries.

Accrued receivables represent revenue accrued for completed work on contract which have not been billed at balance sheet date.

11. CASH AND BANK BALANCES

	GROUP		COMPANY	
	2010 RM	2009 RM	2010 RM	2009 RM
Deposits with licensed banks	3,200,357	2,804,251	1,690,702	677,036
Cash in hand and at banks	781,714	271,226	128,466	1,168
	3,982,071	3,075,477	1,819,168	678,204

Notes To The Financial Statements (cont'd)

- 31 March 2010

11. CASH AND BANK BALANCES (cont'd)

The currency exposure profile of cash and bank balances is as follows:-

	GROUP		COMPANY	
	2010 RM	2009 RM	2010 RM	2009 RM
Ringgit Malaysia	1,819,168	687,204	1,819,168	678,204
Singapore Dollar	2,162,903	2,388,273	-	-
	<u>3,982,071</u>	<u>3,075,477</u>	<u>1,819,168</u>	<u>678,204</u>

Included in deposits with licensed banks are amounts of RM2,109,654 (2009: RM2,727,215) and RM600,000 (2009: RM600,000) pledged against bank facilities granted to the Group and the Company respectively (Note 16).

12. SHARE CAPITAL

The currency exposure profile of cash and bank balances is as follows:-

	GROUP/COMPANY			
	2010 Numbers of shares	2009 RM	2009 Numbers of shares	2009 RM
Ordinary shares of RM0.10 each:				
Authorised	500,000,000	50,000,000	500,000,000	50,000,000
Issued and fully paid				
At 1 April	359,948,250	35,994,825	335,665,000	33,566,500
Issued during the year	42,849,750	4,284,975	24,283,250	2,428,325
At 31 March	<u>402,798,000</u>	<u>40,279,800</u>	<u>359,948,250</u>	<u>35,994,825</u>

During the financial year, the issued and paid-up share capital of the Company was increased from RM35,994,825 comprising 359,948,250 ordinary shares of RM0.10 each to RM40,279,800 comprising 402,798,000 ordinary shares of RM0.10 each by way of the issue of 42,849,750 new ordinary shares of RM0.10 each of the Company at par for cash pursuant to the private placement exercise on 21 January 2010 for the purpose of working capital.

All shares issued during the financial year rank pari passu in all respects with the existing ordinary shares of the Company.

Notes To The Financial Statements (cont'd)

- 31 March 2010

13. SHARE PREMIUM

This amount is not distributable by way of cash dividends and may be utilized only in the manner set out in Section 60(3) of the Companies Act, 1965.

14. EMPLOYEE BENEFITS/EMPLOYEES' SHARE OPTION SCHEME

The Company implemented an Employees' Share Option Scheme ("ESOS") on 31 October 2005 for a period of ten years. The ESOS is governed by the By-Laws which were approved by the shareholders on 28 September 2004.

The salient features of the ESOS are as follows:-

- (i) The total number of new ordinary shares of RM0.10 each that may be made available under the ESOS shall not exceed thirty per cent (30%) of the issued and paid-up capital of the Company, subject to a maximum entitlement of fifteen per cent (15%) for the first 5 years.
- (ii) Eligible employees are Directors and confirmed employees of the Group (save and except for companies which are dormant) who meet the criteria of eligibility for participation as set out in the By-Laws, at the date of the offer.
- (iii) The option is personal to the grantee and is non-assignable.
- (iv) An option may, at the discretion of the ESOS Committee, be determined based on a discount of not more than 10% from the 5-day weighted average market price of the underlying shares as shown in the Daily Official List issued by Bursa Malaysia for the 5 market days immediately preceeding the Date of Offer in writing to the grantee.

The option price per new share shall in no event be less than the par value of the share.

- (v) An option may be exercised by notice in writing to the Company in the prescribed form from time to time during the option period in respect of all or any part of the new shares comprised in the option, provided that where an option is exercised in respect of a part of the new shares comprised therein, the number of new shares of which such an option may be exercised shall not be less than one hundred (100) and shall be in multiples of one hundred (100).

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 in the Company

2010	As at 1.4.2009	Granted	Exercised	Lapsed	As at 31.3.2010
Grant date					
20.3.2006	4,850,000	-	-	(50,000)	4,800,000
21.6.2006	4,600,000	-	-	(4,600,000)	-
30.8.2006	480,000	-	-	(480,000)	-
15.6.2007	6,560,000	-	-	(100,000)	6,460,000
1.10.2009	-	5,430,000	-	-	5,430,000
	16,490,000	5,430,000	-	(5,230,000)	16,690,000

Number of options exercisable at end of the financial year

16,690,000

Notes To The Financial Statements (cont'd)

- 31 March 2010

14. EMPLOYEE BENEFITS/EMPLOYEES' SHARE OPTION SCHEME (cont'd)

2009	Number of options over ordinary shares of RM0.10 in the Company				
	As at 1.4.2009	Granted	Exercised	Lapsed	As at 31.3.2010
Grant date					
20.3.2006	5,730,000	-	-	(880,000)	4,850,000
21.6.2006	4,600,000	-	-	-	4,600,000
30.8.2006	480,000	-	-	-	480,000
15.6.2007	8,340,000	-	-	(1,780,000)	6,560,000
	19,150,000	-	-	(2,660,000)	16,490,000

Number of options exercisable at end of the financial year 12,860,000

Options outstanding at the end of the financial year have the following expiry date and exercise price:

Grant date	Number of options over ordinary shares of RM0.10 in the Company			
	Exercised Price RM	Expiry Date	Numbers of options 2010	2009
20.3.2006	0.10	30.10.2010	4,800,000	4,850,000
21.6.2006	0.10	7.3.2010	-	4,600,000
30.8.2006	0.10	7.3.2010	-	480,000
15.6.2007	0.10	30.10.2015	6,460,000	6,560,000
1.10.2009	0.10	30.10.2015	5,430,000	-
			16,690,000	16,490,000

Share options exercised during the year

No options were exercised during the financial year (2009: Nil).

Fair value of share options granted during the last financial year

The fair value of share options granted during the last financial year was estimated using the binomial model, taking into account the terms and conditions upon which the options were granted. The fair value of share options measured at grant date and the assumptions are as follows:-

Notes To The Financial Statements (cont'd)

- 31 March 2010

14. EMPLOYEE BENEFITS/EMPLOYEES' SHARE OPTION SCHEME (cont'd)

	COMPANY	
	2010 RM	2009 RM
Fair value of share options at the following grant dates (RM):		
- 20 March 2006	0.076	0.076
- 21 June 2006	0.082	0.082
- 30 August 2006	0.061	0.061
- 15 June 2007	0.086	0.086
- 1 October 2009	0.052	-
Weighted average of exercise price (RM)	10	10
Early exercise factor (times)	2.5	2.5
Expected volatility (%)	1.3	99 - 113
Expected life (years)	4	4
Risk free rate (%)	4	4
Expected dividend yield (%)	-	-

The expected life of the options is based on the life of the current ESOS plan. The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may not necessarily be the actual outcome.

During the year, the Group and the Company recognised total expenses of RM383,716 (2009: RM283,479) and RM117,877 (2009: RM65,493) respectively in respect of equity-settled share-based payment transactions (Note 18).

15. TRADE AND OTHER PAYABLES

	GROUP		COMPANY	
	2010 RM	2009 RM	2010 RM	2009 RM
Trade payables	1,238,449	1,795,152	62,432	61,943
Other payables and accrued expenses	2,913,914	5,554,617	418,316	895,316
Liability for short term accumulating compensated absences	215,845	-	-	-
Subsidiaries - trade	-	-	2,315,968	2,240,746
Affiliated corporations	2,891,995	3,149,923	-	-
Amount owing to Directors	274,906	1,456,716	274,906	311,906
	7,535,109	11,956,408	3,071,622	3,509,911

Notes To The Financial Statements (cont'd)

- 31 March 2010

15. TRADE AND OTHER PAYABLES (cont'd)

The normal credit terms of trade payables granted to the Group/Company range from 30 to 60 (2009: 30 to 60) days.

The currency exposure profile of trade payables is as follows:-

	GROUP		COMPANY	
	2010 RM	2009 RM	2010 RM	2009 RM
Ringgit Malaysia	62,432	68,594	62,432	61,943
US Dollar	24,211	119,922	-	-
Euro	165	170	-	-
Singapore Dollar	1,151,641	1,606,466	-	-
	1,238,449	1,795,152	62,432	61,943

The amounts due to affiliated corporations and owing to Directors are non-trade in nature, interest free, unsecured and have no fixed terms of repayment.

An affiliated corporation is defined as a company or its related corporation in which a Director of the Company has a substantial financial interest.

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16. BANK BORROWINGS

	GROUP		COMPANY	
	2010 RM	2009 RM	2010 RM	2009 RM
Bank overdrafts - secured	-	750,087	-	750,087
Revolving credit - secured	-	600,000	-	600,000
Short term borrowings	1,345,551	822,582	-	-
	1,345,551	2,172,669	-	1,350,087

The currency exposure profile of borrowings is as follows:-

	GROUP		COMPANY	
	2010 RM	2009 RM	2010 RM	2009 RM
Ringgit Malaysia	-	1,350,087	-	1,350,087
Singapore Dollar	1,345,551	822,582	-	-
	1,345,551	2,172,669	-	1,350,087

Notes To The Financial Statements (cont'd)

- 31 March 2010

16. BANK BORROWINGS (cont'd)

The bank overdraft facilities of the Group and the Company are subject to interest rates varying between 7.55% and 7.8% (2009: 7.55% and 8.75%) per annum.

The revolving credit facility of the Group and the Company are subject to interest rate of 4.83% (2009: 4.86%) per annum above the lender's cost of funds.

The short term borrowings of a subsidiary is secured by the corporate guarantee from the company and pledged of present and future proceeds from certain consultancy contract.

Deposits with licensed banks of the Group and the Company amounting to RM1,509,655 (2009: RM2,127,215) and RM600,000 (2009: RM600,000) are pledged as security for the banking facilities of the Group and the Company respectively (Note 11).

17. REVENUE

	GROUP		COMPANY	
	2010 RM	2009 RM	2010 RM	2009 RM
Maintenance services	8,838,462	8,720,204	-	196,927
Consultancy contracts	13,433,376	12,755,430	260,830	1,416,991
	22,271,838	21,475,634	260,830	1,613,918

18. EMPLOYEE BENEFITS EXPENSES

	GROUP		COMPANY	
	2010 RM	2009 RM	2010 RM	2009 RM
Wages, salaries and bonus	10,052,728	11,615,742	806,229	874,305
Contributions to defined contribution plans	1,007,375	1,101,506	93,343	98,704
Share-based compensation expense (Note 14)	383,716	283,480	117,877	65,493
Other benefits	34,127	51,201	34,127	51,201
	11,477,946	13,051,929	1,051,576	1,089,703

Included in employee benefits expenses of the Group is executive directors' remuneration amounting to RM1,159,702 (2009: RM1,460,212) as further disclosed in Note 20.

Employee benefits expenses are taken up as follows:

	GROUP		COMPANY	
	2010 RM	2009 RM	2010 RM	2009 RM
Charged to Income Statement	8,701,138	9,415,828	1,051,576	1,089,703
Capitalised as development expenditure	2,776,808	3,636,101	-	-
	11,477,946	13,051,929	1,051,576	1,089,703

Notes To The Financial Statements (cont'd)

- 31 March 2010

19. FINANCE COST

	GROUP		COMPANY	
	2010 RM	2009 RM	2010 RM	2009 RM
Interest on bank borrowing	289,102	304,641	59,920	118,417
Others	5,132	8,282	5,132	8,282
	294,232	312,923	65,052	126,699

20. DIRECTORS' REMUNERATION

	GROUP		COMPANY	
	2010 RM	2009 RM	2010 RM	2009 RM
Executive Directors (Note 18)	408,326	606,714	-	-
Other emoluments	751,376	853,498	-	-
	1,159,702	1,511,968	-	-
Non-executive Directors				
Fees	147,250	84,875	147,250	84,875
Total directors' remuneration	1,306,952	1,596,843	147,250	84,875

21. PROFIT/(LOSS) BEFORE TAXATION

This is arrived at after charging/(crediting):-

	GROUP		COMPANY	
	2010 RM	2009 RM	2010 RM	2009 RM
Amortisation of intangible assets	4,005,334	3,928,920	-	-
Depreciation of property, plant and equipment	103,749	79,821	42,183	30,928
Auditors' remuneration				
- current year	100,524	80,371	35,000	28,000
- underprovision in prior year	7,400	-	7,400	-
Directors' fees	147,250	84,875	147,250	84,875
Directors' remuneration	1,159,702	1,511,968	-	-
Loss/(gain) on disposal of property, plant and equipment	(3,496)	41	(2,040)	-
Net exchange loss/(gain)	119,356	9,107	8,191	(63,860)
Office rental	822,478	886,666	144,969	217,296

Notes To The Financial Statements (cont'd)

- 31 March 2010

22. TAX EXPENSE

	GROUP		COMPANY	
	2010 RM	2009 RM	2010 RM	2009 RM
<u>Malaysian</u>				
Current tax expense	4,304	-	4,304	-
Underprovision in prior year	5,999	-	5,999	-
	10,303	-	10,303	-

The Company was granted Multimedia Super Corridor ("MSC") status on 29 October 2002. By virtue of this status, the Company obtained its pioneer status incentive which includes five years exemption on statutory business income under Section 127 of the Income Tax Act, 1967 which expired in January 2008. On 18 June 2008, the Company was granted extension of the pioneer status for another five years until 14 January 2013.

A reconciliation of tax applicable to the profit/(loss) before taxation at the statutory tax rates to current year's tax expense of the Group/Company is as follows:-

	GROUP		COMPANY	
	2010 RM	2009 RM	2010 RM	2009 RM
Profit/(loss) before taxation	787,890	845,938	(1,595,282)	(1,100,608)
Income tax using Malaysian tax rate	196,973	211,485	(398,820)	(275,152)
Tax effect of:				
Different tax rates in foreign jurisdictions	436,974	(178,004)	-	-
Non-deductible expenses	51,859	37,121	51,859	37,121
Deferred tax benefit not recognised	351,871	858,979	351,871	235,949
Subsidiaries' deferred tax benefits utilised	(158,819)	(931,665)	-	-
Underprovision in prior year	5,999	-	5,999	-
Others	(606)	2,084	(606)	2,082
Tax expense	10,303	-	10,303	-

No deferred tax liabilities/(assets) have been recognised for the following temporary differences:

	GROUP		COMPANY	
	2010 RM	2009 RM	2010 RM	2009 RM
Development expenditure capitalised	(34,601,000)	(31,644,000)	-	-
Property, plant and equipment	172,000	(1,511,000)	(290,000)	(265,000)
Trade and other receivables	(1,581,000)	(1,169,000)	-	-
Unutilised tax losses	(21,650,000)	(18,000,000)	(7,540,000)	(6,178,000)
Others	-	(1,442,000)	-	(1,443,000)
	(57,832,000)	(53,766,000)	(7,830,000)	(7,886,000)

Notes To The Financial Statements (cont'd)

- 31 March 2010

22. TAX EXPENSE (cont'd)

The unutilised tax losses have no expiry date under current tax legislations in Malaysia and Singapore but are subject to agreement of the tax authorities and compliance with tax regulation in the respective countries in which the companies operate. Net deferred tax assets have not been recognised in respect of these items because of uncertainty that future taxable profits will be available against which the Company and its subsidiaries can utilise the benefits.

23. EARNINGS/(LOSS) PER ORDINARY SHARE

Basic earnings/(loss) per ordinary share

The calculation of basic earnings per ordinary share is based on the profit for the year attributable to shareholders of the Company of RM777,587 (2009: RM845,938) and the weighted average number of ordinary shares in issue during the financial year of 367,461,631 (2009: 337,438,737) calculated as follows:-

	2010 RM	GROUP 2009 RM
<u>Weighted average number of ordinary shares</u>		
Issued ordinary shares at beginning of the year	359,948,250	335,665,000
Effect of shares issued during the year	7,513,381	1,773,737
	<hr/>	<hr/>
Weighted average number of ordinary shares	367,461,631	337,438,737
	<hr/>	<hr/>

Fully diluted earnings/(loss) per ordinary share

The calculation of diluted earnings per ordinary share is based on the profit for the year attributable to shareholders of the Company of RM777,587 (2009: profit of RM845,938) and the weighted average number of ordinary shares outstanding during the financial year of 381,429,192 (2009: 337,438,689) calculated as follows:-

	2010 RM	GROUP 2009 RM
<u>Weighted average number of ordinary shares (fully diluted)</u>		
Weighted average number of ordinary shares as above	367,461,631	337,438,737
Effect of share options*	13,967,561	-
	<hr/>	<hr/>
Weighted average number of ordinary shares (fully diluted)	381,429,192	337,438,737
	<hr/>	<hr/>

* The effects of share options for the financial year ended 31 March 2009 were ignored in the calculation of fully diluted loss per share because they were anti-dilutive.

Notes To The Financial Statements (cont'd)

- 31 March 2010

24. SEGMENTAL INFORMATION

Segmental information is presented only in respect of the Group's geographical segments by location of assets. There is no information on business segments presented as the Group is principally involved in the provision of integrated e-business solutions.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

Segment capital expenditure is the total cost incurred during the year to acquire segment assets that are expected to be used for more than one year.

Intersegment pricing is determined on an arm's length basis under terms, conditions and prices not materially different from transactions with unrelated parties.

	Malaysia		Singapore		Eliminations		Group	
	2010 RM	2009 RM	2010 RM	2009 RM	2010 RM	2009 RM	2010 RM	2009 RM
Geographic segments								
Revenue from external customers	260,830	1,416,991	22,011,008	20,058,643	-	-	22,271,838	21,475,634
Revenue from inter-segment	-	196,927	-	-	-	(196,927)	-	-
Total revenue	260,830	1,613,918	22,011,008	20,058,643	-	(196,927)	22,271,838	21,475,634
Segment results	(1,547,446)	(994,624)	2,585,309	1,982,500	-	142,050	1,037,863	1,129,926
Interest income							44,261	28,935
Interest expense							(294,234)	(312,923)
(Loss)/profit before taxation							787,890	845,938
Taxation							(10,303)	-
(Loss)/profit for the year							777,587	845,938
Segment assets	18,430,022	17,515,598	32,255,468	45,485,816	(13,647,850)	(24,528,775)	37,037,640	38,472,639
Tax recoverable	1,886	6,189	-	-	-	-	1,886	6,189
Investment in subsidiaries	10,176,118	9,750,556	-	-	(10,176,118)	(9,750,556)	-	-
Investment in associates	29,072	-	-	-	-	-	29,072	-
Total assets							37,068,598	38,478,828
Segment Liabilities	3,071,622	4,859,998	19,495,966	37,432,658	(13,647,850)	(27,528,653)	8,919,738	14,764,003
Other segment items								
Capital expenditure	116,388	7,189	96,430	73,036	-	-	212,818	80,225
Depreciation and amortisation	42,183	30,928	4,066,900	3,977,813	-	-	4,109,083	4,008,741

Notes To The Financial Statements (cont'd)

- 31 March 2010

25. CONTINGENT LIABILITIES

	COMPANY	
	2010 RM	2009 RM
Guarantees given by the Company to financial institutions for credit facilities granted to subsidiaries	1,629,600	1,676,500

26. OPERATING LEASES

Total future minimum lease payments under non-cancellable operating leases are as follows:-

	GROUP		COMPANY	
	2010 RM	2009 RM	2010 RM	2009 RM
Less than one year	430,888	832,071	84,192	54,324
Between one to five years	28,064	346,698	28,064	-
	458,952	1,178,767	112,256	54,324

The Group leases office premises under operating leases. The leases typically run for an initial period of three years, with an option to renew the leases after the date of expiration. None of the leases include contingent rentals.

27. RELATED PARTIES TRANSACTIONS AND BALANCES

Related party relationships exist between the Group and the Company with the following entities:-

- (a) The subsidiaries as disclosed in Note 7;
- (b) Chan Wing Kong, being a Director and substantial shareholder; and
- (c) novaSprint Pte. Ltd. and novaC2R Pte. Ltd. being companies in which Mr. Chan Wing Kong has or is deemed to have a substantial interest.

Significant related party transactions during the year other than those disclosed elsewhere in the financial statements are as follows:-

	GROUP		COMPANY	
	2010 RM	2009 RM	2010 RM	2009 RM
Related party transactions				
novaC2R Pte. Ltd.				
Rental income	(29,355)	(28,795)	-	-

Notes To The Financial Statements (cont'd)

- 31 March 2010

27. RELATED PARTIES TRANSACTIONS AND BALANCES (cont'd)

	GROUP		COMPANY	
	2010 RM	2009 RM	2010 RM	2009 RM
Related party transactions (cont'd)				
NovaCITYNETS Pte. Ltd.				
Administrative fees paid	14,556	-	13,949	98,480
Revenue from R&D works	-	-	(21,031)	(156,712)
NovaHEALTH Pte. Ltd.				
Purchase of software	-	-	-	(196,927)

Balances at year end included in the balance sheets are as follows:-

	GROUP		COMPANY	
	2010 RM	2009 RM	2010 RM	2009 RM
<u>Receivables</u>				
Amount due from subsidiaries				
- novaCITYNETS Pte. Ltd. (trade)	-	-	1,634,259	1,634,259
- novaCITYNETS Pte. Ltd. (non-trade)	-	-	14,329,559	14,249,174
<u>Payables</u>				
Amount due to subsidiaries				
- novaHEALTH Pte. Ltd. (trade)	-	-	(2,315,968)	(2,240,746)
Amount due to affiliated corporation				
- novaSPRINT Pte. Ltd.	(2,891,995)	(3,149,923)	-	-

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Group and the Company either directly or indirectly which include Group Chief Executive Officer, Group Chief Technology Officer, Group Chief Operation Officer and Group Business Development Director. The key management personnel of the Group and the Company exclude non-executive Directors.

The remuneration of key management personnel during the year is as follows:-

	GROUP		COMPANY	
	2010 RM	2009 RM	2010 RM	2009 RM
Short term employee benefits	1,009,330	1,437,011	-	-
Post-employment benefits	53,106	74,957	-	-
Share based payments	97,266	-	-	-
	1,159,702	1,511,968	-	-

Notes To The Financial Statements (cont'd)

- 31 March 2010

28. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected. The critical assumptions concerning the future that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are outlined below:-

Intangible assets

The Group has intangible assets and the annual amortisation of intangible assets is charged to the income statement. The Group reviews the residual value and useful life of intangible assets at each balance sheet date in accordance with the accounting policy disclosed in Note 3.6 to the financial statements. The Group also assesses annually whether the intangible assets have been impaired. The carrying amount of intangible assets at 31 March 2010 was RM21,944,547 (2009: RM23,470,526) and the annual amortisation charge for the financial year ended 31 March 2010 was RM4,005,334 (2009: RM3,928,920).

Deferred tax assets

No deferred tax assets arising from the unutilised tax losses and unabsorbed capital allowances are recognised as it is uncertain that taxable profits will be available against which the losses and capital allowances can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised based upon the likely timing and level of future taxable profits together with future tax planning strategies.

Impairment on investment in subsidiaries

The Company reviews the carrying amount of investment in subsidiaries at each balance sheet date by comparing the carrying amount with their recoverable amount and the value in use. No additional provision was made during the year on the additional investment in subsidiaries as the recoverable amount of the subsidiaries is expected to be higher than the carrying amount.

29. FINANCIAL RISK MANAGEMENT POLICIES

The Group's financial risk management policies seek to ensure that adequate financial resources are available for the development of the Group's business whilst managing its credit, interest rate, foreign currency and liquidity risks.

Credit risk

Credit risk is the risk that customers and other parties will not be able to meet their obligations to the Group and the Company resulting in financial loss to the Group and the Company. Management monitors credit exposure to customers on an on-going basis. Deposits are placed only with licensed institutions.

The Group and the Company are potentially subject to credit risk arising from concentration of sales to a number of ongoing customers. The Group and the Company are required to perform regular credit evaluation of their customers and maintain an allowance for potential losses when required. The maximum exposure to credit risk for the Group and the Company are presented by the carrying amount of each financial asset.

Notes To The Financial Statements (cont'd)

- 31 March 2010

29. FINANCIAL RISK MANAGEMENT POLICIES (cont'd)

Interest rate risk

Interest rate risk is the risk that changes in interest rate will have an adverse financial effect on the Group's and the Company's financial position and/or results. The Group and the Company are exposed to interest rate risk due to interest-bearing financial assets being fixed deposits placed with financial institutions. These are placed at varying maturities. The Group and the Company are also exposed to interest rate risk arising from interest-bearing financial liabilities. The Group and the Company managed their interest rate exposure through the use of floating rate debt.

Foreign currency risk

The Group and the Company are exposed to foreign currency risks in respect of their investments in foreign subsidiaries and some contract revenue. The currency primarily giving rise to this exposure is Singapore Dollars. During and at the end of the financial year, the Group and the Company had not entered into any forward currency contracts. However, management will keep this policy under review and will take necessary action to minimise the exposure of this risk.

Liquidity risk

The Group and the Company monitor and maintain a level of cash and cash equivalents and bank facilities deemed adequate by management to finance the Group's and the Company's operations and to mitigate the effects of fluctuations in cash flows. The Group and the Company aim at maintaining flexibility in their funding requirements through a mix of equity capital and borrowings.

E effective interest rates and repricing analysis

In respect of interest-bearing financial assets and interest-bearing financial liabilities, the following table indicates their effective interest rates at the balance sheet date and the periods in which they reprice or mature, whichever is earlier.

	E effective Interest Rate	COMPANY Total RM	Within 1 Year RM
2010	%		
<u>Financial assets</u>			
Deposits with licensed banks	0.4	3,188,035	3,188,035
<u>Financial liabilities</u>			
Bank overdrafts	-	-	-
Revolving credit	-	-	-
Short term borrowings	7.5	1,345,551	1,345,551
2009			
<u>Financial assets</u>			
Deposits with licensed banks	2.3	2,804,251	2,804,251
<u>Financial liabilities</u>			
Bank overdrafts	8.3	750,087	750,087
Revolving credit	5.9	600,000	600,000
Short term borrowings	7.5	822,582	822,582

Notes To The Financial Statements (cont'd)

- 31 March 2010

29. FINANCIAL RISK MANAGEMENT POLICIES (cont'd)

Effective interest rates and repricing analysis (cont'd)

2010	Effective Interest Rate %	GROUP Total RM	Within 1 Year RM
<u>Financial assets</u>			
Deposits with licensed banks	2.0	1,690,702	1,690,702
<u>Financial liabilities</u>			
Bank overdrafts	-	-	-
Revolving credit	-	-	-
2009			
<u>Financial assets</u>			
Deposits with licensed banks	3.0	677,036	677,036
<u>Financial liabilities</u>			
Bank overdrafts	8.4	750,087	750,087
Revolving credit	5.9	600,000	600,000

Fair values

The carrying amounts of cash and cash equivalents, trade and other receivables, trade and other payables and bank borrowings approximate fair values due to the relatively short term nature of these financial instruments.

30. SIGNIFICANT EVENT DURING THE FINANCIAL YEAR

On 2 March 2010, the Company has subscribed for a 40% equity interest in a newly incorporated company in Brunei Darussalam namely B-Nova Sdn Bhd ("B-Nova").

The issued and paid-up share capital of B-Nova is B\$30,000 divided into 30,000 ordinary shares of B\$1.00 each. The Company had subscribed for 12,000 ordinary shares of B\$1.00 each for a total consideration of B\$12,000 in B-Nova, representing a 40% equity interest whilst the remaining 60% equity interest of B-Nova is held by Pengiran Anak Haji Abdul Wadood Bolkiah.

The investment of B-Nova does not have any material effect on the share capital, shareholding structure, gearing, net assets per share and earnings per share of Nova for the financial year ended 31 March 2010.

31. EVENTS SUBSEQUENT TO BALANCE SHEET DATE

On 19 May 2010, the Company had announced that novaHEALTH Pte Ltd, a wholly owned subsidiary of the Company, has subscribed for 24,500 ordinary shares of B\$1 each, representing an equity interest of 49%, in a newly incorporated company called JPMCnova Sdn Bhd, whose registered office is at Jerudong Park, BG3122, Brunei Darussalam.

Statement By Directors

We, Y.A.M. TUNKU DATO' SERI NADZARUDDIN IBNI ALMARHUM TUANKU JA'AFAR and CHAN WING KONG, being two of the directors of NOVA MSC BERHAD, state that in the opinion of the directors, the financial statements set out on pages 40 to 73 are drawn up in accordance with Financial Reporting Standards and the provisions of the Companies Act, 1965 in Malaysia so as to give a true and fair view of the state of affairs of the Group and of the Company as at 31 March 2010 and of their results and cash flows for the year ended on that date.

Signed in accordance with a resolution of the Board of Directors,

Y.A.M. TUNKU DATO' SERI NADZARUDDIN
IBNI ALMARHUM TUNKU JA'AFAR

CHAN WING KONG

Kuala Lumpur,
29 July 2010

Statutory Declaration

I, TAN CHEE PING, the officer primarily responsible for the financial management of NOVA MSC BERHAD, do solemnly and sincerely declare that the financial statements set out on pages 40 to 73 are in my opinion correct and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.

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Subscribed and solemnly declared)
by the abovenamed TAN CHEE PING)
at Kuala Lumpur in Wilayah Persekutuan)
on 29 July 2010)

TAN CHEE PING

Report of the Auditors

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF NOVA MSC BERHAD (Company No: 591898-H)

Report on the Financial Statements

We have audited the financial statements of NOVA MSC BERHAD, which comprise the balance sheets as at 31 March 2010 of the Group and of the Company, and the income statements, statements of changes in equity and cash flow statements of the Group and of the Company for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 40 to 73.

Directors' Responsibility for the Financial Statements

The directors of the Company are responsible for the preparation and fair presentation of these financial statements in accordance with Financial Reporting Standards and the provisions of Companies Act, 1965 in Malaysia. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements have been properly drawn up in accordance with Financial Reporting Standards and the provisions of Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as of 31 March 2010 and their financial performance and cash flows for the year then ended.

Report of the Auditors (cont'd)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF NOVA MSC BERHAD (Company No: 591898-H)

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act, 1965 in Malaysia, we also report the following:

- (a) In our opinion, the accounting and other records and the registers required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.
- (b) We have considered the financial statements and the auditors' reports of all the subsidiaries of which we have not acted as auditors, which are indicated in Note 7 to the financial statements.
- (c) We are satisfied that the financial statements of the subsidiaries that have been consolidated with the Company's financial statements are in form and content appropriate and proper for the purposes of the preparation of the financial statements of the Group and we have received satisfactory information and explanation required by us for those purposes.
- (d) The audit reports on the financial statements of the subsidiaries did not contain any qualification or any adverse comment made under Section 174(3) of the Act.

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Other Matters

This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act, 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

FOLKS DFK & CO.

AF: 0502

Chartered Accountants

SIVADASAN A/L NARAYANAN NAIR

1420/12/11(J)

Chartered Accountant

Kuala Lumpur,
29 July 2010

Statement Of Shareholdings

- As At 26 July 2010

Authorized Capital : RM 50,000,000
 Issued and fully paid-up capital : RM 40,279,800
 Class of Shares : Ordinary shares of RM0.10 each fully paid
 Voting Rights : One vote per RM 0.10 share

BREAKDOWN OF SHAREHOLDINGS as at 26 July 2010

Range of Shareholdings	No of Holders	Percentage of Holders	No of RM0.10 Shares	Percentage of Issued Capital
1 – 99	51	0.91	2,611	0.00
100 – 1,000	392	6.98	308,088	0.08
1,001 – 10,000	2,655	47.29	16,779,095	4.17
10,001 – 100,000	2,154	38.37	80,210,410	19.91
100,001 – 20,139,899	360	6.41	235,224,346	58.40
20,139,900 and above	2	0.04	70,273,450	17.45
Total	5,614	100.00	402,798,000	100.00

SUBSTANTIAL HOLDERS as at 26 July 2010

According to the register required to be kept under section 69L of the Companies Act, 1965, the following are the substantial holders of the Company:

Name of Substantial Shareholders	No of Shares held (direct)	% of Shareholding	No of Shares held (indirect)	% of Shareholding
INTER-PACIFIC EQUITY NOMINEES (ASING) SDN BHD KIM ENG SECURITIES PTE LTD FOR ZYLOG SYSTEMS ASIA PACIFIC PTE LTD	42,849,750	10.64	0	0
CITIGROUP NOMINEES (ASING) SDN BHD EXEMPT AN FOR OCBC SECURITIES PRIVATE LIMITED (CLIENT A/C-NR)	27,423,700	6.81	0	0

LIST OF DIRECTORS' SHAREHOLDING AS PER THE REGISTER OF DIRECTORS' SHAREHOLDING as at 26 July 2010

Name of Directors	No of Shares held (direct)	% of Shareholding	No of Shares held (indirect)	% of Shareholding
Y.A.M. Tunku Dato' Seri Nadzaruddin Ibni Almarhum Tuanku Ja'afar	2,000,000	0.50	24,783,250	6.15
Chan Wing Kong	16,770,230	4.16	-	-
Victor John Stephen Price	8,608,211	2.14	-	-

Statement Of Shareholdings (cont'd)

- As At 26 July 2010

THIRTY LARGEST REGISTERED HOLDERS as at 26 JULY 2010

Name of Substantial Shareholders	No of Shares held	% of Shareholding
1. Inter-Pacific Equity Nominees (Asing) Sdn Bhd <i>Kim Eng Securities Pte Ltd for Zylog Systems Asia Pasific Pte Ltd</i>	42,849,750	10.64
2. Citigroup Nominees (Asing) Sdn Bhd <i>Exempt an for OCBC Securities Private Limited (Client A/C-NR)</i>	27,423,700	6.81
3. Raden Corporation Sdn Bhd	18,783,250	4.66
4. Affin Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account for Chung Kin Chuan(CHU0226C)</i>	18,277,000	4.54
5. KE-ZAN Nominees (Asing) Sdn Bhd <i>Kim Eng Securities Pte Ltd for Chan Wing Kong</i>	16,770,230	4.16
6. KE-ZAN Nominees (Asing) Sdn Bhd <i>Kim Eng Securities Pte Ltd for Victor John Stephen Price</i>	8,608,211	2.14
7. Inter-Pacific Equity Nominees (Asing) Sdn Bhd <i>Kim Eng Securities Pte Ltd for Tay Sen Kwan</i>	7,447,420	1.85
8. A.A. Anthony Nominees (Asing) Sdn Bhd <i>Amfraser Securities Pte Ltd for Soh Chong Chau (92860)</i>	5,917,600	1.47
9. Tang Pian Nam	5,556,000	1.38
10. CIMSEC Nominees (Asing) Sdn Bhd <i>UOB Kay Hian Prvite Limited for Teo Eng Huat (67)</i>	5,200,000	1.29
11. Bo Saw Wing @ Ho Saw Wing	4,553,900	1.13
12. Wong Ah Moi @ Wong Choi Chan	4,000,000	0.99
13. Pesaka Antah Holdings Sdn Bhd	4,000,000	0.99
14. Inter-Pacific Equity Nominees (Asing) Sdn Bhd <i>Kim Eng Securities Pte Ltd for Sebastian Yeo Boon Kiat</i>	3,799,953	0.94
15. CIMSEC Nominees (Asing) Sdn Bhd <i>Exempt An for CIMB Securities (Singapore) Pte Ltd (Retail Clienst)</i>	3,725,000	0.92
16. Tan Yew Soon	3,540,070	0.88
17. Cheah Lay See	3,395,700	0.84
18. HDM Nominees (Tempatan) Sdn Bhd <i>Lim & Tan Securities Pte Ltd for Chan Hoong Kwai</i>	3,223,300	0.80
19. Lai Teik Kin	2,900,970	0.72
20. JF Apex Nominees (Tempatan) Sdn Bhd <i>AISB for Ng Boon Swee (STA 3)</i>	2,774,500	0.69
21. JF Apex Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account for Ng Boon Swee (STA)</i>	2,747,200	0.68
22. HLG Nominee (Asing) Sdn Bhd <i>Lim & Tan Securities Pte Ltd for Lee Chin Choo</i>	2,402,000	0.60
23. MYBAN Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account for Yeo Peck Chong</i>	2,400,000	0.60
24. HDM Nominees (Tempatan) Sdn Bhd <i>Y.A.M. Tunku Naquiyuddin Ibni Tuanku Ja'afar</i>	2,000,000	0.50
25. YAM Tunku Nadzaruddin Ibni Tuanku Ja'afar	2,000,000	0.50
26. SJ Sec Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account for Raja Asma Binti Raja Sulaiman (SMT)</i>	1,900,000	0.47
27. Tan Tiong Hwee	1,881,000	0.47
28. KE-ZAN Nominees (Asing) Sdn Bhd <i>Kim Eng Securities Pte Ltd for Ang Chee Keong</i>	1,690,092	0.42
29. RHB Capital Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account for Phoa Boon Ting (CEB)</i>	1,635,000	0.41
30. Ng Wee Tiew @ Ng Wee Chiew	1,512,300	0.38

Appendix 1 - Proposed Amendments to the Articles of Association of the Company

Referred to in the notice of AGM

Article	Existing Provisions	Amended Provisions	Rationale
To amend Article 102	<p>The Directors may meet together for the despatch of business, adjourn and otherwise regulate their meetings, as they think fit. Questions arising at any meeting shall be determined by a majority of votes. In case of any equality of votes the Chairman shall have a second or casting vote provided that there are two (2) Directors present or who are competent to vote on the question at issue.</p> <p>The directors' meeting may be conducted by means of telephone conferencing, video or audio conferencing or any other electronic forms of telecommunication as the Directors deem expedient</p>	<p>The Directors may meet together for the despatch of business, adjourn and otherwise regulate their meetings, as they think fit. Questions arising at any meeting shall be determined by a majority of votes. In case of any equality of votes the Chairman shall have a second or casting vote provided that there are two (2) Directors present or who are competent to vote on the question at issue.</p> <p>102 (1) The meetings of Directors may be conducted by telephone or audio-visual conferencing or other methods of simultaneous communication by electronic, telegraphic or other means by which all persons participating in the meeting are able to hear and be heard at all times by all other participants without the need for a Director to be in the physical presence of the other Directors (hereinafter referred to as "Directors Video-Conference Meeting") and participation in the Directors Video-Conference Meeting shall be deemed to constitute presence in person at such meeting.</p> <p>102 (2) The Directors participating in any such Directors Video-Conference Meeting shall be counted in the quorum for such meeting and subject to there being a requisite quorum at all times for such Directors Video-Conference Meeting, all resolutions agreed by the Directors in such meeting shall be deemed to be as effective as a resolution passed at a meeting in person of the Directors duly convened and held. A Director may disconnect or cease to participate in the Directors Video-Conference Meeting if he makes known to all other Directors participating that he is ceasing to participate in the meeting and such Director shall, notwithstanding such disconnection, be counted in the quorum for such meeting. The minutes of such a Directors Video-Conference Meeting signed by the Chairman or any other Director duly appointed as under Article 105 (a) as chairperson of the meeting shall be conclusive evidence of any resolution of any Directors Video-Conference Meeting.</p> <p>122 (3) A Directors Video-Conferencing Meeting is deemed to be held at the place agreed upon by the Directors attending the meeting, provided at least one of the Directors participating in the meeting was at that place for the duration of the meeting.</p>	This is to enhance the Board's efficiency in conducting board meeting.

Appendix - Proposed Amendments to the Articles of Association of the Company (cont'd)

Article	Existing Provisions	Amended Provisions	Rationale
To insert new Article 113A immediately after Article 113		The office of the Secretary shall be vacated if the secretary resigns by notice in writing to the Company, left at the registered office and copies sent to all the Directors for the time being at their last known residential addresses. Where a Secretary gives notice of resignation to the Directors, the Secretary shall cease to act as Secretary with immediate effect, and unless provided in the terms of engagement, within the stipulated time.	To provide for the resignation of secretary by notice in writing to the Company
To amend Article 122 (1)	Any dividend, interest or other moneys payable in cash in respect of shares may be paid by cheque or warrant sent through the post to the post to the last registered address of the Member or person entitled thereto or if two (2) or more persons are registered as joint holders of the shares or are entitled thereto in consequence of the death or bankruptcy of the holder to any one of such persons or to such person and such address as such person or persons may by writing direct. Every such cheque or warrant shall be made payable to the order to the person to whom it is sent or to such person as the holder or joint holders or person or persons entitled to the share in consequence of the death or bankruptcy of the holder may direct and payment of the cheque shall be a good discharge to the Company. Every such cheque or warrant shall be sent at the risk of the person entitled to the money represented thereby.	<p>(a) Subject to the provision of the Act, the Central Depositories Act and the Rules, the Listing Requirements and/or regulatory authorities, payment of dividend may be made by direct transfer or such other mode of electronic means to the bank account of the holder whose name appear in the Record of Depositors or, if more that one (1) person is entitled thereto in consequence of the death or bankruptcy of the holder, payment in such manner to the bank account of any one of such persons or to the bank account of such person as such persons may by writing direct. The payment of any dividend by such electronic means shall constitute a good and full discharge to the Company of the dividend to which it relates regardless of any discrepancy given by the Member in the details of bank account(s).</p> <p>(b) Subject to the provision of the Act, the Central Depositories Act and the Rules, any dividend, interest or other money payable in cash in respect of shares may be paid by banker's draft, money order, cheque or warrant sent through the post to the address of the holder. Every such draft, money order, cheque or warrant shall be made payable to the order of the persons to whom it is sent and payment of same if purporting to be endorsed shall be a good discharge to the Company, notwithstanding that it may subsequently appear that the same has been stolen or that the endorsement thereon has been forged. Every such draft, money order, cheque or warrant shall be sent at the risk of the persons entitled to the money represented thereby.</p>	To facilitate the payment of dividends through electronic means and render the Articles of Association of the Company to be consistent with the new requirements relating to payment by e-Dividend.

REQUEST FORM



NOVA MSC BERHAD
(591898-H)

Dear Shareholders,

Our Annual Report 2010 has been produced in the form of CD ROM in order to save printing and storage costs for the Company and to reduce cost involved in the despatch of printed copies of the Annual Report to shareholders.

Nevertheless, a printed copy of the Annual Report 2010 will be made available to any shareholder upon request and will be forwarded within four (4) market days from the receipt of your verbal or written request.

Should you wish to receive a printed copy of our Annual Report 2010, kindly contact Ms Rachel Wong or Ms Jenny at 603-4043 5750 or e-mail your request to us at wwy@cacs.com.my or complete the form below and return it to us via post or fax at 603-4043 5755.

You can also download a copy of our Annual Report from our Company's website www.novamsc.com and contact Mr Yen Chee Wei should you have any queries on the accounts at 03- 7957 6628.

Thank you.

Yours faithfully,
NOVA MSC BERHAD

Tan Kok Aun (LS00361)
Wong Wai Yin (MAICSA 7003000)
Company Secretaries

Kuala Lumpur
04 August 2010

Name of Shareholder :
(Name of beneficial owner as appearing in the Record of Depositors)

NRIC No./Company No. :

No. of shares held :

CDS Account No. :

Address :
.....

Contact No. :

Date :

.....
Signature(s) / Common Seal of Shareholder(s)

PROXY FORM



NOVA MSC BERHAD
(591898-H)

I/We, NRIC No.
of
being a member / members of NOVA MSC BERHAD, hereby appoint
..... NRIC No. of
..... or failing him, THE CHAIRMAN
OF THE MEETING as my/our proxy, to vote for me/us and on my/our behalf at the Eighth Annual General Meeting of the
Company held on Thursday, 26th August 2010 and at any adjournment thereof.

Please indicate with an "X" in the spaces below as to how you wish your votes to be cast. (If you do not do so, the Proxy will vote or abstain from voting at his discretion).

RESOLUTIONS	RESOLUTION	FOR	AGAINST
1. Adoption of Accounts & Reports	1		
2. Re-election of Director :-			
a) Y.A.M. Tunku Dato' Seri Nadzaruddin Ibni Almarhum Tuanku Ja'afar	2		
b) Dr Victor John Stephen Price	3		
c) Mr Suresh Parthasarathy	4		
3. To approve the payment of Directors' fees for the year ended 31 March 2010.	5		
4. Appointment of Messrs. Folks DFK & Co as Auditors and to authorize the Directors to fix their remuneration.	6		
5. Special Business : To approve the Issuance of Shares Pursuant to Section 132D	7		
6. Special Business : To approve the Proposed Amendment to the Articles of Association of the Company	8		

Dated: 4 August 2010

.....

Signature/Seal

Notes :

- A member entitled to attend and vote at the meeting is entitled to appoint a proxy or proxies to attend and vote on his/her behalf. A proxy need not be a member of the Company.*
- Where a member appoints two or more proxies, the appointment shall be invalid unless the member specifies the proportion of his/her shareholdings to be represented by each proxy.*
- The instrument appointing a proxy shall be in writing under the hands of the appointer or his attorney duly authorised in writing, or if the appointer is a corporation, either under its Common Seal, or the hand of its attorney duly authorised.*
- The Proxy Form must be deposited at the Registered Office of the Company at No. 1 & 1A, 2nd Floor Jalan Ipoh Kecil 50350 Kuala Lumpur not less than forty-eight (48) hours before the time appointed for holding the meeting or any adjournment thereof.*

PLEASE FOLD HERE

**A x
stamp**

**The Company Secretary
NOVA MSC BERHAD (591898-H)
No. 1 & 1A, 2nd Floor
Jalan Ipoh Kecil
50350 Kuala Lumpur**

PLEASE FOLD HERE