ANNUAL REPORT

2013

NOVA MSC BERHAD

(591998-H)

CONTENT

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Eleventh Annual General Meeting of the Company will be held at Bukit Jalil Golf & Country Resort, Jalan 3/155B, Bukit Jalil 57000 Kuala Lumpur on Wednesday, 28 August 2013 at 2:30p.m. for following purposes :-

AS ORDINARY BUSINESS

1. To receive and adopt the Audited Accounts for the year ended 31 March 2013, together with the Reports of Directors and Auditors thereon. (Resolution 1)

2. To re-elect Mr Chan Wing Kong who retires as Director pursuant to Article 96 of the Company's Articles of Association. (Resolution 2)

3. To re-elect YAM 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 3)

4. To approve the payment of Directors' fees for the year ended 31 March 2013. (Resolution 4)

5. To appoint Messrs. Folks DFK & Co. as Auditors of the Company and to authorize the Directors to fix the Auditors' remuneration. (Resolution 5)

AS SPECIAL BUSINESS

To consider and, if thought fit, to pass the following Ordinary Resolutions and Special Resolution :-

6. **ORDINARY RESOLUTION 1**
   RE-APPOINTMENT OF DIRECTOR

   To re-appoint Dr Victor John Stephen Price who is over the age of seventy (70) years, to hold office until the next annual general meeting pursuant to section 129(6) of the Companies Act, 1965 (Resolution 6)

7. **ORDINARY RESOLUTION 2**

   Continuation in office as Independent Non-Executive Director pursuant to Recommendation 3.3 of the Malaysian Code on Corporate Governance 2012 (Resolution 7)

   " That approval be and is herby given to Mr Onn Kien Hoe who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine years, to continue to act as an Independent Non-Executive Director of the Company."

8. **ORDINARY RESOLUTION 3**
   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 (Resolution 8)

9. **ORDINARY RESOLUTION 4**
PROPOSED RENEWAL OF EXISTING SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE ("PROPOSED SHAREHOLDERS' MANDATE") (Resolution 9)

"That subject to the provisions of the Listing Requirements of Bursa Malaysia Securities Berhad for the ACE Market, approval be and is hereby given to the Company/or its subsidiary companies to enter into recurrent related party transactions of a revenue or trading nature as set out in Section 2.4 of the Circular to shareholders dated 6 August 2013 , provided that such transactions are undertaken in the ordinary course of business, on arm's length basis, on normal commercial terms which not more favourable to the related party than generally available to the public and are not detrimental to the minority shareholders.

That such approval shall continue to be in force until:-

(a) the conclusion of the next Annual General Meeting ("AGM") of the Company following this AGM at which the Proposed Shareholders' Mandate is passed, at which time it will lapse unless the authority is renewed by a resolution passed at the next AGM;
(b) the expiration of the period within the next AGM after that date is required to be held pursuant to Section 143 (1) of the Companies Act ("Act") (but shall not extend to such extension as may be allowed pursuant to Section 143 (2) of the Act); or
(c) is revoked or varied by resolution passed by the shareholders in a general meeting whichever is earlier;

AND THAT the directors of the Company be authorized to complete and do all such acts and things (including executing all such documents as may be required) as they may consider expedient or necessary to give effect to the Proposed Shareholders' Mandate.

10 **SPECIAL RESOLUTION**
PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION OF THE COMPANY ("PROPOSED AMENDMENTS") (Resolution 10)

"THAT the following amendments to the Articles of Association of the Company be and are hereby approved and adopted and that the Board of Directors be and are hereby authorized to give effect to the said amendments."

Article	Existing Provisions	Amended Provisions
To amend Article 122 (1) (b)	(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.	(b) Subject to the provision of the Act, the Central Depositories Act and the Rules, any **cash distributions** including dividend, interest, **profit rates**, **income distributions**, **capital repayment** or other money payable in cash in respect of **securities** may be paid by banker's draft, money order, cheque or warrant sent through the post to the address of the holder who is named on the Register of Members or Record of Depositors or to such person and to such address as the holder may in writing direct or **by way of telegraphic transfer or electronic transfer or remittance to such account as designated by such holder or the person entitled to such payment**. Every such draft, money order, cheque or warrant or **telegraphic transfer or electronic transfer or remittance** shall be made payable to the order of the person 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 or **telegraphic transfer or electronic transfer or remittance** shall be sent at the risk of the persons entitled to the money represented thereby.

NOTICE OF ANNUAL GENERAL MEETING
(CONT'D)

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

BY ORDER OF THE BOARD

Tan Kok Aun (MACS 01564)
Wong Wai Yin (MAICSA 7003000)
Company Secretaries
Kuala Lumpur
6 August 2013

Notes :

1. In respect of deposited securities, only members whose names appear in the Record of Depositors on 21 August 2013 ("General Meeting Record of Depositors") shall be eligible to attend the Meeting.

2. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account") there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each account it holds.

3. 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.

4. 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.

5. 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.

6. The Proxy Form must be deposited at the Registered Office of the Company at No 1 & 1A, 2nd Floor (Room 2) 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.

7. Explanatory Notes On Special Business

   (i) Resolution 6- The proposed ordinary resolution 1, if passed will enable Dr Victor John Stephen Price to continue in office until the next annual general meeting.

   (ii) Resolution 7-The Nomination Committee and the Board have assessed the independence of Mr Onn Kien Hoe who has served as Independent Non –Executive Director of the Company for a cumulative term of more than nine years and have recommended that he continues to act as an Independent Non-Executive Director of the Company based on the following justifications:

      a) He actively participated in board decision, providing an independent and objective voice in board deliberations and decision making and hence able to act in the best interests of the Company.

      b) He is not related to any Directors and substantial shareholders of the Company.

(iii) Resolution 8- Authority to Issue Shares

The proposed Resolution 8 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 22 August 2012. 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.

(iv) Resolution 9- Proposed Shareholders' Mandate

The proposed resolution, if passed will allow the Group to enter into recurrent related party transactions of a revenue or trading nature pursuant to the provisions of the Listing Requirements of Bursa Malaysia Securities Berhad for the ACE Market.

Please refer to the Circular to Shareholders ***dated 6 August 2013*** for further information.

(v) Special Resolution-Proposed Amendments to the Articles of Association
The proposed amendments to the Articles of Association of the Company are to comply with the recent amendments to Paragraph 8.28A, Chapter 8 of the Bursa Malaysia Securities Berhad, ACE Market Listing Requirements.

STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING

1. Directors who retire by rotation and standing for re-election pursuant to the Articles of Association of the Company

   i) Mr Chan Wing Kong
   ii) Y.A.M.Tunku Dato' Seri Nadzaruddin ibni Almarhum Tuanku Ja'afar

2 Director who retires pursuant to section 129(6) of the Companies Act, 1965

   i) Dr Victor John Stephen Price

3. The profiles of Mr Chan Wing Kong, Y.A.M.Tunku Dato' Seri Nadzaruddin ibni Almarhum Tuanku Ja'afar and Dr Victor John Stephen Price, who are standing for re-election, are set out in the Directors' Profiles appearing on page 9 to 10 of this Annual Report. The Directors' interests in shares are shown in page 29 of the annual report.

4. 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 2013. The details of the attendance of the Directors are shown in page 13 of the Annual Report

5. Place, date and time of the Eleventh Annual General Meeting

   The Eleventh Annual General Meeting is scheduled to be held on Wednesday, 28 August 2013 at Bukit Jalil Golf & Country Resort, Jalan 3/155B, Bukit Jalil 57000 Kuala Lumpur on Wednesday, 28 August 2013 at 2:30p.m.

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

Dr. Chua Hock Hoo
Non-Executive Independent Director

Dr. Victor John Stephen Price
Non-Executive 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

Dr. 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

Dr. 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

Dr. Chua Hock Hoo
Non-Executive Independent Director

Dr. Victor John Stephen Price
Non-Executive Independent Director

ESOS COMMITTEE

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

Onn Kien Hoe
Non-Executive Independent Director

Dr. Victor John Stephen Price
Non-Executive Independent Director

Chan Wing Kong
Chief Executive Officer

COMPANY SECRETARIES

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

REGISTERED OFFICE

No. 1 & 1A, 2nd Floor (Room 2)
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, Pusat Dagangan Dana 1
Jalan PJU 1A/46
47301 Petaling Jaya
Selangor Darul Ehsa
Tel: (03) 7849 0777 (Helpdesk)
Fax: (03) 7841 8151/7841 8152

AUDITORS

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

STOCK EXCHANGE LISTING

ACE Market of Bursa Malaysia

CORPORATE WEBSITE

www.novamsc.com

CORPORATE STRUCTURE

NOVA MSC BERHAD
(591898-H)

100%
NOVACITYNETS Pte Ltd
(Incorporated in Singapore)

- **70%**
  NovaBIM Limited
  (Incorporated in Republic of China)

100%
NOVAHEALTH Pte Ltd
(Incorporated in Singapore)

- **49%**
  JPMCnova Sdn Bhd
  (Incorporated in Brunei)

99.99%
NOVASOLUTIONS (Philippines) Inc
(Incorporated in Philippines)

40%
B-NOVA Sdn Bhd
(Incorporated in Brunei)

CHAIRMAN'S STATEMENT

Dear Shareholders,

Financial Result

For the financial ended 31 March 2013 ("FY12/13"), Group revenue decreased approximately 5% to RM30.7 million as compared to RM32.3 million recorded in the previous financial year ended 31 March 2012 ("FY11/12"). The decrease was mainly due to a mutual agreement with a customer for a partial acceptance of contract and discontinue of any obligation on either party. With lower revenue recorded and coupled with higher staff cost and amortization charge though partly offset by lower impairment charges, the Group incurred a slightly higher loss before taxation of approximately RM4.6 million for FY12/13 as compared to a loss before taxation of approximately RM4.4 million in FY11/12.

Shareholders' fund as at 31 March 2013 stood at approximately RM21.6 million.

Business Review

For FY12/13, business sentiment was affected by the prolonged Euro-zone crisis, elusive US growth and slowdown in Asia. We believe we will continue to face such weak business sentiments into the new financial year.

Despite this, we believe that it is important for the Group to to remain focused and increase market share. We remain steadfast to the strategy of capitalising on the rising demand for healthcare IT solutions and emerging of Building Intelligence Model architecture in the Construction industry. We will continue to expand our marketing effort amidst the challenging market environment. In this regard, in April 2013, the Group had invested NT700,000 (approximately RM72,000), representing an equity interest of 70%, in a Limited Liability Company, incorporated under the relevant law of Taiwan, called novaBIM Limited ("novaBIM") in Taiwan.

Integral to the Group's strategy in driving business growth and improving efficiency, we will continue to invest in R&D. For the financial year ended 31 March 2013, the Group continued its planned development efforts from prior years and incurred approximately RM2.1 million in enhancing our flagship healthcare product, VESALIUS.

Appreciation

Lastly, on behalf of the Board, I would like to express my appreciation to our management and staff, our business partners and clients as well as our shareholders for all their support for the Group.

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,
53, 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 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, Hwang-DBS (Malaysia) Berhad , Hwang -DBS Investment Bank Berhad and Khyra Legacy 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. He has not been convicted of any offences in the last ten (10) years. Tunku Nadzaruddin attended three out of four of the Board Meetings held in the financial year ended 31 March 2013.

Mr Chan Wing Kong,
55, 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-five (25) 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 all four of the Board Meetings held in the financial year ended 31 March 2013.

Dr Victor John Stephen Price,
71, South African,
Non Executive 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 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 served 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 2013.

DIRECTORS' PROFILES
(CONT'D)

Mr Onn Kien Hoe,
48, 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 Crowe Horwath (Kuala Lumpur Office), and is in charge of Crowe 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 also holds directorships in MAA Group Berhad and MAA Takaful 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 2013.

Dr Chua Hock Hoo,
47, Malaysian,
Non Executive Independent Director

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

Dr Chua qualified as a professional accountant from the Chartered Institute of Management Accountant in 1993. He obtained Doctorate in Knowledge Management (PHD) from University of Malaya in 2012 and Master of Business Administration (MBA) from Oklahoma City University, USA in 1995. He had successfully completed the 5th Asean Senior Management Development Program organized by Harvard Business School Alumni Club of Malaysia on 7 July 2013.

Dr 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 and Financial Planning Association of Malaysia, a fellow member of the Chartered Institute of Management Accountants (UK), a fellow member of CPA Australia, and an associate member of the Institute of Internal Auditors Malaysia. He is also a member of Harvard Business School Alumni Club of Malaysia.

Dr Chua 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 Chua attended all four of the Board Meetings held in the financial year ended 31 March 2013.

Mr Suresh Parthasarathy,
42, Indian,
Executive Non-Independent Director

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

He has more than 19 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.

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

Mr Suresh does not have any family relationship with any other Directors and/or major shareholders of the Company. Neither has he been convicted of any offences in the last ten (10) years. Mr Suresh attended all four of the Board Meetings held in the financial year ended 31 March 2013.

STATEMENT OF CORPORATE GOVERNANCE

The Board of Directors ("Board") of Nova MSC Berhad ("the Company") 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 recommendations as set out in the Malaysian Code on Corporate Governance 2012 ("the Code"), where applicable.

The following statements describe the corporate governance practices that were in place in the financial year ended 31 March 2013:-

1. BOARD

1.1 Duties and Responsibilities

The Board is responsible for formulating and reviewing the strategic plans and key policies of the Company while providing effective oversight of Group's performance, risk assessment and controls over business operations.

The Board is also supported by four (4) Board committees to which it delegates specific areas of responsibilities for review and decision making. They are the Audit Committee, Nomination Committee, ESOS committee and Remuneration Committee.

The role of the Management is to support the Executive Directors. 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.

The Company Secretary plays an advisory role to the Board and is responsible for ensuring that the Board procedures are followed and that applicable rules and regulations are complied with. The Company Secretary also ensures that the deliberations at the Board meetings are well captured and documented.

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.

The Company has adopted a Board charter and this is made available on the corporate website. The document aims to govern how the Board conduct its affairs, including the roles and responsibilities of the Board and Board Committees and their processes and procedures for convening their meetings. The Board will review its charter regularly to ensure its effectiveness and relevance to the Board's objectives.

1.2 Composition and Board Balance

Composition

The Board currently has six members, comprising two Executive Directors, one Non-Executive Non-Independent Director who is the Chairman of the Company and three Non-Executive Independent Directors. The Board is mindful that if the chairman is not an independent director, the Board should comprise of a majority of independent directors. However the Board has deliberated and views that it is not necessary to comply with the recommendation 3.5 of the Code due to the following reasons:-

i) The size of the current Board is balanced and the composition of the Board is sufficient.
ii) The Company is not in a complicated business which requires enlarged Board members.
iii) The present Chairman is a substantial shareholder but not a major shareholder of the Company.
iv) The present Chairman holds a non- executive position

The Board is of the opinion that the interests of the shareholders of the Company are fairly represented in 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 Board has further deliberated and views that although the tenure of one of the Independent Directors has exceeded 9 years, he continues to provide independent judgement in carrying out his duties and thus the Board will seek shareholders' approval to allow the affected Director to continue in office as Independent Director of the Company

The profiles of the Directors are provided in pages 9 and 10 of the Annual Report.

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. Appointments are made upon the recommendation of the Nomination Committee. 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	4/4
Suresh Parthasarathy	4/4
Non-Executive Directors	
Y.A.M. Tunku Dato' Seri Nadzaruddin Ibni Almarhum Tuanku Ja'afar	3/4
Onn Kien Hoe	4/4
Dr Victor John Stephen Price	4/4
Dr Chua Hock Hoo	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.

1.7 Directors' Training

At every Board Meeting, all Directors were briefed on the latest developments of the Group's business and operations 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 2012, all Directors have attended development and training programmes, seminars and courses, the details of which are as follows:

1. YAM TUNKU DATO' SERI NADZARUDDIN IBNI ALMARHUM TUANKU JA'AFAR
    - Malaysian Code on Corporate Governance 2012
    - 15th Antah Group Conference

2. MR. ONN KIEN HOE
    - Revenue & Construction Contracts – MFRS 118 & 111
    - National Tax Conference 2012
    - In-House Directors' Training : Fundamentals of Shariah & Shariah Governance Framework
    - Briefing on Risk Based Capital for Takaful (RBCT) Framework
    - Induction Briefing of MAA Group Berhad
    - Professional Development Programme on ISQC1
    - Internal Audit and Risk Management Briefing
    - As Speaker for topic titled Grouping and Restructuring for IPO

3. DR. VICTOR JOHN STEPHEN PRICE
    - Data Protection and Compliance

4. DR. CHUA HOCK HOO
    - National Tax Conference 2012
    - Seminar percukaian kebangsaan 2012
    - 1st Professional Development day 2013

5. MR. CHAN WING KONG
    - Managing Global Political Risk – The Sovereign Debt Threat

6. MR. SURESH PARTHASARATHY
   - Smart Mobility

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 20 to 23.

ii) Nomination Committee

The Nomination Committee comprises of the following members:

- 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
- Dr Chua Hock Hoo, Non-Executive Independent Director

The Committee shall meet at least once a year or as and when deemed fit and necessary.

The duties and responsibilities of the Committee are as follows:-

- To assist the Board in implementing an assessment program to assess the effectiveness of the Board as a whole, the committee of the Board and the individual director on an annual basis.
- To assist the Board in its annual review of its required mix of skills and experience and other qualities, including core competencies which non-executive Directors should bring to the Board
- To nominate and recommend to the Board suitable candidates for directorships. In making such recommendations, to consider candidates proposed by chief executive office and within the bounds of practicability by any other senior executives or any director or shareholder
- To nominate and recommend to the Board the nominees to fill seats on Board committees

During the period under review, the Nominating Committee conducted evaluations on the Board of Directors. The comments and self-assessments by the Board of Directors, their respective contribution and mix of management skills were duly noted by the Board of Directors. The Nominating Committee also conducted an assessment on independence of directors based on criteria laid down in the Listing Requirements.

iii) Employees Share Option Scheme ("ESOS") Committee

The ESOS Committee comprises of the following members:

- 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
- Dr Victor John Stephen Price, Non-Executive Independent Director
- Chan Wing Kong, Executive Non-Independent Director

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.

iv) Remuneration Committee

The Remuneration Committees comprises of the following members:

- 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
- Dr Chua Hock Hoo, Non-Executive Independent Director
- Dr Victor John Stephen Price, Non-Executive Independent Director

It is responsible to assist the Board in developing and establishing commensurate remuneration policies and packages of the Executive Directors.

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 2013 can be categorized into the following components:

Category	Proposed Director's Fees (RM)	Salaries and other emolument (RM)	Total (RM)
Executive Directors	-	901,931	901,931
Non-Executive Directors	181,650	-	181,650

Directors' remuneration is broadly categorized into the following bands:

Range of Remuneration	Number of Directors Executive	Non-Executive
Below 50,000	-	3
RM50,001 to RM100,000	-	1
RM100,001 to RM200,000	1	-
RM200,001 to RM300,000	-	-
RM300,001 to RM400,000	-	-
RM400,001 to RM500,000	-	-
RM500,001 to RM600,000	-	-
RM600,001 to RM700,000	-	-
RM700,001 to RM800,000	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. Information on the Group's business activities and financial performance are disseminated through press release, quarterly reports, annual reports and the Annual General Meeting. In addition, the shareholders and investors may obtain the Company's latest announcement via the Bursa Malaysia Securities Berhad's website at www.bursamalaysia.com.my and the Company's web site at www.novamsc.com.

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 Board is responsible to present a balanced and comprehensive assessment of the Group's financial position to shareholders by means of the annual and quarterly reports and other published information. The Audit Committee assists the Board in scrutinising information for disclosure to ensure accuracy, adequacy and completeness and that the financial statements are drawn up in accordance with the provisions of the Companies Act, 1965.

4.2 Directors' Responsibility in 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.

4.3 Internal Control

The Group's Statement on Risk Management and Internal Control is set out on pages 24 to 26 of this Annual Report.

4.4 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.

4.5 Corporate Social Responsibilities ("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 endeavour, 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.

ADDITIONAL COMPLIANCE INFORMATION

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

1. SHARE BUY-BACK

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

2. OPITONS, WARRANTS OR CONVERIBLE SECURITIES

The Company had granted options under the Employee Share Option Scheme ("ESOS") governed by the By-Laws that was approved by the Company's shareholders at the Extraordinary General Meeting held on 28 September 2004. The ESOS was implemented on 31 October 2005 and is to be in force for a period of ten (10) years from the date of implementation. There is one (1) ESOS in existence during the financial year ended 31 March 2013 with information as follows:-

	During the Financial Year Ended 31 March 2013	**Since Commencement of ESOS on 31 October 2005**
Total number of options or shares granted	-	46,980,000
Total number of options exercised or shares vested	-	11,865,000
Total options or shares outstanding	-	17,410,000

Granted to Directors and Chief Executive	**During the Financial Year Ended 31 March 2013**	**Since Commencement of ESOS on 31 October 2005**
Aggregate options or shares granted	-	11,460,000
Aggregate options exercised or shares vested	-	2,700,000
Aggregate options or shares outstanding	-	4,160,000

Granted to Directors and senior management	**Since Commencement of ESOS on 31 October 2005**
Aggregate maximum applicable to directors and senior management in percentage; and	50%
The actual percentage granted to them	40%

3. NON-AUDIT FEES

The amount of non-audit fee incurred for services rendered to the Company by the external auditor was RM5,000 for the financial year ended 31 March 2013.

4. VARIATION OF RESULTS

There was no material variation between the audited result for the financial year ended 31 March 2013 and that of the unaudited results previously announced on 25 May 2012.

5. MATERIAL CONTRACTS

For the financial year ended 31st March 2013, no contracts of a material nature were entered into or were subsisting between the Group and its Directors or major shareholders.

6. DEPOSITORY RECEIPT PROGRAMME

The Group did not sponsor any such programme during the financial year.

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
Dr Chua Hock Hoo	Member	Non-Executive 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.

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 meetings 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.

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;
   f. Any management letters sent by the external auditors to the Company and the management's response to such letters;
   g. Any letter of resignation from the Company's external auditors;
   h. The assistance given by the Company's officers to the external auditors;
   i. All areas of significant financial risk and the arrangements in place to contain those risks to acceptable levels; and
   j. All related-party transactions and potential conflict of interests situations.
   k. 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.

SUMMARY OF ACTIVITIES OF THE COMMITTEE

The Audit Committee met 4 times during the financial year ended 31 March 2013. 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	3/4
Dr. Chua Hock Hoo	4/4

During the financial year ended 31 March 2013, 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 outsource 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 2013 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 17 July 2013.

STATEMENT BY THE AUDIT COMMITTEE IN RELATION TO THE ESOS ALLOCATION

During the financial year, no share 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.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

The Board of Directors ("the Board") is fully committed to maintain a sound system of internal control and risk management in accordance with Principle 6 of the Malaysian Code on Corporate Governance 2012 to safeguard shareholders' investments, the Group's assets and the interest of other stakeholders. The Board is pleased to present the Statement on Risk Management and Internal Control which outlines the Group's internal control framework and risk management system for the financial year ended March 31, 2013 pursuant to Paragraph 15.26(b) of Requirements of Bursa Malaysia Securities Berhad for the ACE Market ("the AMLR") and the Statement on Risk Management & Internal Control: Guidelines for Directors of Listed Issuers.

1. Responsibility

The Board has overall responsibility for the Group's risk management and system of internal controls and for reviewing its adequacy and effectiveness. Management is responsible for implementing the processes for identifying, assessing, monitoring and reporting of risks and internal control to the Board. Management's duties include taking appropriate and timely corrective actions as needed to mitigate and control these risks and providing assurance to the Board that the processes for identifying, evaluating and managing significant risks have been carried out.

2. Internal Control and Risk Management Framework

2.1 The Board confirms that there is a sound internal control framework and ongoing process for identifying, evaluating, monitoring and managing the significant risks faced by the Group in the achievement of its objectives and strategies. The Board reviews the process, taking into account changes in the regulatory and business environment to ensure the adequacy and effectiveness of the system of risk management and internal controls. The framework and ongoing process have been in place for the financial year under review and up to the date of approval of this Statement for inclusion in the Annual Report.

2.2 The Board recognises that the system of internal control and risk management is designed to manage and minimize the risk of failure rather than eliminate the risks involved. Therefore, the Board is cognizant that the systems implemented can provide only reasonable and not absolute assurance against the occurrence of any material misstatement and loss.

3. Internal Audit Function

3.1 The Group's internal audit function has been outsourced to an independent party which assists the Audit Committee and the Board in discharging their responsibilities. The internal audit function provides independent, objective assurance and advisory services that add value and improve the operations by:

- ensuring the existence of processes to monitor the effectiveness and efficiency of operations and the achievement of business objectives;
- ensuring the adequacy and effectiveness of internal control and management information systems for safeguarding of assets and providing consistent, accurate financial and operational data;
- promoting risk awareness and the value and nature of an effective internal control system;
- ensuring compliance with laws, regulations, corporate policies and procedures;
- assisting management in accomplishing its objectives by adopting a systematic and disciplined audit approach in evaluating and improving the effectiveness of risk management, control and governance processes within the Group's operations; and
- testing the effectiveness and efficiency of the internal controls systems periodically to ensure that they are effective and viable.

3.2 The internal audit function reports directly to the Audit Committee and focuses on high priority activities determined by risk assessment in accordance with the Audit Planning Memorandum approved by the Audit Committee. Please refer to the Audit Committee Report on pages 20 to 23.

4. Internal Control Systems and Risk Management

The main features of the Group's internal control system and risk management are described below:

- 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.

5. Review of the Statement by the External Auditors

This Statement has been reviewed by the External Auditors for inclusion in the Annual Report 2013 in accordance with Paragraph 15.23 of the AMLR. The External Auditors have reported to the Board that nothing has come to their attention that caused them to believe that this Statement is inconsistent with their understanding of the processes adopted by the Board in reviewing the adequacy and effectiveness of the risk management and internal control system of the Group.

6. Conclusion by the Board

6.1 The Board, through the Audit Committee, has reviewed the adequacy and effectiveness of the risk management and internal control system based on the information:-

(i) provided by key management in the Company delegated with the responsibility for the development and maintenance of the internal control and risk management framework and processes;

(ii) from the Internal Auditors, who submit regular reports to the Audit Committee which include their independent and objective opinion on the adequacy and effectiveness of the Company's systems of risk management and internal control together with recommendations for improvement;

(iii) provided by the External Auditors.

6.2 The Board has received assurance from the Chief Executive Officer and Financial Controller that the Group's risk management and internal control systems are operating adequately and effectively, in all material aspects, based on the risk management and internal control system of the Group.

6.3 The Group's risk management and internal control system does not apply to the associate company as the Board does not have control over its operations. Notwithstanding, the Group's interests are served through representation on the board of the associate company which provide the Board with timely information and decision making in relation to the investment in its associate company.

6.4 No material losses were incurred during the financial year under review as a result of weaknesses in risk management and the internal control system. The Board and management will continue to take adequate measures to strengthen the control environment in which the Group operates.

6.5 The Board is satisfied that the risk management and internal control systems in place for the financial year ended 31 March 2013 are adequate and effective to safeguard shareholders' investments, the Group's assets and the interest of other stakeholders.

6.6 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 is made in accordance with the resolution of the Board dated 17 July 2013.

REPORTS AND FINANCIAL STATEMENTS

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 2013.

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 and the associates are as stated in Note 7 and 8 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
Loss for the year	(4,617,727)	(3,441,087)

3. RESERVES AND PROVISIONS

There were no material transfers to or from reserves and provisions during the year except as 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 2013.

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

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 1.4.2012	Bought	Sold	As at 31.3.2013
Direct interest				
Y.A.M. Tunku Dato' Seri Nadzaruddin Ibni Almarhum Tuanku Ja'afar	2,590,000	-	-	2,590,000
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 1.4.2012	Granted	Exercised	As at 31.3.2013
Y.A.M. Tunku Dato' Seri Nadzaruddin Ibni Almarhum Tuanku Ja'afar	0.10	1,160,000	-	-	1,160,000
Chan Wing Kong	0.10	760,000	-	-	760,000
Victor John Stephen Price	0.10	820,000	-	-	820,000
Onn Kien Hoe	0.10	980,000	-	-	980,000
Chua Hock Hoo	0.10	440,000	-	-	440,000

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.

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 certain Directors who have or are 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 28 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 8 of the Directors' Report.

8. 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 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.

(v) An option may be exercised by notice in writing to the Company in the precribed 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:-

	Number of options over ordinary shares of RM0.10 each in the Company				
Grant date	**As at 1.4.2012**	**Granted**	**Exercised**	**Lapsed**	**As at 31.3.2013**
15.6.2007	5,580,000	-	-	(240,000)	5,340,000
1.10.2009	5,230,000	-	-	-	5,230,000
1.10.2010	3,400,000	-	-	-	3,400,000
15.4.2011	3,440,000	-	-	-	3,440,000
	17,650,000	-	-	(240,000)	17,410,000

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

	Number of options over ordinary shares of RM0.10 each in the Company			
	Exercise price	**Expiry**	**Number of options**	
Grant date	**RM**	**date**	**2013**	**2012**
15.6.2007	0.10	30.10.2015	5,340,000	5,580,000
1.10.2009	0.10	30.10.2015	5,230,000	5,230,000
1.10.2010	0.10	30.10.2015	3,400,000	3,400,000
15.4.2011	0.10	30.10.2015	3,440,000	3,440,000
			17,410,000	17,650,000

9. 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 2013 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 2013 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.

10. EVENT SUBSEQUENT TO BALANCE SHEET DATE

On 30 April 2013, novaCitynets Pte Ltd ("novaCIYTNETS"), a wholly owned subsidiary of the Company, had invested NT700,000 (approximately RM72,000), representing an equity interest of 70%, in a Limited Liability Company, incorporated under the relevant law of Republic of China ("Taiwan"), called novaBIM Limited ("novaBIM") in Taiwan. The remaining 30% equity interests in novaBIM are owned by other Taiwanese individuals.

11. 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,

17 July 2013

STATEMENTS OF FINANCIAL POSITION
AS AT 31 MARCH 2013

		GROUP			COMPANY		
		31.03.2013	31.03.2012	01.04.2011	31.03.2013	31.03.2012	01.04.2011
	Note	RM	RM	RM	RM	RM	RM
ASSETS							
Non-Current Assets							
Property, plant and equipment	5	570,590	403,052	207,175	32,504	64,514	83,467
Intangible assets	6	8,755,501	12,601,836	19,639,728	-	-	-
Investment in subsidiaries	7	-	-	-	27,740,391	28,885,638	10,292,156
Investment in associates	8	694,453	565,164	402,669	29,072	29,072	29,072
		10,020,544	13,570,052	20,249,572	27,801,967	28,979,224	10,404,695
Current Assets							
Amount due from contract customers	10	6,569,328	13,670,389	7,010,145	26,040	613,637	-
Trade and other receivables	11	13,818,709	4,532,282	10,558,964	1,890,455	155,898	16,291,187
Tax recoverable		4,857	3,754	2,745	4,857	3,754	2,745
Cash and bank balances	12	4,279,725	6,477,741	2,431,602	188,331	280,676	714,777
		24,672,619	24,684,166	20,003,456	2,109,683	1,053,965	17,008,709
TOTAL ASSETS		34,693,163	38,254,218	40,253,028	29,911,650	30,033,189	27,413,404
EQUITY							
Share capital	13	40,279,800	40,279,800	40,279,800	40,279,800	40,279,800	40,279,800
Share premium	14	8,307,010	8,307,010	8,307,010	8,307,010	8,307,010	8,307,010
Accumulated losses		(31,598,531)	(26,997,316)	(22,643,392)	(26,627,623)	(23,203,048)	(25,876,852)
Equity compensation reserve		941,940	958,452	854,396	941,940	958,452	854,396
Foreign currency translation reserve		3,640,794	3,100,518	2,707,015	-	-	-
Equity attributable to the shareholders of the Company		21,571,013	25,648,464	29,504,829	22,901,127	26,342,214	23,564,354
LIABILITIES							
Non-Current Liabilities							
Bank borrowings	16	-	811,666	-	-	-	-
Current Liabilities							
Amount due to contract customers	10	41,044	132,476	948,627	-	-	-
Trade and other payables	17	8,477,511	10,038,278	8,611,677	7,010,523	3,690,975	3,246,747
Bank borrowings	16	4,603,595	1,623,334	1,187,895	-	-	602,303
		13,122,150	11,794,088	10,748,199	7,010,523	3,690,975	3,849,050
TOTAL LIABILITIES		13,122,150	12,605,754	10,748,199	7,010,523	3,690,975	3,849,050
TOTAL EQUITY AND LIABILITIES		34,693,163	38,254,218	40,253,028	29,911,650	30,033,189	27,413,404

The notes on pages 38 to 86 form part of these financial statements.

STATEMENTS OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH 2013

	Note	GROUP 2013 RM	GROUP 2012 RM	COMPANY 2013 RM	COMPANY 2012 RM
Revenue	18	30,682,716	32,269,579	4,037,382	1,400,189
Other income		524,862	252,965	-	-
Net reversal of impairment loss for investment in subsidiary companies		-	-	-	3,869,353
Employee benefits expenses	19	(18,955,497)	(15,348,095)	(1,862,695)	(1,618,442)
Hardware and material costs		(6,264,070)	(7,863,839)	(4,757,261)	(82,572)
Office rental		(1,105,474)	(892,472)	(99,305)	(98,052)
Other expenses		(3,014,700)	(2,400,634)	(725,828)	(763,837)
Depreciation and amortisation		(5,568,133)	(5,729,330)	(38,343)	(56,401)
Impairment loss for intangible assets		(908,157)	(4,753,026)	-	-
Interest income		5,537	25,304	4,963	19,961
Finance costs	20	(130,829)	(144,559)	-	(36,989)
Share of profit of associates		116,018	189,589	-	-
(Loss)/profit before taxation	22	(4,617,727)	(4,394,518)	(3,441,087)	2,633,210
Tax expense	23	-	(4,990)	-	(4,990)
(Loss)/profit for the year		(4,617,727)	(4,399,508)	(3,441,087)	2,628,220
Other comprehensive income					
Foreign currency translation		540,276	393,503	-	-
Other comprehensive income for the year, net of tax		540,276	393,503	-	-
Total comprehensive (loss)/income for the year		(4,077,451)	(4,006,005)	(3,441,087)	2,628,220
LOSS PER ORDINARY SHARE					
Basic	24	(1.15) sen	(1.09) sen		
Fully diluted	24	N.A.	N.A.		

The notes on pages 38 to 86 form part of these financial statements.

STATEMENTS OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2013

	Attributable to the shareholders of the Company					
	Non-distributable			Non-distributable		
GROUP	Share Capital RM	Share Premium RM	Accumulated Losses RM	Equity Compensation Reserve RM	Foreign currency Translation Reserve RM	Total RM
2013						
At 1 April 2012	40,279,800	8,307,010	(26,997,316)	958,452	3,100,518	25,648,464
Total comprehensive loss	-	-	(4,617,727)	-	540,276	(4,077,451)
Transfer to retained earnings on ESOS lapsed	-	-	16,512	(16,512)	-	-
At 31 March 2013	40,279,800	8,307,010	(31,598,531)	941,940	3,640,794	21,571,013
2012						
At 1 April 2011	40,279,800	8,307,010	(22,643,392)	854,396	2,707,015	29,504,829
Total comprehensive loss	-	-	(4,399,508)	-	393,503	(4,006,005)
Transfer to retained earnings on ESOS lapsed	-	-	45,584	(45,584)	-	-
Equity compensation arising from Group ESOS	-	-	-	149,640	-	149,640
At 31 March 2012	40,279,800	8,307,010	(26,997,316)	958,452	3,100,518	25,648,464

	Attributable to the shareholders of the Company				
	Non-distributable			Non-distributable	
COMPANY	Share Capital RM	Share Premium RM	Accumulated Losses RM	Equity Compensation Reserve RM	Total RM
2013					
As at 1 April 2012	40,279,800	8,307,010	(23,203,048)	958,452	26,342,214
Total comprehensive loss	-	-	(3,441,087)	-	(3,441,087)
Transfer to retained earnings on ESOS lapsed	-	-	16,512	(16,512)	-
As at 31 March 2013	40,279,800	8,307,010	(26,627,623)	941,940	22,901,127
2012					
As at 1 April 2011	40,279,800	8,307,010	(25,876,852)	854,396	23,564,354
Total comprehensive income	-	-	2,628,220	-	2,628,220
Transfer to retained earnings on ESOS lapsed	-	-	45,584	(45,584)	-
Equity compensation arising from Group ESOS	-	-	-	149,640	149,640
As at 31 March 2012	40,279,800	8,307,010	(23,203,048)	958,452	26,342,214

The notes on pages 38 to 86 form part of these financial statements.

STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2013

	GROUP		COMPANY	
	2013	2012	2013	2012
	RM	RM	RM	RM
CASH FLOWS FROM OPERATING ACTIVITIES				
(Loss)/profit before taxation	(4,617,727)	(4,394,518)	(3,441,087)	2,633,210
Adjustments for:				
Amortisation of intangible assets	5,334,305	5,555,737	-	-
Depreciation of property, plant and equipment	233,828	173,593	38,343	56,401
Impairment loss on trade receivables	72,237	-	-	-
Impairment loss on intangible assets	908,157	4,753,026	-	-
Net reversal of impairment loss for investment in subsidiary companies	-	-	-	(3,869,353)
Property, plant and equipment written off	-	1,498	-	-
Loss on foreign exchange (net)	103,260	80,754	-	-
Share of associates profits	(116,018)	(189,589)	-	-
Interest expense	130,829	144,559	-	36,989
Interest income	(5,537)	(25,304)	(4,963)	(19,961)
Share-based compensation expense	-	149,640	-	62,640
Operating profit/(loss) before working capital changes	2,043,334	6,249,396	(3,407,707)	(1,100,074)
Changes in working capital:				
Amount due from contract customers	7,009,629	(7,476,395)	587,597	(613,637)
Trade and other receivables	(9,358,664)	6,026,682	(589,310)	1,498,161
Trade and other payables	(1,560,767)	1,426,601	3,319,548	444,228
Cash (used in)/generated from operations	(1,866,468)	6,226,284	(89,872)	228,678
Income tax paid	(1,103)	(6,000)	(2,000)	(6,000)
Income tax refunded	-	-	897	-
Interest paid	(130,829)	(144,559)	-	(36,989)
Net cash (used in)/generated from operating activities	(1,998,400)	6,075,725	(90,975)	185,689
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchase of property, plant and equipment	(403,153)	(389,649)	(6,333)	(37,448)
Development expenditure incurred, net of government grant received	(2,105,587)	(2,942,105)	-	-
Dividend received from an associate	-	32,665	-	-
Investment in associates	-	-	-	-
Interest received	5,537	25,304	4,963	19,961
Net cash used in investing activities	(2,503,203)	(3,273,785)	(1,370)	(17,487)

The notes on pages 38 to 86 form part of these financial statements.

	GROUP		COMPANY	
	2013	**2012**	**2013**	**2012**
	RM	**RM**	**RM**	**RM**
CASH FLOWS FROM FINANCING ACTIVITIES				
Decrease in pledged deposits placed with licensed banks	(126,287)	1,293,832	(4963)	436,477
Repayment of bank borrowings	(1,572,405)	(594,627)	-	-
Drawdown of bank borrowings	3,741,000	2,435,000	-	-
Net cash generated from financing activities	2,042,308	3,134,205	(4963)	436,477
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(2,459,295)	5,936,145	(97,308)	604,679
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	5,851,946	(90,328)	117,153	(487,526)
FOREIGN EXCHANGE DIFFERENCE ON OPENING BALANCE	134,992	6,129	-	-
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	3,527,643	5,851,946	19,845	117,153

		GROUP		COMPANY
	2013	**2012**	**2013**	**2012**
	RM	**RM**	**RM**	**RM**
Cash and bank balances	3,527,643	3,253,423	19,845	117,153
Deposits with licensed banks	752,082	3,224,318	168,486	163,523
Less: Fixed deposit pledged with banks	(752,082)	(625,795)	(168,486)	(163,523)
	-	2,598,523	-	-
	3,527,643	5,851,946	19,845	117,153

The notes on pages 38 to 86 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
- 31 MARCH 2013

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 and the associates are as stated in Note 7 and 8 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 17 July 2013.

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 places of business of the Company are :-

- 2-D Block 2330, Century Square, 63000 Cyberjaya
- E33-3A, Dataran 3 Two Square, No 2, Jalan 19/1, 46300 Petaling Jaya

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted by the Group and the Company, unless otherwise stated below, are consistent with those applied in the previous financial year.

3.1 Basis of preparation

The financial statements of the Group and the Company have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards and the provisions of the Companies Act, 1965 in Malaysia.

The accounting policies adopted by the Group and the Company are consistent with those applied in the previous financial year other than the adoption of the new and revised Financial Reporting Standards ("FRSs"), Issues Committee ("IC") Interpretations and amendments to FRSs and IC Interpretations issued by the Malaysian Accounting Standards Board ("MASB"), as set out in Note 3.2 below, which are effective from the beginning of the current financial year.

These financial statements of the Group and of the Company are the first set of financial statements prepared in accordance with MFRSs and, MFRS 1, First-time Adoption of Malaysian Financial Reporting Standards, has been applied. Previously, the financial statements of the Group and the Company were prepared in accordance with the Financial Reporting Standards ("FRSs") in Malaysia. The financial effects on the transition to MFRSs are disclosed in Note 33.

The accounting policies disclosed below have been consistently applied in the preparation of financial statements of the Group and of the Company for the year ended 31 March 2013, the comparative figures for the year ended 31 March 2012 and the opening MFRS statement of financial position as at 1 April 2011 (date of transition to MFRSs).

The financial statements of the Group and of the Company are prepared under the historical cost convention unless otherwise indicated in this summary of significant accounting policies.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.2 New MFRSs, IC Interpretations and Amendments to MFRSs That Are Not Yet Effective and Have Not Been Early Adopted

The Group has not early adopted the following new MFRSs, IC Interpretations and amendments to MFRSs which have been issued by the Malaysian Accounting Standards Board ("MASB") but are not yet effective:-

		Effective for financial period beginning on or after
Amendments to MFRS 101	Presentation of Financial Statements - Presentation of Items of Other Comprehensive Income	1 July 2012
MFRS 10	Consolidated Financial Statements	1 January 2013
MFRS 11	Joint Arrangements	1 January 2013
MFRS 12	Disclosure of Interests in Other Entities	1 January 2013
MFRS 13	Fair Value Measurement	1 January 2013
MFRS 119 (Revised)	Employee Benefits	1 January 2013
MFRS 127 (Revised)	Separate Financial Statements	1 January 2013
MFRS 128 (Revised)	Investments in Associates and Joint Ventures	1 January 2013
IC Interpretation 20	Stripping Costs in the Production Phase of a Surface Mine	1 January 2013
Amendments to MFRS 7	Financial Instruments : Disclosures - Offsetting Financial Assets and Financial Liabilities	1 January 2013
Amendments to MFRS 1	First-time Adoption of Malaysian Financial Reporting Standards - Government Loans	1 January 2013
Amendments to MFRS 1	First-time Adoption of Malaysian Financial Reporting Standards (Annual Improvements 2009 -2011 Cycle)	1 January 2013
Amendments to MFRS 10, MFRS 11 and MFRS 12	Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance	1 January 2013
Amendments to MFRS 101	Presentation of Financial Statements (Annual Improvements 2009 - 2011 Cycle)	1 January 2013
Amendments to MFRS 116	Property, Plant and Equipment (Annual Improvements 2009 - 2011 Cycle)	1 January 2013
Amendments to MFRS 132	Financial Instruments : Presentation (Annual Improvements 2009 - 2011 Cycle)	1 January 2013
Amendments to MFRS 134	Interim Financial Reporting (Annual Improvements 2009 - 2011 Cycle)	1 January 2013
Amendments to MFRS 132	Financial Instruments : Presentation - Offsetting Financial Assets and Financial Liabilities	1 January 2014
Amendments to MFRS 10, MFRS 12 and MFRS 127	Investment Entities	1 January 2014
MFRS 9	Financial Instruments (IFRS 9 issued by International Accounting Standards Board ("IASB") in November 2009)	1 January 2015
MFRS 9	Financial Instruments (IFRS 9 issued by "IASB" in October 2010)	1 January 2015

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.2 New MFRSs, IC Interpretations and Amendments to MFRSs That Are Not Yet Effective and Have Not Been Early Adopted (Cont'd)

The Group and Company plan to apply the above MFRSs, IC Interpretations and amendments that are applicable to their business operations once they become effective. The main features of these standards are summarised below:-

(a) Amendments to MFRS 101, Presentation of Financial Statements - Presentation of Items of Other Comprehensive Income

The main change resulting from the amendments was a requirement to group items presented in other comprehensive income ("OCI") on the basis of whether they are potentially reclassifiable to profit or loss subsequently (reclassification adjustments). The amendments did not address which items are presented in OCI.

The adoption of these amendments will not have any financial impact other than the changes in the presentation of OCI.

(b) MFRS 10, Consolidated Financial Statements

MFRS 10 defines the principle of control and establishes control as the basis for determining which entities are consolidated in the consolidated financial statements. An investor controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. This standard replaces MFRS 127, Consolidated and Separate Financial Statements, on the definition of control and requirements for consolidation.

(c) MFRS 13, Fair Value Measurements

MFRS 13 establishes the definition of fair value and a single framework for measuring fair value and requirements for disclosures about fair value measurements. This MFRS applies when another MFRS requires or permits fair value measurements or disclosures about fair value measurements. As a result, MFRS 13 remedy the inconsistencies in the requirements for measuring fair value and disclosures about fair value measurements across the MFRSs.

(d) MFRS 9, Financial Instruments

MFRS 9 is intended to replace MFRS 139 in its entirety. Under MFRS 9, financial assets are classified as subsequently measured at either amortised cost or fair value on the basis of both an entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets. These requirements improve and simplify the approach for classification and measurement of financial assets as the numerous categories of financial assets in MFRS 139 had been replaced. Most of the requirements in MFRS 139 for classification and measurement of financial liabilities were carried forward unchanged to MFRS 9. The guidance in MFRS 139 on impairment of financial assets and hedge accounting continues to apply.

(e) MFRS 119, Employee Benefits (Revised)

The revised MFRS 119 changes the accounting for defined benefits plan and termination benefits. The revised standard requires the recognition of changes in defined benefit obligations and in fair value of plan assets when they occur, and hence eliminate the 'corridor approach' permitted under the previous standard and accelerate the recognition of past service costs. The revised MFRS 119 also requires all actuarial gains and losses to be recognised immediately through other comprehensive income in order for the net defined benefit liability or asset recognised on the statement of financial position to reflect the full value of the plan deficit or surplus.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.2 New MFRSs, IC Interpretations and Amendments to MFRSs That Are Not Yet Effective and Have Not Been Early Adopted (Cont'd)

(f) Amendments to MFRS 10, MFRS 12 and MFRS 127, Investment Entities

Investment entities are entities whose business purpose is to invest funds solely for returns from capital appreciation, investment income or both. The amendments require investment entities to measure particular subsidiaries at fair value through profit or loss instead of consolidating them. The amendments also introduce new disclosure requirements for investment entities in MFRS 12, Disclosure on Interests in Other Entities and MFRS 127, Separate Financial Statements.

The above standards are not expected to have any material financial impact on the financial statements of the Group and of the Company in the year of initial adoption.

3.3 Basis of Consolidation

The consolidated financial statements include the financial statements of the Company and all its subsidiaries made up to the end of the financial year. The financial statements of the subsidiaries are prepared for the same reporting date as the Company.

Subsidiaries are those entities in which the Group has the power to exercise control over the financial and operating policies so as to obtain benefits from their activities. In assessing control, the existence and effect of potential voting rights that are currently exercisable or convertible are taken into account. Subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control and continue to be consolidated until the date that such control ceases.

Acquisitions of subsidiaries are accounted for using the acquisition method of accounting except for subsidiaries arising from common control transfers. The consideration transferred for the acquisition of a subsidiary is measured at fair value and is calculated as the sum of the acquisition-date fair values of assets transferred, liabilities incurred, equity interests issued and contingent consideration given. Acquistion-related costs are recognised as an expense in the periods in which the costs are incurred.

In a business combination achieved in stages, any previously held equity interest is remeasured at its acquisition-date fair value and the resulting gain or loss is recognised in profit or loss.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, except for non-current assets that are classified as held for sale which shall be recognised at fair value less costs to sell.

For acquisitions on or after 1 January 2011, goodwill is measured as the excess of the aggregate of the consideration transferred, the amount of any non-controlling interests and the acquistion-date fair value of any previously held equity interest over the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed. The excess of the Group's interest in the net amounts of the identifiable assets, liabilities and contingent liabilities over the aggregate of the consideration transferred, the amount of any non-controlling interest and the acquistion-date fair value of any previously held equity interest is recognised immediately in profit or loss.

The Group has elected not to restate its past business combinations which occurred before 1 January 2011 upon transition to the MFRS framework.

Subsidiaries arising from common control combinations are consolidated using the principles of merger accounting. The common control combinations are business combinations in which all the combining entities have common ultimate controlling parties prior to and immediately after such combinations. Under the principles of merger accounting, the assets and liabilities of the combining entities are consolidated using the existing book values from the controlling parties' perspective and the results of each of the combining entity are presented as if the combination had been effected throughout the current and previous comparative periods presented. On consolidation, the cost of investment is matched against the nominal value of ordinary shares acquired and any resulting credit difference (merger reserve) is classified under equity as a non distributable reserve and any resulting debit difference (merger deficit) is adjusted against suitable consolidated reserves.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.3 Basis of Consolidation (Cont'd)

Non-controlling interests represents that portion of profit or loss and net assets of a subsidiary not attributable, directly or indirectly, to the Group. For each business combination, non-controlling interests is measured either at its fair value at the acquisition date or at the non-controlling interest's proportionate share of the subsidiary's identifiable net assets. Non-controlling interests in the net assets of consolidated subsidiaries comprised the amount of non-controlling interests at the date of original combination and its share of changes in equity since the date of combination.

In preparing consolidated financial statements, intra-group balances and transactions and the resulting unrealised profits are eliminated on consolidation. Unrealised losses are eliminated on consolidation and the relevant assets are assessed for impairment. The consolidated financial statements reflect external transactions and balances only. The total comprehensive income of a subsidiary is attributed to the Group and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Changes in the Group's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. If the Group loses control of a subsidiary, the assets (including any goodwill) and liabilities of the subsidiary and non-controlling interests will be derecognised at their carrying amounts at the date when control is lost. Any investment retained in the former subsidiary is recognised at its fair value at the date when control is lost. The resulting difference between the amounts derecognised and the aggregate of the fair value of consideration received and investment retained is recognised as gain or loss in profit or loss attributable to the Group.

3.4 Goodwill on consolidation

Goodwill arising on the acquisition of a subsidiary is recognised as an asset and is measured at cost less accumulated impairment losses. Goodwill is tested for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. For the purpose of impairment testing, goodwill from acquisition date is allocated to each of the Group's cash-generating unit ("CGU") or groups of CGUs that are expected to benefit from the synergies of the combination in which the goodwill arose. The test for impairment of goodwill on consolidation is in accordance with the Group's accounting policy for impairment of assets.

Where goodwill forms part of a CGU or groups of CGUs and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative values of the operation and the portion of the CGU retained.

3.5 Property, Plant and Equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Cost includes expenditure that is directly attributable to the acquisition of the asset.

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the profit or loss during the financial period in which they are incurred.

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%

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.5 Property, Plant and Equipment (Cont'd)

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. The difference between the net disposal proceeds, if any, and the net carrying amount is recognised in profit or loss.

The residual values and useful lives of assets are reviewed at each financial year end and adjusted prospectively, if appropriate, where expectations differ from previous estimates. Property, plant and equipment are reviewed for impairment in accordance with the Group's accounting policy for impairment of assets.

3.6 Intangible Assets

Research costs and development expenditure

Research costs are charged as an expense in the profit or loss 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 avaliable; 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.

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 accumulated imparment 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.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.7 Impairment of non-financial assets

The carrying amounts of non-financial assets (other than inventories and deferred tax assets) are reviewed for impairment at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated to determine the amount of impairment loss. For goodwill, intangible assets that have an indefinite useful life and intangible assets that are not yet available for use, the recoverable amount is estimated at the end of each reporting period or more frequently when indicators of impairment are identified.

An impairment loss is recognised if the carrying amount of an asset or a cash generating unit (CGU) exceeds its recoverable amount. A CGU is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or group of assets. Impairment losses recognised in respect of CGUs (or groups of CGUs) are allocated first to reduce the carrying amount of any goodwill allocated to the units (or groups of units) and then to reduce the carrying amount of the other assets in the units (or groups of units) on a pro rata basis.

The recoverable amount of an asset or CGU is the higher of its fair value less costs to sell and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

An impairment loss is charged to the profit or loss in the period in which it arises, unless the asset is carried at revalued amount. Any impairment loss of a revalued asset is recognised in other comprehensive income for that asset to the extent that the impairment loss does not exceed the amount held in the revaluation surplus account.

Impairment loss on goodwill is not reversed in a subsequent period. An impairment loss for an asset other than goodwill is reversed if, and only if, there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying amount of an asset other than goodwill is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of amortisation or depreciation) had no impairment loss been recognised for the asset in prior years. A reversal of impairment loss for an asset other than goodwill is recognised to the profit or loss unless the asset is carried at revalued amount, in which case, such reversal is treated as a revaluation increase.

3.8 Investments in Subsidiaries

In the Company's separate financial statements, investments in subsidiaries are stated at cost less any accumulated impairment losses. The investments are reviewed for impairment in accordance with the Group's accounting policy for impairment of non-financial assets.

3.9 Investments in Associates

An associate is an entity, including an unincorporated entity, in which the Group have significant influence but not control or joint control over the financial and operating policies of such an entity.

In the Company's separate financial statements, investment in associate is accounted for at cost less any accumulated impairment losses.

Investment in associate is accounted for in the consolidated financial statements using the equity method of accounting (except when the investment is classified as held for sale, in which case it is accounted for in accordance with MFRS 5, Non-current Assets Held for Sale and Discontiuned Operations) and are initially recognised at cost. Under the equity method of accounting, the Group's share of the associate's post-acquisition profits or losses is recognised in the income statement and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income. The cumulative post-acquisition changes in net assets of the associate are adjusted against the carrying amount of the investment. Equity accounting is discontinued when the Group's share of losses of an associate equals or exceeds its interest in the associate unless the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.9 Investments in Associates (Cont'd)

Unrealised gains on transactions between the Group and the associate are eliminated to the extent of the Group's interest in the associate. Unrealised losses are eliminated on consolidation and the relevant assets are assessed for impairment.

Goodwill relating to an associate is included in the carrying amount of the investment and is not amortised. Any excess of the Group's share of net fair value of the associate's identifiable assets, liabilities and contingent liabilities over the cost of the investment is excluded from the carrying amount of the investment and is instead included as income in the determination of the Group's share of the associate's profit or loss in the period in which the investment is acquired.

In applying the equity method of accounting, the latest audited financial statements of the associates are used. Where the dates of the audited financial statements used are not coterminous with those of the Group, the share of results is arrived at from the last audited financial statements available, where necessary, appropriate adjustments are made to the financial statements of the associate to ensure consistency of the accounting policies used with those of the Group.

3.10 Financial Assets

Financial assets are recognised in the statements of financial position when, and only when, the Group and the Company become a party to the contractual provisions of the financial instrument.

When financial assets are recognised initially, they are measured at fair value, plus, in the case of financial assets not at fair value through profit or loss, directly attributable transaction costs.

The Group and the Company determine the classification of their financial assets at initial recognition, and the categories include financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments and available-for-sale financial assets.

a) Financial assets at fair value through profit or loss

Financial assets are classified as financial assets at fair value through profit or loss if they are held for trading or are designated as such upon initial recognition. Financial assets held for trading are derivatives (including separated embedded derivatives) or financial assets acquired principally for the purpose of selling in the near term.

Subsequent to initial recognition, financial assets at fair value through profit or loss are measured at fair value. Any gains or losses arising from changes in fair value are recognised in profit or loss. Net gains or net losses on financial assets at fair value through profit or loss do not include exchange differences, interest and dividend income. Exchange differences, interest and dividend income on financial assets at fair value through profit or loss are recognised separately in profit or loss as part of other losses or other income.

Financial assets at fair value through profit or loss could be presented as current or non-current. Financial assets that are held primarily for trading purposes are presented as current whereas financial assets that are not held primarily for trading purposes are presented as current or non-current based on settlement date.

b) Loans and receivables

Financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables.

Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, and through the amortisation process.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.10 Financial Assets (Cont'd)

b) Loans and receivables (Cont'd)

Loans and receivables are classified as current assets, except for those having maturity dates later than 12 months after the reporting date which are classified as non-current.

c) Held-to-maturity investments

Financial assets with fixed or determinable payments and fixed maturity are classified as held-to-maturity when the Group has the positive intention and ability to hold the investment to maturity.

Subsequent to initial recognition, held-to-maturity investments are measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the held-to-maturity investments are derecognised or impaired, and through the amortisation process.

Held-to-maturity investments are classified as non-current assets, except for those having maturity within 12 months after the reporting date which are classified as current.

d) Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are designated as available for sale or are not classified as loans and receivables, held-to-maturity investments or at fair value through profit or loss. Available-for-sale financial assets include quoted and unquoted equity and debt instruments that are not held-for-trading.

After initial recognition, available-for-sale financial assets are measured at fair value. Any gains or losses from changes in fair value of the financial assets are recognised in other comprehensive income, except that impairment losses, foreign exchange gains and losses on monetary instruments and interest calculated using the effective interest method are recognised in profit or loss. The cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment when the financial asset is derecognised. Interest income calculated using the effective interest method is recognised in profit or loss. Dividends on an available-for-sale equity instrument are recognised in profit or loss when the Group and the Company's right to receive payment is established.

Investments in equity instruments whose fair value cannot be reliably measured are measured at cost less impairment loss.

A financial asset is derecognised when the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income is recognised in profit or loss.

Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the market place concerned. All regular way purchases and sales of financial assets are recognised or derecognised on the trade date, i.e., the date that the Group and the Company commit to purchase or sell the asset.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.11 Impairment of financial assets

The Group assesses at the end of each reporting period whether there is any objective evidence that a financial asset, other than financial assets at fair value through profit or loss, is impaired. Financial assets are considered to be impaired when objective evidence indicates that a loss event has occurred after the initial recognition of the assets and that the loss event had a negative effect on the estimated future cash flows of that asset that can be reliably estimated. Losses expected as a result of future events, no matter how likely, are not recognised. For a quoted entity instrument, a significant or prolonged decline in fair value of the investment below its cost is considered to be an objective evidence of impairment.

An amount of impairment loss in respect of a financial asset measured at amortised cost is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate i.e. the effective rate computed at initial recognition. The carrying amount of the asset is reduced through an allowance account. The amount of loss is recognised in profit or loss.

If, in a subsequent period, the amount of the impairment loss on financial assets measured at amortised cost decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed by adjusting the allowance account to the extent that the carrying amount of the financial asset does not exceed its amortised cost had the impairment not been recognised at the date the impairment is reversed. The amount of reversal is recognised in profit or loss.

When an available-for-sale financial asset is impaired, the cumulative loss in relation to decline in fair value previously recognised in other comprehensive income is reclassified from equity and recognised in profit or loss as a reclassification adjustment even though the financial asset has not been derecognised. The amount of cumulative loss that is reclassified is the difference between the acquisition cost (less any principal repayment and amortisation) and current fair value, less any impairment loss on that financial asset previously recognised in profit or loss.

Impairment losses recognised in profit or loss for an investment in an equity instrument classified as available-for-sale is not reversed through profit or loss. Increase in fair value, if any, subsequent to the impairment loss, is recognised in other comprehensive income.

If the fair value of a debt instrument classified as available-for-sale, increases in a subsequent period and the increase can be objectively related to an event occurring after the impairment loss was recognised in profit or loss, the impairment loss is reversed with the amount of the reversal is recognised in profit or loss.

3.12 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 profit or loss 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. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.13 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 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.

3.14 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.

3.15 Financial liabilities

Financial liabilities are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability.

Financial liabilities, within the scope of MFRS 139, are recognised in the statement of financial position when, the Group and the Company become a party to the contractual provisions of the financial instrument. Financial liabilities are classified as either financial liabilities at fair value through profit or loss or other financial liabilities.

a) Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition at fair value through profit or loss.

Financial liabilities held for trading include derivatives entered into by the Group and the Company that do not meet the hedge accounting criteria. Derivative liabilities are initially measured at fair value and subsequently stated at fair value, with any resultant gains or losses recognised in profit or loss.The net gains or losses recognised in profit or loss do not include any exchange differences or interest paid on the financial liability. Exchange differences and interest expense on financial liabilities at fair value through profit or loss are recognised separately in profit or loss as part of other income or other expenses.

The Group and the Company have not designated any financial liabilities as fair value through profit or loss items.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.15 Financial liabilities (Cont'd)

b) Other financial liabilities

The Group's and the Company's other financial liabilities include trade payables, other payables and loans and borrowings.

Trade and other payables are recognised initially at fair value plus directly attributable transaction costs and are subsequently measured at amortised cost using the effective interest method.

Loans and borrowings are recognised initially at fair value, net of transaction costs incurred, and subsequently measured at amortised cost using the effective interest method. Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

A financial liability is derecognised when the obligation under the liability is extinguished. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in the statement of comprehensive income.

3.16 Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due.

Financial guarantee contracts are recognised initially as a liability at fair value, net of transaction costs. Subsequent to initial recognition, financial guarantee contracts are recognised as income in profit or loss over the period of the guarantee. If the debtor fails to make payment relating to financial guarantee contract when it is due and the Group, as the issuer, is required to reimburse the holder for the associated loss, the liability is measured at the higher of the best estimate of the expenditure required to settle the present obligation at the reporting date and the amount initially recognised less cumulative amortisation.

3.17 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 statement of comprehensive income as incurred.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.17 Employee Benefits (Cont'd)

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 reporting 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.

3.18 Income Tax

Tax expense is the aggregate amount of current and deferred taxation. Current and deferred taxes are recognised as income or expense in profit or loss except to the extent that the taxes relate to items recognised outside profit or loss, either in other comprehensive income or directly in equity or a business combination.

Current tax is the expected tax payable on the taxable income for the year using tax rates enacted or substantially enacted at the end of the reporting period.

Deferred tax is provided for using the liability method on temporary differences at end of the reporting period between the carrying amounts of assets and liabilities in the financial statements and the amounts attributed to those assets and liabilities for taxation purposes.

Deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised for all deductible temporary differences and unabsorbed tax losses and unused tax credits to the extent that it is probable that future taxable profit will be available against which the assets can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and is reduced to the extent that it is no longer probable that the related tax benefits will be realised.

Tax rates enacted or substantively enacted at the end of the reporting period are used to determine deferred tax.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.19 Foreign Currency

Foreign Currency Transactions and Balances

In preparing the financial statements of the individual entities, transactions in currencies other than the entity's functional currency (foreign currencies) are recorded in the functional currencies using the exchange rates prevailing at the dates of the transactions. At the end of each reporting period, foreign currency monetary assets and liabilities are translated at exchange rates prevailing at the end of the reporting period. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the date of the transactions. Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

Exchange differences arising from the settlement of foreign currency transactions and from the translation of foreign currency monetary assets and liabilities are recognised in profit or loss.

Exchange differences arising on the translation of non-monetary items carried at fair value are included in profit or loss for the period except for the differences arising on the translation of non-monetary items in respect of which gains or losses are recognised directly in other comprehensive income. Exchange differences arising from such non-monetary items are recognised directly to other comprehensive income.

Foreign Operations

The results and financial position of foreign operations that have a functional currency different from the presentation currency (RM) of the consolidated financial statements are translated into RM as follows :-

(i) Assets and liabilities for each financial position date presented are translated at the closing rate prevailing at the end of the reporting period;

(ii) Items of income and expenses are translated at average exchange rates for the year, which approximates the exchange rates at the dates of the transactions; and

(iii) All resulting exchange differences are recognised in other comprehensive income and are accumulated in exchange translation reserve within equity.

Exchange differences arising from monetary items that form part of the Company's net investment in a foreign operation and that are denominated in the functional currency of the Company or the foreign operation are recognised in the profit or loss of the Company or of the foreign operation, as appropriate. In the Group financial statements, such exchange differences are recognised initially in other comprehensive income and accumulated in equity under exchange translation reserve. On disposal of a foreign operation, the cumulative amount recognised in other comprehensive income and taken to equity under exchange translation reserve will be reclassified to profit or loss.

Goodwill and fair value adjustments arising on the acquisition of foreign operations are treated as assets and liabilities of the foreign operations and are recorded in the functional currency of the foreign operations and translated at the closing rate at the end of the reporting period.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.20 Revenue

Revenue is recognised to the extent that is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. The following specific recognition criteria must be met before revenue is recognised:

Consultancy contracts

Consultancy contracts comprise sale of specific e-business solutions to customers, including license and hardware revenue.

Revenue from consultancy contracts is recognised in accordance with the accounting policy disclosed in Note 3.13.

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.

3.21 Expenses

Operating lease payments

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

Interest expense

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

3.22 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

GROUP	Renovations RM	Computers and office equipment RM	Furniture and fittings RM	Total RM
2013				
Cost				
At 1 April 2012	331,271	1,153,108	29,964	1,514,343
Additions	86,503	316,650	-	403,153
Exchange differences	5,959	17,177	288	23,424
At 31 March 2013	423,733	1,486,935	30,252	1,940,920
Deduct : Accumulated depreciation				
At 1 April 2012	285,086	798,757	27,448	1,111,291
Charge for the year	30,025	210,454	2,558	243,037
Exchange differences	5,193	10,563	246	16,002
At 31 March 2013	320,304	1,019,774	30,252	1,370,330
Net book value at 31 March 2013	103,429	467,161	-	570,590
Depreciation charge for the year:				
Recognised in Statement of Comprehensive Income	30,025	201,245	2,558	233,828
Capitalised as development expenditure	-	9,209	-	9,209
	30,025	210,454	2,558	243,037

GROUP	Renovations RM	Computers and office equipment RM	Furniture and fittings RM	Total RM
2012				
Cost				
At 1 April 2011	278,758	1,399,674	370,517	2,048,949
Additions	49,528	340,121	-	389,649
Written - off	-	(602,008)	(345,992)	(948,000)
Exchange differences	2,985	15,321	5,439	23,745
At 31 March 2012	331,271	1,153,108	29,964	1,514,343
Deduct : Accumulated depreciation				
At 1 April 2011	240,830	1,237,239	363,705	1,841,774
Charge for the year	41,277	148,609	4,364	194,250
Written - off	-	(600,510)	(345,992)	(946,502)
Exchange differences	2,979	13,419	5,371	21,769
At 31 March 2012	285,086	798,757	27,448	1,111,291
Net book value at 31 March 2012	46,185	354,351	2,516	403,052
Depreciation charge for the year:				
Recognised in Statement of Comprehensive Income	41,277	127,952	4,364	173,593
Capitalised as development expenditure	-	20,657	-	20,657
	41,277	148,609	4,364	194,250

5. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

COMPANY	Renovations RM	Computers and office equipment RM	Furniture and fittings RM	Total RM
2013				
Cost				
At 1 April 2012	85,338	444,192	18,086	547,616
Additions	-	6,333	-	6,333
At 31 March 2013	85,338	450,525	18,086	553,949
Deduct : Accumulated depreciation				
At 1 April 2012	75,856	389,777	17,469	483,102
Charge for the year	9,482	28,244	617	38,343
At 31 March 2013	85,338	418,021	18,086	521,445
Net book value at 31 March 2013	-	32,504	-	32,504

COMPANY	Renovations RM	Computers and office equipment RM	Furniture and fittings RM	Total RM
2012				
Cost				
At 1 April 2011	85,338	406,744	18,086	510,168
Additions	-	37,448	-	37,448
At 31 March 2012	85,338	444,192	18,086	547,616
Deduct : Accumulated depreciation				
At 1 April 2011	47,410	363,672	15,619	426,701
Charge for the year	28,446	26,105	1,850	56,401
At 31 March 2012	75,856	389,777	17,469	483,102
Net book value at 31 March 2012	9,482	54,415	617	64,514

6. INTANGIBLE ASSETS

GROUP	Computer software RM	Development expenditure RM	Total RM
2013			
Cost			
At 1 April 2012	3,717,592	64,159,784	67,877,376
Amount capitalised during the year	-	2,105,587	2,105,587
Exchange differences	90,077	1,554,590	1,644,667
At 31 March 2013	3,807,669	67,819,961	71,627,630
Deduct : Government grant			
At 1 April 2012	-	4,142,629	4,142,629
Exchange differences	-	100,376	100,376
At 31 March 2013	-	4,243,005	4,243,005
Deduct : Accumulated amortisation			
At 1 April 2012	3,478,414	42,265,874	45,744,288
Amortisation charge for the year	244,394	5,089,911	5,334,305
Exchange differences	84,861	1,036,171	1,121,032
At 31 March 2013	3,807,669	48,391,956	52,199,625
Deduct : Accumulated impairment losses			
At 1 April 2012	-	5,388,623	5,388,623
Impairment charge for the year	-	908,157	908,157
Exchange differences	-	132,719	132,719
At 31 March 2013	-	6,429,499	6,429,499
Net book value at 31 March 2013	-	8,755,501	8,755,501
2012			
Cost			
At 1 April 2011	3,661,103	60,267,129	63,928,232
Amount capitalised during the year	-	2,962,762	2,962,762
Exchange differences	56,489	929,893	986,382
At 31 March 2012	3,717,592	64,159,784	67,877,376
Deduct : Government grant			
At 1 April 2011	-	4,079,682	4,079,682
Exchange differences	-	62,947	62,947
At 31 March 2012	-	4,142,629	4,142,629
Deduct : Accumulated amortisation			
At 1 April 2011	3,190,018	36,390,560	39,580,578
Amortisation charge for the year	239,293	5,316,444	5,555,737
Exchange differences	49,103	558,870	607,973
At 31 March 2012	3,478,414	42,265,874	45,744,288
Deduct : Accumulated impairment losses			
At 1 April 2011	-	628,244	628,244
Impairment charge for the year	-	4,753,026	4,753,026
Exchange differences	-	7,353	7,353
At 31 March 2012	-	5,388,623	5,388,623
Net book value at 31 March 2012	239,178	12,362,658	12,601,836

7. INVESTMENT IN SUBSIDIARIES

	COMPANY 31.3.2013 RM	31.3.2012 RM	1.4.2011 RM
Unquoted shares, at cost	23,167,315	23,108,970	23,108,970
Amount due from a subsidiary	16,433,415	17,637,007	-
	39,600,730	40,745,977	23,108,970
Accumulated impairment losses			
- At beginning of the year	(13,503,215)	(14,372,690)	(14,372,690)
- Additions	-	(2,822,882)	-
- Transferred from impairment loss on amount due from subsidiary upon classification of debts as net investment in a subsidiary	-	(2,999,878)	-
- Written back	-	6,692,235	-
	(13,503,215)	(13,503,215)	(14,372,690)
	26,097,515	27,242,762	8,736,280
Options granted to employees of subsidiaries	1,642,876	1,642,876	1,555,876
	27,740,391	28,885,638	10,292,156

The amount due from a subsidiary company forms part of the Company's net investment in the subsidiary. The amount is unsecured, interest free and no repayment term is stipulated.

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 31.3.2013 %	31.3.2012 %	1.4.2011 %
novaHEALTH Pte. Ltd.	Provision of e-business solutions for healthcare industry	Republic of Singapore	100.00	100.00	100.00
novaCITYNETS Pte. Ltd.	Provision of e-business solutions for the building and construction, city, town council and telecommunications industries	Republic of Singapore	100.00	100.00	100.00
novaSOLUTIONS (Philippines), Inc.	Provision of information technology expertise and consultancy services	Philippines	99.99	99.99	99.99

All subsidiaries are not audited by Folks DFK & Co.

8. INVESTMENT IN ASSOCIATES

	GROUP		
	31.3.2013	31.3.2012	1.4.2011
	RM	RM	RM
Unquoted shares, at cost	85,794	85,794	85,794
Share of post-acquisition profits	594,815	466,380	309,456
Exchange fluctuation reserve	13,844	12,990	7,419
	694,453	565,164	402,669

	COMPANY		
	31.3.2013	31.3.2012	1.4.2011
	RM	RM	RM
Unquoted shares, at cost	29,072	29,072	29,072

			Effective Equity Interest		
Name of Company	**Principal Activity**	**Country of Incorporation**	**31.3.2013 %**	**31.3.2012 %**	**1.4.2011 %**
B-Nova Sdn Bhd	To market and deliver Information Technology solutions	Brunei Darussalam	40	40	40
JPMCnova Sdn Bhd	Industry solution provider to medical and healthcare institutions and related areas	Brunei Darussalam	49	49	49

Both companies are not audited by Folks DFK & Co.

8. INVESTMENT IN ASSOCIATES (CONT'D)

The Group received dividend income from JPMCnova Sdn Bhd amount to nil (2012 : RM32,665).

The summarised financial information of the associates are as follows :-

	B-Nova Sdn Bhd 31.3.2013 RM	31.3.2012 RM	1.4.2011 RM
Assets and liabilities			
Current assets	95,169	101,147	61,513
Total assets	95,169	101,147	61,513
Non-current liabilities		-	-
Current liabilities	51,122	52,007	9,419
Total liabilities	51,122	52,007	9,419
Results			
Revenue	201,200	202,594	81,705
Loss after taxation	(6,270)	(23,921)	(19,515)

	JPMCnova Sdn Bhd 31.3.2013 RM	31.3.2012 RM	1.4.2011 RM
Assets and liabilities			
Non-current assets	100,733	334,389	308,539
Current assets	2,521,731	1,634,103	2,942,603
Total assets	2,622,464	1,968,492	3,251,142
Non-current liabilities	-	93,416	157,591
Current liabilities	496,965	761,491	2,317,490
Total liabilities	496,965	854,907	2,475,081
Results			
Revenue	3,124,302	3,923,492	7,233,862
Profit/(loss) after taxation	241,893	392,374	645,160

9. DEFERRED TAX

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

	GROUP		
	31.3.2013	**31.3.2012**	**1.4.2011**
	RM	**RM**	**RM**
Development expenditure capitalised	9,124,000	12,965,000	20,016,000
Property, plant and equipment	(1,570,000)	(1,329,000)	(1,652,000)
Unabsorbed tax losses	(48,302,000)	(39,901,000)	(40,096,000)
	(40,748,000)	(28,265,000)	(21,732,000)

	COMPANY		
	31.3.2013	**31.3.2012**	**1.4.2011**
	RM	**RM**	**RM**
Development expenditure capitalised	-	-	-
Property, plant and equipment	(384,000)	(339,000)	(321,000)
Unabsorbed tax losses	(13,517,000)	(10,195,000)	(9,092,000)
	(13,901,000)	(10,534,000)	(9,413,000)

The unutilised capital allowances and unabsorbed 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 due to the uncertainty of their realisation in the foreseeable future.

10. AMOUNT DUE FROM/(TO) CONTRACT CUSTOMERS

	GROUP		
	31.3.2013	**31.3.2012**	**1.4.2011**
	RM	**RM**	**RM**
Aggregate costs incurred to date and attributable profit	16,696,685	39,970,459	41,200,427
Less : Progress billings	(10,168,401)	(26,432,546)	(35,138,909)
	6,528,284	13,537,913	6,061,518
Analysed as:			
Amount due from contract customers			
- Associate	-	2,141,600	1,949,003
- Others	6,569,328	11,528,789	5,061,142
	6,569,328	13,670,389	7,010,145
Amount due to contract customers			
- Others	(41,044)	(132,476)	(948,627)
	6,528,284	13,537,913	6,061,518

	COMPANY		
	31.3.2013	**31.3.2012**	**1.4.2011**
	RM	**RM**	**RM**
Aggregate costs incurred to date and attributable profit	105,675	1,046,346	309,398
Less : Progress billings	(79,635)	(432,709)	(309,398)
	26,040	613,637	-
Analysed as:			
Amount due from contract customers			
- Others	26,040	613,637	-

The currency exposure profile of the amount due from contract customers is as follows:-

	GROUP		
	31.3.2013	**31.3.2012**	**1.4.2011**
	RM	**RM**	**RM**
Ringgit Malaysia	26,040	613,637	-
Singapore Dollar	6,502,245	12,924,276	6,061,518

	COMPANY		
	31.3.2013	**31.3.2012**	**1.4.2011**
	RM	**RM**	**RM**
Ringgit Malaysia	26,040	613,637	-

11. TRADE AND OTHER RECEIVABLES

	GROUP		
	31.3.2013 RM	31.3.2012 RM	1.4.2011 RM
Current			
Trade receivables	6,032,607	3,400,427	8,402,074
Less: Allowance for impairment	(697,992)	(622,615)	(620,754)
Trade receivables, net	5,334,615	2,777,812	7,781,320
Other receivables			
Accrued receivables	6,453,012	364,356	461,929
Other receivables, deposits and prepayments	996,628	809,544	254,188
	12,784,255	3,951,712	8,497,437
Amount due from an associate			
- Trade	1,034,454	580,570	2,061,527
Total trade and other receivables	13,818,709	4,532,282	10,558,964

	COMPANY		
	31.3.2013 RM	31.3.2012 RM	1.4.2011 RM
Current			
Trade receivables	1,911,998	556,410	572,607
Less: Allowance for impairment	(500,108)	(500,108)	(500,108)
Trade receivables, net	1,411,890	56,302	72,499
Other receivables			
Accrued receivables	143,140	-	-
Other receivables, deposits and prepayments	40,425	99,596	47,372
	1,595,455	155,898	119,871
Amount due from subsidiaries			
Trade	-	-	2,223,325
Less: Allowance for doubtful debts	-	-	(269,661)
	-	-	1,953,664
Non-trade	295,000	-	16,947,869
Less: Allowance for doubtful debts	-	-	(2,730,217)
	295,000	-	14,217,652
Amount due from subsidiaries, net	295,000	-	16,171,316
Total trade and other receivables	1,890,455	155,898	16,291,187

11. TRADE AND OTHER RECEIVABLES (CONT'D)

11.1 Trade and other receivables

Trade receivables are non-interest bearing and are generally on 30 to 60 (2012: 30 to 60) day terms. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

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

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

	GROUP		
	31.3.2013 RM	31.3.2012 RM	1.4.2011 RM
Ringgit Malaysia	2,413,903	155,898	119,871
US Dollar	198,971	125,322	206,218
Singapore Dollar	10,095,436	2,964,766	8,171,305
Philippines Peso	75,945	-	-
Brunei Dollar	1,034,454	1,286,296	2,061,570
	13,818,709	4,532,282	10,558,964

	COMPANY		
	31.3.2013 RM	31.3.2012 RM	1.4.2011 RM
Ringgit Malaysia	1,890,455	155,898	16,291,187

Ageing analysis of trade and other receivables

The ageing analysis of the Group's and the Company's trade and other receivables is as follows:

	GROUP		
	31.3.2013 RM	31.3.2012 RM	1.4.2011 RM
Neither past due nor impaired	10,788,335	3,061,450	4,870,988
1 to 30 days past due not impaired	540,278	249,960	1,612,421
31 to 60 days past due not impaired	705,553	288,094	189,929
More than 61 days past due not impaired	1,784,543	932,778	3,885,626
	3,030,374	1,470,832	5,687,976
Impaired	697,992	622,615	620,754
	14,516,701	5,154,897	11,179,718

11. TRADE AND OTHER RECEIVABLES (CONT'D)

11.1 Trade and other receivables (Cont'd)

	COMPANY		
	31.3.2013	**31.3.2012**	**1.4.2011**
	RM	**RM**	**RM**
Neither past due nor impaired	165,540	104,512	50,995
1 to 30 days past due not impaired	500,000	-	68,876
31 to 60 days past due not impaired	14,490	-	-
More than 61 days past due not impaired	1,210,425	51,386	-
	1,724,915	51,386	68,876
Impaired	500,108	500,108	500,108
	2,390,563	656,006	619,979

Trade and other receivables that are individually determined to be impaired comprised those customers who have defaulted on their payments and are considered to have financial difficulties in repaying their debts.

Trade and other receivables including those that are past due but not impaired are considered to be creditworthy and are able to settle their debts.

The Group and the Company does not hold any collateral as security for the trade receivables as at the end of the reporting period.

During the financial year, the Group and the Company did not renegotiate the terms of any trade receivable.

Receivables that are impaired

The Group's and the Company's trade receivables that are impaired at the reporting date and the movement of the allowance accounts used to record the impairment are as follows:

GROUP	**Collectively Impaired RM**	**Individually Impaired RM**	**Total RM**
31.3.2013			
Trade receivables - nominal amounts	-	697,992	697,992
Less: Allowance for impairment	-	(697,992)	(697,992)
	-	-	-
31.3.2012			
Trade receivables - nominal amounts	-	622,615	622,615
Less: Allowance for impairment	-	(622,615)	(622,615)
	-	-	-
1.4.2011			
Trade receivables - nominal amounts	-	620,754	620,754
Less: Allowance for impairment	-	(620,754)	(620,754)
	-	-	-

11. TRADE AND OTHER RECEIVABLES (CONT'D)

11.1 Trade and other receivables (Cont'd)

COMPANY	Collectively Impaired RM	Individually Impaired RM	Total RM
31.3.2013			
Trade receivables - nominal amounts	-	500,108	500,108
Less: Allowance for impairment	-	(500,108)	(500,108)
	-	-	-
31.3.2012			
Trade receivables - nominal amounts	-	500,108	500,108
Less: Allowance for impairment	-	(500,108)	(500,108)
	-	-	-
1.4.2011			
Trade receivables - nominal amounts	-	500,108	500,108
Less: Allowance for impairment	-	(500,108)	(500,108)
	-	-	-

Movement in allowance accounts:

	GROUP		COMPANY	
	31.3.2013 RM	31.3.2012 RM	31.3.2013 RM	31.3.2012 RM
At beginning of the year	620,754	620,754	500,108	500,108
Exchange differences	5,001	1,861	-	-
Charge for the year	72,237	-	-	-
At end of the year	697,992	622,615	500,108	500,108

Trade receivables that are individually determined to be impaired at the reporting date relate to debtors that are in significant financial difficulties and have defaulted on payments. These receivables are not secured by any collateral or credit enhancements.

11.2 Amount due from subsidiaries and associate

The non-trade amounts due from subsidiaries and associate are interest free, unsecured and repayable on demand. Non-trade balances with subsidiaries are in respect of advances made to subsidiaries.

12. CASH AND BANK BALANCES

	GROUP		
	31.3.2013	31.3.2012	1.4.2011
	RM	RM	RM
Cash in hand and at banks	3,527,643	3,253,423	381,493
Deposits with licensed banks	752,082	3,224,318	2,050,109
	4,279,725	6,477,741	2,431,602

	COMPANY		
	31.3.2013	31.3.2012	1.4.2011
	RM	RM	RM
Cash in hand and at banks	19,845	117,153	5,877
Deposits with licensed banks	168,486	163,523	708,900
	188,331	280,676	714,777

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

	GROUP		
	31.3.2013	31.3.2012	1.4.2011
	RM	RM	RM
Ringgit Malaysia	188,331	280,676	714,777
Philippines Peso	35,721	-	-
Singapore Dollar	4,055,673	6,197,065	1,716,825
	4,279,725	6,477,741	2,431,602

	COMPANY		
	31.3.2013	31.3.2012	1.4.2011
	RM	RM	RM
Ringgit Malaysia	188,331	280,676	714,777

Included in deposits with licensed banks are amounts of RM752,082 (2012: RM625,795) and RM168,486 (2012: RM163,523) pledged to secure bank facilities granted to the Group and the Company respectively (Note 16).

13. SHARE CAPITAL

	GROUP/COMPANY 2013		GROUP/COMPANY 2012	
	Number of shares	RM	Number of shares	RM
Ordinary shares of RM0.10 each:				
Authorised				
As at 1 January/31 December	500,000,000	50,000,000	500,000,000	50,000,000
Issued and fully paid				
As at 1 January/31 December	402,798,000	40,279,800	402,798,000	40,279,800

14. SHARE PREMIUM

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

15. 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 precribed 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).

15. EMPLOYEE BENEFITS/EMPLOYEES' SHARE OPTION SCHEME (CONT'D)

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				
2013	**As at 1.4.2012**	**Granted**	**Exercised**	**Lapsed**	**As at 31.3.2013**
Grant date					
15.6.2007	5,580,000	-	-	(240,000)	5,340,000
1.10.2009	5,230,000	-	-	-	5,230,000
1.10.2010	3,400,000	-	-	-	3,400,000
15.4.2011	3,440,000	-	-	-	3,440,000
	17,650,000	-	-	(240,000)	17,410,000

Number of options exercisable at end of the financial year	17,410,000

	Number of options over ordinary shares of RM0.10 in the Company				
2012	**As at 1.4.2011**	**Granted**	**Exercised**	**Lapsed**	**As at 31.3.2012**
Grant date					
15.6.2007	5,960,000	-	-	(380,000)	5,580,000
1.10.2009	5,430,000	-	-	(200,000)	5,230,000
1.10.2010	3,600,000	-	-	(200,000)	3,400,000
15.4.2011	-	3,440,000	-	-	3,440,000
	14,990,000	3,440,000	-	(780,000)	17,650,000

Number of options exercisable at end of the financial year	17,650,000

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

	Number of options over ordinary shares of RM0.10 each in the Company			
	Exercise price	**Expiry**	**Number of options**	
Grant date	**RM**	**date**	**2013**	**2012**
15.6.2007	0.10	30.10.2015	5,340,000	5,580,000
1.10.2009	0.10	30.10.2015	5,230,000	5,230,000
1.10.2010	0.10	30.10.2015	3,400,000	3,400,000
15.4.2011	0.10	30.10.2015	3,440,000	3,440,000
			17,410,000	17,650,000

Share options exercised during the year

No options were exercised during the financial year (2012: Nil).

15. EMPLOYEE BENEFITS/EMPLOYEES' SHARE OPTION SCHEME (CONT'D)

Fair value of share options granted during the last financial year

The fair value of share options granted during the last financial year determined using the binomial valuation model was RM0.044. The fair value of share options was measured at grant date using the following significant inputs and assumptions :-

	COMPANY 2012
Weighted average of exercise price (sen)	10
Early exercise factor (times)	2.5
Expected volatility (%)	87 - 123
Expected option life (years)	4 - 6
Risk free interest rate (%)	4

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 last financial year, the Group and the Company recognised total expenses RM151,025 and RM62,640 respectively in respect of equity-settled share-based payment transactions (Note 19). There were no share options granted during the current financial year.

16. BANK BORROWINGS

		GROUP	
	31.3.2013 RM	31.3.2012 RM	1.4.2011 RM
Bank overdrafts - secured	-	-	602,303
Term loan repayable within 1 year	4,603,595	1,623,334	585,592
Term loan repayable after 1 year	-	811,666	-
	4,603,595	2,435,000	1,187,895

		COMPANY	
	31.3.2013 RM	31.3.2012 RM	1.4.2011 RM
Bank overdrafts - secured	-	-	602,303

16. BANK BORROWINGS (CONT'D)

The currency exposure profile of borrowings is as follows:-

	GROUP		
	31.3.2013	31.3.2012	1.4.2011
	RM	RM	RM
Ringgit Malaysia	-	-	602,303
Singapore Dollar	4,603,595	2,435,000	585,592
	4,603,595	2,435,000	1,187,895

	COMPANY		
	31.3.2013	31.3.2012	1.4.2011
	RM	RM	RM
Ringgit Malaysia	-	-	602,303

The bank overdraft facilities of the Group and the Company in 2011 are subject to interest rates varying between 7.55% and 7.8% per annum.

The term loan of the subsidiaries represent proceeds from factoring of trade receivable (with recourse) and is subject to interest at 7.5% (2012: 7.5%) per annum.

Deposits with licensed banks of the Group amounting to RM 752,082 (2012: RM625,795) are pledged as security for the bank facilities of the Group (Note 12).

17. TRADE AND OTHER PAYABLES

	GROUP		
	31.3.2013	31.3.2012	1.4.2011
	RM	RM	RM
Trade payables	1,713,698	2,182,025	1,949,682
Other payables and accrued expenses	2,381,323	2,308,002	2,533,120
Revenue received in advance	822,050	2,034,128	807,120
Liability for short term accumulating compensated absences	505,724	315,034	129,339
Affiliated corporations	2,552,454	2,669,685	2,804,037
Amount owing to an Associate	31,706	67,498	125,223
Amount owing to Directors	470,556	461,906	263,156
	8,477,511	10,038,278	8,611,677

	COMPANY		
	31.3.2013	31.3.2012	1.4.2011
	RM	RM	RM
Trade payables	63,428	62,432	62,432
Other payables and accrued expenses	416,096	374,412	541,735
compensated absences	30,657	29,733	39,481
Amount due to subsidiaries - trade	6,029,786	2,762,492	2,339,943
Amount owing to Directors	470,556	461,906	263,156
	7,010,523	3,690,975	3,246,747

17. TRADE AND OTHER PAYABLES (CONT'D)

The normal credit terms of trade payables granted to the Group and the Company range from 30 to 60 (2012: 30 to 60) days.

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

	GROUP		
	31.3.2013	**31.3.2012**	**1.4.2011**
	RM	**RM**	**RM**
Ringgit Malaysia	987,198	934,952	913,466
US Dollar	-	180,202	22,329
Euro	-	-	170
British Pound	14,288	13,264	-
Philippines Peso	41,459	-	-
Singapore Dollar	7,434,566	8,909,860	7,675,712
	8,477,511	10,038,278	8,611,677

	COMPANY		
	31.3.2013	**31.3.2012**	**1.4.2011**
	RM	**RM**	**RM**
Ringgit Malaysia	7,010,523	3,690,975	3,246,747

The amounts due to affiliated corporations and owing to Directors are non-trade in nature, interest free, unsecured and repayable on demand.

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

18. REVENUE

	GROUP		COMPANY	
	2013	**2012**	**2013**	**2012**
	RM	**RM**	**RM**	**RM**
Consultancy contracts	19,619,918	21,883,167	3,848,466	1,189,587
Maintenance services	11,062,798	10,386,412	188,916	210,602
	30,682,716	32,269,579	4,037,382	1,400,189

19. EMPLOYEE BENEFITS EXPENSES

	GROUP 2013 RM	GROUP 2012 RM	COMPANY 2013 RM	COMPANY 2012 RM
Wages, salaries and bonus	18,872,346	15,757,699	1,654,457	1,381,604
Contributions to defined contribution plans	1,779,304	1,417,497	197,344	163,916
Share-based compensation expense (Note 15)	-	151,025	-	62,640
Other benefits	263,489	665,812	10,895	10,282
	20,915,139	17,992,033	1,862,695	1,618,442

Included in employee benefits expenses of the Group is executive directors' remuneration amounting to RM2,478,141 (2012: RM1,697,604) as further disclosed in Note 21.

Employee benefits expenses are taken up as follows:

	GROUP 2013 RM	GROUP 2012 RM	COMPANY 2013 RM	COMPANY 2012 RM
Charged to Statement of Comprehensive Income	18,955,497	15,348,095	1,862,695	1,618,442
Capitalised as development expenditure	1,959,642	2,643,938	-	-
	20,915,139	17,992,033	1,862,695	1,618,442

20. FINANCE COSTS

Interest on bank borrowings	130,829	144,559	-	36,989

21. DIRECTORS' REMUNERATION

Executive Directors (Note 19)				
Directors of holding company	901,931	802,878	-	-
Directors of subsidiary companies	1,576,210	894,726	-	-
	2,478,141	1,697,604	-	-
Non-Executive Directors' fees	181,650	173,000	181,650	173,000
Total directors' remuneration	2,659,791	1,870,604	181,650	173,000

22. (LOSS)/PROFIT BEFORE TAXATION

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

	GROUP 2013 RM	GROUP 2012 RM	COMPANY 2013 RM	COMPANY 2012 RM
Amortisation of intangible assets	5,334,305	5,555,737	-	-
Impairment loss for intangible assets	908,157	4,753,026	-	-
Depreciation of property, plant and equipment	233,828	173,593	38,343	56,401
Net reversal of impairment loss for investment in subsidiary companies	-	-	-	(3,869,353)
Auditors' remuneration				
- current year	121,675	110,070	45,000	45,000
- other services	5,000	5,000	5,000	5,000
Property, plant and equipment written off	-	1,498	-	-
Gain on foreign exchange (net)	(15,285)	(133,269)	-	-
Office rental	1,105,474	892,472	99,305	98,052
Allowance for impairment of trade receivables	72,237	-	-	-
Interest expense	130,829	144,559	-	36,989
Interest income	(5,537)	(25,304)	(4,963)	(19,961)

23. TAX EXPENSE

	GROUP 2013 RM	GROUP 2012 RM	COMPANY 2013 RM	COMPANY 2012 RM
Malaysian				
Current tax expense	-	4,990	-	4,990

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

	GROUP 2013 RM	GROUP 2012 RM	COMPANY 2013 RM	COMPANY 2012 RM
(Loss)/profit before taxation	(4,617,727)	(4,394,518)	(3,441,087)	2,633,210
Taxation at the rate of 25% (2012 : 25%)	(1,154,432)	(1,098,630)	(860,272)	658,303
Tax effect of:				
Different tax rates in foreign jurisdictions	49,417	252,458	-	-
Non-deductible expenses	1,138,488	877,112	21,300	740,766
Income not subject to tax	(515,767)	(7,320)	-	(1,675,496)
Deferred tax benefit not recognised	894,294	659,832	838,972	281,417
Subsidiaries' deferred tax benefits utilised	(412,000)	(678,462)	-	-
Tax expense	-	4,990	-	4,990

24. LOSS PER ORDINARY SHARE

Basic loss per ordinary share

The calculation of basic loss per ordinary share is based on the loss for the year attributable to shareholders of the Company of RM4,617,727 (2012: loss of RM4,399,508) and the weighted average number of ordinary shares in issue during the financial year of 402,798,000 (2012: 402,798,000) calculated as follows:-

	GROUP	
	2013	**2012**
Weighted average number of ordinary shares		
Issued ordinary shares at beginning of the year	402,798,000	402,798,000
Weighted average number of ordinary shares	402,798,000	402,798,000

Fully diluted loss per ordinary share

The effect on the basic loss per share for the current and previous financial year arising from the assumed exercise of the employee share options is anti-dilutive. Accordingly, the diluted loss per share for the current and previous financial year are not applicable.

25. OPERATING SEGMENTS

The Group operates predominately in one business segment only and they operate in principally in the ASEAN region. The primary format, geographical segments is based on the Group's management and internal reporting structure.

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 period to acquire property, plant and equipment.

25. OPERATING SEGMENTS (CONT'D)

	E-Business Solutions							
	Malaysia		Singapore		Eliminations		Group	
	2013 RM	2012 RM	2013 RM	2012 RM	2013 RM	2012 RM	2013 RM	2012 RM
Geographic segments								
Revenue from external customers	4,037,382	1,400,189	26,645,334	30,869,390	-	-	30,682,716	32,269,579
Revenue from inter-segment	-	-	3,619,643	-	(3,619,643)	-	-	-
Total revenue	4,037,382	1,400,189	30,264,977	30,869,390	(3,619,643)	-	30,682,716	32,269,579
Segment results	(3,441,087)	(1,219,115)	(1,167,366)	(3,245,737)	-	-	(4,608,453)	(4,464,852)
Interest income							5,537	25,304
Interest expense							(130,829)	(144,559)
Share of results of associates							116,018	189,589
Loss before taxation							(4,617,727)	(4,394,518)
Taxation							-	(4,990)
Loss before taxation							(4,617,727)	(4,399,508)
Segment assets	2,137,330	1,114,725	32,151,523	36,570,575	(295,000)	-	33,993,853	37,685,300
Tax recoverable	4,857	3,754	-	-	-	-	4,857	3,754
Investment in an associate	16,769	19,507	677,685	545,657	-	-	694,453	565,164
Total assets							34,693,163	38,254,218
Segment Liabilities	7,010,523	3,690,975	19,840,164	23,551,904	(13,728,537)		13,122,150	27,242,879
Other segment items								
Capital expenditure	6,333	37,448	396,820	352,201	-	-	403,153	389,649
Depreciation and amortisation	38,343	56,401	5,529,790	5,672,929	-	-	5,568,133	5,729,330

25. OPERATING SEGMENTS (CONT'D)

Geographical information

	Revenue RM	Non-current assets RM
2013		
Malaysia	4,037,382	49,273
Singapore	26,645,334	9,971,271
	30,682,716	10,020,544
2012		
Malaysia	1,400,190	93,586
Singapore	30,869,389	13,476,466
	32,269,579	13,570,052

Major customers

There are no major customers with revenue equal or more than 10 percent of Group revenue in the current financial year.

26. CONTINGENT LIABILITIES

	COMPANY	
	2013 RM	2012 RM
Guarantees given by the Company to financial institutions for credit facilities granted to subsidiaries	4,603,595	2,435,000

27. OPERATING LEASES

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

	GROUP		COMPANY	
	2013 RM	2012 RM	2013 RM	2012 RM
Less than one year	595,721	1,345,090	100,298	74,400
Between one to five years	25,150	963,424	25,150	24,800
	620,871	2,308,514	125,448	99,200

The Group and the Company leases office premises under operating leases. The leases have remaining lease terms of one to two years, with an option to renew the leases after the date of expiration. None of the leases include contingent rentals.

28. RELATED PARTY TRANSACTIONS AND BALANCES

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party or when both parties are under the common control of another party.

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

(a) The subsidiaries as disclosed in Note 7;

(b) The associates as disclosed in Note 8,

(c) Chan Wing Kong, being a Director;

(d) Victor John Stephen Price, being a Director.

(e) novaSprint Pte. Ltd. and novaC2R Pte. Ltd. Being companies in which Chan Wing Kong and Victor John Stephen Price have or are deemed to have a substantial interest; and

(f) Zylog Systems Asia Pacific Pte Ltd, a substantial shareholder.

28.1 Related party transactions

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

	GROUP		COMPANY	
	2013	**2012**	**2013**	**2012**
	RM	**RM**	**RM**	**RM**
Income				
novaC2R Pte. Ltd.				
Rental income	(30,096)	(29,468)	-	-
Expenses				
NovaCITYNETS Pte. Ltd.				
Administrative fees paid	-	-	44,166	109,597
Zylog System Asia Pacific Pte Ltd				
Rental Income	(139,814)	(91,265)	-	-
Consultancy Services	(108,780)	-	-	-
Development Services	66,432	263,353	-	-

28. RELATED PARTY TRANSACTIONS AND BALANCES (CONT'D)

28.2 Related Party Balances

Balances at year end included in the statements of financial position are as follows:-

	GROUP		COMPANY	
	2013	2012	2013	2012
	RM	RM	RM	RM
Receivables				
Amount due from subsidiaries				
- novaCITYNETS Pte. Ltd.				
(non-trade)	-	-	295,000	-
Payables				
Amount due to subsidiaries				
- novaCITYNETS Pte. Ltd.				
(non-trade)	-	-	(42,686)	-
- novaHEALTH Pte. Ltd. (trade)	-	-	(5,495,506)	(2,356,183)
- novaHEALTH Pte. Ltd.				
(non-trade)	-	-	(166,259)	(120,630)
Amount due to affiliated corporation				
- novaSPRINT Pte. Ltd.	(2,552,454)	(2,669,685)	-	-

28.3 Key Management Personnel

Key management personnel are those persons having authority and resposibility 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 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	
	2013	2012	2013	2012
	RM	RM	RM	RM
Short term employee benefits	1,885,786	1,612,517	-	-
Post-employment benefits	112,621	85,087	-	-
Share based payments	-	98,745	-	-
	1,998,408	1,796,349	-	-

29. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of the Group's 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 statement of comprehensive income. 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 based on future cash flow projections, which depend significantly on the procurement of future projects, using an appropriate discount factor. The impairment assessment could be materially affected by the changes in the assumptions and estimates used in the cash flow projections. Changes in the residual value arising from the impairment assessment and the review of useful life could have significant impact on the results of the Group.

The carrying amount of intangible assets at 31 March 2013 was RM8,755,501 (2012: RM12,601,836) and the annual amortisation charge for the financial year ended 31 March 2013 was RM5,334,305 (2012: RM5,555,737).

Deferred tax assets

Deferred tax assets are recognised for unabsorbed tax losses, unutilised capital allowances and other deductible temporary differences to the extent that its is probable that taxable profit will be available against which the tax losses, capital allowances and other deductible temporary differences can be utilised. Management judgement is required to determine the amount of deferred tax assets that can be recognised, based on the assessment on the probability of the availability of future taxable profits.

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 investment in subsidiaries as the recoverable amount of the subsidiaries is expected to be higher than the carrying amount.

Impairment losses on trade and other receivables

The Group makes an allowance for impairment losses based on an assessment of the recoverability of receivables. Allowances are applied to receivables where events or changes in circumstances indicate that the carrying amounts may not be recoverable. In assessing the extent of irrecoverable debts, the management has given due consideration to all pertinent information relating to the ability of the debtors to settle debts. Where the expectation is different from the original estimate, such difference will impact the carrying value of the receivables. The carrying amounts of receivables and the cumulative allowances for impairment loss are disclosed in Note 11.

30. FINANCIAL INSTRUMENTS

A financial instrument is any contract that gives rise to both a financial asset of one enterprise and a financial liability or equity instrument of another enterprise.

Financial assets of the Group include deposits, cash and bank balances and trade and other receivables.

Financial liabilities of the Group include trade and other payables and bank borrowings.

In respect of the Company, financial assets also include amount owing by a subsidiary while financial liability include amount owing to a subsidiary.

30.1 Categories of financial instruments

The Group's and the Company's financial instruments are categorised as follows :-

2013
Financial assets per statement of financial position

	Carrying amount RM	Loans and receivables RM
Group		
Trade and other receivables	13,818,709	13,818,709
Cash and bank balances	4,279,725	4,279,725
	18,098,434	18,098,434
Company		
Trade and other receivables	1,890,455	1,890,455
Cash and bank balances	188,331	188,331
	2,078,786	2,078,786

The Group's and the Company's financial instruments are categorised as follows :-

2013
Financial liabilities per statement of financial position

	Carrying amount RM	Other financial liabilities measured at amortised cost RM
Group		
Trade and other payables	8,477,511	8,477,511
Bank borrowings	4,603,595	4,603,595
	13,081,106	13,081,106
Company		
Trade and other payables	7,010,523	7,010,523

30. FINANCIAL INSTRUMENTS (CONT'D)

30.1 Categories of financial instruments (Cont'd)

2012
Financial assets per statement of financial position

	Carrying amount RM	Loans and receivables RM
Group		
Trade and other receivables	4,532,282	4,532,282
Cash and bank balances	6,477,741	6,477,741
	11,010,023	11,010,023
Company		
Trade and other receivables	155,898	155,898
Cash and bank balances	280,676	280,676
	436,574	436,574

2012
Financial liabilities per statement of financial position

	Carrying amount RM	Other financial liabilities measured at amortised cost RM
Group		
Trade and other payables	10,038,278	10,038,278
Bank borrowings	2,435,000	2,435,000
	12,473,278	12,473,278
Company		
Trade and other payables	3,690,975	3,690,975

30.2 Determination of fair value

The following are classes of financial instruments that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value :-

	Note
Trade and other receivables	11
Amount due from subsidiaries	11
Cash and bank balances	12
Bank borrowings	16
Trade and other payables	17
Amount due to subsidiaries	17

The carrying amounts of these financial assets and liabilities are reasonable approximation of fair values, either due to their short-term nature or that they are floating rate instruments that are re-priced to market interest rates on or near the reporting date.

The carrying amount of the current portion of borrowings are reasonable approximations of fair values due to the insignificant impact of discounting.

31. FINANCIAL RISK MANAGEMENT POLICIES

The Group and the Company are exposed to financial risks arising from their operations and the use of financial instruments. The key financial risks include credit risk, liquidity risk, interest rate risk, foreign currency risk and market price risk.

The Group's and the Company's overall financial risk management objective is to seek to address and control the risks to which the Group and the Company are exposed and to minimise or avoid the incidence of loss that may result from the exposure to such risks and to enhance returns where appropriate.

The Board is primarily responsible for the management of these risks and to formulate policies and procedures for the management thereof. The risks are managed by regular risk reviews, internal control systems, on-going formulation and adherence to financial risk policies and mitigated by insurance coverage where appropriate.

31.1 Credit risk

Credit risk is the risk of financial loss attributable to default on obligations by parties contracting with the Group and the Company. The Group's and the Company's main exposure to credit risk is in respect of its trade receivables, bank deposits and cash and bank balances. The Company's exposure to credit risk includes amount due from subsidiary companies and financial guarantees given to banks for credit facilities of subsidiaries as disclosed in Note 26.

Credit risk is addressed by the application of credit evaluation and close monitoring procedures by the management.

It is inherent in the Group's and the Company's business to make individually large sales to its customers that may lead to a significant concentration of credit risks. Such risks are managed by ensuring that transactions are only carried out with customers with reliable financial profile.

New customers are subject to a credit evaluation process and existing customers' risk profiles are reviewed regularly with a view to setting appropriate terms of trade and credit limits. Where appropriate, further sales are suspended and legal action taken to ensure recoveries and mitigate losses.

Exposure to credit risk

The Group's and the Company's maximum exposure to credit risk as at 31 March 2013 is represented by the carrying amount of each class of financial assets recognised in the statement of financial position.

31. FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

31.1 Credit risk (Cont'd)

Credit risk concentration profile

At 31 March 2013, the Group and the Company had approximately 27 and 3 customers, out of which 5 and 2 respectively customers owed more than RM500,000 and RM500,000 which accounted for approximately 68% and 99% of the total receivables balance. The analysis of the Group's and the Company's trade receivables by country of such receivables is as follows :-

	GROUP			
	2013 RM	% of total	2012 RM	% of total
Malaysia	1,411,890	20%	56,302	1%
Singapore	3,024,003	43%	1,584,109	40%
Brunei	1,852,903	26%	1,558,247	39%
Vietnam	79,185	1%	156,909	4%
Indonesia	699,080	10%	625,430	16%
	7,067,061	100%	3,980,997	100%

	COMPANY			
	2013 RM	% of total	2012 RM	% of total
Malaysia	1,411,890	74%	56,302	10%
Indonesia	500,108	26%	500,108	90%
	1,911,998	100%	556,410	100%

Financial assets that are neither past due nor impaired

Information regarding trade and other receivables that are neither past due nor impaired is disclosed in Note 11. Deposits with banks and other financial institutions that are neither past due nor impaired are entered into or placed with reputable financial institutions or companies with high credit ratings and no history of default.

Financial assets that are either past due or impaired

Information regarding financial assets that are either past due or impaired is disclosed in Note 11.

31.2 Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's and the Company's financial instruments will fluctuate because of changes in market interest rates.

The Group's and the Company's operations are financed through a mixture of internally generated funds and bank borrowings. The Group's and the Company's exposure to interest rate risk relates to interest bearing financial assets and liabilities. Interest bearing financial assets includes fixed deposits with licensed banks which are based on fixed rates and the Group's and the Company's interest bearing financial liabilities comprise bank overdraft and term loan which are based on floating rates.

31. FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

31.2 Interest rate risk (Cont'd)

Sensitivity analysis for interest rate risk

No sensitivity analysis is prepared as the Group and Company does not expect any material effect on the Group or Company's profit or loss arising from the effect of reasonably possible changes to interest rates on interest bearing financial instruments at the reporting date.

31.3 Foreign currency risk

Foreign currency risk is the risk that fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Group and the Company are exposed to foreign currency risks in respect of their investments in foreign subsidiaries and foreign receivables. 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.

The Group's and the Company's foreign currency exposure profiles of the following financial assets and liabilities as at 31 March 2013 have been disclosed under the respective notes :-

- Trade and other receivables - Note 11
- Cash and bank balances - Note 12
- Bank borrowings - Note 16
- Trade and other payables - Note 17

Sensitivity analysis for foreign currency risk

Below is an analysis of the sensitivity of the Group's profit for the year to a 5 percent strengthening or weakening of the foreign currencies against the RM currency at the end of the reporting period.This analysis assumes that all other variables, in particular interest rates, remain constant.

	GROUP Profit for the year Increase/(Decrease)	
	2013	**2012**
	RM	**RM**
SGD - strengthened 5%	83,406	(76,913)
SGD - weakened 5%	(75,462)	76,913
USD - strengthened 5%	7,854	2,744
USD - weakened 5%	(7,106)	(2,744)
PHP - strengthened 5%	2,771	-
PHP - weakened 5%	(2,507)	-

31. FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

31.4 Liquidity risk

Liquidity risk is the risk that the Group or the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's and the Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Group's and the Company's objective is to maintain a balance between continuity of funding and flexibility through the use of credit facilities.

Analysis of financial instruments by remaining contractual maturities

The maturity profile of the Group's and the Company's financial liabilities as at the end of the reporting period based on undiscounted contractual payments are as follows :-

Group	On demand or within 1 year RM	1 to 5 years RM	More than 5 years RM	Total RM
2013				
Financial liabilities				
Trade and other payabes	8,477,511	-	-	8,477,511
Bank borrowings	4,603,595	-	-	4,603,595
Total undiscounted financial liabilities	13,081,106	-	-	13,081,106
2012				
Financial liabilities				
Trade and other payabes	10,038,278	-	-	10,038,278
Bank borrowings	1,623,334	811,666	-	1,623,334
Total undiscounted financial liabilities	11,661,612	811,666.00	-	11,661,612

Company	On demand or within 1 year RM	1 to 5 years RM	More than 5 years RM	Total RM
2013				
Financial liabilities				
Trade and other payabes	7,010,523	-	-	7,010,523
Total undiscounted financial liabilities	7,010,523	-	-	7,010,523
2012				
Financial liabilities				
Trade and other payabes	3,690,975	-	-	3,690,975
Total undiscounted financial liabilities	3,690,975	-	-	3,690,975

32. CAPITAL MANAGEMENT

The Group's objectives of managing capital are to safeguard the Group's ability to continue in its operations as a going concern in order to provide fair returns for shareholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain the optimal capital structure, the Group may, from time to time, adjust or vary the dividend payouts to shareholders, issue new shares, redeem debts or sell assets to reduce debts, where necessary.

For capital management purposes, the Group considers shareholders' equity and bank borrowings to be the key components in the Group capital structure. The Group monitors capital on the basis of gearing ratio. The ratio is calculated as the total liabilities to total equity. The Group's strategy is to maintain a gearing ratio of below 50%. There were no changes in the Group's approach to capital management during the year.

The debt-to-equity ratio as at 31 March 2013 and 31 March 2012 were as follows :-

	GROUP	
	2013	**2012**
	RM	**RM**
Term loans	4,603,595	2,435,000
Total debt	4,603,595	2,435,000
Total equity	21,571,013	25,648,464
Debt-to-equity ratio	0.21	0.09

33. TRANSITION FROM FRS TO MFRS

The financial effects on the transition from the previous FRS framework to MFRS are summarised below :

33.1 Estimates

The estimates in accordance with MFRS at the date of transition are consistent with the estimates for the same date in accordance with previous FRS.

33.2 Exemption Options Under MFRS 1

Exemption for Business Combinations

As permitted by MFRS 1, the Group has elected to apply MFRS 3, Business Combinations, prospectively to business combinations that occurred after 1 January 2011, the date of transition to MFRS. Consequently, business combinations that occurred prior to the transition date have not been restated.

33.3 Explanation of Transition to MFRSs

The transition to MFRS does not have any financial impact on the financial statements of the Group and the separate financial statements of the Company.

34. EVENT SUBSEQUENT TO BALANCE SHEET DATE

On 30 April 2013, novaCitynets Pte Ltd ("novaCIYTNETS"), a wholly owned subsidiary of the Company, had invested NT700,000 (approximately RM72,000), representing an equity interest of 70%, in a Limited Liability Company, incorporated under the relevant law of Republic of China ("Taiwan"), called novaBIM Limited ("novaBIM") in Taiwan. The remaining 30% equity interests in novaBIM are owned by other Taiwanese individuals.

35. SUPPLEMENTARY INFORMATION - REALISED AND UNREALISED PROFITS OR LOSSES

The breakdown of accumulated losses of the Group and the Company as at 31 March 2013, into realised and unrealised profits or losses, pursuant to the directive issued by Bursa Malaysia Securities Berhad dated 25 March 2010, is as follows :-

	2013	
	GROUP	**COMPANY**
	RM	**RM**
Total accumulated losses of the Company and its subsidiaries :		
- Realised	(43,469,646)	(26,627,623)
- Unrealised	291,175	-
	(43,178,471)	(26,627,623)
Total share of retained profits from an associate :		
- Realised	594,815	-
- Unrealised	-	-
	(42,583,656)	(26,627,623)
Less : Consolidation adjustments	10,985,125	-
Accumulated losses as per financial statements	(31,598,531)	(26,627,623)

	2012	
	GROUP	**COMPANY**
	RM	**RM**
Total accumulated losses of the Company and its subsidiaries :		
- Realised	(42,589,096)	(23,203,048)
- Unrealised	260,780	-
	(42,328,316)	(23,203,048)
Total share of retained profits from an associate :		
- Realised	499,045	-
- Unrealised	-	-
	(41,829,271)	(23,203,048)
Less : Consolidation adjustments	14,831,955	-
Accumulated losses as per financial statements	(26,997,316)	(23,203,048)

The determination of realised and unrealised profits or losses is based on the Guidance of Special Matter No.1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosures Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, issued by the Malaysian Institute of Accountants.

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 33 to 86 are drawn up in accordance with Malaysia Financial Reporting Standard, International Financial Reporting Standard 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 2013 and of their results and cash flows for the year ended on that date.

The information set out in Note 35 to the financial statements on page 86 have been prepared in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosures Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, issued by the Malaysian Institute of Accountants.

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

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

CHAN WING KONG

Kuala Lumpur,

17 July 2013

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 33 to 86 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.

Subscribed and solemnly declared by)
the abovenamed TAN CHEE PING at)
Kuala Lumpur in Wilayah Persekutuan)
on 17 July 2013)

TAN CHEE PING

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 statements of financial position as at 31 March 2013 of the Group and of the Company, and the statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 33 to 86.

Directors' Responsibility for the Financial Statements

The directors of the Company are responsible for the preparation of financial statements that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 1965 in Malaysia. The Directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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 about 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 entity's preparation of financial statements that give a true and fair view 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 entity'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 give a true and fair view of the financial position of the Group and of the Company as at 31 December 2012 and of their financial performance and cash flows for the year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 1965 in Malaysia.

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.

Other Reporting Responsibilities

The supplementary information set out in Note 35 on page 86 is disclosed to meet the requirement of Bursa Malaysia Securities Berhad. The directors are responsible for the preparation of the supplementary information in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants ("MIA Guidance") and the directive of Bursa Malaysia Securities Berhad. In our opinion, the supplementary information is prepared, in all material respects, in accordance with the MIA Guidance and the directive of Bursa Malaysia Securities Berhad.

Other Matters

1. As stated in Note 3.1 to the financial statements, NOVA MSC BERHAD adopted Malaysian Financial Reporting Standards on 1 April 2012 with a transition date of 1 April 2011. These standards were applied retrospectively by directors to the comparative information in these financial statements, including the statements of financial position as at 31 March 2012 and 1 April 2011, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended 31 March 2012 and related disclosures. We were not engaged to report on the restated comparative information and it is unaudited. Our reponsibilities as part of our audit of the financial statements of the Group and of the Company for the year ended 31 March 2013 have, in these circumstances, included obtaining sufficient appropriate audit evidence that the opening balances as at 1 April 2012 do not contain misstatements that materially affect the financial position as at 31 March 2013 and financial performance and cash flows for the year then ended.

2. 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

KHOO PEK LING
900/03/14(J/PH)
Chartered Accountant

Kuala Lumpur,

17 July 2013

STATEMENT OF SHAREHOLDINGS

AS AT 12 JULY 2013

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 12 July 2013

Range of Shareholdings	No of Holders	Percentage of Holders	No of RM0.10 Shares	Percentage of Issued Capital
1 – 99	51	1.03	2,621	0.00
100 – 1,000	375	7.59	288,587	0.07
1,001 – 10,000	2,199	44.50	13,865,945	3.44
10,001 - 100,000	1,895	38.34	74,759,280	18.56
100,001 - 20,139,899(*)	420	8.50	243,608,117	60.48
20,139,900 and above (**)	2	0.04	70,273,450	17.45
Total	**4,942**	**100.00**	**402,798,000**	**100.00**

SUBSTANCIAL HOLDERS as at 12 July 2013

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
Maybank Securities Nominees (Asing) Sdn Bhd Maybank 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
Y.A.M. Tunku Dato' Seri Nadzaruddin Ibni Tuanku Ja'afar	2,590,000	0.64	24,783,250	6.15

LIST OF DIRECTORS' SHAREHOLDINGS AS PER THE REGISTER OF DIRECTORS' SHAREHOLDINGS as at 12 July 2013

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 Tuanku Ja'afar	2,590,000	0.64	24,783,250	6.15
Chan Wing Kong	16,770,230	4.16	-	-
Victor John Stephen Price	8,608,211	2.14	-	-

THIRTY LARGEST REGISTERED HOLDERS as at 12 July 2013

	Name of Substantial Shareholders	No of Shares held	% of Shareholding
1.	Maybank Securities Nominees (Asing) Sdn Bhd *Maybank Kim Eng Securities Pte Ltd for Zylog Systems Asia Pacific Pte Ltd*	42,849,750	10.64
2.	Citigroup Nominees (Asing) Sdn Bhd *Exempt an for OCBC Securities Private Limited (Client A/C-NR)*	27,423,700	6.81
3.	Raden Corporation Sdn Bhd	18,783,250	4.66
4.	Maybank Securities Nominees (Asing) Sdn Bhd *Maybank Kim Eng Securities Pte Ltd for Chan Wing Kong*	16,770,230	4.16
5.	Maybank Securities Nominees (Asing) Sdn Bhd *Maybank Kim Eng Securities Pte Ltd for Victor John Stephen Price*	8,608,211	2.14
6.	UOB Kay Hian Nominees (Asing) Sdn Bhd *Amfraser Securities Pte Ltd for Soh Chong Chau (92860)*	5,917,600	1.47
7.	Tang Pian Nam	5,556,000	1.38
8.	HSBC Nominees (Asing) Sdn Bhd *Exempt an for BNP Paribas Wealth Management Singapore Branch (A/C Clients-FGN)*	5,447,420	1.35
9.	CIMSEC Nominees (Asing) Sdn Bhd *UOB Kay Hian Private Limited for Teo Eng Huat (67)*	5,200,000	1.29
10.	Pesaka Antah Holdings Sdn Bhd	4,000,000	0.99
11.	Wong Ah Moi @ Wong Choi Chan	3,954,600	0.98
12	Cimsec Nominees (Asing) Sdn Bhd *Exempt an for CIMB Securities (Singapore) Pte Ltd (Retail Clients)*	3,845,000	0.95
13.	Maybank Securities Nominees (Asing) Sdn Bhd *Maybank Kim Eng Securities Pte Ltd for Sebastian Yeo Boon Kiat*	3,800,254	0.94
14.	Tan Yew Soon	3,540,070	0.88
15.	Lai Teik Kin	3,538,170	0.88
16.	Bo Saw Wing @ Ho Saw Wing	3,525,000	0.88
17.	Cheah Saw Guat	2,950,000	0.73
18.	HLIB Nominees (Tempatan) Sdn Bhd *Pledged Securities Account for Jimmy Cheah Kheng Siew*	2,870,000	0.71
19.	Ng Boon Swee	2,802,400	0.70
20.	JF Apex Nominees (Tempatan) Sdn Bhd *Pledged Securities Account for Ng Boon Swee (STA 2)*	2,774,500	0.69
21.	JF Apex Nominees (Tempatan) Sdn Bhd *Pledged Securities Account for Chong Loong Men (Margin)*	2,759,200	0.69
22.	YAM Tunku Nadzaruddin Ibni Tuanku Ja'afar	2,590,000	0.64
23.	HLIB Nominees (Asing) Sdn Bhd *Lim & Tan Securities Pte Ltd for Lee Chin Choo*	2,402,000	0.60
24.	Maybank Nominees (Tempatan) Sdn Bhd *Pledged Securities Account for Yeo Peck Chong*	2,400,000	0.60
25.	Maybank Securities Nominees (Tempatan) Sdn Bhd *Pledged Securities Account for Ong Fee Chong (REM 157-Margin)*	2,300,000	0.57
26.	Affin Nominees (Tempatan) Sdn Bhd *Pledged Securities Account for Ong Ah Yiew @ Ong Keng Wah (Ong 1277M)*	2,256,000	0.56
27.	Lau Hui Kon	2,248,600	0.56
28.	HDM Nominees (Tempatan) Sdn Bhd *Y.A.M Tunku Naquiyuddin Ibni Tuanku Ja'afar*	2,000,000	0.50
29.	Lim Seok Kim	2,000,000	0.50
30.	HDM Nominees (Tempatan) Sdn Bhd *Lim & Tan Securities Pte Ltd for Chan Hoong Kwai*	1,850,200	0.46

NOVA MSC BERHAD
(591898-H)

PROXY FORM

No. of shares held

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 Eleventh Annual General Meeting of the Company held on Wednesday, 28 August 2013 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.	To adopt Accounts & Reports	1		
2.	To re-elect Mr. Chan Wing Kong	2		
3.	To re-elect YAM Tunku Dato' Seri Nadzaruddin Ibni Almarhum Tuanku Ja'afar	3		
4.	To approve the payment of Directors' fees for the year ended 31 March 2013.	4		
5.	To appoint Messrs. Folks DFK & Co. as Auditors and to authorize the Directors to fix their remuneration.	5		
6.	Ordinary Resolution 1 : To re-appoint Dr. Victor John Stephen Price under Section 129(6) of the Companies Act, 1965.	6		
7.	Ordinary Resolution 2 : To approve Mr. Onn Kien Hoe to continue to act as an Independent Non-Executive Director.	7		
8.	Ordinary Resolution 3 : To approve the Issuance of Shares Pursuant to Section 132D	8		
9.	Ordinary Resolution 4 : To approve the Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions	9		
10.	Special Resolution : To amend the Company's Articles of Association	10		

Dated :

____
Signature / Seal

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 of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account") there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each account it holds.*
3. *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.*
4. *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.*
5. *The Proxy Form must be deposited at the Registered Office of the Company at No. 1 & 1A, 2nd Floor (Room 2), 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

AFFIX
STAMP

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

Please fold here

NOVA MSC BERHAD (591898-H)

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

WWW.NOVAMSC.COM