NOVA MSC BERHAD
(591898-H)

ANNUAL REPORT

CONTENT

Notice Of Annual General Meeting

NOTICE IS HEREBY GIVEN that the 12th Annual General Meeting of the Company will be held at Bukit Jalil Golf & Country Resort, Jalan 3/155B, Bukit Jalil 57000 Kuala Lumpur on Tuesday, 30 September 2014 at 3.00 p.m. for following purposes :-

AS ORDINARY BUSINESS

1. To receive and adopt the Audited Accounts for the year ended 31 March 2014, together with the Reports of Directors and Auditors thereon. (Resolution 1)

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

3. To re-elect Dato' Chua Hock Hoo 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 2014. (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 :-

6. **ORDINARY RESOLUTION 1** (Resolution 6)
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

7. **ORDINARY RESOLUTION 2** (Resolution 7)
Continuation in office as Independent Non-Executive Director pursuant to Recommendation 3.3 of the Malaysian Code on Corporate Governance 2012
"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** (Resolution 8)
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

9. **ORDINARY RESOLUTION 4** (Resolution 9)
PROPOSED RENEWAL OF EXISTING SHAREHOLDERS' MANDATE AND PROPOSED NEW SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE ("PROPOSED SHAREHOLDERS' MANDATE")
"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 renew the existing shareholders' mandate and to grant new shareholders' mandate for recurrent related party transactions of a revenue or trading nature ("Proposed Shareholders' Mandate") for the Company and/ or its subsidiaries to enter into as set out in Section 2.5 of the Circular to shareholders dated 8 September 2014 , 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:-

Notice Of Annual General Meeting (Cont'd)

(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. **ORDINARY RESOLUTION 5** (Resolution 10)
ALLOCATION OF OPTIONS TO DIRECTOR
Resolved that subject to the approvals of all relevant authorities, if applicable, the Board of Directors of the Company be and is hereby authorised at any time and from time to time to offer and to grant to **Suresh Parthasarathy**, Executive Director of the Company, options to subscribe for up to the maximum entitlement of new ordinary shares in the Company, subject to Clause 6 of the By-Laws , which states that not more than fifty percent (50%) of new NMSC Shares available under the Scheme should be allocated in aggregate to the Directors and senior management of the NMC Group, and that not more than ten percent (10%) of the new NMSC Shares available under the Scheme should be allocated to any individual director or employee, who either singly or collectively through persons connected with the Director or employee, holds twenty percent (20%) or more of the issued and paid-up capital of NMSC, and also subject always to other terms and conditions and/or any adjustment that may be made in accordance with the provisions of the By-Laws of the Scheme.

11. **ORDINARY RESOLUTION 6** (Resolution 11)
ALLOCATION OF OPTIONS TO DIRECTOR
Resolved that subject to the approvals of all relevant authorities, if applicable, the Board of Directors of the Company be and is hereby authorised at any time and from time to time to offer and to grant to **Dato' Chua Hock Hoo**, Independent Non-Executive Director of the Company, options to subscribe for up to the maximum entitlement of new ordinary shares in the Company, subject to Clause 6 of the By-Laws, which states that not more than fifty percent (50%) of new NMSC Shares available under the Scheme should be allocated in aggregate to the Directors and senior management of the NMSC Group, and that not more than ten percent (10%) of the new NMSC Shares available under the Scheme should be allocated to any individual Director or employee, who either singly or collectively through persons connected with the Director or employee, holds twenty percent (20%) or more of the issued and paid-up capital of NMSC, and also subject always to other terms and conditions and/or any adjustment that may be made in accordance with the provisions of the By-Laws of the Scheme.

12. 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
8 September 2014

Notice Of Annual General Meeting (Cont'd)

Notes :

1. In respect of deposited securities, only members whose names appear in the Record of Depositors on **23 September 2014** ("General Meeting Record of Depositors") shall be eligible to attend the Meeting.

2. 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.

3. 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.

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.

6. **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 28 August 2013. 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 **8 September 2014** for further information.

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 Onn Kien Hoe
   ii) Dato' Chua Hock Hoo

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 Onn Kien Hoe, Dato' Chua Hock Hoo 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 27** 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 2014. The details of the attendance of the Directors are shown in **page 13** of the Annual Report

5. Place, date and time of the 12th Annual General Meeting

   The 12th Annual General Meeting is scheduled to be held on Tuesday, 30 September 2014 at Bukit Jalil Golf & Country Resort, Jalan 3/155B, Bukit Jalil 57000 Kuala Lumpur at 3.00 p.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

Dato' 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

Dato' Chua Hock Hoo
Non-Executive Independent Director

Dr. Victor John Stephen Price
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

Dato' 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

Dato' 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 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)
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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) 7841 8279/7841 8278 (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
(Incorporated in Malaysia)

- **Novacitynets Pte Ltd** (Incorporated in Singapore) — 100%
  - **NovaBIM Limited** (Incorporated in Republic of China) — 70%
  - **Novacitynets International Pte Ltd** (Incorporated in Singapore) — 100%
- **B-Nova Sdn Bhd** (Incorporated in Brunei) — 40%
- **NovaSolutions (Philippines) Inc** (Incorporated in Philippines) — 99.99%
- **Novahealth Pte Ltd** (Incorporated in Singapore) — 100%
  - **JPMCnova Sdn Bhd** (Incorporated in Brunei) — 49%

Chairman's Statement

Dear Shareholders,

With the global economy not fully recovered in 2013, the business sentiments from our core markets remained cautious. Under such challenging environment, the Group had relied on our relentless focus on our product offering and marketing expansion to achieve sustainable growth.

For the financial year ended 31 March 2014("FY13/14"), we achieved a revenue of RM32.4 million, which represented an approximately 6% increase over the revenue for the financial year ended 31 March 2013 ("FY12/13") of RM30.7 million. In line with the higher revenue, the Group achieved a profit before taxation of approximately RM0.7 million for FY13/14 as compared to FY12/13's loss before taxation of approximately RM4.6 million. The higher profit before tax was also due to lower amortization charge and write back of impairment charge of approximately RM0.9 million related to one of its intangible assets.

Shareholders' fund as at 31 March 2014 stood at approximately RM23.2 million.

For FY13/14, the Group continued its planned development efforts from prior years and incurred approximately RM2.1 million in enhancing our flagship healthcare product, VESALIUS. We will continue to invest in research and development (R&D) as the Group considers its R&D capability to be a vital factor to the Group's strategy in driving business growth and improving efficiency.

As the Group expands, we have also undertaken the following corporate developments during the financial year:-

a. On 30 April 2013, novaCITYNETS Pte Ltd ("NCN"), a wholly owned subsidiary of the Company acquired 700,000 ordinary shares of NT 1.00 each in novaBIM Limited, a company incorporated under the relevant law of the Republic of China representing 70% of the issued and paid-up share capital of novaBIM Limited.

b. On 9 October 2013, the Company incorporated novaCITYNETS International Pte. Ltd ("NCI"). NCI is incorporated in the Republic of Singapore with an issued and paid up share capital of SGD100.00 comprising 100 ordinary shares of SGD1.00 each. Subsequently on 12th March 2014, the Company transferred 100 ordinary shares held in NCI, representing 100% of the total issued and paid up shares in NCI, to NCN for a consideration of S$100 (the "Transfer") to better streamline and structure the Group. Following the Transfer, the Company will continue to have 100% effective interest in both NCI and NCN

c. On 12th February 2014, the Company had applied for an additional 5,495,000 ordinary shares in NCN for a total consideration of S$5,495,000 by way of agreed discharge of amount of indebtedness by NCN to the Company.

Business Direction

Looking forward to 2014, the Group expects the economic climate to remains volatile. Despite the Group's relatively stable order book, the Group recognise that we are operating in a highly competitive environment. Hence, the Group intends to continue our strategies implemented in the last few years by developing new solutions and services offering, focusing on effective marketing activities on our existing and new markets and improving our operational efficiency in project delivery. We believe that the success implementation of these strategies will bring about better financial and operating performance for the next financial year.

Appreciation

On behalf of the Board, I would like to express our sincere appreciation to our management and staff of the Group for their continued efforts, commitment and contribution. I would also like to take this opportunity to thank our valued clients, suppliers, business associates as well as our shareholders for all their support and confidence in the Group.

Finally, I wish to thank my fellow Directors for their invaluable advice and support.

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

Directors' Profiles

Y.A.M. Tunku Dato' Seri Nadzaruddin Ibni Almarhum Tuanku Ja'afar,
54, 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.

Currently, he holds directorships in Box-Pak (Malaysia) 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 all four of the Board Meetings held in the financial year ended 31 March 2014.

Mr Chan Wing Kong,
56, 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. Prior to the setting up of Nova MSC Berhad group of companies, he was the General Manager of the IT Division in Siemens Pte. Ltd. in Singapore. 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 2014.

Dr Victor John Stephen Price,
72, 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 Audit Committee, Remuneration Committee and ESOS Committee.

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

Dr Price 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 2014.

Directors' Profiles (Cont'd)

Mr Onn Kien Hoe,
49, 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 three out of four Board Meetings held in the financial year ended 31 March 2014.

Dato' Chua Hock Hoo,
48, Malaysian,
Non Executive Independent Director

Dato' 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.

Dato' 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 7th July 2013.

Dato' 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 has been appointed as an Adjunct Professor of UNITAR International University since January 2014. 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.

Dato' 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 2014.

Mr Suresh Parthasarathy,
43, 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 2014.

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 2014:-

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.

1.2 Board Charter

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.

1.3 Code of Conduct

The Board also recognises the importance of formalizing a code of conduct, setting out the standards of conduct expected from Directors and employees, to engender good corporate behaviour. The Board shall formalize its code of conduct in due course.

1.4 Composition and Board Balance

1.4.1 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.

1.4.2 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.

1.5 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.

1.6 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.

1.7 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.

The Company does not have term limits for both Executive Directors and Independent Non-Executive Directors as the Board believes that continued contribution by Directors provide benefits to the Board and the Group as a whole. The integrity of Independent Directors is not compromised by the long period of serving. The Board recognizes the importance of establishing criteria on independence to be used in the annual assessment of its Independent Non-Executive Directors. In accordance with Recommendation 3.3 of MCCG 2012, the Board must justify and seek shareholders' approval in the event it retains an independent director, a person who has served in that capacity for more than nine years.

1.8 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	4/4
Onn Kien Hoe	3/4
Dr Victor John Stephen Price	4/4
Dato' 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.

The Board also observe the recommendation of the Code that they are required to notify the Chairman before accepting any new directorship and to indicate the time expected to be spent on the new appointment. To ensure that the Directors have the time to focus and fulfil their roles and responsibilities effectively, they must no hold directorships at more than five public listed companies and must be able to commit sufficient time to the Company.

The Board is satisfied that the level of time commitment given by the Directors towards fulfilling their roles and responsibilities as Directors of the Company as evidenced by the attendance record of the Directors at Board meetings.

1.9 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 financial year under review, 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**
   - Fraud Detection & Prevention - A necessity, Not a Choice
   - In House Directors' Training : Overview of Nova Solutions and Services

2. **MR. ONN KIEN HOE**
   - CCH ProSystem fx Engagement Reviewer Training
   - FIDE Module A Group 10 (Insurance)
   - Auditing for Fraud
   - Economic & Capital Market Review
   - FIDE Module B Group 10 (Insurance)
   - Financial Accounting & Reporting for Takaful
   - Seminar On Liquidation
   - Seminar Percukaian Kebangsaan 2013

3. **DR. VICTOR JOHN STEPHEN PRICE**
   - In House Directors' Training : Overview of Nova Solutions and Services

4. **DATO' CHUA HOCK HOO**
   - Private Retirement Scheme Familiarization Program
   - National Tax Conference 2013
   - Learn Strategic Planning And BSC & KPI From Moneyball
   - In House Directors' Training : Overview of Nova Solutions and Services
   - Seminar Percukaian Kebangsaan 2013

5. **MR. CHAN WING KONG**
   - As speaker for topic titled : Overview of Nova Solutions and Services
   - Doing business in Indonesia, the Regulation and the Procedure

6. **MR. SURESH PARTHASARATHY**
   - In House Directors' Training : Overview of Nova Solutions and Services
   - BankTechAsia'13

1.10 Board Committee

The Board has established the following committees:

i) Audit Committee

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

ii) Nomination Committee

The Nomination Committee comprises of the following members:

- Onn Kien Hoe (Chairman), Independent Non-Executive Director
- Y.A.M. Tunku Dato' Seri Nadzaruddin Ibni Almarhum Tuanku Ja'afar, Non-Independent Non-Executive Director
- Dato' Chua Hock Hoo, Independent Non-Executive 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), Independent Non-Executive Director
- Y.A.M. Tunku Dato' Seri Nadzaruddin Ibni Almarhum Tuanku Ja'afar, Non-Independent Non-Executive Director
- Dr Victor John Stephen Price, Independent Non-Executive Director
- Chan Wing Kong, Non-Independent Executive 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), Independent Non-Executive Director
- Y.A.M. Tunku Dato' Seri Nadzaruddin Ibni Almarhum Tuanku Ja'afar, Non-Independent Non-Executive Director
- Dato' Chua Hock Hoo, Independent Non-Executive Director
- Dr Victor John Stephen Price, Independent Non-Executive 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 Remuneration Committee is entrusted under its term of reference to assist the Board, among others, to recommend to the Board the remuneration of the Executive Directors. In the case of Non-Executive Directors, the level of remuneration shall reflect the experience and level of responsibilities undertaken by the Non-Executive Directors concerned. In all instances, the deliberations are conducted with the Directors concerned abstaining from discussions on their individual remuneration.

Aggregate remuneration of the Directors during the financial year ended 31 March 2014 can be categorized into the following components:

Category	Proposed Director's Fees (RM)	Salaries and other emolument (RM)	Total (RM)
Executive Directors	-	921,107	921,107
Non-Executive Directors	190,800	-	190,800

Directors' remuneration is broadly categorized into the following bands:

Range of Remuneration	Number of Directors Executive	Number of Directors Non-Executive
Below 50,000	-	3
RM50,001 to RM100,000	-	1
RM100,001 to RM150,000	-	-
RM150,001 to RM200,000	1	-
RM200,001 to RM300,000	-	-
RM300,001 to RM400,000	-	-
RM400,001 to RM500,000	-	-
RM500,001 to RM600,000	-	-
RM601,000 to RM700,000	-	-
RM701,000 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

3.1 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.

The Group has yet to adopt the practice of poll voting for all resolutions at AGM except as required under the Listing Requirement and the Company's Articles of Association when there is a demand for poll by shareholder or the Chairman.

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 and Risk Management

The Group's Statement on Risk Management and Internal Control is set out on pages 23 to 24 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 19 to 22.

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.

4.6 Compliance with the Code

The Board is satisfied that the Company has in all material aspects complied with the principles and recommendations of the Code during the financial year ended 31 March 2014 except where it was specifically stated otherwise.

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. OPTIONS, 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 2014 with information as follows:-

	During the Financial Year Ended 31 March 2014	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 2014	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	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 2014.

4. VARIATION OF RESULTS

There was no material variation between the audited result for the financial year ended 31 March 2014 and that of the unaudited results previously announced on 29 May 2014.

5. MATERIAL CONTRACTS

For the financial year ended 31st March 2014, 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
Dato' Chua Hock Hoo	Member	Non-Executive Independent
Dr Victor John Stephen Price	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) Fulfils 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.

Audit Committee Report (Cont'd)

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.
    l. The independence and objectivity of the external auditors and their services including non-audit fees and professional fees, so as to ensure proper balance between objectivity and value for money.

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 2014. The attendance record of each Director since the last financial year or the date of appointment is as follows:

	Number of Meetings Attended
Onn Kien Hoe	4/4
Y.A.M. Tunku Dato' Seri Nadzaruddin Ibni Almarhum Tuanku Ja'afar	4/4
Dato' Chua Hock Hoo	4/4
Dr Stephen Victor John Price	1/1

Dr Stephen Victor John Price has been appointed a member of the Audit Committee on 27 November 2013 on the recommendation of the Nomination Committee and approved by the Board.

During the financial year ended 31 March 2014, the Audit Committee has discharged the following functions and duties:-

(i) Reviewed the quarterly financial result announcement and recommend to the Board for approval
(ii) Reviewed the Group's annual audited financial statements and recommended to the Board for approval;
(iii) Reviewed the external auditors' scope of work, proposed audit fees and audit plan for the year;
(iv) Reviewed the external auditors' report and their audit findings;
(v) Assessed the Group's financial performance;
(vi) Reviewed related party transactions within the Group;
(vii) Reviewed and deliberated on issues raised in the audit reports by internal auditors in relation to weakness in internal controls.

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. It reports directly to the Audit Committee.

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 the Statement of Risk Management and Internal Control for the inclusion in the annual report of the Group for the financial year ended 31 March 2014 and have reported to the Board that nothing has come to their attention that causes them to believe that the Statement is not prepared, in all material respects, in accordance with the disclosures required by paragraphs 41 and 42 of the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers to be set out, nor is factually inaccurate.

The above statement is made in accordance with the resolution of the Board dated 16 July 2014.

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 31 March, 2014 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 19 to 22.

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 2014 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 not prepared, in all material respects, in accordance with the disclosures required by paragraphs 41 and 42 of the statement on Risk Management and Internal Control : Guidelines for Directors Listed Issuers to be set out, nor is factually inaccurate.

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, Chief Operating Officer and Chief Financial Officer 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 March 31, 2014 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 16 July, 2014.

REPORTS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2014

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 2014.

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
Profit for the year	721,496	767,744
Attributable to:		
- Owners of the Company	726,491	767,744
- Non-controlling interests	(4,995)	-
	721,496	767,744

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 2014.

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 1.4.2013	Bought	Sold	As at 31.3.2014
Direct Interest				
Y.A.M. Tunku Dato' Seri Nadzaruddin Ibni Almarhum Tuanku Ja'afar	2,590,000	1,410,000	-	4,000,000
Chan Wing Kong	16,770,230	-	-	16,770,230
Victor John Stephen Price	8,608,211	-	-	8,608,211
Indirect Interest				
Y.A.M. Tunku Dato' Seri Nadzaruddin Ibni Almarhum Tuanku Ja'afar	24,783,250	-	-	24,783,250

	Number of options over ordinary shares of RM0.10 each in the Company				
	Exercise price RM/share	As at 1.4.2013	Granted	Exercised	As at 31.3.2014
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 29 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.

8. OPTIONS GRANTED OVER UNISSUED SHARES (CONT'D)

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 1.4.2013	Granted	Exercised	Lapsed	As at 31.3.2014
15.6.2007	5,340,000	-	-	-	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
	17,410,000	-	-	-	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		Number of options	
Grant date	RM	Expiry date	2014	2013
15.6.2007	0.10	30.10.2015	5,340,000	5,340,000
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	17,410,000

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 2014 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 2014 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. 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,
21 July 2014

Statement Of Financial Position

As At 31 March 2014

	Note	GROUP 2014 RM	GROUP 2013 RM	COMPANY 2014 RM	COMPANY 2013 RM
ASSETS					
Non-Current Assets					
Property, plant and equipment	5	681,286	570,590	41,421	32,504
Intangible assets	6	10,343,635	8,755,501	-	-
Investment in subsidiaries	7	-	-	30,111,888	27,740,391
Investment in associates	8	890,529	694,453	29,072	29,072
		11,915,450	10,020,544	30,182,381	27,801,967
Current Assets					
Amount due from contract customers	10	10,958,287	6,569,328	-	26,040
Trade and other receivables	11	7,297,735	13,818,709	1,855,819	1,890,455
Tax recoverable		2,590	4,857	2,590	4,857
Cash and bank balances	12	6,310,868	4,279,725	224,904	188,331
		24,569,480	24,672,619	2,083,313	2,109,683
TOTAL ASSETS		36,484,930	34,693,163	32,265,694	29,911,650
EQUITY					
Share capital	13	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
Accumulated losses		(30,872,040)	(31,598,531)	(25,859,879)	(26,627,623)
Equity compensation reserve		941,940	941,940	941,940	941,940
Foreign currency translation reserve		4,545,435	3,640,794	-	-
Equity attributable to the shareholders of the Company		23,202,145	21,571,013	23,668,871	22,901,127
Non-controlling interests	16	27,715	-	-	-
Total equity		23,229,860	21,571,013	23,668,871	22,901,127
LIABILITIES					
Current Liabilities					
Amount due to contract customers	10	48,086	41,044	-	-
Trade and other payables	18	8,361,514	8,477,511	8,596,823	7,010,523
Bank borrowings	17	4,843,925	4,603,595	-	-
Taxation		1,545	-	-	-
		13,255,070	13,122,150	8,596,823	7,010,523
TOTAL EQUITY AND LIABILITIES		36,484,930	34,693,163	32,265,694	29,911,650

The notes on pages 37 to 77 form part of these financial statements.

Statements Of Comprehensive Income

For The Year Ended **31 March 2014**

		GROUP		COMPANY	
		2014	2013	2014	2013
	Note	RM	RM	RM	RM
Revenue	19	32,392,200	30,682,716	2,738,912	4,037,382
Other income		292,571	524,862	-	-
Reversal of impairment loss for amount due from subsidiary company		-	-	2,999,878	-
Employee benefits expenses	20	(20,044,949)	(18,955,497)	(1,965,132)	(1,862,695)
Hardware and material costs		(6,735,407)	(6,264,070)	(2,150,813)	(4,757,261)
Office rental		(918,797)	(1,105,474)	(100,298)	(99,305)
Other expenses		(3,012,169)	(3,014,700)	(726,720)	(725,828)
Depreciation and amortisation		(2,135,117)	(5,568,133)	(28,512)	(38,343)
Write back of impairment loss for intangible asset		927,465	-	-	-
Impairment loss for intangible assets		-	(908,157)	-	-
Interest income		1,246	5,537	429	4,963
Finance costs	21	(209,286)	(130,829)	-	-
Share of profit of associates		165,251	116,018	-	-
Profit/(loss) before taxation	23	723,008	(4,617,727)	767,744	(3,441,087)
Tax expense	24	(1,512)	-	-	-
Profit/(loss) for the year		721,496	(4,617,727)	767,744	(3,441,087)
Other comprehensive income					
Item that may be reclassified subsequently to profit or lost:					
Currency translation differences		904,641	540,276	-	-
Other comprehensive income for the year, net of tax		904,641	540,276	-	-
Total comprehensive income/(loss) for the year		1,626,137	(4,077,451)	767,744	(3,441,087)
Net profit/(loss) for the year attributable to :-					
Owners of Company		726,491	(4,617,727)	767,744	(3,441,087)
Non-Controlling interests		(4,995)	-	-	-
		721,496	(4,617,727)	767,744	(3,441,087)
Total comprehensive income/(loss) for the year attributable to :-					
Owners of Company		1,631,132	(4,077,451)	767,744	(3,441,087)
Non-Controlling interests		(4,995)	-	-	-
		1,626,137	(4,077,451)	767,744	(3,441,087)
EARNINGS/ (LOSS) PER ORDINARY SHARE					
Basic	25	0.18 sen	(1.15) sen		
Fully diluted	25	0.17 sen	N.A.		

The notes on pages 37 to 77 form part of these financial statements.

Statements Of Changes In Equity

For The Year Ended **31 March 2014**

	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	Non-controlling interests RM	Total Equity RM
2014								
At 1 April 2013	40,279,800	8,307,010	(31,598,531)	941,940	3,640,794	21,571,013	-	21,571,013
Profit for the year	-	-	726,491	-	-	726,491	(4,995)	721,496
Other comprehensive income: Foreign currency translation difference for foreign operations	-	-		-	904,641	904,641	-	904,641
Total comprehensive income for the year	-	-	726,491	-	904,641	1,631,132	(4,995)	1,626, 137
Non-controlling interest arising on business combination	-	-	-	-	-	-	32,710	32,710
At 31 March 2014	40,279,800	8,307,010	(30,872,040)	941,940	4,545,435	23,202,145	27,715	23,229,860

The notes on pages 37 to 77 form part of these financial statements.

Statements Of Changes In Equity (Cont'd)

For The Year Ended **31 March 2014**

	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	Non-controlling interests RM	Total Equity RM
2013								
At 1 April 2012	40,279,800	8,307,010	(26,997,316)	958,452	3,100,518	25,648,464	-	25,648,464
Loss for the year	-	-	(4,617,727)	-	-	(4,617,727)	-	(4,617,727)
Other comprehensive income: Foreign currency translation difference for foreign operations	-	-		-	540,276	540,276	-	540,276
Total comprehensive loss for the year	-	-	(4,617,727)	-	540,276	(4,077,451)	-	(4,077,451)
Transfer to retained earnings on ESOS lapses	-	-	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	-	21,571,013

The notes on pages 37 to 77 form part of these financial statements.

Statements Of Changes In Equity (Cont'd)

For The Year Ended **31 March 2014**

	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
2014					
As at 1 April 2013	40,279,800	8,307,010	(26,627,623)	941,940	22,901,127
Total comprehensive income	-	-	767,744	-	767,744
As at 31 March 2014	40,279,800	8,307,010	(25,859,879)	941,940	23,668,871
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 lapses	-	-	16,512	(16,512)	-
At 31 March 2013	40,279,800	8,307,010	(26,627,623)	941,940	22,901,127

The notes on pages 37 to 77 form part of these financial statements.

Statements Of Cash Flows

For The Year Ended **31 March 2014**

	GROUP		COMPANY	
	2014 RM	2013 RM	2014 RM	2013 RM
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit/(loss) before taxation	723,008	(4,617,727)	767,744	(3,441,087)
Adjustments for:				
Amortisation of intangible assets	1,799,651	5,334,305	-	-
Depreciation of property, plant and equipment	335,466	233,828	28,512	38,343
Impairment loss on trade receivables	-	72,237	-	-
Impairment loss on intangible assets	-	908,157	-	-
Write back of impairment loss on intangible asset	(927,465)	-	-	-
Reversal of impairment loss on amount due from subsidiary company	-	-	(2,999,878)	-
Property, plant and equipment written off	703	-	-	-
Loss on foreign exchange (net)	553,068	103,260	-	-
Share of associates profits	(165,251)	(116,018)	-	-
Interest expense	209,286	130,829	-	-
Interest income	(1,246)	(5,537)	(429)	(4,963)
Operating profit/(loss) before working capital changes	2,527,220	2,043,334	(2,204,051)	(3,407,707)
Changes in working capital:				
Amount due from contract customers	(4,381,917)	7,009,629	26,040	587,597
Trade and other receivables	6,520,974	(9,358,664)	663,017	(589,310)
Trade and other payables	(115,997)	(1,560,767)	1,586,300	3,319,548
Cash generated from/(used in) operations	4,550,280	(1,866,468)	71,306	(89,872)
Income tax paid	-	(1,103)	-	(2,000)
Income tax refunded	2,267	-	2,267	897
Interest paid	(209,286)	(130,829)	-	-
Net cash generated from/(used in) operating activities	4,343,261	(1,998,400)	73,573	(90,975)

The notes on pages 37 to 77 form part of these financial statements.

Statements Of Cash Flows (Cont'd)

For The Year Ended **31 March 2014**

	GROUP		COMPANY	
	2014 RM	2013 RM	2014 RM	2013 RM
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchase of property, plant and equipment	(455,656)	(403,153)	(37,429)	(6,333)
Development expenditure incurred, net of government grant received	(2,109,707)	(2,105,587)	-	-
Acquisition of subsidiary, net of cash acquired (Note 7)	32,710	-	-	-
Interest received	1,246	5,537	429	4,963
Net cash used in investing activities	(2,531,407)	(2,503,203)	(37,000)	(1,370)
CASH FLOWS FROM FINANCING ACTIVITIES				
Decrease/(increase) in pledged deposits placed with licensed banks	752,082	(126,287)	168,486	(4,963)
Repayment of bank borrowings	(5,139,948)	(1,572,405)	-	-
Drawdown of bank borrowings	5,192,000	3,741,000	-	-
Net cash generated from/(used in) financing activities	804,134	2,042,308	168,486	(4,963)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	2,615,988	(2,459,295)	205,059	(97,308)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	3,527,643	5,851,946	19,845	117,153
FOREIGN EXCHANGE DIFFERENCE ON OPENING BALANCE	167,237	134,992	-	-
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	6,310,868	3,527,643	224,904	19,845

	GROUP		COMPANY	
	2014 RM	2013 RM	2014 RM	2013 RM
Cash and bank balances	6,310,868	3,527,643	224,904	19,845
Deposits with licensed banks	-	752,082	-	168,486
Less: Fixed deposit pledged with banks	-	(752,082)	-	(168,486)
	-	-	-	-
	6,310,868	3,527,643	224,904	19,845

The notes on pages 37 to 77 form part of these financial statements.

Notes To The Financial Statements

- 31 March 2014

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 21 July 2014.

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 Malaysian Financial Reporting Standards ("MFRSs"), Issues Committee ("IC") Interpretations and amendments to MFRSs 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.

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.

3.2 Application of New and Revised MFRS and Amendments to MFRSs

During the financial year, the Group and the Company have applied the following new and revised MFRS, IC Interpretations and amendments to MFRSs and IC Interpretations which are effective from the beginning of the current financial year : -

New and Revised MFRSs and IC Interpretations

MFRS 10	Consolidated Financial Statements
MFRS 11	Joint Arrangements
MFRS 12	Disclosure of Interests in Other Entities
MFRS 13	Fair Value Measurement
MFRS 119	Employee Benefits (Revised)
MFRS 127	Separate Financial Statements (Revised)
MFRS 128	Investments in Associates and Joint Ventures (Revised)
IC Intepretation 20	Stripping Costs in the Production Phase of a Surface Mine

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.2 Application of New and Revised MFRS and Amendments to MFRSs (Cont'd)

Amendments to MFRS and IC Interpretations

MFRS 7	Financial Instruments : Disclosures - Disclosures - Offsetting Financial Assets and Financial Liabilities
MFRS 10, MFRS 11 and MFRS 12	Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities - Transition Guidance
MFRS 101	Presentation of Financial Statements - Presentation of Items of Other Comprehensive Income

Amendments to MFRSs Classified as "Annual Improvements 2009 - 2011 Cycle"

Other than as summarised below, the initial application of the remaining new and revised MFRSs and IC Interpretations and amendments to MFRSs and IC Interpretations have no significant impact on the financial statements of the Company.

(a) MFRS 12, Disclosure of Interests in Other Entities and Amendments to MFRS 12, Transition Guidance

MFRS 12 is a new disclosure standard and is applicable to entities that have interests in subsidiaries, joint arrangements, associates and/or unconsolidated structured entities. The Amendments on transitional guidance clarify an entity is not required to provide disclosures for unconsolidated structured entities in periods prior to the first annual period for which MFRS 12 is applied. In general, the application of MFRS 12 has resulted in more extensive disclosures in the consolidated financial statements.

(b) MFRS 13, Fair Value Measurement

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. MFRS 13 remedies the inconsistencies in the requirements for measuring fair value and disclosures about fair value measurements across the MFRSs.

The Group and the Company have applied MFRS 13 prospectively from 1 April 2013. The Group and the Company have also applied the transitional provision as provided in the Standard such that the disclosure requirements of MFRS 13 need not be applied in comparative information provided for periods before the initial application of the Standard. Accordingly, the Group and the Company have not made any new disclosures required by MFRS 13 for the 2013 comparative period.

Other than the additional disclosure requirements, the application of MFRS 13 did not have any material impact on the amounts recognised in the Group's and in the Company's financial statements.

(c) 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 Amendments have been applied retrospectively, and hence the presentation of items of other comprehensive income has been modified to reflect the changes. Other than the changes in presentation, the application of the Amendments does not result in any impact on profit or loss, other comprehensive income and total comprehensive income of the Group and of the Company.

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

The Group and the Company have not early adopted the following new and revised MFRSs and IC Interpretations and amendments to MFRSs and IC Interpretations which have been issued but are not yet effective :-

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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

Effective for annual periods beginning on or after 1 January 2014
Amendments to MFRS 10, MFRS 12 and MFRS 127 - Investment Entities
Amendments to MFRS 132 - Offsetting Financial Assets and Financial Liabilities
Amendments to MFRS 136 - Recoverable Amount Disclosures for Non-Financial Assets
Amendments to MFRS 139 - Novation of Derivatives and Continuation of Hedge Accounting
IC Interpretation 21, Levies

Effective for annual periods beginning on or after 1 July 2014
Amendments to MFRS 119, Defined Benefit Plans : Employee Contributions
Amendments to MFRSs Classified as "Annual Improvements to MFRSs 2010 - 2012 Cycle"
Amendments to MFRSs Classified as "Annual Improvements to MFRSs 2011 - 2013 Cycle"

Effective for a date yet to be confirmed
MFRS 9, Financial Instruments (IFRS 9 issued in November 2009)
MFRS 9, Financial Instruments (IFRS 9 issued in October 2010)
Amendments to MFRS 7 and MFRS 9 - Mandatory Effective Date of MFRS 9 and Transition Disclosures
MFRS 9, Financial Instruments (Hedge Accounting and Amendments to MFRS 9, MFRS 7 and MFRS 139) (IFRS 9 as amended in November 2013)

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

(a) 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.

(b) Amendments to MFRS 132 - Offsetting Financial Assets and Financial Liabilities

The Amendments clarify the requirements relating to the offset of financial assets and financial liabilities. Specifically, the Amendments clarify the meaning of 'currently has a legally enforceable right of set-off' and 'simultaneous realisation and settlement'.

(c) Amendments to MFRS 136 - Recoverable Amount Disclosures for Non-Financial Assets

The Amendments require the disclosure of information about the recoverable amount of impaired assets, if that amount is based on fair value less costs of disposal. The Amendments also require the disclosure of additional information about that fair value measurement. In addition, if the recoverable amount of impaired assets based on fair value less costs of disposal was measured using a present value technique, the Amendments also require the disclosure of the discount rate that have been used in the current and previous measurements.

(d) IC Interpretation 21, Levies

IC Interpretation 21 is an interpretation of MFRS 137, Provisions, Contingent Liabilities and Contingent Assets on the accounting for levies imposed by governments. MFRS 137 sets out criteria for the recognition of a liability, one of which is the requirement for the entity to have a present obligation as a result of a past event which is known as an obligating event. The Interpretation clarifies that the obligating event that gives rise to a liability to pay a levy is the activity described in the relevant legislation that triggers the payment of the levy.

(e) Amendments to MFRS 119, Defined Benefit Plans : Employee Contributions

The Amendments clarify the requirements that relate to how contributions from employees or third parties that are linked to service should be attributed to periods of service.

3. **SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

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

(e) Amendments to MFRS 119, Defined Benefit Plans : Employee Contributions (Cont'd)

If the amount of the contributions is independent of the number of years of service, an entity is permitted to recognise such contributions as a reduction of the service cost in the period in which the related service is rendered.

If the amount of contributions from employees or third parties is dependent on the number of years of service, an entity shall attribute those contributions to periods of service using the same attribution method required by MFRS 119 for the gross benefit i.e. either based on the plan's contribution formula or on a straight-line basis.

(f) MFRS 9, Financial Instruments (IFRS 9 issued in November 2009 and IFRS 9 issued in October 2010)

MFRS 9 (IFRS 9 issued in November 2009) introduced new requirements for the classification and measurement of financial assets. MFRS 9 (IFRS 9 issued in October 2010) was issued to include the requirements for classification and measurement of financial liabilities. MFRS 9 is intended to replace MFRS 139 in its entirety.

Under MFRS 9, all recognised financial assets are required to be subsequently measured at either amortised cost or at 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 continues to apply.

(g) MFRS 9, Financial Instruments (Hedge Accounting and Amendments to MFRS 9, MFRS 7 and MFRS 139) (IFRS 9 as amended in November 2013)

The Amendments incorporate a new hedge accounting model that aligns the hedge accounting more closely with an entity's risk management activities. The new hedge accounting model has also expended the scope of eligibility of hedged items and hedging intruments respectively.

The Amendments to MFRS 9 has also removed the mandatory effective date on 1 January 2015 to a new date which will be set once the IFRS 9 project is closer to completion.

The initial application of MFRS 9 in the future may have an impact on the financial statements of the Group and of the Company. However, it is not practicable to provide a reasonable estimate of the effect until a detailed review has been completed. The initial application of other MFRSs, IC Interpretation and amendments is not expected to have any significant impact on the financial statements of the Group and of the Company.

3.4 Basis of Consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries. The financial statements of the subsidiaries are prepared for the same reporting date as the Company. The consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances.

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group :

- has power over the entity;
- is exposed, or has rights, to variable returns from its involvement with the entity; and
- has the ability to affect those returns through its power over the entity

The Group reassesses whether it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of controls listed above.

Consolidation of a subsidiary begins from the date the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.4 Basis of Consolidation (Cont'd)

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. When necessary, adjustments are made to the financial statements of subsidiaries to ensure conformity with the Group's accounting policies. 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. The carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received by the Group is recognised directly in equity and attributed to owners of the Company. 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.

3.5 Business Combinations

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred for the acquisition of an acquiree is measured at fair value which is calculated as the sum of the acquisition-date fair values of assets transferred, liabilities incurred, equity interests issued and contingent consideration given. Acquisition-related costs are recognised as an expense in the periods in which the costs are incurred.

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

Goodwill is measured as the excess of the aggregate of the consideration transferred, the amount of any non-controlling interests and the acquisition-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 interests and the acquisition-date fair value of any previously held equity interest is recognised immediately in profit or loss.

Non-controlling interests represent 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 are measured either at their fair value at the acquisition date or at the non-controlling interests' 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 their share of changes in equity since the date of combination.

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.

3.6 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.

3. **SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

3.6 Property, Plant and Equipment (Cont'd)

Property, plant and equipment are depreciated on the straight-line basis so as to write off the cost of the assets to their residual values over their estimated useful lives. The annual depreciation rates used are as follows :-

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

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.

3.7 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 available; and

(vi) the expenditure attributable to the intangible asset during its development can be reliably measured.

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

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

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)

3.8 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.

3.9 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.

3.10 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)**

3.10 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.

3.11 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.

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.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.11 Financial Assets (Cont'd)

c) Held-to-maturity investments (Cont'd)

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.

Available-for-sale financial assets are classified as non-current assets unless they are expected to be realised within 12 months after the reporting date.

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.

3.12 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.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.12 Impairment of financial assets (Cont'd)

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.

3.13 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.

3.14 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.

3.15 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.

3.16 Financial liabilities

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

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.16 Financial liabilities (Cont'd)

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.

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.

3.17 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.

3.18 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.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.18 Employee Benefits (Cont'd)

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.

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.

3.19 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)

3.20 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.

3.21 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 3.14.

Maintenance services

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

3. **SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

3.21 Revenue (Cont'd)

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.

3.22 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 using the effective interest method.

3.23 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
2014				
Cost				
At 1 April 2013	423,733	1,486,935	30,252	1,940,920
Additions	5,028	443,676	6,952	455,656
Written - off	-	(175,779)	-	(175,779)
Exchange differences	6,991	33,296	498	40,785
At 31 March 2014	435,752	1,788,128	37,702	2,261,582
Deduct : Accumulated depreciation				
At 1 April 2013	320,304	1,019,774	30,252	1,370,330
Charge for the year	23,597	322,897	379	346,873
Written - off	-	(175,076)	-	(175,076)
Exchange differences	9,603	28,060	506	38,169
At 31 March 2014	353,504	1,195,655	31,137	1,580,296
Net book value at 31 March 2014	82,248	592,473	6,565	681,286
Depreciation charge for the year:				
Recognised in Statement of Comprehensive Income	23,597	311,490	379	335,466
Capitalised as development expenditure	-	11,407	-	11,407
	23,597	322,897	379	346,873
GROUP				
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

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

COMPANY	Renovations RM	Computers and office equipment RM	Furniture and fittings RM	Total RM
2014				
Cost				
At 1 April 2013	85,338	450,525	18,086	553,949
Additions	-	37,429	-	37,429
Written - off	-	(172,955)	-	(172,955)
At 31 March 2014	85,338	314,999	18,086	418,423
Deduct : Accumulated depreciation				
At 1 April 2013	85,338	418,021	18,086	521,445
Charge for the year	-	28,512	-	28,512
Written - off	-	(172,955)	-	(172,955)
At 31 March 2014	85,338	273,578	18,086	377,002
Net book value at 31 March 2014	-	41,421	-	41,421
COMPANY				
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

6. INTANGIBLE ASSETS

GROUP	Computer software RM	Development expenditure RM	Total RM
2014			
Cost			
At 1 April 2013	3,807,669	67,819,961	71,627,630
Amount capitalised during the year	-	2,121,114	2,121,114
Exchange differences	155,727	2,773,711	2,929,438
At 31 March 2014	3,963,396	72,714,786	76,678,182
Deduct : Government grant			
At 1 April 2013	-	4,243,005	4,243,005
Exchange differences	-	173,531	173,531
At 31 March 2014	-	4,416,536	4,416,536

6. INTANGIBLE ASSETS (CONT'D)

GROUP	Computer software RM	Development expenditure RM	Total RM
Deduct : Accumulated amortisation			
At 1 April 2013	3,807,669	48,391,956	52,199,625
Amortisation charge for the year	-	1,799,651	1,799,651
Exchange differences	155,727	2,018,060	2,173,787
At 31 March 2014	3,963,396	52,209,667	56,173,063
Deduct : Accumulated impairment losses			
At 1 April 2013	-	6,429,499	6,429,499
Write back of impairment charge for the year	-	(927,465)	(927,465)
Exchange differences	-	242,914	242,914
At 31 March 2014	-	5,744,948	5,744,948
Net book value at 31 March 2014	-	10,343,635	10,343,635
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

An impairment loss is recognised to write down the carrying amount of development expenditure incurred on an internally developed application software to its estimated recoverable amount. The recoverable amount is based on the asset's value-in-use which has been calculated using cash flow projections prepared by management and by applying a discount rate that reflects the expected return from the asset.

The write back of impairment loss of RM927,486 recognised during the financial year is as a result of a new contract secured by the Group during the financial year and which has been projected to contribute to a net increase in cash inflows to the Group.

7. INVESTMENT IN SUBSIDIARIES

	COMPANY	
	2014 RM	2013 RM
Unquoted shares, at cost	37,552,132	23,167,315
Amount due from a subsidiary	1,420,217	16,433,415
	38,972,349	39,600,730
Accumulated impairment losses		
- At beginning of the year	(13,503,215)	(13,503,215)
- Written back	2,999,878	-
	(10,503,337)	(13,503,215)
	28,469,012	26,097,515
Options granted to employees of subsidiaries	1,642,876	1,642,876
	30,111,888	27,740,391

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 2014 %	2013 %
Held by the Company				
novaHEALTH Pte. Ltd.	Provision of e-business solutions or healthcare industry	Republic of Singapore	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
novaSOLUTIONS (Philippines), Inc.	Provision of information technology expertise and consultancy services	Philippines	99.99	99.99
Subsidiaries held by novaCITYNETS Pte Ltd				
novaBIM Limited	Provision of software consultancy and computer systems intergration - Dormant during the financial year	Republic of China	70.00	-
novaCITYNETS International Pte. Ltd.	Provision of software consultancy and computer systems intergration	Republic of Singapore	100.00	-

All subsidiaries are not audited by Folks DFK & Co.

<u>Incorporation of subsidiaries in the current financial year</u>

a) On 30 April 2013, novaCITYNETS Pte Ltd, a wholly owned subsidiary of the Company acquired 700,000 ordinary share of NT$1.00 each in novaBIM Limited ("novaBIM"), a company incorporated under the relevant law of the Republic of China for total consideration of NT$700,000 representing 70% of the issued and paid-up share capital of novaBIM. Non-controlling interest arising from the acquisition of novaBIM has been measured at the non-controlling interest's proportionate share of subsidiaries' net identifiable assets.

7. INVESTMENT IN SUBSIDIARIES (CONT'D)

The assets and liabilities arising from the acquisition were as follow :-

	RM
Cash and bank balances	109,032
Non-controlling interests	(32,710)
Total purchase consideration	76,322
Cash and cash equivalents of subsidiary acquired	(109,032)
Net cash inflow from acquisition	(32,710)

(b) On 9 October 2013, the Company incorporated novaCITYNETS International Pte. Ltd. ("NCI"). NCI is incorporated in the Republic of Singapore with an issued and paid up share capital of SGD100 comprising 100 ordinary shares of SGD1.00 each. The incorporation of this subsidiary has no material financial effect to the Group.

On 12 March 2014, the Company has transferred 100 ordinary shares of SGD1.00 each of NCI, representing 100% of the total issued and paid-up share capital in NCI to its wholly own subsidiary, novaCITYNETS Pte. Ltd., for a consideration of SGD100. The transfer has no financial effect to the Group.

Subscription to additional shares issued by subsidiary during the financial year

During the financial year, the Company subscribed to an additional 5,495,000 new ordinary shares of SGD1.00 each in novaCITYNETS Pte. Ltd., a wholly owned subsidiary at an issue price of SGD1.00 per ordinary share for total consideration of SGD5,495,000 or equivalent to RM14,384,817 at the date of transaction. The consideration was fully satisfied by way of capitalisation of inter-company advances of RM14,384,817. The subscription of new shares has no financial impact to the consolidated financial result for the current financial year.

8. INVESTMENT IN ASSOCIATES

	GROUP	
	2014 RM	2013 RM
Unquoted shares, at cost	85,794	85,794
Share of post-acquisition profits	760,066	594,815
Exchange fluctuation reserve	44,669	13,844
	890,529	694,453

	COMPANY	
	2014 RM	2013 RM
Unquoted shares, at cost	29,072	29,072

			Effective Equity Interest	
Name of Company	Principal Activity	Country of Incorporation	2014 %	2013 %
B-Nova Sdn Bhd	To market and deliver Information Technology solutions	Brunei Darussalam	40.00	40.00
JPMCnova Sdn Bhd	Industry solution provider to medical and healthcare institutions and related areas	Brunei Darussalam	49.00	49.00

Both companies are not audited by Folks DFK & Co.

8. INVESTMENT IN ASSOCIATES (CONT'D)

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

	B-Nova Sdn Bhd 2014 RM	B-Nova Sdn Bhd 2013 RM	JPMCnova Sdn Bhd 2014 RM	JPMCnova Sdn Bhd 2013 RM
Assets and liabilities				
Non-current assets	-	-	-	100,733
Current assets	98,892	95,169	2,773,356	2,521,731
Total assets	98,892	95,169	2,773,356	2,622,464
Non-current liabilities	-	-	-	-
Current liabilities	57,626	51,122	983,264	496,965
Total liabilities	57,626	51,122	983,264	496,965
Results				
Revenue	32,304	201,200	3,955,732	3,124,302
(Loss)/profit after taxation	(4,485)	(6,270)	341,546	241,893

9. DEFERRED TAX

Net deferred tax assets have not been recognised in respect of the following temporary differences due to the uncertainty of their realisation in the foreseeable future :-

	GROUP 2014 RM	GROUP 2013 RM	COMPANY 2014 RM	COMPANY 2013 RM
Development expenditure capitalised	10,345,000	9,124,000	-	-
Excess of capital allowances over depreciation	(1,865,000)	(1,570,000)	(411,000)	(384,000)
Unabsorbed tax losses	(33,290,000)	(48,302,000)	(15,692,000)	(13,517,000)
	(24,810,000)	(40,748,000)	(16,103,000)	(13,901,000)

The unutilised capital allowances and unabsorbed tax losses have no expiry date under current tax legislations but are subject to agreement of the tax authorities and compliance with tax regulation in the respective countries in which companies of the Group operate.

10. AMOUNT DUE FROM/(TO) CONTRACT CUSTOMERS

	GROUP 2014 RM	GROUP 2013 RM	COMPANY 2014 RM	COMPANY 2013 RM
Aggregate costs incurred to date and attributable profit	27,171,632	16,696,685	239,370	105,675
Less : Progress billings	(16,261,431)	(10,168,401)	(239,370)	(79,635)
	10,910,201	6,528,284	-	26,040
Analysed as:				
Amount due from contract customers				
- Others	10,958,287	6,569,328	-	26,040

10. AMOUNT DUE FROM/(TO) CONTRACT CUSTOMERS (CONT'D)

	GROUP		COMPANY	
	2014 RM	2013 RM	2014 RM	2013 RM
Amount due to contract customers				
- Others	(48,086)	(41,044)	-	-
	10,910,201	6,528,284	-	26,040

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

	GROUP		COMPANY	
	2014 RM	2013 RM	2014 RM	2013 RM
Ringgit Malaysia	-	26,040	-	26,040
Singapore Dollar	10,910,201	6,502,244	-	-

11. TRADE AND OTHER RECEIVABLES

	GROUP		COMPANY	
	2014 RM	2013 RM	2014 RM	2013 RM
Current				
Trade receivables	3,098,449	6,032,607	948,512	1,911,998
Less: Allowance for impairment	(706,085)	(697,992)	(500,108)	(500,108)
Trade receivables, net	2,392,364	5,334,615	448,404	1,411,890
Other receivables				
Accrued receivables	2,419,385	6,453,012	1,069,540	143,140
Other receivables, deposits and prepayments	1,588,518	996,628	40,625	40,425
	6,400,267	12,784,255	1,558,569	1,595,455
Amount due from an associate				
- Trade	897,468	1,034,454	-	-
Amount due from an subsidiaries				
Non-trade	-	-	297,250	295,000
Total trade and other receivables	7,297,735	13,818,709	1,855,819	1,890,455

11.1 Trade and other receivables

Trade receivables are non-interest bearing and are generally on 30 to 60 (2013: 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 end of financial year.

11. **TRADE AND OTHER RECEIVABLES (CONT'D)**

11.1 Trade and other receivables (Cont'd)

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

	GROUP	
	2014 RM	2013 RM
Ringgit Malaysia	1,555,743	2,413,903
US Dollar	121,898	198,971
Singapore Dollar	3,752,310	10,095,436
Philippines Peso	138,312	75,945
Saudi Riyal	739,755	-
Brunei Dollar	989,611	1,034,454
Taiwan Dollar	106	-
	7,297,735	13,818,709

	COMPANY	
	2014 RM	2013 RM
Ringgit Malaysia	1,855,819	1,890,455

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		COMPANY	
	2014 RM	2013 RM	2014 RM	2013 RM
Neither past due nor impaired	5,162,144	10,788,335	1,128,410	165,540
1 to 30 days past due not impaired	366,512	540,278	60,984	500,000
31 to 60 days past due not impaired	1,010,819	705,553	300,000	14,490
More than 61 days past due not impaired	758,260	1,784,543	366,425	1,210,425
	2,135,591	3,030,374	727,409	1,724,915
Impaired	706,085	697,992	500,108	500,108
	8,003,820	14,516,701	2,355,927	2,390,563

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.

11. TRADE AND OTHER RECEIVABLES (CONT'D)

11.1 Trade and other receivables (Cont'd)

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 2014	Collectively Impaired RM	Individually Impaired RM	Total RM
Trade receivables - nominal amounts	-	706,085	706,085
Less: Allowance for impairment	-	(706,085)	(706,085)
	-	-	-
2013			
Trade receivables - nominal amounts	-	697,992	697,992
Less: Allowance for impairment	-	(697,992)	(697,992)
	-	-	-

COMPANY 2014	Collectively Impaired RM	Individually Impaired RM	Total RM
Trade receivables - nominal amounts	-	500,108	500,108
Less: Allowance for impairment	-	(500,108)	(500,108)
	-	-	-
2013			
Trade receivables - nominal amounts	-	500,108	500,108
Less: Allowance for impairment	-	(500,108)	(500,108)
	-	-	-

Movement in allowance accounts:

	GROUP		COMPANY	
	2014 RM	2013 RM	2014 RM	2013 RM
At beginning of the year	697,992	620,754	500,108	500,108
Exchange differences	8,093	5,001	-	-
Charge for the year	-	72,237	-	-
At end of the year	706,085	697,992	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 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		COMPANY	
	2014 RM	2013 RM	2014 RM	2013 RM
Cash in hand and at banks	6,310,868	3,527,643	224,904	19,845
Deposits with licensed banks	-	752,082	-	168,486
	6,310,868	4,279,725	224,904	188,331

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

	GROUP	
	2014 RM	2013 RM
Ringgit Malaysia	224,904	188,331
Philippines Peso	22,422	35,721
Singapore Dollar	6,063,542	4,055,673
	6,310,868	4,279,725

	COMPANY	
	2014 RM	2013 RM
Ringgit Malaysia	224,904	188,331

The deposits with licensed banks in the previous year were pledged to secure bank facilities granted to the Group and the Company respectively (Note 17).

13. SHARE CAPITAL

	GROUP/COMPANY 2014		GROUP/COMPANY 2013	
Ordinary shares of RM0.10 each:	Number of shares	RM	Number of shares	RM
Authorised				
At beginning of the year/end of the year	500,000,000	50,000,000	500,000,000	50,000,000
Issued and fully paid				
At beginning of the year/end of the year	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.

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

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).

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				
2014	**As at 1.4.2013**	**Granted**	**Exercised**	**Lapsed**	**As at 31.3.2014**
Grant date					
15.6.2007	5,340,000	-	-	-	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
	17,410,000	-	-	-	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				
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

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

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			
			Number of options	
	Exercise price (RM)	Expiry date	2014	2013
Grant date				
15.6.2007	0.10	30.10.2015	5,340,000	5,340,000
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	17,410,000

Share options exercised during the year

No options were exercised during the financial year (2013: Nil).

16 NON-CONTROLLING INTEREST

	GROUP	
	2014 RM	2013 RM
Non-controlling interests in equity of a subsidiary	32,710	-
Share of accumulated losses		
At beginning of the year	-	-
Share of loss for the year	(4,995)	-
At end of the year	(4,995)	-
	27,715	-

17 BANK BORROWINGS

	GROUP	
	2014 RM	2013 RM
Term loan repayable within 1 year	4,843,925	4,603,595
	4,843,925	4,603,595

The currency exposure profile of borrowings is as follows:-

	GROUP	
	2014 RM	2013 RM
Singapore Dollar	4,843,925	4,603,595
	4,843,925	4,603,595

17 BANK BORROWINGS (CONT'D)

The term loan of the subsidiaries represent proceeds from factoring of trade receivable (with recourse) and is subject to interest at 7.5% (2013: 7.5%) per annum and is secured as follows:

a) Corporate guarantee from holding company; and

b) Pledge of present and future proceeds from certain consultancy contracts

Deposits with licensed banks of the Group and the Company in the previous year amounting to RM 752,082 and RM 168,486 were pledged as security for the bank facilities of the Group (Note 12).

18 TRADE AND OTHER PAYABLES

	GROUP		COMPANY	
	2014 RM	2013 RM	2014 RM	2013 RM
Trade payables	917,054	1,713,698	62,427	63,428
Other payables and accrued expenses	3,083,772	2,381,323	374,466	416,096
Revenue received in advance	1,144,094	822,050	-	-
Liability for short term accumulating compensated absences	202,551	505,724	29,408	30,657
Affiliated corporations	2,492,684	2,552,454	-	-
Amount owing to an Associate	33,003	31,706	-	-
Amount due to subsidiaries	-	-	7,642,166	6,029,786
Amount owing to Directors	488,356	470,556	488,356	470,556
	8,361,514	8,477,511	8,596,823	7,010,523

The normal credit terms of trade payables granted to the Group and the Company range from 30 to 60 (2013: 30 to 60) days.

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

	GROUP	
	2014 RM	2013 RM
Ringgit Malaysia	961,111	987,198
US Dollar	7,549	-
British Pound	11,285	14,288
Philippines Peso	32,402	41,459
Singapore Dollar	7,349,167	7,434,566
	8,361,514	8,477,511

	COMPANY	
	2014 RM	2013 RM
Ringgit Malaysia	8,596,823	7,010,523

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.

19 REVENUE

	GROUP		COMPANY	
	2014 RM	2013 RM	2014 RM	2013 RM
Consultancy contracts	18,754,260	19,619,918	2,396,627	3,848,466
Maintenance services	13,637,940	11,062,798	342,285	188,916
	32,392,200	30,682,716	2,738,912	4,037,382

20 EMPLOYEE BENEFITS EXPENSES

	GROUP		COMPANY	
	2014 RM	2013 RM	2014 RM	2013 RM
Wages, salaries and bonus	19,672,551	18,872,346	1,745,067	1,654,457
Contributions to defined contribution plans	1,843,404	1,779,304	209,563	197,344
Other benefits	467,411	263,489	10,502	10,894
	21,983,366	20,915,139	1,965,132	1,862,695

Included in employee benefits expenses of the Group is executive directors' remuneration amounting to RM2,530,829 (2013: RM2,478,141) as further disclosed in Note 22.

Employee benefits expenses are taken up as follows:

	GROUP		COMPANY	
	2014 RM	2013 RM	2014 RM	2013 RM
Charged to Statement of Comprehensive Income	20,044,949	18,955,497	1,965,132	1,862,695
Capitalised as development expenditure	1,938,417	1,959,642	-	-
	21,983,366	20,915,139	1,965,132	1,862,695

21 FINANCE COSTS

	GROUP		COMPANY	
	2014 RM	2013 RM	2014 RM	2013 RM
Interest on bank borrowings	209,286	130,829	-	-

22 DIRECTORS' REMUNERATION

	GROUP		COMPANY	
	2014 RM	2013 RM	2014 RM	2013 RM
Executive Directors (Note 20) Directors of holding company	921,107	901,931	-	-
Directors of subsidiary companies	1,609,722	1,576,210	-	-
	2,530,829	2,478,141	-	-
Non-Executive Directors' fees	190,800	181,650	190,800	181,650
Total directors' remuneration	2,721,629	2,659,791	190,800	181,650

23 PROFIT/(LOSS) BEFORE TAXATION

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

	GROUP		COMPANY	
	2014 RM	2013 RM	2014 RM	2013 RM
Amortisation of intangible assets	1,799,651	5,334,305	-	-
Impairment loss for intangible assets	-	908,157	-	-
Write back of impairment loss for intangible assets	(927,465)	-	-	-
Depreciation of property, plant and equipment	335,466	233,828	28,512	38,343
Reversal of impairment loss on amount due from subsidiary companies	-	-	(2,999,878)	-
Auditors' remuneration				
- current year	124,611	121,675	45,000	45,000
- underprovision in prior year	4,500	-	4,500	-
- other services	5,000	5,000	5,000	5,000
Property, plant and equipment written off	703	-	-	-
Unrealised loss/(gain) on foreign exchange (net)	4,596	(15,285)	-	-
Office rental	918,797	1,105,474	100,298	99,305
Allowance for impairment of trade receivables	-	72,237	-	-
Interest expense	209,286	130,829	-	-
Interest income	(1,246)	(5,537)	(429)	(4,963)

24 TAX EXPENSE

	GROUP		COMPANY	
	2014 RM	2013 RM	2014 RM	2013 RM
Malaysian				
Current tax expense	1,512	-	-	-

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

	GROUP		COMPANY	
	2014 RM	2013 RM	2014 RM	2013 RM
Profit/(Loss) before taxation	723,008	(4,617,727)	767,744	(3,441,087)
Taxation at the rate of 25% (2013 : 25%)	180,752	(1,154,432)	191,936	(860,272)
Tax effect of:				
Different tax rates in foreign jurisdictions	(137,830)	49,417	-	-
Non-deductible expenses	43,131	463,398	14,112	21,300
Income not subject to tax	(160,444)	(66,323)	(749,970)	-
Deferred tax benefit not recognised	704,756	1,119,940	543,922	838,972
Subsidiaries' deferred tax benefits utilised	(628,853)	(412,000)	-	-
Tax expense	1,512	-	-	-

25 EARNING/(LOSS) PER ORDINARY SHARE

Basic earning/(loss) per ordinary share

The calculation of basic earning/(loss) per ordinary share is based on the profit/(loss) for the year attributable to shareholders of the Company of RM726,491 (2013: loss of RM4,617,727) and the weighted average number of ordinary shares in issue during the financial year of 402,798,000 (2013: 402,798,000) calculated as follows:-

	GROUP	
	2014	2013
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 earning/(loss) per ordinary share

The calculation of basic earning/(loss) per ordinary share is based on the profit/(loss) for the year attributable to shareholders of the Company of RM726,491 (2013: loss of RM4,617,727) and the weighted average number of ordinary shares in issue during the financial year of 420,208,000 (2013: 420,208,000) calculated as follows:-

	GROUP	
	2014	2013
Weighted average number of ordinary shares		
Issued ordinary shares at beginning of the year	402,798,000	402,798,000
Effect of share options	17,410,000	17,410,000
Weighted average number of ordinary shares	420,208,000	420,208,000

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

26 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 locations where Group's management function is exercised 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.

	E-Business Solutions							
	Malaysia		Singapore		Eliminations		Group	
	2014 RM	2013 RM	2014 RM	2013 RM	2014 RM	2013 RM	2014 RM	2013 RM
Geographic segments								
Revenue from external customers	2,738,912	4,037,382	29,653,288	26,645,334	-	-	32,392,200	30,682,716
Revenue from inter-segment	-	-	3,078,694	3,619,643	(3,078,694)	(3,619,643)	-	-
Total revenue	2,738,912	4,037,382	32,731,982	30,264,977	(3,078,694)	(3,619,643)	32,392,200	30,682,716
Segment results	767,744	(3,441,087)	3,529,800	(1,167,366)	(3,531,747)	-	765,797	(4,608,453)
Interest income							1,246	5,537
Interest expense							(209,286)	(130,829)
Share of results of associates							165,251	116,018
Profit/(loss) before taxation							723,008	(4,617,727)
Taxation							(1,512)	-
Profit/(loss) before taxation							721,496	(4,617,727)
Segment assets	2,122,144	2,137,330	33,766,917	32,151,523	(297,250)	(295,000)	35,591,811	33,993,853
Tax recoverable	2,590	4,857	-	-	-	-	2,590	4,857
Investment in an associate	16,261	16,769	874,268	677,684	-	-	890,529	694,453
Total assets							36,484,930	34,693,163
Segment Liabilities	8,596,823	7,010,523	12,300,413	19,840,164	(7,642,166)	(13,728,537)	13,255,070	13,122,150
Other segment items								
Capital expenditure	37,429	6,333	2,539,341	2,502,407	-	-	2,576,770	2,508,740
Depreciation and amortisation	28,512	38,343	2,106,605	5,529,790	-	-	2,135,117	5,568,133
Write back of impairment loss for intangible asset	-	-	927,465	-	-	-	927,465	-
Impairment loss for intangible asset	-	-	-	908,157	-	-	-	908,157

26 OPERATING SEGMENTS (CONT'D)

Geographical information

	Revenue RM	Non-current assets RM
2014		
Malaysia	2,738,912	57,682
Singapore	29,653,288	11,857,768
	32,392,200	11,915,450
2013		
Malaysia	4,037,382	49,273
Singapore	26,645,334	9,971,271
	30,682,716	10,020,544

Major customers

The following are major customers with revenue equal or more than 10 percent of Group revenue :-

	Segment	Revenue 2014 RM	Revenue 2013 RM
Customer A	Singapore	5,076,666	-
Customer B	Singapore	3,429,661	1,809,016

27 CONTINGENT LIABILITIES (UNSECURED)

	COMPANY 2014 RM	COMPANY 2013 RM
Guarantees given by the Company to financial institutions for credit facilities granted to subsidiaries	4,843,925	4,603,595

28 OPERATING LEASES

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

	GROUP		COMPANY	
	2014 RM	2013 RM	2014 RM	2013 RM
Less than one year	609,498	595,721	100,298	100,298
Between one to five years	25,150	25,150	25,150	25,150
	634,648	620,871	125,448	125,448

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.

29 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.

29.1 Related party transactions

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

	GROUP		COMPANY	
	2014 RM	2013 RM	2014 RM	2013 RM
Income				
novaC2R Pte. Ltd. Rental income	-	(30,096)	-	-
Zylog Systems Asia Pacific Pte. Ltd. Rental Income	(146,753)	(139,814)	-	-
Consultancy Services	(10,560)	(108,780)	-	-
Development Services	-	66,432	-	-
Expenses				
NovaCITYNETS Pte. Ltd. Administrative fees paid	-	-	65,657	44,267

29.2 Related Party Balances

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

	GROUP		COMPANY	
	2014 RM	2013 RM	2014 RM	2013 RM
Receivables				
Amount due from subsidiaries				
- novaCITYNETS Pte. Ltd. (non-trade)	-	-	295,000	295,000
- novaSOLUTIONS (PH) Inc. (non-trade)	-	-	2,250	-

29 RELATED PARTY TRANSACTIONS AND BALANCES (CONT'D)

29.2 Related Party Balances (Cont'd)

	GROUP		COMPANY	
	2014 RM	2013 RM	2014 RM	2013 RM
Payables				
Amount due to subsidiaries				
- novaCITYNETS Pte. Ltd. (non-trade)	-	-	(141,391)	(42,686)
- novaHEALTH Pte. Ltd. (trade)	-	-	(6,959,529)	(5,495,506)
- novaHEALTH Pte. Ltd. (non-trade)	-	-	(541,246)	(491,594)
Amount due to affiliated corporation				
- novaSPRINT Pte. Ltd.	(2,492,684)	(2,552,454)	-	-

29.3 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	
	2014 RM	2013 RM	2014 RM	2013 RM
Short term employee benefits	1,753,092	1,885,786	-	-
Post-employment benefits	88,589	112,621	-	-
	1,841,681	1,998,407	-	-

30 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 3.8 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 2014 was RM10,343,635 (2013: RM8,755,501) and the annual amortisation charge for the financial year ended 31 March 2014 was RM1,799,651 (2013: RM5,334,305).

30 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)

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.

31 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.

31.1 Categories of financial instruments

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

2014

Financial assets per statement of financial position

	Carrying amount RM	Loans and receivables RM
Group		
Trade and other receivables	7,297,735	7,297,735
Cash and bank balances	6,310,868	6,310,868
	13,608,603	13,608,603
Company		
Trade and other receivables	1,855,819	1,855,819
Cash and bank balances	224,904	224,904
	2,080,723	2,080,723

31 FINANCIAL INSTRUMENTS (CONT'D)

31.1 Categories of financial instruments (Cont'd)

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

2014

Financial liabilities per statement of financial position

	Carrying amount RM	Other financial liabilities measured at amortised cost RM
Group		
Trade and other payables	8,361,514	8,361,514
Bank borrowings	4,843,925	4,843,925
	13,205,439	13,205,439
Company		
Trade and other payables	8,596,823	8,596,823

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

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

31 FINANCIAL INSTRUMENTS (CONT'D)

31.2 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	17
Trade and other payables	18
Amount due to subsidiaries	18

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.

32 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.

32.1 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 27.

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 2014 is represented by the carrying amount of each class of financial assets recognised in the statement of financial position.

32 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

32.1 Credit risk (Cont'd)

Credit risk concentration profile

At 31 March 2014, the Group and the Company had approximately 29 and 4 customers, out of which 4 and 3 respectively customers owed more than RM300,000 and RM500,000 which accounted for approximately 50% 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			
	2014		2013	
	RM	% of total	RM	% of total
Malaysia	448,404	11 %	1,411,890	20 %
Singapore	1,338,223	33 %	3,024,003	43 %
Brunei	1,184,150	30 %	1,852,903	26 %
Saudi Arabia	301,110	8 %	-	-
Vietnam	102,023	3 %	79,185	1 %
Indonesia	622,007	16 %	688,080	10 %
	3,995,917	100 %	7,056,061	100 %

	COMPANY			
	2014		2013	
	RM	% of total	RM	% of total
Malaysia	448,403	47 %	1,411,890	74 %
Indonesia	500,108	53 %	500,108	26 %
	948,511	100 %	1,911,998	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.

32.2 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.

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.

32 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

32.3 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 currencies primarily giving rise to this exposure are Saudi Arabian Riyal ("SAR") and United States Dollar ("USD"). 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 2014 have been disclosed under the respective notes :-

- Trade and other receivables - Note 11
- Cash and bank balances - Note 12
- Bank borrowings - Note 17
- Trade and other payables - Note 18

<u>Sensitivity analysis for foreign currency risk</u>

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 various functional currencies at the end of the reporting period of entities within the Group. This analysis assumes that all other variables, in particular interest rates, remain constant.

	GROUP Profit/(loss) for the year Increase/(Decrease)	
	2014 RM	2013 RM
SAR against SGD (Functional currency : SGD)		
- strengthened 5%	36,988	-
- weakened 5%	(36,988)	-
USD against SGD (Functional currency : SGD)		
- strengthened 5%	10,812	10,106
- weakened 5%	(10,812)	(10,106)

32.4 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.

<u>Analysis of financial instruments by remaining contractual maturities</u>

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 :-

32 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

32.4 Liquidity risk (Cont'd)

Group	On demand or within 1 year RM	1 to 5 years RM	More than 5 years RM	Total RM
2014				
Financial liabilities				
Trade and other payables	8,361,514	-	-	8,361,514
Bank borrowings	4,843,925	-	-	4,843,925
Total undiscounted financial liabilities	13,205,439	-	-	13,205,439
2013				
Financial liabilities				
Trade and other payables	8,477,511	-	-	8,477,511
Bank borrowings	4,603,595	-	-	4,603,595
Total undiscounted financial liabilities	13,081,106	-	-	13,081,106

Company	On demand or within 1 year RM	1 to 5 years RM	More than 5 years RM	Total RM
2014				
Financial liabilities				
Trade and other payables	8,596,823	-	-	8,596,823
Total undiscounted financial liabilities	8,596,823	-	-	8,596,823
2013				
Financial liabilities				
Trade and other payables	7,010,523	-	-	7,010,523
Total undiscounted financial liabilities	7,010,523	-	-	7,010,523

33 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.

33 CAPITAL MANAGEMENT (CONT'D)

The debt-to-equity ratio as at 31 March 2014 and 31 March 2013 were as follows :-

	GROUP	
	2014 RM	2013 RM
Term loans	4,843,925	4,603,595
Total debt	4,843,925	4,603,595
Total equity	23,229,860	21,571,013
Debt-to-equity ratio	0.21	0.21

34 SUPPLEMENTARY INFORMATION - REALISED AND UNREALISED PROFITS OR LOSSES

The breakdown of accumulated losses of the Group and the Company as at 31 March 2014, into realised and unrealised profits or losses, pursuant to the directive issued by Bursa Malaysia Securities Berhad dated 25 March 2010, is as follows :-

	2014	
	GROUP RM	COMPANY RM
Total accumulated losses of the Company and its subsidiaries :		
- Realised	(40,216,567)	(25,859,879)
- Unrealised	527,273	-
	(39,689,294)	(25,859,879)
Total share of retained profits from an associate :		
- Realised	797,855	-
- Unrealised	-	-
	(38,891,439)	(25,859,879)
Less : Consolidation adjustments	8,019,399	-
Accumulated losses as per financial statements	(30,872,040)	(25,859,879)

	2013	
	GROUP RM	COMPANY 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)

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 37 to 77 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the provisions of the Companies Act, 1965 in Malaysia so as to give a true and fair view of the state of affairs of the Group and of the Company as at 31 March 2014 and of their results and cash flows for the year ended on that date.

The information set out in Note 34 to the financial statements on page 77 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,
21 July 2014

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 37 to 77 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 21 July 2014

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 2014 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 30 to 77.

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 true and fair view of the financial position of the Group and of the Company as at 31 March 2014 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.

Independent Auditors' Report To The Members Of Nova Msc Berhad (Cont'd)

(Company No: 591898-H)

Other Reporting Responsibilities

The supplementary information set out in Note 34 on page 77 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

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
900/03/16(J/PH)
Chartered Accountant

Kuala Lumpur,
21 July 2014

Statement Of Shareholdings

As At **14 August 2014**

Authorized Capital	: RM 50,000,000
Issued and fully paid-up capital	: RM 40,377,800
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 14 August 2014

Range of Shareholdings	No of Holders	Percentage of Holders	No of RM0.10 Shares	Percentage of Issued Capital
1 – 99	53	1.10	2,744	0.00
100 – 1,000	373	7.74	282,414	0.07
1,001 – 10,000	2,069	42.95	12,973,045	3.22
10,001 - 100,000	1,894	39.31	76,597,240	18.97
100,001 - 20,139,899(*)	427	8.86	243,649,107	60.35
20,139,900 and above (**)	2	0.04	70,273,450	17.40
Total	**4,818**	**100.00**	**403,778,000**	**100.00**

SUBSTANTIAL HOLDERS as at 14 August 2014

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	42,849,750	10.61	0	0
Maybank Kim Eng Securities Pte Ltd For Zylog Systems Asia Pacific Pte Ltd				
Citigroup Nominees (Asing) Sdn Bhd	27,423,700	6.79	0	0
Exempt an for OCBC Securities Private Limited (Client A/C-NR)				

LIST OF DIRECTORS' SHAREHOLDINGS AS PER THE REGISTER OF DIRECTORS' SHAREHOLDINGS as at 14 August 2014

Name of Substantial Shareholders	No of Shares held (direct)	% of Shareholding	No of Shares held (indirect)	% of Shareholding
Y.A.M. Tunku Dato' Seri Nadzaruddin Ibni Almarhum Tuanku Ja'afar	4,000,000	0.99	24,783,250	6.14
Chan Wing Kong	16,770,230	4.15	-	-
Victor John Stephen Price	8,608,211	2.13	-	-
Onn Kien Hoe	980,000	0.24		

Statement Of Shareholdings (Cont'd)

As At **14 August 2014**

THIRTY LARGEST REGISTERED HOLDERS as at 14 August 2014

	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	10.61
2.	Citigroup Nominees (Asing) Sdn Bhd *Exempt an for OCBC Securities Private Limited (Client A/C-NR)*	27,423,700	6.79
3.	Raden Corporation Sdn Bhd	18,783,250	4.65
4.	Maybank Securities Nominees (Asing) Sdn Bhd *Maybank Kim Eng Securities Pte Ltd for Chan Wing Kong*	16,770,230	4.15
5.	Maybank Securities Nominees (Asing) Sdn Bhd *Maybank Kim Eng Securities Pte Ltd for Victor John Stephen Price*	8,608,211	2.13
6.	Kenanga Nominees (Tempatan) Sdn Bhd *Pledged Securities Account for Teoh Teik Soon*	7,380,100	1.83
7.	Lu Kim San	6,290,000	1.56
8.	Chuah Poo Chai	4,000,000	0.99
9.	Pesaka Antah Holdings Sdn Bhd	4,000,000	0.99
10.	YAM Tunku Nadzaruddin Ibni Tuanku Ja'afar	4,000,000	0.99
11.	Maybank Securities Nominees (Asing) Sdn Bhd *Maybank Kim Eng Securities Pte Ltd for Sebastian Yeo Boon Kia*	3,800,254	0.94
12.	Tan Yew Soon	3,540,070	0.88
13.	Lai Teik Kin	3,338,170	0.83
14.	Tor Lian Seng	3,053,000	0.76
15.	Au Bee Hong	3,000,000	0.74
16.	Lau Hui Kon	2,700,000	0.67
17.	HLIB Nominees (Asing) Sdn Bhd *Lim & Tan Securities Pte Ltd for Lee Chin Choo*	2,402,000	0.59
18.	Maybank Nominees (Tempatan) Sdn Bhd *Pledged Securities Account For Yeo Peck Chong*	2,375,000	0.59
19.	Maybank Securities Nominees (Tempatan) Sdn Bhd *Pledged Securities Account for Ong Fee Chong (REM 157-Margin)*	2,300,000	0.57
20.	Maybank Nominees (Tempatan) Sdn Bhd *Pledged Securities Account For Siau Fart Jum*	2,216,600	0.55
21.	Lim Seok Kim	2,179,300	0.54
22.	Han Foo Juan	2,150,000	0.53
23.	Chong Khim Wong	2,056,800	0.51
24.	Bo Saw Wing @ Ho Saw Wing	2,000,000	0.50
25.	HDM Nominees (Tempatan) Sdn Bhd *Y.A.M Tunku Naquiyuddin Ibni Tuanku Ja'afar*	2,000,000	0.50
26.	Lim Seok Kim	2,000,000	0.50
27.	Wong Siew Chin	2,000,000	0.50
28.	Affin Nominees (Tempatan) Sdn Bhd *Pledse Securities Account for Ong Ah Yiew @ Ong Keng Wah (ONG1277M)*	1,950,000	0.48
29.	Cheah Saw Guat	1,950,000	0.48
30.	Wong Cheong Hoong	1,685,000	0.42

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 Twelfth Annual General Meeting of the Company held on Tuesday, 30 September 2014 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 receive and adopt Audited Accounts & Reports	1		
2.	To re-elect Mr. Onn Kien Hoe	2		
3.	To re-elect Dato' Chua Hock Hoo	3		
4.	To approve the payment of Directors' fees for the year ended 31 March 2014.	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 Existing Shareholders' Mandate and Proposed New Shareholders' Mandate for Recurrent Related Party Transactions.	9		
10.	Ordinary Resolution 5 : To approve the Allocations of Options to Directors	10		
11.	Ordinary Resolution 6 : To approve the Allocations of Options to Directors	11		

Dated :

____
Signature / Seal

Notes :

1. *In respect of deposited securities, only members whose names appear in the Record of Depositors on 23 September 2014 shall be eligible to attend the meeting.*
2. *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.*
3. *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.*
4. *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.*
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.*

PLEASE FOLD HERE

Affix
stamp

The Company Secretaty
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)

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No 2, Jalan 19/1, 46300 Petaling Jaya
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