NOVA MSC BERHAD
(200201024235 (591898-H))

PROVEN SOLUTIONS, CONTINUOUS INNOVATIONS

ANNUAL REPORT 2021

CONTENTS

Annual Report are now available on our website at www.nova-hub.com/annual-reports/ or you may scan the above QR Code to access it online.

CORPORATE INFORMATION

BOARD OF DIRECTORS

Loh Guan Huat Sunny
Chairman, Executive Director

Peter Wayne Thompson
Deputy Chairman, Independent Non-Executive Director

Lai Teik Kin
Executive Director and
Group Chief Executive Officer

Lim Hak Min
Independent Non-Executive Director

David Choo Boon Leong
Independent Non-Executive Director

Dali Kumar @ Dali Bin Sardar
Independent Non-Executive Director

AUDIT COMMITTEE

Lim Hak Min
Chairman, Independent Non-Executive Director

Peter Wayne Thompson
Independent Non-Executive Director

David Choo Boon Leong
Independent Non-Executive Director

Dali Kumar @ Dali Bin Sardar
Independent Non-Executive Director

NOMINATION & RENUMERATION COMMITTEE

Peter Wayne Thompson
Chairman, Independent Non-Executive Director

Lim Hak Min
Independent Non-Executive Director

David Choo Boon Leong
Independent Non-Executive Director

ESOS COMMITTEE

Lim Hak Min
Chairman, Independent Non-Executive Director

Lai Teik Kin
Executive Director
Group Chief Executive Officer

COMPANY SECRETARY

Tan Kean Wai (MAICSA 7056310)
(SSM PC No. 202008000801)

REGISTERED OFFICE

No. 5-1, Jalan Radin Bagus 9
Bandar Baru Sri Petaling
57000 Kuala Lumpur
Wilayah Persekutuan, Malaysia
Tel: (03) 9054 1498
Fax: (03) 9054 1498

BUSINESS OFFICES

A-18-3, Tower A, Level 18
Northpoint, Mid Valley City
No. 1, Medan Syed Putra Utara
59200 Kuala Lumpur
Wilayah Persekutuan, Malaysia
Tel: (03) 2283 6628
Fax: (03) 2283 2628

SHARE REGISTRARS OFFICE

Boardroom Share Registrars Sdn. Bhd.
11th Floor, Menara Symphony
No. 5, Jalan Prof. Khoo Kay Kim
Seksyen 13
46200 Petaling Jaya
Selangor Darul Ehsan, Malaysia
Tel: (03) 7890 4700
Fax: (03) 7890 4670

AUDITORS

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

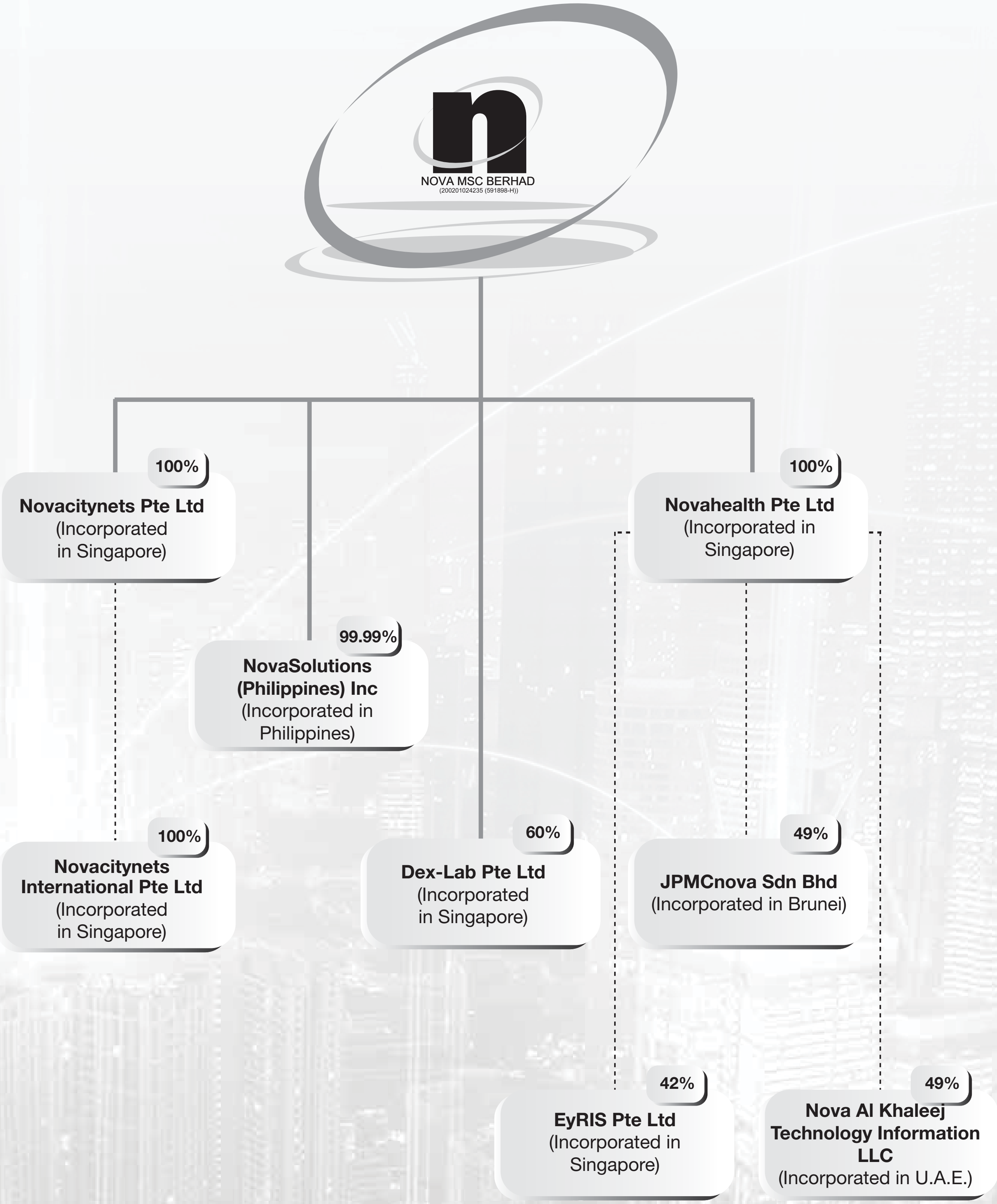
STOCK EXCHANGE LISTING

ACE Market of Bursa Malaysia Securities Berhad
Stock Name: NOVAMSC
Stock Code: 0026

CORPORATE WEBSITE

www.nova-hub.com

GROUP STRUCTURE



PROFILE OF DIRECTORS

Mr Loh Guan Huat Sunny,
58, Male, Singaporean,
Chairman,
Executive Director

Mr Loh Guan Huat Sunny was appointed as Executive Chairman of the Company on 1 April 2021.

Besides the Company, Mr Loh is currently the Non-Executive Deputy Chairman of GMB Resource Ltd, a company listed in Australian Stock Exchange (ASX), and Managing Director of Swift Venture Holdings Corporation, an investment holding company, specialising in investing undervalued companies and distressed assets in the Asia Pacific region.

Prior to setting up Swift Venture Holdings Corporation, Mr Loh was the Chief Executive Officer, Vice Chairman and board member of a Sino-foreign JV professional investment bank based in Shanghai, which focused on corporate restructuring, disposal of state-owned companies as well as M&A advisory. Before his stint in Shanghai, he was the Managing Director of three divisions with Hanson Pacific, a wholly owned subsidiary of Hanson PLC which was listed in US, London and Australia. His role includes M&A activities, restructuring of companies, identify suitable/potential target companies as well as overseeing the daily operations of the three divisions.

Mr Loh has a Master Degree in Strategic Marketing from the University of Hull and a Bachelor's Degree in Business Administration from the National University of Singapore. He is an associate member of the Chartered Secretaries Institute of Singapore and an associate member of Chartered Governance Institute.

Mr Loh 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 five (5) years other than traffic offences (if any) nor any public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

Mr Peter Wayne Thompson,
64, Male, Australian,
Deputy Chairman,
Independent Non-Executive Director

Mr Peter Wayne Thompson was appointed as Independent Non-Executive Director of the Company on 1 June 2017. He is the Chairman of the Nomination & Remuneration Committee and is a member of the Audit Committee.

Mr Thompson is a Certified Practising Accountant (CPA) and graduated from Edith Cowan University in 1978. He is a Fellow member of the Institute of Chartered Secretaries and Fellow Governance Institute of Australia.

Besides the Company, Mr Thompson also sits on board of GMB Resource Ltd, a company listed in Australian Stock Exchange (ASX). Mr Thompson is a Non-Executive Director of GBM Resource Ltd. He has over 35 years experience in the resource industry in UK, Asia, Australia and South America holding senior global roles. Key skills include public company corporate management, asset acquisition and divestment and project development.

Mr Thompson 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 five (5) years other than traffic offences (if any) nor any public sanction or penalty imposed by the relevant regulatory bodies during the financial year. He attended all six (6) Board Meetings held in the financial year ended 31 March 2021.

Profile of Directors
(Continued)

Mr Lai Teik Kin,
57, Male, Singaporean,
Executive Director and Group Chief Executive Officer

Mr Lai Teik Kin is a founder of the Group and was appointed as Executive Director and Group Chief Executive Officer of Nova MSC Berhad on the 28 May 2019. He is a member of the ESOS Committee. He is also the Executive Director and Chief Executive Officer of the novaHEALTH Pte Ltd ("novaHEALTH") since 21 December 1999. His current responsibilities include the formulation and implementation 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.

Earlier in his career and before co-founding the Nova MSC Group, Mr Lai was in involved in implementation of large scale & regional e-government projects. From 2005-2012, Mr Lai also served as an Independent Non-Executive Director on the Board of MTouche Berhad, a public-listed company in Malaysia which is a forerunner and leader in wireless network technologies, mobile messaging services and interactive media applications. In 2016, Mr Lai was appointed Business Mentor to the Singapore National Eye Centre (SNEC) Ophthalmic Technologies Incubator to provide business insights and guidance. In 2018, Mr Lai spearheaded a spin-off of EyRIS jointly with Singapore Eye Research Institute (SERI) and National University of Singapore-School of Computing (NUS-SoC) to develop and commercialize the artificial intelligence (AI) solutions for the healthcare industry. SELENA+, our first AI solution, performs automated image analysis for eye diseases such diabetes retinopathy with add-on modules for glaucoma and age-related macular degeneration. He holds a Bachelor (Hons) in Surveying from the University of Queensland, Australia.

Mr Lai 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 five (5) years other than traffic offences (if any) nor any public sanction or penalty imposed by the relevant regulatory bodies during the financial year. He attended all six (6) Board Meetings held in the financial year ended 31 March 2021.

Mr Lim Hak Min,
48, Male, Singaporean,
Independent Non-Executive Director

Mr Lim Hak Min was appointed as Independent Non-Executive Director of the Company on 1 June 2017. He is the Chairman of the Audit Committee and ESOS Committee, and is a member of the Nomination & Remuneration Committee.

Mr Lim completed his Master of Science (Financial Engineering) and Bachelor of Accountancy from Nanyang Technological University. He is also a member of the CPA Australia, Association of Investment Management and Research and Institute of Singapore Chartered Accountants.

Mr Lim is currently a Director for Corporate Service Division in Skills Future Singapore Agency. He has experience in Corporate Finance, Corporate Governance, Merger & Acquisition and Investment especially in private equity space.

Mr Lim 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 five (5) years other than traffic offences (if any) nor any public sanction or penalty imposed by the relevant regulatory bodies during the financial year. He attended all six (6) Board Meetings held in the financial year ended 31 March 2021.

Profile of Directors
(Continued)

Mr David Choo Boon Leong,
57, Male, Malaysian,
Independent Non-Executive Director

Mr David Choo was appointed as Independent Non-Executive Director of the Company on 28 August 2018. He is a member of the Audit Committee and Nomination & Remuneration Committee.

Mr Choo has close to 30 years of experience in the Information Technology field of which, more than 20 years are in management role. He started his career as an officer with the Systems & Methods Department of MBF Finance in Malaysia and became a Senior Manager of its Information Services division. Mr Choo then joined WorldGroup Consulting, an international IT Consulting Company, as a Principal Consultant / Project Manager. He was then promoted to the position of Consulting Services Director responsible for the consulting practice for its South East Asia operation. Mr Choo was also accredited the Project Management Professional by the Project Management Institute in 2010 (PMP® No. 1356595) until his resignation from WorldGroup Consulting in 2015. He holds an MBA in Information Technology Management (Distinction) from the Netherland's Maastricht School of Management.

Mr Choo 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 five (5) years other than traffic offences (if any) nor any public sanction or penalty imposed by the relevant regulatory bodies during the financial year. He has attended all six (6) Board Meetings held in the financial year ended 31 March 2021.

Mr Dali Kumar @ Dali Bin Sardar,
62, Male, Malaysian,
Independent Non-Executive Director

Mr Dali was appointed as Independent Non-Executive Director of the Company on 28 August 2019. He is also currently a member of the Audit Committee.

Mr Dali was with Citibank/Citicorp (NY/KL) from 1982 to 1996. Prior to his departure, he was the Managing Director of Citicorp Capital Sdn Bhd, a venture capital subsidiary of Citicorp. He left to become the CEO of Utama Merchant Bank Berhad. He left the position at the end of 1996 and set up DTA Capital Partners Sdn Bhd. DTA is a boutique corporate finance set-up. DTA now has two fully-owned subsidiaries managing two venture capital funds of Mavcap which is fully owned by the Ministry of Finance (MOF). He also served several terms as Chairman on the Malaysian Venture Capital and Private Equity (MVCA) and Treasurer of Asia Pacific Venture Capital and Private Equity Association (APVCA). He also serves as Independent Director of Maybank Islamic Berhad and Chuan Huat Resources Bhd. He is also a Director in M Development Ltd (listed on SGX mainboard) as well as numerous private companies. He holds an MBA in Information Technology Management (Distinction) from American Graduate School of International Management (Thunderbird), Glendale, Arizona, USA.

Mr Dali 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 five (5) years other than traffic offences (if any) nor any public sanction or penalty imposed by the relevant regulatory bodies during the financial year. He has attended all six (6) Board Meetings held in the financial year ended 31 March 2021.

PROFILE OF KEY SENIOR MANAGEMENT

Mr Tan Yew Soon,
59, Male, Singaporean,
Chief Executive Officer of Novacitynets Pte Ltd

Tan Yew Soon is a founder of the Group and was appointed Executive Director and Chief Executive Officer of novaCITYNETS Pte Ltd ("novaCITYNETS") on 11 May 2000. His current responsibilities include the formulation and implementation of the overall business strategies and the overall management of the novaCITYNETS. He plays a key role in the development of application software for the e-Government sector. Concurrently, he is also the Chief Operating Officer of the Group.

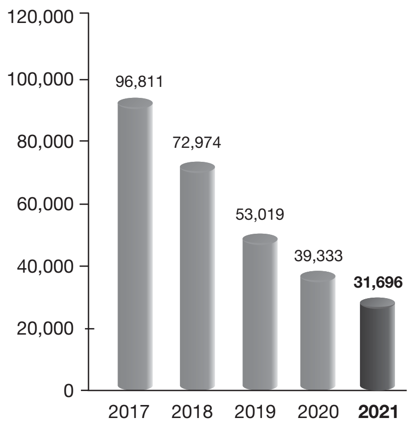
He has more than twenty (20) years of working experience at various organisations in the areas of marketing and implementation of large IT projects. He was CAD leader and Software Engineer in the Ministry of Environment of Singapore and Integraph Pte Ltd from 1982 to 1989 and was involved in the development and implementation of IT projects. He later worked as the Senior System designer to Department Manager of Siemens Pte Ltd from 1989 to 1995 and was responsible for the development and operations of its IT projects. Subsequent to that he joined novaSPRINT as General Manager of Infrastructure Planning Division. His career portfolio covers software engineering, large-scale turnkey project implementation on e-Government project. Mr Tan holds a Diploma in Building from the Singapore Polytechnic.

Mr Tan 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 five (5) years other than traffic offences (if any) nor any public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

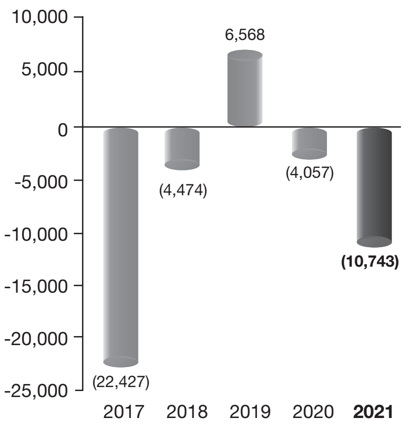
FINANCIAL HIGHLIGHTS

Financial Year Ended 31 March	2017	2018	2019	2020	2021
Revenue	96,811	72,974	53,019	39,333	31,696
(Loss)/Profit for the year	(22,427)	(4,474)	6,568	(4,057)	(10,743)
Net (Loss)/Profit attributable to shareholders	(20,426)	(2,624)	8,234	(3,370)	(9,769)
Basic (Loss)/Earnings per share (Sen)	-3	-0.38	1.12	-0.45	-1.01
As at 31 March					
Total equity attributable to owners	44,037	38,372	55,919	65,571	67,650
Total assets	78,682	79,081	81,133	99,955	86,035
Total liabilities	30,092	38,381	24,868	33,926	18,781
Total borrowing	1,938	22,234	7,583	12,158	7,082

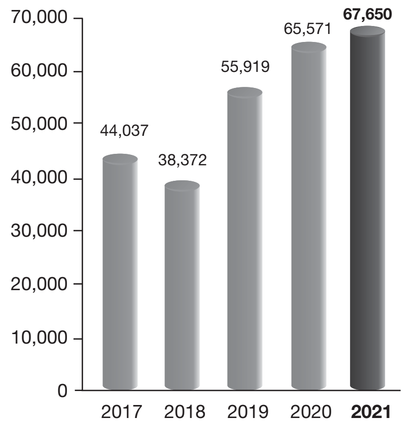
Revenue (RM'000)



(Loss)/Profit for the year (RM'000)



Total equity attributable to owners (RM'000)



MANAGEMENT DISCUSSION AND ANALYSIS

OVERVIEW

As a leading provider of ready-to-deploy, industry-focused application software and services, our Group offers smart Digital Government and Healthcare solutions through our in-house products. Our products are developed based on our technical knowledge and in-depth understanding of industry demands and the clients' requirements which results in customised and innovative products. Due to our strong track record in innovation and experience, our products are marketed to not only Malaysia but also to other countries in the Asian region such as Indonesia, Hong Kong, Singapore, Maldives, Brunei and Saudi Arabia.

Our in-house products for the healthcare and government sectors are as follows:

Software	Description
Pavo	A collaborative framework that facilitates the online submission of application documents amongst Government agencies.
Fornax	An electronic plan check checking systems software that automates the process of checking and approving building plans for compliance with building regulations, codes of practice and planning guidelines. It is also an electronic approval management software which aims to enhance productivity in local authority by automating the process of examining and approving applications for development controls, building control and other infrastructure development activities.
Vesalius	A comprehensive web-based platform that supports the administrative and clinical function within a hospital including physician support systems, nursing care, disease management, scheduling, patient registration, operating theatre management and billing.
Avicenna	A fully integrated cloud-based system which manages the administrative needs and clinical aspects of patient management in a healthcare facility from a single practitioner clinic to a multi-specialist outpatient centre with unrivalled user experiences.
EyScan	A cloud based platform which manages and execute SELENA+, an intelligent deep learning system that performs automated retinal photo analysis to detect retinopathy and systemic complications in diabetic patients.

The Group also provides a range of professional services to complement its applications software such as consultancy, training, maintenance and customisation of the applications software to cater to specific requirements of the clients.

THE FINANCIAL YEAR UNDER REVIEW

In the past year, the evolving COVID-19 outbreak and the measures undertaken by the various countries to restrict the movement of people had adversely affect business sentiments and operation. The Group was not spared from the pandemic outbreak.

In order to minimize the pandemic exposure risk to our employee, contractors and customers, we immediately implemented a slew of measures including telecommuting and split teams, and put in enhanced health and safety protocols in our workplaces. This inevitably caused disruption to our implementation workflow resulting in some of our projects' delivery schedules to be delayed even though we had tried our best to keep our commitments to our customers under such circumstances.

Accordingly, we recorded a decline of 19% in our revenue to RM31.7 million as compared to RM39.3 million recorded in the previous financial year.

	Financial Year Ended 31 March 2021	Financial Year Ended 31 March 2020
Revenue (RM'000)	31,696	39,333
Malaysia (RM'000)	4,256	7,585
Overseas (RM'000)	27,440	31,748
Segment Results	-10,525	-3,174
Loss Before Tax	-10,714	-4,040
Loss After Tax	-10,793	-4,057

Management Discussion and Analysis
(Continued)

In addition to the decline in revenue, the Group also saw its loss after tax ("LAT") for the financial year ended 31 March 2021 ("FYE2021") widened to RM10.7 million from RM4.1 million recorded in FYE2020 due to higher impairment for receivables as a result of the weak business environment though the Group was able to offset its operating cost by government wage subsidies received during the period.

The Group's order book amounted to approximately RM80 million as at 31 March 2021 as compared to approximately RM86 million as at 31 March 2020.

FINANCIAL POSITION

As at 31 March	2021 (RM'000)	2020 (RM'000)
Total equity attributable to shareholders	67,650	65,571
Total assets	86,035	99,955
Intangible assets	30,194	26,264
Trade and other receivables	8,359	17,868
Trade and other payables	6,777	17,341

Total equity attributable to shareholders

The total equity attributable to shareholders of approximately RM67.7 million was approximately 3.2% higher than that as at 31 March 2020 mainly due to issuance of new ordinary shares by way of conversion from Irredeemable Convertible Preference Shares (ICPS) to ordinary share for a total cash consideration of RM11.5 million to eligible investors though partly offset by net loss attributable to shareholders of approximately RM9.8 million.

Total assets

As at 31 March 2021, the Group's total assets stands at approximately RM86.0 million, which was approximately 13.9% lower than that as at 31 March 2020. This is mainly due to the sharp decline in trade and other receivables as well as the contract assets.

Intangible assets

As at 31 March 2021, intangible assets, which comprised mainly of development expenditure incurred for our in-house application software, amounted to RM30.2 million, representing an increase of 15.0% from the RM26.2 million recorded as at 31 March 2020 due to the additional software development work for our in-house application solution.

Trade and other receivables

Trade and other receivables fell by 53.2% year-on-year to RM8.4 million as at 31 March 2021 as compared to RM17.9 million as at 31 March 2020. This is mainly due to the lower billing towards the end of the year as well as higher impairment for receivables amidst the weak business environment.

Trade and other payables

As at 31 March 2021, trade and other payables saw a decline of 60.9% to RM6.8 million from RM17.3 million as at 31 March 2020. This is mainly due to higher repayment to payables and lower occurrence of third party cost during the year.

Liquidity, Financial Resources and Capital Structure

As at 31 March 2021, the Group's net current asset was relatively stable at RM34.3 million as compared to RM35.7 million as at 31 March 2020. Cash and cash equivalents have improved to RM20.1 million on 31 March 2021 as compared to RM14.8 million a year ago. The Group's current ratio improve slightly to 2.8 as at 31 March 2021 as compared to 2.1 as at 31 March 2020. Total bank borrowings and overdrafts as at 31 March 2021 amounted to RM7.1 million, about 41.3% lower than the RM12.1 million recorded as at 31 March 2020. The Group did not declare any dividend in the last financial year and currently do not have a formal dividend policy.

Management Discussion and Analysis
(Continued)

In FYE 2021, the Group invested RM8.5 million in R&D development work, which is comparable to the RM8.6 million incurred in FYE 2020. The capital expenditure was mainly to introduce new modules into our products and humanoid robot.

The management is cognisant of the financial risk arising from the operation and aim to safeguard the Group's ability to continue in it operation as a going concern as well as to maintain an optimal capital structure. During the year, the management mitigated such risk by increasing the level of cash and bank balances deemed adequate by the Group to finance the Group's operations and mitigated the effects of fluctuations in cash flows. The Group has also taken measures to reduce its borrowings level in FYE2021.

REVIEW OF BUSINESS TREND

While the COVID-19 pandemic has put a stop to most business activities, it has actually helped to drive demand for the information, communication and technology ("ICT") industry. This is mainly due to the acceleration for the digital adoption among businesses and stirring up the consumer offerings, both of which has helped ICT spending in the second half of 2020.

This trend has also push for the adoption of cloud technologies and the development of 5G infrastructure, which will provide a foundation for the development and investment into new technologies such as AI, robotics and augmented reality, which is expected to represent over 25% of ICT spending over the next decade.

PROSPECTS OF NOVA MSC

While the strong shift towards the digital economy will benefit Nova MSC in the long-term, the near-term risk remains as the weak global macroeconomic environment in the near-term will dampen business sentiment. This is reflected by the recent cut in the Malaysia's Gross Domestic Product ("GDP") forecast by the World Bank to 4.0% growth. This is after the country's GDP has fallen by 5.6% year-over-year in 2020, its worst since the Asian Financial Crisis ("AFC") in 1998.

The downward revision by the World Bank was done after the resurgence of COVID-19 cases in the country recently. This has led the government to reimpose the Movement Control Order ("MCO"), which has a severe impact of small businesses. The prolonged COVID-19 pandemic would hurt the business sentiments and operation, which have yet to fully recover from the pandemic that started since the beginning of last year.

In line with the weaker business and consumer sentiment amidst the resurgence of COVID-19 cases, the Group expects recovery in 2021 to be gradual and will pickup pace once COVID-19 infections are contained. The vaccination rate for Malaysia has recently surpassed 10% of the population and will gain further momentum as seen by the increase in the supply of vaccines. This should help to boost recovery going forward.

On its part, the Group has continued to take all necessary measures to ensure the resilience of its operations and financial performance. We will focus on cash flow management and our project delivery while embarking on efforts to diversify our product offerings to the changing markets.

The Group is also cognizant of the role and impact of innovation and new technology. The Group begins its journey to revolutionize healthcare delivery through deep technology by investing in a new spin-off EyRIS Pte Ltd ("EyRIS"). EyRIS is 42% owned by novaHEALTH Pte Ltd, which in turn is wholly-owned by the Group.

EyRIS will focus on developing and commercializing Deep Learning Systems (DLS) for healthcare industry. DLS is a breakthrough machine learning technology that utilizes representation-learning methods with multiple levels of representation to process natural data in their raw form, recognizing the intricate structures in high-dimensional data. EyRIS has a licence to market SELENA+, an intelligent deep learning system that performs automated retinal photo analysis to detect retinopathy and systemic complications in diabetic patients. The investment poured into the new technology has bear fruit when EyRIS bagged a five-year contract from Singapore's Integrated Health Information Systems Pte Ltd ("IHiS") for the deployment of SELENA+, the Group's first AI-based product, on September last year.

The SELENA+ will be part of Singapore's national screening programme and is expected to deliver a "significant" recurring income for the Group over the long run. The deployment of SELENA+ will cut the time required to spot signs of diabetic eye diseases, namely diabetic retinopathy, glaucoma and age-related macular degeneration.

Management Discussion and Analysis
(Continued)

SELENA+ went live on November 2020 and was initially deployed to screen 120,000 patients annually. It is also the first real world adoption of an AI-based medical device in a national screening programme.

Following the success in Singapore, EyRIS has appointed a leading Japanese medical devices and software solutions provider, Topcon Healthcare Asia Pacific to distribute SELENA+, either directly or through its distribution network in 18 countries in South and Southeast Asia including Thailand, India and Hong Kong.

In May 2020, as part of the Group's strategy to continuously improve its product offering, the Group incorporated a new company called DEX-lab Pte Ltd ("DEX-lab") in Singapore to focus on the development and marketing of artificial intelligence ("AI") related products and services. AI is wide-ranging branch of computer science concerned with building smart computer programs or machines capable of performing tasks that typically require human intelligence. It contains many subfields such as machine learning, deep learning, neural network, natural languages processing and other techniques to solve actual problems.

In the Digital Government segment, the Group eyes more opportunities in Southeast-Asia such as Malaysia, Singapore and China, considering that more governments have been increasingly focused on digital transformation initiatives. The Group will also work rolling out its expert systems initiatives namely FORNAX that will provide automated checks on electronic building plans and development plans against building and land regulations (or guidelines) for design compliance.

Meanwhile, in the Smart Healthcare segment, the Group aims to actively look out and participate in new opportunities among large-scale public and private healthcare providers across Southeast-Asia. The rollout of SELENA+, which aims to perform automated image analysis of retinal image for early detection of diabetes, is expected to provide a new revenue source for the Group in the Smart Healthcare segment and help to boost its market presence.

SUSTAINABILITY STATEMENT

Our Approach

The Group recognises the importance of sustainability and its impact to achieve profitability in a safe, caring and sustainable environment. In this respect, the Group's approach to sustainability is to embrace a culture of incorporating sustainability consideration into our decision making and business practices that (1) enable economic success, (2) manage environment impacts and (3) meet the social needs of the community in which we operate.

The Group also intend to take a progressive approach in our sustainability reporting as we understand that the formulation and execution of our sustainability initiatives are influenced by the need to achieve the right balance for the shareholders, environment and society to achieve long-term growth and value. We intend to regularly review our sustainability approach and initiatives to assess their impacts on our business model and present them in future sustainability reporting. As a start, the Group has identified the following as the initial economic, environmental and social ("EES") focus areas:-

Economic

- Creating shareholders and business value

Environment

- Energy and water conservation
- Recycling and effluent management

Social

- Ensuring an inspiring and engaging workplace for our employee
- Contributing to the well-being of the community

Our Scope

The scope of this Statement covers the Nova MSC Berhad ("Nova MSC") and its subsidiaries for the period from 1 April 2020 to 31 March 2021. It describes the Group's core activities and our commitment toward improving our sustainability practices.

Material Sustainability Matters

Economic

Nova MSC strives to ensure that economic sustainability remains at the core of its operations, as the Group charts its way towards a more successful future. The Group prioritises economic sustainability as it is key in ensuring that any action or decision by Nova MSC does not impact its stakeholders negatively.

- Pursuing sustainable investments

  Nova MSC is committed to ensure that its business investments are not only profit-driven but also takes into account the nature of investments. The Group focuses on investments that are sustainable, supported by good governance as well as those that do not affect the environment and society adversely.

- Good procurement practices

  At all times, Nova MSC emphasises on the importance of best corporate practices in the procurement of material and equipment for the Group's operations. A standard operating procedure is in place to ensure that the Group's personnel and employees are well aware on good procurement practices. Nova MSC was proud to announce that it has received ISO 9001 certification since January 2005. The accreditation confirms that Nova's QMS meets the stringent requirements of the international standards. In addition, Nova MSC's QA Team expanded on our Application Development Methodology (AMD) that serves as a guide to our Project Managers in work aspects such as standard procedures and documentation. As procurement is a crucial part of the ISO system, this ongoing effort reinforces Nova MSC's commitment to continue providing the highest quality products and services.

- Prudent and efficient cost management practices

  Key management of various departments in charge of the day to day running of the Group has each more than 20 years of experience. This assembly of very experienced personnel with the objective of long term company goals plays a crucial role of minimizing costs and practicing prudent decisions on a daily basis. The Group continuously monitors its operational costs in order to keep the costs at a controlled level. Upon identification of unnecessary costs or areas where a more prudent management could be introduced, the Group will undertake adequate measures to reduce, eliminate or maintain the costs under control. A good cost management approach allows the Group to offer its services to its client at a more affordable rate than the market average.

Sustainability Statement
(Continued)

Environment

Environmental sustainability is focused on minimizing the likelihood of adverse impact from its operation to the environment. The Group is also working towards to generating a greater awareness in preserving and conserving the environment for its future generations.

- Energy and water conservation

  Externally and indirectly, the proven successes of our many e-Government initiatives have demonstrated that a highly digital and connected government can provide effective and efficient operational support across the city councils and related regulatory organisations apparatus and more importantly, raise process transparency and organisational accountability across the entire government service of our clients. Massive expansion of cities driven by urbanization and migration of people from rural areas in several countries in the Asia Pacific region creates mega cities that are beset with environmental issues, resource management concerns and pressure on infrastructure. Identifying and overcoming these issues with efficient planning and optimum utilization of technology has become increasingly relevant in such scenarios. Volatile growth of cities has far-reaching implications – cutting across industries – which demand cities to be both smart and green. Thus the result of our implemented E-Government initiatives have also resulted indirectly more overall energy and water conservation. The Nova Group has also made many internal improvements in energy and water efficiency which will enable us to reduce cost and optimizes our operational efficiency. As such, the Management had rolled out a series of energy and water saving initiatives such as putting up signage to remind employees to switch off lighting and computers when not in use and to report leaking taps and toilets. The Group intends to implement more energy and water saving initiatives and will continue to educate our staff on the importance of conservation.

- Waste Management

  Our e-Government systems, incorporating good urban planning and management, is a major determinant of every city's growth. Smart cities of our clients are an evolved state of urbanization where application of technology integrates diverse individual entities such as buildings, utilities, authorities, infrastructure and industries. Indirectly, these established smart cities have established proper waste management in their integrated city management systems. Internally, the Group has started activities to increase the awareness of 3Rs (Reduce, Reuse and Recycle) and encourage our employees to reduce printing and photocopying by prioritising electronic means to share and store documents. The Group intends to implement more waste management initiatives in the coming new financial year.

Society

The Group's social sustainability focus is on the impact of its activities on the well being of the people it interact. As such, the Group is committed to be a responsible and caring organisation.

- Employee

  The Group has always view employee as our most valuable asset. Therefore the Group strives to build an inspiring and engaging workplace for our employees.

- Diverse workforce and equal opportunity

  Our various offices around the world such as Malaysia, Singapore & Philippines encourage team work among various nationalities over geographic boundaries in South East Asia. We embrace value such as diversity, fair employment and inclusivity. We strive to ensure that the workplace at Nova is one of equal opportunity and free of discrimination, wherein every employee is treated with respect and dignity. Career development and employment decisions are made based on merit and performance, regardless of gender or ethnicity.

  We also offer our employee fair and equitable benefits packages, including insurances policies covering life, travel and hospitalisation.

Sustainability Statement
(Continued)

- Healthy and safe working environment

  Healthcare organisations of our clients around the world are striving to decrease costs, improve efficiency without compromising on the quality of care. Externally, the VESALIUS system is designed to facilitate info-communications and to streamline processes between departments. Developed on a single integrated platform, it serves the wide-ranging needs of hospital administrators, caregivers and most importantly, patients. Thus the functionality of the hospitals and healthcare groups are greatly improved. Internally, the Group continuously strives to provide a healthy and safe working environment for our employees. We perform regular workplace inspection to ensure work places are uncluttered, neat, tidy and safe. Fire and safety drills are held regularly to ensure that employees are well prepared in the event of emergency.

  By maintaining a healthy and work-life balance is important for employee well-being, we believe that it can contribute toward greater productivity and performance. Hence, we treat motivation and recreational as an essential part of Group's responsibility to our employees. In the coming year, the Group intend to engage employees through virtual webinars and permissable group size gathering session, that would enable employees to reduce their stress level and mingle around amongst our employees.

  With the Covid-19 outbreak, we have also taken numerous precautionary measures, such as safe distancing, telecommuting and split team, to mitigate the risk of infection.

- Talent Development and Retention

  The key management of sales operations and finance have more than 2 decades of a good mix of industry-specific knowledge plus broad business and commercial experience. They provide many aspects of the Group's strategy to ensure that higher standards of conduct and integrity are maintained by the Group. The Group recognises the importance of effective executive management leadership to Nova's success. Furthermore, the Group believes in nurturing our employees to their full potential and capabilities. Training programs for skill development and improvement are conducted for our employees so that they can execute their role and responsibilities efficiently as well as for their personal career development. To ensure optimal performance and staff job satisfaction, adequate trainings are customised to develop and upgrade skills, knowledge and attitudes of our individual people.

Community

The Group recognises the importance of being a responsible corporate citizen to enhance and positively contribute to society in addition to its pursuit of business objectives. Social gatherings and yearly reviews were also organized during the year to create social balance, maintain harmony and build better rapport. In the new financial year, the Group will look at ways for the Group to participate in community outreach programmes and activities as way of giving back to society.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board of Directors ("Board") of Nova MSC Berhad ("Company") recognises 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 2017 ("Code"), where applicable.

This overview statement is prepared in compliance with the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad ("AMLR") and is to be read in conjunction with the Corporate Governance Report 2021 of the Company which is available at www.nova-hub.com.

The following statements describe the corporate governance practices that were in place in the financial year ended 31 March 2021:-

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. In discharging its roles and responsibilities, the Board is guided by its Board Charter which outlines the duties of and responsibilities of the Board.

The Chairman leads the Board and ensures the effective functioning of the Board to act in the best interests of the Company and its shareholders. The Chairman facilitates the relationship between the Board, Executive Director and Management, by engaging them in constructive discussions over various matters, including strategic issues and business planning process. He ensures that discussion at the Board level are conducted objectively and professionally where all views are heard and key issues are debated in a fair and open manner.

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 Independent Non-Executive 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.

Save for the significant matters reserved for the Board's approval, such as financial results, annual budget and business plan, issuance of new shares, expenditure above a certain limit, disposals or acquisition of significant assets and others, the Board delegates the day-to day operations of the business and implementation of Board's policies and plans to the Executive Director. The Executive Director is also accountable to the Board for the conduct and performance of the Group.

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

During the year, the Executive Director and Management presented comprehensive summaries of the significant business activities and financial performance of the Group to the Board on a quarterly basis, whereby explanations on any material shortfalls and proposed corrective actions were provided. The Executive Director and Management also presented to the Board proposed business strategies and plans for the Board's review. The Board deliberated on the business strategies and plans to ensure that they were in line with Group's visions and mission after taking into consideration the latest market conditions and internal capabilities.

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.

The Board is also supported by three (3) Board committees to which it delegates specific areas of responsibilities for review and decision making. They are the Audit Committee, Nomination & Remuneration Committee ("NRC") and ESOS Committee.

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.

Corporate Governance Overview Statement
(Continued)

1. Board (Continued)

1.2 Board Charter and Code of Corporate Conduct

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.

The Board has adopted a Code of Conduct and Ethics policy which set out the standards of conduct expected from Directors, to engender good corporate behaviour. The Board intends to review the Code of Conduct and Ethics policy as and when it is required to ensure the information remains relevant and appropriate. A summary of this is available on the corporate website.

There is also a whistle blowing policy in place to provide all Directors and employees of the Group a platform to raise concerns or disclose any wrongdoing that may adversely impact the Company without fear of suffering retribution and to provide a transparent and confidential process for dealing with concerns.

1.3 Composition and Board Balance

1.3.1 Composition

The Board currently has six (6) members, comprising two (2) Executive Directors and four (4) Independent Non-Executive Directors as follows:-

Name	Designation	Directorship
Loh Guan Huat Sunny (appointed on 1 April 2021)	Chairman	Executive
Peter Wayne Thompson	Deputy Chairman	Independent Non-Executive
Lai Teik Kin	Member	Executive
Lim Hak Min	Member	Independent Non-Executive
Dali Kumar @ Dali Bin Sardar	Member	Independent Non-Executive
David Choo Boon Leong	Member	Independent Non-Executive

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.

1.3.2 Board Balance

The four Non-Executive Directors of the Company, which form 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 recognises the importance of effective executive leadership to Nova's success and the NRC is tasked to discuss executive succession planning at least annually.

Although there is no gender diversity policy in place currently, the Board opined that given the current state of the Group's business and lifecycle, it is more important to have the right mix of skills on the Board rather than to attaining the 30% threshold as proposed in Practice 4.5 of the Code. Nevertheless, the Board is on the outlook for potential women Directors and shall appoint additional women Directors as and when suitable candidates are identified. No timeframe has been set for the search concerned.

The profiles of the Directors are provided in pages 4,5 and 6 of the Annual Report.

Corporate Governance Overview Statement
(Continued)

1. Board (Continued)

1.4 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 specialised issues.

1.5 Appointment Process

The Board has set up a Nominating Committee on 28 August 2007. The Board appoints its members through a formal and transparent selection process. Appointments are made upon the recommendation of the Nominating 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.

1.6 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 recognises the importance of establishing criteria on independence to be used in the annual assessment of its Independent Non-Executive Directors. In accordance with Practice 4.2 of the Code, 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 9 years.

The Board has conducted an assessment on independence of directors in the period under review. The performance evaluation of the independent directors is conducted by way of self-assessment checklist. The independence evaluation is based on the criteria laid down in the Listing Requirements. It was noted by the Board that the independent directors complied with the definition of independent director as set out in Chapter 1 of ACE Market Listing Requirements of Bursa Malaysia Securities Berhad.

1.7 Meetings

During the financial year under review, six (6) 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	
Loh Guan Huat Sunny (appointed on 1 April 2021)	N/A
Lai Teik Kin	6/6
Non-Executive Directors	
Peter Wayne Thompson	6/6
Lim Hak Min	6/6
David Choo Boon Leong	6/6
Dali Kumar @ Dali Bin Sardar	6/6

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.

Corporate Governance Overview Statement
(Continued)

1. Board (Continued)

1.7 Meetings (Continued)

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 5 public listed companies and must be able to devote 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.

1.8 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, familiarisation 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:

Name of Director	Trainings/Seminars/Trade Fairs
Peter Wayne Thompson	• GIA - Governance + Risk Management • Global Digital Business - Introduction
Lai Teik Kin	• Virtual Roundtable: Understanding the Healthcare Industry in the Middle East • AI Research in Eye Diseases: Half-time Reflections • EyDIA Journal Club: Insights from Google AI and Eye Experts • Vietnam's ICT & Cloud Landscape Webinar • Clinical Features and Management of Diabetic Retinopathy • Webinar on Brazil
Lim Hak Min	• Fi@Gov Virtual Training • ACCA Annual conference • Day Certificate in Business Analytics and Reporting Course (i3BAR) "Transform your Business Reporting" Schroder Investment Training Seminar 2021 • PAIB2020: ISCA Virtual PAIB Conference 2020: Gearing up to reboot in a new world
David Choo Boon Leong	• Managing your fraud risk: Are you doing enough?
Dali Kumar @ Dali Bin Sardar	• Managing Virtual Banking & Insurance Businesses

1.9 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 23 to 25.

ii) Nomination Committee

The Nomination Committee comprised of the following members:

- Peter Wayne Thompson (Chairman), Independent Non-Executive Director
- Lim Hak Min, Independent Non-Executive Director
- David Choo Boon Leong, Independent Non-Executive Director

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

Corporate Governance Overview Statement
(Continued)

1. Board (Continued)

1.9 Board Committee (Continued)

ii) Nomination Committee (Continued)

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; and
- To nominate and recommend to the Board the nominees to fill seats on Board committees and succession planning.

During the financial year under view, the Nomination Committee met once and was attended by all the members of the Nomination Committee. At this meeting, the Nomination Committee:-

i) Reviewed the annual assessment of the Board and individual directors;
ii) Discussed and recommended to the Board for re-election of retiring directors in the Annual General Meeting; and
iii) Brought up the need for directors' trainings.

The performance evaluation of the Board is conducted by way of self-assessment. The performance criteria used in this evaluation includes individual contributions of each director, the overall effectiveness of the Board and its required mix of skill, experience and other qualities including core competencies. Directors are required to fill out the self-assessment forms and provide their feedback, view.

The results of these self-assessments forms are compiled and tabled to the Nomination Committee for review and deliberation.

On 1 April 2021, a new Director, Mr. Loh Guan Huat Sunny was appointed to the Board. The Nomination Committee had run through the protocol as provided above to evaluate the suitability for the appointment of Mr Loh, prior to making recommendation to the Board for consideration.

To enhance the efficiency and effectiveness of the Board committees, the Nomination Committee was dissolved on 30 June 2021 and a Nomination & Remuneration Committee ("NRC") had been established in place thereof.

iii) Remuneration Committee

The Remuneration Committees comprised of the following members:

- Peter Wayne Thompson (Chairman), Independent Non-Executive Director
- David Choo Boon Leong, Independent Non-Executive Director
- Lim Hak Min, Independent Non-Executive Director

It is governed by its Term of Reference, which defines its scope of authorities, responsibilities and duties and are available for reference at the Company's website at www.nova-hub.com. The Remuneration Committee is responsible to assist the Board in developing and establishing commensurate remuneration policies and packages of the Executive Directors. The Committee shall meet at least once a year or as and when deemed fit and necessary.

The Remuneration Committee met once during the financial year under review with all the members attending the meeting. The Remuneration Committee reviewed CEO's recommendations for bonus and performance of the Management team, the remuneration package of the executive directors in the Company and in the respective subsidiary companies. The performance criteria for increment of salaries were based on performance of executive directors as a team for the financial year. In addition, Remuneration Committee also reviewed CEO's recommendation for bonus and performance of the Group management team.

The Remuneration Committee was dissolved on 30 June 2021 and a NRC had been established in place thereof.

Corporate Governance Overview Statement
(Continued)

1. Board (Continued)

1.9 Board Committee (Continued)

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

The ESOS Committee comprises of the following members:

- Lim Hak Min (Chairman), Independent Non-Executive Director
- Lai Teik Kin, 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 18 November 2015 and is governed by the by-laws that were approved by the shareholders on 27 August 2015.

The ESOS Committee did not meet during the period under review as there was no planned ESOS allocation plan proposed by the Management.

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.

The details of the remuneration of the Directors of the Group and of the Company for the financial year under review (including remuneration drawn from the subsidiaries) on a name basis are as follows:

	Company		Group						
	Fee RM'000	Allowance RM'000	Fee RM'000	Allowance RM'000	Salary RM'000	Defined Contribution Plan RM'000	Stock Option RM'000	Benefits in kind RM'000	Total RM'000
Executive Director									
- Loh Guan Huat Sunny (appointed on 1 April 2021)	-	-	-	-	--	-	-	-	-
- Lai Teik Kin	-	-	-	-	743	29	-	-	772
Non-Executive Director									
- Peter Wayne Thompson	60	-	-	-	-	-	-	-	60
- Lim Hak Min	55	-	-	-	-	-	-	-	55
- David Choo Boon Leong	45	-	-	-	-	-	-	-	45
- Dali Kumar	40	-	-	-	-	-	-	-	40
Total	**200**	**-**	**-**	**-**	**743**	**29**	**-**	**-**	**972**

Corporate Governance Overview Statement
(Continued)

3. SHAREHOLDERS

Relation with Shareholders and Investors

The Board recognises 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 website at www.nova-hub.com.

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

4. ACCOUNTABILITY AND AUDIT

4.1 Financial Reporting

The Board is responsible to present a balanced and comprehensive assessment of the Group's financial position to shareholders by means of the annual and quarterly reports and other published information. The Audit Committee assists the Board in scrutinising information for disclosure to ensure accuracy, adequacy and completeness and that the financial statements are drawn up in accordance with applicable approved accounting standards in Malaysia and the provisions of the Companies Act 2016.

4.2 Directors' Responsibility in Financial Reporting

The Directors are required by the Companies Act 2016 ("Act") 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 Act 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 Act. 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 Board assumes overall responsibility for maintaining a sound system of risk management and internal controls that provide reasonable assurance of effective operations and legal compliance including both internal policies and standard operating procedures. The Group's Statement on Risk Management and Internal Control is set out on pages 26 to 27 of this Annual Report to provide an overview of the state of risk management and internal controls within the Group.

4.4 Relationship with Auditors

The Board, via the Audit Committee, maintains a close and transparent relationship with its Auditors in seeking professional advice and ensure compliance with the appropriate accounting standards. The Audit Committee meets the external auditors at least twice a year to discuss their audit plan, audit findings and the Group's financial statements. At least 1 meeting is held without the presence of the Executive Director and the management to encourage a greater exchange of independent and open dialogue.

The Audit Committee assesses the performance of the external auditors in terms of suitability, objectivity and independence of their services. The Audit Committee will then recommend their reappointment to the Board, subject to shareholders' approval in the AGM.

4.5 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 2021 except where it was specifically stated otherwise.

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
Lim Hak Min	Chairman	Independent Non-Executive
Peter Wayne Thompson	Member	Independent Non-Executive
David Choo Boon Leong	Member	Independent Non-Executive
Dali Kumar @ Dali Bin Sardar	Member	Independent Non-Executive

TERMS OF REFERENCE ("TOR")

A copy of the TOR of the Audit Committee is available for viewing at the Company's website at www.nova-hub.com.

SUMMARY OF ACTIVITIES OF THE COMMITTEE

The Audit Committee met 4 times during the financial year ended 31 March 2021. The attendance record of each Director since the last financial year or the date of appointment is as follows:

	Number of Meetings Attended
Peter Wayne Thompson	4/4
Lim Hak Min	4/4
David Choo Boon Leong	4/4
Dali Kumar @ Dali Bin Sardar	4/4

During the financial year ended 31 March 2021, the Audit Committee has discharged the following functions and duties:-

Overview of Financial Performance and Reporting

- Reviewed the quarterly financial result announcement with management for recommendation to the Board for approval. In the review, the parties discussed on the accounting principles and standards that were applied and their judgement of the accounting principles and standards that might affect the financial results and statements;

- Reviewed the Group's annual audited financial statements for recommendation to the Board for approval;

- Review and recommend the Audit Committee Report and the Statement of Risk Management and Internal Control to the Board for consideration and inclusion in the Annual Report of the Company;

- Reviewed the Annual Report for recommendation to the Board for approval;

Audit Committee Report
(Continued)

Oversight of External Auditors

- Reviewed and approved the external audit plan of the Company and Group for the year with the external auditors prior to the commencement of the annual audit;

- Reviewed the extent of assistance rendered by management and issues and reservations arising from audits with the external auditors without the presence of management and the Executive Director;

- Reviewed the audit report, issues and reservations arising from the statutory audit with the external auditors;

- Assessed and evaluated the performance, independence and suitability of the external auditor for its re-appointment and made recommendations to the Board on their re-appointment and remuneration, taking into considerations factors including the adequacy of experience and resources of the external auditors and the professional staff assigned to the audit. The external auditors also provided a written confirmation on their independence and the measures used to control the quality of their work;

- Reviewed the audit and non-audit fees of the external auditors;

Oversight of Internal Audit Function

- Reviewed and approved the risk based internal audit plan with the Internal Auditors, taking into consideration the adequacy, relevance and resources on all significant operational processes and internal controls systems.

- Reviewed and deliberated on issues raised in the internal audit reports in relation to weakness in internal controls;

- Monitored the corrective actions taken on outstanding internal audit issues to ensure that all the key risks and control lapses were duly addressed;

- Report to the Board on the Internal Auditors' plan and results of Internal Auditors' assessments;

Review of Related Party Transactions

- Reviewed all recurrent related party transactions within the Group, if any, to ensure that the transactions entered into were at arm's length and on normal commercial terms.

INTERNAL AUDIT FUNCTION

The Board outsource its internal audit function for an annual fee of RM18,000 to a professional consulting firm namely OAC Consulting Sdn. Bhd. 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.

Audit Committee Report
(Continued)

The activities of the Internal audit function during the financial year were as follows:-

- Developed a risk-based internal audit plan;
- Conducted internal audit reviews in accordance with the internal audit plan approved by the Audit Committee;
- Reported the results of internal audits and made recommendations for improvements to the Audit Committee on a periodic basis; and
- Performed follow-up visit to ensure that recommendations for improvement were satisfactorily implemented.

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 non executive director/employees of the Group pursuant to the criteria as set out in the by-laws of the Company.

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 2017 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 2021 pursuant to Paragraph 15.26(b) of Requirements of ACE Market Listing Requirements of Bursa Malaysia Securities Berhad ("AMLR") and the Statement on Risk Management & Internal Control: Guidelines for Directors of Listed Issuers.

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.

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 loss or fraud.

Main Features of Risk Management and Internal Control System

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

<u>Internal Control and Risk Management Framework</u>

The Board together with Management ensures 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 internal controls.

The Group has also in place a risk management framework consisting of three lines of defence for managing risks affecting its business and operations. The first line of defence is carried out via the internal controls implemented as part of the day-to-day operations. The second line of defence relates to the oversight function by both the Board and Management. The final and third line of defence is that of the independent assurance providers, namely the Internal Auditors. 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.

<u>Clear roles and responsibilities</u>

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 Executive Director is involved in the day-to-day business operations of the Group. Scheduled informal operational and management meetings are held with Management to identify, discuss and resolve business and operational issues. Significant matters identified during these meetings are highlighted to the Board.

The Board is assisted by the Audit Committee in specific areas in order to enhance the system of internal controls and corporate governance.

<u>Formalised policies and procedures</u>

Clear formalised internal policies and procedures are in place to support the Group to facilitate effective and efficient operations. The Company and its subsidiaries are accredited with ISO 9001:2015 documented internal procedures and standard operating procedures have been put in place and surveillance/certification audits are conducted on a periodic basis by assessors of the ISO certification body to ensure that standard operating procedures are being adhered to.

Statement on Risk Management and Internal Control
(Continued)

Internal Audit Function

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.

The internal audit function reports directly to the Audit Committee and mainly 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 23 to 25

Review of the Statement by the External Auditors

This Statement has been reviewed by the External Auditors for inclusion in the Annual Report 2021 in accordance with Paragraph 15.23 of the AMLR. Their review was carried out in accordance with the Audit and Assurance Practice Guide 3 issued by the Malaysian Institute of Accountants. 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 of Listed Issuers to be set out, nor is factually inaccurate.

Conclusion by the Board

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; and

(iii) provided by the External Auditors.

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.

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.

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.

The Board is satisfied that the risk management and internal control systems in place for the financial year ended 31 March 2021 are adequate and effective to safeguard shareholders' investments, the Group's assets and the interest of other stakeholders.

This Statement is made in accordance with the resolution of the Board dated 20 August 2021.

ADDITIONAL COMPLIANCE INFORMATION

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

1. OPTIONS, WARRANTS OR CONVERIBLE SECURITIES

(a) Employee Share Option Scheme ("ESOS) during the financial year

At an extraordinary general meeting held on 27 August 2015, the Company's shareholders approved the establishment of a ten (10) years ESOS of up to thirty percent (30%) of the issued and paid-up share capital of the Company. The ESOS was implemented on 18 November 2015.

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

			Number of options over ordinary shares			
Option Grant date	Option Expiry date	Exercise price	Granted	Exercised	Forfeited	As at 31.03.2021
02.06.2016	17.11.2025	RM 0.0728	15,000,000	-	(10,500,000)	4,500,000
02.05.2018	17.11.2025	RM 0.0656	23,000,000	-	(49,979)	22,950,021
30.08.2018	17.11.2025	RM 0.1238	25,300,000	-	(20,300,000)	5,000,000

Number of options exercisable at end of the financial year is 32,450,021.

Details of the ESOS options granted to the Directors, senior management and employees as at 31 March 2021 are as follows:-

Since commencement of ESOS on 18 November 2015				
	Aggregate ESOS Options Granted	Aggregate ESOS Options Exercised	Aggregate ESOS Options Forfeited/ Lapsed	Aggregate ESOS Options Outstanding
Directors and chief executive	28,500,000	-	(12,500,000)	16,000,000

	Aggregate maximum allocation applicable (%)	Aggregate ESOS Options Grant Since 18 November 2015
Directors and senior management	70	69.5

2. UTILISATION OF PROCEEDS FROM NEW SHARES ISSUED

On 25th November 2019, the Company announced that it proposed to undertake the following:

(i) proposed renounceable rights issue of up to 2,095,106,469 new irredeemable convertible preference shares in the Company ("ICPS") ("Rights ICPS") at the issue price of RM0.01 per Rights ICPS on the basis of 8 Rights ICPS for every 3 existing ordinary shares in the Company held on an entitlement date to be determined later ("Proposed Rights Issue"),

(ii) proposed placement of 420,000,000 new ICPS ("Placement ICPS") to Stone Villa Limited at the issue price of RM0.01 per Placement ICPS ("Proposed Placement") and

(iii) proposed amendments to Constitution of the Company to facilitate the issuance of the ICPS ("Proposed Amendments"). (Collectively known as "Proposals")

The shareholders of the Company had approved the Proposals at an Extraordinary General Meeting held on 17 January 2020. The above Proposals were completed on 26 March 2020 following the listing of and quotation for 1,397,552,400 ICPS on the ACE Market of Bursa Malaysia Securities Berhad.

Additional Compliance information
(Continued)

2. UTILISATION OF PROCEEDS FROM NEW SHARES ISSUED (Continued)

The status of utilization of proceeds raised from the above Proposals as at 31 March 2021 were as follows:-

Purpose	Amount raised (RM'000)	Amount utilized (RM'000)
Repayment of Borrowings	7,500	7,500
Operating and capital expenditures for secured IT Contracts	2,776	2,821
Overseas expansion of FORNAX Systems	3,000	-
Professional fee related to the above Proposals	700	655
Total	**13,976**	**10,976**

3. AUDIT AND NON- AUDIT FEES

Audit and non-audit fees paid or payable to external auditors for the financial year ended 31 March 2021 are as follows:-

	Group RM'000	Company RM'000
Audit Fee	194	54
Non-Audit Fee	13	13

4. MATERIAL CONTRACTS

There are no material contracts involving directors or major shareholders other than those entered in the ordinary course of the business by the Company as disclosed in the financial statements.

FINANCIAL STATEMENT

DIRECTORS' REPORT

The Directors hereby submit their report together with the audited financial statements of the Group and of the Company for the financial year ended 31 March 2021.

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 and details of the subsidiaries are set out in Note 9 to the financial statements. There have been no significant changes in the nature of these activities during the financial year.

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

2. RESULTS

	GROUP RM	COMPANY RM
(Loss)/Profit for the financial year	(10,743,071)	359,180
Attributable to :		
- Owners of the Company	(9,768,981)	359,180
- Non-Controlling Interests	(974,090)	-
	(10,743,071)	359,180

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. DIVIDEND

No dividend was declared or paid since the end of the last financial year and the Directors do not recommend the payment of any dividends in respect of the current financial year.

5. SHARE CAPITAL

Ordinary Shares

During the financial year, the issued and paid-up ordinary share capital of the Company was increased from RM87,619,015 to RM102,912,649 through the issue of 382,340,858 new ordinary shares from the conversion of Irredeemable Convertible Preference Shares ("ICPS") at a conversion price of RM0.04 per ordinary shares in the folloiwng manner :-

a) the cancellation of 382,616,858 ICPS surrendered to the Company for conversion purpose; and

b) the receipt of RM11,467,465 in cash being the difference between the aggregate issue price of the ICPS surrendered and the aggregate conversion price of the new ordinary shares issued.

Irredeemable Convertible Preference Shares

The ICPS capital has decreased by RM3,826,169 to RM10,149,355 during the financial year due to the surrender and cancellation of ICPS for purpose of conversion to ordinary shares as detailed above.

Details of the movements in the ordinary and preference share capital of the Company during the financial year are disclosed in Notes 16.1 and 16.2 to the financial statements.

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

Proceeds from the new shares issued during the financial year will be utilised for purposes of funding future business projects/investments and working capital of the Group.

Directors' Report
(Continued)

6. DIRECTORS OF THE COMPANY

The names of Directors of the Company in office during the financial year and during the period from end of the financial year to the date of this report are :

Sunny Loh Guan Huat (Chairman) (Appointed on 1 April 2021)
Peter Wayne Thompson (Deputy Chairman)
Lai Teik Kin
Lim Hak Min
David Choo Boon Leong
Dali Kumar @ Dali Bin Sardar

The names of Directors of the Company's subsidiaries in office during the financial year and during the period from end of the financial year to the date of this report are:-

Lai Teik Kin
Tan Yew Soon
Tan Chee Ping
Stephen Jon Victor Price
Valdez, Cherrylyn D.
Omana, Herbert J.
Rosales, Jessica L.
Sunny Loh Guan Huat (Appointed on 4 May 2020)

7. DIRECTORS' INTERESTS

According to the register of directors' shareholding, the interests 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 in the Company			
	As at	During the financial year		As at
	01.04.2020	Bought	Sold	31.03.2021
Direct interest				
Lai Teik Kin	4,623,170	-	-	4,623,170
David Choo Boon Leong	350,000	-	-	350,000

	Number of irredeemable convertible preference shares in the Company			
	As at	During the financial year		As at
	01.04.2020	Bought	Sold	31.03.2021
Direct interest				
Lai Teik Kin	72,328,453	-	-	72,328,453
David Choo Boon Leong	600,000	-	-	600,000

	Number of options over ordinary shares in the Company					
	Exercise price *	As at	During the financial year			As at
	RM/share	01.04.2020	Granted	Exercised	Forfeited	31.03.2021
Lai Teik Kin	0.0728	1,000,000	-	-	-	1,000,000
	0.0656	5,000,000	-	-	-	5,000,000

7. DIRECTORS' INTERESTS (CONT'D)

According to the register of directors' shareholding, the interests 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 :- (Cont'd)

Shareholdings in a subsidiary, EyRIS Pte. Ltd.

	Number of ordinary shares in a subsidiary, EyRIS Pte. Ltd.			
	As at	During the financial year		As at
Direct interest	**01.04.2020**	**Bought**	**Sold**	**31.03.2021**
Direct interest				
Lai Teik Kin	20,000	-	-	20,000

Other than as disclosed above, none of the other Directors holding office at the end of the financial year had any interest shares and options of the Company and shares in its related corporations during the financial year.

8. DIRECTORS' BENEFITS

Since the end of the previous financial year, no Director of the Company has received nor become entitled to receive a benefit (other than benefits shown under Directors' Remuneration below) 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 31 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 other than any benefits which may be derived from the Employees' Share Option Scheme as disclosed in Section 11 of the Directors' Report.

9. DIRECTORS' REMUNERATION

The particulars of remuneration provided to the Directors and past Directors of the Company are disclosed in Note 24 to the financial statements.

The amount of indemnity insurance coverage effected during the financial year for the Directors and officers of the Company and of the Group acting in supervisory capacities is up to a limit of RM5,000,000. The insurance premium paid during the financial year amounted to RM12,600.

10. AUDITORS' REMUNERATION

The details of the auditors' remuneration for the Group and for the Company are disclosed in Note 25 to the financial statements.

There was no indemnity given or insurance effected for the auditors of the Company.

11. EMPLOYEEES' SHARE OPTION SCHEME

The Company's Employees' Share Option Scheme ("ESOS") is governed by the By-Laws which were approved

Directors' Report
(Continued)

by the shareholders on 27 August 2015. This ESOS was implemented on 18 November 2015 and will expire on 17 November 2025.

The following options over unissued ordinary shares of the Company were granted to eligible employees, including executive directors of the Company and its subsidiaries under the ESOS:-

Date of offer	02-Jun-16	02-May-18	30-Aug-18
Original exercise price	RM0.10	RM0.09	RM0.17
Revised exercise price (effective from 24 March 2020) *	RM0.0728	RM0.0656	RM0.1238
Number of options granted			
i) Tranche 1	4,500,000	4,700,000	4,450,000
ii) Tranche 2	10,500,000	18,300,000	20,850,000

The movements of options over unissued ordinary shares during the financial year are as follows :-

		Number of options over ordinary shares in the Company				
	Revised exercise price *	As at	During the financial year			As at
Grant date	RM/share	01.04.2020	Granted	Exercised	Forfeited	31.03.2021
02.06.2016						
- Tranche 1	0.0728	4,500,000	-	-	-	4,500,000
02.05.2018						
- Tranche 1	0.0656	4,700,000	-	-	-	4,700,000
02.05.2018						
- Tranche 2	0.0656	18,250,021	-	-	-	18,250,021
30.08.2018						
- Tranche 1	0.1238	4,100,000	-	-	(500,000)	3,600,000
30.08.2018						
- Tranche 2	0.1238	2,200,000	-	-	(800,000)	1,400,000
		33,750,021	-	-	(1,300,000)	32,450,021

* The exercise prices of options granted have been adjusted following the issuance of ICPS on 24 March 2020.

The options outstanding at the end of financial year will expire on 17 November 2025.

11. EMPLOYEEES' SHARE OPTION SCHEME (CONT'D)

The salient features of the ESOS as contained in the By-Laws are as follows:-

(i) The total number of new ordinary shares 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.

(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 preceding the Date of Offer in writing to the grantee.

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

12. OTHER STATUTORY INFORMATION

Before the financial statements of the Group and of the Company were prepared, the Directors took reasonable steps :-

(i) to ascertain that proper action had been taken in relation to writing off of bad debts and the making of allowance for doubtful debts and have satisfied themselves that all known bad debts had been written off and adequate allowance had been made for doubtful debts; and

(ii) to ensure that any current assets which were unlikely to realise their value as shown in the accounting records in the ordinary course of business had been written down to an amount which they might be expected so to realise.

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

(i) which would render the amount written off for bad debts or the amount of the allowance for doubtful debts, in the financial statements of the Group and of the Company inadequate to any substantial extent;

(ii) which would render the value attributed to the current assets in the financial statements of the Group and of the Company misleading;

(iii) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and of 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 of the Company misleading.

12. OTHER STATUTORY INFORMATION (CONT'D)

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

Directors' Report
(Continued)

(i) any charge on the assets of the Group or of the Company that has arisen since the end of the financial year which secures the liabilities of any other person; and

(ii) any contingent liability of the Group or of the Company that has arisen since the end of the financial year.

In the opinion of the Directors :-

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

(ii) the results of the Group's and of the Company's operations during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature; and

(iii) there has not arisen in the interval between the end of financial year 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 operations of the Group and of the Company for the financial year in which this report is made.

13. AUDITORS

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

Signed in accordance with a resolution of the Directors,

Lim Hak Min
Director

Lai Teik Kin
Director

20 August 2020

STATEMENTS OF FINANCIAL POSITION
AS AT 31 MARCH 2021

		GROUP		COMPANY	
	Note	2021 RM	2020 RM	2021 RM	2020 RM
ASSETS					
Non-Current Assets					
Property, plant and equipment	5	1,062,196	1,310,358	101,973	158,838
Right-of-use assets	6	1,021,276	2,844,741	215,278	399,802
Goodwill	7	255,729	252,449	-	-
Intangible assets	8	30,193,534	26,263,840	10,208	12,708
Investment in subsidiaries	9	-	-	31,472,601	31,347,238
Investment in associates	10	404,984	696,669	-	-
Deferred taxation	11	-	-	-	-
Amount due from subsidiaries	12	-	-	21,932,030	8,257,210
		32,937,719	31,368,057	53,732,090	40,175,796
Current Assets					
Contract assets	13	24,639,940	35,958,713	59,291	663,016
Trade and other receivables	14	8,358,993	17,867,645	11,997,146	14,372,205
Tax recoverable		2,778	3,327	2,778	3,327
Fixed deposits, cash and bank balances	15	20,095,500	14,757,687	14,381,280	13,515,017
		53,097,211	68,587,372	26,440,495	28,553,565
TOTAL ASSETS		86,034,930	99,955,429	80,172,585	68,729,361
EQUITY					
Share capital	16	113,062,004	101,594,539	113,062,004	101,594,539
Share option reserve	17	2,096,946	2,234,746	2,096,946	2,234,746
Accumulated losses		(57,776,986)	(48,145,805)	(40,112,844)	(40,609,824)
Foreign currency translation reserve		10,267,758	9,887,222	-	-
Equity attributable to the shareholders of the Company		67,649,722	65,570,702	75,046,106	63,219,461
Non-controlling interests		(395,442)	458,247	-	-
TOTAL EQUITY		67,254,280	66,028,949	75,046,106	63,219,461

The annexed notes form an integral part of the financial statements.

Statements of Financial Position

As At 31 March 2021 (Continued)

	Note	GROUP 2021 RM	GROUP 2020 RM	COMPANY 2021 RM	COMPANY 2020 RM
LIABILITIES					
Non-Current Liabilities					
Lease liabilities	20	33,067	1,078,562	33,067	225,571
		33,067	1,078,562	33,067	225,571
Current Liabilities					
Contract liabilities	13	3,836,024	1,499,719	1,760,737	284,322
Trade and other payables	18	6,777,498	17,341,328	3,140,170	4,817,236
Bank borrowings	19	7,081,700	12,158,000	-	-
Lease liabilities	20	1,052,361	1,848,871	192,505	182,771
		18,747,583	32,847,918	5,093,412	5,284,329
TOTAL LIABILITIES		18,780,650	33,926,480	5,126,479	5,509,900
TOTAL EQUITY AND LIABILITIES		86,034,930	99,955,429	80,172,585	68,729,361

The annexed notes form an integral part of the financial statements.

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

		GROUP		COMPANY	
	Note	2021 RM	2020 RM	2021 RM	2020 RM
Revenue	21	31,695,985	39,333,225	5,222,869	7,714,717
Other income		4,098,292	790,242	713,347	-
Employee benefits expenses	22	(24,545,809)	(20,657,957)	(2,132,123)	(2,273,745)
Hardware and material costs		(4,297,190)	(7,699,972)	(1,493,251)	(1,990,976)
Office rental		-	(39,756)	-	(35,660)
Other expenses		(4,902,031)	(7,473,651)	(1,507,027)	(2,906,026)
Depreciation and amortisation		(6,928,827)	(5,508,252)	(260,428)	(220,575)
Gain on disposal of subsidiary		-	17,625	-	-
Impairment loss on financial assets and contract assets		(5,645,590)	(1,917,374)	(353,914)	(34,809)
Interest income		186,155	437	185,764	-
Finance costs	23	(530,339)	(821,302)	(16,057)	(20,460)
Share of results of associates		155,634	(63,495)	-	-
(Loss)/Profit before taxation	25	(10,713,720)	(4,040,230)	359,180	232,466
Taxation	26	(29,351)	(16,433)	-	-
(Loss)/Profit for the financial year		(10,743,071)	(4,056,663)	359,180	232,466

The annexed notes form an integral part of the financial statements.

Statements Of Profit Or Loss And Other Comprehensive Income

For The Financial Year Ended 31 March 2021 (Continued)

		GROUP		COMPANY	
	Note	2021 RM	2020 RM	2021 RM	2020 RM
(Loss)/Profit for the financial year		(10,743,071)	(4,056,663)	359,180	232,466
Other comprehensive income/(loss)					
Item that may be reclassified subsequently to profit or loss :-					
Gain/(Loss) on foreign currency translation		378,465	(16,989)	-	-
Other comprehensive income/(loss) for the financial year, net of tax		378,465	(16,989)	-	-
Total comprehensive (loss)/income for the financial year		(10,364,606)	(4,073,652)	359,180	232,466
Net (loss)/income for the financial year attributable to :-					
Owners of Company		(9,768,981)	(3,370,465)	359,180	232,466
Non-Controlling Interests		(974,090)	(686,198)	-	-
		(10,743,071)	(4,056,663)	359,180	232,466
Total comprehensive (loss)/income for the financial year attributable to :-					
Owners of Company		(9,388,445)	(3,389,489)	359,180	232,466
Non-Controlling Interests		(976,161)	(684,163)	-	-
		(10,364,606)	(4,073,652)	359,180	232,466
Loss per share attributable to Owners of the Company (Sen)					
Basic	27	(1.0069)	(0.4485)		

The annexed notes form an integral part of the financial statements.

STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

	Attributable to the Owners of the Company							
	Non-distributable							
	Share Capital							
GROUP	Ordinary Share RM	Irredeemable Covertible Preference Shares RM	Share Option Reserve RM	Foreign Currency Translation Reserve RM	Accumulated Losses RM	Total RM	Non-Controlling Interests RM	Total Equity RM
2021								
As at 1 April 2020	87,619,015	13,975,524	2,234,746	9,887,222	(48,145,805)	65,570,702	458,247	66,028,949
Loss for the financial year	-	-	-	-	(9,768,981)	(9,768,981)	(974,090)	(10,743,071)
Other comprehensive income/(loss):								
- Gain/(Loss) on foreign currency translation	-	-	-	380,536	-	380,536	(2,071)	378,465
Total comprehensive income/(loss) for the financial year	-	-	-	380,536	(9,768,981)	(9,388,445)	(976,161)	(10,364,606)
Issuance of ordinary shares pursuant to conversion of ICPS	15,293,634	-	-	-	-	15,293,634	-	15,293,634
Conversion of ICPS to ordinary shares	-	(3,826,169)	-	-	-	(3,826,169)	-	(3,826,169)
Share options forfeited	-	-	(137,800)	-	137,800	-	-	-
Subscription of shares in a new subsidiary (Note 9.1)	-	-	-	-	-	-	122,472	122,472
As at 31 March 2021	102,912,649	10,149,355	2,096,946	10,267,758	(57,776,986)	67,649,722	(395,442)	67,254,280

The annexed notes form an integral part of the financial statements.

Statements Of Changes In Equity
For The Financial Year Ended 31 March 2021 (Continued)

	Attributable to the Owners of the Company							
	Non-distributable							
	Share Capital							
GROUP	Ordinary Share RM	Irredeemable Covertible Preference Shares RM	Share Option Reserve RM	Foreign Currency Translation Reserve RM	Accumulated Losses RM	Total RM	Non-Controlling Interests RM	Total Equity RM
2020								
As at 1 April 2019	87,619,015	-	2,271,846	9,906,246	(43,878,559)	55,918,548	345,778	56,264,326
Loss for the financial year	-	-	-	-	(3,370,465)	(3,370,465)	(686,198)	(4,056,663)
Other comprehensive (loss)/income:								
- (Loss)/Gain on foreign currency translation - -	-	(19,024)	-	(19,024)	2,035	(16,989)		
Total comprehensive loss for the financial year	-	-	-	(19,024)	(3,370,465)	(3,389,489)	(684,163)	(4,073,652)
Issuance of ICPS	-	13,975,524	-	-	-	13,975,524	-	13,975,524
Share issuance expenses	-	-	-	-	(573,545)	(573,545)	-	(573,545)
Share options forfeited	-	-	(37,100)	-	37,100	-	-	-
Subscription of shares in a subsidiary (Note 9.2)	-	-	-	-	(360,336)	(360,336)	811,869	451,533
Disposal of subsidiary (Note 9.3)	-	-	-	-	-	-	(15,237)	(15,237)
As at 31 March 2020	87,619,015	13,975,524	2,234,746	9,887,222	(48,145,805)	65,570,702	458,247	66,028,949

The annexed notes form an integral part of the financial statements.

Statements Of Changes In Equity
For The Financial Year Ended 31 March 2021 (Continued)

	Attributable to the Owners of the Company				
	Non-distributable				
	Share Capital				
COMPANY	**Ordinary Share RM**	**Irredeemable Convertible Preference Shares RM**	**Share Option Reserve RM**	**Accumulated Losses RM**	**Total RM**
2021					
As at 1 April 2020	87,619,015	13,975,524	2,234,746	(40,609,824)	63,219,461
Total comprehensive income represented by profit for the financial year	-	-	-	359,180	359,180
Issuance of ordinary shares pursuant to conversion of ICPS	15,293,634	-	-	-	15,293,634
Transfer to share capital upon conversion of ICPS	-	(3,826,169)	-	-	(3,826,169)
Share options forfeited	-	-	(137,800)	137,800	-
As at 31 March 2021	102,912,649	10,149,355	2,096,946	(40,112,844)	75,046,106
2020					
As at 1 April 2019	87,619,015	-	2,271,846	(40,305,845)	49,585,016
Total comprehensive income represented by profit for the financial year	-	-	-	232,466	232,466
Issuance of ICPS	-	13,975,524	-	-	13,975,524
Share issuance expenses	-	-	-	(573,545)	(573,545)
Share options forfeited	-	-	(37,100)	37,100	-
As at 31 March 2020	87,619,015	13,975,524	2,234,746	(40,609,824)	63,219,461

The annexed notes form an integral part of the financial statements.

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

	GROUP		COMPANY	
	2021 RM	2020 RM	2021 RM	2020 RM
CASH FLOWS FROM OPERATING ACTIVITIES				
(Loss)/Profit before taxation from:-	(10,713,720)	(4,040,230)	359,180	232,466
Adjustments for :-				
Amortisation of intangible assets	4,894,442	4,292,784	2,500	2,500
Depreciation of property, plant and equipment	472,148	416,305	73,404	64,305
Depreciation of right-of-use assets	1,562,237	1,382,674	184,524	153,770
Discount implicit in amount due from subsidiaries	-	-	-	387,891
Accretion of interest on amount due from subsidiaries	-	-	(559,031)	-
Gain on disposal of subsidiary (Note 9.3)	-	(17,625)	-	-
Impairment loss for trade receivables	4,787,529	215,660	337,024	34,809
Impairment loss for other receivables	515,643	-	-	-
Impairment loss for contract assets	342,418	836,216	16,890	-
Impairment loss on investment in subsidiary	-	-	58,345	-
Interest expense	530,339	821,302	16,057	20,460
Interest income	(186,155)	(437)	(185,764)	-
Rent concession due to Covid-19	(17,121)	-	(17,121)	-
Property, plant and equipment written off	-	1,500	-	1,500
Share of associates results	(155,634)	63,495	-	-
Unrealised loss on foreign exchange	135,053	8,244	-	-
Operating profit before changes in working capital	2,167,179	3,979,888	286,008	897,701
Changes in working capital :-				
Decrease/(Increase) in contract assets	11,659,839	272,968	586,835	(662,870)
Decrease/(Increase) in trade and other receivables	4,237,808	(4,163,333)	(11,077,754)	1,862,371
Increase in contract liabilities	2,336,305	29,272	1,476,415	25,211
(Decrease)/Increase in trade and other payables	(10,563,830)	1,529,682	(1,677,066)	(1,675,284)
Cash generated from/(used in) operations	9,837,301	1,648,477	(10,405,562)	447,129
Income tax refunded	-	-	549	-
Income tax paid	(28,802)	(19,892)	-	-
Interest paid	(530,339)	(821,302)	(16,057)	(20,460)
Net cash generated from/(used in) operating activities	9,278,160	807,283	(10,421,070)	426,669

The annexed notes form an integral part of the financial statements.

Statements Of Cash Flows

For The Financial Year Ended 31 March 2021 (Continued)

	GROUP		COMPANY	
	2021 RM	2020 RM	2021 RM	2020 RM
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchase of property, plant and equipment	(296,241)	(673,176)	(16,539)	(178,010)
Acquisition of intangible assets	-	(107,112)	-	-
Payments for development expenditure (Note 28.1)	(8,180,264)	(8,078,376)	-	-
Subscription of shares in a new subsidiary (Note 9.1)	-	-	(183,708)	-
Subscription of shares in subsidiaries by non-controlling interests (Note 9.1 and 9.2)	122,472	451,533	-	-
Disposal of subsidiary	-	2,388	-	-
Dividend received from associate	457,764	-	-	-
Interest received	186,155	437	185,764	-
Net cash used in investing activities	(7,710,114)	(8,404,306)	(14,483)	(178,010)
CASH FLOWS FROM FINANCING ACTIVITIES				
ICPS issuance expenses	-	(573,545)	-	(573,545)
Proceeds from issuance of ICPS (Note 16.2)	-	13,975,524	-	13,975,524
Proceeds from issuance of shares pursuant to conversion of ICPS	11,467,465	-	11,467,465	-
Repayment of principal portion of lease liabilities (Note 20)	(1,848,382)	(1,719,372)	(165,649)	(145,230)
(Repayment)/Drawdown of borrowing (Note 28.2)	(5,234,300)	4,510,512	-	-
Net cash generated from financing activities	4,384,783	16,193,119	11,301,816	13,256,749
NET INCREASE IN CASH AND CASH EQUIVALENTS	5,952,829	8,596,096	866,263	13,505,408
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR	14,757,687	6,343,694	13,515,017	9,609
FOREIGN EXCHANGE DIFFERENCE ON OPENING BALANCE	(615,016)	(182,103)	-	-
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR (Note 15)	20,095,500	14,757,687	14,381,280	13,515,017

The annexed notes form an integral part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS
- 31 MARCH 2021

1. PRINCIPAL ACTIVITIES

The Company is principally engaged in investment holding, software research and development, provision of e-business solutions through the sale of application software and professional services for software customisation and implementation. The principal activities of the subsidiaries are as stated in Note 9 to the financial statements.

2. GENERAL INFORMATION

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. 5-1, Jalan Radin Bagus 9, Bandar Baru Sri Petaling, 57000 Kuala Lumpur.

The principal place of business of the Company is located at Suite A-18-3, Tower A, Level 18, Northpoint, Mid Valley City, No. 1, Medan Syed Putra Utara, 59200 Kuala Lumpur.

The financial statements were approved and authorised for issue by the Board of Directors on 20 August 2021.

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 of the Company have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards and the provisions of the Companies Act 2016 in Malaysia.

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.

The accounting policies applied by the Group and the Company are consistent with those applied in the previous financial year other than the application of amendments to MFRSs as disclosed in Note 3.2.

3.2 Application of Amendments to MFRSs

During the financial year, the Group and the Company have applied the following amendments to MFRSs issued by the Malaysian Accounting Standards Board ("MASB") which are effective for accounting period beginning on or after 1 April 2020 :-

Amendments to MFRS 3 - Definition of a Business
Amendments to MFRS 101, Presentation of Financial Statements and MFRS 108,
  Change in Accounting Estimates and Error - Definition of Material
Amendments to MFRS 9 Financial Instruments, MFRS 139 Financial Instruments :
  Recognition and Measurement and MFRS 7 Financial Instruments : Disclosure
  - Interest Rate Benchmark Reform

Other than the above, the Group and Company have also early adopted the amendments to MFRS 16: COVID-19-Related Rent Concessions (Amendment to MFRS 16 Leases) as explained below, which is effective for financial period beginning on or after 1 June 2020.

Notes To The Financial Statements
- 31 March 2021 (Continued)

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.2 Application of Amendments to MFRSs (Continued)

Amendment to MFRS 16 - Covid-19-Related Rent Concessions

The amendment provided a practical expedient whereby a lessee may elect not to assess whether a rent concession occurring as a direct consequence of the Covid-19 pandemic is a lease modification. A lessee that makes such election will account for any changes in lease payments resulting from such rent concessions as if they were not lease modifications.

The practical expedient is applicable only to rent concessions occurring as a direct consequence of the Covid-19 pandemic and only if all of the following conditions are met :-

a) the change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;
b) any reduction in lease payments affects only payments originally due on or before 30 June 2021; and
c) there is no substantive change to other terms and conditions of the lease.

The Group and the Company have applied the practical expedient as provided above and as a result, reduction in lease payments during the financial year amounting to RM17,121 have been recognised in profit or loss of the Group and Company.

The adoption of all the above Amendments to MFRS did not result in any material impact to the financial statements of the Group and the Company.

3.3 New MFRSs and Amendments to MFRSs That Are Not Yet Effective and Have Not Been Early Adopted

The Group and the Company have not early adopted the following new MFRSs and amendments to MFRSs that have been issued by the MASB but are not yet effective :-

Effective for annual periods beginning on or after 1 January 2021
Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16
- Interest Rate Benchmark Reform - Phase 2

Effective for annual periods beginning on or after 1 April 2021
Amendments to MFRS 16 - Covid-19-Related Rent Concessions beyond 30 June 2021

Effective for annual periods beginning on or after 1 January 2022
Amendments to MFRS 3 - Reference to the Conceptual Framework
Amendments to MFRS 116 - Property, Plant and Equipment - Proceeds before Intended Use
Amendments to MFRS 137 - Onerous Contracts - Cost of Fulfilling a Contract
Amendments to MFRSs classified as " Annual Improvements to MFRS Standards 2018–2020" cycle
- Amendments to MFRS 1 First-time Adoption of Malaysian Financial Reporting Standards - Subsidiary as a First-time Adopter.
- Amendments to MFRS 9 Financial Instruments - Fees in the '10 per cent' Test for Derecognition of Financial Liabilities
- Amendments to Illustrative Examples accompanying MFRS 16 Leases - Lease Incentives
- Amendments to MFRS 141 Agriculture - Taxation in Fair Value Measurements

Effective for annual periods beginning on or after 1 January 2023
MFRS 17, Insurance Contracts
Amendments to MFRS 101, Presentation of Financial Statements - Classification of Liabilities as Current and Non-current
Amendments to MFRS 101 - Disclosure of Accounting Policies
Amendments to MFRS 108 - Definition of Accounting Estimates
Amendments to MFRS 112 - Deferred Tax related to Assets and Liabilities arising from a Single Transaction

Effective for annual periods beginning on or after a date to be determined by the MASB
Amendments to MFRS 10 and MFRS 128 - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

Notes To The Financial Statements
- 31 March 2021 (Continued)

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.3 New MFRSs and Amendments to MFRSs That Are Not Yet Effective and Have Not Been Early Adopted (Continued)

The Group and the Company will apply the above new MFRSs and amendments to MFRSs that are applicable once they become effective. Their main features and impact on initial application are summarised below.

3.3.1 Effective for annual periods beginning on or after 1 April 2021

(a) Amendments to MFRS 16 - Covid-19-Related Rent Concessions beyond 30 June 2021

This Amendment extends the availability of the practical expedient so that it applies to rent concessions for which any reduction in lease payments affects only payments originally due on or before 30 June 2021 to payments due on or before 30 June 2022, provided the other conditions for applying the practical expedient are met.

3.3.2 Effective for annual periods beginning on or after 1 January 2022

(a) Amendments to MFRS 16 - Property, Plant and Equipment - Proceeds before Intended Use

The amendments prohibit a company from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, a company shall recognise such sales proceeds and related cost in profit or loss.

(b) Amendments to MFRS 137 - Onerous Contracts - Cost of Fulfilling a Contract

The amendments specify which costs an entity includes in determining the cost of fulfilling a contract for the purpose of assessing whether the contract is onerous.

3.3.3 Effective for annual periods beginning on or after 1 January 2023

(a) Amendments to MFRS 101, Presentation of Financial Statement Classification of Liabilities as Current and Non-current

The amendments aim to promote consistency in applying the requirements by helping companies determine whether, in the statement of financial position, debt and other liabilities with an uncertain settlement date should be classified as current (due or potentially due to be settled within one year) or non-current. The amendments include clarifying the classification requirements for debt a company might settle by converting it into equity.

(b) Amendments to MFRS 101 - Disclosure of Accounting Policies

The Amendments to MFRS 101 requires entities to disclose their material accounting policy information rather than their significant accounting policies. The Amendments, amongst others, also include examples of circumstances in which an entity is likely to consider an accounting policy information to be material to its financial statements.

(c) Amendments to MFRS 108 - Definition of Accounting Estimates

The Amendments to MFRS 108 revises the definition of accounting estimates to clarify how companies should distinguish changes in accounting policies from changes in accounting estimates. The distinction is important because changes in accounting estimates are applied prospectively to transactions, other events, or conditions from the date of that change, but changes in accounting policies are generally also applied retrospectively to past transactions and other past events.

(d) Amendments to MFRS 112 - Deferred Tax related to Assets and Liabilities arising from a Single Transaction

The amendments require an entity to recognise deferred tax on transactions, such as leases and decommissioning obligations, that on initial recognition, give rise to equal amounts of taxable and deductible temporary differences.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.3 New MFRSs and Amendments to MFRSs That Are Not Yet Effective and Have Not Been Early Adopted (Continued)

3.3.4 Financial impact on initial application

The initial application of the new MFRSs and amendments to MFRSs is not expected to have any significant impact on the Group's and the Company's financial statements.

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.

Subsidiaries are consolidated using the acquisition method as explained in Note 3.5 and 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.

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.

Notes To The Financial Statements
- 31 March 2021 (Continued)

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.5 Business Combinations

Acquisitions of businesses are accounted for using the acquisition method except for combinations of entities or businesses under common control. 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.

Subsidiaries arising from common control combinations are consolidated using the principles of merger accounting. The common control combinations are business combinations in which all the combining entities have common ultimate controlling parties prior to and immediately after such combinations. Under the principles of merger accounting, the assets and liabilities of the combining entities are consolidated using the existing book values from the controlling parties' perspective and the results of each of the combining entity are presented as if the combination had been effected throughout the current and previous comparative periods presented.

On consolidation, the cost of investment is matched against the nominal value of ordinary shares acquired and any resulting credit difference (merger reserve) is classified under equity as a non distributable reserve and any resulting debit difference (merger deficit) is adjusted against suitable consolidated reserves.

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

Items of 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.

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%

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.

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.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.7 Intangible Assets

3.7.1 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 costs 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 recognised as an asset is carried at cost net of any related government grants, accumulated amortisation and any accumulated impairment loss.

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

Capitalised development expenditure is amortised to the income statement on a straight line basis over their estimated useful lives ranging from 8 to 13 years.

3.7.2 Computer software

Computer software which is acquired by the Group is stated at cost less accumulated amortisation and accumulated impairment losses, if any and is amortised over its estimated useful life of 8 years.

3.7.3 Intangible assets acquired in a business combination

Intangible assets acquired in a business combination and recognised separately from goodwill are initially recognised at their fair value at acquisition date (which is regarded as their cost).

Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortisation and accumulated impairment losses, if any.

Notes To The Financial Statements
- 31 March 2021 (Continued)

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.8 Investments in Subsidiaries and Associates

In the Company's separate financial statements, investments in subsidiaries and associates 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 as set out in Note 3.11.2.

On disposal of such investments the difference between the net disposal proceeds and net carrying value of the investments is recognised as a gain or loss on disposal in the Company's profit or loss.

3.9 Associates

An associate is an entity, including an unincorporated entity, in which the Group have significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control of these policies.

Investments in associates are accounted for in the consolidated financial statements using the equity method. Under the equity method, the investments in associates are initially recognised at cost and adjusted thereafter for the Group's share of the profit or loss and changes in the associates' other comprehensive income after the date of acquisition. Equity accounting is discontinued when the Group's share of losses of an associate equals or exceeds its interest in the associate. Once the Group's interest in such associate is reduced to zero, additional losses are provided for and a liability recognised, only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate. If the associate subsequently reports profits, the Group resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised.

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

On acquisition of an investment in an associate, any excess between the cost of the investment and the Group's share of net fair value of the associate's identifiable assets and liabilities is accounted for as goodwill and is included in the carrying amount of the investment and is not amortised. Any excess of the Group's share of the net fair value of the associate's identifiable assets and liabilities over the cost of the investment is 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.

After the application of the equity method, the Group determines whether it is necessary to recognise any additional impairment loss with respect to the Group's net investment in the associate. The Group determines at the end of each reporting date whether there is any objective evidence that the investments in associates are impaired. If such evidence exists, the Group determines the amount of impairment by comparing the investment's recoverable amount with its carrying amount (including goodwill) and the impairment loss is recognised to profit or loss as part of the Group's share of results of associates.

In applying the equity method of accounting, the latest audited financial statements of the associate are used. Where the reporting dates of the Group and the associate are not coterminous, equity accounting is applied on the management accounts made to the financial year end of the Group. Uniform accounting policies are adopted for like transactions and events in similar circumstances.

When the Group reduces its equity interest in an associate but continues to apply the equity method, the Group reclassifies to profit or loss the proportion of gain or loss that had previously been recognised in other comprehensive income.

The Group discontinues the use of equity method from the date when its investment ceases to be an associate. If the Group retains interest in the former associate and the retained interest is a financial asset, the Group measures the retained interest at fair value at that date. The Group recognises in profit or loss the difference between (i) the fair value of any retained interest and any proceeds from disposing of a part interest in the associate; and (ii) the carrying amount of the investment at the date the equity method was discontinued.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.10 Financial Assets

The Group and the Company recognise all financial assets in its statement of financial position when, and only when, the Group and the Company become a party to the contractual provisions of the instruments.

All regular way purchases or sales of financial assets are recognised and derecognised using trade date accounting. A regular way purchase or sale is a purchase or sale of a financial asset that requires delivery of asset within the time frame established generally by regulation or convention in the marketplace concerned. Trade date accounting refers to :-

- the recognition of an asset to be received and the liability to pay for it on the trade date i.e. the date the Group commits itself to purchase or sell an asset; and
- derecognition of an asset that is sold, the recognition of any gain or loss on disposal and the recognition of a receivable from the buyer for payment on the trade date.

3.10.1 Classification

The Group and the Company classify its financial assets into the following measurement categories depending on the business models used for managing the financial assets and the contractual cash flow characteristics of the financial assets:-

(a) at amortised cost;

(b) fair value through other comprehensive income; and

(c) fair value through profit or loss.

Financial assets are reclassified when and only when the Group changes its business model for managing the financial assets and the reclassification of all affected financial assets is applied prospectively from the reclassification date i.e. on the first day of the first reporting period following the change in business model.

3.10.2 Measurement

At initial recognition, trade receivables without a significant financing component are measured at their transaction price when they are originated.

Other financial assets are initially measured at fair value plus, in the case of financial assets not at fair value through profit or loss, directly attributable transaction costs. Transaction costs of financial assets at fair value through profit or loss are expensed to profit or loss when incurred.

(a) Debt instruments

Subsequent measurement of debt instruments depends on the Group's business models for managing the financial assets and the contractual cash flow characteristics of the financial assets. The Group's debt instruments are categorised into the following measurement categories :

(i) Amortised cost

A financial asset is measured at amortised cost if both of the following conditions are met and it is not designated as at fair value through profit or loss at initial recognition :

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest ("SPPI") on the principal amount outstanding.

These financial assets are measured at amortised cost using the effective interest method less any impairment losses. Interest income, gains or losses on derecognition, foreign exchange gains or losses and impairment are recognised in profit or loss. Impairment losses are presented as a separate line item in the statement of profit or loss and other comprehensive income.

Notes To The Financial Statements
- 31 March 2021 (Continued)

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.10 Financial Assets (Continued)

3.10.2 Measurement (Continued)

(a) Debt instruments (Continued)

(ii) Fair value through other comprehensive income ("FVOCI")

A financial asset is measured at FVOCI if both of the following conditions are met and it is not designated as FVTPL at initial recognition :

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and

- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest ("SPPI") on the principal amount outstanding.

Changes in fair value of these financial assets are recognised in other comprehensive income. When the financial asset is derecognised, the cumulative gains or losses previously recognised in other comprehensive income is reclassified from equity to profit or loss. Interest income calculated using the effective interest method, foreign exchange gains or losses and impairment are recognised in profit or loss. Impairment losses are presented as a separate line item in the statement of profit or loss and other comprehensive income.

(iii) Fair value through profit or loss ("FVTPL")

A financial asset is measured at FVTPL if it does not meet the criteria for amortised cost or FVOCI. This includes all derivative financial assets.

The Group and the Company may, at initial recognition, irrevocably designate a financial asset as measured at FVTPL that otherwise meets the criteria for amortised cost or FVOCI if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Changes in fair value of financial assets at FVTPL and interest or dividend income are recognised in profit or loss.

(b) Equity instruments

The Group subsequently measures all equity investments at fair value.

For equity investments at FVTPL, changes in fair value are recognised in profit or loss. Where the Group has elected to present the changes in fair value in other comprehensive income, the amounts presented are not subsequently transferred to profit or loss when the equity investments are derecognised. The cumulative gains or losses is transferred to retained profits instead. The election is made on an instrument-by-instrument basis and it is irrevocable. The amount presented in other comprehensive income includes the related foreign exchange gains or losses.

Dividend income from equity investments at FVTPL and FVOCI is recognised in profit or loss as other income when the Group's right to receive payment has been established.

Changes in the fair value of equity investments at FVTPL are recognised in other income or expenses, as applicable, in the profit or loss. Impairment losses or reversal of impairment losses on equity instruments measured at FVOCI are recognised in other comprehensive income and are not reported separately from other changes in fair value.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.10 Financial Assets (Continued)

3.10.3 Derecognition of financial assets

The Group derecognises a financial asset when, and only when, the contractual rights to the cash flows from the financial asset expires or it transfers the financial asset without retaining control or transfers substantially all the risks and rewards of ownership of the financial asset to another party.

On derecognition of a financial asset in its entirety, the difference between the carrying amount measured at the date of derecognition and the sum of the consideration received (including any new asset obtained less any new liability assumed) is recognised in profit or loss.

3.11 Impairment

3.11.1 Financial assets

The Group and the Company recognise loss allowance for expected credit losses ("ECLs") on:-

- financial assets measured at amortised cost;
- debt instruments measured at fair value through other comprehensive income ("FVOCI");
- contract assets;
- lease receivables; and
- financial guarantee contracts.

ECLs are based on the difference between the contractual cash flows due in accordance with the contract and the cash flows that the Group and the Company expect to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months i.e. a 12-month ECL. For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default i.e. a lifetime ECL.

For trade receivables and contract assets, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. For purpose of assessment of ECLs, the Group and Company established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment or by estimating the expected cash flow to be recovered from individual receivables.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit loss, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's and the Company's historical experience and informed credit assessment (including forward-looking information). The Group and the Company considered that the credit risk on a financial asset has increased significantly when contractual payments are more than 12 months past due.

Notes To The Financial Statements
- 31 March 2021 (Continued)

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.11 Impairment (Continued)

3.11.1 Financial assets (Continued)

An impairment loss in respect of financial assets measured at amortised cost is recognised in profit or loss and the carrying amount of the asset is reduced through the use of an allowance account.

At each reporting date, the Group and the Company assess whether financial assets carried at amortised cost and debt instruments at FVOCI are credit-impaired. A financial assets is credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial assets have occurred. The gross carrying amount of a financial assets is written off (either partially or full) to the extent that there is no realistic prospect o recovery. This is generally the case when the Group and the Company determine that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's and the Company's procedures for recovery amount due.

3.11.2 Non-financial assets

The carrying amounts of non-financial assets (other than inventories, contract assets, lease receivables, deferred tax assets, assets arising from employee benefits, investment property that is measured at fair value and non-current assets or disposal groups held for sale) 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 recognised in a business combination and that has an indefinite useful life and intangible assets that are not yet available for use, the recoverable amount is estimated annually 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 arising from a business combination 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 of disposal 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 recognised in profit or loss in the period in which it arises.

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 in profit or loss.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.12 Goodwill

Goodwill arising on the acquisitions of subsidiaries is recognised as an asset and carried at cost as established at the acquisition date less any accumulated impairment losses. Goodwill is tested for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. For the purpose of impairment testing, goodwill from acquisition date is allocated to each of the Group's cash-generating unit ("CGU") or groups of CGUs that are expected to benefit from the synergies of the combination in which the goodwill arose. The test for impairment of goodwill on consolidation is in accordance with the Group's accounting policy for impairment of non-financial assets. An impairment loss recognised for goodwill is not reversed in a subsequent period.

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

3.13 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.

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 Costs

Contract costs are recognised as an asset when the following criteria are met :

(a) In relation to incremental costs of obtaining a contract, the Group and the Company recognise the costs as an asset if the Group and the Company expect to recover those costs.

(b) In relation to costs to fulfil a contract, the Group and the Company recognise the contract costs as an asset if (i) they relate directly to a contract or to an anticipated contract that the Group and the Company can specifically identify; (ii) when the costs generate or enhance resources of the Group and the Company that will be used in satisfying performance obligations in the future; and (iii) the costs are expected to be recovered.

These assets are initially measured at cost and are subsequently amortised on a systematic basis that is consistent with the transfer to the customers of the goods or services to which the assets relate. An impairment loss is recognised in profit or loss to the extent that the carrying amount of the asset exceeds the remaining amount of consideration expected to be received less the remaining costs expected to be incurred. A reversal of impairment loss is recognised in profit or loss when the impairment conditions no longer exist or have improved. The increased carrying amount does not exceed the amount that would have been determined (net of amortisation) if no impairment loss had been recognised previously.

3.15 Contract Assets and Contract Liabilities

Contract asset is the right to consideration for goods or services transferred to the customers. In the case of consultancy contracts, contract asset is the excess of cumulative revenue earned over the billings to-date. Contract assets are reviewed for impairment in accordance with the Group's accounting policy on impairment as disclosed in Note 3.11.1.

Contract liability is the obligation to transfer goods or services to customers for which the Group and the Company have received the consideration or has billed the customer. In the case of consultancy contracts, contract liability is the excess of the billings to-date over the cumulative revenue earned. Contract liabilities include downpayments received from customers and other deferred income where the Group and the Company have billed or has collected the payment before the goods are delivered or services are provided to the customers.

Notes To The Financial Statements
- 31 March 2021 (Continued)

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.16 Cash and Cash Equivalents

Cash and cash equivalents consist of cash and banks balances, deposits and short term investments which are readily convertible to known amount of cash and which are subject to an insignificant risk of change in value used by the Group and the Company in the management of its short term funding requirements, reduced by bank overdrafts. The statements of cash flows are prepared using the indirect method.

3.17 Share Capital

Ordinary shares are classified as equity. Distributions to holders of ordinary shares are debited directly to equity and dividends declared on or before the end of the reporting period are recognised as liabilities. Costs directly attributable to equity transactions are accounted for as a deduction, net of tax, from equity.

When share capital recognised as equity is repurchased, the amount of the consideration paid, including directly attributable costs, net of any tax effects, is recognised as a deduction from equity. Repurchased shares that are not subsequently cancelled are classified as treasury shares in statement of changes in equity.

Where treasury shares are distributed as share dividends, the cost of the treasury shares is applied in the reduction of the share premium account or distributable reserves, or both.

When treasury shares are sold or reissued subsequently, the difference between the sales consideration and the carrying amount are shown as movement in equity.

3.18 Financial Liabilities

The Group recognises all financial liabilities in its statement of financial position when, and only when, the Group becomes a party to the contractual provisions of the instruments.

3.18.1 Classification and measurement

Financial liabilities are initially measured at fair value minus, in the case of financial liabilities not at fair value through profit or loss, directly attributable transaction costs. Transaction costs of financial assets at fair value through profit or loss are expensed to profit or loss when incurred.

Financial liabilities are classified as either financial liabilities at fair value through profit or loss or financial liabilities measures at amortised costs.

a) Fair value through profit or loss (“FVTPL”)

Financial liabilities are classified as at FVTPL when the financial liability is either held for trading or it is designated as at FVTPL upon initial recognition or derivatives that are liabilities.

A financial liability is classified as held for trading if :-

- it has been incurred principally for the purpose of repurchasing it in the near term; or
- on initial recognition, it is part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

After initial recognition, financial liabilities at FVTPL are measured at fair value with any gains or losses arising from changes in fair value recognised in profit or loss. If a financial liability is designated as at FVTPL, the change in fair value that is attributable to changes in the credit risk of that liability is presented in other comprehensive income and the remaining change in fair value of the liability is presented 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 FVTPL are recognised separately in profit or loss as part of other income or other expenses.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.18 Financial Liabilities (Continued)

3.18.1 Classification and measurement (Continued)

b) Amortised cost

All financial liabilities, other than those categorised as FVTPL are subsequently measured at amortised cost using the effective interest method.

A gain or loss on other financial liabilities at amortised cost is recognised in profit or loss when the liabilities are derecognised and through the amortisation process.

3.18.2 Derecognition of financial liabilities

A financial liability is derecognised when, and only when, the obligation specified in the contract is extinguished. When an existing financial liability is exchanged with the same lender on substantially different terms or the terms of an existing liability are substantially modified, they are accounted for as an extinguishment of the original financial liability and a new financial liability is recognised. The difference between the carrying amount of a financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

3.19 Offsetting Financial Instruments

Financial assets and financial liabilities are offset when the Group has a legally enforceable right to offset and intends to either settle on a net basis, or to realise the asset and settle the liability simultaneously.

3.20 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 in accordance with the original or modified terms of a debt instrument.

Financial guarantee contracts are recognised initially as a liability at fair value, net of transaction costs. Subsequent to initial recognition, financial guarantee contracts are measured at the higher of (i) the amount determined in accordance with the expected credit loss model; and (ii) the amount initially recognised less, where appropriate, the cumulative amount of income recognised in accordance with the principles of MFRS 15 Revenue from Contracts with Customers.

3.21 Employee Benefits

3.21.1 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.

3.21.2 Defined contribution plans

The Group make contributions to the defined contribution plans operated by the relevant authorities at the prescribed rate. Contributions to defined contribution plans are recognised as an expense in profit or loss as incurred.

Notes To The Financial Statements
- 31 March 2021 (Continued)

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.21 Employee Benefits (Continued)

3.21.3 Share-based payment

The Company operates an equity-settled share-based compensation plan for eligible employees of the Group. The fair value of the employee services received in exchange for the grant of the share options is recognised as an expense in profit or loss over the vesting period of the grant with a corresponding increase in equity.

The total amount to be expensed over the vesting period is determined by reference to the fair value of the share options granted. The fair value of the share options is measured at grant date, taking into account, if any, the market vesting conditions 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 vest. It recognises the impact of the revision to the original estimates, if any, in profit or loss, and a corresponding adjustment to equity. The equity amount is recognised in the share option reserve until the option is exercised, upon which it will be transferred to share premium, or until the option expires, upon which it will be transferred directly to retained profits.

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

The grant by the Company of the share options to employees of subsidiaries in the Group is treated as a capital contribution. The fair value of employee services received, measured by reference to the grant date fair value is recognised over the vesting period as an increase to investments in subsidiaries with a corresponding credit to equity in the Company's financial statements.

3.22 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.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries, associates and joint ventures except where the Group is able to control the reversal of temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments are only recognised to the extent that it is probable that there will be sufficient taxable profits against which the temporary differences can be utilised and they are expected to reverse in the foreseeable future.

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.

Notes To The Financial Statements
- 31 March 2021 (Continued)

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.23 Provisions

Provisions are recognised when the Group has a present legal and constructive obligation as a result of past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the effect of time value of money is material, the amount of provision is measured at the present value of the expenditure expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. Where discounting is used, the increase in the amount of a provision due to passage of time is recognised as finance cost.

3.24 Foreign Currency

3.24.1 Functional and presentation currency

The individual financial statements of each entity in the Group are presented in the currency of the primary economic environment in which the entity operates i.e. the entity's functional currency. The consolidated financial statements are presented in Ringgit Malaysia ("RM"), which is also the Company's functional currency.

3.24.2 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.

3.24.3 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.

Notes To The Financial Statements
- 31 March 2021 (Continued)

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.25 Revenue Recognition

The Group and the Company recognise revenue from a contract with customer when it satisfies a performance obligation by transferring control of a promised good or service to the customer. Performance obligations may be satisfied over time or at a point in time. Revenue is measured based on the consideration specified in the contract which the Group expects to be entitled in exchange for transferring the good or service, excluding the amounts collected on behalf of third parties.

The Group recognises revenue from the following business activities :

(i) Consultancy contracts

Consultancy contracts comprise the provision of specific e-business solutions to customers which include the sales of hardware and software and services rendered for software customisation and implementation.

Revenue from consultancy contracts is recognised when (or as) it transfers control of a good or service to customer. Depending on the substance of the contract, revenue is recognised when the performance obligation is satisfied, which may be at a point-in-time or over time. The Group and the Company transfer control of goods or services at a point-in-time unless one of the following over time criteria is met:-

- The customer simultaneously receives and consumes the benefits provided as the Group performs.
- The Group's performance creates or enhances an assets that the customer controls as the asset is created or enhanced.
- The Group's performance does not create an asset with an alternative use and the Group has an enforceable right to payment completed to date.

Where any one of the above conditions is met, the Group recognises revenue over time. Otherwise, revenue is recognised at a point in time when control of goods or services are transferred upon delivery and acceptance by the customer.

If control of the goods and services transfer over time, revenue is recognised over the period of the contract by reference to the progress towards complete satisfaction of that performance obligation. The Group recognises revenue over time using the input method, which is based on the level of proportion that the costs incurred for work performed to-date bear to the estimated total costs for the contract. When the outcome of a contract cannot be estimated reliably, contract revenue is recognised only to the extent of contract costs incurred that it is probable will be recoverable.

(ii) Maintenance services

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

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.26 Leases

The Group and the Company as lessee

At the inception of the contract, the Group and the Company assess if the contract contains a lease. A contract contains a lease if the contract convey the right to control the use of an asset for a period of time in exchange for consideration. Reassessment is only required when the terms and conditions of the contract are changed.

The Group and the Company recognise a right-of-use asset and lease liability at the lease commencement date. The right-of-use asset is initially measured at cost which comprise the amount of initial measurement of lease liability, any lease payments made at or before the lease commencement date less any lease incentives received and initial direct costs. Whenever there is an obligation to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the agreed condition, a provision is recognised and the costs are included in the related right-of-use assets.

Right-of-use assets are subsequently measured at cost less accumulated depreciation and impairment losses and is adjusted for any remeasurement of the lease liability. They are depreciated over the shorter period of lease term and useful life of the underlying assets. The depreciation starts on the lease commencement date.

The lease liability is initially measured at the present value of the lease payments that are not paid at the lease commencement date, discounted using the rate implicit in the lease or incremental borrowing rate, where applicable. Lease payments included in the measurement of the lease liability comprise :-

- fixed lease payments (including in-substance fixed payments), less lease incentives;
- variable lease payments based on an index or rate, initially measured using the index or rate as at commencement date;
- amounts expected to be payable by the Group under residual value guarantees;
- the exercise price of a purchase option if the Group is reasonably certain to exercise that option; and
- payments of penalties for terminating the lease.

Variable lease payment (not based on an index or rate) is recognised as an expense in the period in which it is incurred.

The Group and the Company have elected not to recognise right-of-use assets and lease liabilities for short-term leases and leases of low value assets. For short-term leases (i.e. leases with a lease term of 12 months or less) and leases of low value assets, lease payments are recognised as an expense on a straight-line basis over the lease term.

Remeasurement of lease liability

The lease liability is remeasured when there is a change in the scope of a lease or the consideration for a lease that is not originally provided for in the lease contract (“lease modification”) and which is not accounted for as a separate lease. In this case the lease liability is remeasured based on the revised lease payments and lease term using a revised discount rate at the effective date of the modification.

The only exceptions are any rent concessions which arose as a direct consequence of the COVID-19 pandemic and which satisfied all of the following conditions :-

(a) the change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;

(b) any reduction in lease payments affects on payments originally due on or before 30 June 2021; and

(c) there is no substantive change to other terms and conditions of the lease.

Notes To The Financial Statements
- 31 March 2021 (Continued)

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.27 Borrowing Costs

Borrowing costs are capitalised as part of the cost of a qualifying asset if they are directly attributable to the acquisition, construction or production of that asset for its intended use or sale are in progress and the expenditures and borrowing costs are incurred. Borrowing costs are capitalised until the assets are substantially completed for their intended use or sale.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred. Borrowing costs consist of interest and other costs that the Group incurred in connection with the borrowing of funds.

3.28 Operating Segments

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. All operating segments' operating results are reviewed regularly by the chief operating decision maker to make decisions about resources to be allocated to the segment and to assess its performance, and for which discrete financial information is available.

3.29 Earnings Per Share

The Group presents basic and diluted (where applicable) earnings per share [''EPS"] data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares. No adjustment is made for anti-dilutive potential ordinary shares.

3.30 Fair Value Measurement

Fair value of an asset or a liability, except for share-based payment and leasing transactions, is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The measurement assumes that the transaction to sell the asset or transfer the liability takes place either in the principal market or in the absence of a principal market, in the most advantageous market. For non-financial assets, the fair value measurement takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

When measuring fair value, the Group maximises the use of relevant observable inputs and minimises the use of unobservable inputs. Fair value measurements are categorised into different levels in a fair value hierarchy based on the input used in the valuation technique as follows :-

Level 1 : Quoted prices (unadjusted) in active market for identical assets or liabilities;
Level 2 : Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
Level 3 : Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Transfer between levels of the fair value hierarchy is deemed to have occurred on the date of the event or change in circumstances that caused the transfer.

4. CRITICAL ACCOUNTING JUDGEMENT AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The preparation of financial statements in conformity with the MFRSs requires management to exercise their judgement in the process of applying the Group's accounting policies and which may have significant effects on the amounts recognised in the financial statements. It also requires the use of accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the results reported for the reporting period and that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year. Although these judgements and estimates are based on the management's best knowledge of current events and actions, actual results may differ.

The 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 if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

(a) Significant Judgements in Applying the Group's Accounting Policies

In the process of applying the Group's accounting policies, which are described in Note 3, the management are of the opinion that any instances of application of judgement are not expected to have a significant effect on the amounts recognised in the financial statements.

(b) Key Sources of Estimation Uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

(i) <u>Intangible assets</u>

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 reporting date in accordance with the accounting policy disclosed in Note 3.7 to the financial statements. The Group also assesses annually whether the intangible assets have been based on future cash flow projections, which depend significantly on the procurement of future projects and 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.

(ii) <u>Deferred tax assets</u>

Deferred tax assets are recognised for unabsorbed tax losses, unutilised capital allowances and other deductible temporary differences to the extent that it 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.

(iii) <u>Impairment on investment in subsidiaries</u>

The Company assesses impairment of investments in subsidiaries when the events or changes in circumstances indicate that their carrying amounts may not be recoverable. The Company used discounted cash flows to determine the recoverable amount. Significant judgement is required in the estimation of the expected future cash flows and a suitable discount rate in order to calculate the present value of those cash flows.

(iv) <u>Impairment losses on trade receivables and contract assets</u>

The Group and the Company apply the MFRS 9 simplified approach to measure expected credit losses for trade receivables and contract assets. In determining the ECLs, individual receivables are assessed for impairment separately by estimating the expected cash flow to be recovered. However, the expected loss rates for contract assets is calculated based on the historical impairment loss recognised for the respective customers over the past 3 financial year's billings.

Notes To The Financial Statements
- 31 March 2021 (Continued)

4. CRITICAL ACCOUNTING JUDGEMENT AND KEY SOURCES OF ESTIMATION UNCERTAINTY (Continued)

(b) Key Sources of Estimation Uncertainty (Continued)

(v) Contracts revenue and costs recognition

The Group and the Company recognised a substantial portion of its contract profits based on the stage of completion method. The stage of completion of a contract is measured by reference to the proportion of contract costs incurred for the work performed to date to the estimated total costs for the contract.

Significant judgement is required in determining the total contract costs which will be incurred to complete a contract, total contract revenue, as well as the recoverability of the contracts. Total contract revenue also includes an estimation of the recoverable variation works that are recoverable from the customers. Where the actual total contract costs is different from the estimated total contract costs, such difference will impact the contract profits or losses recognised. In making the judgement, the Group and the Company rely on past experience.

(vi) Lease liability

The lease term has been determined based on the non-cancellable period of lease in term and conditions of the arrangements together with both:-

- periods covered by an option to extend the lease; and
- periods covered by an option to terminate the lease.

In determining whether it is reasonably certain to exercise an option to extend the lease or not to exercise an option to terminate the lease, management has considered all relevant factors and circumstances that have created the economic incentives to exercise such options when exercising its judgement in the assessment.

The lease terms and discount rates have been determined using appropriate assumptions as necessary including management's estimation of the application internal costs.

Notes To The Financial Statements
- 31 March 2021 (Continued)

5. PROPERTY, PLANT AND EQUIPMENT

GROUP

	Renovations RM	Computers and office equipment RM	Furniture and fittings RM	Total RM
2021				
Cost				
At 1 April 2020	646,035	4,115,560	350,669	5,112,264
Additions	4,680	276,410	15,151	296,241
Written off	-	(1,583,330)	(5,496)	(1,588,826)
Exchange differences	4,526	31,956	935	37,417
At 31 March 2021	655,241	2,840,596	361,259	3,857,096
Accumulated depreciation				
At 1 April 2020	397,435	3,143,072	261,399	3,801,906
Charge for the financial year	55,093	454,717	37,346	547,156
Written off	-	(1,583,330)	(5,496)	(1,588,826)
Exchange differences	4,356	29,282	1,026	34,664
At 31 March 2021	456,884	2,043,741	294,275	2,794,900
Net book value at 31 March 2021	198,357	796,855	66,984	1,062,196
Depreciation charge for the financial year :				
Recognised in Statement of Profit or Loss and Other Comprehensive Income	55,093	379,709	37,346	472,148
Capitalised as development expenditure	-	75,008	-	75,008
	55,093	454,717	37,346	547,156

Notes To The Financial Statements
- 31 March 2021 (Continued)

5. PROPERTY, PLANT AND EQUIPMENT (Continued)

GROUP (Continued)

	Renovations RM	Computers and office equipment RM	Furniture and fittings RM	Total RM
2020				
Cost				
At 1 April 2019	536,522	3,554,307	288,379	4,379,208
Additions	145,401	509,096	18,679	673,176
Written off	(54,942)	(69,408)	(1,635)	(125,985)
Exchange differences	19,054	121,565	45,246	185,865
At 31 March 2020	646,035	4,115,560	350,669	5,112,264
Accumulated depreciation				
At 1 April 2019	404,829	2,732,997	184,701	3,322,527
Charge for the year	40,642	396,735	65,883	503,260
Written off	(54,942)	(67,909)	(1,634)	(124,485)
Exchange differences	6,906	81,249	12,449	100,604
At 31 March 2020	397,435	3,143,072	261,399	3,801,906
Net book value at 31 March 2020	248,600	972,488	89,270	1,310,358
Depreciation charge for the financial year :				
Recognised in Statement of Profit or Loss and Other Comprehensive Income	40,642	309,780	65,883	416,305
Capitalised as development expenditure	-	86,955	-	86,955
	40,642	396,735	65,883	503,260

5. **PROPERTY, PLANT AND EQUIPMENT** (Continued)

COMPANY

	Renovations RM	Computers and office equipment RM	Furniture and fittings RM	Total RM
2021				
Cost				
At 1 April 2020	107,745	326,435	62,128	496,308
Additions	-	16,539	-	16,539
Written off	-	(2,110)	-	(2,110)
At 31 March 2021	107,745	340,864	62,128	510,737
Accumulated depreciation				
At 1 April 2020	20,542	285,374	31,554	337,470
Charge for the financial year	35,915	24,909	12,580	73,404
Written off	-	(2,110)	-	(2,110)
At 31 March 2021	56,457	308,173	44,134	408,764
Net book value at 31 March 2021	51,288	32,691	17,994	101,973
2020				
Cost				
At 1 April 2019	54,942	363,319	26,023	444,284
Additions	107,745	32,525	37,740	178,010
Written off	(54,942)	(69,409)	(1,635)	(125,986)
At 31 March 2020	107,745	326,435	62,128	496,308
Accumulated depreciation				
At 1 April 2019	50,364	323,995	23,292	397,651
Charge for the financial year	25,120	29,288	9,897	64,305
Written off	(54,942)	(67,909)	(1,635)	(124,486)
At 31 March 2020	20,542	285,374	31,554	337,470
Net book value at 31 March 2020	87,203	41,061	30,574	158,838

Certain property, plant and equipment of the Group with a carrying amount of RM334,440 (2020: RM410,643) as at 31 March 2021, have been charged to a licensed bank in consideration for banking facilities granted to the Group.

Notes To The Financial Statements
- 31 March 2021 (Continued)

6. RIGHT-OF-USE ASSETS

Leased office premises

	Group RM	Company RM
2021		
Cost		
At 1 April 2020	4,643,979	553,572
Additions	-	-
Exchange differences	38,145	-
At 31 March 2021	4,682,124	553,572
Accumulated depreciation		
At 1 April 2020	1,799,238	153,770
Charge for the financial year	1,833,716	184,524
Exchange differences	27,894	-
At 31 March 2021	3,660,848	338,294
Carrying amount at 31 March 2021	1,021,276	215,278
2020		
Cost		
At 1 April 2019	3,965,795	-
Additions	553,572	553,572
Exchange differences	124,612	-
At 31 March 2020	4,643,979	553,572
Accumulated depreciation		
At 1 April 2019	-	-
Charge for the financial year	1,775,141	153,770
Exchange differences	24,097	-
At 31 March 2020	1,799,238	153,770
Carrying amount at 31 March 2020	2,844,741	399,802

Depreciation charge for the financial year:-

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Recognised in Statement of Profit or Loss and Other Comprehensive Income	1,562,237	1,382,674	184,524	153,770
Capitalised as development expenditure	271,479	392,467	-	-
	1,833,716	1,775,141	184,524	153,770

6. RIGHT-OF-USE ASSETS (Continued)

(a) The right-of-use assets are depreciated on a straight-line basis over the following periods :-

Leased office premises	2 to 3 years

(b) The expense during the financial year relating to short term lease not included in the measurement of lease liabilities :-

	GROUP		COMPANY	
	2021 RM	2020 RM	2021 RM	2020 RM
Rental expenses - short term lease	-	65,170	-	35,660

(c) Total cash outflow for the leases during the financial year are as follows :-

	GROUP		COMPANY	
	2021 RM	2020 RM	2021 RM	2020 RM
Rental expenses - short term lease	-	65,170	-	35,660
Lease payments	1,950,989	1,907,408	181,706	165,690
	1,950,989	1,972,578	181,706	201,350

7. GOODWILL

	GROUP	
	2021 RM	2020 RM
At the beginning of financial year	252,449	250,331
Exchange differences	3,280	2,118
At the end of financial year	255,729	252,449

7.1 Impairment assessment on goodwill

The goodwill arose from the acquisition of a subsidiary, EyRIS Pte. Ltd. ("Eyris") by a wholly owned subsidiary, novaHEALTH Pte. Ltd.

For the purpose of impairment assessment, goodwill has been allocated to the Group's cash-generating unit ("CGU") which is the subsidiary itself. For segment reporting purposes, Eyris has been allocated to E-Business Solutions segment.

For annual impairment assessment purposes, the recoverable amount of this CGU is based on value in use calculation. This calculation is based on a discounted future cash flow model using the cash flow forecast and projections covering a five-year period and approved by management. Cash flows beyond the five years period are extrapolated using an estimated growth rate. The key assumptions for the computation of value in use are further described in Note 7.2.

Notes To The Financial Statements
- 31 March 2021 (Continued)

7. GOODWILL (Continued)

7.2 Key assumptions used for value in use calculation

The following table sets out the key assumptions for the computation of value in use:

	2021	2020
Long-term growth rate	0%	0%
Discount rate	11.0%	10.4%

The management has determined the values assigned to each of the above key assumptions as follows :

Assumptions	Approach used in determining values
Long-term growth rate	This is the weighted average growth rate used to extrapolate cash flows beyond the budget period. The long-term growth rate beyond year five has been estimated to be Nil.
Discount rate	Reflects specific risks relating to the CGU in which the CGU operates.

7.3 Impact of possible changes in key assumptions

The management has considered and assessed reasonably possible changes of key assumptions and has not identified any instances that could cause the carrying amount of the goodwill to exceed its recoverable amount.

8. INTANGIBLE ASSETS

GROUP

	Development expenditure RM	Computer software RM	Total RM
2021			
Cost			
At 1 April 2020	121,155,069	4,767,614	125,922,683
Amount capitalised	8,526,751	-	8,526,751
Exchange differences	1,574,472	61,698	1,636,170
At 31 March 2021	131,256,292	4,829,312	136,085,604
Deduct : Government grant			
At 1 April 2020	5,171,053	-	5,171,053
Exchange differences	67,204	-	67,204
At 31 March 2021	5,238,257	-	5,238,257
Deduct : Accumulated amortisation			
At 1 April 2020	81,777,764	4,647,794	86,425,558
Amortisation	4,891,942	2,500	4,894,442
Exchange differences	1,106,501	60,306	1,166,807
At 31 March 2021	87,776,207	4,710,600	92,486,807

Notes To The Financial Statements
- 31 March 2021 (Continued)

8. **INTANGIBLE ASSETS** (Continued)

GROUP (Continued)

	Development expenditure RM	Computer software RM	Total RM
2021 (Continued)			
Deduct : Accumulated impairment losses			
At 1 April 2020	8,062,232	-	8,062,232
Exchange differences	104,774	-	104,774
At 31 March 2021	8,167,006	-	8,167,006
Net book value at 31 March 2021	30,074,822	118,712	30,193,534
2020			
Cost			
At 1 April 2019	111,652,632	4,621,570	116,274,202
Acquisitions	-	107,112	107,112
Amount capitalised	8,557,798	-	8,557,798
Exchange differences	944,639	38,932	983,571
At 31 March 2020	121,155,069	4,767,614	125,922,683
Deduct : Government grant			
At 1 April 2019	5,127,672	-	5,127,672
Exchange differences	43,381	-	43,381
At 31 March 2020	5,171,053	-	5,171,053
Deduct : Accumulated amortisation			
At 1 April 2019	76,829,823	4,606,362	81,436,185
Amortisation	4,290,284	2,500	4,292,784
Exchange differences	657,657	38,932	696,589
At 31 March 2020	81,777,764	4,647,794	86,425,558
Deduct : Accumulated impairment losses			
At 1 April 2019	7,994,593	-	7,994,593
Exchange differences	67,639	-	67,639
At 31 March 2020	8,062,232	-	8,062,232
Net book value at 31 March 2020	26,144,020	119,820	26,263,840

Notes To The Financial Statements
- 31 March 2021 (Continued)

8. INTANGIBLE ASSETS (Continued)

COMPANY

	Computer software RM	Total RM
2021		
Cost		
At 1 April 2020	20,000	20,000
Additions	-	-
At 31 March 2021	20,000	20,000
Deduct : Accumulated amortisation		
At 1 April 2020	7,292	7,292
Amortisation	2,500	2,500
At 31 March 2021	9,792	9,792
Net book value at 31 March 2021	10,208	10,208
2020		
Cost		
At 1 April 2019	20,000	20,000
Additions	-	-
At 31 March 2020	20,000	20,000
Deduct : Accumulated amortisation		
At 1 April 2019	4,792	4,792
Amortisation	2,500	2,500
At 31 March 2020	7,292	7,292
Net book value at 31 March 2020	12,708	12,708

8.1 Development expenditure

Development expenditure are incurred for the development internally of application software. The Group considers each development project as a single cash generating unit (''CGU'').

Impairment loss has been recognised to write down the carrying amount of a CGU 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 discounted at a rate that reflects the risks specific to the CGU.

Notes To The Financial Statements
- 31 March 2021 (Continued)

9. INVESTMENT IN SUBSIDIARIES

	COMPANY 2021 RM	COMPANY 2020 RM
Unquoted shares, at cost	37,735,840	37,552,132
Amount due from a subsidiary	1,420,217	1,420,217
	39,156,057	38,972,349
Accumulated impairment losses	(11,427,682)	(11,369,337)
	27,728,375	27,603,012
Options granted to employees of subsidiaries	3,744,226	3,744,226
	31,472,601	31,347,238

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, place of incorporation and the effective equity interest of the Group are as follows :-

Name of Company	Principal Activity	Place of Incorporation	Effective Equity Interest 2021 %	Effective Equity Interest 2020 %
Held by the Company				
novaHEALTH Pte. Ltd.	Provision of e-business solutions for 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
Dex-Lab Pte. Ltd.	Development of other software and programming activities and manufacture and repair of service robots	Republic of Singapore	60.00	0.00
Subsidiaries held by novaCITYNETS Pte. Ltd.				
novaCITYNETS International Pte. Ltd.	Provision of software consultancy and computer systems integration	Republic of Singapore	100.00	100.00
Subsidiaries held by novaHEALTH Pte. Ltd.				
EyRIS Pte. Ltd.	Manage research and experimental development on medical technologies	Republic of Singapore	42.00	42.00

All subsidiaries are not audited by Folks DFK & Co.

Notes To The Financial Statements
- 31 March 2021 (Continued)

9. INVESTMENT IN SUBSIDIARIES (Continued)

The Group considered that it controls Eyris even though it holds less than half of the voting rights of this subsidiary. This is because the Group is the largest shareholder with a 42% equity interest while the remaining shares are held by seven investors. Based on the terms of agreement under which the entity was established, the Group has current ability to direct the entity's activities that most significantly affect their returns. A 75% majority vote is required to change this agreement, which cannot be achieved without the group’s consent as the group holds 42% of the voting rights.

9.1 Subscription of shares in Dex-Lab Pte. Ltd. (Dex-Lab), a new subsidiary incorporated during the financial year.

On 4 May 2020, the Company acquired 60% of the issued share capital of Dex-Lab, a new subsidiary incorporated on 4 May 2020, comprising 60,000 ordinary shares for a total cash consideration of SGD60,000 (equivalent to RM183,708). The remaining 40,000 ordinary shares or 40% equity interest in Dex-Lab were subscribed by a non-controlling interest for a total consideration of SGD40,000 (equivalent to RM122,472).

9.2 Subscription to additional shares issued by a subsidiary, EyRIS Pte. Ltd. ("Eyris) in the previous financial year

On 30 March 2020, Eyris had increased its paid-up share capital by way of an allotment and issuance of 1 new ordinary share each to its parent, novaHEALTH Pte Ltd and a non-controlling interest for consideration of SGD311,972 and SGD148,555 (equivalent to RM948,239 and RM451,533) respectively. The additional shares issued by Eyris has resulted in an increase of RM811,869 in the carrying amount of non-controlling interest in the previous financial year.

9.3 Disposal of a partially owned subsidiary, novaBIM Limited, in the previous financial year

In the previous financial year, novaCITYNETS Pte. Ltd., a wholly owned subsidiary of the Company had disposed of its entire 70% equity interest in novaBIM Limited (''novaBIM'') for total consideration of SGD16,100. The disposal of this subsidiary has resulted in a gain of RM17,625 to the Group.

9.4 Non-controlling interest in subsidiary

The summarised financial information for subsidiary that has material non-controlling interests ("NCI") are set out below. The amounts in the summarised financial information are before inter-company eliminations.

(i) Summarised assets and liabilities

	2021		2020	
	EyRIS (1) RM	Dex-Lab (2) RM	EyRIS (1) RM	Dex-Lab (2) RM
Non-current assets	1,448,863	1,628,717	688,796	-
Current assets	1,547,044	472,460	333,886	-
	2,995,907	2,101,177	1,022,682	-
Non-current liabilities	-	-	-	-
Current liabilities	(3,738,811)	(2,012,570)	(232,601)	-
	(3,738,811)	(2,012,570)	(232,601)	-
Net (liabilities)/assets	(742,904)	88,607	790,081	-

Notes To The Financial Statements
- 31 March 2021 (Continued)

9. INVESTMENT IN SUBSIDIARIES (Continued)

9.4 Non-controlling interest in subsidiary (Continued)

(ii) Summarised profit or loss and other comprehensive income

	2021 EyRIS [1] RM	2021 Dex-Lab [2] RM	2020 EyRIS [1] RM	2020 Dex-Lab [2] RM
Revenue	220,714	295,261	73,729	-
Loss for the financial year	(1,529,570)	(217,348)	(1,174,227)	-
Other comprehensive income	-	-	-	-
Total comprehensive loss	(1,529,570)	(217,348)	(1,174,227)	-
Dividend paid to non-controlling interest	-	-	-	-

(iii) Summarised cash flows

	2021 EyRIS [1] RM	2021 Dex-Lab [2] RM	2020 EyRIS [1] RM	2020 Dex-Lab [2] RM
Net cash (outflow)/inflow from operating activities	(1,436,240)	1,511,834	(1,130,490)	-
Net cash outflow from investing activities	(800,760)	(1,614,276)	(687,979)	-
Net cash inflow from financing activities	3,311,375	305,170	1,397,285	-
Net increase/(decrease) in cash and cash equivalents	1,074,375	202,728	(421,184)	-

[1] EyRIS Pte. Ltd.
[2] Dex-Lab Pte. Ltd.

10. INVESTMENT IN ASSOCIATES

	GROUP 2021 RM	GROUP 2020 RM
Unquoted shares, at cost	327,960	327,960
Share of post-acquisition profits (net of dividends received)	260,079	562,209
Allowance for impairment losses	(282,090)	(282,090)
Exchange fluctuation reserve	99,035	88,590
	404,984	696,669

Reconciliation of Investment in Associates

	GROUP 2021 RM	GROUP 2020 RM
At the beginning of financial year	696,669	753,898
Share of results	155,634	(63,495)
Dividend paid	(457,764)	-
Foreign exchange difference	10,445	6,266
At the end of financial year	404,984	696,669

Notes To The Financial Statements
- 31 March 2021 (Continued)

10. INVESTMENT IN ASSOCIATES (Continued)

Name of Company	Principal Activity	Place of Incorporation	2021 %	2020 %
Associated companies held by novaHEALTH Pte. Ltd.				
JPMCnova Sdn Bhd	Industry solution provider to medical and healthcare institutions and related areas	Brunei Darussalam	49	49
Nova Al Khaleej Technology Information LLC	Dormant	United Arab Emirates	49	49

All the associated companies are not audited by Folks DFK & Co.

The summarised financial information of a material associate presented below represents the financial statements of the associate and not the Group's share of those amounts.

	JPMCnova Sdn Bhd 2021 RM	2020 RM
Assets and liabilities		
Non-current assets	-	-
Current assets	2,653,636	2,117,106
Total assets	2,653,636	2,117,106
Non-current liabilities	-	-
Current liabilities	1,784,937	653,672
Total liabilities	1,784,937	653,672
Results		
Revenue	3,275,563	426,747
Profit/(Loss) after taxation/ Total comprehensive income/(loss)	317,626	(42,709)
The reconciliation of net assets to carrying amount is as follows :-		
Group's share of net assets	425,663	717,083
Others	(20,679)	(20,414)
Carrying amount of Group's interest in associates	404,984	696,669

Notes To The Financial Statements
- 31 March 2021 (Continued)

11. DEFERRED TAX ASSETS/(LIABILITIES)

	GROUP 2021 RM	2020 RM
Balance at the beginning and end of financial year	-	-

The components and movement of deferred tax assets and liabilities prior to offsetting are as follows :-

Group

	As at 01.04.2020 RM	Recognised in profit or loss RM	Exchange differences RM	As at 31.03.2021 RM
2021				
Deferred tax liabilities				
Excess of capital allowances over depreciation	(42,626)	40,060	(180)	(2,746)
Right-of-use assets	(602,468)	378,189	(1,566)	(225,845)
Other taxable temporary differences	(4,462,694)	(605,067)	(63,405)	(5,131,166)
	(5,107,788)	(186,818)	(65,151)	(5,359,757)
Deferred tax assets				
Unabsorbed tax losses	4,465,697	602,445	63,405	5,131,547
Unutilised capital allowances	39,623	(37,438)	180	2,365
Lease liabilities	602,468	(378,189)	1,566	225,845
	5,107,788	186,818	65,151	5,359,757
Net	-	-	-	-

Notes To The Financial Statements
- 31 March 2021 (Continued)

11. DEFERRED TAX ASSETS/(LIABILITIES) (Continued)

Group (Continued)

	As at 01.04.2019 RM	Initial application of MFRS 16 RM	Recognised in profit or loss RM	Exchange differences RM	As at 31.03.2020 RM
2020					
Deferred tax liabilities					
Excess of capital allowances over depreciation	-	-	(42,556)	(70)	(42,626)
Right-of-use assets	-	(333,638)	(274,876)	6,046	(602,468)
Other taxable temporary differences	(3,689,094)	-	(741,070)	(32,530)	(4,462,694)
	(3,689,094)	(333,638)	(1,058,502)	(26,554)	(5,107,788)
Deferred tax assets					
Unabsorbed tax losses	3,689,094	-	744,073	32,530	4,465,697
Unutilised capital allowances	-	-	39,553	70	39,623
Lease liabilities	-	333,638	274,876	(6,046)	602,468
	3,689,094	333,638	1,058,502	26,554	5,107,788
Net	-	-	-	-	-

Company

	As at 01.04.2020 RM	Recognised in profit or loss RM	As at 31.03.2021 RM
2021			
Deferred tax liabilities			
Excess of capital allowances over depreciation	3,003	(2,622)	381
Right-of-use assets	95,952	(44,285)	51,667
	98,955	(46,907)	52,048
Deferred tax assets			
Unabsorbed tax losses	(3,003)	2,622	(381)
Lease liabilities	(95,952)	44,285	(51,667)
	(98,955)	46,907	(52,048)
Net	-	-	-

Notes To The Financial Statements
- 31 March 2021 (Continued)

11. DEFERRED TAX ASSETS/(LIABILITIES) (Continued)

Company (Continued)

	As at 01.04.2019 RM	Recognised in profit or loss RM	As at 31.03.2020 RM
2020			
Deferred tax liabilities			
Excess of capital allowances over depreciation	-	3,003	3,003
Right-of-use assets	-	95,952	95,952
	-	98,955	98,955
Deferred tax assets			
Unabsorbed tax losses	-	(3,003)	(3,003)
Lease liabilities	-	(95,952)	(95,952)
	-	(98,955)	(98,955)
Net	-	-	-

Deferred tax assets have not been recognised in respect of the following temporary differences (stated at gross amounts) due to the uncertainty of their realisation in the foreseeable future :-

	GROUP		COMPANY	
	2021 RM	2020 RM	2021 RM	2020 RM
Unutilised capital allowances	586,676	118,983	-	-
Unabsorbed tax losses	51,035,658	41,350,568	6,767,519	8,069,288
Lease liabilities	64,150	82,693	10,292	8,540
	51,686,484	41,552,244	6,777,811	8,077,828

12. AMOUNT DUE FROM SUBSIDIARIES

	COMPANY	
	2021 RM	2020 RM
Trade	2,990,110	1,352,873
Non-trade	29,163,954	18,499,977
	32,154,064	19,852,850
Classified under :-		
Non-current assets	21,932,030	8,257,210
Current assets (included under Trade and Other Receivables - Note 14)	10,222,034	11,595,640
	32,154,064	19,852,850

Notes To The Financial Statements
- 31 March 2021 (Continued)

12. AMOUNT DUE FROM SUBSIDIARIES (Continued)

The amount due from subsidiaries are interest free and unsecured. Trade indebtedness is repayable based on the normal credit terms extended to customers while non - trade indebtedness is repayable on demand.

The amounts due from subsidiaries are denominated in Ringgit Malaysia and have been presented into current and non-current portions based on the expected timing of settlement of the debts.

13. CONTRACT BALANCES

The movements in contract assets and contract liabilities during the financial year are as follows :-

	GROUP		COMPANY	
	2021 RM	**2020 RM**	**2021 RM**	**2020 RM**
At the beginning of financial year	34,458,994	35,243,298	378,694	(258,965)
Revenue recognised during the financial year	30,376,756	39,216,745	5,222,029	7,671,966
Progress billings during the financial year	(44,372,900)	(39,518,985)	(7,285,279)	(7,034,307)
Exchange differences	683,484	354,152	-	-
	21,146,334	35,295,210	(1,684,556)	378,694
Net additional impairment losses	(342,418)	(836,216)	(16,890)	-
At the end of financial year	20,803,916	34,458,994	(1,701,446)	378,694
Analysed as :-				
Contract assets	25,833,861	36,796,419	76,181	663,016
Less: Allowance for impairment losses	(1,193,921)	(837,706)	(16,890)	-
	24,639,940	35,958,713	59,291	663,016
Contract liabilities	(3,836,024)	(1,499,719)	(1,760,737)	(284,322)
Net	20,803,916	34,458,994	(1,701,446)	378,694

13.1 Contract assets/(liabilities)

The contract assets primarily relate to the Group's and the Company's rights to consideration for goods delivered or service rendered to customers but not yet billed at end of reporting date. The contract assets are transferred to receivables when rights become unconditional. Contract liabilities primarily relate to the Group's and the Company's obligation to transfer goods or services to customer for which the consideration has been received or receivable from the customers.

Revenue recognised during the financial year that was included in the contract liability of the Group and the Company at beginning of the financial year amounted to RM1,394,427 (2020: RM1,470,447) and RM179,031 (2020: RM259,111) respectively.

13.2 Unsatisfied performance obligation

The aggregate amounts of transaction prices allocated to remaining performance obligations of the Group and Company unsatisfied or partially unsatisfied, as at end of financial year amounted to approximately RM80.1m (2020: RM85.9m) and RM8.6m (2020: RM6.0m) respectively and are expected to be recognised over a period of five (5) years.

Notes To The Financial Statements
- 31 March 2021 (Continued)

13. CONTRACT BALANCES (Continued)

13.3 The movements in allowance for impairment losses on contract assets during the financial year are as follows :-

	GROUP		COMPANY	
	2021 RM	2020 RM	2021 RM	2020 RM
At the beginning of financial year	837,706	-	-	-
Additional impairment losses	474,721	836,216	16,890	-
Reversal of impairment losses	(132,303)	-	-	-
Exchange differences	13,797	1,490	-	-
At the end of financial year	1,193,921	837,706	16,890	-

14. TRADE AND OTHER RECEIVABLES

	GROUP		COMPANY	
	2021 RM	2020 RM	2021 RM	2020 RM
Trade receivables	16,290,190	20,840,585	2,562,685	3,220,597
Less: Allowance for impairment losses	(11,055,182)	(6,439,647)	(871,941)	(534,917)
Trade receivables, net	5,235,008	14,400,938	1,690,744	2,685,680
Other receivables				
Grant receivables	-	873,166	-	-
Other receivables, deposits and prepayments	3,070,608	2,371,633	84,368	90,885
Less: Allowance for impairment losses	(520,256)	-	-	-
	2,550,352	2,371,633	84,368	90,885
	7,785,360	17,645,737	1,775,112	2,776,565
Amount due from an associate				
- Trade	573,633	221,908	-	-
Amount due from subsidiaries				
- Trade	-	-	2,990,110	1,352,873
- Non-trade	-	-	7,231,924	10,242,767
Total trade and other receivables	8,358,993	17,867,645	11,997,146	14,372,205

14.1 Trade and other receivables

Trade receivables are non-interest bearing and credit periods given range from Nil to 90 (2020: Nil to 90) day terms. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

Grant receivables in the previous year represent Job Support Scheme provided by Singapore Government to encourage employers to retain local employees.

Notes To The Financial Statements
- 31 March 2021 (Continued)

14. TRADE AND OTHER RECEIVABLES) (Continued)

14.1 Trade and other receivables (Continued)

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

	GROUP		COMPANY	
	2021 RM	2020 RM	2021 RM	2020 RM
Ringgit Malaysia	1,776,377	2,776,564	11,997,146	14,372,205
United States Dollar	341,791	5,789,560	-	-
Singapore Dollar	4,254,241	7,897,388	-	-
Philippines Peso	966,619	741,619	-	-
Brunei Dollar	1,019,965	662,514	-	-
	8,358,993	17,867,645	11,997,146	14,372,205

Further information on credit risk is disclosed in Note 33.1.

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 receivables.

<u>Allowance for impairment losses</u>

Movements in allowance for impairment losses on trade receivables during the financial year are as follows :-

	GROUP		COMPANY	
	2021 RM	2020 RM	2021 RM	2020 RM
At the beginning of financial year	6,439,647	5,855,491	534,917	500,108
Additional impairment losses	4,787,529	215,660	337,024	34,809
Exchange differences	(171,994)	368,496	-	-
At the end of financial year	11,055,182	6,439,647	871,941	534,917

Movements in allowance for impairment losses on other receivables during the financial year are as follows :-

	GROUP		COMPANY	
	2021 RM	2020 RM	2021 RM	2020 RM
At the beginning of financial year	-	-	-	-
Additional impairment losses	515,643	-	-	-
Exchange differences	4,613	-	-	-
At the end of financial year	520,256	-	-	-

14.2 Amount due from an associates

The amount due from an associate is interest free, unsecured and is repayable based on the normal credit terms extended to customers.

Notes To The Financial Statements
- 31 March 2021 (Continued)

15. FIXED DEPOSITS, CASH AND BANK BALANCES

	GROUP 2021 RM	GROUP 2020 RM	COMPANY 2021 RM	COMPANY 2020 RM
Cash in hand and at banks	8,095,500	11,757,687	2,381,280	10,515,017
Deposits with licensed banks	12,000,000	3,000,000	12,000,000	3,000,000
	20,095,500	14,757,687	14,381,280	13,515,017

The deposits with licensed banks as at 31 March 2021 have an average maturity period of 1 month (2020: 8 days) and earn interests calculated at 1.9% (2020: 1.3%) per annum.

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

	GROUP 2021 RM	GROUP 2020 RM	COMPANY 2021 RM	COMPANY 2020 RM
Ringgit Malaysia	14,381,280	13,515,017	14,381,280	13,515,017
Philippines Peso	90,100	265,682	-	-
New Taiwan Dollar	-	-	-	-
Singapore Dollar	5,357,904	632,149	-	-
United States Dollar	266,216	344,839	-	-
	20,095,500	14,757,687	14,381,280	13,515,017

16. SHARE CAPITAL

	GROUP 2021 Number of shares	GROUP 2020 Number of shares	COMPANY 2021 RM	COMPANY 2020 RM
Ordinary shares Issued and fully paid	1,133,905,763	751,564,905	102,912,649	87,619,015
Irredeemable Convertible Preference Shares	1,014,935,542	1,397,552,400	10,149,355	13,975,524
At the end of financial year	2,148,841,305	2,149,117,305	113,062,004	101,594,539

16.1 Details and movements in issued and fully paid ordinary shares

	GROUP 2021 Number of shares	GROUP 2020 Number of shares	COMPANY 2021 RM	COMPANY 2020 RM
At the beginning of financial year	751,564,905	751,564,905	87,619,015	87,619,015
Issuance of ordinary shares pursuant to :-				
- Conversion of irredeemable convertible preference shares	382,340,858	-	15,293,634	-
At the end of financial year	1,133,905,763	751,564,905	102,912,649	87,619,015

Notes To The Financial Statements
- 31 March 2021 (Continued)

16. SHARE CAPITAL (Continued)

16.1 Details and movements in issued and fully paid ordinary shares (Continued)

The Company's issued ordinary shares has no par value.

During the financial year, the issued and paid-up ordinary share capital of the Company has been increased from RM87,619,015 to RM102,912,649 through the issue of 382,340,858 new ordinary shares from the conversion of Irredeemable Convertible Preference Shares ("ICPS") at a conversion price of RM0.04 per ordinary shares in the following manner :-

a) the cancellation of 382,616,858 ICPS surrendered to the Company for conversion purpose; and

b) the receipt of RM11,467,465 in cash being the difference between the aggregate issue price of the ICPS surrendered and the aggregate conversion price of the new ordinary shares issued.

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

16.2 Details and movements in Irredeemable Convertible Preference Shares ("ICPS")

	GROUP		COMPANY	
	2021 Number of shares	2020 Number of shares	2021 RM	2020 RM
At the beginning of financial year	1,397,552,400	-	13,975,524	-
Issuance by way of :-				
- Rights issue	-	977,552,400	-	9,775,524
- Placement	-	420,000,000	-	4,200,000
Conversion of ICPS to ordinary shares	(382,616,858)	-	(3,826,169)	-
At the end of financial year	1,014,935,542	1,397,552,400	10,149,355	13,975,524

The ICPS capital had decreased by RM3,826,169 to RM10,149,355 during the financial year due to the surrender and cancellation of ICPS for purpose of conversion to ordinary shares as detailed above.

On 24 March 2020, the Company had issued 1,397,552,400 Irredeemable Convertible Preference Shares ("ICPS") for total consideration of RM13,975,524 by way of :-

i. a rights issue at the issue price of RM0.01 per Rights ICPS on the basis of 8 Rights ICPS for every 3 existing ordinary shares held which resulted in an issuance of 977,552,400 ICPS for a consideration of RM9,775,524; and

ii. a placement of 420,000,000 new ICPS to a third party at the issue price of RM0.01 per Placement ICPS or a consideration of RM4,200,000.

The ICPS were listed on the ACE Market of Bursa Malaysia Securities Berhad on 26 March 2020.

The salient terms of the ICPS are as follows :-

i. The ICPS have a tenure of 5 years and shall mature on the day immediately preceding the 5th anniversary of their issue date.

ii. The Company has full discretion over the declaration of dividends on ICPS which shall be non-cumulative and payable in arrears.

iii. The ICPS may be converted into new ordinary shares of the Company at the conversion price of RM0.04 for each new ordinary share in the following manner :

   a) by surrendering for cancellation the ICPS with an aggregate issue price of the ICPS equivalent to the conversion price, subject to a minimum of 1 ICPS and up to a maximum of 4 ICPS for every 1 new ordinary share; and

   b) by paying the difference between the aggregate issue price of the ICPS surrendered and the conversion price, if any, in cash for every 1 new ordinary share.

16. SHARE CAPITAL (Continued)

16.2 Details and movements in Irredeemable Convertible Preference Shares ("ICPS") (Continued)

The salient terms of the ICPS are as follows :- (Continued)

iv. The ICPS are not redeemable for cash and any remaining ICPS that are not converted by the maturity date shall be automatically converted into new ordinary shares at the conversion ratio of 4 ICPS for 1 new ordinary share.

v. The ICPS rank equally amongst themselves and may rank in priority to, or equally with other preference shares that may be created in the future. The ICPS rank in priority to the ordinary shares of the Company but shall rank behind all the Company's secured and unsecured obligations. The new ordinary shares to be issued arising from the conversion of the ICPS shall rank pari passu in all respects with the then existing ordinary shares of the Company.

vi. The holders of ICPS have the same rights as ordinary shareholders of the Company as regards to receiving notices, reports and audited financial statements and attending general meetings but are however not entitled to any voting rights or participation in any rights, allotments and/or other distribution in the Company except in the following circumstances:-

a) when the dividend or part of the dividends declared on ICPS is in arrears for more than 6 months;

b) on a proposal to reduce the Company's share capital;

c) on a proposal for sanctioning the sale of the whole or substantial portion of the Company's property, business and/or undertaking;

d) on a proposal that affects the rights and privileges attached to the ICPS; and

e) on a proposal in respect of the winding-up, liquidation, compromise and/or arrangement of the Company and during the winding-up, liquidation, compromise and/or arrangement of the Company.

17. EMPLOYEE BENEFITS/EMPLOYEES' SHARE OPTION SCHEME

The Company implemented an Employees' Share Option Scheme ("ESOS Scheme") on 18 November 2015 for a period of ten (10) years and will expire on 17 November 2025.

The salient features of the ESOS Scheme are as follows :-

(i) The total number of new ordinary shares 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.

(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 preceding the Date of Offer in writing to the grantee.

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

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

Notes To The Financial Statements
- 31 March 2021 (Continued)

17. EMPLOYEE BENEFITS/EMPLOYEES' SHARE OPTION SCHEME (Continued)

The details of options over the ordinary shares of the Company under the ESOS Scheme are as follows:-

	Revised exercise price * RM/share	Number of options over ordinary shares in the Company As at 01.04.2020	During the financial year Granted	Exercised	Forfeited	As at 31.03.2021
2021						
Grant date						
02.06.2016	0.0728	4,500,000	-	-	-	4,500,000
02.05.2018	0.0656	22,950,021	-	-	-	22,950,021
30.08.2018	0.1238	6,300,000	-	-	(1,300,000)	5,000,000
		33,750,021	-	-	(1,300,000)	32,450,021
Number of options exercisable prior to issuance of ICPS						32,450,021

2020 - Prior to issuance of ICPS

2020	Exercise price prior to issuance of ICPS RM/share	Number of options over ordinary shares in the Company As at 01.04.2019	Movements prior to issuance of ICPS Granted	Exercised	Forfeited	Balance prior to issuance of ICPS 24.03.2020
Grant date						
02.06.2016	0.10	4,500,000	-	-	-	4,500,000
02.05.2018	0.09	23,000,000	-	-	(49,979)	22,950,021
30.08.2018	0.17	25,300,000	-	-	(19,000,000)	6,300,000
		52,800,000	-	-	(19,049,979)	33,750,021
Number of options exercisable prior to issuance of ICPS						33,750,021

Notes To The Financial Statements
- 31 March 2021 (Continued)

17. EMPLOYEE BENEFITS/EMPLOYEES' SHARE OPTION SCHEME (Continued)

The details of options over the ordinary shares of the Company under the ESOS Scheme are as follows:- (Continued)

2020 - Subsequent to issuance of ICPS on 24 March 2020

		Number of options over ordinary shares in the Company				
	Exercise price after issuance of ICPS* RM/share	Balance after issuance of ICPS* 24.03.2020	Movements subsequent to issuance of ICPS Granted	Exercised	Forfeited	As at 31.03.2020
2020						
Grant date						
02.06.2016	0.0728	4,500,000	-	-	-	4,500,000
02.05.2018	0.0656	22,950,021	-	-	-	22,950,021
30.08.2018	0.1238	6,300,000	-	-	-	6,300,000
		33,750,021	-	-	-	33,750,021
Number of options exercisable at end of the financial year						33,750,021

* The exercise prices of options granted have been adjusted following the issuance of ICPS on 24 March 2020.

18. TRADE AND OTHER PAYABLES

	GROUP 2021 RM	GROUP 2020 RM	COMPANY 2021 RM	COMPANY 2020 RM
Trade payables	1,560,849	7,545,440	142,363	263,639
Other payables and accrued expenses	3,530,025	4,488,059	453,317	1,249,635
Deferred grant income	594,210	873,166	-	-
Liability for short term accumulating compensated absences	974,776	680,751	90,380	62,754
Amount due to affiliated corporations	-	1,961,091	-	-
Amount due to subsidiaries	-	-	2,336,472	2,516,604
Amount due to Directors	117,638	1,792,821	117,638	724,604
	6,777,498	17,341,328	3,140,170	4,817,236

The normal credit terms of trade payables granted to the Group and the Company range from 0 to 60 (2020: 0 to 60) days.

Notes To The Financial Statements
- 31 March 2021 (Continued)

18. TRADE AND OTHER PAYABLES (Continued)

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

	GROUP		COMPANY	
	2021 RM	2020 RM	2021 RM	2020 RM
Ringgit Malaysia	803,698	2,300,632	3,140,170	4,817,236
British Pound	948	9,070	-	-
Philippines Peso	192,693	268,554	-	-
Singapore Dollar	5,186,873	13,754,410	-	-
United States Dollar	582,922	555,545	-	-
Euro	10,364	-	-	-
Renminbi	-	453,117	-	-
	6,777,498	17,341,328	3,140,170	4,817,236

The amounts due to affiliated corporations, subsidiaries and Directors are 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. BANK BORROWINGS (SECURED)

Bank borrowings of the Group represent short term bank borrowings which are subject to interests charged ranging from 3.90% to 4.20% (2020: 4.51% to 5.32%) per annum and are secured as follows :-

a) Corporate guarantee from the Company;

b) Notified assignment of certain consultancy contract; and

c) Fixed and floating charge over the assets of a subsidiary.

The borrowings as at end of current and previous financial year were dominated in Singapore Dollar.

20. LEASE LIABILITIES

	GROUP		COMPANY	
	2021 RM	2020 RM	2021 RM	2020 RM
Non-current	33,067	1,078,562	33,067	225,571
Current	1,052,361	1,848,871	192,505	182,771
	1,085,428	2,927,433	225,572	408,342

Notes To The Financial Statements
- 31 March 2021 (Continued)

20. LEASE LIABILITIES (Continued)

The movements in lease obligations (fixed lease payments) during the financial year are as follows :-

	GROUP		COMPANY	
	2021 RM	**2020 RM**	**2021 RM**	**2020 RM**
Balance at beginning of financial year	2,927,433	3,965,795	408,342	-
Additions	-	553,572	-	553,572
Lease payments	(1,950,989)	(1,907,408)	(181,706)	(165,690)
Finance cost	102,607	188,036	16,057	20,460
Rent concessions related to Covid-19	(17,121)	-	(17,121)	-
Exchange differences	23,498	127,438	-	-
Balance at end of financial year	1,085,428	2,927,433	225,572	408,342

21. REVENUE

	GROUP		COMPANY	
	2021 RM	**2020 RM**	**2021 RM**	**2020 RM**
Consultancy contracts	17,220,939	24,882,678	3,967,653	6,722,266
Maintenance services	14,475,046	14,450,547	1,255,216	992,451
	31,695,985	39,333,225	5,222,869	7,714,717
Timing of revenue recognition				
- at a point in time	1,319,229	116,480	840	42,751
- over time	30,376,756	39,216,745	5,222,029	7,671,966
	31,695,985	39,333,225	5,222,869	7,714,717

Disaggregation of revenue by geographical location is disclosed in Note 29.

22. EMPLOYEE BENEFITS EXPENSES

	GROUP		COMPANY	
	2021 RM	**2020 RM**	**2021 RM**	**2020 RM**
Wages, salaries and bonus	27,784,107	24,955,747	1,899,537	2,001,335
Contributions to defined contribution plans	2,506,933	2,357,027	215,314	254,141
Other benefits	1,036,928	971,284	17,272	18,269
	31,327,968	28,284,058	2,132,123	2,273,745

Included in employee benefits expenses of the Group is executive directors' remuneration amounting to RM2,108,036 (2020: RM2,247,762) as further disclosed in Note 24.

Notes To The Financial Statements
- 31 March 2021 (Continued)

22. EMPLOYEE BENEFITS EXPENSES (Continued)

Employee benefits expenses are taken up as follows :-

	GROUP		COMPANY	
	2021 RM	2020 RM	2021 RM	2020 RM
Charged to profit or loss	24,545,809	20,657,957	2,132,123	2,273,745
Capitalised as development expenditure	6,782,159	7,626,101	-	-
	31,327,968	28,284,058	2,132,123	2,273,745

23. FINANCE COSTS

	GROUP		COMPANY	
	2021 RM	2020 RM	2021 RM	2020 RM
Interest on bank borrowings	427,732	633,266	-	-
Interest on lease liabilities	102,607	188,036	16,057	20,460
	530,339	821,302	16,057	20,460

24. DIRECTORS' REMUNERATION

	GROUP		COMPANY	
	2021 RM	2020 RM	2021 RM	2020 RM
Executive Directors' remuneration :				
Directors of Holding company				
- Salaries, allowances and others benefits	743,133	729,798	-	-
- Contributions to a defined contribution plan	28,976	31,816	-	-
Directors of subsidiary companies				
- Salaries, allowances and others benefits	1,269,598	1,396,166	-	-
- Contributions to a defined contribution plan	66,329	89,982	-	-
	2,108,036	2,247,762	-	-
Non-Executive Directors' fees	200,000	200,000	200,000	200,000
Total directors' remuneration	2,308,036	2,447,762	200,000	200,000

Notes To The Financial Statements
- 31 March 2021 (Continued)

25. (LOSS)/PROFIT BEFORE TAXATION

	GROUP		COMPANY	
	2021 RM	2020 RM	2021 RM	2020 RM
This is arrived at after charging/(crediting) :-				
Accretion of interest on amount due from subsidiaries	-	-	(559,031)	-
Auditors' remuneration				
- Current year	194,495	187,894	54,000	54,000
- Other services	13,000	14,500	13,000	14,500
Amortisation of intangible assets	4,894,442	4,292,784	2,500	2,500
Depreciation of property, plant and equipment	472,148	416,305	73,404	64,305
Depreciation of ROU assets	1,562,237	1,382,674	184,524	153,770
Discount implicit in amount due from subsidiaries	-	-	-	387,891
Gain on disposal of subsidiary	-	(17,625)	-	-
Government wage support	2,993,157	-	18,400	-
Net impairment losses for financial assets and contract assets :-				
- investment in subsidiary	-	-	58,345	-
- trade receivables	4,787,529	215,660	337,024	34,809
- other receivables	515,643	-	-	-
- contract assets	342,418	836,216	16,890	-
Interest on bank borrowings	427,732	633,266	-	-
Interest on lease liabilities	102,607	188,036	16,057	20,460
Interest income	(186,155)	(437)	(185,764)	-
Office rental - short term lease	-	39,756	-	35,660
Other income from rent concession related to Covid-19	(17,121)	-	(17,121)	-
Realised loss/(gain) on foreign exchange	301,964	(27,342)	-	-
Rental of office equipment - short term lease	-	25,414	-	-
Property, plant and equipment written off	-	1,500	-	1,500
Unrealised loss on foreign exchange	135,053	8,244	-	-

26. TAXATION

	GROUP		COMPANY	
	2021 RM	2020 RM	2021 RM	2020 RM
Current year taxation	-	-	-	-
Under provision of taxation in prior year	29,351	16,433	-	-
Tax expense/(income)	29,351	16,433	-	-

Notes To The Financial Statements
- 31 March 2021 (Continued)

26. TAXATION (Continued)

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

	GROUP		COMPANY	
	2021 RM	**2020 RM**	**2021 RM**	**2020 RM**
(Loss)/Profit before taxation:-	(10,713,720)	(4,040,230)	359,180	232,466
Taxation at the rate of 24% (2019: 24%)	(2,571,293)	(969,655)	86,203	55,792
Tax effect of :-				
Different tax rates in foreign jurisdictions	612,587	(111,255)	-	-
Utilisation of deferred tax assets not recognised previously	(62,398)	(352,628)	(59,375)	(352,628)
Non-deductible expenses	159,043	398,379	159,019	296,836
Income not subject to tax	(202,710)	(4,343)	(185,847)	-
Deferred tax benefits not recognised	2,064,771	1,039,502	-	-
Under provision of taxation in prior year	29,351	16,433	-	-
	29,351	16,433	-	-

Subject to the agreement of the tax authorities and compliance with tax regulations in the respective countries in which companies of the Group operates, the estimated unutilised capital allowances and unabsorbed tax losses available for set off against future taxable profits and their expiry dates are as follows:-

	Expiry date	GROUP 2021 RM	GROUP 2020 RM	COMPANY 2021 RM	COMPANY 2020 RM
Unutilised capital allowance	- unlimited	600,584	459,171	-	-
Unabsorbed tax losses	- 1 to 3 years	4,674,205	3,236,547	-	-
	- 4 to 6 years	6,769,107	8,081,800	6,769,107	8,081,800
	- unlimited	73,049,092	58,561,439	-	-
		85,092,988	70,338,957	6,769,107	8,081,800

27. LOSS PER ORDINARY SHARE

Basic loss per ordinary share

The calculation of basic loss per ordinary share is based on the net loss attributable to shareholders of the Company and the weighted average number of ordinary shares in issue during the financial year.

	GROUP 2021	GROUP 2020
Loss for the financial year attributable to the equity holders of the Company	(9,768,981)	(3,370,465)
Weighted average number of ordinary shares in issue	970,215,780	751,564,905
Basic loss per share (sen)	(1.0069)	(0.4485)

Fully diluted loss per ordinary share

The impact from the exercise of share options and conversion of ICPS on the loss per share for the financial year ended 31 March 2021 and 31 March 2020 are anti-dilutive and therefore the diluted loss per share is not presented.

Notes To The Financial Statements
- 31 March 2021 (Continued)

28. NOTES TO STATEMENTS OF CASH FLOW

28.1 Development expenditure capitalised during the financial year

	GROUP	
	2021 RM	**2020 RM**
Payments for development expenditure	8,180,264	8,078,376
Depreciation of property, plant and equipment capitalised	75,008	86,955
Amortisation of right-of-use assets capitalised	271,479	392,467
Total amount capitalised during the financial year	8,526,751	8,557,798

28.2 Liabilities arising from financing activities

Changes in the Group's and the Company's liabilities arising from financing activities, including both cash and non-cash changes, during the financial year are analysed in the table below :-

Group	**Borrowings RM**	**Lease liabilities RM**	**Total RM**
2021			
At 1 April 2020	12,158,000	2,927,433	15,085,433
Net cash flows	(5,234,300)	(1,848,382)	(7,082,682)
Rent concessions related to Covid-19	-	(17,121)	(17,121)
Additional lease arrangement	-	-	-
Exchange differences	158,000	23,498	181,498
At 31 March 2021	7,081,700	1,085,428	8,167,128
2020			
At 1 April 2019	7,583,329	-	7,583,329
Adjustment on initial application of MFRS 16	-	3,965,795	3,965,795
Net cash flows	4,510,512	(1,719,372)	2,791,140
Additional lease arrangement	-	553,572	553,572
Exchange differences	64,159	127,438	191,597
At 31 March 2020	12,158,000	2,927,433	15,085,433

Company	**Lease liabilities RM**	**Total RM**
2021		
At 1 April 2020	408,342	408,342
Net cash flows	(165,649)	(165,649)
Other income from rent concessions related to Covid-19	(17,121)	(17,121)
At 31 March 2021	225,572	225,572
2020		
At 1 April 2019	-	-
Net cash flows	(145,230)	(145,230)
Additional lease arrangement	553,572	553,572
At 31 March 2020	408,342	408,342

Notes To The Financial Statements
- 31 March 2021 (Continued)

29. OPERATING SEGMENTS

The Group is primarily involved in software development, provision of e-business solutions and software related consultancy services which based on the Group's management and internal reporting structure are collectively considered as one business segment ("E-Business Solutions"). The secondary format by geographical location is based on the locations where Group's management function is exercised.

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 and for development expenditure.

	Continuing Operations			
	E-Business Solutions			
	Malaysia	Singapore	Eliminations	Total
2021	**RM**	**RM**	**RM**	**RM**
Geographic segments				
Revenue from external customers	4,255,941	27,440,044	-	31,695,985
Revenue from inter-segment	966,928	7,760,967	(8,727,895)	-
Total revenue	5,222,869	35,201,011	(8,727,895)	31,695,985
Segment results	189,473	(10,729,414)	14,771	(10,525,170)
Interest income				186,155
Interest expense				(530,339)
Share of results of associates				155,634
Loss before taxation				(10,713,720)
Taxation				(29,351)
Loss after taxation				(10,743,071)
Segment assets	80,169,807	36,525,344	(31,067,983)	85,627,168
Tax recoverable	2,778	-	-	2,778
Investment in associates	-	404,984	-	404,984
Total assets	80,172,585	36,930,328	(31,067,983)	86,034,930
Segment Liabilities	5,093,412	14,166,170	(478,932)	18,780,650
Other segment items				
Capital expenditure	16,539	8,806,453	-	8,822,992
Depreciation and amortisation	260,428	7,014,886	-	7,275,314
Net impairment losses for financial assets and contract assets	353,914	5,291,676	-	5,645,590

Notes To The Financial Statements
- 31 March 2021 (Continued)

29. OPERATING SEGMENTS (Continued)

2020	Continuing Operations E-Business Solutions Malaysia RM	 Singapore RM	 Eliminations RM	 Total RM
Geographic segments				
Revenue from external customers	7,584,836	31,748,389	-	39,333,225
Revenue from inter-segment	129,881	5,835,836	(5,965,717)	-
Total revenue	7,714,717	37,584,225	(5,965,717)	39,333,225
Segment results	252,926	(3,158,656)	(267,765)	(3,173,495)
Gain on disposal of subsidiary				17,625
Interest income				437
Interest expense				(821,302)
Share of results of associates				(63,495)
Loss before taxation				(4,040,230)
Taxation				(16,433)
Loss after taxation				(4,056,663)
Segment assets	68,726,034	60,638,622	(30,109,223)	99,255,433
Tax recoverable	3,327	-	-	3,327
Investment in associates	-	696,669	-	696,669
Total assets	68,729,361	61,335,291	(30,109,223)	99,955,429
Segment Liabilities	5,284,329	28,642,151	-	33,926,480
Other segment items				
Capital expenditure	178,010	9,160,076	-	9,338,086
Depreciation and amortisation	220,575	6,350,610	-	6,571,185
Net impairment losses for financial assets and contract assets	34,809	1,882,565	-	1,917,374

Geographical information

	Non-current assets RM	Revenue RM
2021		
Malaysia	327,459	4,255,941
Singapore	32,610,260	27,440,044
	32,937,719	31,695,985
2020		
Malaysia	571,348	7,584,836
Singapore	30,796,709	31,748,389
	31,368,057	39,333,225

Notes To The Financial Statements
- 31 March 2021 (Continued)

29. OPERATING SEGMENTS (Continued)

Major customers

The following major customers contributed to more than 10 percent of the Group's revenue for the financial year :-

		Revenue	
	Segment	**2021 RM**	**2020 RM**
Customer A	Singapore	9,363,204	9,949,308
Customer B	Singapore	-	5,142,287
Customer C	Singapore	4,363,686	-
Customer D	Malaysia	-	4,797,358

30. CONTINGENT LIABILITIES (UNSECURED)

	COMPANY	
	2021 RM	**2020 RM**
Guarantees given by the Company to financial institutions/individual for credit facilities granted to subsidiaries		
- Limit	12,469,950	12,158,000
- Utilised	7,081,700	12,158,000

31. 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 9;

(b) The associates as disclosed in Note 10;

(c) The Directors

31. RELATED PARTY TRANSACTIONS AND BALANCES (Continued)

31.1 Related party transactions

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

	GROUP		COMPANY	
	2021 RM	2020 RM	2021 RM	2020 RM
Income				
novaHEALTH Pte. Ltd.				
- Sales	-	-	966,928	129,881
JPMCnova Sdn Bhd				
- Sales	1,429,947	-	-	-
Expenses				
novaCITYNETS Pte. Ltd.				
- Administrative fees	-	-	296,459	476,590
novaSOLUTIONS (PH) Inc.				
- Purchase of services	-	-	670,732	-

31.2 Related party balances

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

	GROUP		COMPANY	
	2021 RM	2020 RM	2021 RM	2020 RM
Receivables				
Amount due from subsidiaries				
- novaHEALTH Pte. Ltd. (trade)	-	-	2,990,110	1,352,873
- novaHEALTH Pte. Ltd. (non-trade)	-	-	8,867,318	5,772,087
- novaCITYNETS Pte. Ltd. (non-trade)	-	-	20,281,243	12,712,497
- novaSOLUTIONS (PH) Inc. (non-trade)	-	-	15,393	15,393
Amount due from an associate				
- JPMCnova Sdn. Bhd. (trade)	573,633	221,908	-	-
Payables				
Amount due to subsidiaries				
- novaCITYNETS Pte. Ltd. (trade)		-	(2,040,014)	(2,040,014)
- novaCITYNETS Pte. Ltd. (non-trade)		-	(296,459)	(476,590)
Amount due to affiliated corporation				
- novaSPRINT Pte. Ltd.	-	(1,961,091)	-	-
Amount due to directors	(117,638)	(1,792,821)	(117,638)	(724,604)

The amount due from subsidiaries, amount due from an associate are interest free and unsecured. Trade indebtedness is repayable based on the normal credit terms extended to customers while non - trade indebtedness is repayable on demand.

The amount due to subsidiaries, amount due to affiliated corporation and amount due to Directors are unsecured, interest free and repayable on demand.

No expense has been recognised during the financial year in respect of bad or doubtful debt due from the related parties.

Notes To The Financial Statements
- 31 March 2021 (Continued)

31. RELATED PARTY TRANSACTIONS AND BALANCES (Continued)

31.3 Key management personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Group and the Company either directly or indirectly which include any director, Group Chief Executive Officer and Group Chief Operation Officer.

The remuneration paid during the financial year to key management personnel, comprising of directors only is disclosed in Note 24.

32. 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, borrowings and lease liabilities.

In respect of the Company, financial assets also include amount due from subsidiaries while financial liability include amount due to subsidiaries.

32.1 Categories of financial instruments

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

2021

Financial assets per statement of financial position

	Carrying amount RM	Amortised cost RM
Group		
Trade and other receivables	8,358,993	8,358,993
Cash and bank balances	20,095,500	20,095,500
	28,454,493	28,454,493
Company		
Amount due from subsidiaries	32,154,064	32,154,064
Trade and other receivables	1,775,112	1,775,112
Cash and bank balances	14,381,280	14,381,280
	48,310,456	48,310,456

Notes To The Financial Statements
- 31 March 2021 (Continued)

32. FINANCIAL INSTRUMENTS (Continued)

32.1 Categories of financial instruments (Continued)

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

2021 (Continued)

Financial liabilities per statement of financial position

	Carrying amount RM	Amortised cost RM
Group		
Trade and other payables	6,777,498	6,777,498
Bank borrowings	7,081,700	7,081,700
Lease liabilities	1,085,428	1,085,428
	14,944,626	14,944,626
Company		
Trade and other payables	3,140,170	3,140,170
Lease liabilities	225,572	225,572
	3,365,742	3,365,742

2020

Financial assets per statement of financial position

	Carrying amount RM	Amortised cost RM
Group		
Trade and other receivables	17,867,645	17,867,645
Cash and bank balances	14,757,687	14,757,687
	32,625,332	32,625,332
Company		
Amount due from subsidiaries	19,852,850	19,852,850
Trade and other receivables	2,776,565	2,776,565
Cash and bank balances	13,515,017	13,515,017
	36,144,432	36,144,432

Notes To The Financial Statements
- 31 March 2021 (Continued)

32. FINANCIAL INSTRUMENTS (Continued)

32.1 Categories of financial instruments (Continued)

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

2020 (Continued)

Financial liabilities per statement of financial position

	Carrying amount RM	Amortised cost RM
Group		
Trade and other payables	17,341,328	17,341,328
Bank borrowings	12,158,000	12,158,000
Lease liabilities	2,927,433	2,927,433
	32,426,761	32,426,761
Company		
Trade and other payables	4,817,236	4,817,236
Lease liabilities	408,342	408,342
	5,225,578	5,225,578

32.2 Fair value of financial instruments

(i) Financial instruments that are not carried at fair value and whose carrying amounts are reflective of fair value.

The carrying amount of the following classes of financial instruments approximate their fair values :-

	Note
Trade and other receivables	14
Amount due from subsidiaries	12
Fixed deposits, cash and bank balances	15
Trade and other payables	18
Amount due to subsidiaries	18
Bank borrowings	19
Lease liabilities	20

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

33. 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 and foreign currency 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.

33.1 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 30.

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 2021 is represented by the carrying amount of each class of financial assets recognised in the statement of financial position.

In the case of the Company, its exposure includes the corporation guarantee extended to financial institutions for credit facilities granted to subsidiaries as disclosed in Note 30.

Credit risk concentration profile

At 31 March 2021, the Group had 4 customers (2020: 7 customers) who owed more than RM500,000 each and which accounted for approximately 64% (2020: 88%) of the Group's trade receivables.

The analysis of the trade receivables indebtednesses of such receivables is as follows :-

	GROUP			
	2021 RM	% of total	2020 RM	% of total
Malaysia	1,692,009	29.1%	2,686,303	18.4%
Singapore	2,487,008	42.8%	9,693,408	66.3%
Brunei	1,019,966	17.6%	662,515	4.5%
Indonesia	270,542	4.7%	667,812	4.6%
Others	339,116	5.8%	912,808	6.2%
	5,808,641	100.0%	14,622,846	100.0%

Notes To The Financial Statements
- 31 March 2021 (Continued)

33. FINANCIAL RISK MANAGEMENT POLICIES (Continued)

33.1 Credit risk (Continued)

Credit risk concentration profile (Continued)

The analysis of the trade receivables indebtednesses of such receivables is as follows :- (Continued)

	COMPANY			
	2021 RM	% of total	2020 RM	% of total
Malaysia	1,690,744	100.0%	2,685,680	100.0%

Recognition and measurement of impairment loss

(i) Trade receivables and contract assets

The Group and the Company apply the MFRS 9 simplified approach to measure expected credit losses which use a lifetime expected loss allowance for all trade receivables and contract assets.

To measure the expected credit losses of trade receivables, individual receivables are assessed for impairment separately by estimating the expected cash flow to be recovered. The expected loss rates for contract assets is calculated based on the historical impairment loss recognised for the relevant customers over the past 3 financial year's billings.

The gross carrying amounts of credit impaired trade receivables and contract assets are written off (either partial or full) when there is no realistic prospect of recovery. This is generally the case when the Group or the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. Nevertheless, trade receivables and contract assets that are written off could still be subject to enforcement activities.

The following table provides information about the exposure to credit risk and ECLs for trade receivables and contract assets of the Group and of the Company as at 31 March 2021 and 31 March 2020 :-

		2021	
	Gross carrying amount RM	Loss allowance RM	Net balance RM
Group			
Current (not past due)	26,434,881	-	26,434,881
1-90 days past due	1,038,024	-	1,038,024
91-180 days past due	543,809	-	543,809
181-360 days past due	481,504	-	481,504
	28,498,218	-	28,498,218
Credit impaired	14,199,466	(12,249,103)	1,950,363
	42,697,684	(12,249,103)	30,448,581
Trade receivables	16,290,190	(11,055,182)	5,235,008
Amount due from associate	573,633	-	573,633
Contract assets	25,833,861	(1,193,921)	24,639,940
	42,697,684	(12,249,103)	30,448,581

Notes To The Financial Statements
- 31 March 2021 (Continued)

33. FINANCIAL RISK MANAGEMENT POLICIES (Continued)

33.1 Credit risk (Continued)

Recognition and measurement of impairment loss (Continued)

(i) Trade receivables and contract assets (Continued)

The following table provides information about the exposure to credit risk and ECLs for trade receivables and contract assets of the Group and of the Company as at 31 March 2021 and 31 March 2020 :- (Continued)

	2021 (Continued)		
	Gross carrying amount RM	**Loss allowance RM**	**Net balance RM**
Company			
Current (not past due)	1,077,534	-	1,077,534
1-90 days past due	138,981	-	138,981
91-180 days past due	235,311	-	235,311
181-360 days past due	229,392	-	229,392
	1,681,218	-	1,681,218
Credit impaired	957,648	(888,831)	68,817
	2,638,866	(888,831)	1,750,035
Trade receivables	2,562,685	(871,941)	1,690,744
Contract assets	76,181	(16,890)	59,291
	2,638,866	(888,831)	1,750,035

	2020		
	Gross carrying amount RM	**Loss allowance RM**	**Net balance RM**
Group			
Current (not past due)	39,920,554	-	39,920,554
1-90 days past due	1,935,049	-	1,935,049
91-180 days past due	262,784	-	262,784
181-360 days past due	630,898	-	630,898
	42,749,285	-	42,749,285
Credit impaired	15,109,627	(7,277,353)	7832,274
	57,858,912	(7,277,353)	50,581,559
Trade receivables	20,840,585	(6,439,647)	14,400,938
Amount due from associate	221,908	-	221,908
Contract assets	36,796,419	(837,706)	35,958,713
	57,858,912	(7,277,353)	50,581,559

Notes To The Financial Statements
- 31 March 2021 (Continued)

33. FINANCIAL RISK MANAGEMENT POLICIES (Continued)

33.1 Credit risk (Continued)

Recognition and measurement of impairment loss (Continued)

(i) Trade receivables and contract assets (Continued)

The following table provides information about the exposure to credit risk and ECLs for trade receivables and contract assets of the Group and of the Company as at 31 March 2021 and 31 March 2020 :- (Continued)

	2020 (Continued)		
	Gross carrying amount RM	**Loss allowance RM**	**Net balance RM**
Company			
Current (not past due)	1,030,045		1,030,045
1-90 days past due	1,534,148		1,534,148
91-180 days past due	95,937		95,937
181-360 days past due	157,371		157,371
	2,817,501	-	2,817,501
Credit impaired	1,066,112	(534,917)	531,195
	3,883,613	(534,917)	3,348,696
Trade receivables	3,220,597	(534,917)	2,685,680
Contract assets	663,016	-	663,016
	3,883,613	(534,917)	3,348,696

(ii) Other receivables

Impairment of other receivables is recognised based on the general approach within MFRS 9 using the forward looking expected credit loss model. The methodology used to determine the amount of impairment is based on whether has been a significant increase in credit risk since initial recognition of the financial assets.

For those in which the credit risk has not increase significantly since initial recognition of the financial asset, twelve month expected credit losses along with gross interest income are recognised. For those in which the credit risk has increase significantly, lifetime expected credit losses along with the gross interest income are recognised.

The impairment for other receivables of the Group as at 31 March 2021 and 31 March 2020 as disclosed in Note 14.1 has been assessed and impaired individually.

For the other receivables, the Group did not recognise any loss allowance at end of reporting period as based on management's assessment, the probability of default of these receivables is low.

(iii) Amount due from subsidiaries

The Company determines the probability of default for these amounts due from subsidiaries individually using internal information. No loss allowance has been recognised for amount due from subsidiaries as the Company determine that the risk of loss from non-recovering of debts as insignificant.

(iv) Fixed deposits, cash and bank balances

Deposit, cash and bank balances are neither past due nor impaired and they are placed with reputable licensed financial institutions with low credit risks. No loss allowance has been provided for as the Group consider that such loss, if any, will be immaterial.

Notes To The Financial Statements
- 31 March 2021 (Continued)

33. FINANCIAL RISK MANAGEMENT POLICIES (Continued)

33.2 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 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 trade financing facilities 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's or the 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.

33.3 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 is 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 2021 have been disclosed under the respective notes :-

	Note
Trade and other receivables	14
Fixed deposits, cash and bank balances	15
Trade and other payables	18
Bank borrowings	19

Sensitivity analysis for foreign currency risk

Below is an analysis of the sensitivity of the Group's loss 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 Loss for the year (Increase) / Decrease	
	2021 RM	2020 RM
USD against SGD (Functional currency : SGD)		
- strengthened 5%	1,746	266,911
- weakened 5%	(1,746)	(266,911)

Notes To The Financial Statements
- 31 March 2021 (Continued)

33. FINANCIAL RISK MANAGEMENT POLICIES (Continued)

33.4 Liquidity risk

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

Analysis of financial instruments by remaining contractual maturities

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

	On demand or within 1 year RM	1 to 5 years RM	More than 5 years RM	Total RM
Group				
2021				
Financial liabilities				
Trade and other payables	6,777,498	-	-	6,777,498
Bank borrowings	7,081,700	-	-	7,081,700
Lease liabilities	1,070,278	33,138	-	1,103,416
	14,929,476	33,138	-	14,962,614
2020				
Financial liabilities				
Trade and other payables	17,341,328	-	-	17,341,328
Bank borrowings	12,158,000	-	-	12,158,000
Lease liabilities	1,951,330	1,096,492	-	3,047,822
	31,450,658	1,096,492	-	32,547,150
Company				
2021				
Financial liabilities				
Trade and other payables	3,140,170	-	-	3,140,170
Lease liabilities	198,828	33,138	-	231,966
	3,338,998	33,138	-	3,372,136
2020				
Financial liabilities				
Trade and other payables	4,817,236	-	-	4,817,236
Lease liabilities	198,828	231,966	-	430,794
	5,016,064	231,966	-	5,248,030

34. 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 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 borrowings 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 financial year.

The debt-to-equity ratio as at 31 March 2021 and 31 March 2020 were as follows :-

	GROUP	
	2021 RM	2020 RM
Bank borrowings	7,081,700	12,158,000
Lease liabilities	1,085,428	2,927,433
Total debt	8,167,128	15,085,433
Total equity	67,254,280	66,028,949
Debt-to-equity ratio	0.12	0.23

35. SIGNIFICANT EVENTS DURING AND SUBSEQUENT TO THE FINANCIAL YEAR

(a) COVID-19 Pandemic

On 11 March 2020, the World Health Organisation declared the outbreak of COVID-19 as a global pandemic. The outbreak of Covid-19 has impacted on the business performance of the Group mainly due to travel and movement restrictions and other precautionary measures imposed by relevant local authorities, which resulted in delays in commencement of work and delivery of products to customers. In the preparation of these financial statements, the management has considered the reasonableness of the estimates and assumptions used for such purposes.

Since the COVID-19 pandemic is still ongoing, it is not practicable to make a full estimate of its financial effect on the Group subsequent to the current reporting date. The Group is monitoring the COVID-19 situation as it unfolds and will continually assess and revise, where appropriate, its estimates and assumptions used in the preparation of the Group's financial statements.

(b) Movement in Shares Capital subsequent to the financial year

Subsequent to financial year end, the issued and paid-up ordinary share capital of the Company has increased from RM102,912,649 to RM104,021,073 through the issue of 25,668,100 new ordinary shares arising from the conversion of 24,668,100 Irredeemable Convertible Preferance Shares ("ICPS") at a conversion price of RM0.04 per ordinary share and the exercise of 1,000,000 options over ordinary shares at an exercise price of RM0.0656 per ordinary share. The total cash consideration received from the aforementioned conversion of ICPS and exercise of options amounted to RM805,643.

The ICPS capital of the Company has decreased by RM246,681 to RM9,902,674 subsequent to the financial year due to the surrender and cancellation of ICPS for purpose of conversion to ordinary shares as detailed above.

36. COMPARATIVES

Certain comparatives have been reclassified or modified to conform with current year's presentation.

STATEMENT BY DIRECTORS

We, LIM HAK MIN and LAI TEIK KIN, 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 109 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the provisions of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 March 2021 and of their financial performance and cash flows for the year ended on that date.

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

LIM HAK MIN
Director

LAI TEIK KIN
Director

20 August 2021

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 109 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 Oaths and Declarations Act (Cap 211).

Subscribed and solemnly declared by	)	**TAN CHEE PING**
the above named TAN CHEE PING at	)	
Singapore on 20 August 2021	)	
	)	
	)	

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF NOVA MSC BERHAD

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of **NOVA MSC BERHAD**, which comprise the statements of financial position as at **31 March 2021** of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 37 to 109.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 March 2021, and of their financial performance and their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

Basis of opinion

We conduct our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

We are independent of the Group and of the Company in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters	**How our audit addressed the key audit matters**
1. Capitalisation of Development Expenditure As disclosed in Note 8 to the financial statements, the carrying amount of the Group's Development Expenditure as at 31 March 2021 amounted to RM30,074,822 and expenditure capitalised during the financial year amounted to RM8,526,751. These amounts relate to the development of the Group's own software and systems which is used in the business. As indicated in Note 4b(i), judgement is required to determine whether the capitalisation of costs for development projects have met the recognition criteria as set out in the Group's accounting policy, particularly on technical feasibility and sufficiency of future economic benefits of the projects. The capitalisation of development expenditure is considered to be a key audit matter due to the significance of the costs capitalised and the involvement of management's judgement in assessing whether the criteria set out in the accounting policy for capitalisation of such costs have been met.	The audit procedures performed include : • Identified the nature of each development project capitalised in the period and obtained the breakdown of costs capitalised, amortisation and any other movements for the asset during the financial year. • Obtained explanations from management on details and status of the projects to enable an independent assessment to be made on whether projects costs capitalised met the criteria for capitalisation as set out in the Group's accounting policy. • Selected a sample of internal employee costs capitalised and obtained an understanding of the work performed by such employees to determine whether their work were directly attributable to the capital project. Test checking on the hours worked have been performed against the project log maintained by project management and the appropriateness of the standard hourly rates used for calculating the value of employees' costs were assessed. • Discussions with management were made to identify whether there are any further indicators of impairment for the intangible assets. Projections of future cash flows from operations and calculations of net recoverable amounts of selected intangible asset were obtained from management for assessment.

Independent Auditors' Report

To The Members Of Nova Msc Berhad (Continued)

Key Audit Matters *(Continued)*

Key audit matters	How our audit addressed the key audit matters
2. Contracts revenue recognition Refer to the Notes 3.25 and 21 to the financial statements. Contract revenue in respect of consultancy contracts that are recognised on an over time basis is measured by the extent of actual contract costs incurred to date compared to the estimated total contract costs in the project budgets. In this respect, significant judgement is required from management in determining the estimated total contract revenue and costs, the extent of actual costs incurred as well as the recoverability of amount due from customers for contract works performed. Such judgement involves estimation uncertainty which have significant risk of causing material misstatements to the amounts recognised in the financial statements.	The audit procedures performed include : • Performed an update of our understanding of the Group's project budgeting process including the relevant controls. • For selected on-going contracts, obtained an understanding of the nature of services to be performed under each contract to ascertain whether the method of revenue recognition is in accordance with the Group's accounting policy. • For selected on-going contracts, performed inquiries of management to obtain an understanding on the status of the contracts or of any dispute with customers that may adversely affect the ability of the Group to recover amount due from customers or which require recognition of impairment loss. • For selected projects, the estimated contract income and estimated contract costs included in their budgets were tested for reasonableness. Contract income was compared against the amounts awarded in their contracts or variation orders while contract costs were compared against suppliers' quotations or invoices. For budgeted contract costs which involved the use of estimates, assessed the reasonableness of the basis and key assumptions used in making those estimates. • Checked the mathematical accuracy of revenue amounts recognised based on the stage of completion method for selected projects and considered the implications of any identified error and change in estimates

Information Other than the Financial Statements and Auditors' Report Thereon

The directors of the Company are responsible for the other information. The other information comprises the information contained in the Annual Report, but does include the financial statements of the Group and of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report the fact. We have nothing to report in this regard.

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

Responsibilities of the Directors for the Financial Statements

The directors of the Company are responsible for the preparation of financial statements of the Group and of the Company 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 2016 in Malaysia. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also :-

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit 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 Group's and the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

Independent Auditors' Report

To The Members Of Nova Msc Berhad (Continued)

Auditors' Responsibilities for the Audit of the Financial Statements (Continued)

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act 2016 in Malaysia, we also report that subsidiaries of which we have not acted as auditors, are disclosed in Note 9 to the financial statements.

Other Matters

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 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.
No.: AF 0502
Chartered Accountants

LEONG KOK TONG
No.: 02973/11/2021 J
Chartered Accountant

Kuala Lumpur,
20 August 2020

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Nineteenth (19th) Annual General Meeting ("AGM") of the Company will be held on a fully virtual basis via online meeting platform of Vote2U e-Portal at https://web.vote2u.my (Domain Registration No. with MyNIC: D6A471702) provided by Agmo Digital Solutions Sdn. Bhd. in Malaysia on Thursday, 30 September 2021 at 9.30 a.m. or at any adjournment thereof to consider and if thought fit, to transact the following businesses, with or without modifications thereto:

AGENDA

ORDINARY BUSINESS

1. To lay the Audited Financial Statements for the financial year ended 31 March 2021 together with the Reports of Directors and Auditors thereon. (Refer to Explanatory Note 1)

2. To re-elect the following Directors who retire pursuant to the Constitution of the Company and being eligible, have offered themselves for re-election:

a.	Lai Teik Kin	(Clause 98)	(Resolution 1)
b.	David Choo Boon Leong	(Clause 98)	(Resolution 2)
c.	Loh Guan Huat Sunny	(Clause 103)	(Resolution 3)

3. To approve the payment of Directors' fees of not exceeding RM200,000 for the year ending 31 March 2022 to be divided amongst the Directors in such manner as they may determine, with payment of the fees to be made monthly in arrears at the end of each month. (Resolution 4)

4. To re-appoint Messrs. Folks DFK & Co. as Auditors of the Company for the ensuing year and to authorise the Directors to fix their remuneration. (Resolution 5)

SPECIAL BUSINESS
To consider and if thought fit, to pass the following Ordinary Resolution:

5. **Approval for Allotment of shares or Grant of rights** (Resolution 6) (Refer to Explanatory Note 2)

   "THAT pursuant to Sections 75 and 76 of the Companies Act 2016, and subject to the approvals of the relevant governmental and/or regulatory authorities, the Directors be and are hereby empowered 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 twenty per centum (20%) of the issued capital of the Company for the time being and that the Directors be and are hereby also empowered to obtain approval for the listing of and quotation for the additional shares so issued on Bursa Malaysia Securities Berhad and that such authority shall continue in force until the conclusion of the next Annual General Meeting of the Company."

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

BY ORDER OF THE BOARD

Tan Kean Wai (MAICSA 7056310)
(SSM PC No. 202008000801)
Company Secretary

Kuala Lumpur
30 August 2021

Notice Of Annual General Meeting
(Continued)

Notes:

1. Only members whose names appear in the Record of Depositors as at 22 September 2021 ("**General Meeting Record of Depositors**") shall be eligible to attend, participate, speak and vote at this Meeting as well as for appointment of any person as his proxy(ies) to exercise all or any of his rights to attend, participate, speak and vote at the Meeting on his stead.
2. Where a member of the Company is an exempt authorised nominee ("**EAN**") as defined under the Securities Industry (Central Depositories) Act 1991 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 EAN may appoint in respect of each omnibus account it holds.
3. A proxy may but need not be a member of the Company and there shall be no restriction as to the qualification of the proxy.
4. Where a member appoints more than 1 proxy, the appointment shall be invalid unless the member specifies the proportion of his/her shareholding to be represented by each proxy.
5. The instrument appointing a proxy shall be in writing under the hands of the appointer or of 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. An instrument appointing a proxy to vote at this Meeting shall be deemed to include the power to demand a poll on behalf of the appointer.
6. The instrument appointing a proxy or Form of Proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority shall be deposited at the office of the Share Registrar of the Company at ***Boardroom Share Registrars Sdn. Bhd., 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia*** not less than forty-eight (48) hours before the time appointed for holding the meeting or any adjournment thereof at which the person named in such instrument proposes to vote. **Faxed and photocopied of the duly executed Form of Proxy are not acceptable**.
7. Should you wish to personally participate at the Meeting remotely, please register electronically via https://web.vote2u.my by the registration cut-off date and time. Please refer to the Administrative Guide for AGM as enclosed in the Annual Report 2021 of the Company dated 30 August 2021 for further details.
8. As guided by the Securities Commission Malaysia's Guidance Note and FAQs on the Conduct of General Meetings for Listed Issuers that was issued on 18 April 2020 and its subsequent revisions, the online meeting platform that is registered with MyNIC Berhad and hosted in Malaysia is recognised as the meeting venue under Section 327 of the Companies Act 2016. **No shareholders, proxies, corporate/authorised representatives, or attorneys from the public are allowed to be physically present thereat on the day of the Meeting**.
9. In view of the constantly evolving Covid-19 situation in Malaysia, the Company may be required to change the arrangements of the Meeting at short notice. Kindly refer to the websites of Bursa Malaysia Securities Berhad and of the Company for the latest updates of the Meeting.
10. Pursuant to Rule 8.31A of the ACE Market Listing Requirements, the resolution set out in this Notice will be put to vote by poll.

Explanatory Notes:

1. **Item 1 of the Agenda**

   This item is meant for discussion only as the provision of Section 340(1)(a) of the Companies Act 2016 does not require shareholders' approval for the Audited Financial Statements. Henceforth, this item is not put forward for voting by shareholders of the Company.

2. **Ordinary Resolution 6**

   Pursuant to Bursa Malaysia Securities Berhad ("BMSB")'s letter dated 16 April 2020, the Company is allowed to seek a higher general mandate under Rule 6.04 of the ACE Market Listing requirements ("ACELR") of not more than 20% of the total number of issued shares (excluding treasury shares) for issue of new securities (20% General Mandate") subject to fulfilment of the conditions as stipulated therein during these trying and challenging times due to the Covid-19 pandemic. This 20% General Mandate may be utilised by the Company to issue new securities until 31 December 2021 and thereafter, the 10% limit under Rule 6.04(1) of the ACELR will be reinstated. The authorisation, if approved, and unless revoked or varied by a resolution of the Company, will expire at the conclusion of the annual general meeting held next after the approval was given; or at the expiry of the period within which the next annual general meeting is required by law to be held after the approval was given, whichever is the earlier.

Notice Of Annual General Meeting
(Continued)

The Board of Directors are of the view that the 20% General Mandate is in the best interest of the Company and its shareholders due to the rising risk from the uncertain global and domestic economic environment, coupled with weak Ringgit performance, and this measure could give access to additional fundraising flexibility for the Company to ensure its long term sustainability and to meet its funding requirements such as funding current and/or future investment project(s), working capital, operational expenditure, repayment of bank borrowings and/or strategic opportunities involving equity deals and/or so forth which may require issuance of new shares, expeditiously and efficiently, during this challenging time. In addition, any delay arising from and cost involved in convening a general meeting to approve such issuance of shares could be eliminated.

As at the date of this Notice, no new shares in the Company were issued pursuant to the existing mandate which will lapse at the conclusion of the forthcoming annual general meeting.

3. **Personal data privacy:**

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the AGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

STATEMENT ACCOMPANYING NOTICE OF NINETEEN ANNUAL GENERAL MEETING (19TH AGM)

(Pursuant to Rule 8.29 of the ACE Market Listing Requirement of Bursa Malaysia Securities Berhad)

- **Details of individuals who are standing for election as Directors**

  No individual is seeking election as a Director at the forthcoming 19th AGM of the Company.

- **Statement relating to general mandate for issue of securities**

  The details of the general mandate are set out in item 2 of the Explanatory Note of the Notice of 19th AGM dated 30 August 2021.

ADMINISTRATIVE GUIDE FOR SHAREHOLDERS

General Meeting	:	19th Annual General Meeting
Day, Date, and Time of Meeting	:	Thursday, 30 September 2021 at 9.30 a.m.
Remote Participation and Voting Facilities	:	*https://web.vote2u.my*
Meeting Venue	:	Online Meeting Platform of Vote2U at *https://web.vote2u.my*
Domain Registration Numbers with MYNIC	:	D6A471702

We continue to exercise prudence in this situation where COVID-19 outbreak is still ongoing and strictly complying to the decree of the Government of Malaysia ("**Government**") and the Guidance and Frequently Asked Questions of the Conduct of General Meetings for Listed Issuers issued by the Securities Commission Malaysia ("**SC**") ("**Guidance Note and FAQs**").

Pursuant to the implementation of total lockdown announced by the Government and in accordance with the revised SC Guidance Note and FAQs, during the total lockdown period beginning 1 June 2021 ("**FMCO**"), all general meetings shall be conducted online and all meeting participants including the Chairperson of the meeting, board members, senior management and shareholders shall participate in the meeting via the online platform. Hence, Nova MSC Berhad ("**NOVAMSC**" or the "**Company**") meeting will be held as fully virtual meeting via live streaming and online remote voting using Remote Participation and Voting ("**RPV**") facilities provided by Vote2U at *https://web.vote2u.my*

Kindly note that the quality of the live streaming is highly dependent on the bandwidth and stability of the internet connection of shareholders and proxies. Hence, you are to ensure that internet connectivity throughout the duration of the meeting is maintained.

Entitlement to Participate and Vote Remotely

Shareholders whose names appear on the Record of Depositors ("**ROD**") as at 22 September 2021 shall be eligible to attend, participate and vote remotely in the meeting, or appoint proxy(ies)/ the Chairman of the general meeting to attend, participate and/or vote on his/her behalf.

PROCEDURES TO PARTICIPATE IN RPV FACILITIES

Please follow the procedures to participate in RPV facilities as summarised below:

BEFORE MEETING DAY

A:	**REGISTRATION**	
	Description	**Procedure**
i.	Shareholders to Register with Vote2U • Individual Shareholders	a. Access website at *https://web.vote2u.my* b. Select "***Sign Up***" to sign up as user. c. Read and indicate your acceptance of the 'Privacy Policy' and 'Terms & Conditions' by clicking on a small box ■. Then select "***Next***". d. Fill-in your details – (i) ensure your email address is valid & (ii) create your own password. Then select "***Continue***". e. Upload a clear copy of your MyKAD for Malaysian (front only) or passport for non-Malaysian (page with photo). f. Registration as user completed. g. An email notification will be sent to you. _Note:_ *If you have already signed up/registered as a user with Vote2U previously, you are not required to register again.*

Administrative Guide For Shareholders
(Continued)

B:	**REGISTRATION OF PROXY**	
	Description	**Procedure**
i.	Submit Proxy Form (hard copy) • Individual Shareholders • Corporate Shareholders • Authorised Nominee • Exempt Authorised Nominee	a. Fill-in the details on the hard copy Proxy Form by providing the following information: o Proxy(ies) & Corporate Representative • Name • Number of MyKAD for Malaysian or passport for non-Malaysian • Address and email address – ensure email address is valid b. Corporate Representative only – deposit the hard copy of Proxy Form together with the following document to the address as stated on the Proxy Form: • A copy of Certificate of Appointment as corporate representative c. Individual shareholders, authorised nominee and exempt authorised nominee - deposit the hard copy Proxy Form to the address as stated on the Proxy Form. d. Submitted Proxy Form will be verified. e. After verification, proxy(ies) and corporate representative will receive email notification with temporary credentials, i.e. email address & password, to log in to Vote2U.

REVOCATION OF PROXY

	Description	**Procedure**
i.	Revoke a Proxy • Individual Shareholders • Corporate Shareholders • Authorised Nominee • Exempt Authorised Nominee	a. Email to Boardroom Share Registrars Sdn. Bhd. at bsr.helpdesk@boardroomlimited.com to revoke the appointment of your proxy(ies). *Note:* *Applicable to individual shareholders/ corporate shareholders/ authorised nominee/ exempt authorised nominee who have appointed proxy(ies)/ corporate representative using hard copy Proxy Form.*

ON GENERAL MEETING DAY

1. Log in to https://web.vote2u.my with your registered email address and password.

   For proxy(ies) and corporate representative, log in with the temporary credentials in the email which you have received from Vote2U.

2. Vote2U will be opened for log in **one (1) hour** before the commencement of the general meeting you are attending.

3. When you are logged in, select the general meeting event you are attending. On the main page, you are able to access the following:

	Description	**Procedure**
i.	Live Streaming	a. Select "***Watch Live***" button to view the live streaming.
ii.	Ask Question (real-time)	a. Select "***Ask Question***" button to pose a question. b. Type in your question and select "***Submit***". *Note:* *The Chairman of the general meeting/ Board of Directors will endeavour to respond to questions submitted by remote shareholders and proxies and corporate representatives during the meeting.*

Administrative Guide For Shareholders
(Continued)

	Description	Procedure
iii.	Remote Voting	a. On the main page, scroll down and select "***Confirm Details & Start Voting***". b. To vote, select your voting choice from the options provided. A confirmation screen will appear to show your selected vote. Select "***Next***" to continue voting for all resolutions. c. After you have completed voting, a Voting Summary page appears to show all the resolutions with you voting choices. Select "***Confirm***" to submit your vote. *Note:* *Once you have confirmed and submitted your votes, you are not able to change your voting choices.*
iv.	View Voting Results	a. On the main page, scroll down and select "***View Voting Results***".
v.	End of RPV	a. Upon the announcement by the Chairman of the general meeting on the closure of the said meeting, the live streaming will end. b. You may log out from Vote2U.

ADDITIONAL INFORMATION

Voting Procedure

Pursuant to Rule 8.31A of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad, voting at a general meeting will be conducted by poll. The Company has appointed Agmo Digital Solutions Sdn. Bhd. as the poll administrator to conduct the polling process and Aegis Communication Sdn. Bhd. as the independent scrutineers to verify the results of the poll.

Meeting Venue

As a result of the implementation of the FMCO by the Government on 1 June 2021 as well as the revised SC Guidance Note and FAQs, when a listed issuer conducts its general meeting during FMCO, the listed issuer is only allowed to conduct a fully virtual general meeting where all meeting participants including the Chairperson of the meeting, board members, senior management and shareholders are required to participate in the meeting online. Physical gatherings no matter how small are prohibited. Therefore, there shall be no broadcast venue to air the general meeting.

According to the revised SC Guidance Note and FAQs, an online meeting platform can be recognised as the meeting venue or place under Section 327(2) of Companies Act 2016 provided that the online platform is located in Malaysia.

No e-Voucher, Gift, and Food Voucher

There will be no e-Voucher, gift, and food voucher for shareholders, proxies and corporate representatives who participate in the meeting.

Enquiry

a. For enquiries relating to the general meeting, please contact our Share Registrar during office hours (9:00 a.m. to 5:30 p.m.) on Mondays to Fridays (except public holidays) as follows:

   Telephone No. : 03-7890 4700
   Email : bsr.helpdesk@boardroomlimited.com

b. For enquiries relating to RPV facilities or issues encountered during registration, log in, connecting to the live streaming and online voting facilities, please contact Vote2U helpdesk during office hours (9:00 a.m. to 5:00 p.m.) on Mondays to Fridays (except public holidays) as follows:

   Telephone No. : 03-7664 8520 / 03-7664 8521
   Email : vote2u@agmostudio.com

ANALYSIS OF SHAREHOLDINGS
AS AT 23 JULY 2021

Total Number of Issued Shares	: 1,159,573,863 Ordinary shares
Issued and fully paid-up capital	: RM113,867,647.77
Class of Shares	: Ordinary Shares
Voting Rights	: One vote per Ordinary Share held

BREAKDOWN OF SHAREHOLDINGS

Holdings	No. of Shareholders	Total of Ordinary Shares	%
Less than 100 shares	65	3,068	0.00
100 to 1,000 shares	578	349,480	0.03
1,001 to 10,000 shares	2,313	15,071,250	1.30
10,001 to 100,000 shares	3,162	136,705,338	11.79
100,001 to less than 5% of issued shares	1,176	931,075,327	80.29
5% and above of issued shares	1	76,369,400	6.59
Total	7,295	1,159,573,863	100.00

SUBSTANTIAL SHAREHOLDERS

According to the register required to be kept under section 69L of the Companies Act 2016, the following are the substantial holders of the Company:

Name	Direct Shareholdings	%	Indirect Shareholdings	%
Ooi Keng Thye	84,070,200	7.41	-	-

DIRECTORS' SHAREHOLDINGS

Name	Direct Shareholdings	%	Indirect Shareholdings	%
Loh Guan Huat Sunny	-	-	45,454,545	3.92
Peter Wayne Thompson	-	-	-	-
Lai Teik Kin	4,623,170	0.40	-	-
Lim Hak Min	-	-	-	-
David Choo Boon Leong	350,000	0.03	-	-
Dali Kumar @ Dali Bin Sardar	-	-	-	-

Analysis of Shareholdings
As at 23 July 2021 (Continued)

THIRTY (30) LARGEST SHAREHOLDERS
(without aggregating the securities from different securities accounts belonging to the same Depositor)

No.	Name	No of Shares held	%
1	Maybank Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Ooi Keng Thye	76,369,400	6.59
2	Citigroup Nominees (Asing) Sdn Bhd Exempt An For OCBC Securities Private Limited (Client A/C-NR)	51,594,545	4.45
3	Raden Corporation Sdn Bhd	39,178,150	3.38
4	HSBC Nominees (Asing) Sdn Bhd Credit Suisse (Hong Kong) Limited	33,889,800	2.92
5	Affin Hwang Nominees (Asing) Sdn. Bhd DBS Vickers Secs (S) Pte Ltd for Dionna Zhao	30,000,000	2.59
6	Li RongZhi	30,000,000	2.59
7	Maybank Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Cheng Chew Giap	30,000,000	2.59
8	HLIB Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Jimmy Cheah Kheng Siew	13,269,300	1.14
9	Choong Kean Lang	12,079,300	1.04
10	SJ Sec Nominees (Tempatan) Sdn Bhd Pledged Securities Account For In Fwn Sin (SMT)	11,844,300	1.02
11	TA Nominees (Tempatan) Sdn Bhd Pledged Securities Account Phang Miow Sin	8,680,600	0.75
12	Tan Jiun Leng	7,893,000	0.68
13	Han Foo Juan	7,038,000	0.61
14	Tee Yun Han	6,565,000	0.57
15	Chng Kim Chye	6,500,000	0.56
16	Ooi Keng Thye	6,427,500	0.55
17	CGS-CIMB Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Phang Miow Sin (MM1162)	5,950,000	0.51
18	TA Nominees (Tempatan) Sdn Bhd Pledged Securities Account Vooi Seang Yen	5,600,000	0.48
19	Alliancegroup Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Ooi Keng Thye (6000009)	5,571,800	0.48
20	Affin Hwang Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Ooi Keng Thye	5,550,000	0.48
21	Khoo Chai Heng	5,400,000	0.47
22	Lee Kok Kiong	5,210,000	0.45
23	Y.A.M. Tunku Dato' Seri Nadzaruddin Ibni Almarhum Tuanku Ja'afar	5,160,000	0.44
24	Fung Kek Nan	5,000,000	0.43
25	HSBC Nominees (Asing) Sdn Bhd Exempt An For Bank Julius Baer & Co. Ltd. (Hong Kong Branch)	5,000,000	0.43
26	Public Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Ong Tze Yee (E-PPG)	5,000,000	0.43
27	Lai Teik Kin	4,623,170	0.40
28	Liow Sin Chow	4,600,000	0.40
29	CGS-CIMB Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Kwan Bang Hing (MY3889)	4,500,000	0.39
30	Ng Sai Hoh @ Ng Say Hoe	4,200,000	0.36

ANALYSIS OF IRREDEEMABLE CONVERTIBLE PREFERENCE SHAREHOLDINGS ("ICPS")

AS AT 23 JULY 2021

Total Number of Issued Shares	: 990,267,442 ICPS
Class of Shares	: ICPS
Expiry date of the ICPS	: 23 March 2025
Voting Rights	: The holders of ICPS are not entitled to any voting right except in circumstances set out in the Company's Constitution

BREAKDOWN OF SHAREHOLDINGS

Holdings	No. of ICPS Holders	No. of ICPS	%
Less than 100 shares	105	4,693	0.00
100 to 1,000 shares	18	7,897	0.00
1,001 to 10,000 shares	56	353,143	0.04
10,001 to 100,000 shares	257	12,326,396	1.24
100,001 to less than 5% of issued shares	248	208,333,674	21.04
5% and above of issued shares	4	769,241,639	77.68
Total	**688**	**990,267,442**	**100.00**

DIRECTORS' SHAREHOLDINGS

Name	Direct Shareholdings	%	Indirect Shareholdings	%
Loh Guan Huat Sunny	-	-	541,212,120	54.64
Peter Wayne Thompson	-	-	-	-
Lai Teik Kin	72,328,453	7.30	-	-
Lim Hak Min	-	-	-	-
David Choo Boon Leong	600,000	0.06	-	-
Dali Kumar @ Dali Bin Sardar	-	-	-	-

Analysis of Irredeemable Convertible Preference Shareholdings ("ICPS")
As at 23 July 2021 (Continued)

THIRTY LARGEST ICPS HOLDERS
(without aggregating the securities from different securities accounts belonging to the same Depositor)

No.	Name	No. of ICPS	%
1	Citigroup Nominees (Asing) Sdn Bhd Exempt An For OCBC Securities Private Limited (Client A/C-NR)	541,212,120	54.65
2	Raden Corporation Sdn Bhd	104,475,066	10.55
3	Lai Teik Kin	72,328,453	7.30
4	Sim Mui Khee	51,226,000	5.17
5	CGS-CIMB Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Khoo Chai Pek (MY1030)	17,858,700	1.80
6	Y.A.M. Tunku Dato' Seri Nadzaruddin Ibni Almarhum Tuanku Ja'afar	13,760,000	1.39
7	HSBC Nominees (Asing) Sdn Bhd Exempt An For Bank Julius Baer & Co. Ltd. (Hong Kong Branch)	13,336,000	1.35
8	Ong Lee Hoon	8,000,000	0.81
9	Chew Hong Choo	7,434,066	0.75
10	HLIB Nominees (Asing) Sdn Bhd Lim & Tan Securities Pte Ltd For Lee Chin Choo	6,100,000	0.62
11	Ling Chin Tiong	5,783,000	0.58
12	Cheng Kok Siong	5,666,666	0.57
13	Maybank Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Loo Cheng Leng	5,333,333	0.54
14	TA Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Vooi Seang Yen	5,200,000	0.53
15	HLIB Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Jimmy Cheah Kheng Siew	4,012,500	0.41
16	Maybank Securities Nominees (Asing) Sdn Bhd Maybank Kim Eng Securities Pte Ltd For Tan Chee Ping (Chen ZhiPing)	4,000,000	0.40
17	Yee Sow Yoke	4,000,000	0.40
18	Tiu Choon Por	3,250,000	0.33
19	CGS-CIMB Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Cheng Kok Siong (MQ0462)	3,066,666	0.31
20	HLIB Nominees (Tempatan) Sdn Bhd Hong Leong Bank Bhd For Sin Ket Hin	3,060,000	0.31
21	Ong Thuan Kah	2,761,200	0.28
22	Tan Thiam Teck	2,666,000	0.27
23	Thong Weng Kin	2,483,333	0.25
24	Khor Kean Sin	2,300,000	0.23
25	Tang Kah Lang	2,000,333	0.20
26	Ong Hock Lye	2,000,000	0.20
27	Hor Yee Chee	1,990,000	0.20
28	Chong Wei Choon	1,781,600	0.18
29	Lim Yong Chai	1,600,000	0.16
30	Maybank Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Tan How Poh	1,600,000	0.16

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NOVA MSC BERHAD
(200201024235 (591898-H))
(Incorporated in Malaysia)

PROXY FORM

CDS Account No.	No. of shares held

I/We ____ NRIC/Passport/Registration No. _________________

of ____ being a

with email address ____ Mobile phone no. _________________

being *a member/members of **NOVA MSC BERHAD**, hereby appoint _____________________________________

Full Name	***NRIC/Passport No.**	**Proportion of Shareholdings**	
		No. of Shares	**%**
Address:			
Email Address:			
Mobile Phone No.:			

*and/or

Full Name	***NRIC/Passport No.**	**Proportion of Shareholdings**	
		No. of Shares	**%**
Address:			
Email Address:			
Mobile Phone No.:			

or failing him/ her, the Chairman of the Meeting as *my/ our proxy to attend and vote for *me/ us on *my/ our behalf at the Nineteenth (19th) Annual General Meeting ("AGM") of the Company to be held on a fully virtual basis via online meeting platform of Vote2U e-Portal at https://web.vote2u.my (Domain Registration No. with MyNIC: D6A471702) provided by Agmo Digital Solutions Sdn. Bhd. in Malaysia on Thursday, 30 September 2021 at 10.00 a.m. or at any adjournment thereof to consider and if thought fit, to transact the following businesses, with or without modifications thereto:

Ordinary Resolutions		**For**	**Against**
Resolution 1	To re-elect Lai Teik Kin as Director of the Company		
Resolution 2	To re-elect David Choo Boon Leong as Director of the Company		
Resolution 3	To re-elect Loh Guan Huat Sunny as Director of the Company		
Resolution 4	To approve the payment of Directors' fees		
Resolution 5	To re-appoint Messrs. Folks DFK & Co. as Auditors of the Company and authorise the Directors to fix their remuneration		
Resolution 6	Approval for Allotment of shares or Grant of rights		

(Please indicate your vote by marking (X) or (√) in the space provided above on how you wish your vote to be cast. Unless voting instructions are indicated in the space above, the proxy will vote or abstain from voting as he/she thinks fit.)

As witness my/our hand(s) this _____ day of _______, 2021

____
Signature of Member / Common Seal

Notes :

1. Only members whose names appear in the Record of Depositors as at 22 September 2021 ("**General Meeting Record of Depositors**") shall be eligible to attend, participate, speak and vote at this Meeting as well as for appointment of any person as his proxy(ies) to exercise all or any of his rights to attend, participate, speak and vote at the Meeting on his stead.
2. Where a member of the Company is an exempt authorised nominee ("**EAN**") as defined under the Securities Industry (Central Depositories) Act 1991 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 EAN may appoint in respect of each omnibus account it holds.
3. A proxy may but need not be a member of the Company and there shall be no restriction as to the qualification of the proxy.
4. Where a member appoints more than 1 proxy, the appointment shall be invalid unless the member specifies the proportion of his/her shareholding to be represented by each proxy.
5. The instrument appointing a proxy shall be in writing under the hands of the appointer or of 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. An instrument appointing a proxy to vote at this Meeting shall be deemed to include the power to demand a poll on behalf of the appointer.
6. The instrument appointing a proxy or Form of Proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority shall be deposited at the office of the Share Registrar of the Company at ***Boardroom Share Registrars Sdn. Bhd., 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia*** not less than forty-eight (48) hours before the time appointed for holding the meeting or any adjournment thereof at which the person named in such instrument proposes to vote. **Faxed and photocopied of the duly executed Form of Proxy are not acceptable**.
7. Should you wish to personally participate at the Meeting remotely, please register electronically via https://web.vote2u.my by the registration cut-off date and time. Please refer to the Administrative Guide for AGM as enclosed in the Annual Report 2021 of the Company dated 30 August 2021 for further details.
8. As guided by the Securities Commission Malaysia's Guidance Note and FAQs on the Conduct of General Meetings for Listed Issuers that was issued on 18 April 2020 and its subsequent revisions, the online meeting platform that is registered with MyNIC Berhad and hosted in Malaysia is recognised as the meeting venue under Section 327 of the Companies Act 2016. **No shareholders, proxies, corporate/authorised representatives, or attorneys from the public are allowed to be physically present thereat on the day of the Meeting**.
9. In view of the constantly evolving Covid-19 situation in Malaysia, the Company may be required to change the arrangements of the Meeting at short notice. Kindly refer to the websites of Bursa Malaysia Securities Berhad and of the Company for the latest updates of the Meeting.
10. Pursuant to Rule 8.31A of the ACE Market Listing Requirements, the resolution set out in this Notice will be put to vote by poll.

PLEASE FOLD HERE

Affix
stamp

The Share Registrar of

NOVA MSC BERHAD (200201024235(581898-H))
Boardroom Share Registrars Sdn. Bhd.
11th Floor, Menara Symphony,
No. 5, Jalan Prof. Khoo Kay Kim,
Seksyen 13, 46200 Petaling Jaya,
Selangor Darul Ehsan, Malaysia

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NOVA MSC BERHAD
(200201024235 (591898-H))

No. 1 & 1A, 2nd Floor (Room 2),
Jalan Ipoh Kecil, 50350 Kuala Lumpur

Tel: (03) 4043 5750
Fax: (03) 4043 5755

www.novamsc.com