NOVA MSC BERHAD
(591898-H)

ANNUAL REPORT 2009

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NOTICE OF **ANNUAL GENERAL MEETING**

NOTICE IS HEREBY GIVEN that the Seventh Annual General Meeting of the Company will be held at Bukit Jalil Golf & Country Resort, Jalan 3/155B, Bukit Jalil, 57000 Kuala Lumpur on Wednesday, 26 August 2009 at 2.00 p.m. for following purposes :-

As Ordinary Business

1. To receive and adopt the Audited Accounts for the year ended 31 March 2009, together with the Reports of Directors and Auditors thereon. (Resolution 1)

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

3. To re-elect Mr Chua Hock Hoo who retires as director pursuant to Article 101 of the Company's Articles of Association (Resolution 3)

4. To approve the payment of Directors' fees for the year ended 31 March 2009. (Resolution 4)

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

As Special Business

6. To consider and, if thought fit, pass with or without any modification, the following as ordinary resolution :- (Resolution 6)

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

7. To transact any other business for which due notice has been given. (Resolution 7)

BY ORDER OF THE BOARD

Loy Tuan Bee (BC/L/168)
Wong Wai Yin (MAICSA 7003000)
Kuala Lumpur

4 August 2009

Notes :

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy or proxies to attend and vote on his/her behalf. A proxy need not be a member of the Company.

2. Where a member appoints two or more proxies, the appointment shall be invalid unless the member specifies the proportion of his/her shareholding to be represented by each proxy.

3. The instrument appointing a proxy shall be in writing under the hands of the appointer or his attorney duly authorised in writing, or if the appointer is a corporation, either under its Common Seal, or the hand of its attorney duly authorised.

4. The Proxy Form must be deposited at the Registered Office of the Company at No 70-2 Tingkat 2 Wisma Mahamewah Jalan Sungai Besi 57100 Kuala Lumpur not less than forty-eight (48) hours before the time appointed for holding the meeting or any adjournment thereof.

5. Explanatory note on item 6 of the Agenda.

   The resolution 6 proposed under item 6 of the Agenda, if passed will empower the Directors to allot and issue shares in the Company up to an aggregate amount of not exceeding 10% of the issued share capital of the Company for such purpose as the Directors consider would be in the interest of the Company. This authority, unless revoked or varied by the Company in a general meeting will expire at the next Annual General Meeting. Similar authority has been sought and approved in the previous Annual General Meeting and will expire at the coming Annual General Meeting. No proceeds have been raised under the previous authority. In order to avoid any delay and cost involved in convening a general meeting, it is thus appropriate to seek members' approval.

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

   (i) Mr Onn Kien Hoe
   (ii) Mr Chua Hock Hoo

2. The profiles of Mr Onn Kien Hoe and Mr Chua Hock Hoo, who are standing for re-election, are set out in the Directors' Profiles appearing on page 7 of this Annual Report. Both of them do not hold any shares in the Company.

3. Details of attendance of Directors at Board of Directors' Meetings

   There were 4 Board of Directors' Meetings held during the financial year ended 31 March 2009. The details of the attendance of the Directors are as follows:

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

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

   The Seventh Annual General Meeting is scheduled to be held on Wednesday, 26 August 2009 at Bukit Jalil Golf & Country Resort, Jalan 3/155B, Bukit Jalil, 57000 Kuala Lumpur, at 2 p.m.

CORPORATE **INFORMATION**

BOARD OF DIRECTORS

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

Chan Wing Kong
- *Chief Executive Officer*

Onn Kien Hoe
- *Non-Executive Independent Director*

Chua Hock Hoo
- *Non-Executive Independent Director*

Victor John Stephen Price
- *Non-Executive Non-Independent Director*

AUDIT COMMITTEE

Onn Kien Hoe
- *Chairman, Non-Executive Independent Director*

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

Chua Hock Hoo
- *Non-Executive Independent Director*

NOMINATION COMMITTEE

RENUMERATION COMMITTEE

Onn Kien Hoe
- *Chairman, Non-Executive Independent Director*

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

Chua Hock Hoo
- *Non-Executive Independent Director*

Victor John Stephen Price
- *Non-Executive Non-Independent Director*

ESOS COMMITTEE

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

Onn Kien Hoe
- *Non-Executive Independent Director*

Victor John Stephen Price
- *Non-Executive Non-Independent Director*

Chan Wing Kong
- *Chief Executive Officer*

COMPANY SECRETARIES

Loy Tuan Bee (BC/L/168)
Wong Wai Yin (MAICSA 7003000)

REGISTERED OFFICE

No 70-2, Tingkat 2
Wisma Mahamewah
Jalan Sungai Besi
57100 Kuala Lumpur
Tel: (03) 9222 2750
Fax: (03) 9222 2755
e-mail: steven.chan@nova-hub.com
website: www.novamsc.com

BUSINESS OFFICES

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

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

REGISTRARS AND TRANSFER OFFICE

Symphony Share Registrars Sdn Bhd
Level 26, Menara Multi Purpose
Capital Square
No. 8, Jalan Munshi Abdullah
50100 Kuala Lumpur
Tel: (603) 2721 2222
Fax: (603) 2721 2530

AUDITORS

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

STOCK EXCHANGE LISTING

ACE Market of Bursa Malaysia

On behalf of the Board of Directors, I am pleased to present to you the Annual Report and Financial Statements of Nova MSC Berhad ("Company") and its subsidiaries ("Group") for the financial year ended 31 March 2009.

The Year under review

The Group has performed satisfactorily in what has been a difficult year in view of the ongoing financial crisis. For the financial year ended 31 March 2009, Group revenue grew 23% to RM21.5 million from RM17.5 million recorded in the previous year. In line with the improvement in revenue, the Group, had reversed from a loss making position of RM2.3 million to record a profit before taxation of RM0.8 million in the current financial year ended 31 March 2009. Earning per share was recorded at 0.25 sen as compared to loss per share of 0.71 sen for the previous financial year.

During the financial year under review, the Company raised approximately RM2.4 million via the following issuance of new ordinary shares of RM0.10:

1. In February 2009, the Company issued 16,783,250 new ordinary shares of RM0.10 each at par per share pursuant to the first tranche of private placement exercise for cash, to Raden Corporation Sdn Bhd ("Raden"), where i am deemed interested by virtue of my directorship in the Company and my directorship and major shareholdings in Raden. and

2. In March 2009, the Company issued an additional 7,000,000 new ordinary shares of RM0.10 each at par for cash to third parties, being the second tranche of the private placement exercise.

The proceeds had been fully utilized for the working capital of the Group. Shareholders' funds as at 31 March 2009 stood at approximately RM23.7 million as compared to RM19.6 million as at 31 March 2008.

Research and Development

The Group continues to believe that R&D is an essential component for every successful software company in driving business growth and improving operational efficiency. Hence, for the financial year ended 31 March 2009, the Group has incurred an expenditure of approximately RM4.2 million to embark on developments to new projects to enhance the features of PAVO and Vesalius. The enhancement to the PAVO is to cater for business portal, ready-to-deploy business application and plug-in services while the enhancement to the Vesalius will enable features for multi-organization usage, accident and emergency.

Business Direction

The associated benefits arising from computerising and/or upgrading existing IT system in the Government and Healthcare sector will continue to fuel demand. The last two years have seen the Group putting in place key strategies to build sustainable growth. Efforts taken are beginning to show results. Moving ahead, our focus to strengthen our core competences, improve our operational efficiency and extend our marketing effort around the region and beyond will continue.

However, with the current economic slowdown, the year ahead will be an exciting and a challenging one. The Group is operating in a highly competitive environment and we will need to continue to be vigilant and cost conscious to ensure that we remain competitive in the way we serve our clients. The Group will leverage on our core strengths built over the years to crave a niche in the e-Government and Healthcare sector.

Corporate Governance

The Board believes in maintaining high standards of corporate governance in the Group as part of our responsibilities to protect and maximize shareholders' value and ensure business sustainability. The measures implemented during the year under review have been highlighted in the Statement of Corporate Governance in this Annual Report.

Appreciation

On behalf of the Board of Directors, I wish to extend my sincere appreciation and gratitude to members of the management and staff for their tireless efforts during the year and their steadfastness and resilience in facing the challenges. Our gratitude and sincere thanks are also extended to our shareholders, customers, bankers, suppliers and business partners who have given us their invaluable support. I would also like to welcome our new Director, Mr Chua Hock Hoo, who joined our Board on 12 May 2009. Lastly, I would also like to thank my fellow Board Members for their assistance, advice and guidance.

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

DIRECTORS' **PROFILES**

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

49, Malaysian,
Non-Executive Non-Independent Director

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

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

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

Tunku Nadzaruddin does not have any family relationship with any other Directors. However, he is deemed interested by virture of his directorship in the Company and major shareholding in Raden, which is a major shareholder of the Company. Neither has he been convicted of any offences in the last ten (10) years. . Tunku Nadzaruddin has attended all four of the Board Meetings held in the financial year ended 31 March 2009.

Mr Chan Wing Kong

50, Singapore citizen
Executive Non-Independent Director.

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

He has more than twenty-three (23) years of working experience at various organizations in the areas of marketing and implementation of large IT projects. Mr Chan obtained his Bachelor of Surveying (Hons) degree from the University of Newcastle in Australia under a Colombo Plan Scholarship awarded by the Singapore Government and a Master of Science degree from the University of Queensland.

Mr Chan does not have any family relationship with any other Directors and/or major shareholders of the Company or any conflict of interest with the Company. Neither has he been convicted of any offences in the last ten (10) years. . Mr Chan has attended all four of the Board Meetings held in the financial year ended 31 March 2009.

Dr Victor John Stephen Price

66, South African age 66
Non Executive Non Independent Director

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

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

Dr Price does not have any family relationship with any other Directors and/or major shareholders of the Company or any conflict of interest with the Company. Neither has he been convicted of any offences in the last ten (10) years. Dr Price has attended all four of the Board Meetings held in the financial year ended 31 March 2009.

Mr Onn Kien Hoe

44, Malaysian,
Non Executive Independent Director

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

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

Mr Onn does not have any family relationship with any other Directors and/or major shareholders of the Company or any conflict of interest with the Company. Neither has he been convicted of any offences in the last ten (10) years. Mr Onn has attended all four of the Board Meetings held in the financial year ended 31 March 2009.

Chua Hock Hoo

43, Malaysian,
Non Executive Independent Director

Mr Chua Hock Hoo was appointed to the Board on 12 May 2009. He is currently also a member of the Audit Committee, Remuneration Committee and Nomination Committee.

Mr Chua qualified as a professional accountant from the Chartered Institute of Management Accountant in the 90's, his Master of Business Administration (MBA) from Oklahoma City University, USA in 1995, and currently pursuing his Doctorate in Business Administration (DBA) with University of Malaya on part time basis. Mr Chua distinguished himself in practice as an auditor, licensed liquidator and a tax consultant. He is the co-founder of Cheng & Co, a Chartered Accountants firm, and currently is the Managing Partner of Cheng & Co. He is a member of the Malaysian Institute of Accountants, Institute of Certificate Management Accountants (Australia), a Fellow Member of the Chartered Institute of Management Accountants (UK), Malaysia Institute of Taxation, associate member of the Institute of Internal Auditors Malaysia, and member of Malaysia Institute of Director. He was the President of the Persatuan Alumni Oklahoma City University Malaysia. In January 2009, he passed the CFP certification programme and obtained the membership of Financial Planning Association of Malaysia.

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

STATEMENT OF **CORPORATE GOVERNANCE**

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

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

1. THE BOARD OF DIRECTORS

1.1 Composition and Board Balance

Composition

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

Board Balance

The four Non Executive Directors of the Company, which form four-fifth (4/5) of the Board, provide the Board with a good mix of industry-specific knowledge plus broad business and commercial experience. They provide guidance, unbiased, fully balanced and independent views, advice and judgment to many aspects of the Group's strategy so as to safeguard the interests of minority shareholders and to ensure that higher standards of conduct and integrity are maintained by the Group.

The profiles of the Directors are provided in pages 6 and 7 of the Annual Report.

1.2 Duties and Responsibilities

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

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

1.3 Access to Information and Advice

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

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

1.4 Appointment Process

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

1.5 Re-election of Directors

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

1.6 Meetings

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

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

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

1.7 Directors' Training

At every Board Meeting, all Directors were briefed on the latest developments of the Group's business and operations to enhance and ensure that they have a comprehensive understanding on the Group's operations to enable them to discharge their responsibilities effectively and to keep abreast with developments in the market place. The Company does not have a formal training programme for new director. However, familiarization programme with the operations of the Group shall be arranged for any new appointee to the Board. In 2008 all the Directors have attended development and training programmes, the details of which are as follows :

1. **Y.A.M. Tunku Dato' Seri Nadzaruddin Ibni Almarhum Tuanku Ja'afar**
   - Developing KPI To Enchance Organisation Performance — 15 & 16 March 2008
   - Managing Business Risk In A Global Environment — 19 March 2008
   - Roles & Responsibilities of Asset & Liability Committee — 25 June 2008
   - Interest Rate Risk Management — 24 February 2009

2. **Onn Kien Hoe**
   - Field Audit & Tax Investigation — 12 May 2008
   - MIT workshop on Introduction of Tax Principles & Procedures — 13 May 2008
   - MIT workshop on dividends & single tier tax system — 30 May 2008
   - Presidangan Cukai Malaysia 2008 — 2 & 3 July 2008
   - 2009 Budget Talk — 2 September 2008

3. **Dr. Victor John Stephen Price**
   - Comprehensive Writing — Feb 2008 – Nov 2009

4. **Chua Hock Hoo**
   - Tax Strategies for overseas projects & investments in China, Hong Kong, Labuan, Mauritius, Singapore and Vietnam — 15 & 16 January 2008
   - Seminar Percukaian Hasil 2008 — 26 February 2008
   - MIT Seminar on Significant Tax Developments:Tax Audits & Investigations Framework, Regulations on Property Development & Construction Contracts and Advance Rulings. — 27 February 2008
   - Risks of Nan-Compliance – 2nd Small & Medium Practices Forum — 10 June 2008
   - Firm of The Future Forum — 6 August 2008
   - National Tax Conference 2008 — 19 & 20 August 2008
   - The Art of Managing People — 22 & 23 August 2008
   - Aljeffri Dean Conference 2008 — 30 & 31 August 2008
   - 2009 Budget Talk — 2 September 2008
   - National Seminar on Taxation 2008 — 3 September 2008
   - MIT Workshop on Understanding Deferred Taxation 2008 — 13 October 2008
   - MIT Workshop on Crosborder Transactions — 22 October 2008
   - MIT Workshop on Tax Audits & Investigations — 18 December 2008

5. **Chan Wing Kong**
   - IDA Industry Roundtable : Strategies for Growth and Expansion — 8 May 2008
   - The CEO's Perspective on Growth and The CEO's Growth Team — 9 Dec 2008
   - The Growth Process : A Systematic Approach to Optimizing Growth — 20 Jan 2009

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

1. THE BOARD OF DIRECTORS (cont'd)

1.8 Board Committee

The Board has established the following committees:-

i) Audit Committee

The Board has set up an Audit Committee, which composition is in compliance with the relevant regulatory requirements. The report of the Audit Committee is found on pages 15 to 17.

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

ii) Nomination Committee

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

Onn Kien Hoe *(Chairman), Independent Non-Executive Director*

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

Chua Hock Hoo, *Independent Non-Executive Director*

Dr Victor John Stephen Price, *Non-Independent Non-Executive Director*

iii) ESOS Committee

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

iv) Remuneration Committee

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

Onn Kien Hoe (Chairman), *Independent Non-Executive Director*

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

Chua Hock Hoo, *Independent Non-Executive Director*

Dr Victor John Stephen Price, *Non-Independent Non-Executive Director*

2. DIRECTORS' REMUNERATION

2.1 Remuneration Policy and Procedures

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

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

Aggregate remuneration of the Directors during the financial year ended 31 March 2009 can be categorized into the following components:

Category	Proposed Director's Fees (RM)	Salaries and other emolument (RM)	Total (RM)
Executive Directors	-	606,714	606,714
Non-Executive Directors	84,875	-	84,875

Directors' remuneration is broadly categorized into the following bands:

Range of Remuneration	Number of Directors Executive	Number of Directors Non-Executive
Below 50,000	-	2
RM50,001 to RM100,000	-	-
RM100,001 to RM150,000	1	-
RM150,001 to RM200,000	-	-
RM200,001 to RM300,000	-	-
RM300,001 to RM400,000	-	-
RM400,001 to RM500,000	1	-

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

3. SHAREHOLDERS

Relation with Shareholders and Investors

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

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

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

4. ACCOUNTABILITY AND AUDIT

4.1 Financial Reporting

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

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

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

4.2 Internal Control

The Group's Statement of Internal Control is set out on pages 18 of this Annual Report.

4.3 Relationship with Auditors

The Group would continue to maintain a close and transparent relationship with its Auditors in seeking professional advice and ensure compliance with the appropriate accounting standards. The role of the Audit Committee in relation to the auditors may be found in the Report of the Audit Committee on pages 15 to 17.

4.4 Compliance with the Code

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

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

1. STATUS OF UTILISATION OF PROCEEDS RAISED FROM CORPORATE PROPOSALS

On 28 March 2008, the Company proposed to implement a private placement of up to 77,202,950 new ordinary shares of RM0.10 each in the Company, representing not more than twenty percent (20%) of the issued and paid-up share capital of the Company("Proposed Private Placement"). The Placement Shares are proposed to be placed out to Raden Corporation Sdn Bhd ("Raden") and other placees to be identified at a later date. The Proposed Private Placement was approved by shareholders on 29 September 2008. On 28 January 2009, the Securities Commission ("SC") had approved the Company's application to complete the Proposed Private Placement by 31 July 2009. At the date of printing this report, the Company had written to SC to grant a further six months extension on the implementation of the Proposed Private Placement.

As at the date of this report, the Company had issued 24,283,250 new ordinary shares of RM0.10 each at par for cash. Of the new shares issued, 16,783,250 new ordinary shares had been allocated and fully subscribed by Raden. Raden is deemed interested by virtue of Y.A.M. Tunku Dato' Seri Nadzaruddin Ibni Almarhum Tuanku Ja'afar's directorship in the Company and his directorship and major shareholdings in Raden. The net proceeds from the said placements had been utilized in the Company's working capital.

2. SHARE BUY-BACK

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

3. OPTIONS, WARRANTS OR CONVERTIBLE SECURITIES EXERCISED

At an extraordinary general meeting on 28 September 2004, the Company's shareholders approved the establishment of a ten (10) year ESOS of up to thirty percent (30%) of the issued and paid-up capital of the Company, subject to a maximum entitlement of fifteen percent (15%) for the first five (5) years to eligible Directors and employees of the Group.

Set out below are the details of options over the ordinary shares of the Company under the ESOS:-

	Number of options over ordinary shares of RM0.10 in the Company			
Grant date	Granted	Exercised	Lapsed	As at 31.3.2009
20.3.2006	17,810,000	(8,865,000)	(4,095000)	4,850,000
21.6.2006	7,300,000	(2,700,000)	-	4,600,000
30.8.2006	960,000	(300,000)	(180,000)	480,000
15.6.2007	8,440,000	-	(1,880,000)	6,560,000
	34,510,000	(11,865,000)	(6,155,000)	16,490,000

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

4. NON- AUDIT FEES

There was no non-audit fees paid by the Group to the external auditors for the financial year ended 31 March 2009.

5. VARIATION OF RESULTS

There was no variation between the audited result for the financial year ended 31 March 2009 and that of the unaudited results previously announced on 27th May 2009.

6. MATERIAL CONTRACTS

For the financial year ended 31st March 2009, no contracts of a material nature were entered into or were subsisting between the Group and its Directors or major shareholders.

7. CORPORATE SOCIAL RESPONSIBILITY

The Board recognizes the importance of being a responsible corporate citizen to enhance and positively contribute to society. Although no CSR activities have been carried out during the financial year, the Group will be looking at implementing the best practices of CSR in areas of environment, community, workplace and marketplace in the coming years.

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

MEMBERS OF THE AUDIT COMMITTEE

The Audit Committee consists of:

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

TERMS OF REFERENCE

COMPOSITION OF THE AUDIT COMMITTEE

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

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

(a) a member of the Malaysian Institute of Accountants (MIA); or
(b) if he is not a member of MIA, he must have at least three (3) years working experience and:-

   (i) he must have passed the examinations specified in Part 1 of the 1st Schedule of the Accountants Act, 1967; or
   (ii) he is a member of one (1) of the Associations specified in Part II of the 1st Schedule of the Accountants Act, 1976.

(c) Fulfills such other requirements as prescribed or approved by Bursa Malaysia Securities Bhd.

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

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

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

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

AUTHORITY

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

MEETINGS

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

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

NOTICE OF MEETINGS AND ATTENDANCE

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

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

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

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

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

DUTIES AND RIGHTS OF THE AUDIT COMMITTEE

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

1. To review the following: -

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

2. The Audit Committee shall:-

    a. Have explicit authority to investigate any matters within its terms of reference;
    b. Have the resources which it needs to perform its duties;
    c. Have full access to any information which it requires in the course of performing its duties;
    d. Have unrestricted access to the chief executive officer and the chief financial officer;
    e. Have direct communication channels with the external and internal auditors;
    f. Be able to obtain independent professional or other advice in the performance of its duties at the cost of the Company; and
    g. Be able to invite outsiders with relevant experience to attend its meetings if necessary.

3. Where the Audit Committee is of the view that any matter reported by it to the Board of Directors of the Company has not been satisfactorily resolved resulting in a breach of the Listing Requirements, the Audit Committee must promptly report such matters to the Bursa Malaysia Securities Berhad;

4. To make recommendations to the Board of Directors to outsource certain of its internal audit functions to an independent firm of consultants, if necessary.

5. To discuss problems and reservations arising from the interim and final audits, their evaluation of the system of internal controls, and any matters the external auditors may wish to discuss (in the absence of management, where necessary).

DUTIES AND RIGHTS OF THE AUDIT COMMITTEE (cont'd)

6. To consider the major findings of internal investigations and management's response during the year with management and the external auditors, including the status of previous audit recommendations.

7. To carry out any other functions that may be mutually agreed upon by the Audit Committee and the Board.

SUMMARY OF ACTIVITIES OF THE COMMITTEE

The Audit Committee met 4 times during the financial year ended 31 March 2009. The attendance record of each Director since the last financial year or the date of appointment is as follows:

	Number of Meetings Attended
Onn Kien Hoe	4/4
Y.A.M. Tunku Dato' Seri Nadzaruddin Ibni Almarhum Tuanku Ja'afar	4/4
Dr Victor John Stephen Price	4/4
Chua Hock Ho (appointed on 12 May 2009)	N.A.

During the financial year ended 31 March 2009, the Audit Committee reviewed the quarterly and yearly results/ announcements of the Group to ensure compliance with approved accounting standards and adherence with other legal and regulatory requirements as well as making relevant recommendations to the Board for approval.

INTERNAL AUDIT FUNCTION

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

The main responsibilities of the internal auditors are:

(i) To assist in reviewing the adequacy, integrity and effectiveness of the Company's internal control system for the Board to make an accurate Statement of Internal Controls in the Annual Report;

(ii) To support the Audit Committee in evaluating the effectiveness of the existing internal control system, identify future requirements and co-develop a prioritized action plan to further enhanced the internal control system;

(iii) To perform a risk assessment of the Group to identify the business processes within the Group that the internal audit should focus on;

(iv) To allocate resources to areas within the Group in order to provide management and the Audit Committee with efficient and effective levels of internal audit coverage.

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

STATEMENT BY THE AUDIT COMMITTEE IN RELATION TO THE ESOS ALLOCATION

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

STATEMENT OF **INTERNAL CONTROL**

INTRODUCTION

The Malaysian Code on Corporate Governance stipulates that the Board is required to maintain a sound system of internal controls to safeguard shareholders' investments and the Group's assets. The Board is pleased to include a statement on the state of the Group's internal controls in accordance with paragraph 2.14 (s), Guidance Note 2 of the Malaysia Securities Exchange Berhad's Listing Requirements for the MESDAQ Market.

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

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

BOARD RESPONSIBILITY

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

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

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

KEY PROCESSES OF INTERNAL CONTROL

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

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

INTERNAL AUDIT

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

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

FINANCIAL STATEMENTS

DIRECTORS' **REPORT**

The directors have pleasure in submitting their report together with the audited financial statements of the Group and the Company for the year ended 31 March 2009.

1. PRINCIPAL ACTIVITIES

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

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

2. RESULTS

	GROUP RM	COMPANY RM
Profit/(loss) for the year	845,938	(1,100,608)

3. RESERVES AND PROVISIONS

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

4. DIVIDENDS

No dividend was declared or paid since the end of the last financial year and the Directors do not recommend any dividend to be paid for the financial year ended 31 March 2009.

5. DIRECTORS OF THE COMPANY

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

Y.A.M. Tunku Dato' Seri Nadzaruddin Ibni Almarhum Tuanku Ja'afar (Chairman)
Chan Wing Kong
Victor John Stephen Price
Onn Kien Hoe
Chua Hock Hoo (appointed on 12 May 2009)

According to Article 96 of the Company's Article of Association, Onn Kien Hoe retires at the forthcoming Annual General Meeting and, being eligible, offers himself for re-election.

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

6. DIRECTORS' INTERESTS

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

	Number of ordinary shares of RM0.10 each in the Company			
	As at 1.4.2008	Bought	Sold	As at 31.3.2009
Direct interest				
Y.A.M. Tunku Dato' Seri Nadzaruddin Ibni Almarhum Tuanku Ja'afar	-	2,000,000	-	2,000,000
Chan Wing Kong	16,770,230	-	-	16,770,230
Victor John Stephen Price	8,608,211	-	-	8 ,608,211
Indirect interest				
Y.A.M. Tunku Dato' Seri Nadzaruddin Ibni Almarhum Tuanku Ja'afar	8,000,000	16,783,250	-	24,783,250

		Number of options over ordinary shares of RM0.10 each in the Company			
	Exercise price RM/share	As at 1.4.2008	Granted	Exercised	As at 31.3.2009
Y.A.M. Tunku Dato' Seri Nadzaruddin Ibni Almarhum Tuanku Ja'afar	0.10	1,000,000	-	-	1,000,000
Chan Wing Kong	0.10	2,500,000	-	-	2,500,000
Victor John Stephen Price	0.10	700,000	-	-	700,000
Onn Kien Hoe	0.10	400,000	-	-	400,000

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

7. DIRECTORS' BENEFITS

Since the end of the previous financial year, no Director of the Company has received nor become entitled to receive any benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by directors shown in the financial statements, or the fixed salary of a full time employee of the Company) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest, other than certain Directors who have or are deemed to have substantial financial interests in companies which traded with certain companies in the Group in the ordinary course of business as disclosed in Note 25 to the financial statements.

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

8. ISSUE OF SHARES

During the financial year, the issued and fully paid-up share capital of the Company was increased from RM33,566,500 comprising 335,665,000 ordinary shares of RM0.10 each to RM35,994,825 comprising 359,948,250 ordinary shares of RM0.10 each by way of:-

(i) the issue of 16,783,250 and 7,500,000 new ordinary shares of RM0.10 each of the Company at par for cash pursuant to the private placement exercise on 24 February 2009 and 23 March 2009 respectively for the purpose of working capital.

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

9. OPTIONS GRANTED OVER UNISSUED SHARES

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

The salient features of the scheme are as follows:-

(i) The total number of new ordinary shares of RM0.10 each that may be made available under the ESOS shall not exceed thirty per cent (30%) of the issued and paid-up capital of the Company, subject to a maximum entitlement of fifteen per cent (15%) for the first 5 years.

(ii) Eligible employees are Directors and confirmed employees of the Group (save and except for companies which are dormant) who meet the criteria of eligibility for participation as set out in the By-Laws, at the date of the offer.

(iii) The option is personal to the grantee and is non-assignable.

(iv) An option may, at the discretion of the ESOS Committee, be determined based on a discount of not more than 10% from the 5-day weighted average market price of the underlying shares as shown in the Daily Official List issued by Bursa Malaysia for the 5 market days immediately preceeding the Date of Offer in writing to the grantee.

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

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

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

	Number of options over ordinary shares of RM0.10 each in the Company				
Grant date	As at 1.4.2008	Granted	Exercised	Lapsed	As at 31.3.2009
20.3.2006	5,730,000	-	-	(880,000)	4,850,000
21.6.2006	4,600,000	-	-	-	4,600,000
30.8.2006	480,000	-	-	-	480,000
15.6.2007	8,340,000	-	-	(1,780,000)	6,560,000
	19,150,000	-	-	(2,660,000)	16,490,000

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

	Number of options over ordinary shares of RM0.10 each in the Company			
	Exercise price	Expiry	Number of options	
Grant date	RM	date	2009	2008
20.3.2006	0.10	30.10.2010	4,850,000	5,730,000
21.6.2006	0.10	7.3.2010	4,600,000	4,600,000
30.8.2006	0.10	7.3.2010	480,000	480,000
15.6.2007	0.10	30.10.2015	6,560,000	8,340,000
			16,490,000	19,150,000

There have been no new options granted during the financial year.

10. OTHER STATUTORY INFORMATION

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

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

(ii) any current assets which were unlikely to realise in the ordinary course of business, their values as stated in the accounting records of the Group and the Company have been written down to an amount which they might expected so to realise.

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

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

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

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

(iv) not otherwise dealt with in this report or in the financial statements, that would render any amount stated in the financial statements of the Group and the Company misleading.

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

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

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

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

In the opinion of the Directors:

(i) the results of the operations of the Group and the Company for the financial year ended 31 March 2009 were not substantially affected by any item, transaction or event of a material and unusual nature; and

(ii) there has not arisen in the interval between 31 March 2009 and the date of this report any item, transaction or event of a material and unusual nature likely to affect substantially the results of the Group and the Company for the financial year in which this report is made.

11. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

(i) On 28 March 2008, the Company announced that it proposed to implement a private placement of up to 77,202,950 new ordinary shares of RM0.10 each in the Company, representing up to twenty percent (20%) of the issued and paid up share capital of the Company (proposed private placement).

The proposed private placement has been approved by the Securities Commission on 31 July 2008.

During the financial year, a total of 24,283,250 new ordinary shares has been issued via the private placement exercise as mentioned in Section 8 above.

(ii) On 13 February 2009, the Company has signed a Joint Venture Agreement ("JVA") with Pengiran Anak Haji Abdul Wadood Bolkiah to set up a joint venture company to be called Nova (B) Sdn Bhd.

The initial paid-up capital of the joint venture company will be B$30,000 divided into 30,000 ordinary shares of B$1.00 each. Pengiran Anak Haji Abdul Wadood Bolkiah will have an equity interest of 60% of the joint venture company while the Company will hold the remaining 40%.

As at the date of this report, the joint venture company is yet to be incorporated.

12. AUDITORS

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

Signed in accordance with a resolution of the Directors,

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

CHAN WING KONG

Kuala Lumpur,
10 July 2009

	Note	GROUP 2009 RM	GROUP 2008 RM	COMPANY 2009 RM	COMPANY 2008 RM
ASSETS					
Non-Current Assets					
Property, plant and equipment	5	125,361	141,036	21,037	44,776
Intangible assets	6	23,470,526	22,366,302	-	-
Investment in subsidiaries	7	-	-	9,910,279	9,692,293
		23,595,887	22,507,338	9,931,316	9,737,069
Current Assets					
Amount due from contract customers	8	5,411,469	3,682,041	-	635,169
Trade and other receivables	9	6,389,806	5,298,771	16,816,357	14,954,190
Tax recoverable		6,189	189	6,189	189
Cash and bank balances	10	3,075,477	2,557,314	678,204	658,616
		14,882,941	11,538,315	17,500,750	16,248,164
TOTAL ASSETS		38,478,828	34,045,653	27,432,066	25,985,233
EQUITY					
Share capital	11	35,994,825	33,566,500	35,994,825	33,566,500
Share premium	12	8,376,708	8,529,705	8,376,708	8,529,705
Accumulated losses		(24,302,333)	(25,367,314)	(22,693,862)	(21,812,297)
Equity compensation reserve		894,397	829,961	894,397	829,961
Foreign currency translation reserve		2,751,228	2,027,484	-	-
Equity attributable to the shareholders of the Company		23,714,825	19,586,336	22,572,068	21,113,869
LIABILITIES					
Current Liabilities					
Amount due to contract customers	8	634,926	478,404	-	-
Trade and other payables	14	11,956,408	9,364,601	3,509,911	3,153,249
Bank borrowings	15	2,172,669	4,616,312	1,350,087	1,718,115
TOTAL LIABILITIES		14,764,003	14,459,317	4,859,998	4,871,364
TOTAL EQUITY AND LIABILITIES		38,478,828	34,045,653	27,432,066	25,985,233

The notes on pages 31 to 56 form part of these financial statements.

INCOME **STATEMENTS**
for the year ended 31 March 2009

		GROUP		COMPANY	
	Note	2009 RM	2008 RM	2009 RM	2008 RM
Revenue	16	21,475,634	17,492,783	1,613,918	1,111,000
Other income		167,209	398,832	3,282	2,118
Employee benefits expenses	17	(9,415,828)	(9,511,811)	(1,089,703)	(1,256,561)
Hardware and material costs		(4,408,241)	(3,226,742)	(637,364)	(44,199)
Office rental		(886,666)	(736,648)	(217,296)	(217,296)
Other expenses		(1,793,441)	(2,573,624)	(636,533)	(596,549)
Depreciation and amortisation		(4,008,741)	(3,992,120)	(30,928)	(37,103)
Interest income		28,935	41,845	20,715	21,948
Finance costs		(312,923)	(224,298)	(126,699)	(115,154)
Profit/(loss) before taxation	19	845,938	(2,331,783)	(1,100,608)	(1,131,796)
Tax expense	20	-	(6,817)	-	(6,817)
Profit/(loss) for the year		845,938	(2,338,600)	(1,100,608)	(1,138,613)
EARNINGS/(LOSS) PER ORDINARY SHARE					
Basic	21	0.25 sen	(0.71 sen)		
Fully diluted	21	0.25 sen	(0.71 sen)		

The notes on pages 31 to 56 form part of these financial statements.

STATEMENT OF **CHANGES IN EQUITY**

for the year ended 31 March 2009

GROUP	Share Capital RM	Share Premium RM	Accumulated Losses RM	Equity Compensation Reserve RM	Foreign Currency Translation Reserve RM	Total RM
	Attributable to the shareholders of the Company					
		Non-distributable				
2009						
At 1 April 2008	33,566,500	8 ,529,705	(25,367,314)	829,961	2,027,484	19,586,336
Foreign currency translation	-	-	-	-	723,744	723,744
Share issue expenses	-	(152,997)	-	-	-	(152,997)
Income/(expenses) recognised directly in equity	-	(152,997)	-	-	723,744	570,747
Profit for the year	-	-	845,938	-	-	845,938
Total recognised income/(expense) for the year	-	(152,997)	845,938	-	723,744	1,416,685
Transfer to retained earnings on ESOS lapsed	-	-	219,043	(219,043)	-	-
Equity compensation arising from Group ESOS	-	-	-	283,479	-	283,479
Issue of shares	2,428,325	-	-	-	-	2,428,325
At 31 March 2009	35,994,825	8,376,708	(24,302,333)	894,397	2,751,228	23,714,825
2008						
At 1 April 2007	30,576,500	8,370,188	(23,028,714)	310,570	1,744,086	17,972,630
Foreign currency translation	-	-	-	-	283,398	283,398
Share issue expenses	-	(129,483)	-	-	-	(129,483)
Income/(expenses) recognised directly in equity	-	(129,483)	-	-	283,398	153,915
Loss for the year	-	-	(2,338,600)	-	-	(2,338,600)
Total recognised income/(expense) for the year	-	(129,483)	(2,338,600)	-	283,398	(2,184,685)
Equity compensation arising from Group ESOS	-	-	-	519,391	-	519,391
Issue of shares	2,990,000	289,000	-	-	-	3,279,000
At 31 March 2008	33,566,500	8,529,705	(25,367,314)	829,961	2,027,484	19,586,336

The notes on pages 31 to 56 form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY (cont'd)
for the year ended 31 March 2009

GROUP	Share Capital RM	Share Premium RM	Accumulated Losses RM	Equity Compensation Reserve RM	Total RM
		Attributable to the shareholders of the Company			
			Non-distributable		
2009					
As at 1 April 2008	33,566,500	8,529,705	(21,812,297)	829,961	21,113,869
Share issue expenses charged directly to equity	-	(152,997)	-	-	(152,997)
Loss for the year	-	-	(1,100,608)	-	(1,100,608)
Total recognised expense for the year	-	(152,997)	(1,100,608)	-	(1,253,605)
Transfer to retained earnings on ESOS lapsed	-	-	219,043	(219,043)	-
Equity compensation arising from Group ESOS	-	-	-	283,479	283,479
Issue of shares	2,428,325	-	-	-	2,428,325
As at 31 March 2009	35,994,825	8,376,708	(22,693,862)	894,397	22,572,068
2008					
At 1 April 2007	30,576,500	8,370,188	(20,673,684)	310,570	18,583,574
Share issue expenses charged directly to equity	-	(129,483)	-	-	(129,483)
Loss for the year	-	-	(1,138,613)	-	(1,138,613)
Total recognised expense for the year -	-	(129,483)	(1,138,613)	-	(1,268,096)
Equity compensation arising from Group ESOS	-	-	-	519,391	519,391
Issue of shares	2,990,000	289,000	-	-	3,279,000
At 31 March 2008	33,566,500	8,529,705	(21,812,297)	829,961	21,113,869

The notes on pages 31 to 56 form part of these financial statements.

CASH FLOW **STATEMENTS**

for the year ended 31 March 2009

	GROUP		COMPANY	
	2009 RM	**2008 RM**	**2009 RM**	**2008 RM**
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit/(loss) before taxation	845,938	(2,331,783)	(1,100,608)	(1,131,796)
Adjustments for:				
Depreciation of property, plant and equipment	79,821	130,306	30,928	37,103
Loss on disposal of property, plant and equipment	41	-	-	-
Amortisation of intangible assets	3,952,852	3,861,814	-	-
(Gain)/loss on foreign exchange (net)	(93,942)	6,810	(63,860)	14,256
Interest expense	312,923	224,298	126,699	115,154
Interest income	(28,935)	(41,845)	(20,715)	(21,948)
Share-based compensation expense	283,479	519,391	65,493	85,593
Inventories written off	-	388,367	-	-
Operating profit/(loss) before working capital changes	5,352,177	2,757,358	(962,063)	(901,638)
Changes in working capital:				
Amount due from contract customers	(1,729,428)	(2,209,114)	635,169	(622,831)
Inventories	-	(5,046)	-	-
Trade and other receivables	(1,091,035)	(931,098)	(1,798,307)	(2,656,441)
Amount due to contract customers	156,522	(341,699)	-	-
Trade and other payables	2,591,807	(1,581,106)	356,662	1,155,591
Cash generated from/(used in) operations	5,280,043	(2,310,705)	(1,768,539)	(3,025,319)
Income tax paid	(6,000)	(6,000)	(6,000)	(6,000)
Interest paid	(312,923)	(224,298)	(126,699)	(115,154)
Net cash generated from/(used in) operating activities	4,961,120	(2,541,003)	(1,901,238)	(3,146,473)
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchase of property, plant and equipment	(80,225)	(126,425)	(7,189)	(31,825)
Proceeds from disposal of property, plant and equipment	958	-	-	-
Development expenditure incurred, net of government grant received	(4,224,030)	(2,136,338)	-	-
Interest received	28,935	41,845	20,715	21,948
Net cash (used in)/generated from investing activities	(4,274,362)	(2,220,918)	13,526	(9,877)

CASH FLOW STATEMENTS (cont'd)
for the year ended 31 March 2009

	GROUP		COMPANY	
	2009 RM	2008 RM	2009 RM	2008 RM
CASH FLOWS FROM FINANCING ACTIVITIES				
Increase in pledged deposits placed with licensed banks	(884,765)	(786,650)	-	-
(Repayment of)/proceeds from bank borrowings	(2,475,615)	2,299,184	(400,000)	-
Proceeds from issue of shares	2,428,325	3,279,000	2,428,325	3,279,000
Share issue expenses	(152,997)	(129,483)	(152,997)	(129,483)
Net cash generated from financing activities	(1,085,052)	4,662,051	1,875,328	3,149,517
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	(398,294)	(99,870)	(12,384)	(6,833)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	(3,251)	99,607	(659,499)	(652,666)
FOREIGN EXCHANGE DIFFERENCE ON OPENING BALANCE	(280)	(2,988)	-	-
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	(401,825)	(3,251)	(671,883)	(659,499)

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

	GROUP		COMPANY	
	2009 RM	2008 RM	2009 RM	2008 RM
Cash and bank balances	271,226	657,518	1,168	1,270
Deposits with licensed banks (excluding pledged deposits)	77,036	57,346	77,036	57,346
Bank overdrafts	(750,087)	(718,115)	(750,087)	(718,115)
	(401,825)	(3,251)	(671,883)	(659,499)

The notes on pages 31 to 56 form part of these financial statements.

1. PRINCIPAL ACTIVITIES

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

2. GENERAL INFORMATION

The financial statements were approved and authorised for issue by the Board of Directors on 10 July 2009.

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

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

The address of the Company's registered office is No. 70-2, Tingkat 2, Wisma Mahamewah, Jalan Sungai Besi, 57100 Kuala Lumpur.

The principal place of business of the Company is located at E 33-3A, Dataran 3 Two Square, No 2, Jalan 19/1, 46300 Petaling Jaya.

3. SIGNIFICANT ACCOUNTING POLICIES

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

3.1 Basis of preparation

The financial statements have been prepared under the historical cost convention and comply with Financial Reporting Standards ("FRSs") and the provisions of the Companies Act, 1965 in Malaysia.

The preparation of financial statements in conformity with the Financial Reporting Standards in Malaysia requires management to exercise their judgement in the process of applying the Company's accounting policies and which may have significant effects on the amounts recognised in the financial statements. It also requires the use of accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of financial statements and the results reported for the reporting period and that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year. Although these judgement and estimates are based on the management's best knowledge of current events and actions, actual results may differ. The areas involving a high degree of judgement or complexity or areas where estimates and assumptions are significant to the financial statements are disclosed in Note 26 to the financial statements.

During the year ended 31 March 2009, the Company recorded after-tax losses of RM1,096,933 resulting in the accumulated losses of the Company increasing to RM22,421,075 as at 31 March 2009. However, equity attributable to the shareholders of the Company as at 31 March 2009 remained positive at RM22,575,743. The Directors have continued to prepare the financial statements on a going concern basis on the assumption of the following:

(i) the Company will be able to generate sufficient cash flows from operations to meet their obligations as and when they fall due; and

(ii) the banks and other lenders will continue to provide financial support to the Company.

In the event that these are not forthcoming, the Company may be unable to realise the assets and discharge the liabilities in the normal course of business. Consequently, adjustments may be required to reduce the values of assets to their recoverable amounts, to provide for any further liabilities which may arise and to reclassify non-current assets as current assets.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

3.2 Changes in accounting policies and effects arising from adoption of revised FRSs

The accounting policies and methods of computation adopted during the financial year are consistent with those adopted for the annual audited financial statements for the financial year ended 31 March 2008 except for the adoption of the following new and revised FRSs by the Group beginning 1 April 2008.

(i) Applicable and adopted by the Group

FRS 107	Cash Flow Statements
FRS 111	Construction Contracts
FRS 112	Income Taxes
FRS 118	Revenue
FRS 120	Accounting for Government Grants and Disclosure of Government Assistance
Amendment to FRS 121	The Effects of Changes in Foreign Exchange Rates - Net Investment in a Foreign Operation
FRS 134	Interim Financial Reporting
FRS 137	Provisions, Contingent Liabilities and Contingent Assets
IC Interpretation 8	Scope of FRS 2 - Share Based Payment

(ii) Not applicable to the Group

IC Interpretation 1	Changes in Existing Decommissioning, Restoration and Similar Liabilities
IC Interpretation 2	Members' Shares in Co-operative Entities and Similar Instruments
IC Interpretation 5	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
IC Interpretation 6	Liabilities arising from Participating in a Specific Market - Waste Electrical and Electronic Equipment
IC Interpretation 7	Applying the Restatement Approach under FRS 1292004 - Financial Reporting in Hyperinflationary Economies

IC Interpretations 1, 2, 5, 6 and 7 are not relevant to the Group's operations. The adoption of FRS 107, 111, 112, 118, 120, 121, 134, 137 and IC Interpretations 8 have been made in accordance with their respective transitional provisions, if any, and did not result in any substantial financial impact on the results of the Group.

As at the date of issuing the financial statements, the following new/revised FRSs and IC Interpretations have been issued but are not yet effective:

FRS 4	Insurance Contracts **
FRS 7	Financial Instruments : Disclosures **
FRS 8	Operating Segments*
FRS 123	Borrowing Costs **
FRS 139	Financial Instruments : Recognition and Measurement **
Amendments to FRS 1	First-time Adoption of Financial Reporting Standards **
Amendments to FRS 2	Share-based Payment: Vesting Conditions and Cancellations **
Amendments to FRS 127	Consolidated and Separate Financial Statements - Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate **
IC Interpretation 9	Reasssessment of Embedded Derivatives **
IC Interpretation 10	Interim Financial Reporting and Impairment **
IC Interpretation 11	FRS 2 - Group and Treasury Share Transactions **
IC Interpretation 13	Customer Loyalty Programmes **
IC Interpretation 14	FRS 119 - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interactions **

* Effective for accounting periods beginning on or after 1 July 2009
** Effective for accounting periods beginning on or after 1 January 2010

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

3.2 Changes in accounting policies and effects arising from adoption of revised FRSs (cont'd)

The directors anticipate that the adoption of these FRSs in future periods will have no material financial impact on the financial statements of the Group and of the Company except as disclosed below.

FRS 4 : Insurance Contracts

FRS 4 specifies the financial reporting for insurance contracts by any entity that issues such contracts ("insurers"). In particular, this standard requires disclosure that identifies and explains the amounts in an insurer's financial statements arising from insurance contracts and helps users of those financial statements to understand the amounts, timing and uncertainty of future cash flows from insurance contracts. FRS 4 is not relevant to the Group's operations.

FRS 7 : Financial Instruments - Disclosure

FRS 7 requires disclosures of information relating to the significance of financial instruments on an entity's financial position and performance and the nature and extent of risks arising from financial instruments to which the entity is exposed during the period and at the reporting date and how the entity manages those risks. The impact of applying FRS 7 on these financial statements upon its first adoption is not disclosed by virtue of exemption provided under paragraph 44AB of this standard.

FRS 8 : Operating Segments

FRS 8 requires an entity to report financial and descriptive information about its operating segments on the same basis as those used internally for evaluating operating segment performance and deciding how to allocate resources to operating segments. The adoption of this standard will only affect the disclosure of operating segments and will not result in any financial impact to the financial statements of the Group.

FRS 123 : Borrowing Costs

FRS 123 which replaces FRS 1232004, removes the option of immediately recognising as an expense borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset. The adoption of this standard will not result in any financial impact to the financial statements of the Group.

FRS 139 : Financial Instruments - Recognition and Measurement

FRS 139 establishes principles for recognising and measuring financial assets, financial liabilities and some contracts to buy or sell non-financial items. Hedge accounting is permitted only under strict circumstances. The impact of applying FRS 139 on these financial statements upon first adoption of the standard is not disclosed by virtue of the exemption provided under paragraph 103AB of FRS 139.

Amendments to FRS 1 : First-time Adoption of Financial Reporting Standards

The amendments to FRS 1 allow an entity, on transition to FRS, to measure the initial cost of investments in subsidiaries, jointly controlled entities and associates either at cost as determined by FRS 127 or deemed at cost. Deemed cost is either the fair value or the carrying amount under the previous accounting practise. These amendments are not relevant to the Group as the Group has already adopted FRS.

Amendments to FRS 2 : Share-based Payment - Vesting Conditions and Cancellations

The amendments to FRS 2 clarify that vesting conditions are limited to service conditions and performance conditions. The amendments also clarify that cancellations of the grant of the equity instruments by parties other than the entity are to be treated in the same way as cancellations by the entity. These amendments will not result in any financial impact to the financial statements of the Group.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

3.2 Changes in accounting policies and effects arising from adoption of revised FRSs (cont'd)

Amendments to FRS 127 : Consolidated and Separate Financial Statements: Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate

The amendments to FRS 127 remove the requirement to distinguish between pre and post acquisition dividends from a subsidiary, jointly controlled entity or associate. FRS 127 also has been amended to deal with situations where a parent reorganises its group by establishing a new entity as its parent. Under the new rules, the new parent measures the cost of its investments in the original parent at the carrying amount of its share of equity items shown in the separate financial statements of the original parent at the recognisation date. These amendments are not relevant to the Group's operations.

IC Interpretation 9 : Reassessment of Embedded Derivatives

IC Interpretation 9 requires an entitiy to assess whether an embedded derivative is required to be separated from the host contract and accounted for as a derivative when the entity first becomes a party to the contract. Subsequent reassessment is prohibited unless there is a change in the terms of the contract that significantly modifies the cash flows that otherwise would be required under the contract in which case reassessment is required. The adoption of this interpretation will not have any significant financial impact on the financial statements of the Group.

IC Interpretation 10 : Interim Financial Reporting and Impairment

IC Interpretation 10 does not allow an impairment loss recognised in a previous interim period in respect of goodwill or an investment in either an equity instrument or a financial asset carried at cost to be reversed at a subsequent balance sheet date. The adoption of this interpretation will not result in any financial impact on the financial statements of the Group.

IC Interpretation 11 : FRS 2 - Group and Treasury Share Transactions

IC Interpretation 11 clarifies how share-based payment transactions involving its own or another entity's instruments in the same group are to be treated and that cancellations by parties other than the entity are to be treated in the same way as cancellations by the entity. This interpretation is not relevant to the Group's operations. The adoption of this interpretation will not result in any financial impact on the financial statements of the Group.

IC Interpretation 13 : Customer Loyalty Programmes

IC Interpretation 13 explains how entities that grant loyalty award points to its customers should account fot their obligations to provide free or discounted goods or servces if and when the customers redeem points. This interpretation is not relevant to the Group.

IC Interpretation 14 : FRS 119 - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction

IC Interpretation 14 addresses how entities should determine the limit placed on the amount of a surplus in a pension plan they can recognise as an asset. Also, it addresses how minimum funding requirement affects that limit and when a minimum funding requirement creates an onerous obligation that should be recognised as a liability in addition to that otherwise recognised under IAS 19. This interpretation using IAS, is not relevant to the Group's operations.

3.3 Basis of Consolidation

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

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

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

3.3 Basis of Consolidation (cont'd)

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

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

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

3.4 Property, Plant and Equipment

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

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

The principal annual rates used for this purpose are:-

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

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

3.5 Intangible Assets

<u>Research costs and development expenditure</u>

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

(i) it is technically feasible to complete the intangible asset so that it will be available for use or sale;

(ii) management intends to complete the intangible asset and use or sell it;

(iii) there is an ability to use or sell the intangible asset;

(iv) it can be demonstrated how the intangible asset will generate probable future economic benefits;

(v) adequate technical, financial and other resources to complete the development and to use or sell the intangible asset are avaliable; and

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

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

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

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

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

3.5 Intangible Assets (cont'd)

Computer software

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

Amortisation

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

3.6 Investments

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

3.7 Contract Work-In-Progress

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

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

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

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

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

3.8 Government Grants

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

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

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

3.9 Trade and Other Receivables

Trade and other receivables are stated at cost less allowance for doubtful debts based on a review of all outstanding amounts at the balance sheet date. Bad debts are written off in the period in which they are identified.

3.10 Cash and Cash Equivalents

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

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

3.11 Liabilities

Borrowings and trade and other payables are stated at cost.

3.12 Impairment of Assets

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

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

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

3.13 Employee Benefits

Short term employee benefits

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

Defined contribution plans

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

Equity compensation benefits

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

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

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

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

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

3.14 Income Tax

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

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

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

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

3.15 Foreign Currency

<u>Foreign currency transactions</u>

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

The results and financial position of foreign operations that have a functional currency different from the presentation currency of the Group are translated into Ringgit Malaysia as follows:-

(i) Assets and liabilities for each balance sheet presented are translated at the closing rate prevailing at the balance sheet date;

(ii) Income and expenses for each income statement are translated at average exchange rates for the year, which approximate the exchange rates at the dates of the transactions; and

(iii) All resulting exchange differences are taken to the foreign currency translation reserve within equity.

On the disposal of a foreign operation, the cumulative amount of the exchange differences deferred in the separate component of equity relating to that foreign operation shall be recognised in profit or loss when the gain or loss on disposal is recognised.

3.16 Revenue

<u>Consultancy services</u>

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

<u>Maintenance services</u>

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

<u>Licensing revenue</u>

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

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

3.17 Expenses

Operating lease payments

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

Interest expense

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

3.18 Segment Information

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

4. FUNCTIONAL AND PRESENTATION CURRENCY

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

5. PROPERTY, PLANT AND EQUIPMENT

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

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

GROUP **2008**	**Renovations RM**	**Computers and office equipment RM**	**Furniture and fittings RM**	**Total RM**
Cost				
At 1 April 2007	284,815	2,126,988	345,774	2,757,577
Additions	-	126,425	-	126,425
Exchange differences	2,420	23,043	4,316	29,779
At 31 March 2008	287,235	2,276,456	350,090	2,913,781
Deduct : Accumulated depreciation				
At 1 April 2007	269,327	1,982,383	327,510	2,579,220
Charge for the year	15,692	131,239	18,504	165,435
Exchange differences	2,216	21,798	4,076	28,090
At 31 March 2008	287,235	2,135,420	350,090	2,772,745
Net book value at 31 March 2008	-	141,036	-	141,036
Depreciation charge for the year:				
Recognised in income statement	15,692	96,110	18,504	130,306
Capitalised as development expenditure	-	35,129	-	35,129
	15,692	131,239	18,504	165,435

COMPANY				
2009				
Cost				
At 1 April 2008	100,994	408,302	17,885	527,181
Additions	-	7,189	-	7,189
At 31 March 2009	100,994	415,491	17,885	534,370
Deduct : Accumulated depreciation				
At 1 April 2008	100,994	363,526	17,885	482,405
Charge for the year	-	30,928	-	30,928
At 31 March 2009	100,994	394,454	17,885	513,333
Net book value at 31 March 2009	-	21,037	-	21,037
2008				
Cost				
At 1 April 2007	100,994	376,477	17,885	495,356
Additions	-	31,825	-	31,825
At 31 March 2008	100,994	408,302	17,885	527,181
Deduct : Accumulated depreciation				
At 1 April 2007	100,994	326,423	17,885	445,302
Charge for the year	-	37,103	-	37,103
At 31 March 2008	100,994	363,526	17,885	482,405
Net book value at 31 March 2008	-	44,776	-	44,776

6. INTANGIBLE ASSETS

GROUP	Computer software RM	Development expenditure RM	Total RM
2009			
Cost			
At 1 April 2008	3,525,223	49,420,306	52,945,529
Amount capitalised during the year	-	4,224,030	4,224,030
Exchange differences	131,299	1,696,082	1,827,381
At 31 March 2009	3,656,522	55,340,418	58,996,940
Deduct : Government grant			
At 1 April 2008	-	3,882,478	3,882,478
Amount received during the year	-	-	-
At 31 March 2009	-	3,882,478	3,882,478
Deduct : Accumulated amortisation			
At 1 April 2008	2,432,866	23,658,955	26,091,821
Amortisation charge for the year	235,246	3,693,674	3,928,920
Exchange differences	8,447	987,289	995,736
At 31 March 2009	2,676,559	28,339,918	31,016,477
Deduct : Accumulated impairment losses			
At 1 April 2008	-	604,928	604,928
Exchange differences	-	22,531	22,531
At 31 March 2009	-	627,459	627,459
Net book value at 31 March 2009	979,963	22,490,563	23,470,526
GROUP			
2008			
Cost			
At 1 April 2007	3,479,421	46,018,063	49,497,484
Amount capitalised during the year	-	2,838,343	2,838,343
Exchange differences	45,802	563,900	609,702
At 31 March 2008	3,525,223	49,420,306	52,945,529
Deduct : Government grant			
At 1 April 2007	-	3,180,473	3,180,473
Amount received during the year	-	702,005	702,005
At 31 March 2008	-	3,882,478	3,882,478
Deduct : Accumulated amortisation			
At 1 April 2007	2,177,945	19,763,236	21,941,181
Amortisation charge for the year	226,799	3,635,015	3,861,814
Exchange differences	28,122	260,704	288,826
At 31 March 2008	2,432,866	23,658,955	26,091,821
Deduct : Accumulated impairment losses			
At 1 April 2007	-	597,068	597,068
Exchange differences	-	7,860	7,860
At 31 March 2008	-	604,928	604,928
Net book value at 31 March 2008	1,092,357	21,273,945	22,366,302

7. INVESTMENT IN SUBSIDIARIES

	COMPANY 2009 RM	COMPANY 2008 RM
Unquoted shares, at cost	23,108,970	23,108,970
Less: Accumulated impairment losses	(14,372,690)	(14,372,690)
	8,736,280	8,736,280
Options granted to employees of subsidiaries	1,173,999	956,013
	9,910,279	9,692,293

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

Name of Company	Principal Activity	Country of Incorporation	Effective Equity Interest 2009 %	Effective Equity Interest 2008 %
novaHEALTH Pte. Ltd.	Provision of e-business solutions for healthcare industry	Republic of Singapore	100	100
novaCITYNETS Pte. Ltd.	Provision of e-business solutions for the building and construction, city, town council and telecommunications industries	Republic of Singapore	100	100

Both subsidiaries are not audited by Folks DFK & Co.

8. AMOUNT DUE FROM/(TO) CONTRACT CUSTOMERS

	GROUP 2009 RM	GROUP 2008 RM	COMPANY 2009 RM	COMPANY 2008 RM
Aggregate costs incurred to date and attributable profit	22,122,754	16,620,391	803,336	2,010,615
Less : Progress billings	(16,822,561)	(12,893,104)	(279,686)	(851,796)
Less : Provision for foreseeable losses	(523,650)	(523,650)	(523,650)	(523,650)
	4,776,543	3,203,637	-	635,169
Analysed as:				
Amount due from contract customers	5,411,469	3,682,041	-	635,169
Amount due to contract customers	(634,926)	(478,404)	-	-
	4,776,543	3,203,637	-	635,169

9. TRADE AND OTHER RECEIVABLES

	GROUP		COMPANY	
	2009 RM	2008 RM	2009 RM	2008 RM
Trade receivables	4,804,093	5,488,557	1,505,881	1,125,347
Less: Allowance for doubtful debts	(1,818,029)	(1,792,102)	(649,195)	(649,195)
Net trade receivables	2,986,064	3,696,455	856,686	476,152
Accrued receivables	3,163,050	1,358,442	-	-
Other receivables, deposits and prepayments	240,692	243,874	76,238	99,243
Amount due from subsidiaries - trade	-	-	1,903,920	1,747,208
Less: Allowance for doubtful debts	-	-	(269,661)	(269,661)
Net amount due from subsidiaries - trade	-	-	1,634,259	1,477,547
Amount due from subsidiaries - non-trade	-	-	16,979,391	15,631,465
Less: Allowance for doubtful debts	-	-	(2,730,217)	(2,730,217)
Net amount due from subsidiaries - non-trade	-	-	14,249,174	12,901,248
	6,389,806	5,298,771	16,816,357	14,954,190

The normal credit terms of trade receivables of the Group/Company range from 30 to 60 (2008: 30 to 60) days.

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

	GROUP		COMPANY	
	2009 RM	2008 RM	2009 RM	2008 RM
Ringgit Malaysia	734,216	790,917	734,216	790,917
US Dollar	771,665	334,430	771,665	334,430
Singapore Dollar	3,298,212	4,363,210	-	-
	4,804,093	5,488,557	1,505,881	1,125,347

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

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

10. CASH AND BANK BALANCES

	GROUP		COMPANY	
	2009 RM	2008 RM	2009 RM	2008 RM
Deposits with licensed banks	2,804,251	1,899,796	677,036	657,346
Cash in hand and at banks	271,226	657,518	1,168	1,270
	3,075,477	2,557,314	678,204	658,616

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

	GROUP		COMPANY	
	2009 RM	2008 RM	2009 RM	2008 RM
Ringgit Malaysia	687,204	658,616	678,204	658,616
Singapore Dollar	2,388,273	1,898,698	-	-
	3,075,477	2,557,314	678,204	658,616

Included in deposits with licensed banks are amounts of RM2,727,215 (2008: RM1,842,450) and RM600,000 (2008: RM600,000) pledged against bank facilities granted to the Group and the Company respectively (Note 15).

11. SHARE CAPITAL

	GROUP/COMPANY			
	2009		2008	
	Number of shares	RM	Number of shares	RM
Ordinary shares of RM0.10 each:				
Authorised	500,000,000	50,000,000	500,000,000	50,000,000
Issued and fully paid				
At 1 April	335,665,000	33,566,500	305,765,000	30,576,500
Issued during the year	24,283,250	2,428,325	29,900,000	2,990,000
At 31 March	359,948,250	35,994,825	335,665,000	33,566,500

During the financial year, the issued and paid-up share capital of the Company was increased from RM33,566,500 comprising 335,665,000 ordinary shares of RM0.10 each to RM35,994,825 comprising 359,948,250 ordinary shares of RM0.10 each by way of:-

(i) the issue of 16,783,250 and 7,500,000 new ordinary shares of RM0.10 each of the Company at par for cash pursuant to the private placement exercise on 24 February 2009 and 23 March 2009 respectively for the purpose of working capital.

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

12. SHARE PREMIUM

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

13. EMPLOYEE BENEFITS/EMPLOYEES' SHARE OPTION SCHEME

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

The salient features of the ESOS are as follows:-

(i) The total number of new ordinary shares of RM0.10 each that may be made available under the ESOS shall not exceed thirty per cent (30%) of the issued and paid-up capital of the Company, subject to a maximum entitlement of fifteen per cent (15%) for the first 5 years.

(ii) Eligible employees are Directors and confirmed employees of the Group (save and except for companies which are dormant) who meet the criteria of eligibility for participation as set out in the By-Laws, at the date of the offer.

(iii) The option is personal to the grantee and is non-assignable.

(iv) An option may, at the discretion of the ESOS Committee, be determined based on a discount of not more than 10% from the 5-day weighted average market price of the underlying shares as shown in the Daily Official List issued by Bursa Malaysia for the 5 market days immediately preceeding the Date of Offer in writing to the grantee.

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

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

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

Set out below are the details of options over the ordinary shares of the Company under the ESOS:-

2009	**Number of options over ordinary shares of RM0.10 in the Company**				
	As at 1.4.2008	**Granted**	**Exercised**	**Lapsed**	**As at 31.3.2009**
Grant date					
20.3.2006	5,730,000	-	-	(880,000)	4,850,000
21.6.2006	4,600,00	-	-	-	4,600,000
30.8.2006	480,000	-	-	-	480,000
15.6.2007	8,340,000	-	-	(1,780,000)	6,560,000
	19,150,000	-	-	(2,660,000)	16,490,000
Number of options exercisable at end of the financial year					12,860,000

2008	**Number of options over ordinary shares of RM0.10 in the Company**				
	As at 1.4.2007	**Granted**	**Exercised**	**Lapsed**	**As at 31.3.2008**
Grant date					
20.3.2006	8,945,000	-	-	(3,215,000)	5,730,000
21.6.2006	4,600,000	-	-	-	4,600,000
30.8.2006	660,000	-	-	(180,000)	480,000
15.6.2007	-	8,440,000	-	(100,000)	8,340,000
	14,205,000	8,440,000	-	(3,495,000)	19,150,000
Number of options exercisable at end of the financial year					9 ,010,000

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

	Number of options over ordinary shares of RM0.10 each in the Company			
Grant date	**Exercise price RM**	**Expiry date**	**Number of options 2009**	**2008**
20.3.2006	0.10	30.10.2010	4,850,000	5,730,000
21.6.2006	0.10	7.3.2010	4,600,000	4,600,000
30.8.2006	0.10	7.3.2010	480,000	480,000
15.6.2007	0.10	30.10.2015	6,560,000	8,340,000
			16,490,000	19,150,000

Share options exercised during the year

No options were exercised during the financial year (2008: Nil).

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

Fair value of share options granted during the last financial year

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

	COMPANY	
	2009 RM	**2008 RM**
Fair value of share options at the following grant dates (RM):		
- 20 March 2006	0.076	0.076
- 21 June 2006	0.082	0.082
- 30 August 2006	0.061	0.061
- 15 June 2007	0.086	0.086
Weighted average of share price (sen)	9.25	9.25
Weighted average of exercise price (sen)	10	10
Early exercise factor (times)	2.5	2.5
Expected volatility (%)	99 - 113	99 - 113
Expected life (years)	4	4
Risk free rate (%)	4	4
Expected dividend yield (%)	-	-

There were no new options granted during the financial year.

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

During the year, the Group and the Company recognised total expenses of RM283,479 (2008: RM519,391) and RM65,493 (2008: RM85,593) respectively in respect of equity-settled share-based payment transactions (Note 17).

14. TRADE AND OTHER PAYABLES

	GROUP		COMPANY	
	2009 RM	**2008 RM**	**2009 RM**	**2008 RM**
Trade payables	1,795,152	1,268,169	61,943	61,943
Other payables and accrued expenses	5,554,617	3,657,154	895,316	794,674
Subsidiaries - trade	-	-	2,240,746	2,064,726
Affiliated corporations	3,149,923	3,196,030	-	-
Amount owing to Directors	1,456,716	1,243,248	311,906	231,906
	11,956,408	9,364,601	3,509,911	3,153,249

The normal credit terms of trade payables granted to the Group/Company range from 30 to 60 (2008: 30 to 60) days.

14. TRADE AND OTHER PAYABLES (cont'd)

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

	GROUP		COMPANY	
	2009 RM	2008 RM	2009 RM	2008 RM
Ringgit Malaysia	68,594	84,356	61,943	61,943
US Dollar	119,922	21,499	-	-
Euro	170	36,524	-	-
Singapore Dollar	1,606,466	1,125,790	-	-
	1,795,152	1,268,169	61,943	61,943

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

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

15. BANK BORROWINGS

	GROUP		COMPANY	
	2009 RM	2008 RM	2009 RM	2008 RM
Bank overdrafts - secured	750,087	718,115	750,087	718,115
Revolving credit - secured	600,000	1,000,000	600,000	1,000,000
Short term borrowings	822,582	2,898,197	-	-
	2,172,669	4,616,312	1,350,087	1,718,115

The currency exposure profile of borrowings is as follows:-

	GROUP		COMPANY	
	2009 RM	2008 RM	2009 RM	2008 RM
Ringgit Malaysia	1,350,087	1,718,115	1,350,087	1,718,115
Singapore Dollar	822,582	2,898,197	-	-
	2,172,669	4,616,312	1,350,087	1,718,115

The bank overdraft facilities of the Group and the Company are subject to interest rates varying between 7.55% and 8.75% (2008: 8.0% and 8.75%) per annum.

The revolving credit facility of the Group and the Company are subject to interest rate of 4.86% (2008: 5.68%) per annum above the lender's cost of funds.

The short term borrowings of a subsidiary represent proceeds from factoring of accounts receivable (with recourse) and is subject to interest rate of 7.5% (2008: 8.0%) per annum.

Deposits with licensed banks of the Group and the Company amounting to RM2,127,215 (2008:RM1,842,450) and RM600,000 (2008: RM600,000) are pledged as security for the bank facilities of the Group and the Company respectively (Note 10).

16. REVENUE

	GROUP		COMPANY	
	2009 RM	2008 RM	2009 RM	2008 RM
Maintenance services	10,137,194	7,036,860	196,927	301,185
Consultancy contracts	11,338,440	10,455,923	1,416,991	809,815
	21,475,634	17,492,783	1,613,918	1,111,000

17. EMPLOYEE BENEFITS EXPENSES

Wages, salaries and bonus	11,615,742	9,895,111	874,305	1,022,607
Contributions to defined contribution plans	1,101,506	990,599	98,704	107,404
Share-based compensation expense (Note 13)	283,480	519,391	65,493	85,593
Other benefits	51,201	400,505	51,201	40,957
	13,051,929	11,805,606	1,089,703	1,256,561

Included in employee benefits expenses of the Group and the Company are executive directors' remuneration amounting to RM1,511,968 (2008: RM1,303,342) and RM Nil (2008: RM97,146) respectively as further disclosed in Note 18.

Employee benefits expenses are taken up as follows:

	GROUP		COMPANY	
	2009 RM	2008 RM	2009 RM	2008 RM
Charged to Income Statement	9,415,828	9,511,811	1,089,703	1,256,561
Capitalised as development expenditure	3,636,101	2,293,795	-	-
	13,051,929	11,805,606	1,089,703	1,256,561

18. DIRECTORS' REMUNERATION

Executive Directors (Note 17)				
Other emoluments	1,511,968	1,303,342	-	97,146
Non-executive Directors				
Fees	84,875	80,000	84,875	80,000
Total directors' remuneration	1,596,843	1,383,342	84,875	177,146

19. PROFIT/(LOSS) BEFORE TAXATION

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

	GROUP		COMPANY	
	2009 RM	2008 RM	2009 RM	2008 RM
Amortisation of intangible assets	3,928,920	3,861,814	-	-
Auditors' remuneration				
- current year	80,371	69,562	28,000	28,000
- underprovision in prior year	-	6,400	-	6,400
Directors' fees	84,875	80,000	84,875	80,000
Directors' remuneration	1,511,968	1,303,342	-	97,146
Depreciation of property, plant and equipment	79,821	130,306	30,928	37,103
Inventories written off	-	388,367	-	-
Net exchange (gain)/loss	9,107	(11,511)	(63,860)	14,256
Office rental	886,666	736,648	217,296	217,296

20. TAX EXPENSE

Malaysian				
Current tax expense	-	6 ,257	-	6,257
Underprovision in prior year	-	560	-	560
	-	6 ,817	-	6,817

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

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

	GROUP		COMPANY	
	2009 RM	**2008 RM**	**2009 RM**	**2008 RM**
Profit/(loss) before taxation	845,939	(2,331,783)	(1,100,608)	(1,131,796)
Income tax using Malaysian tax rate of 25% (2008: 26%)	211,485	(606,264)	(275,152)	(294,267)
Tax effect of:				
Different tax rates in foreign jurisdictions	(178,004)	23,043	-	-
Non-deductible expenses	37,121	59,872	37,121	38,932
Deferred tax benefit not recognised	858,979	867,369	235,949	260,146
Subsidiaries' deferred tax benefits utilised	(931,665)	(339,209)	-	-
Underprovision in prior year	-	560	-	560
Others	2,084	1,446	2,082	1,446
	-	6 ,817	-	6,817

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

	GROUP		COMPANY	
	2009 RM	**2008 RM**	**2009 RM**	**2008 RM**
Development expenditure capitalised	31,644,000	22,845,000	-	-
Property, plant and equipment	(1,511,000)	(2,440,000)	(265,000)	(233,000)
Trade and other receivables	(1,169,000)	-	-	-
Unutilised tax losses	(18,000,000)	(27,500,000)	(6,178,000)	(5,273,000)
Others	(1,443,000)	(2,586,000)	(1,443,000)	(1,443,000)
	9,521,000	(9,681,000)	(7,886,000)	(6,949,000)

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

21. EARNINGS/(LOSS) PER ORDINARY SHARE

Basic earnings/(loss) per ordinary share

The calculation of basic earnings/(loss) per ordinary share is based on the profit for the year attributable to shareholders of the Company of RM846,593 (2008: loss of RM2,338,600) and the weighted average number of ordinary shares in issue during the financial year of 337,438,737 (2008: 328,143,689) calculated as follows:-

	GROUP	
	2009	**2008**
Weighted average number of ordinary shares		
Issued ordinary shares at beginning of the year	335,665,000	305,765,000
Effect of shares issued during the year	1,773,737	22,378,689
Weighted average number of ordinary shares	337,438,737	328,143,689

Fully diluted earnings/(loss) per ordinary share

The calculation of diluted earnings/(loss) per ordinary share is based on the profit for the year attributable to shareholders of the Company of RM846,593 (2008: loss of RM2,338,600) and the weighted average number of ordinary shares outstanding during the financial year of 337,438,737 (2008: 328,143,689) calculated as follows:-

	GROUP	
	2009	**2008**
Weighted average number of ordinary shares (fully diluted)		
Weighted average number of ordinary shares as above	337,438,737	328,143,689
Effect of share options*	-	-
Weighted average number of ordinary shares (fully diluted)	337,438,737	328,143,689

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

22. SEGMENTAL INFORMATION

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

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

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

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

22. SEGMENTAL INFORMATION (cont'd)

	Malaysia		Singapore		Eliminations		Group	
	2009 RM	2008 RM	2009 RM	2008 RM	2009 RM	2008 RM	2009 RM	2008 RM
Geographic segments								
Revenue from external customers	1,416,991	850,790	20,058,643	16,641,993	-	-	21,475,634	17,492,783
Revenue from inter-segment	196,927	260,210	-	640,974	(196,927)	(901,184)	-	-
Total revenue	1,613,918	1,111,000	20,058,643	17,282,967	(196,927)	(901,184)	21,475,634	17,492,783
Segment results	(994,624)	(1,038,590)	1,982,500	(198,787)	142,050	(911,953)	1,129,926	(2,149,330)
Interest income							28,935	41,845
Interest expense							(312,923)	(224,298)
Profit/(loss) before taxation							845,938	(2,331,783)
Taxation							-	(6,817)
Profit/(loss) for the year							845,938	(2,338,600)
Segment assets	17,515,598	16,292,751	45,485,816	39,788,326	(24,528,775)	(22,035,613)	38,472,639	34,045,464
Tax recoverable	6,189	189	-	-	-	-	6,189	189
Investment in subsidiaries	9,750,556	9,692,293	-	-	(9,750,556)	(9,692,293)	-	-
Total assets							38,478,828	34,045,653
Segment Liabilities	4,859,998	4,871,364	37,432,658	33,986,079	(27,528,653)	(24,398,126)	14,764,003	14,459,317
Other segment items								
Capital expenditure	7,189	31,825	73,036	94,600	-	-	80,225	126,425
Depreciation and amortisation	30,928	37,103	3,977,813	3,955,017	-	-	4,008,741	3,992,120

23. CONTINGENT LIABILITIES

	COMPANY 2009 RM	COMPANY 2008 RM
Guarantees given by the Company to financial institutions for credit facilities granted to subsidiaries	1,676,500	3,935,500

24. OPERATING LEASES

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

	GROUP 2009 RM	GROUP 2008 RM
Less than one year	832,071	612,026
Between one to five years	346,696	917,292
	1,178,767	1,529,318

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

25. RELATED PARTIES TRANSACTIONS AND BALANCES

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

(a) The subsidiaries as disclosed in Note 7;

(b) Chan Wing Kong, being a Director and substantial shareholder; and

(c) novaSprint Pte. Ltd. and novaC2R Pte. Ltd. being companies in which Mr. Chan Wing Kong has or is deemed to have a substantial interest.

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

	GROUP 2009 RM	GROUP 2008 RM	COMPANY 2009 RM	COMPANY 2008 RM
Related party transactions				
novaC2R Pte. Ltd.				
Rental income	(28,795)	-	-	-
NovaCITYNETS Pte. Ltd.				
Administrative fees paid	-	-	98,480	66,822
Revenue from R&D works	-	-	(156,712)	(260,210)
NovaHEALTH Pte. Ltd.				
Revenue from R&D works	-	-	(196,927)	-
Purchase of software	-	-	-	637,364

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

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

	GROUP		COMPANY	
	2009 RM	2008 RM	2009 RM	2008 RM
Receivables				
Amount due from subsidiaries				
- novaCITYNETS Pte. Ltd. (trade)	-	-	1,634,259	1,477,547
- novaCITYNETS Pte. Ltd. (non-trade)	-	-	14,249,174	12,901,248
Payables				
Amount due to subsidiaries				
- novaHEALTH Pte. Ltd. (trade)	-	-	(2,240,746)	(2,064,726)
Amount due to affiliated corporation				
- novaSPRINT Pte. Ltd.	(3,149,923)	(3,196,030)	-	-

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

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

	GROUP		COMPANY	
	2009 RM	2008 RM	2009 RM	2008 RM
Short term employee benefits	1,437,011	1,281,508	-	97,146
Post-employment benefits	74,957	21,834	-	-
Share based payments	-	112,677	-	-
	1,511,968	1,416,019	-	97,146

26. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

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

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

Intangible assets

Capitalised development costs relate to development cost for e-business solutions for the building and instruction, city, town council and telecommunications industries as well as the healthcare industry which are demonstrated to be technically feasible, and for which the Group has sufficient technical, financial and other resources to use or market, and are recognized as assets to the extent that such costs are recoverable from related probable future economic benefits.

The value in use of the capitalised development costs is calculated from the present value of estimated future cash flows arising from the relevant e-business solutions, discounted at the current market rate of return of similar asset. Capitalised development costs are reviewed at each balance sheet date to determine whether there is any indication of impairment in accordance with the accounting policy set out in Note 3.13 to the financial statements.

The carrying amount of intangible assets at 31 March 2009 was RM23,470,526 and the annual amortisation charge for the financial year ended 31 March 2009 was RM3,952,852.

26. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (cont'd)

Contract work-in-progress

The Group recognizes contract revenue to the extent of contract costs incurred where it is probable those costs will be recoverable or based on the stage of completion method depending on whether the outcome of the contract can be measured reliably. The stage of completion is measured by reference to the proportion that contract costs incurred for work performed to date relative to the estimated total contract costs, except where this would not be representative of the stage of completion. Significant judgement is required in determining the stage of completion, the estimated total contract revenue and estimated total contract costs, as well as the recoverability of the contract cost incurred.

Estimation of total contract revenue also includes an estimation of the variation works that are recoverable from the customers. In making the judgement, the Group relies on past experience, knowledge of project personnel and/or work of relevant professionals.

Estimated total contract cost for contract comprises direct costs attributable to each contract. In estimating the total budgeted costs for contracts, management makes reference to information such as current offers from vendors and suppliers, recent offers agreed with vendors and suppliers, and professional estimation on man hour required and material costs as well as past experience.

Deferred tax assets

No deferred tax assets arising from the unutilised tax losses and unabsorbed capital allowances are recognised as it is not probable that taxable profits will be available against which the losses and capital allowances can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised based upon the likely timing and level of future taxable profits together with future tax planning strategies.

Impairment on investment in subsidiaries

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

27. FINANCIAL RISK MANAGEMENT POLICIES

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

Credit risk

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

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

Interest rate risk

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

Foreign currency risk

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

27. FINANCIAL RISK MANAGEMENT POLICIES (cont'd)

Liquidity risk

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

Effective interest rates and repricing analysis

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

	GROUP		
2009	**Effective interest rate %**	**Total RM**	**Within 1 year RM**
Financial assets			
Deposits with licensed banks	2.3	2,804,251	2,804,251
Financial liabilities			
Bank overdrafts	8.3	750,087	750,087
Revolving credit	5.9	600,000	600,000
Short term borrowings	7.5	822,582	822,582
2008			
Financial assets			
Deposits with licensed banks	2.2	1,899,796	1,899,796
Financial liabilities			
Bank overdrafts	8.3	718,115	718,115
Revolving credit	5.5	1,000,000	1,000,000
Short term borrowings	8.0	2,898,197	2,898,197

	COMPANY		
2009	**Effective interest rate %**	**Total RM**	**Within 1 year RM**
Financial assets			
Deposits with licensed banks	3.0	677,036	677,036
Financial liabilities			
Bank overdrafts	8.4	750,087	750,087
Revolving credit	5.9	600,000	600,000
2008			
Financial assets			
Deposits with licensed banks	3.3	657,346	657,346
Financial liabilities			
Bank overdrafts	8.3	718,115	718,115
Revolving credit	5.5	1,000,000	1,000,000

Fair values

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

28. SIGNIFICANT EVENT DURING THE FINANCIAL YEAR

(i) On 28 March 2008, the Company announced that it proposed to implement a private placement of up to 77,202,950 new ordinary shares of RM0.10 each in the Company, representing up to twenty percent (20%) of the issued and paid up share capital of the Company (proposed private placement).

The proposed private placement has been approved by the Securities Commission on 31 July 2008.

During the financial year, a total of 24,283,250 new ordinary shares has been issued via the private placement exercise as mentioned in Note 11 to the financial statements.

(ii) On 13 February 2009, the Company has signed a Joint Venture Agreement ("JVA") with Pengiran Anak Haji Abdul Wadood Bolkiah to set up a joint venture company to be called Nova (B) Sdn. Bhd..

The initial paid-up capital of the joint venture company will be B$30,000 divided into 30,000 ordinary shares of B$1.00 each. Pengiran Anak Haji Abdul Wadood Bolkiah will have an equity interest of 60% of the joint venture company while the Company will hold the remaining 40%.

As at the date of this report, the joint venture company is yet to be incorporated.

STATEMENT BY **DIRECTORS**

We, Y.A.M. TUNKU DATO' SERI NADZARUDDIN IBNI ALMARHUM TUANKU JA'AFAR and CHAN WING KONG, being two of the directors of NOVA MSC BERHAD, state that in the opinion of the directors, the financial statements set out on pages 25 to 56 are drawn up in accordance with Financial Reporting Standards and the provisions of the Companies Act, 1965 in Malaysia so as to give a true and fair view of the state of affairs of the Group and of the Company as at 31 March 2009 and of their results and cash flows for the year ended on that date.

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

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

CHAN WING KONG

Kuala Lumpur
10 July 2009

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 25 to 56 are in my opinion correct and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by the)
abovenamed TAN CHEE PING at Kuala)
Lumpur in Wilayah Persekutuan on)
10 July 2009) TAN CHEE PING

REPORT OF THE **AUDITORS**
to the members of Nova MSC Berhad

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

Report on the Financial Statements

We have audited the financial statements of NOVA MSC BERHAD, which comprise the balance sheets as at 31 March 2009 of the Group and of the Company, and the income statements, statements of changes in equity and cash flow statements of the Group and of the Company for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 25 to 56.

Directors' Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinion

In our opinion, the financial statements have been properly drawn up in accordance with Financial Reporting Standards and the provisions of Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as of 31 March 2009 and their financial performance and cash flows for the year then ended.

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

Report on Other Legal and Regulatory Requirements

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

(a) In our opinion, the accounting and other records and the registers required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.

(b) We have considered the financial statements and the auditors' reports of all the subsidiaries of which we have not acted as auditors, which are indicated in Note 7 to the financial statements.

(c) We are satisfied that the financial statements of the subsidiaries that have been consolidated with the Company's financial statements are in form and content appropriate and proper for the purposes of the preparation of the financial statements of the Group and we have received satisfactory information and explanation required by us for those purposes.

(d) The audit reports on the financial statements of the subsidiaries did not contain any qualification or any adverse comment made under Section 174(3) of the Act.

Other Matters

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

FOLKS DFK & CO.
AF: 0502
Chartered Accountants

SIVADASAN A/L NARAYANAN NAIR
1420/12/09(J)
Partner of the Firm

Kuala Lumpur
10 July 2009

STATEMENT OF **SHAREHOLDINGS**
as at 22 July 2009

Authorized Capital	:	RM 50,000,000
Issued and fully paid-up capital	:	RM 35,994,825
Class of Shares	:	Ordinary shares of RM0.10 each fully paid
Voting Rights	:	One vote per RM 0.10 share

BREAKDOWN OF SHAREHOLDINGS as at 22 July 2009

Range of Shareholdings	No of Holders	Percentage of Holders	No of RM0.10 Shares	Percentage of Issued Capital
1 – 99	51	0.85	2,611	0.00
100 – 1,000	394	6.58	312,452	0.09
1,001 – 10,000	2,818	47.07	17,930,995	4.98
10,001 - 100,000	2,355	39.34	87,951,410	24.43
100,001 - 17,997,411	366	6.11	189,266,832	52.58
17,997,411 and above	3	0.05	64,483,950	17.91
Total	5,987	100.00	359,948,250	100.00

SUBSTANCIAL HOLDERS as at 22 July 2009

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

Name of Substantial Shareholders	No of Shares held (direct)	% of Shareholding	No of Shares held (indirect)	% of Shareholding
Au Sai Chuen	27,423,700	7.62	0	0
Raden Corporation Sdn Bhd	18,783,250	5.22	0	0.
Chung Kin Chuan	18,277,000	5.08	0	0

LIST OF DIRECTORS' SHAREHOLDINGS AS PER THE REGISTER OF DIRECTORS' SHAREHOLDINGS as at 22 July 2009

Name of Substantial Shareholders	No of Shares held (direct)	% of Shareholding	No of Shares held (indirect)	% of Shareholding
Y.A.M. Tunku Dato' Seri Nadzaruddin Ibni Tuanku Ja'afar	2,000,000	0.56	24,783,250	6.89
Chan Wing Kong	16,770,230	4.66	-	-
Victor John Stephen Price	8,608,211	2.39	-	-

THIRTY LARGEST REGISTERED HOLDERS as at 22 July 2009

	Name of Substantial Shareholders	No of Shares held	% of Shareholding
1.	Citigroup Nominees (Asing) Sdn Bhd *Exempt An for OCBC Securities Pte Ltd (Client A/C NR)*	27,423,700	7.62
2.	Raden Corporation Sdn Bhd	18,783,250	5.22
3.	Affin Nominees (Tempatan) Sdn Bhd *Pledged Securities Account for Chung Kin Chuan (CHU0226C)*	18,277,000	5.08
4.	KE-ZAN Nominees (Asing) Sdn Bhd *Kim Eng Securities Pte Ltd for Chan Wing Kong*	16,770,230	4.66
5.	KE-ZAN Nominees (Asing) Sdn Bhd *Kim Eng Securities Pte Ltd for Victor John Stephen Price*	8,608,211	2.39
6.	Inter-Pacific Equity Nominees (Asing) Sdn Bhd *Kim Eng Securities Pte Ltd for Tay Sen Kwan*	7,447,420	2.07
7.	A.A. Anthony Nominees (Asing) Sdn Bhd *AMFraser Securities Pte Ltd for Soh Chong Chau (92860)*	5,917,600	1.64
8.	Tang Pian Nam	5,556,000	1.54
9.	CIMSEC Nominees (Asing) Sdn Bhd *UOB Kay Hian Pte Ltd for Teo Eng Huat (67)*	5,200,000	1.44
10.	CIMSEC Nominees (Asing) Sdn Bhd *Exempt An for CIMB-GK Securities Pte Ltd (Retail Client)*	5,000,000	1.39
11.	Bo Saw Wing @ Ho Saw Wing	4,068,700	1.13
12.	Pesaka Antah Holdings Sdn Bhd	4,000,000	1.11
13.	Inter-Pacific Equity Nominees (Asing) Sdn Bhd *Kim Eng Securities Pte Ltd for Sebastian Yeo Boon Kiat*	3,799,953	1.06
14	Tan Yew Soon	3,540,070	0.98
15	Wong Ah Moi @ Wong Choi Chan	3,000,000	0.83
16	Cheah Lay See	2,845,700	0.79
17	Lai Teik Kin	2,820,970	0.78
18	JF Apex Nominees (Tempatan) Sdn Bhd *AISB for Ng Boon Swee (STA 3)*	2,772,500	0.77
19	HLG Nominee (Asing) Sdn Bhd *Lim & Tan Securities Pte Ltd for Lee Chin Choo*	2,402,000	0.67
20	Maybank Nominees (Tempatan) Sdn Bhd *Pledged Securities Account for Yeo Peck Chong*	2,400,000	0.67
21	KE-ZAN Nominees (Asing) Sdn Bhd *Kim Eng Securities Pte Ltd for Brenda Margaret Price*	2,340,736	0.65
22	HDM Nominees (Tempatan) Sdn Bhd *Y.A.M. Tunku Naquiyuddin Ibni Tuanku Ja'afar*	2,000,000	0.56
23	Yam Tunku Nadzaruddin Ibni Tunku Ja'afar	2,000,000	0.56
24	JF Apex Nominees (Tempatan) Sdn Bhd *Pledged Securities Account for Ng Boon Swee (STA 2)*	1,892,200	0.53
25	Ang Chee Keong	1,690,092	0.47
26	RHB Capital Nominees (Tempatan) Sdn Bhd *Pledged Securities Account for Phoa Boon Ting (CEB)*	1,635,000	0.45
27	Ng Wee Tiew @ Ng Wee Chiew	1,612,300	0.45
28	Affin Nominees (Tempatan) Sdn Bhd *Pledged Securities Account for Ong Ah Yiew @Ong Keng Wah (ONG1277M)*	1,558,000	0.43
29	Chua Keng Liang	1,453,700	0.40
30	Farid Bin Khaleeque Ahmad	1,379,800	0.38

NOVA MSC BERHAD
(591898-H)

Request Form

Dear Shareholders,

Our Annual Report 2009 has been produced in the form of CD ROM in order to save printing and storage costs for the Company and to reduce cost involved in the despatch of printed copies of the Annual Report to shareholders.

Nevertheless, a printed copy of the Annual Report 2009 will be made available to any shareholder upon request and will be forwarded within four (4) market days from the receipt of your verbal or written request.

Should you wish to receive a printed copy of our Annual Report 2009, kindly contact Ms Rachel Wong or Ms Jenny at 603-9222 2750 or e-mail your request to us at wwy@cacs.com.my or complete the form below and return it to us via post or fax at 603-9222 2755.

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

Thank you.

Yours faithfully,
NOVA MSC BERHAD

Loy Tuan Bee (BC/L/168)
Wong Wai Yin (MAICSA 7003000)
Secretaries

Kuala Lumpur
04 August 2009

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

NRIC No./Company No. : ______________________________

No. of shares held : ______________________________

CDS Account No. : ______________________________

Address : ______________________________

____

Contact No. : ______________________________

Date : ______________________________

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

NOVA MSC BERHAD
(591898-H)

PROXY FORM

No. of shares held [ ]

I/We, ____________________ NRIC No. ____________________
of ____________________
being a member / members of NOVA MSC BERHAD, hereby appoint ____________________
NRIC No. ____________________ of ____________________
____________________ or failing him, THE CHAIRMAN OF THE MEETING as my/our proxy, to vote for me/us and on my/our behalf at the Seventh Annual General Meeting of the Company held on Wednesday, 26th August 2009 and at any adjournment thereof.

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

RESOLUTIONS	RESOLUTION	FOR	AGAINST
1. Adoption of Accounts & Reports	1		
2. Re-election of Director :-			
a) Mr Onn Kien Hoe	2		
b) Mr Chua Hock Hoo	3		
3. To approve the payment of Directors' fees for the year ended 31 March 2009.	4		
4. Appointment of Messrs. Folks DFK & Co as Auditors and to authorize the Directors to fix their remuneration.	5		
5. Special Business : To approve the Issuance of Shares Pursuant to Section 132D	6		

Dated: 4 August 2009

____
Signature/Seal

Notes :

1. *A member entitled to attend and vote at the meeting is entitled to appoint a proxy or proxies to attend and vote on his/her behalf. A proxy need not be a member of the Company.*
2. *Where a member appoints two or more proxies, the appointment shall be invalid unless the member specifies the proportion of his/her shareholdings to be represented by each proxy.*
3. *The instrument appointing a proxy shall be in writing under the hands of the appointer or his attorney duly authorised in writing, or if the appointer is a corporation, either under its Common Seal, or the hand of its attorney duly authorised.*
4. *The Proxy Form must be deposited at the Registered Office of the Company at No 70-2 Tingkat 2 Wisma Mahamewah Jalan Sungai Besi 57100 Kuala Lumpur not less than forty-eight (48) hours before the time appointed for holding the meeting or any adjournment thereof.*

PLEASE FOLD HERE

Affix
Stamp

The Company Secretary
NOVA MSC BERHAD (591898-H)
No 70-2 Tingkat 2
Wisma Mahamewah
Jalan Sungai Besi
57100 Kuala Lumpur

PLEASE FOLD HERE

www.novamsc.com