

This Prospectus has been seen and approved by the Directors and Promoters of the Company and they collectively and individually accept full responsibility for the accuracy of the information given and confirm that, after having made all reasonable enquiries, and to the best of their knowledge and belief, there are no false or misleading statement or other facts the omission of which would make any statement herein false or misleading. Profit and cashflow forecast and projections have not been included in this Prospectus. Please refer to Section 5.6 of this Prospectus on the disclosure of the appropriate negative statement.

The Adviser and Underwriter acknowledges that, based on all available information and to the best of its knowledge and belief, this Prospectus constitutes a full and true disclosure of all material facts concerning the Public Issue (as herein defined).

The Securities Commission ("SC") and the Kuala Lumpur Stock Exchange ("KLSE") has approved the Public Issue, and that the approval shall not be taken to indicate that the SC or the KLSE recommends the Public Issue.

The SC and the KLSE shall not be liable for any non-disclosure on the part of the Company and takes no responsibility for the contents of this document, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Prospectus. Admission to the Official List of the KLSE is not to be taken as an indication of the merits of the invitation, the Company or of its securities. **INVESTORS SHOULD RELY ON THEIR OWN EVALUATION TO ASSESS THE MERITS AND RISKS OF THE INVESTMENT. IN CONSIDERING THE INVESTMENT, INVESTORS WHO ARE IN ANY DOUBT AS TO THE ACTION TO BE TAKEN SHOULD CONSULT THEIR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISER IMMEDIATELY.**

The Issue Price was entirely determined and agreed upon by the Company, the Adviser and Underwriter based on various relevant factors. Investors should form their own views on the valuation of the Issue Shares and the reasonableness of the bases used.

A copy of this prospectus has been registered with the SC. A copy of this prospectus, together with the form of application, has also been lodged with the Registrar of Companies who takes no responsibility for its contents.

Characteristics of the MESDAQ Market of Kuala Lumpur Stock Exchange :-

Investors should be aware that the MESDAQ Market is a distinct market from the Main and Second Boards in many respects. In particular, companies listed on the MESDAQ Market are subject to different quantitative and qualitative requirements, which have been primarily designed to accommodate high-growth and/or technology companies. Companies that are listed on MESDAQ may not have an operating history or any profit track record prior to listing. As such, whilst potential investment returns may be relatively high, companies listed on the MESDAQ Market may be of higher investment risk. The regulatory philosophy underlying the MESDAQ Market is that the market should be allowed to determine the merits of the securities/instruments in a particular company. Hence, as with all investments, prospective investors should be aware of all potential risks in investing in such companies and should make the decision to invest after due and careful consideration by referring to, amongst others, the prospectus, latest financial statements and corporate announcements. In this respect, advice from a securities professional/adviser is strongly recommended.

Securities listing on the Kuala Lumpur Stock Exchange are offered to the public premised on full and accurate disclosure of all material information concerning the issue for which any of the persons set out in Section 45 of the Securities Commission Act 1993, e.g. directors and advisers, are responsible.

This Prospectus can also be viewed or downloaded from KLSE's website at www.klse.com.my.

Indicative Timetable

| | |
|--|----------------|
| Date of Prospectus..... | 21 July 2003 |
| Opening of the Application List for the Issue Shares..... | 21 July 2003 |
| Closing of the Application List for the Issue Shares..... | 28 July 2003 |
| Tentative date for Balloting of Applications..... | 31 July 2003 |
| Tentative Despatch of Notices of Allotment to Successful Applicants..... | 13 August 2003 |
| Tentative Listing Date..... | 19 August 2003 |

The Directors of the Company and the Underwriter may mutually decide to extend the closing date of the application to a further date or dates. Should the closing date of the Application be extended, the dates for the allotment and listing of the Company's entire enlarged issued and paid-up share capital on the MESDAQ Market would be extended accordingly.

In the event that the Directors of the Company and the Underwriter decide to extend the closing date of the Application, appropriate press releases will be made to the local news agencies and an advertisement will be placed in one (1) Bahasa Malaysia and one (1) English newspaper.

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DEFINITIONS

Unless otherwise indicated, the following definitions apply throughout this Prospectus:-

| | | |
|------------------------------------|---|---|
| Act | : | Companies' Act, 1965 |
| Acquisition of novaCITYNETS | : | The acquisition by NMSC of the entire issued and paid-up capital of novaCITYNETS comprising 2,700,000 ordinary shares of SGD1.00 each for a purchase consideration of RM7,680,455 satisfied by the issuance of 7,680,455 ordinary shares in NMSC at an issue price of RM1.00 per ordinary share |
| Acquisition of novaHEALTH | : | The acquisition by NMSC of the entire issued and paid-up capital of novaHEALTH comprising 3,190,000 ordinary shares of SGD1.00 each for a purchase consideration of RM6,692,235 satisfied by the issuance of 6,692,235 ordinary shares in NMSC at an issue price of RM1.00 per ordinary share |
| Acquisitions | : | The Acquisition of novaCITYNETS and Acquisition of novaHEALTH, collectively |
| ADA Code | : | ADA (Broker) Code |
| ADA | : | Authorised Depository Agent |
| Articles of Association | : | The articles of association of the Company |
| ASEAN | : | Association of South East Asian Nations |
| Audit Committee | : | Audit committee of the Company |
| Board | : | The Board of Directors of the Company |
| Bonus Issue | : | The bonus issue of 2,532,150 NMSC ordinary shares of RM1.00 each to the shareholders of NMSC, on the basis of 0.1442 share of RM1.00 each for every one (1) share of RM1.00 held |
| Business Partners | : | Appointed business advisers, marketing agents, resellers and distributors of the Group |
| CDS | : | Central Depository System |
| Daiwa | : | Daiwa (Malaya) Private Limited (Co. no.: 196100165R), incorporated in Singapore |
| Director(s) | : | Director(s) of NMSC |
| e-Government | : | Electronic Government |
| EPS | : | Earnings per share |
| FY | : | Financial year ended or ending 31 March |
| Issue Price | : | RM0.28 for each Issue Share |
| Issue Shares | : | The 55,000,000 Share in the capital of the Company to be issued pursuant to the Public Issue and subject to the terms and conditions of this Prospectus |

DEFINITIONS (cont'd)

| | | |
|-----------------------------|---|---|
| Issuing House | : | Malaysian Issuing House Sdn. Bhd. (Co. no.: 258345-X) |
| IT Co | : | Infocomm Investments Pte. Ltd. (formerly known as IT Co-Investment Fund Pte. Ltd.) (Co. no.: 199802926G), incorporated in Singapore |
| Itochu | : | Itochu Corporation (Co. no.: UF25831D), incorporated in Japan |
| Kim Eng | : | Kim Eng Ong Asia Holdings Ltd (Co. no.: 198900204D), incorporated in Singapore |
| KLSE or Exchange | : | Kuala Lumpur Stock Exchange (Co. no.: 30632-P) |
| Listing Requirements | : | The Listing Requirements of the KLSE for the MESDAQ Market |
| MCD | : | Malaysian Central Depository Sdn. Bhd. (Co. no.: 165570-W), incorporated in Malaysia |
| MDC | : | Multimedia Development Corporation Sdn. Bhd. (Co. no.: 389346-D), incorporated in Malaysia |
| MESDAQ Market | : | The MESDAQ Market of the KLSE |
| MSC | : | Multimedia Super Corridor |
| N.A. | : | Not applicable |
| NatSteel | : | NatSteel Technology Investments Pte. Ltd. (Co. no.: 198105758R), incorporated in Singapore |
| novaCITYNETS | : | novaCITYNETS Pte. Ltd. (Co. no.: 200004089D), incorporated in Singapore |
| novaHEALTH | : | novaHEALTH Pte. Ltd. (Co. no.: 199908066H), incorporated in Singapore |
| novaSPRINT | : | novaSPRINT Pte. Ltd. (Co. no.: 199703385W), incorporated in Singapore |
| novaSPRINT Group | : | novaSPRINT and its subsidiary companies, collectively |
| NTA | : | Net tangible assets |
| NMSC or the Company | : | Nova MSC Berhad (Co. no.: 591898-H), incorporated in Malaysia |
| NMSC Group or Group | : | Nova MSC Berhad and its subsidiary companies, collectively |
| OSK | : | OSK Securities Berhad (Co. no.: 14152-V), incorporated in Malaysia |
| OSK Technology | : | OSK Technology Ventures Sdn. Bhd. (Co. no. : 319604-V) (formerly known as OSK Property Management Berhad), incorporated in Malaysia |
| OSKVE | : | OSK Venture Equities Sdn. Bhd. (Co. no.: 505788-D), incorporated in Malaysia |

DEFINITIONS (*cont'd*)

| | | |
|------------------------|---|---|
| PAT | : | Profit after taxation |
| PBT | : | Profit before taxation |
| PE Multiple | : | Price earnings multiple |
| Placement Agent | : | OSK |
| Promoters | : | Chan Wing Kong, Tay Sen Kwan, Victor John Stephen Price, Ang Chee Keong, Tan Yew Soon, Lai Teik Kin, NatSteel and Kim Eng |
| Prospectus | : | This Prospectus published in respect of the Public Issue |
| Public Issue | : | The issue of 55,000,000 Shares by the Company at the Issue Price subject to the terms and conditions of this Prospectus |
| R&D | : | Research and development |
| RM and Sen | : | Ringgit Malaysia and Sen, respectively |
| Share Split | : | The proposed share split of ordinary shares of RM1.00 each into ordinary shares of RM0.10 each after the Bonus Issue |
| SC | : | Securities Commission |
| SGD | : | Singapore Dollars |
| Share(s) | : | Ordinary share(s) of RM0.10 each in the capital of NMSC |

Note: The exchange rate assumed throughout this Prospectus is SGD1 = RM2.17

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TECHNICAL DEFINITIONS

| | | |
|-------------------|---|--|
| AEC/FM | : | Architectural, Engineering, Construction and Facility Management Industry |
| CIS | : | Clinical Information System |
| ColdFusion | : | A software product which runs on Web servers to support Web-based business applications. It enables these applications to be accessed remotely using the Internet. |
| Database | : | A set of related files that is created and managed by a database management system which can manage any form of data including text, images, sound and video |
| Domain | : | A particular industry or field |
| e- | : | A prefix commonly used to denote the use of the Internet or other electronic media in the conduct of different areas of business |
| e-commerce | : | Commercial transactions based on electronic transmission of data over communication networks. These commercial transactions may take place between business-to-business or business-to-consumer |
| ExpressX | : | Express-X is a development language to specify executable, instance level mappings between EXPRESS schemas |
| HIS | : | Hospital Information System |
| ICT | : | Information and Communications Technology |
| IFC | : | Industry Foundation Classes IFC is a standard specifications defined by IAI (International Alliance for Interoperability) that represents a data structure supporting an electronic project model useful in sharing data across applications chiefly in AEC/FM domain |
| Interface | : | The connection and interaction between hardware and/or software components and systems, as well as users. Hardware interfaces are the plugs, sockets, wires and the electrical pulses travelling through them in a particular pattern. Software or programming interfaces are the languages, codes and messages that programs use to communicate with each other and to the hardware. Interfaces refer to a format and language that defines the services one system is capable of delivering to another |
| Internet | : | An open global network of inter-connected public and private computer networks that utilises a common communications protocol |
| IT | : | Information technology Refers to the broad range of technologies and applications that support the creation, processing, transmission, storage and management of digital information. IT includes hardware systems such as computers and network equipment, as well as software applications that run on computers |

TECHNICAL DEFINITIONS (cont'd)

| | | |
|--------------------------|---|---|
| IT infrastructure | : | A system of hardware and/or software that facilitates the storing, retrieving and sending of information |
| J2EE | : | Java 2 Enterprise Edition The Java™ 2 Platform, Enterprise Edition (J2EE) defines the standard for developing multi-tier enterprise applications. J2EE simplifies enterprise applications by basing them on standardized, modular components, by providing a complete set of services to those components, and by handling many details of application behavior automatically, without complex programming |
| Online | : | A term that denotes connection to the Internet. The term also refers to transmission channels that offer a user access to media other than the Internet |
| OpenCASCADE | : | OpenCASCADE is a set of C++ (programming language) libraries particularly well adapted to modeling techniques. It provides services for 2D and 3D modeling toolkits to model any type of objects, visualization services to display objects, association between non-geometric application data and geometry, data exchange to import and export standard formats |
| OpenGL | : | OpenGL is an environment for developing portable, interactive two dimension and three dimension graphics applications. OpenGL fosters innovation and speeds application development by incorporating a broad set of rendering, texture mapping, special effects, and other powerful visualization functions |
| Protocol | : | The rules, formats and functions governing communications and interfaces between components in a communications or computer system or network |
| Server | : | A computer programme that provides services to other computer programmes in the same or other computers. The computer that a server programme runs on is also frequently referred to as a server |
| STEP | : | Standard for the Exchange of Product Model Data A comprehensive ISO standard (ISO 10303) that describes how to represent and exchange digital product information |
| THIS | : | Total Hospital Information System |
| XML | : | Extensible Markup Language. An industry standard and protocol for describing data used for defining data elements on a Web page |

In the event of any conflict or inconsistency in meaning between the English and Bahasa Malaysia versions of this Prospectus, the English version shall prevail.

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1. CORPORATE DIRECTORY**BOARD OF DIRECTORS**

| Name | Address | Designation | Nationality |
|---|--|---|--------------------|
| Y.A.M. Tunku Dato' Seri Nadzaruddin Ibni Tuanku Ja'afar | 57 Jalan Batai Utara Damansara Heights 50490 Kuala Lumpur Malaysia | Independent Non-Executive Chairman | Malaysian |
| Chan Wing Kong | 88 Jalan Girang Singapore 359257 | Chief Executive Officer | Singaporean |
| Victor John Stephen Price | 9 Marine Vista #07-01 Neptune Court Singapore 449033 | Executive Director and Chief Technology Officer | South African |
| Kwa Lay Keng | 66 Hillcrest Road Singapore 288937 | Non-Executive Director | Malaysian |
| Hwang Wei-Cherng | 361 Bukit Timah Road #03-07 The Legend Singapore 259725 | Non-Executive Director | Taiwanese |
| Khoo Chee Keng | 60 Trevoise Crescent #04-32 Singapore 298090 | Alternate Director to Hwang Wei-Cherng | Singaporean |
| Yap Yuh Foh (Eddie) | 12 Jalan 21/5 46300 Petaling Jaya Selangor Darul Ehsan Malaysia | Non-Executive Director | Malaysian |
| Lim Ee-Jin | D-602, Kelana D'Putera Condominium Jalan SS7/26 Kelana Jaya 47301 Petaling Jaya Selangor Darul Ehsan Malaysia | Alternate Director to Yap Yuh Foh (Eddie) | Malaysian |
| Onn Kien Hoe | Unit 5-2, Duta Ria Condominium Jalan 1/38B Off Jalan Segambut 51200 Kuala Lumpur Malaysia | Independent Non-Executive Director | Malaysian |

AUDIT COMMITTEE

| Name | Designation | Directorship |
|---|---------------------------|------------------------------------|
| Y.A.M. Tunku Dato' Seri Nadzaruddin Ibni Tuanku Ja'afar | Chairman of the Committee | Independent Non-Executive Director |
| Onn Kien Hoe | Member of the Committee | Independent Non-Executive Director |
| Victor John Stephen Price | Member of the Committee | Executive Director |

1. CORPORATE DIRECTORY *(cont'd)*

| | |
|--|---|
| COMPANY SECRETARY | : Loy Tuan Bee BC/L/168 39 Court 39 Jalan Yap Kwan Seng 50450 Kuala Lumpur Wong Wai Yin MAICSA 7003000 Blok A, 3rd Floor Unit A-3-1, Wisma HB Megan Avenue II 12 Jalan Yap Kwan Seng 50450 Kuala Lumpur |
| REGISTERED OFFICE | : Unit A-3-1 Wisma HB Megan Avenue II 12 Jalan Yap Kwan Seng 50450 Kuala Lumpur Tel: 03- 2161 3633 Fax: 03- 2162 5633 E-mail: chans@novasprint.com Website: www.novamsc.com |
| HEAD OFFICE | : Lot L3-E-3A Enterprise 4 Technology Park Malaysia (TPM) Lebuhraya Puchong - Sg. Besi Bukit Jalil 57000 Kuala Lumpur Tel: 03-8996 9688 |
| REGISTRARS AND TRANSFER OFFICE | : Signet Share Registration Services Sdn Bhd (506293-D) 11 th Floor, Tower Block Kompleks Antarabangsa Jalan Sultan Ismail 50250 Kuala Lumpur |
| AUDITORS AND REPORTING ACCOUNTANTS | : KPMG (AF0758) Wisma KPMG Jalan Dungun Damansara Heights 50490 Kuala Lumpur |
| SOLICITORS FOR THE LISTING EXERCISE | : Cheang & Ariff 39 Court 39 Jalan Yap Kwan Seng 50450 Kuala Lumpur |
| PRINCIPAL BANKERS | : The Hongkong and Shanghai Banking Corporation Limited (F00010M) 21 Collyer Quay #08-01 HSBC Building Singapore 049320 The Development Bank of Singapore (196800306E) Block 531, Upper Cross Street #01-51 (2 nd Storey) Hong Lim Complex Singapore 050531 |

1. CORPORATE DIRECTORY (*cont'd*)

| | |
|--|--|
| ADVISER, SPONSOR, UNDERWRITER AND PLACEMENT AGENT | : OSK Securities Berhad (14152-V) 20 th Floor, Plaza OSK Jalan Ampang 50450 Kuala Lumpur |
| ISSUING HOUSE | : Malaysian Issuing House Sdn. Bhd. (258345-X) 27 th Floor Menara Multi-Purpose, Capital Square No. 8 Jalan Munshi Abdullah P.O. Box 13260 50804 Kuala Lumpur |
| LISTING SOUGHT | : MESDAQ Market |

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2. PROSPECTUS SUMMARY

The following summary is qualified in its entirety by the detailed information as set out in respective sections of this Prospectus. Investors should read and understand the whole Prospectus prior to investing. This Prospectus contains certain statements of a forward-looking nature. Prospective investors are cautioned that such statements are only predictions and that actual results or events when materialised may differ materially from those disclosed in this Prospectus. Therefore, in evaluating such statements, prospective investors should carefully consider the various factors identified in this Prospectus, including the matters set forth under the heading "Risk Factors".

2.1 History, Principal Activities and Group Structure

NMSC was incorporated in Malaysia on 9 September 2002 under the Act as a private limited company with the name of E-Beyond Sdn. Bhd. and changed its name to Nova MSC Sdn. Bhd. on 14 October 2002. On 29 October 2002, Nova MSC Sdn. Bhd. was granted the MSC status awarded by MDC. NMSC had on 5 November 2002 commenced its business operations.

Other than the founding members of the NMSC Group who have experience in the products and services of the NMSC Group, its shareholders are established companies which have contributed to the growth of the NMSC Group. The MSC status coupled with its innovative products and management will enable the Group to expand its business. As envisaged in the expansion plan, the MSC status will provide NMSC a stronger foothold to move forward with the MSC incentives such as tax exemption, freedom of ownership, and freedom of employment of professionals.

On 31 October 2002, NMSC entered into two (2) separate Sale and Purchase Agreements with novaSPRINT, for the Acquisition of novaCITYNETS and Acquisition of novaHEALTH. Subsequent to the completion of the Acquisitions on 31 October 2002, novaCITYNETS and novaHEALTH became wholly-owned subsidiary companies of NMSC.

As an integral part of the listing scheme, NMSC was later converted to a public limited company on 26 November 2002.

NMSC acts as the operational headquarters for the Group and also functions as the Group's Global Software Development and Service Centre. The NMSC Group focuses on the local and regional markets and is primarily involved in the following activities:-

- (a) key software R&D centre and intellectual property owner;
- (b) sale and marketing of application software for the e-Government and healthcare industries; and
- (c) provision of domain-specific IT professional services in the e-Government and healthcare industries.

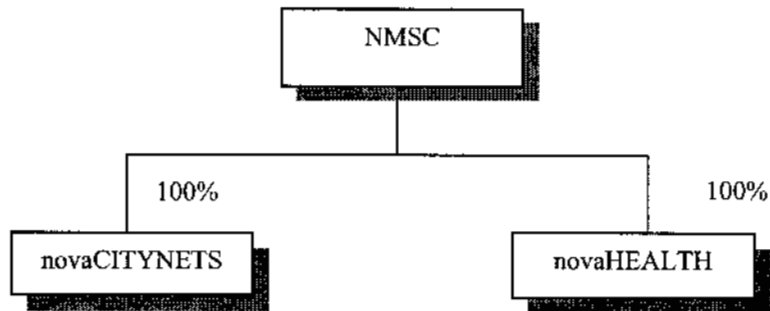
As at 30 June 2003, the NMSC Group has 136 employees.

novaCITYNETS and novaHEALTH are responsible for the sale and marketing of the e-Government and healthcare application software respectively, primarily for the Singapore market. novaCITYNETS and novaHEALTH also provide maintenance and services for its clients in Singapore and the region.

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2. PROSPECTUS SUMMARY

A graphical representation of the Group structure is as follows :-



Further information on the above companies is disclosed in Sections 6.1, 6.2 and 6.4 of this Prospectus.

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2. PROSPECTUS SUMMARY (cont'd)

2.2 Ownership and Management

Based on the Register of Members of NMSC as at 30 June 2003, the direct and indirect interests of the substantial shareholders, Directors, key management and Promoters in the issued share capital of the Company before and after the Public Issue are as follows:-

| Name | Nationality / Place of incorporation | Before Public Issue | | After Public Issue | |
|---|--|---------------------|----------|---------------------|----------|
| | | Direct | Indirect | Direct | Indirect |
| | | Number of Shares | % | Number of Shares | % |
| Y.A.M. Tunku Dato' Seri Nadzaruddin Ibin Tuanku Ja'afar ^(vii) | Malaysian | - | - | - | - |
| Chan Wing Kong ^{(i), (ii), (iii), (iv)} | Singaporean | 39,273,430 | 19.55 | 39,273,430 | 15.35 |
| Tay Sen Kwan ^{(ii), (iii)} | Singaporean | 19,199,420 | 9.56 | 19,199,420 | 7.50 |
| Victor John Stephen Price ^{(i), (ii), (iii), (iv)} | South African | 17,734,480 | 8.83 | 17,734,480 | 6.93 |
| Kwa Lay Keng ⁽ⁱ⁾ | Malaysian | - | - | - | - |
| Hwang Wei-Cherng ⁽ⁱ⁾ | Taiwanese | - | - | - | - |
| Khoo Chee Keng ^(v) | Singaporean | - | - | - | - |
| Yap Yuh Foh (Eddie) ⁽ⁱ⁾ | Malaysian | - | - | - | - |
| Lim Ee-Jin ^(vi) | Malaysian | - | - | - | - |
| Oon Kien Hoe ^(vii) | Malaysian | - | - | - | - |
| Ang Chee Keong ⁽ⁱⁱⁱ⁾ | Singaporean | 5,804,370 | 2.89 | 5,804,370 | 2.27 |
| Tan Yew Soon ^{(iii), (iv)} | Singaporean | 7,812,470 | 3.89 | 7,812,470 | 3.05 |
| Lai Teik Kin ^{(iii), (iv)} | Malaysian | 7,812,470 | 3.89 | 7,812,470 | 3.05 |
| NatSteel ^{(ii), (iii)} | Singapore | 31,278,320 | 15.57 | 31,278,320 | 12.22 |
| Kim Eng ^{(i), (iii)} | Singapore | 20,113,810 | 10.01 | 20,113,810 | 7.86 |
| OSK Technology ⁽ⁱⁱ⁾ | Malaysia | 16,364,120 | 8.15 | 16,364,120 | 6.39 |

Notes:-

- (i) Non-Independent Director of NMSC
- (ii) Substantial shareholder of NMSC
- (iii) Promoter of NMSC
- (iv) Key Management of NMSC
- (v) Alternate director to Hwang Wei-Cherng
- (vi) Alternate director to Yap Yuh Foh (Eddie)
- (vii) Independent Non-Executive Director of NMSC

A description of the substantial shareholders, Directors, key management and Promoters and their direct and indirect shareholdings in the Company are disclosed under Section 9 of this Prospectus.

2. PROSPECTUS SUMMARY (cont'd)

2.3 Products and Services

2.3.1 Products developed by the Group

The following are software products developed in-house and marketed by the Group under the following brand names:-

e-Government

| Software Product | Brief Description |
|------------------|--|
| PAVO™ | PAVO™ is an e-Government software that facilitates the online submission of application documents. The software manages interaction between the government department and the applicant, enables applicants to monitor the progress of their application, authenticates the applicant and guarantees data integrity through the use of encryption and digital signatures. |
| OCTANS™ | OCTANS™ is an electronic local council planning and approval management software which aims to enhance productivity in local authorities by automating the process of examining and approving applications for development control, change of land use, building control, property valuation and other infrastructure development activities. The software is developed to enable its users to generate savings in terms of time and cost. |
| FORNAX™ | FORNAX™ is an electronic plan checking software that automates the process of checking and approving building plans for compliance with building regulations, codes of practice and planning guidelines. The software is developed to enable its users to save time and cost in the compliance checking process. |

Healthcare

| Software Product | Brief Description |
|----------------------|--|
| VESALIUS™ THIS (HIS) | VESALIUS™ THIS (HIS) is a software that supports the administrative functions within a hospital including scheduling, patient registration, pharmacy, inventory, operating theatre management and billing. It also supports electronic medical records management for physicians and patients. |
| VESALIUS™ THIS (CIS) | VESALIUS™ THIS (CIS) is a software that supports the clinical functions within a hospital including physician support systems, nursing care, disease management, peri-operative charting and specialist modules. |

Note: The above trademarks have been / are being registered in Singapore and Malaysia, details of which are set out in Section 8.10 of the Prospectus

2. PROSPECTUS SUMMARY *(cont'd)*

2.3.2 Services

The Group also provides its clients with services such as consultancy, software customisation, installation of hardware and software, project implementation, training and maintenance. A summary of services provided by the Group is set out below:-

(a) Consultancy

The Group renders consultancy services to clients to define their user requirements and formulate them to an IT plan.

(b) Software Customisation

The Group assists its clients to customize its application software to suit its clients' requirements and to develop interface software to link with the clients' existing software systems. Where necessary, the Group may develop new functionalities that are not on its product range, to cater to specific clients' needs.

(c) Training and Maintenance

Training is provided to the Group's clients to ensure that its clients are able to use the Group's software products. Maintenance of the Group's software and systems are also provided.

2.4 Sales and Distribution Channels

In Malaysia, the Group will reach out to its clients directly through its in-house sales and marketing team as well as indirectly through appointed Business Partners.

In Singapore, the Group has a direct sales team through its subsidiary companies to market and sell its application software to the Group's clients.

For other countries, the Group has a marketing team to establish, manage and support its network of Business Partners. The Business Partners are responsible for conducting the sales and marketing activities in the countries in which they operate.

2.4.1 Marketing of Software Products to New Markets

The Group intends to expand its business internationally by establishing strategic alliances with industry players in the chosen markets or undertaking joint ventures, depending on the existing business environment. This expansion will be driven by the Group's application software.

The Group's marketing strategy for its software products is as follows:

- (a) Leverage on key reference sites such as Perbadanan Putrajaya of Malaysia, Urban Redevelopment Authority of Singapore, Building Control Authority of Singapore, Land Transport Authority of Singapore, Singapore General Hospital and National University Hospital to expand into the regional markets;
- (b) Empower and work with Business Partners to enlarge marketing catchment areas. To date, the Group has signed up Business Partners in Malaysia, Thailand, Indonesia, Southern China / Hong Kong and Brunei Darussalam. Presently, the Group is also in contact with other potential Business Partners for representation in Middle East and Austria, with the view to forging a working relationship in the future;

2. PROSPECTUS SUMMARY (*cont'd*)

- (c) Exploit partnerships with established IT vendors, including but not limited to, Microsoft, International Business Machines, Oracle, Hewlett-Packard and Sun Microsystems to open new accounts in targeted markets; and
- (d) Participate in industry exhibitions and conferences to increase the Group's profile and generate better product awareness.

2.5 Technology and Intellectual Property

In order to protect the Group's trademarks in Singapore, the Group has registered trademarks in Class 9 (as classified under the International Classification of Goods and Services, for the purpose of registration of marks, issued by the Intellectual Property Office of Singapore), in respect of its software products. The Group has also filed such trademark applications in Malaysia. Details of the trademark registrations and applications are disclosed in Section 8.10 of this Prospectus.

2.6 Key Achievements / Awards

The Group has obtained numerous achievement awards and recognition for its products and services from various organisations. Details of the achievement / awards are disclosed in Section 8.11 of this Prospectus.

2.7 Research and Development

As at 30 June 2003, the Group has 26 full-time professionals who conduct in-house R&D. In Malaysia, the R&D center is located in a MSC designated area. The Group incurred approximately RM13.9 million in research and development expenditure over two (2) financial years ended 31 March 2002 and 10 months period ended 31 January 2003. Part of this R&D expenditure was supported by a grant equivalent to RM1.2 million from the Agency for Science, Technology and Research or A*STAR of Singapore.

Details of the Group's R&D activities are disclosed in Section 8.7 of this Prospectus.

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2. PROSPECTUS SUMMARY (cont'd)

2.8 Proforma Historical Financial Record

The financial highlights of the Group for the four (4) months ended 31 March 2000, two (2) financial years ended 31 March 2002 and the ten (10) months period ended 31 January 2003, reproduced from the Accountants' Report and based on the assumption that the Acquisition of novaHEALTH and Acquisition of novaCITYNETS had been in existence throughout the years / periods under review, are set out below:-

| | 4 months ended 31 March 2000 RM'000 | Year ended 31 March 2001 RM'000 | Year ended 31 March 2002 RM'000 | 10 months ended 31 January 2003 RM'000 |
|---|---|---------------------------------------|---------------------------------------|--|
| Turnover: | | | | |
| Consultancy contracts* | - | 7,934 | 17,301 | 16,362 |
| Maintenance services | - | 1,463 | 3,073 | 3,813 |
| | - | 9,397 | 20,374 | 20,175 |
| (Loss)/Profit before interest, tax depreciation and amortisation | (54) | (2,166) | 2,650 | 6,759 |
| Less: | | | | |
| Depreciation and amortisation | - | (334) | (737) | (1,916) |
| Interest expense | - | (89) | (68) | (82) |
| (Loss)/Profit before taxation | (54) | (2,589) | 1,845 | 4,761 |
| Taxation | - | 550 | (462) | (973) |
| (Loss)/Profit after taxation | (54) | (2,039) | 1,383 | 3,788 |
| Number of ordinary shares of RM1.00 each assumed in issue after acquisition of subsidiaries (‘000) | 14,373 | 14,373 | 14,373 | 14,373 |
| (Loss)/Earnings per share (RM) | | | | |
| Gross | (0.011) [#] | (0.18) | 0.13 | 0.39 [#] |
| Net | (0.011) [#] | (0.14) | 0.10 | 0.32 [#] |
| Ordinary dividends paid | - | - | - | - |

Note: The abovementioned figures incorporate results of subsidiaries which have been translated from SGD using foreign exchange rate at 31 January 2003 of RM2.17 : SGD1.

[#] The results were annualised to enable comparability with the EPS calculated for years ended 31 March 2001 and 2002

* Includes sales of in-house application software products

There were no exceptional nor extraordinary items in the financial years / periods under review.

There were no audit qualifications for the years or periods under review.

Please refer to Section 5 for the NMSC Group's financial performance throughout the financial years/periods under review.

2. PROSPECTUS SUMMARY (cont'd)

2.9 Proforma Consolidated Balance Sheets

The table below sets out the proforma consolidated balance sheets of the Group as at 31 January 2003 (which is to be read in conjunction with the Accountants' Report attached under Section 12 of this Prospectus) and is provided for illustrative purposes based on the audited accounts of NMSC and its subsidiary companies and the listing scheme as stated in Section 6.3 of this Prospectus:-

| | Group Audited | Group Proforma I | Group Proforma II | Group Proforma III | Group Proforma IV |
|---|------------------|---------------------|----------------------|-----------------------|----------------------|
| | 31 January 2003 | | | | |
| | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 |
| Property, plant and equipment | 740 | 740 | 740 | 740 | 740 |
| Intangible assets | 13,752 | 13,752 | 13,752 | 13,752 | 13,752 |
| Current assets | 17,149 | 19,869 | 19,869 | 19,869 | 33,369 |
| Less: Current liabilities | (11,914) | (11,914) | (11,914) | (11,914) | (11,914) |
| Net current assets | 5,235 | 7,955 | 7,955 | 7,955 | 21,455 |
| | 19,727 | 22,447 | 22,447 | 22,447 | 35,947 |
| Financed by: | | | | | |
| Share capital | 15,803 | 17,558 | 20,090 | 20,090 | 25,590 |
| Share premium | 1,570 | 2,535 | 3 | 3 | 8,003 |
| Retained profits | 1,268 | 1,268 | 1,268 | 1,268 | 1,268 |
| Exchange equalisation reserve | 200 | 200 | 200 | 200 | 200 |
| Shareholders' funds | 18,841 | 21,561 | 21,561 | 21,561 | 35,061 |
| Deferred taxation | 886 | 886 | 886 | 886 | 886 |
| | 19,727 | 22,447 | 22,447 | 22,447 | 35,947 |
| Net assets value per share (RM) | 1.19 | 1.23 | 1.07 | 0.11 | 0.14 |
| NTA per share (RM) | 0.32 | 0.44 | 0.39 | 0.04 | 0.08 |
| Number of ordinary shares of RM1 each in issue | 15,802,850 | 17,557,850 | 20,090,000 | - | - |
| Number of ordinary shares of RM0.10 each in issue | - | - | - | 200,900,000 | 255,900,000 |

A. *The proforma consolidated balance sheets have been prepared for illustrative purposes only and are based on the audited financial statements of NMSC and the audited financial statements of its subsidiaries, as at 31 January 2003 and based on accounting policies consistent with applicable approved accounting standards in Malaysia.*

B. *The proforma consolidated balance sheets incorporate, on a proforma basis, the following transactions as though they have been effected and completed on 31 January 2003:*

B(i) Proforma I

Proposed share option scheme of Nova MSC Sdn Bhd ("Share Option") where 1,755,000 new NMSC ordinary shares of RM1.00 each have been issued to eligible employees of NMSC Group representing not more than 10% of the share capital as at 31 January 2003.

2. PROSPECTUS SUMMARY (cont'd)*B(ii) Proforma II*

Proforma II incorporates the effects of Proforma I and the bonus issue of 2,532,150 ordinary shares of RM1.00 each to the shareholders of NMSC via capitalisation of the share premium account balance of RM2,532,150.

B(iii) Proforma III

Proforma III incorporates the effects of Proforma I to II and the share split of NMSC's 20,090,000 ordinary shares of RM1.00 each into 200,900,000 ordinary shares of RM0.10 each.

B(iv) Proforma IV

Proforma IV incorporates the effects of Proforma I to III and the public issue of 55,000,000 new ordinary shares of RM0.10 each at an issue price of RM0.28 per share to facilitate the listing of and quotation for NMSC shares on the MESDAQ Market.

C. Movements in the issued and paid up capital and share premium accounts as a result of the above transactions are as follows:-

| | <i>Share capital</i> <i>RM'000</i> | <i>Share premium</i> <i>RM'000</i> |
|---|---------------------------------------|---------------------------------------|
| <i>Audited balance at 31 January 2003</i> | <i>15,803</i> | <i>1,570</i> |
| <i>Share Option issue</i> | <i>1,755</i> | <i>965</i> |
| <i>Balance for Proforma I</i> | <i>17,558</i> | <i>2,535</i> |
| <i>Bonus issue</i> | <i>2,532</i> | <i>(2,532)</i> |
| <i>Balance for Proforma II & III</i> | <i>20,090</i> | <i>3</i> |
| <i>Public Issue</i> | <i>5,500</i> | <i>9,900</i> |
| <i>Listing expenses</i> | <i>-</i> | <i>(1,900)</i> |
| <i>Balance for Proforma IV</i> | <i>25,590</i> | <i>8,003</i> |

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2. PROSPECTUS SUMMARY *(cont'd)*

2.10 Risk Factors

Prospective investors should, prior to making an investment in the Company, carefully consider the following risk factors (which may not be exhaustive) inherent in and affecting the business of the NMSC Group and this Public Issue. Factors that could cause or contribute to such differences are not limited to those discussed in Section 4 “Risk Factors”, but include those discussed throughout this Prospectus.

The key risk factors that may affect the Group’s future profitability are not limited to financial risks, market risks and industry risks. The following are some of the risk factors that may affect the Group:-

- i. Operating Risks
- ii. Competition
- iii. Rapid Technological Changes
- iv. Product Risks
- v. Dependence on Directors and Key Personnel
- vi. Reliance on Major Relationships
- vii. Intellectual Property Issues
- viii. Acquisitions and Joint Ventures
- ix. Foreign Exchange Risk
- x. Acceptance of Internet and other Online Solutions
- xi. Vulnerability to Security Risks
- xii. Project Risks
- xiii. Risks to Revenue Flow
- xiv. Industry Risks
- xv. Litigation Risks
- xvi. Reliance on Economic, Political and Social Stability
- xvii. Change in MSC Status
- xviii. No prior market for NMSC Shares and Possible Volatility of Share Price
- xix. Ownership and Control by the Substantial Shareholders
- xx. Risk of Rapid or Over Expansion of the Group’s Business
- xxi. Uncertainty of the Proposed five (5) - year Business Development Plan
- xxii. New Geographical Markets
- xxiii. Underwriting
- xxiv. Accounting Policy on Impairment
- xxv. Disclosure Regarding Forward-Looking Statements
- xxvi. Disaster Recovery
- xxvii. Adequacy of insurance coverage on the NMSC Group’s assets

Investors are advised to carefully consider the above risk factors, which may not be exhaustive, together with other information contained in this Prospectus before subscribing to any of the Issue Shares, which are the subject of this Prospectus.

2.11 Prospects and Outlook

The Group is principally engaged in the sale and marketing, development and implementation of application software and services for the e-Government and healthcare industries.

Whilst the Group has penetrated the Singapore and Malaysian markets, it is in the early stages of establishing itself in other countries in Asia including Thailand, Indonesia, China, Hong Kong and Vietnam.

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2. PROSPECTUS SUMMARY *(cont'd)*

The prospects of the Group for the next few years are set out as follows:-

2.11.1 e-Government

The Group believes that it has a significant potential market for its application software in e-Government, given that its target markets range from local government authorities in cities and towns, to municipalities and district councils. This needless to say, represents a wide range of potential users of the Group's e-Government software.

Since its inception in 2000, novaCITYNETS has been awarded contracts to supply its software solutions to more than twelve (12) government agencies located in Malaysia and Singapore. The outlook of novaCITYNETS is promising given that there is still a large market that novaCITYNETS can tap on for its business in the future.

The NMSC Group has an order book of RM16.8 million as at 31 January 2003 for its e-Government software and services. To secure new contracts, the Group has made proposals to prospective clients in Singapore, Malaysia, Brunei Darussalam, China and the United Kingdom.

The Group is also actively developing new markets in the Asia-Pacific region by appointing a network of local Business Partners in some of these countries. In the Group's next market development phase, there are plans to establish a marketing and technical support presence in Indonesia and China/Hong Kong to provide better and faster marketing and technical support to its Business Partners and also develop local partnerships and possibly joint ventures.

2.11.2 Healthcare

Healthcare has been a booming industry over recent years, with the increased demand seen to be coming from more and more people being sensitive to health concerns. The number of hospitals, clinics and health centres is expected to grow proportionately with increased demand for healthcare services. With the industry's growth, the number of hospitals that can utilise the Group's application software is potentially

Since its inception in 1999, novaHEALTH has been awarded contracts to supply its application software solutions to more than seven (7) hospitals located in Singapore, Malaysia and Indonesia. The outlook of novaHEALTH is promising given that there is still a large market that novaHEALTH can tap on for its business in the future.

The NMSC Group has an order book of about RM2.5 million as at 31 January 2003 for its healthcare application software and services. To secure new contracts, the Group has made sales proposals to several hospitals in Singapore, Indonesia, Malaysia, Thailand and China to market its healthcare application software. The Group is also actively developing new markets in the Asia-Pacific region by appointing a network of local Business Partners in some of these countries. In the next market development phase, the Group plans to establish a marketing and technical support presence in Indonesia and China/Hong Kong to provide more efficient support to its Business Partners and also to develop more local partnerships.

2.11.3 Revenue Sources

The Group's revenue is mainly derived from a combination of the following:-

- (a) Product sales of its in-house developed application software products; and
- (b) Service fees from its professional services in consultancy, training and customisation of the Group's solutions.

2. PROSPECTUS SUMMARY (cont'd)

Additional income is also derived from:-

- (a) margins from the sale of third-party products such as computer software and/or hardware; and
- (b) fees for the maintenance of software and systems that the Group has implemented for its clients.

Currently, approximately fifty per cent (50%) of the Group's revenue is derived from services and twenty five percent (25%) from product sales of its application software products. Typically, another fifteen per cent (15%) to twenty per cent (20%) is recurring income from maintenance services and the remaining from margins earned on third-party software and hardware. As the Group's core strength lies in its in-house developed application software products, the Group expects the contribution from application software sales to increase to approximately forty percent 40% in the future.

Based on the ten (10) month period ended 31 January 2003, the contribution to the Group's revenue from each of the above revenue sources are as follows:-

| | Healthcare RM'000 | e-Government RM'000 | Total RM'000 |
|------------------------|----------------------|------------------------|-----------------|
| Consultancy contracts* | 3,646 | 12,716 | 16,362 |
| Maintenance services | 297 | 3,516 | 3,813 |
| Total | 3,943 | 16,232 | 20,175 |

Note:-

* Includes sales of in-house developed products

2.12 Principal Statistics Relating to the Public Issue

The following statistics relate to the Public Issue:-

2.12.1 Share Capital

| | |
|--|------------|
| Authorised share capital: | RM |
| 500,000,000 ordinary shares of RM0.10 each | 50,000,000 |
| Issued and fully paid-up share capital: | |
| 200,900,000 ordinary shares of RM0.10 each | 20,090,000 |
| To be issued pursuant to the Issue: | |
| 55,000,000 ordinary shares of RM0.10 each | 5,500,000 |
| Enlarged share capital | |
| 255,900,000 ordinary shares of RM0.10 each | 25,590,000 |
| Issue Price | 0.28 |
| Market capitalisation based on Issue Price | 71,652,000 |
| Proforma NTA based on the proforma consolidated balance sheet as at 31 January 2003:- | |
| Proforma NTA upon listing | 21,309,000 |
| Proforma NTA per share upon listing | 0.08 |

2. PROSPECTUS SUMMARY *(cont'd)*

2.12.2 Class of Shares

There is only one class of shares in the Company, namely, ordinary shares of RM0.10 each, all of which rank *pari passu* with one another. The Public Issue Shares will rank *pari passu* in all respects with the other existing issued and paid-up ordinary shares of the Company including voting rights and rights to all dividends and distributions that may be declared, paid or made subsequent to the date of this Prospectus.

2.13 Utilisation of Proceeds Raised from the Public Issue

Based on the Issue Price, the Company expects the gross proceeds of the Public Issue of RM15,400,000 to accrue to the Company. This amount is expected to be utilised in the manner specified below:-

| Purpose | RM |
|---------------------------------------|-------------------|
| Proposed overseas projects/investment | 1,850,000 |
| R&D expenditure | 5,500,000 |
| Working capital | 6,150,000 |
| Estimated listing expenses | 1,900,000 |
| Total | 15,400,000 |

Further details on the utilisation of proceeds is set out in Section 3.8 of this Prospectus.

2.14 Material Litigation

As at 30 June 2003, being the latest practicable date prior to the printing of this Prospectus, neither NMSC nor any of its subsidiary companies are engaged in any material litigation either as plaintiff or defendant which has a material effect on the financial position of the Group and the Directors of the Company and its subsidiary companies have no knowledge of any proceeding pending or threatened against the Company and its subsidiary companies or of any facts likely to give rise to any proceeding which might materially affect the position and business of the Company and/or its subsidiary companies.

2.15 Capital Commitments

As at 31 January 2003, being the last date up to which the audited financial statements were made, there are no material commitment for capital expenditure incurred or known to be incurred by NMSC or its subsidiary companies which may have a substantial impact on the financial position of the Group.

2.16 Contingent Liabilities

As at 31 January 2003, being the date up to which the audited financial statements were made, the Directors of NMSC are not aware of any contingent liability, which upon becoming enforceable may have a material impact on the Group.

Details of material litigation, capital commitments and contingent liabilities are set out in Section 14.7 of this Prospectus.