

[www.censof.com](http://www.censof.com)

**CENSOF HOLDINGS BERHAD**  
(CO. NO. : 828269-A)

Unit B-10-06, 6<sup>th</sup> Floor  
Dataran 3 Two, Jalan 19/1  
46300, Petaling Jaya  
Malaysia

T +603-7962 7888  
F +603-7962 7800

**CENTURY SOFTWARE (M) SDN BHD**  
(CO. NO. : 445590-U)

A-8, Block A, Level 8, Sunway PJ51A  
Jalan SS9A/19, Seri Setia  
47300 Petaling Jaya  
Selangor Darul Ehsan, Malaysia  
T +603 7962 7888  
F +603 7962 7800  
[www.censof.com](http://www.censof.com)

**T-MELMAX SDN BHD** (CO. NO. : 593550-D)

A-3, Block A, Level 3, Sunway PJ51A  
Jalan SS9A/19, Seri Setia  
47300 Petaling Jaya  
Selangor Darul Ehsan, Malaysia  
T +603 7877 9500  
F +603 7877 5200  
[www.t-melmax.com](http://www.t-melmax.com)

**DAGANG NEXCHANGE BERHAD**  
(CO. NO. : 10039-P)

Tower 3, Avenue 5  
The Horizon Bangsar South  
No. 8, Jalan Kerinchi  
59200 Kuala Lumpur, Malaysia  
T +603 2730 0300  
F +603 2713 3131  
[www.dnex.com.my](http://www.dnex.com.my)

**KNOWLEDGECOM CORPORATION SDN BHD** (CO. NO. : 457209-A)

Unit C-15-03, Block C, 3 Two Square  
No. 2, Jalan 19/1, 46300 Petaling Jaya  
Selangor Darul Ehsan, Malaysia  
T +603 7960 1922  
F +603 7960 1921  
[www.eknowledge.com](http://www.eknowledge.com)

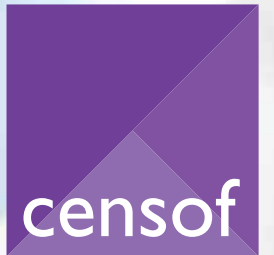
**PT PRAISINDO TEKNOLOGI**  
(CO. NO. : C-12128)

Jl. Empu Sendok  
No. 53, Senopati  
Jakarta 12110, Indonesia  
T +62 21 526 5423/+62 21 526 5424  
F +62 21 573 6236  
[www.praisindo.com](http://www.praisindo.com)

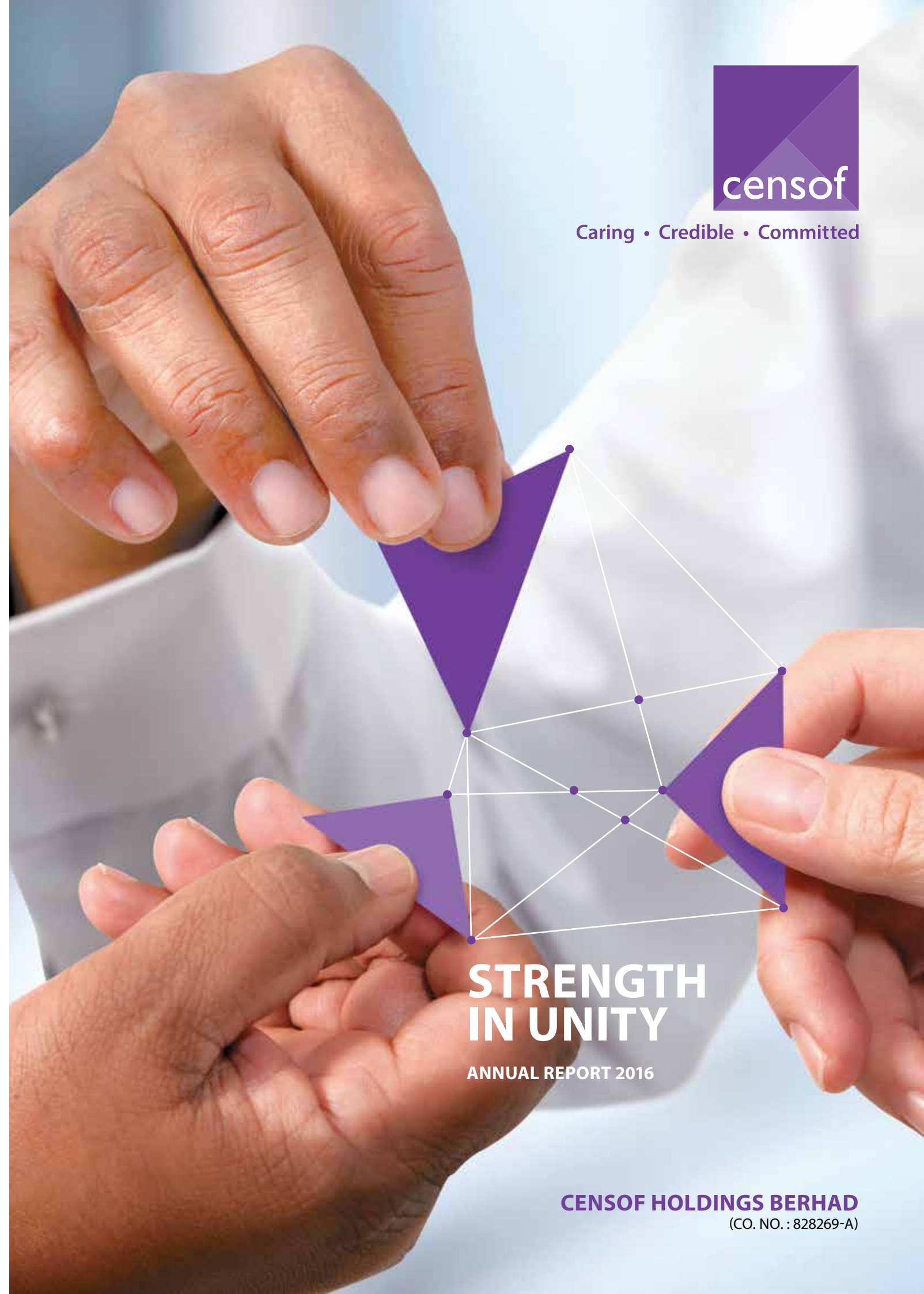
**ASIAN BUSINESS SOFTWARE SOLUTION PTE LTD** (REG. NO. : 200914556R)

33, Ubi Avenue 3  
#08-67, Vertex Tower A  
Singapore 408868  
T +(65) 6505 6582  
F +(65) 6505 6577  
[www.myob.com.sg](http://www.myob.com.sg)

CENSOF HOLDINGS BERHAD (CO. NO. : 828269-A) ANNUAL REPORT 2016



Caring • Credible • Committed



**STRENGTH  
IN UNITY**

ANNUAL REPORT 2016

**CENSOF HOLDINGS BERHAD**  
(CO. NO. : 828269-A)



# inside this report

## 1 corporate overview

- 3 vision and mission
- 4 corporate structure
- 11 corporate information
- 12 5-year financial highlights
- 14 analysis of shareholdings

## 2 performance review

- 21 chairman's statement
- 23 management's discussion & analysis

## 3 board & management

- 26 board of directors
- 28 directors' profiles
- 32 management team
- 33 management team's profiles

### STRENGTH IN UNITY

The coming together of the triangular pieces of Censof's logo in this cover design symbolises the continued growth of the Group through strategic mergers and acquisitions, complementing the synergistic strength of Censof's diverse services, businesses and employees across the globe to deliver results in spite of the challenging operating conditions.





## 4 accountability

- 36 sustainability statement
- 38 statement on corporate governance
- 48 statement on risk management & internal control
- 50 audit committee report
- 53 additional compliance information

## 5 financial statements

- 56 director's report
- 63 statement by directors
- 63 statutory declaration
- 64 independent auditors' report
- 67 statement of financial position
- 69 statement of profit or loss & other comprehensive income
- 71 statement of changes in equity
- 76 statement of cash flows
- 79 notes to the financial statements

## 6 additional information

- 163 notice of annual general meeting
- 165 pdpa notice
- proxy form



# 1

# chapter

## corporate overview

- 3 vision and mission
- 4 corporate structure
- 11 corporate information
- 12 5-year financial highlights
- 14 analysis of shareholdings





# corporate profile

# vision

To be the leading regional financial management solution provider by 2020

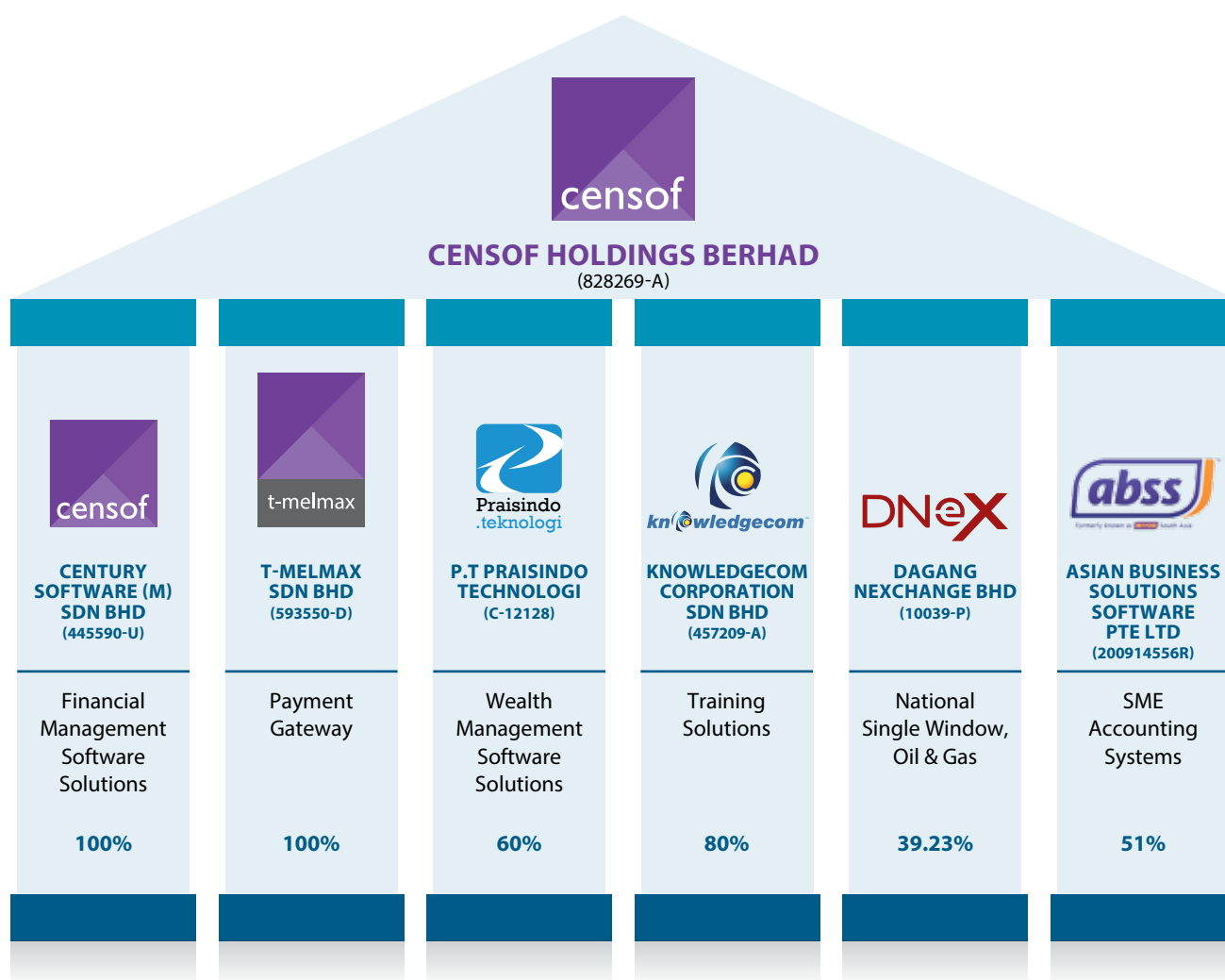
# mission

We pledge to devote our expertise towards excellence by:

- **P**roviding innovative business solutions for our customers
- **I**nstilling a positive corporate culture that motivates our people to deliver excellence
- **D**elivering sustainable growth and value for stakeholders
- **E**mpowering our people to be caring citizens actively contributing to the community.



# group structure

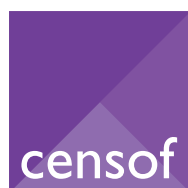


## SHAREHOLDING

SUBSIDIARIES	CENTURY SOFTWARE (M) SDN BHD	T-MELMAX SDN BHD	PT PRAISINDO TEKNOLOGI	KNOWLEDGECOM CORPORATION SDN BHD	DAGANG NEXCHANGE BERHAD	ASIAN BUSINESS SOLUTIONS SOFTWARE PTE LTD
Equity Interest	100%	100%	60%	80%	39.23%	51%
Year of Incorporation	1997	2002	2003	1998	1970	2009
Status	Bumiputra / MSC	Bumiputra / MSC	-	MSC	-	-
Core Business	FMSS	PAS	WMS	TS	NSW / Oil & Gas	SME AS



## group structure



### CENTURY SOFTWARE (M) SDN BHD

Century Software (M) Sdn Bhd was incorporated in 1997 as a specialist in the supply and implementation of Financial Management Solutions. Since then, Century Software has evolved into a leading player at the forefront of the Malaysian and global business software solutions arena. This is truly evident through our presence via branch operations and associates in the United States, Indonesia, Myanmar, Australia and the Philippines.

Even with this extensive market coverage, Century Software is continuing its aggressive expansion roll across the globe to establish major player positions in both advanced and emerging markets. Apart from financial management solutions, Century Software also provides customisable business solutions in business performance, enterprise analytics, wealth management, application development and more. This diversity of technical competency within our ingrained corporate makeup has served to elevate Century Software to a dominant position in our chosen business ecosystem.

In all these competencies under our charge, we are professionally endorsed with the ISO 9001:2008 standards certification as established by the Bureau Veritas Certification.

#### SERVICES

- Project Management
- System Support
- BPI Advisory
- Integration
- Training

#### PRODUCTS



## group structure



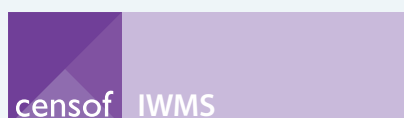
### T-MELMAX SDN BHD

Established in 2002, T-Melmax Sdn Bhd (T-Melmax) is an MSC (Multimedia Super Corridor) status company that develops innovative and comprehensive technology based e-Payment and web-based electronic banking solutions to facilitate real-time and batch transaction processing.

From payment to suppliers, to the payroll of large corporations, T-Melmax Sdn Bhd handles processing of bulk payments, retail payments and a vast variety of payments with interface to IBG (Inter Bank Giro), FPX (Financial Process Exchange), legacy host-based systems and numerous statutory bodies.

To-date, the company successfully completed an IT systems merger project of two major banking institutions during the Malaysian commercial banking industry rationalisation exercise. T-Melmax also offers a host of other products designed to suit the many needs of the growing, technology-savvy community and various industries.

#### PRODUCTS



#### SERVICES

##### Software Development

- Engineering Services
- Program Management
- Operations Support

##### IT Support

- Products Areas
- Production Support
- Infrastructure Support
- End User support
- Software Testing Services
- Functional Testing
- Test / QA consulting
- Non-Functional Testing
- Test Automation





## group structure



**Praisindo**  
**.teknologi P.T PRAISINDO**

Founded in 2003, during the heights of the Internet penetration and information technology advances era, P.T Praisindo has been providing high quality software development and system integration works in various cities across the Indonesian archipelago, as well as handling several outsourcing works from overseas clients. We offer custom-made solutions in which we frequently use standards-based work-processes, technological processes and documents.

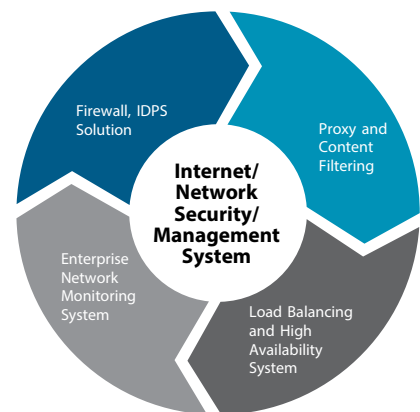
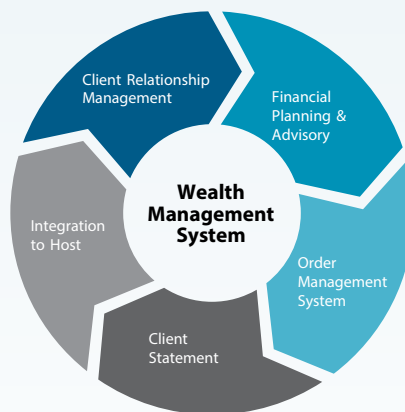
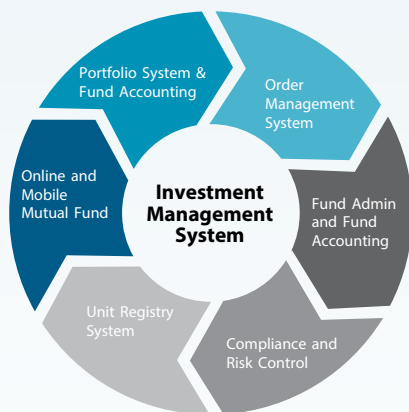
Our dedicated team of dynamic technology specialists, both in traditional legacy systems as well as Internet technologies, have engaged in various solution provisioning projects to increase Return on Investment (ROI) of IT Projects by leveraging on optimised process automation techniques, enabling effective communication, and enhancing revenue growth for our clients. Among the few products that we have developed are Wealth Management System, Investment Management System and Internet/Network Security/Management System.

Praisindo is able to list prominent organisations and business houses among its client base; which itself speaks for the quality of our works and the professionalism offered by the team.

## SERVICES

- Custom Website Development
- Project Management
- System Support
- Corporate Web Development
- Corporate Web Operation

## PRODUCTS



## group structure



### KNOWLEDGECOM CORPORATION SDN BHD

Knowledgecom Corporation Sdn Bhd (KCOM) is a premier skilled development company that aims to UP-Skill the nation's workforce by training and certifying students and fresh graduates from both public and private universities, government servants and working professionals. KCOM has over a decade of experience in designing and delivering programs that will enhance higher income opportunities, better employability and improve operational effectiveness in various industry sectors. Incorporated in September 2001 and since then, we have upskilled more than over 10,000 students from 1,000 organisations. KCOM's motto, "Empowering Skills, Forging Success" has become the mantra in delivering exceptional results for the government and private entities. KCOM's list of clients includes numerous HRDF contributing companies, Government agencies, MNCs, MSC companies, International bodies, SMI/SME organizations and public/private universities.

Global Strategic Partners (GSP), a wholly owned subsidiary of Knowledgecom, publishes UP Magazine, a first of its kind magazine that incorporates human resource management with focus on development and training of human capital. The UP Magazine is a quarterly magazine publication that is currently being circulated to some 20,000 companies in 63 HR sectors in Malaysia. GSP also organizes workshops and conferences that specialises in human capital development.

#### PRODUCTS AND SERVICES

- Global Certification
- Academia Collaboration
- Human Capital Management



**Microsoft Partner**  
Silver Learning





## group structure



## ASIAN BUSINESS SOFTWARE SOLUTIONS PTE LTD

Asian Business Software Solutions Pte Ltd (ABSS) is a leading supplier of MYOB branded financial management software for Asia, and also supports Asian SMEs with a wide range of other support and service offerings; including Google AdWords - being hand-picked as a Google Premier SME Partner in Singapore and Malaysia.

ABSS extends services to SMEs throughout Asia, including Malaysia, Singapore, Hong Kong and more than a dozen other countries by providing tools that simplify accounting management, digital marketing, customer payment gateways, e-commerce solutions and more.

ABSS offices are based in Malaysia and Singapore including a wide network of hundreds of qualified Professional Partners and Resellers throughout Asia. ABSS was formed in 2009 by a management buy-out of the MYOB South Asia business and has grown strongly since then to provide increased freedom, efficiency and strives to be the leading SME business solutions provider across Asia.

## ABSS RANGE OF PRODUCTS & SERVICES

### MYOB Branded Business Software



## group structure



### DAGANG NEXCHANGE BERHAD

Dagang NeXchange Berhad (DNeX) was incorporated in 1970 and is listed on the Main Market of Bursa Malaysia Securities Berhad since 1983. DNeX is a technology-based solutions provider for mission-critical services to governments and its agencies, and leading organizations and companies both in Malaysia and abroad.

Combining unparalleled experience and comprehensive capabilities in Trade Facilitation, DNeX pioneers in initiatives aimed at creating paperless, electronic Customs-related services to ease the facilitation and streamlining of international trading processes for the import and export, trade and logistics industries. It is also a provider of ISO-certified cyber security services and collaborates with clients on intelligent IT infrastructure to help them become high-performance businesses and governments.

DNeX has ventured into the energy landscape through recent strategic acquisitions and long term partnerships. With a heavy know-how and asset light strategy, DNeX works on integrating technological solutions to develop a commercially sustainable energy business.

### PRODUCTS & SERVICES

#### DNeX IT

- Trade Facilitation
- Cyber Security
- IT Solutioning
- Data Analytics
- RFID Solutions
- Global Halal Exchange

#### DNeX Energy

- Oil & Gas Services
- Upstream Oil & Gas
- Power





# corporate information

## BOARD OF DIRECTORS

**Tan Sri Dato' Mohd Ibrahim  
Bin Mohd Zain**

Independent  
Non-Executive Chairman

**Ameer Bin Shaik Mydin**

Group Managing Director

**Tamil Selvan A/L M. Durairaj**

Deputy Group Managing Director

**Ang Hsin Hsien**

Executive Director

**Tuan Haji Ab. Gani Bin Haron**

Senior Independent  
Non-Executive Director

**Boey Tak Kong**

Independent  
Non-Executive Director

**Datuk Samsul Bin Husin**

Non-Independent  
Non-Executive Director

**Charles William Fox**

Non-Independent  
Non-Executive Director

## AUDIT COMMITTEE

**Tuan Haji Ab. Gani Bin Haron**  
Chairman

**Tan Sri Dato' Mohd Ibrahim  
Bin Mohd Zain**

Member

**Boey Tak Kong**

Member

## REMUNERATION COMMITTEE

**Boey Tak Kong**

Chairman

**Tuan Haji Ab. Gani Bin Haron**

Member

**Ameer Bin Shaik Mydin**

Member

## NOMINATION COMMITTEE

**Boey Tak Kong**

Chairman

**Tan Sri Dato' Mohd Ibrahim  
Bin Mohd Zain**

Member

**Tuan Haji Ab. Gani Bin Haron**

Member

## REGISTERED OFFICE

Level 15-2  
Bangunan Faber Imperial Court  
Jalan Sultan Ismail  
50250 Kuala Lumpur  
Tel : 03-2692 4271  
Fax : 03-2732 5388

## COMPANY SECRETARIES

**Lim Seck Wah**

(MAICSA NO.: 0799845)

**M. Chandrasegaran A.L S. Murugasu**

(MAICSA NO.: 0781031)

## AUDITORS

**Messrs Crowe Horwath**

Chartered Accountants  
Level 16, Tower C, Megan Avenue II  
12 Jalan Yap Kwan Seng  
50450 Kuala Lumpur  
Tel : 03-2788 9999  
Fax : 03-2788 9998

## SHARE REGISTRAR

**SYMPHONY SHARE REGISTRARS  
SDN. BHD.**

(Company No.: 378993 D)  
Level 6, Symphony House  
Block D13, Pusat Dagangan Dana 1  
Jalan PJU 1A/46  
47301 Petaling Jaya  
Selangor Darul Ehsan  
Tel : 03-7841 8000  
Fax : 03-7841 8151

## PRINCIPAL BANKERS

CIMB Bank Berhad  
Hong Leong Bank Berhad  
Malayan Banking Berhad

## CORPORATE OFFICE

Unit B-10-06, 6<sup>th</sup> Floor  
Dataran 3 Two, Jalan 19/1  
46300 Petaling Jaya  
Selangor Darul Ehsan  
Tel : 03-7962 7888  
Fax : 03-7962 7800  
Website : www.censof.com

## STOCK EXCHANGE LISTING

Main Market,  
Bursa Malaysia Securities Berhad  
Stock Code : 5195  
Stock Name : Censof  
Warrant Code : 5195 WA  
Warrant Name: Censof-WA  
Warrant Code : 5195 WB  
Warrant Name: Censof-WB

# 5-year financial highlights

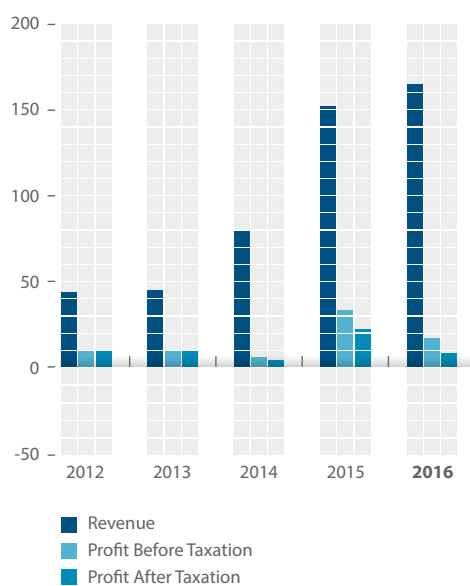
	2016	2015	2014	2013	2012
<b>PROFIT AND LOSS (RM MILLION)</b>					
Revenue	<b>165.04</b>	152.05	80.33	44.77	43.34
Profit Before Taxation	<b>17.00</b>	32.80	5.83	9.81	9.23
Profit After Taxation	<b>7.83</b>	21.64	4.13	9.45	9.00
<b>BALANCE SHEET (RM MILLION)</b>					
Share Capital	<b>50.17</b>	47.67	39.96	34.42	34.42
Reserves	<b>48.78</b>	51.91	38.47	41.08	31.89
Shareholder's Fund	<b>137.03</b>	132.66	88.75	64.51	55.45
Non-Controlling Interest	<b>73.41</b>	81.54	62.40	0.99	0.67
Current Liabilities	<b>105.38</b>	103.22	91.86	16.01	6.38
Non-Current Liabilities	<b>48.07</b>	22.19	76.86	0.67	0.47
Property, Plant and Equipment	<b>23.71</b>	16.25	18.25	4.11	3.25
Other Investments	<b>4.27</b>	0.10	0.10	0.10	0.10
Current Assets	<b>235.55</b>	238.55	190.97	55.77	44.95
<b>RATIO</b>					
Net Assets Per Share (Sen)	<b>28.12</b>	30.15	24.55	19.03	20.35
Net Earnings Per Share (Sen)	<b>(1.46)</b>	1.75	0.31	2.71	3.19
Dividend Amount Per Share (Sen)	-	-	-	0.10	0.10



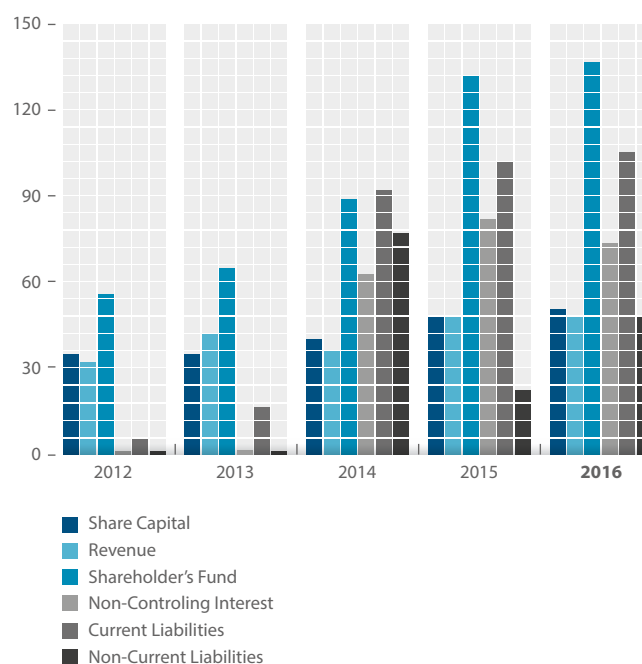


# 5-year financial highlights

**PROFIT AND LOSS PERFORMANCE**  
(RM'million)



**BALANCE SHEET**  
(RM'million)



## REWARDS TO SHAREHOLDERS

YEAR	DIVIDEND	WARRANT
Dec-12	0.10 per share	-
Mar-14	0.10 per share	-
Mar-15	-	One (1) free Warrant A for every eight (8) existing ordinary shares
Mar-16	-	One (1) free Warrant B for every four (4) existing ordinary shares

# analysis of shareholdings

as at 30 JUNE 2016

Authorised Share Capital	: RM100,000,000.00
Issued and Fully Paid-Up Share Capital	: RM 50,170,312.60
Class of Shares	: Ordinary Shares of RM0.10 Each
Voting Rights	: One Vote Per Ordinary Share
No. of Shareholders	: 6,625

## DISTRIBUTION OF SHAREHOLDINGS AS AT 30 JUNE 2016

CATEGORY	NO. OF SHAREHOLDERS	% OF SHAREHOLDERS	NO. OF SHARES	% OF SHARES
Less than 100	18	0.27	406	0.00
100 - 1,000	187	2.83	128,030	0.03
1,001 - 10,000	2,694	40.66	19,075,602	3.80
10,001 - 100,000	3,255	49.13	119,062,575	23.73
100,001 to less than 5% of issued shares	468	7.06	187,498,559	37.37
5% and above of issued shares	3	0.05	175,937,954	35.07
<b>Total</b>	<b>6,625</b>	<b>100.00</b>	<b>501,703,126</b>	<b>100.00</b>

## LIST OF SUBSTANTIAL SHAREHOLDERS AS AT 30 JUNE 2016

NO.	NAMES	DIRECT		INDIRECT	
		NO. OF SHARES	% *	NO. OF SHARES	% *
1	SAAS Global Sdn Bhd	175,937,954	35.07	-	-
2	Datuk Samsul Bin Husin	-	-	175,937,954	35.07 (a)
3	Ameer Bin Shaik Mydin	-	-	175,937,954	35.07 (a)

## DIRECTORS' INTERESTS IN SHARES AS AT 30 JUNE 2016

NO.	NAMES	DIRECT		INDIRECT	
		NO. OF SHARES	% *	NO. OF SHARES	% *
1	Tan Sri Dato' Mohd Ibrahim				
	Bin Mohd Zain	10,349,032	2.06	-	-
2	Datuk Samsul Bin Husin	-	-	175,937,954	35.07 (a)
3	Ameer Bin Shaik Mydin	-	-	175,937,954	35.07 (a)
4	Tamil Selvan A/L M. Durairaj	-	-	-	-
5	Ang Hsin Hsien	-	-	-	-
6	Tuan Haji Ab. Gani Bin Haron	-	-	-	-
7	Boey Tak Kong	1,800,000.00	0.36	-	-
8	Charles William Fox	-	-	-	-

Notes:-

(a) Deemed Interest pursuant to Section 6A of the Act through his interest in SAAS Global Sdn Bhd





# analysis of shareholdings

as at 30 JUNE 2016

## 30 LARGEST SHAREHOLDERS AS AT 30 JUNE 2016

NO.	SHAREHOLDERS	NO. OF SHARES	%
1	RHB NOMINEES (TEMPATAN) SDN BHD OSK CAPITAL SDN BHD FOR SAAS GLOBAL SDN BHD	80,000,000	15.95
2	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR SAAS GLOBAL SDN BHD (51401202116A)	52,418,954	10.45
3	SAAS GLOBAL SDN BHD	43,519,000	8.67
4	CIMSEC NOMINEES (TEMPATAN) SDN BHD CIMB BANK FOR ERWIN SELVARAJAH A/L PETER SELVARAJAH (M53001)	15,000,000	2.99
5	MAYBANK SECURITIES PLEDGED SECURITIES ACCOUNT FOR MOHD IBRAHIM BIN MOHD ZAIN (MARGIN) NOMINEES (TEMPATAN) SDN BHD	8,749,032	1.74
6	EXPEDIENT EQUITY VENTURES SDN BHD	8,674,588	1.73
7	HLIB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR WONG FAI TAT (CCTS)	5,500,000	1.10
8	CIMSEC NOMINEES (TEMPATAN) SDN BHD CIMB BANK FOR WONG AH YONG (MY1278)	4,000,000	0.80
9	JF APEX NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR KOH CHEE MENG (MARGIN)	3,299,400	0.66
10	TAN CHAI TAT	3,200,000	0.64
11	AMBank (M) BERHAD PLEDGED SECURITIES ACCOUNT FOR WONG AH YONG (SMART)	2,600,000	0.52
12	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TANG SZE CHEN (7000533)	2,533,300	0.50
13	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TEE KIM HEW (E-KLG/BTG)	2,404,000	0.48
14	STELLA YAP YIAN CHIUN	1,950,000	0.39
15	BOEY TAK KONG	1,800,000	0.36
16	TAY KOO HUI	1,700,000	0.34
17	MOHD IBRAHIM BIN MOHD ZAIN	1,600,000	0.32
18	NG KIM MOY	1,400,000	0.28
19	WONG AH YONG	1,400,000	0.28
20	ERWIN SELVARAJAH A/L PETER SELVARAJAH	1,300,000	0.26
21	TAN LAI TEOW	1,208,000	0.24
22	CIMSEC NOMINEES (TEMPATAN) SDN BHD CIMB BANK FOR TEOH EWE JIN (MY0829)	1,190,000	0.24
23	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LIM BENG LEE (E-KPG)	1,150,000	0.23
24	PANG FOOK FOR	1,080,000	0.22
25	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR SIEW POH CHOO (E-KPG)	1,040,000	0.21
26	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR SIM LEONG THUN (E-SS2)	1,020,000	0.20
27	HOE GEOK HUAH @ HO SWEE NEO	1,000,000	0.20
28	KUANG KIM SOON	1,000,000	0.20
29	MAYBANK SECURITIES NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR ZULKIFLI BIN ISMAIL (MARGIN)	1,000,000	0.20
30	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR SIM LEONG YEW (E-SS2)	1,000,000	0.20
<b>TOTAL</b>		<b>253,736,274</b>	<b>50.57</b>

# analysis of warrant-A holdings

as at 30 JUNE 2016

Issued Warrants	: 43,025,000
Exercise Period	: 19 July 2012 to 18 July 2017
Exercise Price	: RM0.46 each
No. of Warrant Holders	: 1,206
Warrants Exercised	: 13,529,675

## ANALYSIS BY SIZE AS AT 30 JUNE 2016

CATEGORY	NO. OF WARRANT HOLDERS	% OF WARRANT HOLDERS	NO. OF WARRANTS	% OF WARRANTS
Less than 100	229	18.99	9,988	0.03
100 - 1,000	225	18.66	106,290	0.36
1,001 - 10,000	375	31.09	1,569,379	5.32
10,001 - 100,000	322	26.70	12,185,485	41.32
100,001 to less than 5% of issued shares	53	4.39	11,854,883	40.19
5% and above of issued shares	2	0.17	3,769,300	12.78
<b>Total</b>	<b>1,206</b>	<b>100.00</b>	<b>29,495,325</b>	<b>100.00</b>

## LIST OF SUBSTANTIAL WARRANT-A HOLDERS AS AT 30 JUNE 2016

NO.	NAMES	DIRECT		INDIRECT	
		NO. OF WARRANTS	%	NO. OF WARRANTS	%
1	Yin Yit Fun	2,219,900	7.53	-	-
2	Chan Siew Kuen	1,549,400	5.25	-	-

## DIRECTORS' INTERESTS IN WARRANTS-A AS AT 30 JUNE 2016

NO.	NAMES	DIRECT		INDIRECT	
		NO. OF WARRANTS	%	NO. OF WARRANTS	%
1	Tan Sri Dato' Mohd Ibrahim				
	Bin Mohd Zain	1,293,629	4.39	-	-
2	Datuk Samsul Bin Husin	-	-	-	-
3	Tamil Selvan A/L M. Durairaj	-	-	-	-
4	Ameer Bin Shaik Mydin	-	-	-	-
5	Ang Hsin Hsien	-	-	-	-
6	Tuan Haji Ab. Gani Bin Haron	-	-	-	-
7	Boey Tak Kong	-	-	-	-
8	Charles William Fox	-	-	-	-



# analysis of warrant-A holdings

as at 30 JUNE 2016

## 30 LARGEST WARRANT-A HOLDERS AS AT 30 JUNE 2016

NO.	WARRANT HOLDERS	NO. OF WARRANTS	%
1	YIN YIT FUN	2,219,900	7.53
2	CHAN SIEW KUEN	1,549,400	5.25
3	MAYBANK SECURITIES NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR MOHD IBRAHIM BIN MOHD ZAIN (MARGIN)	1,093,629	3.71
4	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR GOH KIM CHOON	791,600	2.68
5	GOH HONG HWA	651,600	2.21
6	RHB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR YEOH CHIN HOI	418,000	1.42
7	NG KOK WEE	359,500	1.22
8	HOO KIM HENG	300,000	1.02
9	ISMET BIN OMAR	300,000	1.02
10	CHA KONG LOONG	291,000	0.99
11	MAYBANK NOMINEES (TEMPATAN) SDN BHD LOH CHEE KONG	285,100	0.97
12	YEOH CHIN HOI	268,600	0.91
13	GAN SEE HEAN	260,000	0.88
14	LEE CHOON MUN @ LEE CHOON MOON	250,000	0.85
15	WU SONG SEE @ GOH SONG SEE	240,000	0.81
16	CITIGROUP NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR NGOI LIM BEN (472174)	237,000	0.80
17	FONG SOEK YI	235,000	0.80
18	LEE JOO ENG	232,400	0.79
19	LAU FUI SENG	225,000	0.76
20	NG HAN CHUAN	224,100	0.76
21	AFFIN HWANG NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHEH KAH MUN	200,000	0.68
22	MOHD IBRAHIM BIN MOHD ZAIN	200,000	0.68
23	NG KOK POW	200,000	0.68
24	RHB CAPITAL NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LEE POH KWEE (551004)	200,000	0.68
25	TAN AH BEE	200,000	0.68
26	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR RAMLEE BIN MOHD SHARIFF (8124826)	199,679	0.68
27	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR GOH HONG HWA (8116001)	187,300	0.64
28	HOO AH LAN	181,800	0.62
29	TAN CHWEE LYE	180,000	0.61
30	CIMSEC NOMINEES (TEMPATAN) SDN BHD CIMB BANK FOR LEN BOOK LEARN (M66002)	172,500	0.58
<b>TOTAL</b>		<b>12,353,108</b>	<b>41.88</b>

# analysis of warrant-B holdings

as at 30 JUNE 2016

Issued Warrants	: 111,412,717
Exercise Period	: 8 October 2014 to 7 October 2019
Exercise Price	: RM0.46 each
No. of Warrant Holders	: 3,124
Warrants Exercised	: 7,500

## ANALYSIS BY SIZE AS AT 30 JUNE 2016

CATEGORY	NO. OF WARRANT HOLDERS	% OF WARRANT HOLDERS	NO. OF WARRANTS	% OF WARRANTS
Less than 100	362	11.59	16,392	0.01
100 - 1,000	429	13.73	272,010	0.24
1,001 - 10,000	1,452	46.48	5,522,327	4.96
10,001 - 100,000	710	22.73	26,876,384	24.13
100,001 to less than 5% of issued shares	170	5.44	50,358,616	45.20
5% and above of issued shares	1	0.03	28,359,488	25.46
<b>Total</b>	<b>3,124</b>	<b>100.00</b>	<b>111,405,217</b>	<b>100.00</b>

## LIST OF SUBSTANTIAL WARRANT-B HOLDERS AS AT 30 JUNE 2016

NO.	NAMES	DIRECT		INDIRECT	
		NO. OF WARRANTS	%	NO. OF WARRANTS	%
1	SAAS Global Sdn Bhd	28,984,488	26.02	-	-
2	Datuk Samsul Bin Husin	-	-	28,984,488	26.02
3	Ameer Bin Shaik Mydin	-	-	28,984,488	26.02

## DIRECTORS' INTERESTS IN WARRANTS-B AS AT 30 JUNE 2016

NO.	NAMES	DIRECT		INDIRECT	
		NO. OF WARRANTS	%	NO. OF WARRANTS	%
1	Tan Sri Dato' Mohd Ibrahim				
	Bin Mohd Zain	2,587,258	2.32	-	-
2	Datuk Samsul Bin Husin	-	-	28,984,488	26.02
3	Ameer Bin Shaik Mydin	-	-	28,984,488	26.02
4	Tamil Selvan A/L M. Durairaj	-	-	-	-
5	Ang Hsin Hsien	-	-	-	-
6	Tuan Haji Ab. Gani Bin Haron	-	-	-	-
7	Boey Tak Kong	-	-	-	-
8	Charles William Fox	-	-	-	-

Notes:-

(a) Deemed Interest pursuant to Section 6A of the Act through his interest in SAAS Global Sdn Bhd





# analysis of warrant-B holdings

as at 30 JUNE 2016

## 30 LARGEST WARRANT-B HOLDERS AS AT 30 JUNE 2016

NO.	WARRANT HOLDERS	NO. OF WARRANTS	%
1	SAAS GLOBAL SDN BHD	28,359,488	25.46
2	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TEE KIM HEW (E-KLG/BTG)	2,842,600	2.55
3	MAYBANK SECURITIES NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR MOHD IBRAHIM BIN MOHD ZAIN (MARGIN)	2,187,258	1.96
4	RHB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR KHOO PHAIK LEE	1,251,300	1.12
5	YONG AH PO	1,121,500	1.01
6	CHIA SOO HOCK	1,100,000	0.99
7	LEE YEONG TAT	913,400	0.82
8	CIMSEC NOMINEES (TEMPATAN) SDN BHD CIMB BANK FOR KHAW SKI TIAN (MP0066)	843,000	0.76
9	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LEN BOOK LEARN (8109660)	826,900	0.74
10	TAN LEE PENG	800,000	0.72
11	CIMSEC NOMINEES (TEMPATAN) SDN BHD CIMB BANK FOR LEN BOOK LEARN (M66002)	788,050	0.71
12	RHB CAPITAL NOMINEES (ASING) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHEN MEI FONG MARY	782,925	0.70
13	KONG SIW MING	734,800	0.66
14	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR WOO CHAI YOKE (E-TSA)	639,100	0.57
15	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR SAAS GLOBAL SDN BHD (51401202116A)	625,000	0.56
16	CIMSEC NOMINEES (TEMPATAN) SDN BHD CIMB BANK FOR WONG AH YONG (MY1278)	600,000	0.54
17	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR WOO CHAI YOKE (E-TSA)	600,000	0.54
18	RHB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR YEOH CHIN HOI	600,000	0.54
19	RHB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LOOI LAI KIAT	587,000	0.53
20	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHU CHOON SOW (E-MLB)	534,900	0.48
21	CITIGROUP NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR RAMLEE BIN MOHD SHARIFF (473646)	518,750	0.47
22	WONG KOK SIN	510,000	0.46
23	TAILAMI A/P PALANIANDY	500,000	0.45
24	INDERJIT SINGH A/L BAGHER SINGH	490,000	0.44
25	OOI TEE KIONG	486,700	0.44
26	RHB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TIU CHUI LANG	480,000	0.43
27	AU CHIN LEN	479,150	0.43
28	YEOH CHIN HOI	462,900	0.42
29	KUANG KIM SOON	422,500	0.38
30	CITIGROUP NOMINEES (ASING) SDN BHD EXEMPT AN FOR OCBC SECURITIES PRIVATE LIMITED (CLIENT A/C-NR)	405,000	0.36
<b>TOTAL</b>		<b>51,492,221</b>	<b>46.22</b>

# 2

# chapter

## performance review

- 21 chairman's statement
- 23 management's discussion  
& analysis





# chairman's statement



DEAR  
VALUED SHAREHOLDERS,

ON BEHALF OF THE BOARD,  
IT GIVES ME GREAT PLEASURE  
TO PRESENT THE PERFORMANCE  
FOR THE FINANCIAL YEAR ENDED  
31 MARCH 2016, AMIDST A VERY  
CHALLENGING ECONOMIC  
LANDSCAPE.



**TAN SRI DATO' MOHD IBRAHIM  
BIN MOHD ZAIN**  
Independent  
Non-Executive  
Chairman

# chairman's statement

## REVIEW OF BUSINESS PERFORMANCE

The overall domestic ICT market faced a generally weak market sentiment with greater margins compression throughout the financial period with fewer large scale public sector projects been awarded in Malaysia.

Notwithstanding the softer market conditions and tighter fiscal policies implemented, the Group managed to deliver on its projects and recorded a 9% increase in Group's revenue to RM165.1 million from RM152.1 million. However, the Group registered a lower profit before tax of RM17.1 million, after an impairment loss of RM13.1 million for trade receivables and against the previous year profit before tax of RM32.8 million.

As a strategic growth initiative, the company successfully acquired a majority stake in Asian Business Software Solutions Pte Ltd to further consolidate the Group's market leadership in the provision of integrated financial management and GST solutions to drive the Group's regional business expansion efforts.

### Enlarged Issued & Paid-Up Share Capital

During the financial year, the following share capital changes were implemented to strengthen the capital management position as follows:-

ALLOTMENT DATE		NO. OF SHARES ISSUED
As at 31 March		476,660,771
Private Placement of Shares	22/04/2015	10,000,000
Private Placement of Shares	22/09/2015	10,000,000
Conversion of Redeemable Convertible Notes	11/01/2016	5,042,355
		501,703,126

The above proceeds were mainly utilised for the Group's working capital needs and for internal funds to part finance the acquisition of Asian Business Software Solutions Pte Ltd.

### Corporate Development

The Company's 39.23% owned subsidiary, Dagang NeXchange Berhad ("DNeX") shareholders have approved the acquisition of energy assets involving OGPC Group and the subscription of 30% equity interest in Ping Petroleum Limited for a purchase consideration of USD10.0 million. DNeX completed its Rights Issue on 19 July 2016.

### Human Capital & Engagement Activities

Employees were remunerated based on their job scope, experience, performance and prevailing industry practices, with the aim to remain a major employer in the ICT business supporting the public sector ICT infrastructure requirements.

Our people are vital to our long-term sustainable success and structured trainings to grow knowledge and skills were implemented to keep the Group at the forefront of the ICT industry.

Being a progressive team-based ICT organisation, our commitment to human capital growth and leadership development for staff at all levels throughout the year was implemented to ensure proper assimilation into our workplace culture and continuously build our talent pipeline.

## BUSINESS OUTLOOK

Despite the prevalent macro uncertainties, the Group remains focused on executing its secured contracts, while actively tendering for new significant ICT infrastructure projects.

Asian Business Software Solutions Pte Ltd shall continue to lead the Group to explore business opportunities on a regional basis with their growing market presence and established customer base.

Looking ahead, the Group will realign its core technical competencies to match market demands and invest in strengthening its talent capabilities to maintain high customer service level.

### Appreciation

It gives me great pleasure to welcome Mr. Charles William Fox on the Board as a Non-Independent Non-Executive Director. We believe that his vast relevant ICT international experience and exposure will be invaluable to the Group's growth moving forward.

On behalf of the Board, I would like to express our thanks and sincere appreciation to our management, employees, customers, business partners, financiers, and regulatory authorities for their dedication and support towards the Group's achievements.

To our shareholders, we deeply value your long-standing support and trust in the Group. We will continue to strive towards achieving sustainable growth to further enhance shareholders' value.

**Tan Sri Dato' Mohd Ibrahim  
Bin Mohd Zain**

Independent Non-Executive Chairman



# management's discussion & analysis

for the financial year ended 31 MARCH 2016

## OPERATIONAL REVIEW

During the financial year under review, the Group continued to pursue opportunities for growth and efficiencies in its operating areas of ICT, financial management solutions and energy related activities.

In an effort to further enhance and consolidate the Group's market leadership in the provision of integrated financial management and GST solutions, the Group acquired a 51% equity interest in Asian Business Software Solutions Pte Ltd ("ABSS") for SGD10 million. This strategic acquisition provides the Group with a ready platform for long-term regional expansion, leveraging on ABSS' large regional SME client network of more than 340,000 companies, primarily in Singapore, Malaysia and Hong Kong.

The Company's 39.23%-owned subsidiary, Dagang NeXchange Berhad ("DNeX") shareholders have approved the acquisition of energy assets involving OGPC Group, comprising of OGPC Sdn Bhd and OGPC O&G Sdn Bhd, for RM170 million and the subscription of 30% equity interest in Ping Petroleum Limited ("Ping") for a purchase consideration of USD10 million. The subscription in Ping was completed on 30 June 2016 and the acquisition of OGPC Group will be completed after the completion of DNeX's rights issue by 3 August 2016. The contributions from these energy assets will add a new earnings source to the Group.

**AMEER BIN SHAIK MYDIN**  
Group Managing Director



# management's discussion & analysis

for the financial year ended 31 MARCH 2016

## FINANCIAL PERFORMANCE REVIEW

The Group's total revenue reported an increase of RM13.0 million or 9% in the financial year ended 31 March 2016 ("FY2016") compared to the financial year ended 31 March 2015 ("FY2015").

The Information Communication Technology division continued to be the largest revenue contributor to the Group, followed by the financial management software solutions division.

With the inclusion of ABSS into the Group, sales of financial management software to the private sector increased. This was however offset by the decline in revenue from the public sector.

## REVENUE AND PROFIT/(LOSS) BEFORE TAX BY DIVISION

DIVISION	REVENUE		PROFIT/(LOSS) BEFORE TAX	
	FY2016 RM'000	FY2015 RM'000	FY2016 RM'000	FY2015 RM'000
Financial Management				
Software Solution	48,311	50,763	(3,110)	12,614
Payment Aggregation Solutions	2,577	2,699	(1,764)	(356)
Corporate	7,221	441	44	(3,699)
Wealth Management Solutions	5,142	3,684	1,295	1,102
Training Solutions	10,409	6,555	3,266	1,903
Information Communication				
Technology (ICT)	112,273	90,196	31,368	25,282
Energy	4,380	-	(4,770)	(108)
Elimination	(25,272)	(2,287)	(9,326)	(3,941)
<b>Total</b>	<b>165,041</b>	<b>152,051</b>	<b>17,003</b>	<b>32,797</b>

The increase in other expenses from RM11.4 million in FY2015 to RM28.7 million in FY2016 was mainly due to an impairment loss of RM13.1 million for trade receivables.

This led to a decrease in the profit before tax by RM15.8 million to RM17.0 million in FY2016 as compared to RM32.8 million in FY2015.

In FY2016, the Group reported a loss attributable to equity holders of the Company of RM7.2 million as compared to a profit attributable to equity holders of the Company of RM7.7 million in the previous year.

The gearing ratio of the Group as at 31 March 2016 was at 41% compared with 37% as at 31 March 2015. This ratio is calculated as total borrowings divided by total equity.

Total borrowings as at 31 March 2016 amounted to RM85.6 million, an increase of RM6.1 million from RM79.5 million as at 31 March 2015.

Cash and cash equivalents of the Group stood at RM10.5 million as at 31 March 2016 as compared to RM66.9 million as at 31 March 2015.

## PROSPECTS

Moving forward, the Group aims to expand the scope of its software solutions beyond financial accounting and reporting. The Group will focus on developing new solutions that cater to the changing market needs of today's government agencies and private sector SMEs. The Group has also set its sights on expanding regionally beyond Malaysia, which has historically been the major market for the Group.

The Group will continue to put in place rationalisation measures to continuously review business processes to improve cost management, operational efficiencies and productivity.

**Ameer Shaik Mydin**  
Group Managing Director



# 3

## chapter

### board & management

- 26 board of directors
- 28 directors' profiles
- 32 management team
- 33 management team's profiles



# board of directors



1

**TAN SRI DATO' MOHD IBRAHIM  
BIN MOHD ZAIN**Independent Non-Executive  
Chairman

2

**BOEY TAK KONG**Independent  
Non-Executive Director

3

**CHARLES WILLIAM FOX**Non-Independent  
Non-Executive Director

4

**TUAN HAJI AB. GANI BIN HARON**Senior Independent  
Non-Executive Director

5

**DATUK SAMSUL BIN HUSIN**Non-Independent  
Non-Executive Director

## board of directors



6

**TAMIL SELVAN A/L M. DURAIRAJ**  
Deputy Group Managing Director

8

**AMEER BIN SHAIK MYDIN**  
Group Managing Director

7

**ANG HSIN HSIEN**  
Executive Director

# directors' profile

1

## TAN SRI DATO' MOHD IBRAHIM BIN MOHD ZAIN

73 years old, Male, Malaysian  
Independent Non-Executive Chairman

### Date of Appointment :

28 December 2010

### Membership of Board Committees :

- Member of Audit Committee
- Member of Nomination Committee

### Length of Service (as at 30<sup>th</sup> June 2016) :

5 years 6 months

### Academic/Professional Qualification(s) :

- Member
  - British Institute of Management
  - Institute of Marketing
- Masters in Business Administration, University of Ohio

### Working Experience :

Upon his graduation in 1965, he was attached to University Technology MARA (formerly known as Institute of Technology MARA) as a lecturer where he was later appointed as a Council Member/Director, a position he held until October 2006.

Previously, he had served as Chief Executive of Amanah International Finance Berhad, Amanah Chase Merchant Bank Berhad and Oriental Bank Berhad, Chairman and Chief Executive Officer of Setron (Malaysia) Berhad, Chairman of Bank Kerjasama Rakyat (M) Berhad, Bescorp Industries Berhad, Pan Malaysian Industries Berhad, Pan Malaysian Holdings Berhad, Pan Malaysia Capital Berhad, Chemical Company of Malaysia Berhad and Kawan Food Berhad, Deputy Chairman of Metrojaya Berhad and a Director of K & N Kenanga Berhad and AMMB Holdings Berhad.

### Other Directorship(s) in Public Companies and Listed Issuers

#### Present :

- Rex Industry Berhad
- Ibrahim's Holdings Berhad
- Yayasan Arsyad Ayub

#### Past :

- Amanah Chase Merchant Bank Berhad
- Oriental Bank Berhad
- Setron (Malaysia) Berhad
- Bank Kerjasama Rakyat (M) Berhad
- Bescorp Industries Berhad
- Pan Malaysian Industries Berhad
- Kawan Food Berhad
- Metrojaya Berhad
- K & N Kenanga Berhad
- AMMB Holdings Berhad

### Family Relationship, Convictions and Conflict of Interest

He has no family relationship with any Director/or major shareholder of the Company, has never been convicted of any offence within the past 5 years other than traffic offences, if any, and does not have any conflict of interest with the Company.

### Attendance of Board Meetings

He had attended all the six (6) Board Meetings held during the financial year ended 31 March 2016

2

## BOEY TAK KONG

62 years old, Male, Malaysian  
Independent Non-Executive Director

### Date of Appointment :

28 December 2010

### Membership of Board Committees :

- Member of Audit Committee
- Chairman of Nomination Committee
- Chairman of Remuneration Committee

### Length of Service (as at 30<sup>th</sup> June 2016) :

5 years 6 months

### Academic/Professional Qualification(s) :

- Chartered Accountant, Malaysian Institute of Accountants
- Fellow, Chartered Association of Certified Accountants, United Kingdom
- Associate, Institute of Chartered Secretaries & Administrators, United Kingdom
- Member, Institute of Marketing Malaysia
- Member, Malaysian Institute of Management

### Working Experience :

He is the Managing Director of Terus Mesra Sdn Bhd, a leadership and governance training company and a certified trainer accredited by HRDF. He has over 23 years of board-based senior financial management, internal audit and overseas business development experience with 6 major public listed groups with listings in Malaysia, United Kingdom, Singapore, Australia and New Zealand.

### Other Directorship(s) in Public Companies and Listed Issuers

#### Present :

- Dutch Lady Milk Industries Berhad
- Green Packet Berhad
- Gadang Holdings Berhad
- Ho Hup Construction Company Berhad

#### Past :

- Sanbuni Holdings Berhad
- IJM Land Berhad
- Omesti Berhad
- Permaisuri Industries Berhad

### Family Relationship, Convictions and Conflict of Interest

He has no family relationship with any Director/or major shareholder of the Company, has never been convicted of any offence within the past 5 years other than traffic offences, if any, and does not have any conflict of interest with the Company.

### Attendance of Board Meetings

He had attended five (5) out of six (6) Board Meetings held during the financial year ended 31 March 2016.





## directors' profile

3

### TUAN HAJI AB. GANI BIN HARON

64 years old, Male, Malaysian  
Senior Independent Non-Executive Director

**Date of Appointment :**

28 December 2010

**Membership of Board Committees :**

- Chairman of Audit Committee
- Member of Nomination Committee
- Member of Remuneration Committee

**Length of Service (as at 30<sup>th</sup> June 2016) :**

5 years 6 months

**Academic/Professional Qualification(s) :**

- Chartered Accountant, Malaysian Institute of Accountants

**Working Experience :**

Tuan Haji Gani's professional career over the 30 years was with the public service sector in senior positions involving financial, management, audit and human resource management for the Accountant General Office of Malaysia. Since 2001, he assumed the role of Director of Accounting Development and Management Division and subsequently appointed as the Deputy Accountant General of Malaysia, managing the human resource management of the Federal Government and the development of the accounting system for the Federal Government.

**Other Directorship(s) in Public Companies and Listed Issuers**
**Present :**

- YLI Holdings Berhad
- YFG Berhad
- AmanahRaya Trustee Berhad

**Past :**

None

**Family Relationship, Convictions and Conflict of Interest**

He has no family relationship with any Director/or major shareholder of the Company, has never been convicted of any offence within the past 5 years other than traffic offences, if any, and does not have any conflict of interest with the Company.

**Attendance of Board Meetings**

He had attended all the six (6) Board Meetings held during the financial year ended 31 March 2016.

4

### CHARLES WILLIAM FOX

62 years old, Male, Australian  
Non-Independent Non-Executive Director

**Date of Appointment :**

29 May 2015

**Membership of Board Committees :**

None

**Length of Service (as at 30<sup>th</sup> June 2016) :**

1 year 1 month

**Academic/Professional Qualification(s) :**

- Diploma in Electronics and Communications

**Working Experience :**

He began his early career as a Radio Tradesman in Canberra, Australia and subsequently became a Hardware Field Engineer at Pace Pty Ltd in charge of commissioning software communications systems for Over The Counter ("OTC") operations.

He later had a partnership in Focus Business Systems Pty Ltd ("FBS"), where he transitioned the FBS' software business into development and support applications for Unix operating system, leading it to become the support and sales centre for Tetraplan accounting.

He subsequently invested in Century Software Pty Ltd and led to the formation of Century Software (M) Sdn Bhd in Malaysia.

He is now actively involved in developing, selling and supporting a wide range of IT services across Asia Pacific for Interactive Reporting Pty Ltd and Four J's Asia Pacific Pty Ltd. He is a director in both these companies and also a director in Blue J Software Pty Ltd.

**Other Directorship(s) in Public Companies and Listed Issuers**
**Present :**

None

**Past :**

None

**Family Relationship, Convictions and Conflict of Interest**

He has no family relationship with any Director/or major shareholder of the Company, has never been convicted of any offence within the past 5 years other than traffic offences, if any, and does not have any conflict of interest with the Company.

**Attendance of Board Meetings**

He had attended four (4) out of five (5) Board Meetings held during the financial year ended 31 March 2016.

## directors' profile

5

### DATUK SAMSUL BIN HUSIN

53 years old, Male, Malaysian  
Non-Independent Non-Executive Director

**Date of Appointment :**

28 December 2010

**Membership of Board Committees :**

None

**Length of Service (as at 30<sup>th</sup> June 2016) :**

5 years 6 months

**Academic/Professional Qualification(s) :**

- Bachelor of Accounting, University Kebangsaan Malaysia
- Chartered Accountant, Malaysian Institute Of Accountants
- Certified Financial Planner

**Working Experience :**

Datuk Samsul has over 27 years of IT and accounting experience, was redesignated from Group Managing Director to Non-Independent Non-Executive Director of Censof Holdings Berhad after he moved to Dagang NeXchange Berhad as the Executive Deputy Chairman.

In 1987, Datuk Samsul joined the Accountant General's office to hold various positions in spearheading projects such as the enforcement of accounting procedures to the designing of new systems for the enhancement of existing financial management reporting for the office. During his term with the Government, he was appointed as the head of the computer unit in the offices of Kota Kinabalu and Kuching.

Datuk Samsul joined Censof in 1997 and he was awarded the Technopreneur Excellence Award in 2011 by PIKOM. Under his leadership, Censof was awarded Malaysia's most prominent IT company by the Malaysian Independence Award board and also the recent Members Excellence Award by PIKOM, both received in 2012.

**Other Directorship(s) in Public Companies and Listed Issuers**
**Present :**

Dagang NeXchange Berhad and Group

**Past :**

None

**Family Relationship, Convictions and Conflict of Interest**

He has no family relationship with any Director/or major shareholder of the Company, has never been convicted of any offence within the past 5 years other than traffic offences, if any, and does not have any conflict of interest with the Company.

**Attendance of Board Meetings**

He had attended five (5) out of six (6) Board Meetings held during the financial year ended 31 March 2016.

6

### TAMIL SELVAN DURAIRAJ

54 years old, Male, Malaysian  
Deputy Group Managing Director

**Date of Appointment :**

28 December 2010

**Membership of Board Committees :**

None

**Length of Service (as at 30<sup>th</sup> June 2016) :**

5 years 6 months

**Academic/Professional Qualification(s) :**

- Associate Member, Chartered Institute of Management Accountants, United Kingdom
- Chartered Accountant, Malaysian Institute of Accountants

**Working Experience :**

Tamil Selvan qualified as a professional accountant in 1984 and was employed as an Accountant and Administrator of a large Co-Operative Society. In 1987 Tamil Selvan joined the Accountant General Office as Treasury Accountant and subsequently in 1990, employed as a Consulting Manager in a subsidiary of a large public listed media and communications company. In 1993, he joined KPMG Peat Marwick Consulting Sdn. Bhd as a Senior Manager and then moved on to Century Software (M) Sdn Bhd in 1995 as its Managing Director.

In 2011, after the successful listing of the Company, he assumed the position of Executive Director and in January 2014, he made the Group Deputy Managing Director.

**Other Directorship(s) in Public Companies and Listed Issuers**
**Present :**

None

**Past :**

None

**Family Relationship, Convictions and Conflict of Interest**

He has no family relationship with any Director/or major shareholder of the Company, has never been convicted of any offence within the past 5 years other than traffic offences, if any, and does not have any conflict of interest with the Company.

**Attendance of Board Meetings**

He had attended all the six (6) Board Meetings held during the financial year ended 31 March 2016.



## directors' profile

7

### ANG HSIN HSIEN

48 years old, Female, Malaysian  
Executive Director

**Date of Appointment :**

28 December 2010

**Membership of Board Committees :**

None

**Length of Service (as at 30<sup>th</sup> June 2016) :**

5 years 6 months

**Academic/Professional Qualification(s) :**

- Bachelor of Arts, Curtin University of Technology, Western Australia

**Working Experience :**

Ang has more than 20 years of experience in business and the IT industry, majoring in sales and marketing activities for business solutions involving both the public and private sector key accounts.

Currently, she heads the Group Business Development of Censof Holdings Berhad where she serves as the Executive Director, with focus on customer support and developing new market opportunities for the Group, including overseeing the operations of Knowledgecom Corporation Sdn Bhd, in expanding its specialised professional Up-skilling services.

**Other Directorship(s) in Public Companies and Listed Issuers**
**Present :**

Dagang NeXchange Berhad

**Past :**

None

**Family Relationship, Convictions and Conflict of Interest**

She has no family relationship with any Director/or major shareholder of the Company, has never been convicted of any offence within the past 5 years other than traffic offences, if any, and does not have any conflict of interest with the Company.

**Attendance of Board Meetings**

She had attended all the six (6) Board Meetings held during the financial year ended 31 March 2016.

8

### AMEER SHAIK MYDIN

52 years old, Male, Malaysian  
Group Managing Director

**Date of Appointment :**

28 December 2010

**Membership of Board Committees :**

- Member of Remuneration Committee  
(Appointed on 25 May 2015)

**Length of Service (as at 30<sup>th</sup> June 2016) :**

5 years 6 months

**Academic/Professional Qualification(s) :**

- Bachelor of Science, Physics Major, Universiti Malaya

**Working Experience :**

Ameer began his career in the IT Industry as an Account Manager at PanGlobal Sistemaju Sdn Bhd, with focus on banking industry solutions before he joined Digital Equipment Malaysia as the Channels Account Manager, focusing on Government sector solutions.

After 3 years, Ameer went on to expand his knowledge in the software solution business at Berjaya Ross Systems as a Sales Manager and then moved to Unisys Malaysia, as the Senior Strategic Account Manager in the Network Business Sector.

In 1999, Ameer joined Century Software (M) Sdn Bhd (CSM) as a Business Development Manager, then in 2001 as the CEO of IT System Implementors Sdn Bhd, a subsidiary of Century Software (M) Sdn Bhd and subsequently as Director of Business Development at CSM, when IT System Implementors merged with Century Software (M) Sdn Bhd in 2003.

In 2008, Ameer became the Executive Director of Censof Holdings Berhad, which eventually got listed on the Main Board of Bursa Malaysia Securities Bhd in 2011. Ameer was then appointed as the Group Managing Director on 1 August 2014 of the Company.

**Other Directorship(s) in Public Companies and Listed Issuers**
**Present :**

None

**Past :**

Rex Industry Bhd

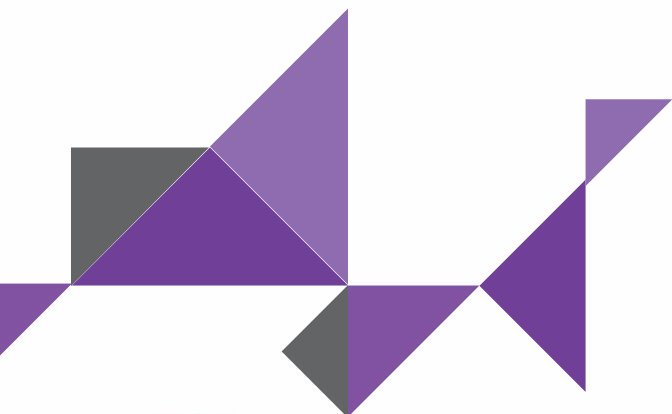
**Family Relationship, Convictions and Conflict of Interest**

He has no family relationship with any Director/or major shareholder of the Company, has never been convicted of any offence within the past 5 years other than traffic offences, if any, and does not have any conflict of interest with the Company.

**Attendance of Board Meetings**

He had attended all the six (6) Board Meetings held during the financial year ended 31 March 2016.

# management team



from left to right

**PAUL CONWAY**

**Asian Business Software Solutions (ABSS)**  
Chief Executive Officer

**ZAINAL 'ABIDIN ABD JALIL**

**Dagang NeXchange Berhad (DNeX)**  
Group Managing Director

**PADMANATHAN M KRISHNAN KUTTY**

**T-Melmax Sdn Bhd**  
General Manager

**SUNNY KHOO**

**Censof Holdings Berhad**  
Group Financial Controller

**ZAINUL ARIFFIN HARUN**

**Century Software (Malaysia) Sdn Bhd**  
Chief Executive Officer

**S T RUBANESWARAN**

**Knowledgecom Corporation Sdn Bhd**  
Chief Executive Officer

**HAZAIRIN**

**PT Praisindo Teknologi**  
Chief Executive Officer



# management team's profiles

## PAUL CONWAY

41 years old, British

### Date of Appointment:

21 March 2016

### Length of Service (as at 30th June 2016):

3 months

### Academic/Professional Qualification(s):

- NDAC Diploma
- General Finance, Harvard (Club Harvard Australia)

### Working Experience:

Paul Conway is an engaging and innovative business leader with proven success in transforming enterprises, such as Bottomline Technologies, Manutan Group and Travelex, to deliver sustainable revenue growth and best practice client relationship management. He has experience accomplishing global strategies by empowering teams with a shared vision across numerous industries, including IT software, financial services and retail, throughout the UK, Europe and APAC.

Paul was appointed as the new CEO of Asian Business Software Solutions (ABSS) in March 2016.

"My role as CEO is to take the business to the next stage of growth and ensure ABSS continue to be the leading SME business solutions provider across Asia. There are exciting new opportunities with cloud deployment, payment solutions, banking channels, additional software, digital marketing and web services which will complement our leading MYOB business accounting software brand. We already have a fantastic and growing team, over 300,000 customers in South East Asia and a public listed majority shareholder in Censof Holdings Bhd, so the opportunity for exponential growth and success are very real."

## ZAINAL 'ABIDIN ABD JALIL

57 years old, Malaysian

### Date of Appointment:

19 January 2014

### Length of Service (as at 30th June 2016):

2 years 6 months

### Academic/Professional Qualification(s):

- BE in Civil Engineering, University of Queensland

### Working Experience:

Serving as Chief Executive Officer at Malakoff Corporation Berhad, he has successfully spearheaded the company's transformation into a leading Independent Water and Power Producer (IWPP) with core business in power generation, water desalination and operations & maintenance services. Prior to Malakoff, he had a long career at ExxonMobil spanning 28 years in various managerial and leadership capacities at the multinational company's business units and operations worldwide.

## PADMANATHAN M KRISHNAN KUTTY

51 years old, Malaysian

### Date of Appointment:

15 March 2016

### Length of Service (as at 30th June 2016):

3 months

### Academic/Professional Qualification(s):

- Diploma in Business Studies

### Working Experience:

He started his career as a Bank Officer specialising in Treasury operations for 12 years before he joined Temenos Systems as a Principal Consultant providing consultancy for banking systems for banks in Malaysia and on a global basis. In 2009, he joined SunGard as a Senior Project Manager handling Asset Finance system projects. He joined T-Melmax, as the General Manager in March 2016.

## management team's profiles

### SUNNY KHOO

56 years old, Malaysian

**Date of Appointment:**

1 March 2016

**Length of Service (as at 30th June 2016):**

4 months

**Academic/Professional Qualification(s):**

- Malaysia Institute of Certified Public Accountant.

**Working Experience:**

He has 35 years of working experience covering auditing, accounting, tax planning, treasury and corporate matters. Sunny spent 10 years in the Public Accounting firms and was initially attached to Coopers & Lybrand (now known as PriceWaterhouse Coopers) for 6 years and Ernst & Young for 4 years. He also spent 25 years in the corporate sector involving Public Listed Companies undergoing corporate restructuring exercises. Some of his previous worked companies are AmCorp Group Bhd, Ekran Bhd and CIMA Bhd (subsidiary of UEM Group Bhd).

### S T RUBANESWARAN

35 years old, Malaysian

**Date of Appointment:**

January 2008

**Length of Service (as at 30th June 2016):**

8 years 6 months

**Academic/Professional Qualification(s):**

- Bachelor of Engineering in Computing and Electronics from Nottingham Trent University, UK
- Master in Business Administration from Nottingham University, UK

**Working Experience:**

He was employed by KnowledgeCom in 2004 as the Business Development Manager and was subsequently promoted to CEO/Managing Director in January 2008. He became a shareholder of KnowledgeCom in 2012 which was subsequently acquired by Censof as a 80% subsidiary. Currently, he is the CEO of Knowledgecom and Global Strategic Partners Sdn Bhd, a fully own subsidiary of Knowledgecom Corporation Sdn Bhd.

### ZAINUL ARIFFIN HARUN

45 years old, Malaysian

**Date of Appointment:**

16 January 2014

**Length of Service (as at 30th June 2016):**

2 years 6 months

**Academic/Professional Qualification(s):**

- Bachelor in Business Administration, International Islamic University Malaysia
- Master of Business Administration, International Islamic University Malaysia

**Working Experience:**

He started his career as Credit Officer with Kwong Yik Bank Berhad in 1995 where he was responsible for ASB loans. He then joined Tractors Malaysia Berhad in 1996 as the Sales & Administrative Executive. In 2000 he was appointed as the Chief Business Development Officer of Digicert Sdn Bhd, a joint venture company of POS Malaysia and MIMOS Berhad Officer before moving to Scan Associate Berhad as Head, Business Development in 2011. In January 2014, he joined Century Software (M) Sdn Bhd as the Chief Executive Officer.

### HAZAIRIN

47 years old, Indonesian

**Date of Appointment:**

November 2011

**Length of Service (as at 30th June 2016):**

4 years 7 months

**Academic/Professional Qualification(s):**

- Master Degree, Electronic Engineering, Technology University Eindhoven, Netherlands

**Working Experience:**

Since 1999, he has developed and implemented high quality software development and system integration works in various cities across the Indonesian archipelago. Using pragmatic combination of clear business insight, extensive technological expertise and creativity, he has successfully contributed to clients' results.

He has led many successful projects as Project Director/Manager such as development and implementation Jakarta Futures Exchange Trading System (JAFETS), Online Stock Trading for Sinar Mas, Investment Management Solution for top 10 Investment Banking in Indonesia.

He specializes in IT business processes in Capital Market, Investment banking and Wealth Management.



# 4

# chapter

## accountability

- 36 sustainability statement
- 38 statement on corporate governance
- 48 statement on risk management & internal control
- 50 audit committee report
- 53 additional compliance information





# sustainability statement

## INTRODUCTION

Adhering as responsible corporate citizens, the Group is guided by the need to nurture and build a sustainable business foundation that contributes to nation building and create shareholders' value in the long-term. The Group's core sustainability policy is focused on the workplace, marketplace, environment and the community at large.

## WORKPLACE

People development and skills are the driving force for the Group's overall business growth. Comprehensive staff welfare plans are initiated to ensure a progressive career development of its employees as talent retention strategy. Substantial efforts and resources are deployed towards ensuring employees wellness and skills training whilst in employment with the Group. In addition, the senior management team is constantly encouraged to engage in meetings as an enhancement to cross functional alignment for further improvement of the level of work quality and productivity.

The Group has embraced a workforce diversity policy and tabulate below the Group's workforce profile.

POSITION	MALE	FEMALE	GROUP-WIDE
Board of Directors	13	3	16
Senior Management	35	11	46
Middle Management	151	102	253
Other Levels	155	118	273

<b>Total</b>	<b>354</b>	<b>234</b>	<b>588</b>
--------------	------------	------------	------------

ETHNICITY	MALE	FEMALE	GROUP-WIDE
Malay	241	188	429
Chinese	30	24	54
Indian	55	32	87
Others	14	4	18

<b>Total</b>	<b>340</b>	<b>228</b>	<b>588</b>
--------------	------------	------------	------------

AGE GROUP	MALE	FEMALE	GROUP-WIDE
Below 30	106	82	188
30 to 40	133	116	249
40 to 50	69	42	111
Above 50	27	13	40

<b>Total</b>	<b>335</b>	<b>253</b>	<b>588</b>
--------------	------------	------------	------------

## MARKETPLACE

As a leading ICT market leader in Malaysia, the Group conducts its business in a socially responsible manner to ensure continued growth and success for the benefit of all its stakeholders. In pursuing this, we are guided by the values and business principles to ensure integrity, transparency and accountability in all our business undertakings. Employees are bound to abide by the Company's Code of Conduct when conducting business with external stakeholders, such as our customers, suppliers and business partners.

Regular and continuous efforts to engage with customers, both in the private and public sector is important to create solution awareness in view of fast technology advancement and the rapid change with the "Internet of Thing" applications.

The Group recognises the importance of maintaining transparency and accountability to its shareholders and investors, in line with good governance practices in the disclosure of information to our stakeholders.

## ENVIRONMENT

As a group in whole, we make conscious efforts putting in place strategy and actions to decrease our water usage and electricity consumption to contribute to a cleaner and greener environment. In addition, we also encourage soft copies of documents to be sent out and only are printed when needed to save paper.

## COMMUNITY

Community outreach activities are the mainstay of the Group's CSR initiative involving charity organisations and children's homes, supported by our employees volunteering commitment. We also encourage many internal activities for the staff. This is to ensure that our working place is also a happy place to ensure the drive of the employees is always high and well maintained.



# sustainability statement

During the financial year the following staff activities and community services were carried out:-



**15 FEBRUARY 2016**

## LION DANCE

*Censof Building*

- In the spirit of Chinese New Year



**24 APRIL 2015**

## STAR WARS PREMIER SCREENING WITH 5 HOMES

- KCOM initiative
- 5 different homes around the Klang Valley area were invited to watch the Star Wars movie as a charity drive give back to the community.



**13 MAY 2016**

## TEAM BUILDING 2016

*Padang Kota Lama, Penang*

- Group Involvement
- Flag off by Group MD
- Teams were randomly divided to allow the bond between all companies to be stronger



**13 MAY 2016**

## ANNUAL DINNER 2016

*Hotel Copthorne, Penang*

- Group involvement
- To appreciate and award the staff



**1 AUGUST 2015**

## CSR - RUMAH JAGAN ORANG Tua AL-IKHLAS

*Puchong, Selangor*

- Group Involvement
- Contribution of food and household items
- Home consists of 50 old folks and were entertained with talks and games by our staff



**24 OCTOBER 2015**

## CSR - RAY OF HOPE

*Selangor*

- Group involvement
- Contribution of food, household items and stationery for the children
- Home consists of 20 abandoned children and were entertained and tutored during the given time by our staff

# corporate governance statement

The Board of Directors ("the Board") of Censof Holdings Berhad ("Censof" or "the Company") is pleased to report to shareholders the manner in which the Company has applied the principles and recommendations as set out in the Malaysian Code on Corporate Governance 2012 ("the Code") pursuant to Paragraph 15.25 of the Main Market Listing Requirements ("the Listing Requirements") of Bursa Malaysia Securities Berhad ("Bursa Securities") as a key factor towards achieving an optimal governance framework and process in managing the business and operational activities of the Company and its subsidiaries ("the Group").

The Board believes that good corporate governance practices are pivotal towards enhancing business sustainability and corporate accountability with the ultimate objective of realizing long-term shareholder value, whilst taking into account the interests of other stakeholders. Hence, the Board is fully dedicated to continuously appraise the Group's corporate governance practices and procedures to ensure that the principles and recommendations in corporate governance are applied and adhered to in the best interests of the stakeholders.

The Statement below sets out the manner in which the Group has applied the principles of the Code and the extent of compliance with recommendations advocated therein.

## 1. ESTABLISH CLEAR ROLES AND RESPONSIBILITIES

### Board's Role and Responsibilities

The Board acknowledges its key responsibilities in directing the strategic plans, monitoring its performance targets and developing the long-term goals of business of the Group. To facilitate the Board to discharge its stewardship responsibilities and risk management controls, the Company has established a Board Charter to delineate a clear distinction between Board and Management, together with a description of the Board's roles and responsibilities. The Board Charter is available on the Company's website, [www.censof.com](http://www.censof.com)

The Board has established three (3) Board Committees to which it has delegated certain of its responsibilities. They are Audit Committee, Nomination Committee and Remuneration Committee. All Board Committees have their role/functions, written terms of reference, operating procedures and authorities clearly defined. The Board reviews the Board Committees' authority and terms of reference from time to time and the Board appoints the Chairman and members of each Board Committees.

These Committees assist the Board in making informed decisions through in-depth discussions on issues pertaining to the respective Board Committees' terms of reference and responsibilities. Subsequently, the Board Committees report the deliberations to the Board and the ultimate responsibility for the final decision on all matters lies with the Board.

For day-to-day operations, the Board has delegated authorities and powers to the Group Managing Director and key Management within the prescribed limits of authority pursuant to the Company's Articles of Association.

### Ethical Standards through the Code of Ethics

The Company's Code of Ethics for directors and employees continue to govern the standards of business ethics and good conduct expected of directors and employees respectively. The Company's Whistle Blower Policy seeks to foster an environment where integrity and responsible behaviour in a transparent way are maintained, where any improper and illegal conduct in the Group may be exposed.

### Business Sustainability Strategies

The Group is committed to become a leading financial management solution provider through strategic acquisitions, to balance business growth with corporate responsibility that promotes efficiency and productivity in its daily operations.

The Group's commitment to health, safety and environment is shared by all employees and it has been incorporated into their workplace requirements.

The sustainability initiatives undertaken by the Group for the financial year are disclosed in pages 36 to 37.



# corporate governance statement

## **Supply of Information to the Board and Company Secretaries**

The Board members are supplied with and granted access to timely information which allows them to discharge their responsibilities effectively and efficiently.

Directors may obtain independent professional advice at the Company's expense in furtherance of their duties, where this is deemed necessary, after consultation with the Chairman and other Board members.

The key duties of the Company Secretaries are to provide unhindered advice and services for the Directors, as and when the need arises, to enhance the effective functioning of the Board and to ensure regulatory compliance. They are suitably qualified, competent and capable of carrying out the duties required of the position.

## **2. STRENGTHENING COMPOSITION**

### **Nomination Committee**

The Nomination Committee comprises of three (3) members, all are independent Board members, headed by Mr. Boey Tak Kong and the Committee members are set out in the Corporate Information section of this Annual Report.

The Nomination Committee's duties and responsibilities are spelt out in the Terms of Reference, among others are assessing, selecting and recommending to the Board new nominees to the Board and appointment of directors to the Board Committees. In assessing suitability of candidates, considerations are given to the competencies, commitment, contribution, performance and board balance.

The Chairman of the Nomination Committee however is not the Senior Independent Director as recommended by the Code due to the appointment already made prior to the implementation of the Code.

During the financial year under review the Nomination Committee held meeting on 25 May 2015 attended by all three (3) members to review its required mix of skills, experience and other qualities Non-Executive Directors should bring to the Board.

All directors undertake an assessment evaluation including annual assessment of their independence for independent directors. The Nomination Committee is responsible for assessing the effectiveness of the Board as a whole and the Board Committees. The Nomination Committee's recommendations are subject to Board's approval.

The Company's Articles of Association provides that directors who are appointed during the year shall retire from office and subject to re-election by shareholders at the Annual General Meeting. At every Annual General Meeting, at least one-third (1/3) of the directors are subject to retirement and re-election by rotation least once in every three (3) years. In addition, a director who attains the age over 70 retires at every Annual General Meeting pursuant to Section 129 of the Companies Act, 1965, however, is eligible for re-appointment.

The Committee does not have a specify policy on gender, ethnicity and age group for candidates to be appointed to the Board and does not have specific policy on setting target for female candidates in the workforce. Presently, there is one (1) female Director on the Board of the Company.

# corporate governance statement

## Remuneration Committee

This Board Committee recommend the general remuneration policy of the Group and reflects the experience and level of responsibilities undertaken by the Directors and key Management. The composition of this Committee is set out in the Corporate Information section of this Annual Report.

The Committee has adopted a formal and transparent policy and procedure to attract and retain directors with remuneration package reflective of the Board's responsibilities, expertise and complexity of the Group's activities. In addition, the remuneration for Executive Directors are structured to link rewards to corporate and individual performance. Remuneration package for Executive Directors are subject to the approval of the Board, while remuneration of the Non-Executive Directors are subject to the approval of the shareholders.

The Committee met on 25 May 2015 and 28 August 2015 during the financial year to review the remuneration of the Executive Directors and the Terms of Reference of the Remuneration Committee spells out the duties and responsibilities.

The aggregate Directors' remuneration receivable/received from the Group and Company for the financial year ended 31 March, 2016 is as follows:-

NAME	NON-FEE EMOLUMENTS	BENEFITS- IN-KIND	FEES	MEETING ALLOWANCE	TOTAL
<b>Executive Director</b>					
Ameer Bin Shaik Mydin	360,500	17,400	80,909	-	458,809
Tamil Selvan A/L M. Durairaj	360,500	17,400	60,909	-	438,809
Ang Hsin Hsien	325,180	11,100	99,000	-	435,280
<b>Non-Executive Director</b>					
Tan Sri Dato' Mohd Ibrahim Bin Mohd Zain	-	-	70,000	6,000	76,000
Tuan Haji Ab. Gani Bin Haron	-	-	58,000	7,000	65,000
Boey Tak Kong	-	-	61,000	5,500	66,500
Datuk Samsul Bin Husin	1,298,002	27,212	30,000	-	1,355,214
Charles William Fox	-	-	25,000	2,000	27,000

The number of Directors of the Company whose total remuneration for the financial year ended 31 March, 2016 that fall within the following band is as follows:-

RANGE OF REMUNERATION	NUMBER OF DIRECTORS (EXECUTIVE)	NUMBER OF DIRECTORS (NON-EXECUTIVE)
RM1 to RM50,000	-	1
RM50,001 to RM100,000	-	3
RM400,001 to RM450,000	2	-
RM450,001 to RM500,000	1	-
RM1,350,001 to RM1,400,000	-	1

Independent/ Non-Independent Directors' fees for financial year ending 31 March, 2017 subject to shareholders' approval at the Eighth Annual General Meeting on 20 September 2016 and to be paid quarterly in arrears.

The fees and remuneration for the Directors of the Board and Board Committees for the financial year ending 31 March, 2017 is to be revised and computed as follows:-

RM	CHAIRMAN (PER ANNUM)	MEMBER (PER ANNUM)	MEETING ALLOWANCE (PER MEETING)
Board	80,000.00	270,000	1,000.00
Audit Committee	10,000.00	16,000	1,000.00
Nomination Committee	10,000.00	16,000	1,000.00
Remuneration Committee	10,000.00	13,000	1,000.00





# corporate governance statement

## 3. REINFORCE INDEPENDENCE

### Annual Assessment of Independence

The Board, through the Nomination Committee assesses the independence of the Non-Executive Directors annually in line with Recommendation 3.1 of the MCCG 2012, as one of the factors in determining the Non-Executive Director's eligibility to stand for re-election.

Based on the annual assessment on the independence of all independent Directors, the Board is satisfied with the level of independence demonstrated by all the Independent Directors and their ability to act in the best interest of the Company, as well as the resourcefulness to address problems based on clarity and understanding of all subject matters during deliberations at Board meetings.

### Tenure of Independent Directors

The Board is mindful that the tenure of an Independent Director should not exceed a cumulative term of nine (9) years, as recommended under the MCCG 2012. None of the Independent Directors of the Company has exceeded the cumulative term of nine (9) years as at the date of this Annual Report.

The Board composition for the financial year under review comprises of the following positions with their relevant tenure period in service is tabulated as follows:-

DIRECTORS' TENURE PERIOD	< 5 YEARS	5 TO 9 YEARS	>9 YEARS	TOTAL
Executive Director	-	3	-	3
Non-Independent Non-Executive Director	2	-	-	2
Independent Non-Executive Director	-	3	-	3
<b>Total</b>	<b>2</b>	<b>6</b>	<b>-</b>	<b>8</b>

### Separation of Positions of the Chairman and Group Managing Director

The Board recognizes the importance of having a clearly accepted division of function and responsibilities as the head of the Company to ensure a balance of power and authority. It is the policy of the Board to keep the roles of the Chairman and the Group Managing Director separate.

The Chairman is an Independent Non-Executive Director and carries out the leadership role to guide and mediate the Board to ensure that the highest standards of corporate governance is practised in meeting the stakeholders' objectives.

The Group Managing Director's position in essence is to ensure the effective implementation of the Group's strategic plans and policies approved by the Board, as well as to manage the daily conduct of the business to ensure its smooth operation. The Group Managing Director, in association with the Chairman, are accountable to the Board for the achievement of the Group's goals and objectives.

### Board Composition

At the date of this report, the Board consists of eight (8) members of whom three (3) are Independent Non-Executive Directors, two (2) are Non-Independent Non-Executive Directors and three (3) are Executive Directors. The current composition of the Board complies with Paragraph 15.02(1) of the Main Market Listing Requirements of Bursa Securities whereby at least one-third (1/3) of the Board must be made up of Independent Directors.

A brief description of the background of each Director is presented on pages 28 to 31 of this Annual Report.

# corporate governance statement

In addition, the respective directors' working experience is as follows:-

DIRECTORS' WORKING EXPERIENCE	NO. OF DIRECTORS
Accounting & Auditing	8
Marketing & Business Development	5
Banking & Finance	3
Risk & Governance	8
Government Relations	5
Information Technology	8
Management & Leadership	8

## 4. FOSTER COMMITMENT

### Time Commitment

The Board is satisfied with the level of time commitment given by the Directors towards fulfilling their roles and responsibilities at Board and Board Committee meetings for the financial year ended 31 March, 2016, as set out in the following tables below:-

### Board Meetings

During the year, six (6) Board Meetings were held to deliberate and resolve significant issues in relation to strategic, operational, financial, corporate and regulatory matters affecting the Group as listed below:-

NAME	DIRECTORSHIP	ATTENDANCE
Tan Sri Dato' Mohd Ibrahim Bin Mohd Zain	Independent Non-Executive Chairman	6/6
Ameer Bin Shaik Mydin	Group Managing Director	6/6
Tamil Selvan A/L M. Durairaj	Group Deputy Managing Director	6/6
Ang Hsin Hsien	Executive Director	6/6
Tuan Haji Ab. Gani Bin Haron	Senior Independent Non-Executive Director	6/6
Boey Tak Kong	Independent Non-Executive Director	5/6
Datuk Samsul Bin Husin	Non-Independent Non-Executive Director	5/6
Charles William Fox	Non-Independent Non-Executive Director	4/5

### Audit Committee Meetings

During the year, five (5) Audit Committee Meetings were held to deliberate and resolve significant issues in relation to financial, risk management, treasury administration, related party transactions, financial assistance, corporate and regulatory matters affecting the Group as listed below:-

NAME	DIRECTORSHIP	ATTENDANCE
Tuan Haji Ab. Gani Bin Haron	Chairman/Senior Independent Non-Executive Director	5/5
Tan Sri Dato' Mohd Ibrahim Bin Mohd Zain	Independent Non-Executive Director	5/5
Boey Tak Kong	Independent Non-Executive Director	4/5





# corporate governance statement

## Nomination Committee Meetings

During the year, one (1) Nomination Committee Meeting was held to deliberate and resolve significant issues in relation to director and CFO selection, directors' annual evaluation and independence assessment and nomination of directors seeking re-appointment affecting the Company as listed below:-

NAME	DIRECTORSHIP	ATTENDANCE
Boey Tak Kong	Chairman/Independent Non-Executive Director	1/1
Tan Sri Dato' Mohd Ibrahim Bin Mohd Zain	Independent Non-Executive Director	1/1
Tuan Haji Ab. Gani Bin Haron	Independent Non-Executive Director	1/1

## Remuneration Committee Meetings

During the year, two (2) Remuneration Committee Meetings were held to deliberate and resolve significant issues in relation to executive directors' remuneration and benefits, non-executive directors' remuneration and key management staff salary structure and benefits for the Group as listed below:-

NAME	DIRECTORSHIP	ATTENDANCE
Boey Tak Kong	Chairman/Independent Non-Executive Director	1/2
Datuk Samsul Bin Husin (Resigned on 25 May 2015)	Non-Independent Non-Executive Director	1/1
Ameer Bin Shaik Mydin (Appointed on 25 May 2015)	Group Managing Director	1/1
Tuan Haji Ab. Gani Bin Haron	Independent Non-Executive Director	2/2

## Number of Directorships of Each Directors

To ensure the Directors have the time to focus and fulfil their roles and responsibilities effectively, one criterion as agreed by the Board for determining candidates for the pool of potential Directors is that they must not hold directorships of more than five (5) PLCs ( as prescribed in paragraph 15.06 of the Main Market Listing Requirements of Bursa Securities) and must be able to commit sufficient time to the Company's matters.

The current Directors must also adhered to the recommendation of the MCCG 2012 that they are required to notify the Chairman before accepting any new directorships and to indicate the time expected to be spent on the new appointment.

## Directors' Training

The Board acknowledges that continuous education is essential in keeping the directors abreast with new corporate and regulatory developments, in order to enhance their knowledge and skills to effectively discharge their duties and responsibilities as Directors of the Company.

All Board members have attended and successfully completed the Mandatory Accreditation Programme.

# corporate governance statement

During the financial year ended 31 March, 2016, the Directors have attended the following trainings:-

NAME OF DIRECTOR	TRAINING ATTENDED	DATE OF TRAINING
<b>Tan Sri Dato' Mohd Ibrahim Bin Mohd Zain</b>	Board Chairman Series: Tone from the Chair and Establishing Boundaries	15 Sep 2015
<b>Ameer Bin Shaik Mydin</b>	rhipe Cloud Channel Summit 2015	21 Apr 2015
	HIMSS AisaPac 15 Conference	7 – 9 Sep 2015
	Cooking The Books - The Malaysian Recipe On Financial Fraud	10 Sep 2015
	2016 BNM Governor's Address on the Malaysian Economy & Panel Discussion	24 Mar, 2016
	VISTAGE CEO Tea Talk 2016	30 Mar, 2016
<b>Tamil Selvan A/L M. Durairaj</b>	Art Appreciation, Investment and Life	21 Apr 2015
	Managing for results the PAEI Way & Corporate Life Cycle <b>VISTAGE</b>	19 May 2015
	Balanced Score Card & KPI-Based Performance Management System	18 Aug 2015
	Transforming Salesforce	26 Oct 2015
	ASEAN Economic Community (AEC) and Trans Pacific Partnership Agreement (TPPA)	15 Dec 2015
	Economic Outlook 2016	23 Feb 2016
<b>Ang Hsin Hsien</b>	Market Entry Strategy Event Seminar - Success Stories by MSC Status Companies	3 Sep 2015
	ASEAN Economic Community (AEC) and Trans Pacific Partnership Agreement (TPPA)	15 Dec 2015
	How Modern Accounting has made a difference in our organizations by Dr. Vishnu Kanhere, Chartered Accountant India	18 – 22 Nov 2015
	Big Data in Modern Accounting Mr. Purushotaman K (NASCOMM)	
	Economic Outlook 2016	23 Feb 2016
	IBM Business Partner Connect 2016 outthink competition	24 May 2016
<b>Tuan Haji Ab. Gani Bin Haron</b>	MIA Annual Accountants Conference	26 – 27 Oct 2015
<b>Boey Tak Kong</b>	Conversation With Audit Committees	7 May 2015
	Walking The Ethical Tightrope	18 May 2015
	A Dialogue: Post-Workshop On Risk Management & Internal Control For Audit Committee Members	9 Jun 2015
	Bringing The Best Out In Boardrooms	31 Jul 2015
	The Board's Response In Light Of Rising Shareholder Engagement	4 Aug 2015
	Advocacy Session On Management Discussion & Analysis For CEO & CFO	3 Sep 2015



# corporate governance statement

NAME OF DIRECTOR	TRAINING ATTENDED	DATE OF TRAINING
	Future of Auditor Reporting - The Game Changer for Boardroom	21 Sep 2015
	The Interplay Between Corporate Governance, Non-Financial Information and Investment Decision – What Boards of Listed Companies Need to Know	22 Sep 2015
	Directors' Training • Integrated reporting • Will the next scandal be on your watch, and do your minority shareholders trust you? • Economic outlook & lookout	20 Oct 2015
	Ring the Bell for Gender Equality	11 Mar 2016
	The Essence of Independence	28 Mar 2016
<b>Datuk Samsul Bin Husin</b>	MIA Annual Accountants Conference	26 – 27 Oct 2015
<b>Charles William Fox</b>	Mandatory Accreditation Programme for Directors of Public Listed Companies	9 & 10 Sep 2015

## 5. UPHOLD INTEGRITY IN FINANCIAL REPORTING

### Compliance with Applicable Financial Reporting Standards

The Directors are responsible for presenting a balanced and easy to comprehend assessment of the Group's position and prospects to shareholders, investors and regulatory authorities. The Quarterly results and annual financial statements are reviewed by the Audit Committee and recommended to the Board for approval before releasing to the public, via the Bursa website.

The Audit Committee also reviews the appropriateness of the Company's and Group's accounting policies and the changes to these policies as well as to ensure the financial statements comply with accounting standards and other regulatory requirements. The Statement of Directors pursuant to Section 169 of the Companies Act 1965 is set out on page 63 of this Annual Report.

The details of the financial statements of the Company are set out on pages 55 to 161 of this Annual Report.

### Assessment of Suitability and Independence of External Auditors

The Audit Committee undertakes an annual assessment of the suitability and independence of the External Auditors. The Audit Committee meets with the External Auditors at least twice a year to discuss their audit plan, audit findings and the Company's financial statements.

Being satisfied with the performance of the External Auditors, the Audit Committee will recommend their re-appointment to the Board and shareholders' approval will be sought at the Annual General Meeting.

# corporate governance statement

## 6. RECOGNISE AND MANAGE RISKS

### Sound Framework to Manage Risks

The Directors acknowledge their responsibility for the Group's system of internal controls covers not only financial controls but also operational and compliance controls, in addition to risk management. The internal control system involves each business and key management from each business, including the Board, and is designed to meet the Group's particular needs and to manage the risks to which it is exposed. The system, by its nature, can only provide reasonable but not absolute assurance against material misstatements, losses and fraud.

The Board through the Audit Committee review the adequacy and integrity of the Group's system of internal controls weaknesses. The Statement on Risk Management and Internal Control which provides an overview of the state of risk management and internal controls within the Group, is set out on pages 48 to 49 of this Annual Report.

### Internal Audit Function

The Group's internal audit function is outsourced to KPMG Management & Risk Consulting Sdn Bhd ("KPMG"), an independent professional firm to support the Audit Committee, and by extension, the Board by providing independent assurance on the effectiveness of the Group's system of internal control.

Details of the internal audit function are outlined on page 50 of the Audit Committee Report.

### Whistle Blower Policy & Procedure

In addition to the Risk Management Policy, the Company has also formalized a Whistle Blower Policy & Procedure within the Group. It sets out the responsibility of all employees to identify and report suspected fraud, corruption, dishonest practices and other irregularities before it causes potential damage to the Company's reputation or its stakeholders. It is a transparent system that enable grievances to be channelled directly to the Senior Independent Non-Executive Director and Audit Committee Chairman, Tuan Haji Ab Gani Bin Haron, using the corporate website, [www.censof.com](http://www.censof.com)

### Internal Control

The Statement on Risk Management and Internal Control of the Group is set out on pages 48 to 49 of this Annual Report. This Statement provides an overview of the Group's approach in maintaining a sound system of risk management and internal control to safeguard shareholders' investment and the Group's assets.

## 7. ENSURE TIMELY AND HIGH QUALITY DISCLOSURE

The Company is fully committed in maintaining a high standard for the dissemination of relevant and material information on the development of the Group. The Company also places strong emphasis on the important of timely and equitable dissemination of information to shareholders.

## 8. STRENGTHENING RELATIONSHIP BETWEEN THE COMPANY AND ITS SHAREHOLDERS

### Investors Relations and Shareholders' Communication

The Board recognises the need for shareholders to be informed of all material business matters affecting the Group. In addition, various announcements made during the financial year, timely release of financial results on a quarterly basis, press releases and Annual Report provides shareholders with an overview of the Group's performance and operations. The Company had always leveraged on its information technology for effective dissemination of information to its shareholders and stakeholders. The corporate website is [www.censof.com](http://www.censof.com)



# corporate governance statement

## **Annual General Meeting (“AGM”)**

The AGM is the principal forum for dialogue and communication with shareholders and stakeholders. Shareholders are encouraged to attend and participate during the AGM in the question and answer session on the prospects, performance of the Group and other matters of concern. Members of the Board, Senior Management and the External Auditors are present to answer questions raised at the meeting. Suggestions and comments raised by shareholders are also noted for consideration. Shareholders who are unable to attend are allowed to appoint proxy/proxies to attend, speak and vote on their behalf.

## **Encourage Poll Voting**

The Company encourages shareholder participation at general meetings and in line with the Recommendation 8.2 of the MCCG 2012, which recommends that the Board should encourage poll voting for substantive resolutions, the Chairman informs the shareholders of their right to demand a poll vote at the commencement of the general meeting.

## **Communication with Shareholders and Investors**

The Company's website [www.censof.com](http://www.censof.com) has a section dedicated to investor relations and provides up-to-date information on the Group's business and operations. Further enquiries may be directed to the following person on all investor relation matters:-

Person-in-charge: Sunny Khoo

Position : Chief Financial Officer

E-mail : [sunny@censof.com](mailto:sunny@censof.com)

This Corporate Governance Statement has been approved by the Board on 27 June 2016.

# statement on risk management and internal control

## INTRODUCTION

The Malaysian Code on Corporate Governance 2012 ("MCCG 2012") requires listed companies to maintain a sound system of risk management and internal controls to safeguard shareholders' investments and the Group's assets. Pursuant to paragraph 15.26(b) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities"), the directors of public listed companies are required to include a statement in their Annual report on the state of their risk management and internal controls framework.

Accordingly, this Statement on Risk Management and Internal Control outlines the nature and scope of risk management and internal control of the Group during the financial year ended 31 March 2016 and covers all of the Group's operations except for associate companies as guided by the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers.

## BOARD RESPONSIBILITY

The Board of Directors recognise the importance of a sound system of risk management and internal control for good corporate governance. The Board acknowledges its primary responsibility to ensure that principal risks in the Group are identified, measured and managed with an appropriate system of risk management and internal controls, including to ensure that the effectiveness, adequacy and integrity of the risk management and internal control systems are periodically assessed and reviewed on an ongoing basis.

The Board also acknowledges that a sound system of risk management and internal controls is designed to identify, treat and manage rather than eliminate the risk of failure to achieve the Group's strategic goals and business objectives. A sound system of risk management and internal controls therefore provide reasonable, but not absolute assurance against any risk of material misstatement or financial losses.

The Board is firmly of the opinion that the Group consists of qualified professionals with the relevant industry experience to manage the business and operations on a daily basis.

## MANAGEMENT'S RESPONSIBILITY

Management is responsible for implementing the relevant control systems and processes to identify, evaluate, monitor and report on risks identified and steps taken to minimise the risks.

Therefore, the management and internal control, the Management has established a Risk Management Committee ("RMC") which consists of all the Executive Directors, Chief Financial Officer and the CEOs of the respective subsidiary companies.

At each subsidiary company, a Strategic Management Team (SMT") comprising of the respective CEOs and Senior Management and an Operational Committee ("OC") comprising Assistant Managers to administer the key elements within the internal control framework.

The Board has formalised a monitoring and reporting structure comprising the Group Managing Director, Group Deputy Managing Director, Executive Director and Senior Management to ensure that the communication of the Group's objectives, financial issues and risk matters are disseminated to all levels of management through meetings from the RMC down to SMT and to be followed up by the Departmental level.

## KEY FEATURES OF THE GROUP'S INTERNAL CONTROL FRAMEWORK

The salient features of the Group's system of internal controls are as follows:-

- **Transparent Authority Mandate and Management Reporting Structure**  
Clear reporting line to the Board, Board Committees, RMC, SMT and Departmental level with distinct responsibilities, authority limits, review and approval procedures with proper segregation of duties to support a sound control environment;



## statement on risk management and internal control

- **Financial Results Reporting**  
The quarterly financial results are reviewed by the Audit Committee and recommendation is made to the Board for approval and adoption for release to Bursa Securities;
- **Internal Audit Function**  
The Group's internal audit function is outsourced to KPMG Management & Risk Consulting Sdn Bhd to provide independent assurance on the adequacy and effectiveness of the Group's system of internal controls. Audit findings are reported directly to the Audit Committee, including action plans agreed with Management to address the concerns raised. Follow-up audit is also conducted to furnish updates to the Audit Committee on the status of corrective actions implemented;
- **Operations Review and Monitoring Framework**  
The Group's performance is constantly monitored on a monthly basis by the SMT against budget and prior year performance to identify any performance gaps. Appropriate remedial actions are taken to mitigate variances to ensure sustainable performance moving forward; and
- **Human Capital Management and Training**  
Adequate training resources are deployed to ensure employees are sufficiently trained to manage their professional development within the Group based on individual training needs identified during the annual appraisal exercise.

### BOARD'S COMMITMENT

The structure of controls and operations will be continuously and gradually improved to ensure they remain adequate and relevant to the Company and the Group activities as the Group further expand on its business operations locally and regionally.

### REVIEW OF THE STATEMENT BY EXTERNAL AUDITORS

As required by paragraph 15.23 of the Main Market Listing Requirements of Bursa Securities, the External Auditors have reviewed this Statement on Risk Management and Internal Control. Their limited assurance review was performed in accordance with Recommended Practice Guide ("RPG") 5 (Revised): Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control included in the Annual Report, issued by the Malaysian Institute of Accountants.

Based on their review, the External Auditors have reported to the Board that nothing has come to their attention that causes them to believe that this Statement is not prepared, in all material respects, in accordance with the disclosures required by paragraph 41 and 42 of the Statement on Risk Management and Internal Control: Directors of Listed Issuers to be set out, nor is factually inaccurate.

### CONCLUSION

For the financial year under review and up to the date of issuance of the financial statements, the Board is satisfied with the adequacy and effectiveness of the Group's system of risk management and internal control to safeguard the interest of shareholders. No material losses, contingencies or uncertainties have arisen from any inadequacy or failure of the Group's system of internal control that would require separate disclosure in the Annual Report.

The Group Managing Director and Chief Financial Officer have provided assurance to the Board that the Group's risk management and internal control system, in all material aspects, is operating adequately and effectively.

This Statement is made in accordance with a resolution of the Board of Directors dated 27 June 2016.



# audit committee report

## COMPOSITION OF THE AUDIT COMMITTEE

The Audit Committee was established by the Board on 28 December 2010. The composition of the Audit Committee presently comprises of three (3) members of the Board which consists of all Independent Non-Executive Directors. Details of the Audit Committee members and their meetings attendance is set out as follows:-

NAME	DIRECTORSHIP	ATTENDANCE
Tuan Haji Ab. Gani Bin Haron	Chairman/Senior Independent Non-Executive Director	5/5
Tan Sri Dato' Mohd Ibrahim Bin Mohd Zain	Independent Non-Executive Director	5/5
Boey Tak Kong	Independent Non-Executive Director	4/5

Details of the members of the Audit Committee are contained in the "Directors' Profiles" as set out on pages 28 to 29 of this Annual Report.

The Audit Committee Chairman, Tuan Haji Ab Gani Bin Haron and Mr. Boey Tak Kong are both members of the Malaysian Institute of Accountants, and hence, complies with paragraph 15.09(1)(c)(i) of the Main Market Listing Requirements of Bursa Securities.

## TERMS OF REFERENCE

The Audit Committee is governed by the following Terms of Reference (except for Authority and Duties and responsibilities which is detailed in the Company's website, [www.censof.com](http://www.censof.com)) duly revised and approved by the Board of Directors on 27 June 2016:-

### Composition

The Audit Committee shall be appointed from amongst the Board members and shall comprise no fewer than three (3) members. All the Audit Committee members must be Non-Executive Directors, a majority of whom shall be Independent Directors and at least one (1) member must be a member of the Malaysian Institute of Accountants or possess such other qualifications and/or experience as approved by Bursa Securities. No Alternate Director shall be appointed as a member of the Audit Committee.

The term of office and performance of the Audit Committee and each of its members shall be reviewed by the Nomination Committee annually to determine whether such Audit Committee and members have carried out their duties in accordance with the Terms of Reference.

### Retirement and resignation

In the event of any vacancy resulting in the number of members reduced to below three (3) the vacancy shall be filled within three (3) months thereof.

### Chairman

The Chairman, who shall be elected by the Audit Committee members, shall be an Independent Director.

In the absence of the Chairman of the Audit Committee, the other members of the Audit Committee shall amongst themselves elect a Chairman who must be Independent Director to chair the meeting.

### Secretary

The Company Secretaries shall be the Secretaries 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 Secretaries shall also be responsible for keeping the minutes of meetings of the Audit Committee and as a reporting procedure, the Audit Committee minutes shall be circulated to all members of the Board.



# audit committee report

## Meetings

The Audit Committee shall meet regularly, with due notice of issues to be discussed, and shall record its conclusions in discharging its duties and responsibilities. In addition, the Chairman may call for additional meetings at any time at the Chairman's discretion.

A member of the Audit Committee may participate in a meeting of the Audit Committee by means of telephone conference, videophone conference or any other means of audio-visual communications and the person shall be deemed to be present in person and shall be entitled to vote or be counted in a quorum.

Upon the request of the External Auditors, the Chairman of the Audit Committee shall convene a meeting of the Audit Committee to consider any matter the External Auditors believes should be brought to the attention of the Directors or Shareholders.

Notice of Audit Committee meetings shall be given to all the Audit Committee members unless the Audit Committee waives such requirement.

The Chairman of the Audit Committee shall engage on a continuous basis with Senior Management, such as the Chairman, the Group Managing Director, Deputy Managing Director, Chief Financial Officer, Internal Auditors and External Auditors in order to be kept informed of matters affecting the Company and Group.

The Chief Financial Officer, Internal Auditors and a representative of the External Auditors should normally attend meetings. Other Board members and employees may attend meetings upon the invitation of the Audit Committee. The Audit Committee shall be able to convene meetings with the External Auditors, the Internal Auditors or both, without executive Board members or employees present whenever deemed necessary and at least twice a year with the External Auditors.

Questions arising at any meeting of the Audit Committee shall be decided by a majority of votes of the members present, and in the case of equality of votes, the Chairman of the Audit Committee shall have a second or casting vote.

## Minutes

Minutes of each meeting shall be kept at the registered office and distributed to each member of the Audit Committee and also to the other members of the Board. The Audit Committee Chairman shall report on each meeting to the Board.

The minutes of the Audit Committee meeting shall be signed by the Chairman of the meeting at which the proceedings were held or by the Chairman of the next succeeding meeting.

## Quorum

The quorum for the Audit Committee meeting shall be the majority of members present whom must be independent Directors.

## Objectives

The principal objectives of the Audit Committee are to assist the Board in discharging its statutory duties and responsibilities relating to accounting and reporting practices of the holding company and each of its subsidiary companies. In addition, the Audit Committee shall:-

- a) evaluate the quality of the audits performed by the internal and external auditors;
- b) provide assurance that the financial information presented by Management is relevant, reliable and timely;
- c) oversee compliance with laws and regulations and observance of a proper Code of Conduct; and
- d) determine the quality, adequacy and effectiveness of the Group's control environment.

# audit committee report

## SUMMARY OF ACTIVITIES UNDERTAKEN BY THE AUDIT COMMITTEE FOR 2015/2016

During the financial year, the Audit Committee's activities covered the following:-

- reviewed the quarterly financial statements and unaudited financial results for the financial year before recommending to the Board for approval and announcement to Bursa Securities;
- reviewed the nature and scope of the audit plan prepared by the Internal Auditors and External Auditors;
- reviewed the Internal Auditors' audit findings and recommendations to strengthen the internal control procedures and Management response thereto;
- reviewed the External Auditors' audit findings on accounting treatment and reporting issues impacting the financial results;
- conducted two (2) private sessions with the External Auditors, without the presence of Executive Directors and Management staff;
- considered and recommended to the Board the re-appointment of the External Auditors and their fee;
- assessed related party transactions quarterly, if any and conflict of interest situation;
- evaluated the risk profile of the Group and actions to be taken to mitigate the identified risks; and
- clarified the financial assistance granted for working capital requirements to Group subsidiary companies.

The table below discloses the amount of time spent on the various activities performed:-

FINANCIAL YEAR 2015-2016	% OF TIME SPENT
Financial reporting	30
External audit	20
Internal audit	20
Risk and internal control	25
Others	5
<b>Total</b>	<b>100</b>

## INTERNAL AUDIT FUNCTION

The Audit Committee is mindful that an independent and adequately resourced internal audit function is important to assist the Audit Committee in obtaining the assurance quality in relation to the effectiveness of the system of internal control implemented by the Management.

The Audit Committee has appointed and outsourced the internal audit function to Messrs KPMG Management and Risk Consulting Sdn Bhd and to report to the Audit Committee under an annual two (2) cycle assignment basis. The costs incurred for the internal audit function for the financial year 2015-2016 is RM53,583.00.



# additional compliance information

## 1. UTILISATION OF PROCEEDS FROM CORPORATE EXERCISE

### i. Private Placement

The gross proceeds of RM6,250,000 from the private placement of the Company's shares during the financial year ended 31 March 2016 and the balance of proceeds of RM7,000,000 brought forward from the previous financial year was utilised as follows:-

UTILISATION	UNUTILISED AS AT 1-APR-2015 RM'000	PROCEEDS DURING THE YEAR RM'000	UTILISED DURING THE YEAR RM'000	UNUTILISED AS AT 31- MARCH-2016 RM'000
Business Expansion	7,000	6,250	13,250	-
<b>Total</b>	<b>7,000</b>	<b>6,250</b>	<b>13,250</b>	<b>-</b>

### ii. Redeemable Convertible Notes

The gross proceeds of RM1,249,000 from the Redeemable Convertible Notes was utilised for acquisition related cost.

### iii. Warrants-A

There were no conversions of Warrants-A

### iv. Warrants-B

There were no conversions of Warrants-B

## 2. SHARE BUY-BACKS

The Company did not carry out any share buy-backs during the financial year ended 31 March 2016.

## 3. RECURRENT RELATED PARTY TRANSACTIONS

There were no recurrent related party transactions entered during the financial year, except for the office rental agreement which is within the normal commercial term which does not exceed tenancy period of 3 years.

## 4. OPTIONS, WARRANTS OR CONVERTIBLE LOAN STOCKS

At the EGM held on 26 June 2012, the Company had obtained the approval from the shareholders for the bonus issue of 43,025,000 warrants A on the basis of 1 free warrant for every 8 existing ordinary share of RM0.10 each held in the Company.

The warrants A were constituted under a Deed Poll executed on 28 June 2012 and were issued on the 19 July 2012 where each warrant A entitles the registered holder the right at any time during the exercise period from 19 July 2012 to 18 July 2017 to subscribe in cash for one new ordinary share of RM0.10 each of the Company at an exercise price of RM0.46 each. The warrants were listed on the Main Market of Bursa Malaysia Securities Berhad on the 25 July 2012. During the financial year, no warrants A were exercised.

At an Extraordinary General Meeting held on 29 November 2013, the Company had obtained the approval from the shareholders for the issuance of Redeemable Convertible Notes ("RCN") comprising the Redeemable Convertible Commercial Papers and/or Redeemable Convertible Medium Term Notes with an aggregate principal amount of up to RM100.0 million.

## additional compliance information

During the financial year ended 31 March 2016, RCN of aggregate value of RM1,250,000 was converted into 5,042,355 ordinary shares of RM0.10 each.

At the EGM held on 17 September 2014, the Company had obtained the approval from the shareholders for the issuance of free warrants on the basis of one (1) new warrant for every four (4) existing ordinary shares of RM0.10 each held in the Company.

The warrants B were constituted under the a Deed Poll executed on 25 September 2014 and were issued on the 8 October 2014 where each warrant B entitles the registered holder the right at any time during the exercise period from 8 October 2014 to 7 October 2019 to subscribe in cash for one new ordinary share of RM0.10 each of the Company at an exercise price of RM0.46 each. The warrants were listed on the Main Market of Bursa Malaysia Securities Berhad on 15 October 2014. During the financial year, no warrants B were exercised.

Save as disclosed above, there was no other exercise or grant of option, warrants or convertible securities during the financial year ended 31 March 2016.

### 5. DEPOSITORY RECEIPTS PROGRAMME

The company did not sponsor any depository receipts programme during the financial year.

### 6. NON-AUDIT FEES

There were no non-audit fees paid to the external auditors for the financial year ended 31 March 2016.

### 7. MATERIAL CONTRACTS

There were no materials contracts entered into by the Company and its subsidiaries during the financial year, which involved Directors' or major shareholders' interest (not being contracts entered into the ordinary course of business).

### 8 IMPOSITION OF SANCTIONS/PENALTIES

There were no sanctions and/or penalties imposed on the Company and its Subsidiaries, Directors or Management by the relevant regulatory bodies during the financial year.

### 9. PROFIT GUARANTEE

There were no profit guarantee given during the financial year.

### 10. VARIATION IN RESULT

There is no significant variation between the profit after tax for the financial year ended 31 March 2016 and the unaudited results previously announced.

### 11. SUSTAINABILITY STATEMENT

Please refer to Statement on pages 36 to 37.

# 5

## chapter

### financial statements

- 56** director's report
- 63** statement by directors
- 63** statutory declaration
- 64** independent auditors' report
- 67** statements of financial position
- 69** statements of profit or loss and other comprehensive income
- 71** statements of changes in equity
- 76** statements of cash flows
- 79** notes to the financial statements





# directors' report

The directors hereby submit their report and the audited financial statements of the Group and of the Company for the financial year ended 31 March 2016.

## PRINCIPAL ACTIVITIES

The Company is principally engaged in the business of investment holding and the provision of management services. The principal activities of the subsidiaries are set out in Note 5 to the financial statements. There have been no significant changes in the nature of these activities during the financial year.

## RESULTS

	THE GROUP RM'000	THE COMPANY RM'000
Profit after taxation for the financial year	7,832	44
Attributable to:-		
Owners of the Company	(7,191)	44
Non-controlling interests	15,023	–
	7,832	44

## DIVIDENDS

No dividend was paid since the end of the previous financial year and the directors do not recommend the payment of any dividend for the current financial year.

## RESERVES AND PROVISIONS

All material transfers to or from reserves or provisions during the financial year are disclosed in the financial statements.



# directors' report

## ISSUES OF SHARES AND DEBENTURES

During the financial year:-

- (a) there were no changes in the authorised share capital of the Company;
- (b) the Company increased its issued and paid-up share capital from RM47,666,077 to RM50,170,313 by way of:-
  - (i) the issuance of 20,000,000 new ordinary shares of RM0.10 each pursuant to private placements at the following issue prices;

TRANCHE	NUMBER OF ORDINARY SHARES IN UNITS	ISSUE PRICE PER ORDINARY SHARE RM	TOTAL RM'000
First Tranche	10,000,000	0.4000	4,000
Second Tranche	10,000,000	0.2250	2,250
	20,000,000		6,250

- (ii) the issuance of 5,042,355 new ordinary shares of RM0.10 each pursuant to the conversion of RM504,236 nominal value Redeemable Convertible Notes at the conversion price of RM0.2479 per ordinary share.

The new ordinary shares issued ranked pari passu in all respects with the existing ordinary shares of the Company.

- (c) there were no issues of debentures by the Company.

## WARRANTS-A 2012/2017

On 26 June 2012, the Company obtained the approval from the shareholders for the bonus issue of 43,025,000 warrants on the basis of 1 free warrant for every 8 existing ordinary shares of RM0.10 each held in the Company.

The warrants-A (2012/2017) are constituted under a Deed Poll executed on 28 June 2012 and were issued on 19 July 2012 where each warrant entitles the registered holder the right at any time during the exercise period from 19 July 2012 to 18 July 2017 to subscribe for one new ordinary share of RM0.10 each of the Company at an exercise price of RM0.46 each in cash. The warrants were listed on the Main Market of Bursa Malaysia Securities Berhad on 25 July 2012.

The terms of the warrants are disclosed in Note 18 to the financial statements.

The ordinary shares issued from the exercise of warrants shall rank pari passu in all respects with the existing issued ordinary shares of the Company except that they shall not be entitled to any dividends, distributions, rights, allotment and/or any other forms of distribution where the entitlement date of which precedes the relevant date of the allotment and issuance of the new shares arising from the exercise of warrants.

# directors' report

## WARRANTS-B 2014/2019

On 17 September 2014, the Company has obtained approval from the shareholders for the bonus issue of 111,412,717 warrants on the basis of 1 free warrant for every 4 existing ordinary shares of RM0.10 each held in the Company.

The warrants-B (2014/2019) are constituted under a Deed Poll executed on 25 September 2014 and were issued on 8 October 2014 where each warrant entitles the registered holder the right at any time during the exercise year from 8 October 2014 to 7 October 2019 to subscribe for one new ordinary share of RM0.10 each of the Company at an exercise price of RM0.46 each in cash. The warrants were listed on the Main Market of Bursa Malaysia Securities Berhad on 15 October 2014.

The terms of the warrants-B are disclosed in Note 18 to the financial statements.

The ordinary shares issued from the exercise of warrants shall rank pari passu in all respects with the existing issued ordinary shares of the Company except that they shall not be entitled to any dividends, distributions, rights, allotment and/or any other forms of distribution where the entitlement date of which precedes the relevant date of the allotment and issuance of the new shares arising from the exercise of warrants.

The movements of the Warrants are as follows:

<i>Number of unexercised Warrants</i>	ENTITLEMENT FOR ORDINARY SHARES OF RM0.10 EACH			
	AT 1.4.2015	ISSUED	EXERCISED	AT 31.3.2016
Warrants-A	29,495,325	–	–	29,495,325
Warrants-B	111,405,217	–	–	111,405,217

## OPTIONS GRANTED OVER UNISSUED SHARES

During the financial year, no options were granted by the Company to any person to take up any unissued shares in the Company.

## BAD AND DOUBTFUL DEBTS

Before the financial statements of the Group and of the Company were made out, the directors took reasonable steps to ascertain that action had been taken in relation to the writing off of bad debts and the making of allowance for impairment losses on receivables, and satisfied themselves that all known bad debts had been written off and that adequate allowance had been made for impairment losses on receivables.

At the date of this report, the directors are not aware of any circumstances that would require the further writing off of bad debts, or the additional allowance for impairment losses on receivables in the financial statements of the Group and of the Company.



# directors' report

## CURRENT ASSETS

Before the financial statements of the Group and of the Company were made out, the directors took reasonable steps to ascertain that any current assets other than debts, which were unlikely to be realised in the ordinary course of business, including their value as shown in the accounting records of the Group and of the Company, have been written down to an amount which they might be expected to realise.

At the date of this report, the directors are not aware of any circumstances which would render the values attributed to the current assets in the financial statements misleading.

## VALUATION METHODS

At the date of this report, the directors are not aware of any circumstances which have arisen which render adherence to the existing methods of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

## CONTINGENT AND OTHER LIABILITIES

The contingent liabilities are disclosed in Note 43 to the financial statements. At the date of this report, there does not exist:-

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

No contingent or other liability of the Group and of 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 of the Company to meet their obligations when they fall due.

## CHANGE OF CIRCUMSTANCES

At the date of this report, the directors are not aware of any circumstances not otherwise dealt with in this report or the financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading.

## ITEMS OF AN UNUSUAL NATURE

The results of the operations of the Group and of the Company during the financial year were not, in the opinion of the directors, substantially affected by any item, transaction or event of a material and unusual nature.

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors, to affect substantially the results of the operations of the Group and of the Company for the financial year.

# directors' report

## DIRECTORS

The directors who served since the date of the last report are as follows:-

Ameer Bin Shaik Mydin  
Tamil Selvan A/L M. Durairaj  
Tan Sri Dato' Mohd Ibrahim Bin Mohd. Zain  
Datuk Samsul Bin Husin  
Ang Hsin Hsien (f)  
Tuan Haji Ab. Gani Bin Haron  
Boey Tak Kong  
Charles William Fox (Appointed on 29.5.2015)

## DIRECTORS' INTERESTS

According to the register of directors' shareholdings, the interests of directors holding office at the end of the financial year in shares of the Company and its related corporations during the financial year are as follows:-

	NUMBER OF ORDINARY SHARES OF RM0.10 EACH			
	AT 1.4.2015	BOUGHT	SOLD	AT 31.3.2016
<i>Direct Interests in the Company</i>				
Tan Sri Dato' Mohd Ibrahim Bin Mohd Zain	10,349,032	–	–	10,349,032
Boey Tak Kong	300,000	1,000,000	–	1,300,000
<i>Indirect Interests in the Company</i>				
Datuk Samsul Bin Husin*	175,937,954	–	–	175,937,954
Ameer Bin Shaik Mydin*	175,937,954	–	–	175,937,954

Note:

\* - Deemed interested by virtue of their shareholdings in SAAS Global Sdn Bhd.

# directors' report

## DIRECTORS' INTERESTS (CONT'D)

	NUMBER OF WARRANTS-A 2012/2017			
	AT 1.4.2015	BOUGHT	SOLD	AT 31.3.2016
<i>Direct Interest in the Company</i>				
Tan Sri Dato' Mohd Ibrahim Bin Mohd Zain	1,293,629	–	–	1,293,629
<i>Indirect Interests in the Company</i>				
Datuk Samsul Bin Husin*	69	–	–	69
Ameer Bin Shaik Mydin*	69	–	–	69
	NUMBER OF WARRANTS-B 2014/2019			
	AT 1.4.2015	BOUGHT	SOLD	AT 31.3.2016
<i>Direct Interest in the Company</i>				
Tan Sri Dato' Mohd Ibrahim Bin Mohd Zain	2,587,258	–	–	2,587,258
<i>Indirect Interests in the Company</i>				
Datuk Samsul Bin Husin*	28,984,488	–	–	28,984,488
Ameer Bin Shaik Mydin*	28,984,488	–	–	28,984,488

Note:

\* - Deemed interested by virtue of their shareholdings in SAAS Global Sdn Bhd.

The other directors holding office at the end of the financial year had no interest in shares of the Company or its related corporations during the financial year.

## DIRECTORS' BENEFITS

Since the end of the previous financial year, no director has received or become entitled to receive any benefit (other than benefits included in the aggregate amounts of emoluments received or due and receivable by directors as 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 except for any benefits which may be deemed to arise from transactions entered into in the ordinary course of business with companies in which certain directors have substantial financial interests as disclosed in Note 41 to the financial statements.

Neither during nor at the end of the financial year was the Group or the Company a party to any arrangements whose object is to enable the directors to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

# directors' report

**SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR**

The significant events during the financial year are disclosed in Note 46 to the financial statements.

**SIGNIFICANT EVENT OCCURRING AFTER THE REPORTING YEAR**

The significant events occurring after the reporting year are disclosed in Note 47 to the financial statements.

**AUDITORS**

The auditors, Messrs. Crowe Horwath, have expressed their willingness to continue in office.

Signed in accordance with a resolution of the directors dated 26 July 2016.

**Ameer Bin Shaik Mydin**

**Tamil Selvan A/L M. Durairaj**





# statement by directors

## pursuant to section 169(15) of the companies act 1965

We, Ameer Bin Shaik Mydin and Tamil Selvan A/L M. Durairaj, being two of the directors of Censof Holdings Berhad, state that, in the opinion of the directors, the financial statements set out on pages 67 to 160 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the 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 2016 and of their financial performance and cash flows for the financial year ended on that date.

The supplementary information set out in Note 48, which is not part of the financial statements, is prepared in all material respects, in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants and the directive of Bursa Malaysia Securities Berhad.

Signed in accordance with a resolution of the directors dated 26 July 2016.

**Ameer Bin Shaik Mydin**

**Tamil Selvan A/L M. Durairaj**

# statutory declaration

## pursuant to section 169(16) of the companies act 1965

I, Sunny Khoo, I/C No. 600621-07-5371, being the officer primarily responsible for the financial management of Censof Holdings Berhad, do solemnly and sincerely declare that the financial statements set out on pages 67 to 161 are, to the best of my knowledge and belief, 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  
Sunny Khoo, I/C No. 600621-07-5371,  
at Kuala Lumpur in the Federal Territory  
on this 26 July 2016

**Sunny Khoo**

Before me

**Datin Hajah Raihela Wanchik** (No. W-275)  
Commissioner of Oaths

# independent auditors' report

to the members of censof holdings berhad  
(Incorporated in Malaysia) Company No : 828269 - A

## Report on the Financial Statements

We have audited the financial statements of Censof Holdings Berhad, which comprise the statements of financial position as at 31 March 2016 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 67 to 160.

### *Directors' Responsibility for the Financial Statements*

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

### *Auditors' Responsibility*

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

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

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

### *Basis for Qualified Opinion*

Included in Note 12(b) - Amount Owing by Contract Customers to the financial statements is an amount of approximately RM6.7 million due from a contract customer relating to a project with a government agency. The directors are of the opinion that the amount is recoverable and accordingly no impairment loss has been made in the financial statements. However, as the amount is long outstanding, we are of the opinion that an adjustment for impairment loss should be made. Had an adjustment for impairment loss on this amount due from contract customer been made, the carrying value of amount owing by contract customers would have been decreased by the same amount for the Group. Similarly profit for the year and retained profits for the Group would have decreased by the same amount of this impairment loss.



# independent auditors' report

**to the members of censof holdings berhad**  
(Incorporated in Malaysia) Company No : 828269 - A

## *Opinion*

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements give a true and fair view of the financial position of the Group and of the Company as of 31 March 2016 and of their financial performance and cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 1965 in Malaysia.

## *Emphasis of Matter*

Without qualifying our opinion, we wish to draw attention to Note 10(b) - Trade Receivables and Note 12(a) - Amount Owing by Contract Customers to the financial statements which disclosed trade receivables and amount owing by contract customers of the Group which had been long outstanding. The recoverability of these balances is dependent upon the completion of the relevant acceptance test results, successful negotiations with customers and approval of proposals submitted to the customers.

## **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 and its subsidiaries of which we have acted as auditors have been properly kept in accordance with the provisions of the Act.
- (b) We have considered the financial statements and the auditors' report of all the subsidiaries of which we have not acted as auditors, which are indicated in Note 5 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 explanations required by us for those purposes.
- (d) The audit reports on the financial statements of the subsidiaries did not contain any qualification and did not include any adverse comment made under Section 174(3) of the Act, other than the auditors' report of Century Software (Malaysia) Sdn. Bhd. which contains a qualification on the recoverability of an amount of approximately RM6.7 million due from a contract customer.

# independent auditors' report

to the members of censof holdings berhad

(Incorporated in Malaysia) Company No : 828269 - A

## Other Reporting Responsibilities

The supplementary information set out in Note 48 on page 161 is disclosed to meet the requirement of Bursa Malaysia Securities Berhad and is not part of the financial statements. The directors are responsible for the preparation of the supplementary information in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants ("MIA Guidance") and the directive of Bursa Malaysia Securities Berhad. In our opinion, the supplementary information is prepared, in all material respects, in accordance with the MIA Guidance and the directive of Bursa Malaysia Securities Berhad.

## Other Matters

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

## Crowe Horwath

Firm No: AF 1018

Chartered Accountants

26 July 2016

Kuala Lumpur

## Lee Kok Wai

Approval No: 02760/06/2018 (J)

Chartered Accountant

# statements of financial position

at 31 MARCH 2016

		THE GROUP		THE COMPANY	
	NOTE	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
<b>ASSETS</b>					
NON-CURRENT ASSETS					
Investments in subsidiaries	5	–	–	<b>113,795</b>	83,784
Plant and equipment	6	<b>23,712</b>	16,252	–	–
Intangible assets	7	<b>33,191</b>	17,980	–	–
Goodwill	8	<b>67,167</b>	44,703	–	–
Other investments, at cost	9	<b>4,272</b>	100	–	–
Trade receivables	10	–	19,221	–	–
Other receivables, deposits and prepayments	11	–	2,807	–	–
		<b>128,342</b>	101,063	<b>113,795</b>	83,784
CURRENT ASSETS					
Inventories		<b>61</b>	–	–	–
Amount owing by contract customers	12	<b>32,278</b>	30,720	–	–
Trade receivables	10	<b>101,205</b>	92,965	–	–
Other receivables, deposits and prepayments	11	<b>71,605</b>	24,889	<b>198</b>	–
Amount owing by subsidiaries	13	–	–	<b>29,498</b>	28,246
Amount owing by a related party	14	–	6,671	–	–
Tax refundable		<b>1,863</b>	2,353	–	–
Fixed deposits with licensed banks	15	<b>10,428</b>	64,798	<b>5,250</b>	11,858
Short-term investments	16	<b>74</b>	–	–	–
Cash and bank balances	17	<b>18,041</b>	16,151	<b>87</b>	68
		<b>235,555</b>	238,547	<b>35,033</b>	40,172
<b>TOTAL ASSETS</b>		<b>363,897</b>	339,610	<b>148,828</b>	123,956

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

# statements of financial position

at 31 MARCH 2016 (cont'd)

		THE GROUP		THE COMPANY	
	NOTE	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
<b>EQUITY AND LIABILITIES</b>					
EQUITY					
Share capital	18	<b>50,170</b>	47,666	<b>50,170</b>	47,666
Share premium	19	<b>50,379</b>	45,384	<b>50,379</b>	45,384
Merger deficit	20	<b>(12,300)</b>	(12,300)	–	–
Retained profits/(Accumulated losses)	21	<b>48,678</b>	52,231	<b>(2,872)</b>	(2,916)
Foreign exchange translation reserve	22	<b>103</b>	(320)	–	–
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY					
		<b>137,030</b>	132,661	<b>97,677</b>	90,134
NON-CONTROLLING INTERESTS					
		<b>73,409</b>	81,536	–	–
TOTAL EQUITY					
		<b>210,439</b>	214,197	<b>97,677</b>	90,134
NON-CURRENT LIABILITIES					
Long-term borrowings	24	<b>44,611</b>	16,377	<b>43,800</b>	–
Deferred income	27	–	3,042	–	–
Deferred taxation	28	<b>3,463</b>	2,769	–	–
		<b>48,074</b>	22,188	<b>43,800</b>	–
CURRENT LIABILITIES					
Trade payables	29	<b>9,133</b>	6,653	–	–
Other payables and accruals	30	<b>40,422</b>	20,332	<b>937</b>	2,008
Amount owing to a related party	14	–	1,007	–	–
Short-term borrowings	31	<b>41,046</b>	63,160	<b>6,400</b>	31,800
Deferred income	27	<b>6,720</b>	4,345	–	–
Provision for taxation		<b>4,481</b>	2,973	<b>14</b>	14
Bank overdrafts	32	<b>3,582</b>	4,755	–	–
		<b>105,384</b>	103,225	<b>7,351</b>	33,822
TOTAL LIABILITIES					
		<b>153,458</b>	125,413	<b>51,151</b>	33,822
TOTAL EQUITY AND LIABILITIES					
		<b>363,897</b>	339,610	<b>148,828</b>	123,956

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

# statements of profit or loss and other comprehensive income

for the financial year ended 31 MARCH 2016

	NOTE	THE GROUP 2016 RM'000	2015 RM'000	THE COMPANY 2016 RM'000	2015 RM'000
REVENUE	33	<b>165,041</b>	152,051	<b>7,221</b>	441
COST OF SALES		<b>(58,268)</b>	(50,022)	–	–
GROSS PROFIT		<b>106,773</b>	102,029	<b>7,221</b>	441
OTHER INCOME		<b>3,943</b>	4,992	<b>254</b>	3,689
		<b>110,716</b>	107,021	<b>7,475</b>	4,130
ADMINISTRATIVE EXPENSES		<b>(59,390)</b>	(56,161)	<b>(4,551)</b>	(4,588)
FINANCE COSTS		<b>(5,633)</b>	(6,672)	<b>(2,880)</b>	(3,239)
OTHER EXPENSES		<b>(28,690)</b>	(11,391)	–	–
PROFIT/(LOSS) BEFORE TAXATION	34	<b>17,003</b>	32,797	<b>44</b>	(3,697)
INCOME TAX EXPENSE	35	<b>(8,813)</b>	(10,896)	–	–
ZAKAT		<b>(358)</b>	(259)	–	–
PROFIT/(LOSS) AFTER TAXATION		<b>7,832</b>	21,642	<b>44</b>	(3,697)
OTHER COMPREHENSIVE EXPENSES					
<u>Items that may be reclassified</u>					
<u>subsequently to profit or loss</u>					
Foreign currency translation differences		<b>423</b>	(9)	–	–
		<b>423</b>	(9)	–	–
TOTAL COMPREHENSIVE INCOME/(EXPENSES) FOR THE FINANCIAL YEAR		<b>8,255</b>	21,633	<b>44</b>	(3,697)

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



# statements of profit or loss and other comprehensive income

for the financial year ended 31 MARCH 2016 (cont'd)

		THE GROUP		THE COMPANY	
	NOTE	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
<b>PROFIT/(LOSS) AFTER TAXATION</b>					
<b>ATTRIBUTABLE TO:-</b>					
Owners of the Company		<b>(7,191)</b>	7,678	<b>44</b>	(3,697)
Non-controlling interests		<b>15,023</b>	13,964	-	-
		<b>7,832</b>	21,642	<b>44</b>	(3,697)
<b>TOTAL COMPREHENSIVE INCOME/(EXPENSES)</b>					
<b>ATTRIBUTABLE TO:-</b>					
Owners of the Company		<b>(6,768)</b>	7,669	<b>44</b>	(3,697)
Non-controlling interests		<b>15,023</b>	13,964	-	-
		<b>8,255</b>	21,633	<b>44</b>	(3,697)
<b>(LOSS)/EARNINGS PER SHARE (SEN)</b>					
- Basic	36	<b>(1.46)</b>	1.75		
- Diluted	36	<b>N/A</b>	1.32		

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



# statements of changes in equity

for the financial year ended 31 MARCH 2016

	NOTE	NON-DISTRIBUTABLE				DISTRIBUTABLE			NON-CONTROLLING INTERESTS RM'000	TOTAL EQUITY RM'000
		SHARE CAPITAL RM'000	SHARE PREMIUM RM'000	MERGER DEFICIT RM'000	FOREIGN EXCHANGE TRANSLATION RESERVE RM'000	RCN RM'000	RETAINED PROFITS RM'000	ATTRIBUTABLE TO OWNERS OF THE COMPANY RM'000		
<b>The Group</b>										
Balance at 1.4.2014		39,960	22,545	(12,300)	(311)	72	38,781	88,747	62,403	151,150
Profit after taxation		-	-	-	-	-	7,678	7,678	13,964	21,642
Other comprehensive expenses for the financial year:										
- Foreign currency translation differences		-	-	-	(9)	-	-	(9)	-	(9)
Total comprehensive income for the financial year		-	-	-	(9)	-	7,678	7,669	13,964	21,633
Contributions by and distributions to owners of the company:										
Change in ownership interest in subsidiaries that do not result in loss of control		-	-	-	-	-	5,772	5,772	6,728	12,500
Balance carried forward		39,960	22,545	(12,300)	(320)	72	52,231	102,188	83,095	185,283

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

# statements of changes in equity

for the financial year ended 31 MARCH 2016 (cont'd)

The Group										
NOTE	NON-DISTRIBUTABLE				DISTRIBUTABLE			ATTRIBUTABLE TO OWNERS OF THE COMPANY		
	SHARE CAPITAL RM'000	SHARE PREMIUM RM'000	MERGER DEFICIT RM'000	FOREIGN EXCHANGE TRANSLATION RESERVE RM'000	RCN RM'000	RETAINED PROFITS RM'000	RM'000	NON-CONTROLLING INTERESTS RM'000	TOTAL EQUITY RM'000	
Balance brought forward	39,960	22,545	(12,300)	(320)	72	52,231	102,188	83,095	185,283	
Contributions by and distributions to owners of the Company: (cont'd)										
- Acquisition of a subsidiary	-	-	-	-	-	-	-	(117)	(117)	
- Conversion of RCN (Equity component)	-	-	-	-	(72)	-	(72)	-	(72)	
- Issuance of shares:										
- Issue of share of a subsidiary to non-controlling interest	-	-	-	-	-	-	-	220	220	
- Private Placement	2,500	7,875	-	-	-	-	10,375	-	10,375	
- Expenses on issuance of Private Placement	-	(1,534)^	-	-	-	-	(1,534)^	-	(1,534)^	
- Conversion of RCN	5,205	16,495	-	-	-	-	21,700	-	21,700	
- Warrant exercise	1	3	-	-	-	-	4	-	4	
- Dividends:										
- by subsidiaries to non-controlling interests	-	-	-	-	-	-	-	(1,662)	(1,662)	
Total transaction with owners	7,706	22,839	-	-	(72)	-	30,473	(1,559)	28,914	
Balance at 31.3.2015	47,666	45,384	(12,300)	(320)	-	52,231	132,661	81,536	214,197	

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



# statements of changes in equity

for the financial year ended 31 MARCH 2016 (cont'd)

	NOTE	NON-DISTRIBUTABLE				DISTRIBUTABLE			ATTRIBUTABLE TO OWNERS OF THE COMPANY RM'000	NON- CONTROLLING INTERESTS RM'000	TOTAL EQUITY RM'000
		SHARE CAPITAL RM'000	SHARE PREMIUM RM'000	MERGER DEFICIT RM'000	FOREIGN EXCHANGE TRANSLATION RESERVE RM'000	RCN RM'000	RETAINED PROFITS RM'000				
<b>The Group</b>											
Balance at 1.4.2015		47,666	45,384	(12,300)	(320)	-	52,231		132,661	81,536	214,197
Profit after taxation		-	-	-	-	-	(7,191)		(7,191)	15,023	7,832
Other comprehensive expenses for the financial year:											
- Foreign currency translation differences		-	-	-	423	-	-		423	-	423
Total comprehensive income for the financial year		-	-	-	423	-	(7,191)		(6,768)	15,023	8,255
Contributions by and distributions to owners of the Company:											
Change in ownership interest in subsidiaries that do not result in loss of control		-	-	-	-	-	3,638		3,638	(3,638)	-
Balance carried forward		47,666	45,384	(12,300)	103	-	48,678		129,531	92,921	222,452

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

# statements of changes in equity

for the financial year ended 31 MARCH 2016 (cont'd)

	NOTE	NON-DISTRIBUTABLE				DISTRIBUTABLE			ATTRIBUTABLE TO OWNERS OF THE COMPANY RM'000	NON- CONTROLLING INTERESTS RM'000	TOTAL EQUITY RM'000
		SHARE CAPITAL RM'000	SHARE PREMIUM RM'000	MERGER DEFICIT RM'000	FOREIGN EXCHANGE TRANSLATION RESERVE RM'000	RCN RM'000	RETAINED PROFITS RM'000				
The Group											
Balance brought forward		47,666	45,384	(12,300)	103	-	48,678	129,531	92,921	222,452	
Contributions by and distributions to owners of the Company (Cont'd):											
- Acquisition of subsidiary		-	-	-	-	-	-	-	7,250	7,250	
- Issuance of shares:											
- Issue of share of a subsidiary to non-controlling interest		-	-	-	-	-	-	-	(20)	(20)	
- Private Placement	18,19	2,000	4,250	-	-	-	-	6,250	-	6,250	
- Conversion of RCN	18,19	504	745	-	-	-	-	1,249	-	1,249	
- Dividends:											
- by subsidiaries to non-controlling interests		-	-	-	-	-	-	-	(3,455)	(3,455)	
- Selective capital reduction and repayment	37(d)	-	-	-	-	-	-	-	(23,287)	(23,287)	
Total transaction with owners		2,504	4,995	-	-	-	-	7,499	(19,512)	(12,013)	
Balance at 31.3.2016		50,170	50,379	(12,300)	103	-	48,678	137,030	73,409	210,439	

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

# statements of changes in equity

for the financial year ended 31 MARCH 2016 (cont'd)

		NON-DISTRIBUTABLE			DISTRIBUTABLE RETAINED PROFITS/ (ACCUMULATED LOSSES)	
	NOTE	SHARE CAPITAL RM'000	SHARE PREMIUM RM'000	RCN RM'000	RM'000	TOTAL EQUITY RM'000
<b>The Company</b>						
Balance at 1.4.2014		39,960	22,545	72	781	63,358
Loss after taxation/Total comprehensive expenses for the financial year		–	–	–	(3,697)	(3,697)
Contributions by and distributions to owners of the Company:						
- Issuance of RCN (Equity component)		–	–	(72)	–	(72)
- Issuance of shares:						
- Private Placement	18,19	2,500	7,875	–	–	10,375
- Expenses on issuance of Private Placement	19	–	(1,534) <sup>^</sup>	–	–	(1,534) <sup>^</sup>
- Conversion of RCN	18,19	5,205	16,495	–	–	21,700
- Warrant exercise	18,19	1	3	–	–	4
Balance at 31.3.2015/1.4.2015		47,666	45,384	–	(2,916)	90,134
Profit after taxation/Total comprehensive income for the financial year		–	–	–	44	44
Contributions by and distributions to owners of the Company:						
- Issuance of shares:						
- Private Placement	18,19	2,000	4,250	–	–	6,250
- Conversion of RCN	18,19	504	745	–	–	1,249
Balance at 31.3.2016		50,170	50,379	–	(2,872)	97,677

<sup>^</sup> - Represent expenses not recognised in the statements of profit or loss and other comprehensive income.

# statements of cash flows

for the financial year ended 31 MARCH 2016

	THE GROUP		THE COMPANY	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
<b>CASH FLOWS FROM/(FOR) OPERATING ACTIVITIES</b>				
Profit/(Loss) before taxation	<b>17,003</b>	32,797	<b>44</b>	(3,697)
Adjustments for:-				
Amortisation of intangible assets	<b>5,390</b>	6,120	-	-
Depreciation of plant and equipment	<b>10,305</b>	9,803	-	-
Dividend income	-	-	<b>(7,221)</b>	(441)
Impairment loss on:				
- trade receivables	<b>13,107</b>	654	-	-
- other receivables	<b>75</b>	14	-	-
- intangible assets	<b>1,229</b>	40	-	-
Provision for foreseeable losses	<b>528</b>	-	-	-
Interest expense	<b>5,568</b>	6,672	<b>2,880</b>	3,238
Plant and equipment written off	-	291	-	-
Unrealised loss on foreign exchange	<b>12</b>	-	-	-
Gain on disposal of plant and equipment	<b>(1)</b>	(537)	-	-
Gain on disposal of equity interest in a subsidiary	-	-	-	(3,500)
Interest income	<b>(1,515)</b>	(1,998)	<b>(243)</b>	(188)
Unrealised gain on foreign exchange	<b>(190)</b>	-	-	-
Writeback of impairment loss on:				
- trade receivables	-	(244)	-	-
- other receivables	-	(303)	-	-
Operating profit/(loss) before working capital changes	<b>51,511</b>	53,309	<b>(4,540)</b>	(4,588)
Decrease in inventories	<b>6</b>	62	-	-
Increase in amount owing by contract customers	<b>(2,086)</b>	(3,632)	-	-
(Increase)/Decrease in trade and other receivables	<b>(44,159)</b>	(7,108)	<b>(198)</b>	292
Increase/(Decrease) in trade and other payables	<b>19,019</b>	1,385	<b>(1,071)</b>	738
Decrease in deferred income	<b>(2,511)</b>	(4,743)	-	-
Decrease/(Increase) in amount owing by a related party	<b>5,664</b>	(5,724)	-	-
<b>CASH FROM/(FOR) OPERATIONS CARRIED FORWARD</b>	<b>27,444</b>	33,549	<b>(5,809)</b>	(3,558)

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





# statements of cash flows

for the financial year ended 31 MARCH 2016 (cont'd)

	NOTE	THE GROUP		THE COMPANY	
		2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
CASH FROM/(FOR) OPERATIONS					
BROUGHT FORWARD		<b>27,444</b>	33,549	<b>(5,809)</b>	(3,558)
Interest paid		<b>(5,568)</b>	(6,672)	<b>(2,880)</b>	(3,238)
Income tax paid		<b>(10,662)</b>	(7,867)	–	–
Interest received		<b>1,515</b>	1,998	<b>243</b>	188
Zakat paid		<b>(358)</b>	(259)	–	–
NET CASH FROM/(FOR) OPERATING ACTIVITIES		<b>12,371</b>	20,749	<b>(8,446)</b>	(6,608)
CASH FLOWS (FOR)/FROM INVESTING ACTIVITIES					
Acquisition of a subsidiary, net of cash and cash equivalents	37	<b>(23,742)</b>	(1,529)	–	–
Acquisition of other investment	9	<b>(4,172)</b>	–	–	–
Increase in investment in subsidiary		–	–	<b>(30,011)</b>	–
Repayment from subsidiaries		–	–	<b>3,947</b>	–
Purchase of plant and equipment	38	<b>(17,371)</b>	(7,941)	–	–
Proceeds from disposal of plant and equipment		<b>3</b>	679	–	–
Proceeds from disposal of equity interest in a subsidiary		–	12,500	–	12,500
Selective capital repayment		<b>(23,287)</b>	–	–	–
Intangible assets addition		<b>(5,385)</b>	(3,758)	–	–
Advances to subsidiaries		–	–	–	(3,831)
NET CASH (FOR)/FROM INVESTING ACTIVITIES		<b>(73,954)</b>	(49)	<b>(26,064)</b>	8,669

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

# statements of cash flows

for the financial year ended 31 MARCH 2016 (cont'd)

		THE GROUP		THE COMPANY	
	NOTE	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
CASH FLOWS FROM/(FOR) FINANCING ACTIVITIES					
Additional investment by non-controlling interests		(20)	–	–	–
Dividend received		–	–	2,021	441
Dividend paid to non-controlling interests		(3,455)	(1,662)	–	–
Drawdown of term loans		65,166	6,504	51,800	–
Placement of pledged deposits and restricted cash		(5,232)	(2,429)	(24)	(76)
Proceeds from issuance of shares from:					
- private placement		6,250	10,375	6,250	10,375
- conversion of RCN		1,249	21,250	1,249	21,250
- warrant exercise		–	4	–	4
Proceeds from issuance of new shares to non-controlling interests		–	220	–	–
Repayment of hire purchase obligations		(147)	(184)	–	–
Share issuance expenses paid		–	(1,534)	–	(1,534)
Repayment of term loans		(58,899)	(49,145)	(33,400)	(25,557)
NET CASH FROM/(FOR) FINANCING ACTIVITIES		4,912	(16,601)	27,896	4,903
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		(56,671)	4,099	(6,614)	6,964
FOREIGN EXCHANGE DIFFERENCES		206	154	–	–
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR		66,929	62,676	7,091	127
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR	39	10,464	66,929	477	7,091

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



# notes to the financial statements

## for the financial year ended 31 MARCH 2016

### 1. GENERAL INFORMATION

The Company is a public company limited by shares and is incorporated under the Companies Act 1965 in Malaysia. The domicile of the Company is Malaysia. The registered office and principal place of business are as follows:-

Registered office : Level 15-2, Bangunan Faber Imperial Court, Jalan Sultan Ismail, 50250 Kuala Lumpur.  
Principal place of business : Unit B-10-06, 6th Floor, Dataran 3 Two, Jalan 19/1, 46300 Petaling Jaya, Selangor.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors dated 26 July 2016.

### 2. PRINCIPAL ACTIVITIES

The Company is principally engaged in the business of investment holding and the provision of management services. The principal activities of the subsidiaries are set out in Note 5 to the financial statements. There have been no significant changes in the nature of these activities during the financial year.

### 3. BASIS OF PREPARATION

The financial statements of the Group are prepared under the historical cost convention and modified to include other bases of valuation as disclosed in other sections under significant accounting policies, and in compliance with Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards and the requirements of the Companies Act 1965 in Malaysia.

- 3.1 During the current financial year, the Group has adopted the following new accounting standards and interpretations (including the consequential amendments, if any):-

#### **MFRSs and/or IC Interpretations (Including The Consequential Amendments)**

Amendments to MFRS 119: Defined Benefit Plans - Employee Contributions

Annual Improvements to MFRSs 2010 - 2012 Cycle

Annual Improvements to MFRSs 2011 - 2013 Cycle

The adoption of the above accounting standards and interpretations (including the consequential amendments, if any) did not have any material impact on the Group's financial statements.

# notes to the financial statements

for the financial year ended 31 MARCH 2016 (cont'd)

## 3. BASIS OF PREPARATION (CONT'D)

- 3.2 The Group has not applied in advance the following accounting standards and/or interpretations (including the consequential amendments, if any) that have been issued by the Malaysian Accounting Standards Board (MASB) but are not yet effective for the current financial year:-

<b>MFRSs and/or IC Interpretations (Including The Consequential Amendments)</b>	<b>Effective Date</b>
MFRS 9 Financial Instruments (IFRS 9 issued by IASB in July 2014)	1 January 2018
MFRS 14 Regulatory Deferral Accounts	1 January 2016
MFRS 15 Revenue from Contracts with Customers	1 January 2018
MFRS 16 Leases	1 January 2019
Amendments to MFRS 10 and MFRS 128 (2011): Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred until further notice
Amendments to MFRS 11: Accounting for Acquisitions of Interests in Joint Operations	1 January 2016
Amendments to MFRS 10, MFRS 12 and MFRS 128 (2011): Investment Entities - Applying the Consolidation Exception	1 January 2016
Amendments to MFRS 15: Effective Date of MFRS 15	1 January 2018
Amendments to MFRS 15: Clarifications to MFRS 15 'Revenue from Contracts with Customers'	1 January 2018
Amendments to MFRS 101: Presentation of Financial Statements – Disclosure Initiative	1 January 2016
Amendments to MFRS 107: Disclosure Initiative	1 January 2017
Amendments to MFRS 112: Recognition of Deferred Tax Assets for Unrealised Losses	1 January 2017
Amendments to MFRS 116 and MFRS 138: Clarification of Acceptable Methods of Depreciation and Amortisation	1 January 2016
Amendments to MFRS 116 and MFRS 141: Agriculture - Bearer Plants	1 January 2016
Amendments to MFRS 127 (2011): Equity Method in Separate Financial Statements	1 January 2016
Annual Improvements to MFRSs 2012 - 2014 Cycle	1 January 2016



# notes to the financial statements

for the financial year ended 31 MARCH 2016 (cont'd)

## 3. BASIS OF PREPARATION (CONT'D)

3.2 The adoption of the above accounting standards and/or interpretations (including the consequential amendments, if any) is expected to have no material impact on the financial statements of the Group upon their initial application except as follows:-

- (a) MFRS 9 (IFRS 9 issued by IASB in July 2014) replaces the existing guidance in MFRS 139 and introduces a revised guidance on the classification and measurement of financial instruments, including a single forward-looking 'expected loss' impairment model for calculating impairment on financial assets, and a new approach to hedge accounting. Under this MFRS 9, the classification of financial assets is driven by cash flow characteristics and the business model in which a financial asset is held. Therefore, it is expected that the Group is in the process of making an assessment of the financial impact arising from the adoption of MFRS 9 and the extent of the impact has not been determined.
- (b) MFRS 15 establishes a single comprehensive model for revenue recognition and will supersede the current revenue recognition guidance and other related interpretations when it becomes effective. Under MFRS 15, an entity shall recognise revenue when (or as) a performance obligation is satisfied, i.e. when 'control' of the distinct promised goods or services underlying the particular performance obligation is transferred to the customers. The amendments to MFRS 15 further clarify the concept of 'distinct' for the purposes of this accounting standard. In addition, extensive disclosures are also required by MFRS 15. The Group anticipates that the application of MFRS 15 in the future may have a material impact on the amounts reported and disclosures made in the financial statements. However, it is not practicable to provide a reasonable estimate of the financial impacts of MFRS 15 until the Group performs a detailed review.

## 4. SIGNIFICANT ACCOUNTING POLICIES

### 4.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continually evaluated by the directors and management and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The estimates and judgements that affect the application of the Group's accounting policies and disclosures, and have a significant risk of causing a material adjustment to the carrying amounts of assets, liabilities, income and expenses are discussed below:-

#### (a) Depreciation of Plant and Equipment

The estimates for the residual values, useful lives and related depreciation charges for the plant and equipment are based on commercial factors which could change significantly as a result of technical innovations and competitors' actions in response to the market conditions. The Group anticipates that the residual values of its plant and equipment will be insignificant. As a result, residual values are not being taken into consideration for the computation of the depreciable amount. Changes in the expected level of usage and technological development could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised.

# notes to the financial statements

for the financial year ended 31 MARCH 2016 (cont'd)

## 4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### 4.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)

#### (b) Contract Accounting

Contract accounting requires reliable estimation of the costs to complete the contract and reliable estimation of the stage of completion.

#### (i) Contract Revenue

Contract accounting requires claims and incentive payments only be recognised as contract revenue to the extent that it is probable that they will be accepted by the customers. As the approval process often takes some time, a judgement is required to be made of its probability and revenue recognised accordingly.

#### (ii) Contract Costs

Using experience gained on each particular contract and taking into account the expectations of the time and materials required to complete the contract, management estimates the profitability of the contract on an individual basis at any particular time.

#### (c) Income Taxes

There are certain transactions and computations for which the ultimate tax determination may be different from the initial estimate. The Group recognises tax liabilities based on its understanding of the prevailing tax laws and estimates of whether such taxes will be due in the ordinary course of business. Where the final outcome of these matters is different from the amounts that were initially recognised, such difference will impact the income tax and deferred tax provisions in the year in which such determination is made.

#### (d) Impairment of Non-financial Assets

When the recoverable amount of an asset is determined based on the estimate of the value-in-use of the cash-generating unit to which the asset is allocated, the management is required to make an estimate of the expected future cash flows from the cash-generating unit and also to apply a suitable discount rate in order to determine the present value of those cash flows.

#### (e) Amortisation of Intangible Assets

Changes in the expected level of usage and technological development could impact the economic useful lives and therefore, future amortisation charges could be revised.



# notes to the financial statements

for the financial year ended 31 MARCH 2016 (cont'd)

## 4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### 4.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)

#### (f) Impairment of Trade and Other Receivables

An impairment loss is recognised when there is objective evidence that a financial asset is impaired. Management specifically reviews its loans and receivables financial assets and analyses historical bad debts, customer concentrations, customer creditworthiness, current economic trends and changes in the customer payment terms when making a judgement to evaluate the adequacy of the allowance for impairment losses. Where there is objective evidence of impairment, the amount and timing of future cash flows are estimated based on historical loss experience for assets with similar credit risk characteristics. If the expectation is different from the estimation, such difference will impact the carrying value of receivables.

#### (g) Impairment of Available-for-sale Financial Assets

The Group reviews its available-for-sale financial assets at the end of each reporting period to assess whether they are impaired. The Group also records impairment loss on available-for-sale equity investments when there has been a significant or prolonged decline in the fair value below their cost. The determination of what is "significant" or "prolonged" requires judgement. In making this judgement, the Group evaluates, among other factors, historical share price movements and the duration and extent to which the fair value of an investment is less than its cost.

#### (h) Impairment of Goodwill

Goodwill is tested for impairment annually and at other times when such indicators exist. This requires management to estimate the expected future cash flows of the cash-generating unit to which goodwill is allocated and to apply a suitable discount rate in order to determine the present value of those cash flows. The future cash flows are most sensitive to budgeted gross margins, growth rates estimated and discount rate used. If the expectation is different from the estimation, such difference will impact the carrying value of goodwill.

#### (i) Fair Value Estimates for Certain Financial Assets and Liabilities

The Group carries certain financial assets and liabilities at fair value, which requires extensive use of accounting estimates and judgement. While significant components of fair value measurement were determined using verifiable objective evidence, the amount of changes in fair value would differ if the Group uses different valuation methodologies. Any changes in fair value of these assets and liabilities would affect profit and/or equity.

# notes to the financial statements

for the financial year ended 31 MARCH 2016 (cont'd)

## 4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### 4.2 BASIS OF CONSOLIDATION

The consolidated financial statements include the financial statements of the Company and its subsidiaries made up to the end of the reporting period.

Subsidiaries are entities (including structured entities, if any) controlled by the Group. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Potential voting rights are considered when assessing control over when such rights are substantive. The Group also considers it has de facto power over an investee when, despite not having the majority of voting rights, it has the current ability to direct the activities of the investee that significantly affect the investee's return.

Subsidiaries are consolidated from the date on which control is transferred to the Group up to the effective date on which control ceases, as appropriate.

Intragroup transactions, balances, income and expenses are eliminated on consolidation. Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Where necessary, adjustments are made to the financial statements of subsidiaries to ensure consistency of accounting policies with those of the Group.

#### (a) Business Combinations

Acquisitions of businesses are accounted for using the acquisition method. Under the acquisition method, the consideration transferred for acquisition of a subsidiary is the fair value of the assets transferred, liabilities incurred and the equity interests issued by the Group at the acquisition date. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs, other than the costs to issue debt or equity securities, are recognised in profit or loss when incurred.

In a business combination achieved in stages, previously held equity interests in the acquiree are remeasured to fair value at the acquisition date and any corresponding gain or loss is recognised in profit or loss.

Non-controlling interests in the acquiree may be initially measured either at fair value or at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets at the date of acquisition. The choice of measurement basis is made on a transaction-by-transaction basis.

#### (b) Non-Controlling Interests

Non-controlling interests are presented within equity in the consolidated statement of financial position, separately from the equity attributable to owners of the Company. Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income is attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.





# notes to the financial statements

for the financial year ended 31 MARCH 2016 (cont'd)

## 4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### 4.2 BASIS OF CONSOLIDATION (CONT'D)

#### (c) Changes in Ownership Interests in Subsidiaries Without Change of Control

All changes in the parent's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of consideration paid or received is recognised directly in equity of the Group.

#### (d) Loss of Control

Upon the loss of control of a subsidiary, the Group recognises any gain or loss on disposal in profit or loss which is calculated as the difference between:-

- (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest in the former subsidiary; and
- (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the former subsidiary and any non-controlling interests.

Amounts previously recognised in other comprehensive income in relation to the former subsidiary are accounted for in the same manner as would be required if the relevant assets or liabilities were disposed of (i.e. reclassified to profit or loss or transferred directly to retained profits). The fair value of any investments retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under MFRS 139 or, when applicable, the cost on initial recognition of an investment in an associate or a jointly venture.

### 4.3 GOODWILL

Goodwill is measured at cost less accumulated impairment losses, if any. The carrying value of goodwill is reviewed for impairment annually or more frequently if events or changes in circumstances indicate that the carrying amount may be impaired. The impairment value of goodwill is recognised immediately in profit or loss. An impairment loss recognised for goodwill is not reversed in a subsequent year.

Under the acquisition method, any excess of the sum of the fair value of the consideration transferred in the business combination, the amount of non-controlling interests recognised and the fair value of the Group's previously held equity interest in the acquiree (if any), over the net fair value of the acquiree's identifiable assets and liabilities at the date of acquisition is recorded as goodwill.

Where the latter amount exceeds the former, after reassessment, the excess represents a bargain purchase gain and is recognised as a gain in profit or loss.

# notes to the financial statements

for the financial year ended 31 MARCH 2016 (cont'd)

## 4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### 4.4 FUNCTIONAL AND FOREIGN CURRENCIES

#### (a) Functional and Presentation Currency

The individual financial statements of each entity in the Group are presented in the currency of the primary economic environment in which the entity operates, which is the functional currency.

The consolidated financial statements are presented in Ringgit Malaysia ("RM"), which is the Company's functional and presentation currency.

#### (b) Transactions and Balances

Transactions in foreign currencies are converted into the respective functional currencies on initial recognition, using the exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities at the end of the reporting year are translated at the rates ruling as of that date. Non-monetary assets and liabilities are translated using exchange rates that existed when the values were determined. All exchange differences are recognised in profit or loss.

#### (c) Foreign Operations

Assets and liabilities of foreign operations are translated to RM at the rates of exchange ruling at the end of the reporting period. Income, expenses and other comprehensive income of foreign operations are translated at exchange rates ruling at the dates of the transactions. All exchange differences arising from translation are taken directly to other comprehensive income and accumulated in equity; attributed to the owners of the company and non-controlling interests, as appropriate.

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

On the disposal of a foreign operation (i.e. a disposal of the Group's entire interest in a foreign subsidiary, or a partial disposal involving loss of control over a subsidiary that includes a foreign operation, or a partial disposal of an interest in an that includes a foreign operation of which the retained interest becomes a financial asset), all of the exchange differences accumulated in equity in respect of that foreign operation attributable to the owners of the Company are reclassified to profit or loss as part of the gain or loss on disposal. The portion that related to non-controlling interests is derecognised but is not reclassified to profit or loss.

In addition, in relation to a partial disposal of a subsidiary that does not result in the Group losing control over the subsidiary, the proportionate share of accumulated exchange differences are reattributed to non-controlling interests and are not recognised in profit or loss. When the Group disposes of only part of its investment in an associate that includes a foreign operation while retaining significant influence, the proportionate share of the accumulative exchange differences is reclassified to profit or loss.

In the consolidated financial statements, when settlement of an intragroup loan is neither planned nor likely to occur in the foreseeable future, the exchange differences arising from translating such monetary item are considered to form part of a net investment in the foreign operation and are recognised in other comprehensive income.



# notes to the financial statements

for the financial year ended 31 MARCH 2016 (cont'd)

## 4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### 4.5 FINANCIAL INSTRUMENTS

Financial assets and financial liabilities are recognised in the statements of financial position when the Group has become a party to the contractual provisions of the instruments.

Financial instruments are classified as liabilities or equity in accordance with the substance of the contractual arrangement. Interest, dividends, gains and losses relating to a financial instrument classified as a liability, are reported as an expense or income. Distributions to holders of financial instruments classified as equity are charged directly to equity.

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

A financial instrument is recognised initially at its fair value. Transaction costs that are directly attributable to the acquisition or issue of the financial instrument (other than a financial instrument at fair value through profit or loss) are added to/deducted from the fair value on initial recognition, as appropriate. Transaction costs on the financial instrument at fair value through profit or loss are recognised immediately in profit or loss.

Financial instruments recognised in the statements of financial position are disclosed in the individual policy statement associated with each item.

#### (a) Financial Assets

On initial recognition, financial assets are classified as either financial assets at fair value through profit or loss, held-to-maturity investments, loans and receivables financial assets, or available-for-sale financial assets, as appropriate.

##### (i) Financial Assets at Fair Value through Profit or Loss

Financial assets are classified as financial assets at fair value through profit or loss when the financial asset is either held for trading or is designated to eliminate or significantly reduce a measurement or recognition inconsistency that would otherwise arise. Derivatives are also classified as held for trading unless they are designated as hedges.

Financial assets at fair value through profit or loss are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. Dividend income from this category of financial assets is recognised in profit or loss when the Group's right to receive payment is established.

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

# notes to the financial statements

for the financial year ended 31 MARCH 2016 (cont'd)

## 4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### 4.5 FINANCIAL INSTRUMENTS (CONT'D)

#### (a) Financial Assets (Cont'd)

##### (ii) Held-to-maturity Investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the management has the positive intention and ability to hold to maturity. Held-to-maturity investments are measured at amortised cost using the effective interest method less any impairment loss, with interest income recognised in profit or loss on an effective yield basis.

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

##### (iii) Loans and Receivables Financial Assets

Trade receivables and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as loans and receivables financial assets. Loans and receivables financial assets are measured at amortised cost using the effective interest method, less any impairment loss. Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

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

##### (iv) Available-for-sale Financial Assets

Available-for-sale financial assets are non-derivative financial assets that are designated in this category or are not classified in any of the other categories.

After initial recognition, available-for-sale financial assets are remeasured to their fair values at the end of each reporting period. Gains and losses arising from changes in fair value are recognised in other comprehensive income and accumulated in the fair value reserve, with the exception of impairment losses. On derecognition, the cumulative gain or loss previously accumulated in the fair value reserve is reclassified from equity into profit or loss.

Dividends on available-for-sale equity instruments are recognised in profit or loss when the Group's right to receive payments is established.

Investments in equity instruments whose fair value cannot be reliably measured are measured at cost less accumulated impairment losses, if any.

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



# notes to the financial statements

for the financial year ended 31 MARCH 2016 (cont'd)

## 4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### 4.5 FINANCIAL INSTRUMENTS (CONT'D)

#### (b) Financial Liabilities

All financial liabilities are initially measured at fair value plus directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method other than those categorised as fair value through profit or loss.

Fair value through profit or loss category comprises financial liabilities that are either held for trading or are designated to eliminate or significantly reduce a measurement or recognition inconsistency that would otherwise arise. Derivatives are also classified as held for trading unless they are designated as hedges.

Financial liabilities are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

#### (c) Equity Instruments

Equity instruments classified as equity are measured at cost and are not remeasured subsequently.

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares are shown in equity as a deduction, net of tax, from proceeds.

Dividends on ordinary shares are recognised as liabilities when approved for appropriation.

#### (d) Derecognition

A financial asset or part of it is derecognised when, and only when, the contractual rights to the cash flows from the financial asset expire or the financial asset is transferred to another party without retaining control or substantially all risks and rewards of the asset. On derecognition of a financial asset, the difference between the carrying amount and the sum of the consideration received (including any new asset obtained less any new liability assumed) and any cumulative gain or loss that had been recognised in equity is recognised in profit or loss.

A financial liability or a part of it is derecognised when, and only when, the obligation specified in the contract is discharged or cancelled or expires. On derecognition of a financial liability, the difference between the carrying amount of the financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

# notes to the financial statements

for the financial year ended 31 MARCH 2016 (cont'd)

## 4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### 4.6 INVESTMENTS IN SUBSIDIARIES

Investments in subsidiaries are stated at cost in the statement of financial position of the Company, and are reviewed for impairment at the end of the reporting year if events or changes in circumstances indicate that the carrying values may not be recoverable. The cost of the investments includes transaction costs.

On the disposal of the investments in subsidiaries, the difference between the net disposal proceeds and the carrying amount of the investments is recognised in profit or loss.

### 4.7 PLANT AND EQUIPMENT

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

Depreciation is charged to profit or loss (unless it is included in the carrying amount of another asset) on the straight-line method to write off the depreciable amount of the assets over their estimated useful lives. Depreciation of an asset does not cease when the asset becomes idle or is retired from active use unless the asset is fully depreciated. The principal annual rates used for this purpose are:-

Plant and machinery	20% - 33%
Office equipment, furniture and fittings	10% - 33%
Computer equipment	33%
Office renovation	10% - 33%
Motor vehicles	10% - 25%

Capital work-in-progress is not depreciated.

Capital work-in-progress represents payments made towards the acquisition of computer hardware and related capital assets and assets under construction, and which are not ready for commercial use at the end of the reporting date. Capital work-in-progress is stated at cost and will be transferred to the relevant category of long-term assets and depreciated accordingly when the assets are completed and ready for commercial use. Cost of capital work-in-progress includes direct costs and related expenditure.

The depreciation method, useful lives and residual values are reviewed, and adjusted if appropriate, at the end of each reporting period to ensure that the amounts, method and years of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of the plant and equipment. When significant parts of an item of plant and equipment have different useful lives, they are accounted for as separate items (major components) of plant and equipment.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when the cost is incurred and it is probable that the future economic benefits associated with the asset will flow to the Group and the cost of the asset can be measured reliably. The carrying amount of parts that are replaced is derecognised. The costs of the day-to-day servicing of plant and equipment are recognised in profit or loss as incurred. Cost also comprises the initial estimate of dismantling and removing the asset and restoring the site on which it is located for which the Group is obligated to incur when the asset is acquired, if applicable.

An item of plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use. Any gain or loss arising from derecognition of the asset, being the difference between the net disposal proceeds and the carrying amount, is recognised in profit or loss.



# notes to the financial statements

for the financial year ended 31 MARCH 2016 (cont'd)

## 4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### 4.8 INTANGIBLE ASSETS

#### (a) Research and development expenditure

Research expenditure is recognised as an expense when it is incurred.

Development expenditure is recognised as an expense except that costs incurred on development projects are capitalised as non-current assets to the extent that such expenditure is expected to generate future economic benefits. Development expenditure is capitalised if, and only if, an entity can demonstrate all of the following:-

- (i) its ability to measure reliably the expenditure attributable to the asset under development;
- (ii) the product or process is technically and commercially feasible;
- (iii) its future economic benefits are probable;
- (iv) its intention to complete and the ability to use or sell the developed asset; and
- (v) the availability of adequate technical, financial and other resources to complete the asset under development.

Capitalised development expenditure is measured at cost less accumulated amortisation and impairment losses, if any. Development expenditure initially recognised as an expense is not recognised as assets in the subsequent period.

#### (b) Other Intangible Assets

Intangible assets, other than goodwill, that are acquired by the Group, which has finite useful lives, are measured at cost less any accumulated amortisation and any accumulated impairment losses.

The development expenditure and other intangible assets are amortised on a straight-line method when the products are ready for sale or use. The principal annual rates used for this purpose are:-

Software	3 years
Development expenditure	3 - 5 years
Customer relationship	10 years
Trademark	2 years

In the event that the expected future economic benefits are no longer probable of being recovered, the development expenditure and other intangible assets are written down to its recoverable amount.

The amortisation method, useful life and residual value are reviewed, and adjusted if appropriate at the end of each reporting period.

# notes to the financial statements

for the financial year ended 31 MARCH 2016 (cont'd)

## 4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### 4.9 IMPAIRMENT

#### (a) Impairment of Financial Assets

All financial assets (other than those categorised at fair value through profit or loss), are assessed at the end of each reporting year whether there is any objective evidence of impairment as a result of one or more events having an impact on the estimated future cash flows of the asset. For an equity instrument, a significant or prolonged decline in the fair value below its cost is considered to be an objective evidence of impairment.

An impairment loss in respect of held-to-maturity investments and loans and receivables financial assets is recognised in profit or loss and is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

An impairment loss in respect of available-for-sale financial assets is recognised in profit or loss and is measured as the difference between its cost (net of any principal payment and amortisation) and its current fair value, less any impairment loss previously recognised in the fair value reserve. In addition, the cumulative loss recognised in other comprehensive income and accumulated in equity under fair value reserve, is reclassified from equity into profit or loss.

With the exception of available-for-sale debt instruments, if, in a subsequent year, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the financial asset at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised. In respect of available-for-sale equity instruments, impairment losses previously recognised in profit or loss are not reversed through profit or loss. Any increase in fair value subsequent to an impairment loss made is recognised in other comprehensive income.

An impairment loss in respect of unquoted equity instrument that is carried at cost is recognised in profit or loss and is measured as the difference between the financial asset's carrying amount and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment losses are not reversed in subsequent periods.

#### (b) Impairment of Non-financial Assets

The carrying values of assets, other than those to which MFRS 136 - Impairment of Assets does not apply, are reviewed at the end of each reporting period for impairment when an annual impairment assessment is compulsory or there is an indication that the assets might be impaired. Impairment is measured by comparing the carrying values of the assets with their recoverable amounts. When the carrying amount of an asset exceeds its recoverable amount, the asset is written down to its recoverable amount and an impairment loss shall be recognised. The recoverable amount of the assets is the higher of the assets' fair value less costs to sell and their value in use, which is measured by reference to discounted future cash flow using a pre-tax discount rate. Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.





# notes to the financial statements

for the financial year ended 31 MARCH 2016 (cont'd)

## 4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### 4.9 IMPAIRMENT (CONT'D)

#### (b) Impairment of Non-financial Assets (cont'd)

An impairment loss is recognised in profit or loss immediately unless the asset is carried at its revalued amount. Any impairment loss of a revalued asset is treated as a revaluation decrease to the extent of a previously recognised revaluation surplus for the same asset. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the cash-generating units and then to reduce the carrying amounts of the other assets in the cash-generating unit on a pro rate basis.

In respect of assets other than goodwill, and when there is a change in the estimates used to determine the recoverable amount, a subsequent increase in the recoverable amount of an asset is treated as a reversal of the previous impairment loss and is recognised to the extent of the carrying amount of the asset that would have been determined (net of amortisation and depreciation) had no impairment loss been recognised. The reversal is recognised in profit or loss immediately, unless the asset is carried at its revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

### 4.10 ASSETS UNDER HIRE PURCHASE

Assets acquired under hire purchase are capitalised in the financial statements as plant and equipment and the corresponding obligation are treated as hire purchase payable. The assets capitalised are measured at the lower of the fair value of the leased assets and the present value of the minimum lease payments and are depreciated on the same basis as owned assets. Each hire purchase payment is allocated between the liability and finance charges so as to achieve a constant periodic rate of charge on the hire purchase outstanding. Finance charges are recognised in profit or loss over the period of the respective hire purchase agreements.

### 4.11 INVENTORIES

Inventories are stated at the lower of cost and net realisable value. Cost is determined on the first-in-first-out basis, and comprises the purchase price, production or conversion costs and incidentals incurred in bringing the inventories to their present location and condition.

Net realisable value represents the estimated selling price less the estimated costs of completion and the estimated costs necessary to make the sale.

### 4.12 INCOME TAXES

Income tax for the reporting period comprises current tax and deferred tax.

Current tax is the expected amount of income taxes payable in respect of the taxable profit for the reporting period and is measured using the tax rates that have been enacted or substantively enacted at the end of the reporting period.

Deferred tax liabilities are recognised for all taxable temporary differences other than those that arise from goodwill or excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over the business combination costs or from the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit.

# notes to the financial statements

for the financial year ended 31 MARCH 2016 (cont'd)

## 4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### 4.12 INCOME TAXES (CONT'D)

Deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised. The carrying amounts of deferred tax assets are reviewed at the end of each reporting year and reduced to the extent that it is no longer probable that sufficient future taxable profits will be available to allow all or part of the deferred tax assets to be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on the tax rates that have been enacted or substantively enacted at the end of the reporting period.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred taxes relate to the same taxable entity and the same taxation authority.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transactions either in other comprehensive income or directly in equity and deferred tax arising from a business combination is adjusted against goodwill or excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over the business combination costs.

### 4.13 BORROWING COSTS

Borrowing costs that directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of those assets, until such time as the assets are ready for their intended use or sale. The capitalisation of borrowing costs is suspended during extended periods in which active development is interrupted.

All other borrowing costs are recognised in profit or loss as expenses in the year in which they incurred.

Investment income earned on the temporary investment of specific borrowing pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

### 4.14 OPERATING LEASES

Leases in which the Group does not assume substantially all the risks and rewards of ownership are classified as operating leases. Payments made under the operating leases (net of any incentives received from the lessor) are charged to profit or loss on the straight-line method over the lease period.

### 4.15 CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise cash in hand, bank balances, bank overdrafts and short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. For the purpose of the statements of cash flows, cash and cash equivalents are presented net of bank overdrafts.



# notes to the financial statements

for the financial year ended 31 MARCH 2016 (cont'd)

## 4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### 4.16 PROVISIONS

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of past events, when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and when a reliable estimate of the amount can be made. Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. Where the effect of the time value of money is material, the provision is the present value of the estimated expenditure required to settle the obligation. The unwinding of the discount is recognised as interest expense in profit or loss.

### 4.17 EMPLOYEE BENEFITS

#### (a) Short-term Benefits

Wages, salaries, paid annual leave and sick leave, bonuses and non-monetary benefits are measured on an undiscounted basis and are recognised in profit or loss and included in the intangible assets, where appropriate, in the period in which the associated services are rendered by employees of the Group.

#### (b) Defined Contribution Plans

The Group's contributions to defined contribution plans are recognised in profit or loss and included in the intangible assets, where appropriate, in the period to which they relate. Once the contributions have been paid, the Group has no further liability in respect of the defined contribution plans.

### 4.18 OPERATING SEGMENTS

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

### 4.19 CONTINGENT LIABILITIES

A contingent liability is a possible obligation that arises from past events and whose existence will only be confirmed by the occurrence of one or more uncertain future events not wholly within the control of the Group. It can also be a present obligation arising from past events that is not recognised because it is not probable that an outflow of economic resources will be required or the amount of obligation cannot be measured reliably.

A contingent liability is not recognised but is disclosed in the notes to the financial statements. When a change in the probability of an outflow occurs so that the outflow is probable, it will then be recognised as a provision.

# notes to the financial statements

for the financial year ended 31 MARCH 2016 (cont'd)

## 4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### 4.20 RELATED PARTIES

A party is related to an entity (referred to as the "reporting entity") if:-

- (a) A person or a close member of that person's family is related to a reporting entity if that person:-
  - (i) has control or joint control over the reporting entity;
  - (ii) has significant influence over the reporting entity; or
  - (iii) is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the reporting entity.

- (b) An entity is related to a reporting entity if any of the following conditions applies:-
  - (i) The entity and the reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
  - (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
  - (iii) Both entities are joint ventures of the same third party.
  - (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
  - (v) The entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity.
  - (vi) The entity is controlled or jointly controlled by a person identified in (a) above.
  - (vii) A person identified in (a)(i) above has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).
  - (viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the reporting entity or to the parent of the reporting entity.

Related parties also include key management personnel defined as those persons having authority and responsibility for planning, directing and controlling the activities of the reporting entity either directly or indirectly, including its director (whether executive or otherwise) of that entity.



# notes to the financial statements

for the financial year ended 31 MARCH 2016 (cont'd)

## 4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### 4.21 EARNINGS PER ORDINARY SHARE

Basic earnings per ordinary share is calculated by dividing the consolidated profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the reporting period, adjusted for own shares held.

Diluted earnings per ordinary share is determined by adjusting the consolidated profit or loss attributable to ordinary shareholders of the Company and the weighted average number of ordinary shares outstanding, adjusted for the effects of all dilutive potential ordinary shares.

### 4.22 FAIR VALUE MEASUREMENTS

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

For financial reporting purposes, the fair value measurements are analysed into level 1 to level 3 as follows:-

- Level 1: Inputs are quoted prices (unadjusted) in active markets for identical assets or liability that the entity can access at the measurement date;
- Level 2: Inputs are inputs, other than quoted prices included within level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3: Inputs are unobservable inputs for the asset or liability.

The transfer of fair value between levels is determined as of the date of the event or change in circumstances that caused the transfer.

### 4.23 REDEEMABLE CONVERTIBLE NOTES ("RCN")

MFRS 132 - Financial Instruments: Disclosure and Presentation requires the Company as an issuer of a financial instrument to classify the instrument either as a liability or equity in accordance with the substance of the contractual arrangement on initial recognition. Consequently, RCN, which, amongst other conditions, are regarded as compound instruments, consisting of a liability component and an equity component.

At the date of issue, the fair value of the liability component is estimated using the prevailing market interest rate for a similar type of instrument. The difference between the proceeds from the issue of the RCN and the fair value assigned to the liability component, representing the conversion option is included in equity. The liability component is subsequently stated at amortised cost using the effective interest rate method until extinguished on conversion or redemption, whilst the value of the equity component is not adjusted in subsequent periods.

# notes to the financial statements

for the financial year ended 31 MARCH 2016 (cont'd)

## 4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### 4.24 REVENUE AND OTHER INCOME

#### (a) Contract Accounting

As soon as the outcome of a contract can be estimated reliably, contract revenue and contract cost are recognised in profit or loss in proportion to the stage of completion of the contract. Contract revenue includes the initial amount agreed in the contract plus any variations in contract work, claims and incentive payments to the extent that it is probable that they will result in revenue and can be measured reliably.

The stage of completion is assessed by reference to the proportion that contract revenue is billed for work performed to date bear to the estimated total contract revenue. When the outcome of a contract cannot be estimated reliably, contract revenue is recognised only to the extent of contract costs incurred that are likely to be recoverable. An expected loss on a contract is recognised immediately in profit or loss.

#### (b) Sale of Goods

Revenue is measured at fair value of the consideration received or receivable and is recognised upon delivery of goods and customers' acceptance and where applicable, net of goods and services tax, returns, cash and trade discount.

#### (c) Services

Revenue is recognised upon the rendering of services and when the outcome of the transaction can be estimated reliably. In the event the outcome of the transaction could not be estimated reliably, revenue is recognised to the extent of the expenses incurred that are recoverable.

#### (d) Interest Income

Interest income is recognised on an accrual basis using the effective interest method.

#### (e) Dividend Income

Dividend income from investment is recognised when the right to receive dividend payment is established.

#### (f) Rental Income

Rental income is accounted for on a straight-line method over the lease term.

#### (g) Deferred Income

Revenue invoiced in advance is deferred and recognised as revenue upon provision of the service.

# notes to the financial statements

for the financial year ended 31 MARCH 2016 (cont'd)

## 5. INVESTMENTS IN SUBSIDIARIES

	THE COMPANY	
	2016 RM'000	2015 RM'000
Quoted shares in Malaysia, at cost:	60,822	60,822
Unquoted shares, at cost:		
- in Malaysia	18,910	18,910
- outside Malaysia	34,063	4,052
	52,973	22,962
	113,795	83,784
Market value of quoted shares	74,508	77,548

The details of the subsidiaries are as follows:-

NAME OF SUBSIDIARY	PRINCIPAL PLACE OF BUSINESS	EFFECTIVE EQUITY INTEREST		PRINCIPAL ACTIVITIES
		2016 %	2015 %	
Century Software (M) Sdn. Bhd.	Malaysia	100	100	Design, development, implementation and marketing of financial and related software and services.
T-Melmax Sdn. Bhd.	Malaysia	100	100	Providing services for software development, acting as a service provider for financial and electronic payment applications.
PT Praisindo Teknologi <sup>^</sup>	The Republic of Indonesia	60	60	Providing services for software development, acting as a service provider for financial applications, electronic payments and wealth management applications.
Knowledgecom Corporation Sdn. Bhd.	Malaysia	80	80	Providing computer training services.
Censof Maal Sdn Bhd (formerly known as Censof ABSS Sdn. Bhd.)	Malaysia	50.02	50.02	Engaged in businesses of marketing and reselling of financial and related software and services.

# notes to the financial statements

for the financial year ended 31 MARCH 2016 (cont'd)

## 5. INVESTMENTS IN SUBSIDIARIES (CONT'D)

NAME OF SUBSIDIARY	PRINCIPAL PLACE OF BUSINESS	EFFECTIVE EQUITY INTEREST		PRINCIPAL ACTIVITIES
		2016 %	2015 %	
Global Strategic Partners Sdn. Bhd.	Malaysia	100	100	Dormant.
Asian Business Software Solutions Pte Ltd	Republic of Singapore	51	–	Selling of computerised accounting system.
Dagang NeXchange Berhad*	Malaysia	39.23	39.23	Investment holding.
<i>Held by Dagang NeXchange Berhad:-</i>				
Dagang Net Technologies Sdn. Bhd.	Malaysia	100	71.25	Development, management and provision of business to government (B2G) e-commerce and computerised transaction facilitation services.
DNeX Solutions Sdn. Bhd.	Malaysia	100	100	Providing expertise in IT project management and consultancy, supply of (ICT) hardware equipment, maintenance and asset management.
DNeX Technology Sdn. Bhd	Malaysia	100	100	Providing IT solutions, cyber security, managed services and supply of computer hardware, software and peripherals.
DNeXPORT Sdn Bhd (formerly known as DNeX Hallmark e-Commerce Sdn. Bhd.)	Malaysia	80	80	Providing technical consulting, implementing, training, maintenance and technical support services related to eBusiness and the operation of business to business (B2B) e-commerce portal.
DNeX Petroleum Sdn. Bhd.	Malaysia	100	100	Providing upstream oil and gas exploration and production.
DNeX Oilfield Services Sdn. Bhd.	Malaysia	80	80	Involved in oil and gas exploration and production.
DNeX RFID Sdn. Bhd.	Malaysia	51	–	Research and development, design, manufacturing and trading of radio-frequency technology.





# notes to the financial statements

for the financial year ended 31 MARCH 2016 (cont'd)

## 5. INVESTMENTS IN SUBSIDIARIES (CONT'D)

NAME OF SUBSIDIARY	PRINCIPAL PLACE OF BUSINESS	EFFECTIVE EQUITY INTEREST		PRINCIPAL ACTIVITIES
		2016 %	2015 %	
Forward Energy Sdn. Bhd.	Malaysia	51	51	Involving in power plant, engineering and energy related business specifically in the area of Independent Power Producer (IPP).
Global Energy Corp Limited	Federal Territory of Labuan, Malaysia	51	–	Dormant.
<i>Held by Forward Energy Sdn. Bhd.</i>				
Solution Power Matrix Sdn. Bhd. <sup>^</sup>	Malaysia	31	31	Design, develop, construct, operation and maintenance of power plant in Malaysia.
Forward Energy Ltd.	Federal Territory of Labuan, Malaysia	51	51	Holding of off-shore investments involved in power plant.
<i>Held by Forward Energy Ltd.</i>				
Forward Energy Generation Ltd.	Federal Territory of Labuan, Malaysia	51	38.25	Design, develop, construct, operation and maintenance of power plant.

<sup>^</sup> These subsidiaries were audited by other firms of chartered accountants.

\* Although the Group owns less than half of the voting power in Dagang NeXchange Berhad, the directors have determined that the Group has de facto control over Dagang NeXchange Berhad on the basis that the remaining voting rights of these investees are widely dispersed and that there is no indication that all the other shareholders will exercise their voting power collectively.

# notes to the financial statements

for the financial year ended 31 MARCH 2016 (cont'd)

## 5. INVESTMENTS IN SUBSIDIARIES (CONT'D)

- (a) The non-controlling interests at the end of the reporting year comprised the following:-

	EFFECTIVE EQUITY INTEREST		THE GROUP	
	2016 %	2015 %	2016 RM'000	2015 RM'000
Dagang NeXchange Berhad ("DNeX")	<b>60.77</b>	60.77	<b>62,615</b>	77,349
Asian Business Software Solutions Pte Ltd ("ABSS")	<b>49</b>	49	<b>7,874</b>	–
Other individually immaterial subsidiaries			<b>2,920</b>	4,187
			<b>73,409</b>	81,536

- (b) The summarised financial information (before intra-group elimination) for each subsidiary that has non-controlling interests that are material to the Group is as follows:-

	2016 RM'000	DNeX 2015 RM'000
<u>At 31 March</u>		
Non-current assets	<b>29,669</b>	39,030
Current assets	<b>127,876</b>	130,152
Non-current liabilities	<b>(658)</b>	(21,250)
Current liabilities	<b>(52,733)</b>	(38,706)
Net assets	<b>104,154</b>	109,226
<u>Financial Year Ended 31 March</u>		
Revenue	<b>100,453</b>	90,195
Profit for the financial year	<b>18,390</b>	15,664
Total comprehensive income	<b>18,535</b>	15,664
Total comprehensive income attributable to non-controlling interests		
Dividends paid to non-controlling interests	<b>300</b>	1,553
Net cash flows from operating activities	<b>17,997</b>	35,834
Net cash flows for investing activities	<b>(49,005)</b>	(17,821)
Net cash flows from financing activities	<b>(23,952)</b>	(22,179)



# notes to the financial statements

for the financial year ended 31 MARCH 2016 (cont'd)

## 5. INVESTMENTS IN SUBSIDIARIES (CONT'D)

- (b) The summarised financial information (before intra-group elimination) for each subsidiary that has non-controlling interests that are material to the Group is as follows:-

	ABSS 2016 RM'000
<u>At 31 March</u>	
Non-current assets	285
Current assets	7,476
Non-current liabilities	(14)
Current liabilities	(5,330)
Net assets	2,417
<u>Financial Period from 1 December 2015 to 31 March 2016*</u>	
Revenue	6,574
Profit for the financial period	2,797
Total comprehensive income	2,797
Total comprehensive income attributable to non-controlling interests	
Dividends paid to non-controlling interests	748
Net cash flows from operating activities	12,635
Net cash flows for investing activities	(213)
Net cash flows from financing activities	(17,325)

\* - Represents the post acquisition period for the Group.

The summarised financial information (before intra-group elimination) of the other subsidiaries that have non-controlling interests are not presented as the non-controlling interests are not material to the Group.

# notes to the financial statements

for the financial year ended 31 MARCH 2016 (cont'd)

## 6. PLANT AND EQUIPMENT

	AT 1.4.2015 RM'000	ACQUISITION OF A SUBSIDIARY RM'000	ADDITIONS RM'000	RECLASSIFICATION RM'000	DISPOSAL RM'000	CURRENCY TRANSLATION DIFFERENCES RM'000	DEPRECIATION CHARGE RM'000	AT 31.3.2016 RM'000
<b>The Group</b>								
<i>Net Book Value</i>								
Plant and machinery	2,222	68	15,460	-	-	(2)	(1,947)	15,801
Office equipment, furniture and fittings	951	27	455	(2)	(2)	4	(392)	1,041
Computer equipment	10,165	69	490	2	-	201	(7,212)	3,715
Office renovation	853	29	249	220	-	(1)	(492)	858
Motor vehicles	1,014	-	308	-	-	1	(262)	1,061
Capital work-in-progress	1,047	-	409	(220)	-	-	-	1,236
	16,252	193	17,371	-	(2)	203	(10,305)	23,712

# notes to the financial statements

for the financial year ended 31 MARCH 2016 (cont'd)

## 6. PLANT AND EQUIPMENT (CONT'D)

	AT 1.4.2014 RM'000	ACQUISITION OF A SUBSIDIARY RM'000	ADDITIONS RM'000	TRANSFERRED FROM INTANGIBLE ASSETS (NOTE 7) RM'000	RECLASSIFICATION RM'000	DISPOSALS RM'000	WRITTEN OFF RM'000	CURRENCY TRANSLATION DIFFERENCES RM'000	DEPRECIATION CHARGE RM'000	AT 31.3.2015 RM'000
<b>The Group</b>										
<i>Net Book Value</i>										
Plant and machinery	2,300	-	-	-	-	(70)	-	-	(8)	2,222
Office equipment, furniture and fittings	1,045	14	218	-	38	(26)	(8)	111	(441)	951
Computer equipment	12,094	1	3,757	153	3,344	(7)	(283)	(307)	(8,587)	10,165
Office renovation	1,109	-	60	-	200	(5)	-	-	(511)	853
Motor vehicles	959	-	345	-	-	(34)	-	-	(256)	1,014
Capital work-in- progress	744	-	3,885	-	(3,582)	-	-	-	-	1,047
	18,251	15	8,265	153	-	(142)	(291)	(196)	(9,803)	16,252

# notes to the financial statements

for the financial year ended 31 MARCH 2016 (cont'd)

## 6. PLANT AND EQUIPMENT (CONT'D)

	AT COST RM'000	ACCUMULATED DEPRECIATION RM'000	ACCUMULATED IMPAIRMENT LOSS RM'000	NET BOOK VALUE RM'000
<b>The Group</b>				
At 2016				
Plant and machinery	28,331	(7,720)	(4,810)	15,801
Office equipment, furniture and fittings	4,584	(3,543)	–	1,041
Computer equipment	45,502	(41,787)	–	3,715
Office renovation	7,122	(6,264)	–	858
Motor vehicles	1,933	(872)	–	1,061
Capital work-in-progress	1,236	–	–	1,236
	<b>88,708</b>	<b>(60,186)</b>	<b>(4,810)</b>	<b>23,712</b>

	AT COST RM'000	ACCUMULATED DEPRECIATION RM'000	ACCUMULATED IMPAIRMENT LOSS RM'000	NET BOOK VALUE RM'000
<b>The Group</b>				
At 2015				
Plant and machinery	12,576	(5,544)	(4,810)	2,222
Office equipment, furniture and fittings	4,059	(3,108)	–	951
Computer equipment	48,039	(37,874)	–	10,165
Office renovation	6,458	(5,605)	–	853
Motor vehicles	1,620	(606)	–	1,014
Capital work-in-progress	1,047	–	–	1,047
	<b>73,799</b>	<b>(52,737)</b>	<b>(4,810)</b>	<b>16,252</b>

Included in the assets of the Group at the end of the reporting year were motor vehicles with a total net book value of RM961,806 (2015 - RM1,005,941), which were acquired under hire purchase terms. These leased assets have been pledged as security for the related finance lease liabilities of the Group.



# notes to the financial statements

for the financial year ended 31 MARCH 2016 (cont'd)

## 7. INTANGIBLE ASSETS

	SOFTWARE IN PROGRESS RM'000	SOFTWARE RM'000	DEVELOPMENT EXPENDITURE RM'000	CUSTOMER RELATIONSHIP RM'000	TRADEMARK RM'000	TOTAL RM'000
<b>The Group</b>						
Cost						
At 1.4.2014	856	22,333	30,844	–	–	54,033
Addition during the financial year	1,048	546	2,164	–	–	3,758
Transferred to plant and equipment (Note 6)	–	–	(153)	–	–	(153)
Reclassification	(230)	230	–	–	–	–
Currency translation differences	–	–	33	–	–	33
At 31.3.2015/1.4.2015	1,674	23,109	32,888	–	–	57,671
Acquisition of a subsidiary	–	6,445	–	8,814	1,818	17,077
Addition during the financial year	1,022	363	4,000	–	–	5,385
Written off during the financial year	–	(8,299)	(362)	–	–	(8,661)
Reclassification	(1,279)	1,279	–	–	–	–
Currency translation differences	–	–	14	–	–	14
At 31.3.2016	<b>1,417</b>	<b>22,897</b>	<b>36,540</b>	<b>8,814</b>	<b>1,818</b>	<b>71,486</b>

# notes to the financial statements

for the financial year ended 31 MARCH 2016 (cont'd)

## 7. INTANGIBLE ASSETS (CONT'D)

	SOFTWARE IN PROGRESS RM'000	SOFTWARE RM'000	DEVELOPMENT EXPENDITURE RM'000	CUSTOMER RELATIONSHIP RM'000	TRADEMARK RM'000	TOTAL RM'000
<b>The Group</b>						
Accumulated amortisation						
At 1.4.2014	–	(20,302)	(12,980)	–	–	(33,282)
Addition during the financial year	–	(1,107)	(5,013)	–	–	(6,120)
At 31.3.2015/1.4.2015	–	(21,409)	(17,993)	–	–	(39,402)
Acquisition of a subsidiary	–	(646)	–	–	–	(646)
Addition during the financial year	–	(701)	(4,689)	–	–	(5,390)
Written off during the financial year	–	8,299	265	–	–	8,564
At 31.3.2016	–	<b>(14,457)</b>	<b>(22,417)</b>	–	–	<b>(36,874)</b>
Accumulated impairment loss						
At 1.4.2014	–	(192)	(57)	–	–	(249)
Impairment during the financial year	–	–	(40)	–	–	(40)
At 31.3.2015/1.4.2015	–	(192)	(97)	–	–	(289)
Impairment during the financial year	–	–	(1,229)	–	–	(1,229)
Written off during the financial year	–	–	97	–	–	97
At 31.3.2016	–	<b>(192)</b>	<b>(1,229)</b>	–	–	<b>(1,421)</b>
Net carrying amount						
At 31.3.2015	1,674	1,508	14,798	–	–	17,980
At 31.3.2016	<b>1,417</b>	<b>8,248</b>	<b>12,894</b>	<b>8,814</b>	<b>1,818</b>	<b>33,191</b>





# notes to the financial statements

for the financial year ended 31 MARCH 2016 (cont'd)

## 7. INTANGIBLE ASSETS (CONT'D)

Customer relationship and trademark arising from the acquisition of a subsidiary during the year were not amortised as the amortisation amounts were not material. These intangible will be amortised from the next financial year.

The development expenditure are in respect of the development of Century Financials software, Merchant Payment System and Praisindo Investment Management System, currently undertaken by the Group for commercial use. Their amortisation charges are recognised in profit or loss under the "Cost of Sales" line item.

Included in development expenditure incurred during the financial year are :-

	THE GROUP	
	2016 RM'000	2015 RM'000
Staff costs	4,000	2,164

## 8. GOODWILL

	THE GROUP	
	2016 RM'000	2015 RM'000
At 1 April	44,703	43,052
Acquisition of subsidiaries (Note 37)	22,464	1,651
At 31 March	67,167	44,703

(a) The carrying amounts of goodwill allocated to each cash-generating unit are as follows:-

	THE GROUP	
	2016 RM'000	2015 RM'000
Wealth Management Solutions ("WMS")	3,331	3,331
Training Solutions ("TS")	3,224	3,224
Information Communication Technology ("ICT")	35,533	36,512
Financial Management Solution - Commercial ("FMS-C")	22,464	–
Others	2,615	1,636
	67,167	44,703

# notes to the financial statements

for the financial year ended 31 MARCH 2016 (cont'd)

## 8. GOODWILL (CONT'D)

- (b) The Group has assessed the recoverable amounts of goodwill allocated and determined that no impairment is required. The recoverable amounts of the cash-generating units ("CGU") are determined using the value-in-use approach, and this is derived from the present value of the future cash flows from the operating segments computed based on the projections of financial budgets approved by management covering a period of 5 years.

The key assumptions used in the value-in-use approach are as follows:

	AVERAGE BUDGETED GROSS MARGIN 2017 - 2021	AVERAGE GROWTH RATE 2017 - 2021	DISCOUNT RATE 2017 - 2021	TERMINAL GROWTH RATE 2022 - INFINITY
WMS	72%	31%	13.60%	0%
TS	60%	24%	9.20%	0%
ICT	81%	10%	13.07%	0%
FMS	80%	6%	14.00%	0%

The key assumptions represent management's assessment based on the selling prices and the fixed and variable costs, adjusted for market conditions and economic conditions and internal resources efficiency.

Management has determined the average budgeted profit margin and weighted average growth rate based on past performance and its expectation of market development. The discount rate used are computed based on the weighted average cost of capital of the industry that the Group operates in.

- (c) Sensitivity to changes in assumptions

The management believes that no reasonably possible changes in any of the above key assumptions would cause the carrying value of the goodwill to be materially higher than its recoverable amount.

## 9. OTHER INVESTMENTS

	THE GROUP	
	2016 RM'000	2015 RM'000
At cost:		
Unquoted shares outside Malaysia	4,272	100

Investment in unquoted shares of the Group are designated as available-for-sale financial assets but are stated at cost as their fair values cannot be reliably measured using valuation techniques due to the lack of marketability of the shares.



# notes to the financial statements

for the financial year ended 31 MARCH 2016 (cont'd)

## 10. TRADE RECEIVABLES

	THE GROUP	
	2016 RM'000	2015 RM'000
Non-current:		
Trade receivables	–	20,165
Fair value adjustment	–	(944)
	–	19,221
Current:		
Trade receivables	115,074	93,727
Allowance for impairment losses	(13,869)	(762)
	101,205	92,965
	101,205	112,186
Allowance for impairment losses:		
At 1 April	(762)	(884)
Addition during the financial year	(13,107)	(654)
Writeback during the financial year	–	244
Written off during the financial year	–	532
At 31 March	(13,869)	(762)

The Group's normal trade credit terms range from 30 to 45 (2015 - 30 to 45) days.

- (a) Included in trade receivables of the Group at the end of the previous reporting period was an amount of approximately RM20.2 million owing by a receivable that was due after 12 months.
- (b) Included in trade receivables of the Group at the end of reporting period is an amount of approximately RM18.7 million owing by customers which had been outstanding for more than one (1) year. These balances are mainly due from government agencies and the recoverability of these amounts are dependent on the completion of the relevant acceptance test results and negotiations with the customers.

The Directors have evaluated the recoverability of these trade receivables and based on their negotiations with the trade receivables and evidence available, the Directors are of the opinion that no allowance for impairment losses on these trade receivables is required.

# notes to the financial statements

for the financial year ended 31 MARCH 2016 (cont'd)

## 11. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	THE GROUP		THE COMPANY	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Non-current:				
Prepayments	–	2,807	–	–
Current:				
Other receivables	18,303	5,857	99	–
Allowance for impairment losses	(301)	(250)	–	–
	18,002	5,607	99	–
Deposits	23,889	12,938	–	–
Prepayments	29,714	6,344	99	–
	71,605	24,889	198	–
	71,605	27,696	198	–
Allowance for impairment losses:				
At 1 April	(250)	(783)	–	–
Addition during the financial year	(75)	(14)	–	–
Writeback during the financial year	–	303	–	–
Written off during the financial year	24	244	–	–
At 31 March	(301)	(250)	–	–

- (a) Included in other receivables is an amount of RM8,640,575 (2015 - RM nil) owing by two receivables which shall be collected subsequent to the implementation of the system integration projects.
- (b) Included in deposits are:
- (i) an amount of RM13,728,000 (2015 - RM10,153,000) for initial deposits paid for the proposed acquisitions of new subsidiaries and associate as disclosed in Notes 46(a) and 46(f) to the financial statements respectively; and
  - (ii) an amount of RM7,219,713 (2015 - RM nil) for deposits paid to customers as cash collateral.



# notes to the financial statements

for the financial year ended 31 MARCH 2016 (cont'd)

## 11. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS (CONT'D)

(c) Included in prepayments are:

- (i) an amount of RM2,807,242 (2015 - RM6,550,234) for future services paid in advance to a supplier. The current portion and non-current portion are RM2,807,242 (2015 - RM3,742,991) and RM nil (2015 - RM2,807,243) respectively; and
- (ii) an amount of RM22,075,703 (2015 - RM nil) paid to suppliers in advance for the system integration projects.

## 12. AMOUNT OWING BY CONTRACT CUSTOMERS

	THE GROUP	
	2016 RM'000	2015 RM'000
Aggregate costs incurred to date	66,945	66,490
Attributable profit	25,164	17,702
Less: Provision for foreseeable losses	(528)	–
	91,581	84,192
Less: Progress billings	(59,303)	(53,472)
Net amount owing by contract customers	32,278	30,720

- (a) Included in the amount due from contract customers at the end of the reporting period is an amount of approximately RM25.2 million relating to two (2) projects with government agencies. These projects are extension of existing projects with the government agencies. The recoverability of these amounts is subject to the approval from the relevant government agencies which is still under negotiation stage at the end of the reporting period on proposals submitted by the Group for extension of works performed on the projects.

While negotiations are still on-going, the directors are confident that these proposals will be approved and the amounts due are fully recoverable. Accordingly, no impairment loss is made in the financial statements.

- (b) Included in the amount due from contract customer at the end of the reporting period is an amount of approximately RM6.7 million relating to one (1) project with a government agency. An extension of an existing project's proposal has been submitted to this government agency. Notwithstanding this, the directors are still in negotiation with the customer to recover costs incurred in the project and are of the opinion that the negotiation will be successful. Accordingly, no impairment loss is made in the financial statements.

# notes to the financial statements

for the financial year ended 31 MARCH 2016 (cont'd)

## 13. AMOUNT OWING BY SUBSIDIARIES

The amount owing is non-trade in nature, unsecured, interest-free and repayable on demand. The amount owing is to be settled in cash.

## 14. AMOUNTS OWING BY/(TO) A RELATED PARTY

In the previous financial year, the amounts owing by/(to) were trade in nature, and are subjected to the normal credit terms ranging from 30 to 60 days. The amounts owing were settled in cash.

## 15. FIXED DEPOSITS WITH LICENSED BANKS

Included in the fixed deposits with licensed banks is an amount of RM6,365,069 (2015 - RM5,215,384) which has been pledged as security for banking facilities granted to the Group.

The fixed deposits at the end of the reporting period bore effective interest rates ranging from 2.85% to 3.50% (2015 - 2.55% to 3.16%) per annum. The fixed deposits have maturity periods ranging from 30 to 365 days (2015 - 30 to 365 days).

## 16. SHORT-TERM INVESTMENTS

	THE GROUP	
	2016 RM'000	2015 RM'000
Fixed income trust fund, at fair value	74	–
At market value	74	–

The short-term investments in fixed income trust fund represents investments in highly liquid money market, which is readily convertible to a known amount of cash and has insignificant risk of changes in value. The fixed income trust fund bore effective interest rates ranging from 3.44% to 4.18% (2015 - nil) per annum. This investment is designated as fair value through profit or loss and is measured at fair value.

## 17. CASH AND BANK BALANCES

Included in bank balances is an amount of RM8,132,714 (2015 - RM4,049,894) which is restricted and held in an Escrow Account for banking facilities extended to a subsidiary.



# notes to the financial statements

for the financial year ended 31 MARCH 2016 (cont'd)

## 18. SHARE CAPITAL

	THE COMPANY			
	2016 NUMBER OF SHARES ('000)	2015 NUMBER OF SHARES ('000)	2016 RM'000	2015 RM'000
Ordinary Shares of RM0.10 Each				
Authorised	1,000,000	1,000,000	100,000	100,000
Issued And Fully Paid-Up				
At 1 April	476,661	399,596	47,666	39,960
Issuance of shares pursuant to the:				
- private placement	20,000	25,000	2,000	2,500
- conversion of RCN	5,042	52,057	504	5,205
- warrant exercise	-	8	-	1
At 31 March	501,703	476,661	50,170	47,666

During the financial year, the Company increased its issued and paid-up share capital from RM47,666,077 to RM50,170,313 by way of:-

- (i) the issuance of 20,000,000 new ordinary shares of RM0.10 each pursuant to private placements at the following issue prices;

TRANCHE	NUMBER OF ORDINARY SHARES IN UNITS	ISSUE PRICE PER ORDINARY SHARE RM	TOTAL RM'000
First Tranche	10,000,000	0.4000	4,000
Second Tranche	10,000,000	0.2250	2,250
	20,000,000		6,250

- (ii) the issuance of 5,042,355 new ordinary shares of RM0.10 each pursuant to the conversion of RM504,236 nominal value Redeemable Convertible Notes at the conversion price of RM0.2479 per ordinary share.

The new ordinary shares issued ranked pari passu in all respects with the existing ordinary shares of the Company.

# notes to the financial statements

for the financial year ended 31 MARCH 2016 (cont'd)

## 18. SHARE CAPITAL (CONT'D)

### Warrants-A (2012/2017)

On 26 June 2012, the Company obtained the approval from the shareholders for the bonus issue of 43,025,000 warrants on the basis of 1 free warrant for every 8 existing ordinary shares of RM0.10 each held in the Company.

The warrants are constituted under a Deed Poll executed on 28 June 2012 and were issued on 19 July 2012 where each warrant entitles the registered holder the right at any time during the exercise period from 19 July 2012 to 18 July 2017 to subscribe for one new ordinary share of RM0.10 each of the Company at an exercise price of RM0.46 each in cash. The warrants are listed on the Main Market of Bursa Malaysia Securities Berhad on 25 July 2012.

The ordinary shares issued from the exercise of warrants shall rank pari passu in all respects with the existing issued ordinary shares of the Company except that they shall not be entitled to any dividends, distributions, rights, allotment and/or any other forms of distribution where the entitlement date of which precedes the relevant date of the allotment and issuance of the new shares arising from the exercise of warrants.

### Warrants-B (2014/2019)

On 17 September 2014, the Company obtained the approval from the shareholders for the bonus issue of 111,412,717 warrants on the basis of 1 free warrant for every 4 existing ordinary shares of RM0.10 each held in the Company.

The warrants-B (2014/2019) are constituted under a Deed Poll executed on 25 September 2014 and were issued on 8 October 2014 where each warrant entitles the registered holder the right at any time during the exercise year from 8 October 2014 to 7 October 2019 to subscribe for one new ordinary share of RM0.10 each of the Company at an exercise price of RM0.46 each in cash. The warrants were listed on the Main Market of Bursa Malaysia Securities Berhad on 15 October 2014.

The ordinary shares issued from the exercise of warrants shall rank pari passu in all respects with the existing issued ordinary shares of the Company except that they shall not be entitled to any dividends, distributions, rights, allotment and/or any other forms of distribution where the entitlement date of which precedes the relevant date of the allotment and issuance of the new shares arising from the exercise of warrants.

The movements of the Warrants during the financial year are as follows:

<i>Number of unexercised</i>	ENTITLEMENT FOR ORDINARY SHARES OF RM0.10 EACH			
	AT 1.4.2015	ISSUED	EXERCISED	AT 31.3.2016
Warrants-A	29,495,325	–	–	<b>29,495,325</b>
Warrants-B	111,405,217	–	–	<b>111,405,217</b>





# notes to the financial statements

for the financial year ended 31 MARCH 2016 (cont'd)

## 18. SHARE CAPITAL (CONT'D)

The main features of the warrants are as follows:-

- (i) Each warrant entitles the registered holder to subscribe for one (1) new ordinary share at par value of RM0.10 each in the Company at an exercise price of RM0.46 each subject to adjustment in accordance with the conditions stipulated in the Deed Poll;
- (ii) Both warrants may be exercised at any time on or before the maturity date falling five years from the date of issuance of the warrants which is 19 July 2012 for the warrant-A and 8 October 2014 for warrant-B respectively. Unexercised warrants after the exercise year will thereafter lapse and cease to be valid;
- (iii) The new shares to be issued pursuant to the exercise of the warrants shall, upon allotment and issue, rank pari passu in all respects with the existing ordinary shares of the Company in issue except that they will not be entitled to any dividends, rights, allotments and/or any other forms of distributions, the entitlement date of which is before the allotment and issuance of the new shares; and
- (iv) The persons to whom the warrants have been granted have no rights to participate in any distribution and/or offer of further securities in the Company until/and unless warrant holders exercise their warrant for new shares.

## 19. SHARE PREMIUM

The movements in the share premium of the Group and of the Company are as follows:-

	NOTE	THE GROUP/THE COMPANY 2016 RM'000	2015 RM'000
At 1 April		45,384	22,545
Premium arising from:			
- private placement		4,250	7,875
- conversion of RCN		745	16,495
- warrant exercise		-	3
Expenses incurred on issuance of:			
- private placement		-	(1,534)
At 31 March		50,379	45,384

The share premium is not distributable by way of dividends and may be utilised in the manner set out in Section 60(3) of the Companies Act 1965.

# notes to the financial statements

for the financial year ended 31 MARCH 2016 (cont'd)

## 20. MERGER DEFICIT

The merger deficit relates to the subsidiary which was consolidated under the merger method of accounting.

The merger deficit arose from the difference between the nominal value of shares issued for the acquisition of a subsidiary and the nominal value of the shares acquired.

## 21. RETAINED PROFITS

Under the single-tier tax system, tax on the Company's profits is the final tax and accordingly, any dividends to the shareholders are not subject to tax.

## 22. FOREIGN EXCHANGE TRANSLATION RESERVE

The foreign exchange translation reserve arose from the translation of the financial statements of the foreign subsidiary and is not distributable by way of dividends.

## 23. REDEEMABLE CONVERTIBLE NOTES ("RCN")

The salient terms of the RCN were as follows:

- |                     |   |
|---------------------|---|
| (a) Notes           | Up to RM100.0 million nominal value of RCN comprising two (2) tranches of a principal amount of RM25.0 million each for Tranche 1 and Tranche 2, RM30.0 million for Tranche 3 and RM20.0 million for Tranche 4 (collectively, the RCN shall be referred to as the "Notes").                 |
|                     | Each of Tranche 1 Notes and Tranche 2 Notes shall comprise twenty (20) equal sub-tranches of RM1.25 million each, Tranche 3 Notes shall comprise twenty (20) equal sub-tranches of RM1.5 million each and Tranche 4 Notes shall comprise ten (10) equal sub-tranches of RM2.0 million each. |
| (b) Tenure/Maturity | Thirty-six (36) months from the closing date of the first sub-tranche of Tranche 1 Notes.   |
| (c) Coupon rate     | 2.0% per annum payable semi-annually.   |



# notes to the financial statements

for the financial year ended 31 MARCH 2016 (cont'd)

## 23. RCN (CONT'D)

The salient terms of the RCN were as follows: (Cont'd)

- |     |  |  |
|-----|--|--|
| (d) | Issue and subscription date(s) of the first sub-tranche of Tranche 1 Notes and the option to issue the remaining sub-tranches thereafter | In respect of the first sub-tranche of Tranche 1 Notes, the date falling five (5) Market Days immediately after the fulfilment of the last conditions precedent. |
|-----|--|--|

The Company will have the sole discretion to call upon subsequent tranches of the Notes at any time from (and including) the completion of the conversion of the preceding tranche(s) subject to the terms and conditions of the RCN.

The issuance of Tranche 2 Notes, Tranche 3 Notes and Tranche 4 Notes shall be at the option of the Company which option shall subsist during the option year as set out below:

- (i) in respect of Tranche 2 Notes, the year commencing from and including the conversion date in relation to the last of the Notes comprised in the last sub-tranche of Tranche 1 Notes to and including the 10th Market Day thereafter;
- (ii) in respect of the Tranche 3 Notes, the year commencing from and including the conversion date in relation to the last of the Notes comprised in the last sub-tranche of Tranche 2 Notes to and including the 10th Market Day thereafter; and
- (iii) in respect of the Tranche 4 Notes, the year commencing from and including the conversion date in relation to the last of the Notes comprised in the last sub-tranche of Tranche 3 Notes to and including the 10th Market Day thereafter (collectively referred to as the "Option Year").

If the Subscriber does not receive the exercise notice from the Company exercising its option within the relevant Option Year, the options shall lapse and cease to have any force or effect whatsoever and the Subscriber shall have no further obligation to subscribe and pay for the subsequent tranches.

- |     |                       |   |
|-----|-----------------------|---|
| (e) | Option of the Company | Save for Tranche 1 Notes, the Company has the discretion not to proceed with the issue of subsequent tranches of the Notes. |
|-----|-----------------------|---|

# notes to the financial statements

for the financial year ended 31 MARCH 2016 (cont'd)

## 23. RCN (CONT'D)

The salient terms of the RCN were as follows: (Cont'd)

- (f) Conversion Rights
- The Notes will be converted into new ordinary shares at the conversion price provided always that the conversion price is not lower than the par value of the Company at RM0.10 and subject to the redemption option term.
- The number of ordinary shares to which the Subscriber is entitled on conversion of each of the sub-tranche notes shall be determined by dividing the aggregate principal amount of the sub-tranche note held by the applicable conversion price.
- Subject as provided above, fractions of an ordinary share will not be issued on conversion and no adjustment or cash payment will be made in respect thereof.
- (g) Status of new ordinary shares
- The new ordinary shares to be issued arising from the conversion of the Notes will, upon allotment and issuance, rank pari passu in all respects with the existing ordinary shares (including, without limitation, the right to receive any available distributions upon the liquidation and winding-up of the Company), save and except that the new ordinary shares will not be entitled to any dividends, rights, allotment and/or other forms of distribution that may be declared, made or paid where the entitlement date is prior to the allotment and issuance of the new ordinary shares.
- (h) Redemption rights
- The Notes which are not redeemed or purchased, converted or cancelled by the Company will be redeemed by the Company at 100% of the principal amount on the date falling three (3) years from the closing date of the first sub-tranche of Tranche 1 Notes.

## 24. LONG-TERM BORROWINGS

	THE GROUP		THE COMPANY	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Hire purchase payables (Note 25)	811	965	–	–
Term loans (Note 26)	43,800	15,412	43,800	–
	44,611	16,377	43,800	–



# notes to the financial statements

for the financial year ended 31 MARCH 2016 (cont'd)

## 25. HIRE PURCHASE PAYABLES

	THE GROUP	
	2016 RM'000	2015 RM'000
Minimum hire purchase payments:		
- not later than one year	192	192
- later than one year and not later than five years	681	575
- later than five years	223	524
	1,096	1,291
Future finance charges	(134)	(182)
Present value of hire purchase payables	962	1,109
The net hire purchase payables are repayable as follows:		
Current:		
- not later than one year (Note 31)	151	144
Non-current:		
- later than one year and not later than five years	590	463
- later than five years	221	502
Total non-current portion (Note 24)	811	965
	962	1,109

The hire purchase payables bore effective interest rates ranging from 4.36% to 6.76% (2015 - 4.76% to 4.99%) per annum at the end of the reporting period.

# notes to the financial statements

for the financial year ended 31 MARCH 2016 (cont'd)

## 26. TERM LOANS

	THE GROUP		THE COMPANY	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Current:				
- Not later than one year (Note 31)	<b>40,895</b>	63,016	<b>6,400</b>	31,800
Non-current: (Note 24)				
- Later than one year and not later than two years	<b>43,800</b>	15,412	<b>43,800</b>	–
	<b>84,695</b>	78,428	<b>50,200</b>	31,800

Details of the repayment terms of the term loans are as follows:-

TERM LOAN	NUMBER OF MONTHLY INSTALMENTS	MONTHLY INSTALMENT RM'000	THE GROUP		THE COMPANY	
			2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
1	(a)	(a)	<b>10,896</b>	12,246	–	–
2	(b)	(b)	<b>500</b>	476	–	–
3	(c)	(c)	–	31,800	–	31,800
4	33	1,541	<b>15,412</b>	33,906	–	–
5	(e)	(e)	<b>7,500</b>	–	–	–
6	(f)	(f)	<b>18,400</b>	–	<b>18,400</b>	–
7	(g)	(g)	<b>31,800</b>	–	<b>31,800</b>	–
8	(h)	(h)	<b>187</b>	–	–	–
			<b>84,695</b>	78,428	<b>50,200</b>	31,800

- (a) Term loan 1 represents project financing loan and is repayable over the tenure of the project or up to 24 months. It bore an effective interest rate of 7.00% (2015 - 7.00%) per annum at the end of the reporting period and is secured by:
- (i) a Deed of Assignment of all contract proceeds and/or receivables to be received by the Group in respect of the projects being financed;
  - (ii) a debenture incorporating fixed and floating charges over all the assets of a subsidiary, both present and future;
  - (iii) a corporate guarantee of the Company;
  - (iv) a joint and several guarantee of certain directors of the Group; and
  - (v) a memorandum of deposit of sinking fund to be built up by way of 5% and 10% retention respectively from proceeds received in respect of the projects.



# notes to the financial statements

for the financial year ended 31 MARCH 2016 (cont'd)

## 26. TERM LOANS (CONT'D)

Details of the repayment terms of the term loans are as follows:- (Cont'd)

- (b) Term loan 2 represents revolving short-term advance which is for working capital purposes and is repayable in 90 days. It bore an effective interest rate of 8.10% (2015 - 8.10%) per annum at the end of the reporting period and is secured by:
  - (i) a Deed of Assignment of all contract proceeds and/or receivables to be received by a subsidiary in respect of the projects being financed;
  - (ii) fixed deposits of a subsidiary pledged to a licensed bank; and
  - (iii) a joint and several guarantee of the directors of a subsidiary.
- (c) In the previous financial year, term loan 3 represented short-term loan and was repayable within 12 months (40%) and 24 months (60%) respectively from the date of first drawdown. It bore an effective interest rate of 8.00% (2015 - 8.00%) per annum at the end of the previous reporting period and was secured by:
  - (i) a third party legal charge of not less than 173,000,000 ordinary shares of the Company held by a corporate shareholder;
  - (ii) a third party legal charge of not less than 178,956,773 ordinary shares of a subsidiary held by the Company;
  - (iii) a first party first legal charge over the Interest Reserve Account; and
  - (iv) a joint and several guarantee of certain directors of the Group.
- (d) Term loan 4 bore an effective interest rate of 5.08% (2015 - 5.08%) per annum at the end of the reporting period and is secured by:
  - (i) a charge over all monies in a designated Escrow Account maintained by a receivable; and
  - (ii) a corporate guarantee of a subsidiary.
- (e) Term loan 5 represents a short-term loan. An amount of not less than RM3,750,000 is repayable commencing 6 months from the date of first drawdown. The final principal repayment of the remaining principal outstanding of RM3,750,000 or the Facility outstanding is due on the 12 month from the date of the first drawdown. It bore an effective interest rate of 8.50% per annum at the end of the reporting period and is secured by:
  - (i) a third party memorandum of legal charge over securities by SAAS Global Sdn. Bhd. of not less than 80,000,000 ordinary shares of the Company and /or other collateral acceptable to OSK Capital Sdn. Bhd.;
  - (ii) a corporate guarantee of the Company; and
  - (iii) a joint and several guarantee of certain directors of the Group.

# notes to the financial statements

for the financial year ended 31 MARCH 2016 (cont'd)

## 26. TERM LOANS (CONT'D)

Details of the repayment terms of the term loans are as follows:- (Cont'd)

- (f) Term loan 6 is repayable within 33 months by quarterly payments of RM1,600,000 commencing from the date of the first drawdown and a final quarter instalment of RM2,400,000. It bore an effective interest rate of 7.61% (2015 - nil) per annum at the end of the reporting period and is secured by:
- (i) a joint and several guarantee of certain directors of the Group;
  - (ii) a first legal fixed charge by way of Memorandum of Deposit over all the Acquired shares ("Pledge shares"); and
  - (iii) fixed deposits of the Company pledged to a licensed bank.
- (g) Term loan 7 is repayable within 48 months by 6 semi-annual payments commencing 18 months from the date of the first drawdown. It bore an effective interest rate of 7.61% (2015 - nil) per annum at the end of the reporting period and is secured by:
- (i) a first party Memorandum of Deposit for pledge over 304,112,731 DNeX shares under Kenanga Nominees Tempatan Sdn. Bhd. Pledged Security Account of the Company;
  - (ii) an assignment over all dividend proceeds from certain subsidiaries; and
  - (iii) a joint and several guarantee of certain directors of the Group.
- (h) Term loan 8 is repayable within a period of 12 months. It bore an effective interest rate of 6.75% (2015 - nil) per annum at the end of the reporting period.

## 27. DEFERRED INCOME

	THE GROUP	
	2016 RM'000	2015 RM'000
Current:		
- not later than one year	6,720	4,345
Non-current:		
- later than one year and not later than five years	-	3,042
	6,720	7,387

The deferred income represents contract pursuant to the supply, delivery, installation, testing, commissioning, maintenance and support of ict equipment to the local polytechnics and community colleges undertaken by the Group in 2012. This included the maintenance of equipment for a period of four years from the date of commissioning. A certain portion of the contract value in relation to the maintenance service is recognised as deferred income and amortised over the contractual period of 48 months which will end by December 2016.





# notes to the financial statements

for the financial year ended 31 MARCH 2016 (cont'd)

## 28. DEFERRED TAXATION

	AT 1.4.2015 RM'000	RECOGNISED IN PROFIT OR LOSS NOTE 35 RM'000	ACQUISITION OF SUBSIDIARY NOTE 37 RM'000	AT 31.3.2016 RM'000
<b>The Group</b>				
2016				
<i>Deferred Tax Liabilities</i>				
Plant and equipment	2,838	(2,000)	15	853
Intangible assets acquired	–	–	2,791	2,791
<i>Deferred Tax Assets</i>				
Provision	(69)	(112)	–	(181)
	2,769	(2,112)	2,806	3,463

	AT 1.4.2014 RM'000	RECOGNISED IN PROFIT OR LOSS NOTE 35 RM'000	RECOGNISED IN EQUITY NOTE 23 RM'000	AT 31.3.2015 RM'000
<b>The Group</b>				
2015				
<i>Deferred Tax Liabilities</i>				
Plant and equipment	2,984	(146)	–	2,838
Future tax liabilities on issuance of RCN	24	–	(24)	–
<i>Deferred Tax Assets</i>				
Provision	(145)	76	–	(69)
	2,863	(70)	(24)	2,769

# notes to the financial statements

for the financial year ended 31 MARCH 2016 (cont'd)

## 29. TRADE PAYABLES

The normal trade credit terms granted to the Group range from 30 to 90 (2015 - 30 to 90) days.

## 30. OTHER PAYABLES AND ACCRUALS

	THE GROUP		THE COMPANY	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Other payables	18,807	6,314	370	232
Accruals	21,615	14,018	567	1,776
	40,422	20,332	937	2,008

## 31. SHORT-TERM BORROWINGS

	THE GROUP		THE COMPANY	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Hire purchase payables (Note 25)	151	144	–	–
Term loans (Note 26)	40,895	63,016	6,400	31,800
	41,046	63,160	6,400	31,800

## 32. BANK OVERDRAFTS

The bank overdrafts of the Group bore effective interest rates ranging from 8.35% to 8.60% (2015 - 8.10% to 8.35%) per annum at the end of the reporting period and are secured by:

- (a) a legal charge of 2,500,000 ordinary shares of a corporate shareholder; and
- (b) in the same manner as the term loans disclosed in Note 26(b) to the financial statements.

## 33. REVENUE

	THE GROUP		THE COMPANY	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Software, training and implementation	144,998	126,062	–	–
Maintenance	18,318	20,378	–	–
Hardware	1,725	5,611	–	–
Dividend income	–	–	7,221	441
	165,041	152,051	7,221	441



# notes to the financial statements

for the financial year ended 31 MARCH 2016 (cont'd)

## 34. PROFIT/(LOSS) BEFORE TAXATION

	THE GROUP		THE COMPANY	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Profit/(Loss) before taxation is arrived at after charging/(crediting):-				
Audit fee:				
- for the financial year	349	123	83	57
- underprovision in the previous financial year	-	-	-	2
- others	66	286	-	-
Amortisation of intangible assets	5,390	6,120	-	-
Depreciation of plant and equipment	10,305	9,803	-	-
Directors' remuneration:				
- fees	485	405	339	314
- non-fee emoluments	2,392	2,053	1,060	1,016
Impairment loss on:				
- intangible assets	1,229	40	-	-
- trade receivables	13,107	654	-	-
- other receivables	75	14	-	-
Interest expense:				
- bank overdrafts	293	366	-	-
- hire purchase	48	56	-	-
- term loans	5,227	6,250	2,880	3,238
Plant and equipment written off	-	291	-	-
Provision for foreseeable losses	528	-	-	-
Realised loss on foreign exchange	100	3	-	-
Rental of hall	21	-	-	-
Rental of premises	3,948	3,642	-	-
Rental of site and equipment	191	238	-	-
Rental of storage and others	95	105	-	-
Staff costs:				
- salaries, wages, bonuses and allowances	42,589	31,382	571	503
- defined contribution plans	4,228	3,535	67	63
- other benefits	1,256	6,811	35	10
Unrealised loss on foreign exchange	12	-	-	-
Bad debts recovered	(13)	-	-	-
Dividend income	-	-	(7,221)	(441)
Gain on disposal of plant and equipment	(1)	(537)	-	-
Gain on disposal of equity interest in a subsidiary	-	-	-	(3,500)
Interest income	(1,515)	(1,998)	(243)	(188)
Rental income	(853)	(561)	-	-
Realised gain on foreign exchange	(666)	-	-	-
Unrealised gain on foreign exchange	(190)	-	-	-
Writeback of impairment loss on:				
- trade receivables	-	(244)	-	-
- other receivables	-	(303)	-	-

# notes to the financial statements

for the financial year ended 31 MARCH 2016 (cont'd)

## 35. INCOME TAX EXPENSE

	THE GROUP		THE COMPANY	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Current tax expense:				
- for the financial year	<b>11,767</b>	8,225	-	-
- (Over)/Underprovision in the previous financial year	<b>(842)</b>	2,741	-	-
	<b>10,925</b>	10,966	-	-
Deferred tax expense:				
(Note 28)				
- originating and recognition of temporary differences	<b>(1,204)</b>	(70)	-	-
- overprovision in the previous financial year	<b>(908)</b>	-	-	-
	<b>(2,112)</b>	(70)	-	-
	<b>8,813</b>	10,896	-	-

Certain subsidiaries of the Group were granted the MSC Malaysia status which qualifies the Group for Pioneer Status incentive under the Promotion of Investments Act, 1986 whereby the statutory income from pioneer activities is exempted from tax.



# notes to the financial statements

for the financial year ended 31 MARCH 2016 (cont'd)

## 35. INCOME TAX EXPENSE (CONT'D)

A reconciliation of income tax expense applicable to the profit/(loss) before taxation at the statutory tax rate to income tax expense at the effective tax rate of the Group and of the Company is as follows:-

	THE GROUP		THE COMPANY	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Profit/(Loss) before taxation	17,003	32,797	44	(3,697)
Tax at the statutory tax rate of 24% (2015 - 25%)	4,081	8,199	11	(924)
Tax effects of:-				
Non-deductible expenses	10,417	5,762	1,783	1,952
Non-taxable income	(2,428)	(1,158)	(1,791)	(985)
Effect of change in corporate income tax rate from 25% to 24% on deferred tax	(7)	-	-	-
Tax-exempt pioneer income	(2,438)	(3,340)	-	-
Temporary differences not recognised due to Pioneer Status	-	(101)	-	-
Deferred tax assets not recognised during the financial year	1,245	595	-	-
Utilisation of deferred tax assets not recognised in the previous financial year	(74)	(1,758)	(3)	(43)
(Over)/Underprovision of in the previous financial year/period				
- current tax	(842)	2,741	-	-
- deferred tax	(908)	-	-	-
Differential in tax rate	(233)	(44)	-	-
Income tax expense for the financial year	8,813	10,896	-	-

# notes to the financial statements

for the financial year ended 31 MARCH 2016 (cont'd)

## 35. INCOME TAX EXPENSE (CONT'D)

Subject to the agreement of the tax authorities, at the end of the reporting year, the Group and the Company have unutilised tax losses and unabsorbed capital allowances available to be carried forward for offset against future taxable business income as follows:-

	THE GROUP		THE COMPANY	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Accelerated capital allowances	(3,399)	(45)	–	–
Unabsorbed capital allowances	5,128	2,499	–	–
Unutilised tax losses	35,272	32,452	992	1,003
Provisions	3,471	901	–	–
	<b>40,472</b>	<b>35,807</b>	<b>992</b>	<b>1,003</b>

No deferred tax assets are recognised on these items.

## 36. (LOSS)/EARNINGS PER SHARE

	THE GROUP	
	2016	2015
(Loss)/Profit after taxation attributable to owners of the Company (RM'000)	<b>(7,191)</b>	7,678
Weighted average number of ordinary shares (in '000):		
Issued ordinary shares at 1 April	<b>476,661</b>	399,596
Effect of private placement	<b>14,493</b>	5,261
Effect of warrant exercise	–	2
Effect of conversion of RCN	<b>1,105</b>	35,123
Weighted average number of ordinary shares at 31 March	<b>492,259</b>	439,982
Basic (loss)/earnings per share (Sen)	<b>(1.46)</b>	1.75



# notes to the financial statements

for the financial year ended 31 MARCH 2016 (cont'd)

## 36. (LOSS)/EARNINGS PER SHARE (CONT'D)

	THE GROUP	
	2016	2015
(Loss)/Profit after taxation attributable to owners of the Company for diluted earnings per share computation (RM'000)	(7,191)	7,678
Weighted average number of ordinary shares for basic earnings per share (in '000):	492,259	439,981
Effects of dilution:		
- Warrant-A exercise in exchange of new ordinary shares	29,495	29,495
- Warrant-B exercise in exchange of new ordinary shares	111,405	111,405
Weighted average number of ordinary shares for diluted earnings per share computation	633,159	580,881
Diluted (loss)/earnings per share (Sen)	N/A*	1.32

\* - The diluted loss per share was not presented as there is an anti-dilutive effect arising from the assumed conversion of the Warrant-A and Warrant-B.

## 37. ACQUISITION OF SUBSIDIARIES

- (a) On 13 April 2015, DNeX acquired a 51% equity interest in DNeX RFID Sdn. Bhd. ("DRSB") comprising 100 ordinary shares of RM1 each for a total cash consideration of RM51 which represents 51% of the issued and paid-up capital of DRSB. The non-controlling interests of DRSB are measured at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets at the date of acquisition;
- (b) On 20 May 2015, DNeX acquired a 30% equity interest in Global Energy Corp Limited ("GECL") comprising 3 ordinary shares of United States Dollar ("USD") 1 each for a total cash consideration of USD3 (equivalent to RM11). The Group had on 1 January 2016 completed the subscription for the remaining 7 ordinary shares of USD1 each for a total cash consideration of USD7 (equivalent to RM25).

Consequently, GECL became a wholly-owned subsidiary of DNeX. The effects on remeasurement of previously held equity interests were immaterial to the Group; and

# notes to the financial statements

for the financial year ended 31 MARCH 2016 (cont'd)

## 37. ACQUISITION OF SUBSIDIARIES (CONT'D)

- (c) On 3 December 2015, the Company acquired a 51% equity interest in Asian Business Software Solutions Pte Ltd ("ABSS") comprising 306,000 ordinary shares of SGD1.00 each for a total cash consideration of RM30,011,025 (equivalent to SGD10 million) which represents 51% of the issued and paid-up capital of ABSS.

The following summarises the major classes of consideration transferred, and the recognised amounts of assets acquired and liabilities assumed at the date of acquisition:-

### (i) Fair Value of Purchase Consideration

	THE GROUP RM'000
Cash and cash equivalents	30,011

### (ii) Identifiable Assets Acquired and Liabilities Assumed

	NOTE	THE GROUP FAIR VALUE RECOGNISED RM'000
Plant and equipment	6	193
Intangibles assets	7	16,431
Trade receivables		803
Other receivables, deposits and prepayments		969
Inventories		68
Cash and bank balances		6,269
Deferred tax liabilities		(2,806)
Trade payables		(10)
Other payables and accruals		(3,541)
Deferred revenue		(1,844)
Provision for taxation		(1,735)
Fair value of net identifiable assets acquired		14,797

### (iii) Cash Flow Arising from Acquisition

	THE GROUP RM'000
Purchase consideration settled in cash and cash equivalents	(30,011)
Cash and cash equivalents of subsidiary acquired	6,269
Net cash outflow from the acquisition of a subsidiary	(23,742)





# notes to the financial statements

for the financial year ended 31 MARCH 2016 (cont'd)

## 37. ACQUISITION OF SUBSIDIARIES (CONT'D)

- (c) The following summarises the major classes of consideration transferred, and the recognised amounts of assets acquired and liabilities assumed at the date of acquisition:- (Cont'd)

### (iv) Goodwill Arising from Acquisition

	THE GROUP RM'000
Total consideration transferred	30,011
Less: Fair value of identifiable net assets	(14,797)
	15,214
Add: Non-controlling interests	7,250
	22,464
Goodwill from the acquisition of a subsidiary (Note 8)	22,464

The non-controlling interests are measured at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets at the date of acquisition.

### (v) Impact of Acquisition on the Group's Results

The acquired subsidiary has contributed the following post acquisition results to the Group:

	THE GROUP RM'000
Revenue	6,574
Profit after taxation	2,797

- (d) On 8 December 2015, DNeX undertook a selective capital reduction and repayment exercise in Dagang Net Technologies Sdn. Bhd. as disclosed in Note 46(b) to the financial statements for a total cash consideration of RM23,287,520. The said reduction shall be effected by way of the cancellation of the non-controlling interests shares, hence increasing DNeX's ownership from 71.25% to 100%. The following summarises the effect of changes in the equity interest in Dagang Net Technologies Sdn. Bhd. that is attributable to owners of the Company:

	GROUP RM'000
Equity interest at 1 April 2015	54,655
Effect of increase in Company's ownership interest	26,925
Share of comprehensive income	9,433
Capital reduction	(23,287)
Equity interest at 31 March 2016	67,726

# notes to the financial statements

for the financial year ended 31 MARCH 2016 (cont'd)

## 38. PURCHASE OF PLANT AND EQUIPMENT

	THE GROUP	
	2016 RM'000	2015 RM'000
Cost of plant and equipment purchased	<b>17,371</b>	8,418
Cost transferred from intangible assets (Note 7)	–	(153)
Amount financed through hire purchase	–	(324)
Cash disbursed for the purchase of plant and equipment	<b>17,371</b>	7,941

## 39. CASH AND CASH EQUIVALENTS

For the purpose of the statements of cash flows, cash and cash equivalents comprise the following:-

	THE GROUP		THE COMPANY	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Fixed deposits with licensed banks (Note 15)	<b>10,428</b>	64,798	<b>5,250</b>	11,858
Short-term investments (Note 16)	<b>74</b>	–	–	–
Cash and bank balances (Note 17)	<b>18,041</b>	16,151	<b>87</b>	68
Bank overdrafts (Note 32)	<b>(3,582)</b>	(4,755)	–	–
	<b>24,961</b>	76,194	<b>5,337</b>	11,926
Less: Fixed deposits pledged and restricted cash and bank balances as security (Notes 15 and 17)	<b>(14,497)</b>	(9,265)	<b>(4,860)</b>	(4,835)
	<b>10,464</b>	66,929	<b>477</b>	7,091



# notes to the financial statements

for the financial year ended 31 MARCH 2016 (cont'd)

## 40. DIRECTORS' REMUNERATION

- (a) The aggregate amounts of remuneration received and receivable by the directors of the Group and of the Company during the financial year are as follows:-

	THE GROUP		THE COMPANY	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Executive:				
- fees	241	173	95	90
- non-fee emoluments	1,046	1,084	1,040	992
	1,287	1,257	1,135	1,082
Non-executive:				
- fees	244	232	244	224
- non-fee emoluments	1,346	969	20	24
	2,877	2,458	1,399	1,330

- (b) The number of the Company's directors with total remuneration falling in bands of RM50,000 is as follows:-

	THE GROUP	
	2016 NUMBER OF DIRECTORS	2015
Executive directors:		
- RM400,001 - RM450,000	3	1
- RM450,001 - RM500,000	-	2
Non-executive directors:		
- RM1 - RM50,000	1	-
- RM50,001 - RM100,000	3	3
- RM650,001 - RM700,000	-	1
- RM1,350,001 - RM1,400,000	1	-
	8	7

# notes to the financial statements

for the financial year ended 31 MARCH 2016 (cont'd)

## 41. SIGNIFICANT RELATED PARTY DISCLOSURES

### (a) Identities of related parties

In addition to the information detailed elsewhere in the financial statements, the Group has related party relationships with:

- (i) an entity controlled by certain directors or key management personnel; and
  - (ii) the directors and certain members of senior management of the Company who are key management personnel.
- (b) Other than those disclosed elsewhere in the financial statements, the Group and the Company also carried out the following transactions with the related parties during the financial year:-

	THE GROUP		THE COMPANY	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Subsidiaries:				
- Dividend income received	-	-	7,221	441
Related parties:				
- Rental expenses	(515)	(515)	-	-
- Purchases	(1,158)	(2,304)	-	-
- Royalty to related party	(360)	(720)	-	-
- Sales	827	5,215	-	-
Key management personnel compensation:				
- short-term employee benefits	(7,370)	(5,600)	(1,645)	(1,523)

Key management personnel comprise executive directors, non-executive directors and senior management of the Group who have authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly.

## 42. FOREIGN EXCHANGE RATES

The principal closing foreign exchange rates used (expressed on the basis of one unit of foreign currency to RM equivalent) for the translation of the foreign currency balances at the end of the reporting year are as follows:-

	THE GROUP	
	2016 RM'000	2015 RM'000
United States Dollar	3.92	3.72
Singapore Dollar	2.9023	-
Indonesian Rupiah	0.000295	0.000284



# notes to the financial statements

for the financial year ended 31 MARCH 2016 (cont'd)

## 43. CONTINGENT LIABILITIES

- (a) Corporate guarantee

	THE COMPANY	
	2016	2015
	RM'000	RM'000
Corporate guarantee given to licensed banks for credit facilities granted to a subsidiary	22,478	30,500

- (b) Liquidated Ascertained Damages ("LAD")

There is a potential contingent liability arising from the delay in a contract undertaken by a subsidiary.

However, the Directors are confident that the potential LAD claims are unlikely to crystallise as the project is anticipated to be completed based on the extended timeline agreed with the customer.

## 44. OPERATING SEGMENTS

Operating segments are prepared in a manner consistent with the internal reporting provided to the Group Executive Committee as its chief operating decision maker in order to allocate resources to segments and to assess their performance. For management purposes, the Group is organised into business units based on their products and services provided. The business units offer different products and services, and are managed separately.

The following summary describes the operations in each of Group's reportable segments:

- (i) Financial Management Software Solution segment ("FMS") - design, development, implementation and marketing of financial management software and related services.
- (ii) Payment Aggregation Solutions segment ("PAS") - providing services for financial applications, electronic payments and collections solutions.
- (iii) Corporate segment ("CS") - provide Group level corporate services and treasury functions and investments.
- (iv) Wealth Management Solutions segment ("WMS") - providing services for portfolio management, fund accounting, unit registry, selling agent and online transaction.
- (v) Training solution segment ("TS") - providing training services in areas related to information technology.
- (vi) Information Communication Technology ("ICT") - supply, delivery, installation, testing, commissioning and maintenance of IT hardware, development, management and provision of business to business (B2B) e-commerce and computerised transaction facilitation services, providing of cyber security solutions, managed services, project fulfilment, assets maintenance and contact centres.
- (vii) Energy segment ("Energy") - providing upstream oil and gas exploration, production and involvement in power plant, engineering and energy related business.

#### 44. OPERATING SEGMENTS (CONT'D)

[illegible]

# notes to the financial statements

for the financial year ended 31 MARCH 2016 (cont'd)

## 44. OPERATING SEGMENTS (CONT'D)

BUSINESS SEGMENTS	FMS RM'000	PAS RM'000	CS RM'000	WMS RM'000	TS RM'000	ICT RM'000	ENERGY RM'000	ELIMINATION RM'000	THE GROUP RM'000
2016									
Additions to non-current assets other than financial instruments:									
- plant and equipment	383	6	-	241	219	861	15,661	-	17,371
- intangible assets	3,777	-	-	323	-	1,285	-	-	5,385
Other material items of (income)/ expenses consist of the following:									
Depreciation and amortisation	5,012	478	-	808	98	7,362	1,937	-	15,695
Impairment loss on:									
- intangible assets	-	1,229	-	-	-	-	-	-	1,229
- trade receivables	12,625	-	-	-	-	482	-	-	13,107
- other receivables	-	-	-	-	-	75	-	-	75
Interest expense	1,528	-	2,880	-	-	1,160	-	-	5,568
Interest income	(42)	-	(243)	-	-	(1,230)	-	-	(1,515)

#### 44. OPERATING SEGMENTS (CONT'D)

[illegible]



# notes to the financial statements

for the financial year ended 31 MARCH 2016 (cont'd)

## 44. OPERATING SEGMENTS (CONT'D)

BUSINESS SEGMENTS	FMS RM'000	PAS RM'000	CS RM'000	WMS RM'000	TS RM'000	ICT RM'000	OG RM'000	ELIMINATION RM'000	THE GROUP RM'000
2015									
Additions to non-current assets other than financial instruments:									
- plant and equipment	474	14	-	779	105	6,882	11	-	8,265
- intangible assets	2,164	-	-	-	-	1,594	-	-	3,758
Other material items of (income)/ expenses consist of the following:									
Depreciation and amortisation	5,013	928	-	587	111	9,284	-	-	15,923
Impairment loss on:									
- trade receivables	-	-	-	-	-	654	-	-	654
- other receivables	-	-	-	-	-	14	-	-	14
Interest expense	1,299	-	3,238	-	-	2,135	-	-	6,672
Interest income	(10)	-	(188)	-	-	(1,800)	-	-	(1,998)
Writeback of allowance for impairment loss:									
- trade receivables	-	-	-	-	-	(244)	-	-	(244)
- other receivables	-	-	-	-	-	(303)	-	-	(303)

# notes to the financial statements

for the financial year ended 31 MARCH 2016 (cont'd)

## 44. OPERATING SEGMENTS (CONT'D)

### GEOGRAPHICAL INFORMATION

	Revenue		Non-current Assets	
	As at 2016 RM'000	As at 2015 RM'000	As at 2016 RM'000	As at 2015 RM'000
Indonesia	5,125	3,638	2,176	2,199
Singapore	6,374	–	285	–
Malaysia	153,542	148,413	125,881	98,864
	165,041	152,051	128,342	101,063

### MAJOR CUSTOMERS

Revenue from one major customer, with revenue equal to or more than 10% of Group revenue, amounted to approximately RM25.9 million (2015 – RM27.8 million) arising from sales by the ICT segment.



# notes to the financial statements

for the financial year ended 31 MARCH 2016 (cont'd)

## 45. FINANCIAL INSTRUMENTS

The Group's activities are exposed to a variety of market risk (including foreign currency risk and interest rate risk), credit risk and liquidity risk. The Group's overall financial risk management policy focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

### 45.1 FINANCIAL RISK MANAGEMENT POLICIES

The Group's policies in respect of the major areas of treasury activity are as follows:-

#### (a) Market Risk

##### (i) Foreign Currency Risk

The Group is exposed to foreign currency risk on transactions and balances that are denominated in currencies other than Ringgit Malaysia. The currencies giving rise to this risk are primarily Singapore Dollar, Indonesian Rupiah and United States Dollar (USD). Foreign currency risk is monitored closely on an ongoing basis to ensure that the net exposure is at an acceptable level.

##### *Foreign currency exposure*

	SINGAPORE DOLLAR RM'000	UNITED STATES DOLLAR RM'000	INDONESIAN RUPIAH RM'000	RINGGIT MALAYSIA RM'000	TOTAL RM'000
<b>The Group</b>					
2016					
<b>Financial Assets</b>					
Other investments	–	4,172	–	100	4,272
Amount owing by contract customers	–	–	–	32,278	32,278
Trade receivables	1,430	1,157	498	98,120	101,205
Other receivables and deposits	73	3,728	4,868	33,223	41,892
Fixed deposits with licensed banks	1,533	–	–	8,895	10,428
Cash and bank balances	3,187	451	26	14,377	18,041
Short term investments	–	–	–	74	74
	6,223	9,508	5,392	187,067	208,190

# notes to the financial statements

for the financial year ended 31 MARCH 2016 (cont'd)

## 45. FINANCIAL INSTRUMENTS (CONT'D)

### 45.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

#### (a) Market Risk (Cont'd)

##### (i) Foreign Currency Risk (Cont'd)

*Foreign currency exposure (Cont'd)*

	SINGAPORE DOLLAR RM'000	UNITED STATES DOLLAR RM'000	INDONESIAN RUPIAH RM'000	RINGGIT MALAYSIA RM'000	TOTAL RM'000
<b>The Group</b>					
2016					
<b>Financial Liabilities</b>					
Hire purchase payables	–	–	–	962	962
Term loans	–	–	–	84,695	84,695
Trade payables	7	40	38	9,048	9,133
Other payables and accruals	749	–	836	38,837	40,422
Bank overdrafts	–	–	–	3,582	3,582
	<b>756</b>	<b>40</b>	<b>874</b>	<b>137,124</b>	<b>138,794</b>
Net financial assets	<b>5,467</b>	<b>9,468</b>	<b>4,518</b>	<b>49,943</b>	<b>69,396</b>
Less: Net financial assets denominated in the respective entities' functional currencies	–	–	–	(49,943)	(49,943)
<b>Currency Exposure</b>	<b>5,467</b>	<b>9,468</b>	<b>4,518</b>	<b>–</b>	<b>19,453</b>



# notes to the financial statements

for the financial year ended 31 MARCH 2016 (cont'd)

## 45. FINANCIAL INSTRUMENTS (CONT'D)

### 45.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

#### (a) Market Risk (Cont'd)

##### (i) Foreign Currency Risk (Cont'd)

*Foreign currency exposure (Cont'd)*

	UNITED STATES DOLLAR RM'000	INDONESIAN RUPIAH RM'000	RINGGIT MALAYSIA RM'000	TOTAL RM'000
<b>The Group</b>				
2015				
<b>Financial Assets</b>				
Other investments	–	–	100	100
Amount owing by contract customers	–	–	30,720	30,720
Trade receivables	36	171	111,979	112,186
Other receivables and deposits	–	2,503	16,042	18,545
Amount owing by a related party	–	–	6,671	6,671
Fixed deposits with licensed banks	–	9	64,789	64,798
Cash and bank balances	1,943	25	14,183	16,151
	1,979	2,708	244,484	249,171

# notes to the financial statements

for the financial year ended 31 MARCH 2016 (cont'd)

## 45. FINANCIAL INSTRUMENTS (CONT'D)

### 45.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

#### (a) Market Risk (Cont'd)

##### (i) Foreign Currency Risk (Cont'd)

*Foreign currency exposure (Cont'd)*

	UNITED STATES DOLLAR RM'000	INDONESIAN RUPIAH RM'000	RINGGIT MALAYSIA RM'000	TOTAL RM'000
<b>The Group</b>				
2015				
<b>Financial Liabilities</b>				
Hire purchase payables	–	–	1,109	1,109
Term loans	–	–	78,428	78,428
Trade payables	–	33	6,620	6,653
Other payables and accruals	–	665	19,667	20,332
Amount owing to a related party	–	–	1,007	1,007
Bank overdrafts	–	–	4,755	4,755
	–	698	111,586	112,284
Net financial assets	1,979	2,010	132,898	136,887
Less: Net financial assets denominated in the respective entities' functional currencies	–	–	(132,898)	(132,898)
<b>Currency Exposure</b>	1,979	2,010	–	3,989



# notes to the financial statements

for the financial year ended 31 MARCH 2016 (cont'd)

## 45. FINANCIAL INSTRUMENTS (CONT'D)

### 45.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

#### (a) Market Risk (Cont'd)

##### (i) Foreign Currency Risk (Cont'd)

##### *Foreign currency risk sensitivity analysis*

The following table details the sensitivity analysis to a reasonably possible change in the foreign currencies at the end of the reporting period, with all other variables held constant:-

	THE GROUP		THE COMPANY	
	2016 INCREASE/ (DECREASE) RM'000	2015 INCREASE/ (DECREASE) RM'000	2016 INCREASE/ (DECREASE) RM'000	2015 INCREASE/ (DECREASE) RM'000
<b>Effects On Profit/(Loss)After Taxation</b>				
Strengthened by 10%				
- United States Dollar	<b>710</b>	148	-	-
- Singapore Dollar	<b>410</b>	-	-	-
- Indonesian Rupiah	<b>339</b>	151	-	-
Weakened by 10%				
- United States Dollar	<b>(710)</b>	(148)	-	-
- Singapore Dollar	<b>(410)</b>	-	-	-
- Indonesian Rupiah	<b>(339)</b>	(151)	-	-
<b>Effects On Equity</b>				
Strengthened by 10%				
- United States Dollar	<b>710</b>	148	-	-
- Singapore Dollar	<b>410</b>	-	-	-
- Indonesian Rupiah	<b>339</b>	151	-	-
Weakened by 10%				
- United States Dollar	<b>(710)</b>	(148)	-	-
- Singapore Dollar	<b>(410)</b>	-	-	-
- Indonesian Rupiah	<b>(339)</b>	(151)	-	-

# notes to the financial statements

for the financial year ended 31 MARCH 2016 (cont'd)

## 45. FINANCIAL INSTRUMENTS (CONT'D)

### 45.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

#### (a) Market Risk (Cont'd)

##### (ii) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to interest rate risk arises mainly from interest-bearing financial assets and liabilities. The Group's policy is to obtain the most favourable interest rates available. Any surplus funds of the Group will be placed with licensed financial institutions to generate interest income.

Information relating to the Group's exposure to the interest rate risk of the financial liabilities is disclosed in Note 45.1(c) to the financial statements.

#### *Interest rate risk sensitivity analysis*

The following table details the sensitivity analysis to a reasonably possible change in the interest rates at the end of the reporting period, with all other variables held constant:-

	THE GROUP		THE COMPANY	
	2016 INCREASE/ (DECREASE) RM'000	2015 INCREASE/ (DECREASE) RM'000	2016 INCREASE/ (DECREASE) RM'000	2015 INCREASE/ (DECREASE) RM'000
<b>Effects On Profit/(Loss) After Taxation</b>				
Increase of 100 basis points ("bp")	(669)	(632)	(377)	(239)
Decrease of 100 bp	669	632	377	239
<b>Effects On Equity</b>				
Increase of 100 basis points ("bp")	(669)	(632)	(377)	(239)
Decrease of 100 bp	669	632	377	239





# notes to the financial statements

for the financial year ended 31 MARCH 2016 (cont'd)

## 45. FINANCIAL INSTRUMENTS (CONT'D)

### 45.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

#### (b) Credit Risk

The Group's exposure to credit risk, or the risk of counterparties defaulting, arises mainly from trade and other receivables. The Group manages its exposure to credit risk by the application of credit approvals, credit limits and monitoring procedures on an ongoing basis. For other financial assets (including cash and bank balances), the Group minimises credit risk by dealing exclusively with high credit rating counterparties.

The Group establishes an allowance for impairment that represents its estimate of incurred losses in respect of the trade and other receivables as appropriate. The main components of this allowance are a specific loss component that relates to individually significant exposures, and a collective loss component established for groups of similar assets in respect of losses that have been incurred but not yet identified. Impairment is estimated by management based on prior experience and the current economic environment.

#### (i) Credit risk concentration profile

The Group's major concentration of credit risk relates to the amounts owing by three customers which constituted approximately 35% (2015 - 53%) of its total trade receivables at the end of the reporting period.

#### (ii) Exposure to credit risk

As the Group does not hold any collateral, the maximum exposure to credit risk is represented by the carrying amount of the financial assets at the end of the reporting period.

The exposure of credit risk for trade receivables by geographical region is as follows:-

	THE GROUP	
	2016 RM'000	2015 RM'000
Indonesia	498	171
Singapore	1,430	–
Malaysia	99,277	112,015
	<b>101,205</b>	112,186

# notes to the financial statements

for the financial year ended 31 MARCH 2016 (cont'd)

## 45. FINANCIAL INSTRUMENTS (CONT'D)

### 45.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

#### (b) Credit Risk (Cont'd)

##### (iii) Ageing analysis

The ageing analysis of the Group's trade receivables at the end of the reporting period is as follows:-

	GROSS AMOUNT RM'000	INDIVIDUAL IMPAIRMENT RM'000	CARRYING VALUE RM'000
<b>The Group</b>			
2016			
Not past due	53,994	–	53,994
Past due:-			
- 31 - 60 days	6,462	–	6,462
- 61 - 90 days	2,627	–	2,627
- 91 - 150 days	11,819	(403)	11,416
- more than 150 days	40,172	(13,466)	26,706
	<b>115,074</b>	<b>(13,869)</b>	<b>101,205</b>
2015			
Not past due	60,014	(8)	60,006
Past due:-			
- 31 - 60 days	11,344	(9)	11,335
- 61 - 90 days	3,146	(8)	3,138
- 91 - 150 days	5,374	(72)	5,302
- more than 150 days	33,070	(665)	32,405
	<b>112,948</b>	<b>(762)</b>	<b>112,186</b>



# notes to the financial statements

for the financial year ended 31 MARCH 2016 (cont'd)

## 45. FINANCIAL INSTRUMENTS (CONT'D)

### 45.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

#### (b) Credit Risk (Cont'd)

##### (iii) Ageing analysis (Cont'd)

At the end of the reporting period, trade receivables that are individually impaired were those having significant balances past due more than 150 days and which are deemed to have higher credit risk. These receivables are not secured by any collateral or credit enhancement.

##### *Trade receivables that are past due but not impaired*

The Group believes that no impairment allowance is necessary in respect of these trade receivables. They are substantially government agencies with good collection track record and no recent history of default.

##### *Trade receivables that are neither past due nor impaired*

A significant portion of trade receivables that are neither past due nor impaired are regular customers that have been transacting with the Group. The Group uses ageing analysis to monitor the credit quality of the trade receivables. Any receivables having significant balances past due or more than 150 days, which are deemed to have higher credit risk, are monitored individually.

# notes to the financial statements

for the financial year ended 31 MARCH 2016 (cont'd)

## 45. FINANCIAL INSTRUMENTS (CONT'D)

### 45.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

#### (c) Liquidity Risk

Liquidity risk arises mainly from general funding and business activities. The Group practises prudent risk management by maintaining sufficient cash balances and the availability of funding through certain committed credit facilities.

The following table sets out the maturity profile of the financial liabilities at the end of the reporting year based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on the rates at the end of the reporting year):-

	WEIGHTED AVERAGE EFFECTIVE RATE %	CARRYING AMOUNT RM'000	CONTRACTUAL UNDISCOUNTED CASH FLOWS RM'000	WITHIN 1 YEAR RM'000	1 - 5 YEARS RM'000	OVER 5 YEARS RM'000
<b>The Group</b>						
2016						
Hire purchase payables	4.63	962	1,096	192	681	223
Term loans	7.15	84,695	90,753	43,620	47,133	—
Trade payables	—	9,133	9,133	9,133	—	—
Other payables and accruals	—	40,422	40,422	40,422	—	—
Bank overdrafts	8.10	3,582	3,582	3,582	—	—
		<b>138,794</b>	<b>144,986</b>	<b>96,949</b>	<b>47,814</b>	<b>223</b>
2015						
Hire purchase payables	4.81	1,109	1,291	192	575	524
Term loans	6.58	78,428	83,670	67,932	15,738	—
Trade payables	—	6,653	6,653	6,653	—	—
Other payables and accruals	—	20,332	20,332	20,332	—	—
Amount owing to a related party	—	1,007	1,007	1,007	—	—
Bank overdrafts	8.10	4,755	4,755	4,755	—	—
		<b>112,284</b>	<b>117,708</b>	<b>100,871</b>	<b>16,313</b>	<b>524</b>



# notes to the financial statements

for the financial year ended 31 MARCH 2016 (cont'd)

## 45. FINANCIAL INSTRUMENTS (CONT'D)

### 45.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

#### (c) Liquidity Risk (Cont'd)

	WEIGHTED AVERAGE EFFECTIVE RATE %	CARRYING AMOUNT RM'000	CONTRACTUAL UNDISCOUNTED CASH FLOWS RM'000	WITHIN 1 YEAR RM'000	1 - 5 YEARS RM'000
<b>The Company</b>					
2016					
Term loans	7.61	50,200	54,020	6,887	47,133
Other payables and accruals	–	937	937	937	–
		<b>51,137</b>	<b>54,957</b>	<b>7,824</b>	<b>47,133</b>
2015					
Term loans	8.00	31,800	31,800	31,800	–
Other payables and accruals	–	2,008	2,008	2,008	–
		<b>33,808</b>	<b>33,808</b>	<b>33,808</b>	<b>–</b>

# notes to the financial statements

for the financial year ended 31 MARCH 2016 (cont'd)

## 45. FINANCIAL INSTRUMENTS (CONT'D)

### 45.2 CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that entities within the Group will be able to maintain an optimal capital structure so as to support their businesses and maximise shareholders' value. To achieve this objective, the Group may make adjustments to the capital structure in view of changes in economic conditions, such as adjusting the amount of dividend payment, returning of capital to shareholders or issuing new shares.

The Group manages its capital based on debt-to-equity ratio. The net debt components comprise total borrowings from financial institutions less cash and cash equivalents.

The debt-to-equity ratio of the Group at the end of the reporting period is as follows:-

	<b>THE GROUP</b>	
	<b>2016</b>	<b>2015</b>
	<b>RM'000</b>	<b>RM'000</b>
Hire purchase payables	<b>962</b>	1,109
Term loans	<b>84,695</b>	78,428
Bank overdrafts	<b>3,582</b>	4,755
	<b>89,239</b>	84,292
Less: Fixed deposits with licensed banks	<b>(10,428)</b>	(64,798)
Less: Short-term investments	<b>(74)</b>	–
Less: Cash and bank balances	<b>(18,041)</b>	(16,151)
Net debt	<b>60,696</b>	3,343
Total equity	<b>210,439</b>	214,197
Debt-to-equity ratio (times)	<b>0.29</b>	0.02

Under the requirement of Bursa Malaysia Practice Note No. 17/2005, the Company is required to maintain a consolidated shareholders' equity (total equity attributable to owners of the Company) more than 25% of the issued and paid-up share capital (excluding treasury shares) and such shareholders' equity is not less than RM40 million. The Company has complied with this requirement.



# notes to the financial statements

for the financial year ended 31 MARCH 2016 (cont'd)

## 45. FINANCIAL INSTRUMENTS (CONT'D)

### 45.3 CLASSIFICATION OF FINANCIAL INSTRUMENTS

	THE GROUP		THE COMPANY	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
<b>Financial Assets</b>				
<u>Available-for-sale financial Assets</u>				
Other investments, at cost	4,272	100	–	–
<u>Loans and receivables financial assets</u>				
Amount owing by contract customers	32,278	30,720	–	–
Trade receivables	101,205	112,186	–	–
Other receivables and deposits	41,892	18,545	99	–
Amount owing by subsidiaries	–	–	29,498	28,246
Amount owing by a related party	–	6,671	–	–
Fixed deposits with licensed banks	10,428	64,798	5,250	11,858
Cash and bank balances	18,041	16,151	87	68
	203,844	249,071	34,934	40,172
<u>Fair Value through Profit or Loss: Held for Trading</u>				
Short-term investments	74	–	–	–
<b>Financial Liabilities</b>				
<u>Other financial liabilities</u>				
Hire purchase payables	962	1,109	–	–
Term loans	84,695	78,428	50,200	31,800
Trade payables	9,133	6,653	–	–
Other payables and accruals	40,422	20,332	937	2,008
Amount owing to a related party	–	1,007	–	–
Bank overdrafts	3,582	4,755	–	–
	138,794	112,284	51,137	33,808

# notes to the financial statements

for the financial year ended 31 MARCH 2016 (cont'd)

## 45. FINANCIAL INSTRUMENTS (CONT'D)

### 45.4 FAIR VALUE INFORMATION

Other than those disclosed below, the fair values of the financial assets and financial liabilities maturing within the next 12 months approximated their carrying amounts due to the relatively short-term maturity of the financial instruments. These fair values are included in level 2 of the fair value hierarchy.

	FAIR VALUE OF FINANCIAL INSTRUMENTS CARRIED AT FAIR VALUE			FAIR VALUE OF FINANCIAL INSTRUMENTS NOT CARRIED AT FAIR VALUE			TOTAL FAIR VALUE RM'000	CARRYING AMOUNT RM'000
	LEVEL 1 RM'000	LEVEL 2 RM'000	LEVEL 3 RM'000	LEVEL 1 RM'000	LEVEL 2 RM'000	LEVEL 3 RM'000		
<b>The Group</b>								
2016								
<u>Financial Assets</u>								
Other investments:								
- unquoted shares	-	-	-	-	-	-	#	4,272
Short-term investments	-	74	-	-	-	-	74	74
<u>Financial Liabilities</u>								
Hire purchase payables	-	-	-	-	811	-	811	811
Term loans	-	-	-	-	43,800	-	43,800	43,800

# - The fair value cannot be reliably measured using valuation techniques due to the lack of marketability of the unquoted shares.



# notes to the financial statements

for the financial year ended 31 MARCH 2016 (cont'd)

## 45. FINANCIAL INSTRUMENTS (CONT'D)

### 45.4 FAIR VALUE INFORMATION (CONT'D)

	FAIR VALUE OF FINANCIAL INSTRUMENTS CARRIED AT FAIR VALUE			FAIR VALUE OF FINANCIAL INSTRUMENTS NOT CARRIED AT FAIR VALUE			TOTAL FAIR VALUE RM'000	CARRYING AMOUNT RM'000
	LEVEL 1 RM'000	LEVEL 2 RM'000	LEVEL 3 RM'000	LEVEL 1 RM'000	LEVEL 2 RM'000	LEVEL 3 RM'000		
<b>The Group</b>								
2015								
<u>Financial Assets</u>								
Other investments:								
- unquoted shares	-	-	-	-	-	-	#	100
Trade receivables	-	19,221	-	-	-	-	19,221	20,165
<u>Financial Liabilities</u>								
Hire purchase payables	-	-	-	-	965	-	965	965
Term loans	-	15,412	-	-	-	-	15,412	15,412

# - The fair value cannot be reliably measured using valuation techniques due to the lack of the unquoted shares.

The fair value of level 2 above has been determined using the following basis:

- The fair values of trade receivables and term loan are determined by discounting the relevant cash flows using interest rates for similar instruments at the end of the reporting period.
- The fair value of the short-term investments are measured at their market price at the end of the reporting period.
- There were no transfer between level 1 and level 2 during the financial period.

# notes to the financial statements

for the financial year ended 31 MARCH 2016 (cont'd)

## 46. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

- (a) A subsidiary of the Group, Dagang NeXchange Berhad ("DNeX") announced on 18 June 2014 that DNeX is undertaking a proposed renounceable rights issue ("Proposed Rights Issue"), proposed special issue ("Proposed Special Issue"), proposed acquisition of 100% of the issued and paid-up capital of OGPC Sdn. Bhd. ("OGPC") (Company No. 300347-H) and 52% of the issued and paid-up capital of OGPC O & G Sdn. Bhd. ("OGPCOG") (Company No. 805887-X) ("Proposed Acquisitions") and the proposed establishment of an Employees' Share Option Scheme ("ESOS") ("Proposed ESOS").

The Proposed Rights Issue, Proposed Special Issue, Proposed Acquisitions and Proposed ESOS are hereinafter collectively referred to as "the Proposals".

On 5 March 2015, DNeX announced that it is revising the terms of the Proposed Special Issue ("Revised Proposed Special Issue") and the terms of the Proposed Acquisitions ("Revised Proposed Acquisitions").

The Proposed Rights Issue, Revised Proposed Special Issue, Revised Proposed Acquisitions and Proposed ESOS shall be collectively referred to as the "Revised Proposals".

The Revised Proposals are subject to the following approvals being obtained:-

- (i) the Securities Commission Malaysia ("SC") pursuant to the SC Equity Guidelines for the significant change in the business direction or policy of DNeX and the registration of the Abridged Prospectus ("AP");
- (ii) Bursa Securities pursuant to the Listing Requirements;
- (iii) The shareholders of DNeX for the Revised Proposals;
- (iv) Companies Commission of Malaysia for the lodgement of the AP; and
- (v) Such other waivers, consents or approvals as may be required from any relevant authorities and/or third parties including Khazanah Nasional Berhad, if required.

The SC had on 20 October 2015, approved DNeX's Revised Proposals. Subsequently on 27 January 2016, DNeX had obtained approval from its shareholders at an Extraordinary General Meeting ("EGM") in relation to the above Revised Proposals.



# notes to the financial statements

for the financial year ended 31 MARCH 2016 (cont'd)

## 46. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR (CONT'D)

- (b) On 9 April 2015, DNeX announced that its 71.25% subsidiary, Dagang Net Technologies Sdn. Bhd. ("Dagang Net") is undertaking a selective capital reduction and repayment exercise pursuant to Section 64 of the Companies Act, 1965 ("Proposed SCR") by the reduction of the outstanding ordinary shares of RM0.50 each in Dagang Net ("Dagang Net Shares") held by the shareholders of Dagang Net, such shareholders being Lembaga Tabung Haji ("Tabung Haji"), Bank Islam Malaysia Berhad ("BIMB"), Juasa Holdings Sdn. Bhd. ("Juasa Holdings") and Dato' Sri Syed Hussien bin Abd Kadir (trustee for National Chamber of Commerce and Industry of Malaysia) ("Dato' Sri Syed Hussien") (Tabung Haji, BIMB, Juasa Holdings and Dato' Sri Syed Hussien are collectively referred to as Minority Shareholders ("Minority Shareholders")), who agree or have agreed to accept the Proposed SCR.

The said reduction shall be effected by way of cancellation of such Dagang Net Shares held by the Minority Shareholders who accept or who agree to accept the Proposed SCR in consideration of a capital repayment by Dagang Net of RM1.50 in cash for each existing Dagang Net Share held by the Minority Shareholders who accept or agree to accept the Proposed SCR.

The Proposed SCR is completed and Dagang Net is deemed as the Company's wholly-owned subsidiary as at 31 December 2015.

- (c) On 13 April 2015, a subsidiary of DNeX had acquired a 51% equity interest in DNeX RFID Sdn Bhd., comprising 51 ordinary shares on RM1.00 each for a total cash consideration of RM51.
- (d) On 20 May 2015, DNeX acquired a 30% equity interest in Global Energy Corp Limited ("GECL"), comprising 3 ordinary shares of USD1 each for a total cash consideration of USD3. On 1 January 2016, DNeX acquired the remaining 7 ordinary shares of USD1 each in GECL for a consideration of USD7, thus making GECL became a wholly-owned subsidiary of DNeX.
- (e) On 6 August 2015, a subsidiary of DNeX has changed its name from DNeX Hallmark e-Commerce Sdn Bhd to DNeXPORT Sdn Bhd.
- (f) On 7 September 2015, DNeX Petroleum Sdn Bhd ("DNeX Petroleum") had entered into a share subscription agreement with Ping Petroleum Limited ("Ping") to subscribe for new ordinary shares of USD0.001 each in Ping, which represent 30% of the enlarged issued share capital of Ping, for a total consideration of USD10.0 million. ("Proposed Ping Subscription")

The Proposed Ping Subscription is subject to the following approvals being obtained:-

- (i) DNeX's shareholders for the Proposed Ping Subscription at the forthcoming EGM;
- (ii) such other waivers, consents or approvals as may be required from any relevant authorities and/or third parties, if required.

Subsequently on 27 April 2016, DNeX had obtained approval from its shareholders to the above Proposed Ping Subscription.

# notes to the financial statements

for the financial year ended 31 MARCH 2016 (cont'd)

## 46. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR (CONT'D)

- (g) On 3 December 2015, the Company acquired a 51% equity interest in Asian Business Software Solutions Pte Ltd ("ABSS"), comprising 306,000 ordinary shares of ABSS of SGD1.00 each for a total cash consideration of RM30,011,025 (equivalent to SGD10.0 million).
- (h) On 12 January 2016, the Company issued RM504,236 worth of RCN which were subsequently converted into 5,042,355 new ordinary shares of RM0.10 each. The new ordinary shares ranked pari passu in all respects with the existing issued ordinary shares of the Company.

## 47. SIGNIFICANT EVENT OCCURRING AFTER THE REPORTING YEAR

- (a) On 28 April 2016, DNeX Oilfield Services Sdn. Bhd. received a Letter of Award from PETRONAS Carigali Sdn. Bhd. ("PETRONAS Carigali") for an Umbrella Contract for the Provision of Directional Drilling/ Measurement While Drilling/ Logging While Drilling (DD/MWD/LWD) Equipment and Services ("Contract"). The Contract is for 3 years, effective from 28 April 2016 to 27 April 2019, with an extension option of 1 year on the part of PETRONAS Carigali.



# notes to the financial statements

for the financial year ended 31 MARCH 2016 (cont'd)

## 48. SUPPLEMENTARY INFORMATION - DISCLOSURE OF REALISED AND UNREALISED PROFITS/LOSSES

The breakdown of the retained profits of the Group and of the Company at the end of the reporting period into realised and unrealised profits/(losses) are presented in accordance with the directive issued by Bursa Malaysia Securities Berhad and prepared in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants, as follows:-

	THE GROUP		THE COMPANY	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Total retained profits/(accumulated loss) of the Company and its subsidiaries:				
- realised	(21,114)	(27,372)	(2,872)	(2,916)
- unrealised	775	2,769	-	-
	(20,339)	(24,603)	(2,872)	(2,916)
Add: Consolidation adjustments	69,017	76,834	-	-
At 31 March	48,678	52,231	(2,872)	(2,916)

# chapter

## additional information

**163** notice of  
annual general meeting

**165** PDPA notice

proxy form





# notice of eighth annual general meeting

NOTICE IS HEREBY GIVEN that the Eighth Annual General Meeting of CENSOF HOLDINGS BERHAD ("Censof" or the "Company") will be held at Capri by Fraser Hotel, Pod 1, Level 32A, NO.5, Jalan Kerinchi, Bangsar South City, 59200, Kuala Lumpur, Malaysia, on Tuesday, 20 September 2016 at 10.00 a.m. for the following purposes:-

## AGENDA

### AS ORDINARY BUSINESS

- |   |                              |
|---|------------------------------|
| 1. To receive the Audited Financial Statements for the financial year ended 31 March 2016 together with the Directors' and Auditors' Reports thereon.           |                              |
| 2. To approve the payment of Directors' fees of RM425,000 for the financial year ending 31 March 2017 and payable quarterly in arrears.                         | <b>Ordinary Resolution 1</b> |
| 3. To re-elect the following directors retiring pursuant to the Company's Articles of Association and being eligible, have offered themselves for re-election:- |                              |
| 3.1 Datuk Samsul Bin Husin (Article 78)   | <b>Ordinary Resolution 2</b> |
| 3.2 Tuan Haji Ab. Gani Bin Haron (Article 78)   | <b>Ordinary Resolution 3</b> |
| 4. To re-appoint Tan Sri Dato' Mohd Ibrahim Bin Mohd Zain retiring pursuant to Section 129(6) of the Companies Act 1965 as Director of the Company.             | <b>Ordinary Resolution 4</b> |
| 5. To re-appoint Messrs Crowe Horwath as Auditors of the Company and to authorise the Directors to fix their remuneration.                                      | <b>Ordinary Resolution 5</b> |

### AS SPECIAL BUSINESS

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

- |   |                              |
|---|------------------------------|
| 6. <b>AUTHORITY TO ALLOT SHARES PURSUANT TO SECTION 132D OF THE COMPANIES ACT, 1965</b>   | <b>Ordinary Resolution 6</b> |
| <p>"THAT pursuant to Section 132D of the Companies Act, 1965, and subject to the approvals of the relevant governmental and/or regulatory authorities, the Directors be and are hereby empowered to issue shares in the Company from time to time and upon such terms and conditions and for such purposes as the Directors may in their absolute discretion deem fit, provided that the aggregate number of shares issued pursuant to this resolution does not exceed ten (10) per cent of the issued share capital of the Company thereat AND THAT the Directors be and are also hereby authorised to obtain the approval from Bursa Malaysia Securities Berhad for the listing and quotation of the additional shares so issued AND THAT such authority shall continue in force until the conclusion of the next Annual General Meeting of the Company."</p> |                              |
| 7. To transact any other business which may properly be transacted at an Annual General Meeting for which due notice shall have been given.   |                              |

By order of the Board

**LIM SECK WAH (MAICSA NO. 0799845)**  
**M. CHANDRASEGARAN A/L S. MURUGASU (MAICSA NO. 0781031)**  
 Company Secretaries

Kuala Lumpur  
 Dated this: 29 July 2016

# notice of eighth annual general meeting

## Notes:-

1. For the purpose of determining a member who shall be entitled to attend and vote at the Annual General Meeting, the Company shall be requesting the Record of Depositors as at 13 September 2016. Only a depositor whose name appears on the Record of Depositors as at 13 September 2016 shall be entitled to attend the said meeting or appoint proxies to attend, speak and vote in his/her stead.
2. A member entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend and vote in his/her stead. A member may appoint up to two proxies to attend the same meeting provided that he specifies the proportion of his shareholding to be represented by each proxy. A proxy may but need not be a member of the Company and a member may appoint any person to be his proxy.
3. Where a member is an authorised nominee as defined under the Security Industry (Central Depositories) Act, 1991, it may appoint at least one (1) proxy in respect of each Securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.
4. A member who is an exempt authorised nominee is entitled to appoint multiple proxies for each omnibus account it holds.
5. The Form of Proxy shall be in writing under the hand of the appointor or his attorney duly authorised in writing or if such appointor is a corporation, under its common seal or under the hand of the attorney.
6. The Form of Proxy must be deposited at the share registrar of the Company at Level 6, Symphony House, Block D13, Pusat Dagangan Dana 1, Jalan PJU 1A/46, 47301 Petaling Jaya, Selangor Darul Ehsan not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof.

## Explanatory Notes on Special Businesses:-

### 1. Ordinary Resolution 6

The proposed Resolution 6 is a renewal of mandate given by the shareholders at the previous Annual General Meeting held on 25 August 2015, primarily to give flexibility to the Board of Directors to issue and allot shares at any time in their absolute discretion and for such purposes as they consider would be in the interest of the Company without convening a general meeting. This authority, unless revoked or varied at a general meeting, will expire at the next annual general meeting of the Company.

The Company continues to consider opportunities to broaden its earnings potential. If any of the expansion/diversification proposals involves the issue of new shares, the Directors, under certain circumstance when the opportunity arises, would have to convene a general meeting to approve the issue of new shares even though the number involved may be less than 10% of the issued capital.

In order to avoid any delay and costs involved in convening a general meeting to approve such issue of shares, it is thus considered appropriate that the Directors be empowered to issue shares in the Company, up to any amount not exceeding in total 10% of the issued share capital of the Company for the time being thereat. The renewed authority will provide flexibility to the Company for the allotment of shares for the purpose of funding future investment, working capital and/or acquisitions. This authority, unless revoked or varied at a general meeting will expire at the conclusion of the next Annual General Meeting of the Company.

As at the date of this Notice, 10,000,000 new ordinary shares of RM0.10 each in the Company were issued by way of private placement to identified investors pursuant to Section 132D of the Companies Act 1965 which is equivalent to 2% of the Company's paid-up capital thereat. Total proceeds raised from the private placement exercise was RM6,250,000.

The details of utilisation of the proceeds from the private placement exercise are disclosed on page 53 of this Annual Report.



# PDPA notice / notis PDPA

## NOTICE TO SHAREHOLDERS PURSUANT TO THE PERSONAL DATA PROTECTION ACT 2010

This Notice is given in connection with you being a shareholder of Censof Holdings Berhad (828269-A) ("Company").

The Personal Data Protection Act 2010 (hereinafter referred to as "PDPA"), which regulates the processing of personal data in commercial transactions, applies to the Company. For the purposes of this Notice, the term "personal data" and "processing" shall have the same meaning as prescribed in the PDPA.

1. This written notice ("Notice") serves to inform you that your personal data is being processed by or on behalf of the Company.
2. The personal data processed by us may include name, national identity, card number, contact number and address or other particulars provided by you or on your behalf in connection with your shareholding in the Company.
3. We are processing your personal data, including any additional information you may subsequently provide, for the following purposes ("Purposes"):
  - (a) Sending you notices and circulars relating to your status as a shareholder in the Company;
  - (b) Paying you dividends and giving you other benefits relating to your shareholding in the Company;
  - (c) Dealing with all matters in connection with your shareholding in the Company; or such other purposes as may be related to the foregoing.
4. The personal data processed by us include all information you have provided to us as well as other information we may obtain about you.
5. You may access and request for updating and correction of your personal data and to contact us with any enquiries or complaints in respect of your personal data as follows:

**Contact Person : Company Secretary**  
**Telephone : 03-2692 4271**  
**Facsimile : 03-2732 5388**  
**E-mail address : info@megacorp.com.my**

In accordance with the PDPA:

- (a) We may charge a prescribed fee for processing your request for access or correction; and
  - (b) We may refuse to comply with your request for access or correction to your personal data and if we refuse to comply with such request, we will inform you of our refusal and reason for our refusal.
6. Your personal data may be disclosed by us in connection with the above Purposes, to all government and/or quasi-governmental departments and/or agencies, regulatory and/or statutory bodies and third parties as may be required by law or arising from any legal obligation which is imposed on us to our lawyers, auditors and/or service providers.
  7. You are responsible for ensuring that the personal data you provide us is accurate, complete and not misleading and that such personal data is kept up to date.
  8. If you fail to supply to us the above mentioned personal data, we may not be able to process your personal data for any of the Purposes.
  9. In the event of any inconsistencies between the English version and the Bahasa Malaysia version of this Notice, the English version shall prevail over the Bahasa Malaysia version.

## NOTIS KEPADA PEMEGANG SAHAM DI BAWAH AKTA PERLINDUNGAN DATA PERIBADI 2010

Seperti mana yang berkenaan, notis ini diberikan berhubung dengan status anda sebagai pemegang saham Censof Holdings Berhad (828269-A) ("Syarikat").

Akta Perlindungan Data Peribadi 2010 (selepas ini disebut sebagai "PDPA"), yang mengawal selia pemprosesan data peribadi untuk tujuan transaksi komersial, adalah terpakai terhadap Syarikat. Untuk tujuan Notis ini, terma-terma "data peribadi" dan "pemprosesan" akan mempunyai maksud seperti yang ditakrifkan di dalam PDPA.

1. Notis bertulis ini ("Notis") bertujuan untuk memaklumkan kepada anda bahawa data peribadi anda sedang diproses oleh/atau bagi pihak Syarikat.
2. Data peribadi yang diproses oleh kami termasuk nama, nombor kad pengenalan, nombor telefon, alamat dan butir-butir lain yang diberikan oleh anda atau bagi pihak anda berkenaan dengan pegangan saham anda dalam Syarikat.
3. Kami sedang memproses data peribadi anda, termasuklah sebarang maklumat tambahan yang anda mungkin berikan kemudian, untuk tujuan-tujuan berikut ("Tujuan-Tujuan"):
  - (a) Untuk menghantar kepada anda notis dan surat-surat pekeliling yang berkaitan dengan status anda sebagai pemegang saham dalam Syarikat;
  - (b) Untuk membayar kepada anda dividend an memberikan anda manfaat-manfaat lain yang berkaitan dengan pegangan saham anda dalam Syarikat;
  - (c) Untuk berurusan dengan semua perkara yang berkaitan dengan pegangan saham anda di dalam Syarikat; atau bagi tujuan-tujuan lain yang mungkin berkaitan dengan perkara-perkara yang dinyatakan di atas.
4. Data peribadi anda yang diproses oleh kami merangkumi segala maklumat yang anda berikan serta yang kami perolehi berkenaan anda.
5. Anda boleh mengakses dan memohon untuk mengemaskini atau membuat pembetulan data peribadi anda serta menghubungi kami untuk sebarang pertanyaan atau aduan berkenaan dengan data peribadi anda seperti berikut:

**Jawatan Individu Yang Perlu Dihubungi: Setiausaha Syarikat**  
**No. Telefon : 03-7953 2600**  
**No. Faksimili : 03-7957 1617**  
**Alamat e-mel : info@megacorp.com.my**

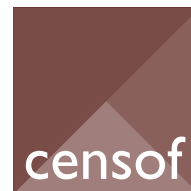
Selaras dengan PDPA:

- (a) Kami mungkin mengenakan bayaran untuk memproses permintaan anda untuk akses atau pembetulan; dan
  - (b) Kami berhak untuk tidak mematuhi permintaan anda untuk mengakses atau untuk membuat pembetulan ke atas data peribadi anda dan sekiranya kami enggan mematuhi permintaan tersebut, kami akan memaklumkan kepada anda tentang keengganan kami berserta alasan-alasan terhadap keengganan kami.
6. Data peribadi anda mungkin dizahirkan oleh kami untuk Tujuan-Tujuan yang dinyatakan di atas, kepada semua jabatan dan/atau agensi kerajaan dan/atau kuasi-kerajaan, badan-badan penguatkuasa dan/atau berkanun dan sebarang pihak ketiga yang dikehendaki selaras dengan undang-undang yang dikenakan ke atas kami dan kepada peguam, juru-audit dan/atau pembekal perkhidmatan kami.
  7. Anda bertanggungjawab untuk memastikan bahawa data peribadi yang anda berikan kepada kami adalah tepat, lengkap, tidak mengelirukan dan terkini.
  8. Jika anda gagal memberikan kami data peribadi yang dinyatakan di atas, kami mungkin tidak boleh memproses data peribadi anda untuk sebarang Tujuan-Tujuan.
  9. Sekiranya terdapat sebarang ketidakseragaman di antara versi Bahasa Inggeris dan Bahasa Malaysia ke atas Notis ini, maka versi Bahasa Inggeris akan digunakan.



# proxy form

(Before completing this form please refer to the notes below)



NO. OF ORDINARY SHARES HELD

I/We \_\_\_\_\_ I/C No./Co. No./CDS A/C No. \_\_\_\_\_

(Full name in Capital Letters)

of \_\_\_\_\_

(Full address)

being a member/members of **CENSOFF HOLDINGS BERHAD**, hereby appoint the following person(s):-

NAME OF PROXY, NRIC NO. & ADDRESS	NO. OF SHARES TO BE REPRESENTED
1.	
2.	

or failing him/her, the Chairman of the Meeting as my/our proxy to attend and vote for me/us on my/our behalf at the Eighth Annual General Meeting of the Company to be held at Capri by Fraser Hotel, Pod 1, Level 32A, N0.5, Jalan Kerinchi, Bangsar South City, 59200, Kuala Lumpur, Malaysia, on Tuesday, 20 September 2016 at 10.00 a.m. and at any adjournment thereof. My/our proxy/proxies is/are to vote as indicated below:-

ORDINARY RESOLUTIONS		FIRST PROXY		SECOND PROXY	
		FOR	AGAINST	FOR	AGAINST
1.	To approve the payment of Directors' Fees of RM425,000 for the financial year ending 31 March 2017 and payable quarterly in arrears.				
2.	To re-elect Datuk Samsul Bin Husin who retires pursuant to Article 78.				
3.	To re-elect Tuan Haji Ab. Gani Bin Haron who retires pursuant to Article 78.				
4.	To re-appoint Tan Sri Dato' Mohd Ibrahim Bin Mohd Zain retiring pursuant to Section 129(6) of the Companies Act, 1965.				
5.	To re-appoint Messrs Crowe Horwath as Auditors and to authorise the Directors to fix their remuneration.				
6.	Authority to issue shares pursuant to Section 132D of the Companies Act, 1965.				

(Please indicate with a "✓" or "X" in the space provided how you wish your vote to be cast. If no instruction as to voting is given, the proxy will vote or abstain from voting at his/her discretion.). The first named proxy shall be entitled to vote on a show of hands on my/our behalf.

Signature/Common Seal

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2016

## Notes:-

- For the purpose of determining a member who shall be entitled to attend and vote at the Annual General Meeting, the Company shall be requesting the Record of Depositors as at 13 September 2016. Only a depositor whose name appears on the Record of Depositors as at 13 September 2016 shall be entitled to attend the said meeting or appoint proxies to attend, speak and vote in his/her stead.
- A member entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend and vote in his/her stead. A member may appoint up to two proxies to attend the same meeting provided that he specifies the proportion of his shareholding to be represented by each proxy. A proxy may but need not be a member of the Company and a member may appoint any person to be his proxy.
- Where a member is an authorised nominee as defined under the Security Industry (Central Depositories) Act, 1991, it may appoint at least one (1) proxy in respect of each Securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.
- A member who is an exempt authorised nominee is entitled to appoint multiple proxies for each omnibus account it holds.
- The Form of Proxy shall be in writing under the hand of the appointor or his attorney duly authorised in writing or if such appointor is a corporation, under its common seal or under the hand of the attorney.
- The Form of Proxy must be deposited at the share registrar of the Company at Level 6, Symphony House, Block D13, Pusat Dagangan Dana 1, Jalan PJU 1A/46, 47301 Petaling Jaya, Selangor Darul Ehsan not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof.

*Then fold here*

**AFFIX  
STAMP**

**THE SHARE REGISTRAR**  
**CENSO HOLDINGS BERHAD** (828269 A)  
Level 6, Symphony House  
Block D13, Pusat Dagangan Dana 1  
Jalan PJU 1A/46  
47301 Petaling Jaya  
Selangor Darul Ehsan

*1<sup>st</sup> fold here*