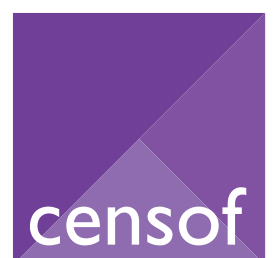




SHAPING SUSTAINABLE GROWTH OPPORTUNITIES

ANNUAL REPORT 2017



Caring • Credible • Committed



Shaping Sustainable Growth Opportunities

This cover design uses streams of coloured pixels to highlight Censof's current focus on developing innovative business solutions to cater to the changing market needs. The upward trajectory of the pixels moving in unison speaks to the alignment of our diverse businesses and employees in shaping sustainable growth opportunities to take the company forward.

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NOTICE IS HEREBY GIVEN that the Ninth Annual General Meeting of CENSOF HOLDINGS BERHAD ("Censof" or the "Company") will be held at Dewan Perdana, Bukit Kiara Equestrian & Country Resort, Jalan Bukit Kiara, Off Jalan Damansara, 60000 Kuala Lumpur, Malaysia, on Tuesday, 12 September 2017 at 10.00 a.m.

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AT A GLANCE

Corporate Profile

Censof Holdings Bhd was established in 2008 as a technology investment holding company specialising in financial management software solutions. Since then, Censof has expanded its portfolio of financial services solutions to include e-payment gateway services and wealth management software solutions. Subsequently, Censof ventured into professional training of software application specialists to support human capital development in technology certifications. Consequently, Censof acquired a major accounting solution business that cater to the SME business market. Through its subsidiaries, the technology solutions are widely used in public and private sectors in Malaysia, Singapore, Indonesia and Hong Kong. In January 2011, the Group was listed on the Main Market of Bursa Malaysia.

Today, the Censof Group provide an extensive portfolio of financial management software solutions that cater to start-ups, small and medium enterprises (SMEs) all the way to large corporations. Our team of experts and strategic partners has an unparalleled competitive ability to address industry requirements at both global and local levels.

EMBRACING THE DIGITAL FRONTIER

Since Censof was founded, we have supported thousands of clients. This experience has brought valuable insight in delivering results for our customers. In return, our customers have the confidence that their business is supported by reliable, proven and robust solutions from Censof Group.

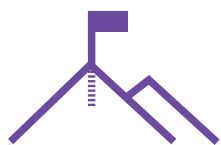
We have completely modernised our solutions portfolio in the last two years, connecting and integrating them in new and innovative ways. We have developed financial management solutions which are open and integrated softwares that will help businesses transform their operations, digitalise their businesses processes and drive innovations through cloud technology adoption.

We have built the business data infrastructure offering the broadest range of financial management solutions through developing software and ensuring it is open and flexible to match the changing needs of the market. In addition, we have also made strategic acquisitions and partnerships to enhance our offering for our clients' needs.



OUR VISION

To be the leading regional financial management solution provider by 2020



OUR MISSION

We pledge to devote our expertise towards excellence by:

- **PR**oviding innovative business solutions for our customers
- Instilling a positive corporate culture that motivates our people to deliver excellence
- **DE**livering sustainable growth and value for stakeholders
- **EM**powering our people to be caring citizens actively contributing to the community

OUR VALUES

Caring • Credible • Committed

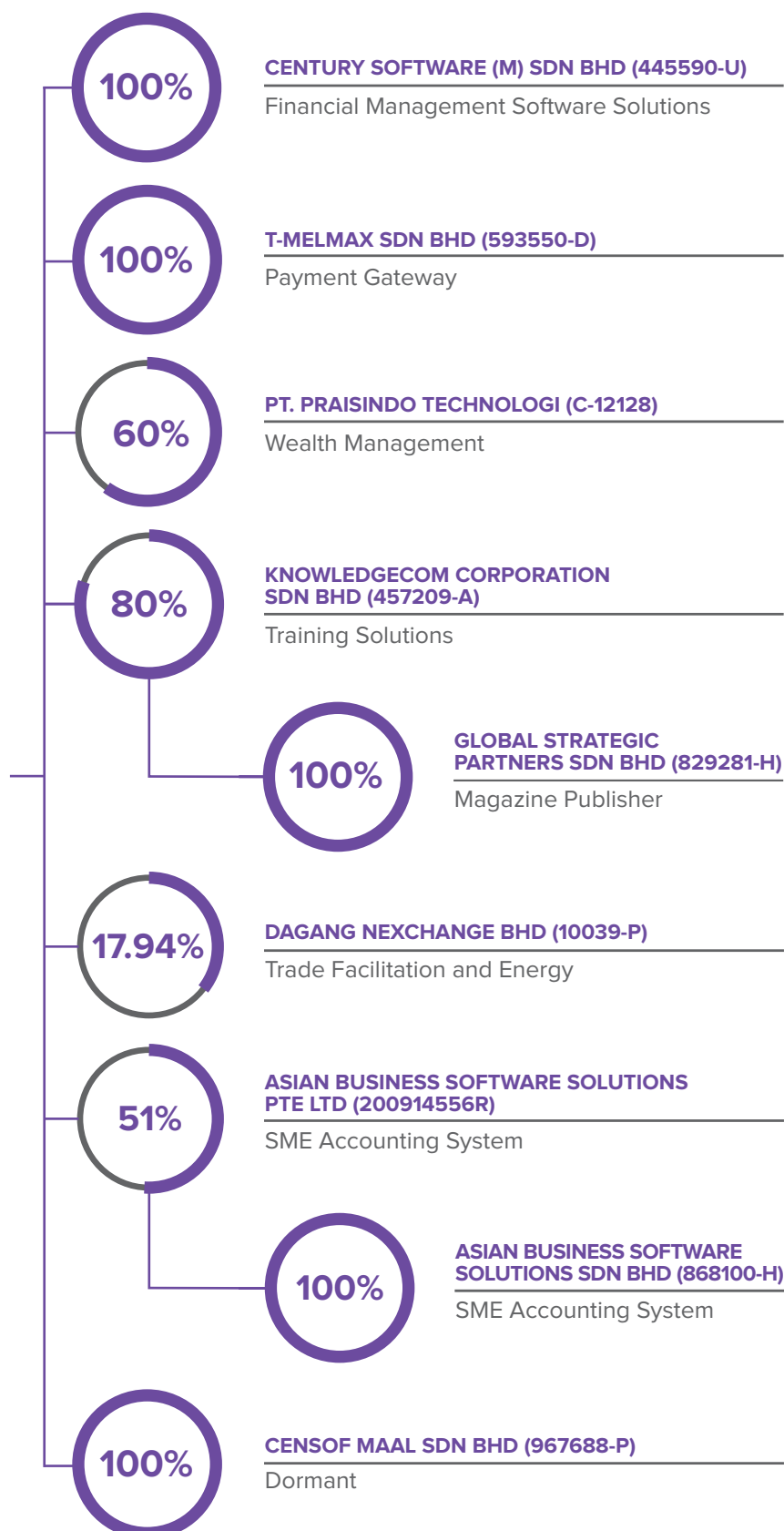
We need to meet the challenges of keeping our core values while navigating the rapid and constant changes in the industry.

These values shape our people's actions and inspire them to achieve new levels of productivity and goals.

AT A GLANCE

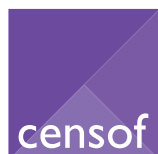
Corporate Structure

as of 31 March 2017



AT A GLANCE

Corporate Structure



CENTURY SOFTWARE (M) SDN BHD

Century Software (M) Sdn Bhd (Century Software) 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, Myanmar, Australia and the Philippines.

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.

Key Focus Areas



Financial Management Solutions



Enterprise Analytics



Customised Business Solutions



Application Development



Wealth Management

Services



System Support



Project Management



BPI Advisory



Training



Integration

Products



● Censof Government

● Censof Advance

● Censof Corporate

● Censof Tender Wizard

● Censof Insights

● Censof Local Council

AT A GLANCE

Corporate 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 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.

Key Focus Areas



e-Payment



Web-Based Electronic Banking Solutions

Services

Software Development



Engineering Services



Program Management



Operations Support

IT Support



End User Support



Infrastructure Support



Production Support



Products Areas



Software Testing Services



Functional Testing



Non-Functional Testing



Test Automation



Test / QA Consulting

Products



- Bulk Payment and Collection Module
- Internet Payment Module

- Integrated Statutory Payment Module
- E-Wallet

- Cooperatives Financial Management Solution

AT A GLANCE

Corporate Structure



PT. PRAISINDO TEKNOLOGI

Founded in 2003, during the height of the Internet penetration and information technology advances era, PT. 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.

Praisindo is able to list prominent organisations and business houses among its client base; which itself speaks for the quality of our work and the professionalism offered by the team. Praisindo has become a leader in the Financial Industry in Indonesia, serving more than 50 clients in Indonesia and the region. Praisindo IMS has been used to manage over 100 billion dollars of assets Mutual Funds in Indonesia.

Key Focus Areas



Wealth Management System



Internet / Network Security / Management System



Investment Management System

Services



Project Management



Training



Support

Products



Investment Management System

- Portfolio System & Fund Accounting
- Fund Admin & Fund Accounting
- Unit Registry System
- Order Management System
- Compliance & Risk Control
- Online and Mobile Mutual Fund

Wealth Management System

- Order Management System
- Client Relationship Management
- Integration to Host
- Financial Planning & Advisory
- Client Statement

Internet / Network Security / Management System

- Firewall, IDPS Solution
- Load Balancing and High Availability System
- Enterprise Network Monitoring System
- Proxy and Content Filtering

AT A GLANCE

Corporate 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.

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 a focus on development and training of human capital. The UP Magazine is a quarterly publication that is currently being circulated to some 20,000 companies in 63 HR sectors in Malaysia.

Key Focus Areas



IT Training



Certification Courses

Services & Products



Academia Collaboration



Human Capital Management



Global Certification

The Lists of Awards / Credentials



- ISO 9001 Certified: Quality and Service, TQCSI International, Australia-New Zealand
- Authorised Training Provider by Pembangunan Sumber Manusia Berhad
- Human Resource Ministry Award 2015
- SAP Training Partner of the Year 2011 and 2013
- Authorised MSC Status Company by MDeC
- SME100 Fast Growing Company Award 2015

Partners



Microsoft Partner
Silver Learning



AT A GLANCE

Corporate 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 organisations 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.

Key Focus Areas



IT & e-Services



Energy

Services & Products

DNeX IT & e-Services



IT Solutioning



Cyber Security



Trade Facilitation



Global Halal Exchange



Radio Frequency Identification Solutions

DNeX Energy



Oilfield Services



Upstream Oil & Gas



Power



Equipment Maintenance & Supply

AT A GLANCE

Corporate Structure



ASIAN BUSINESS SOFTWARE SOLUTIONS PTE LTD

Asian Business Software Solutions Pte Ltd (ABSS) was formed in 2009 following a management buy-out of the MYOB business in South Asia. Striving to be the leading SME business solutions provider across Asia, with over 350,000 customers, 90+ staff, offices in Singapore and Malaysia and a wide network of hundreds of qualified Certified Partners and Resellers throughout the region.

ABSS has a vision to be the trusted provider in Asia for the SME community and is well on its way to getting 1 million customers using their solutions in the coming years.

Key Focus Areas

ABSS enable SMEs to grow their businesses by providing tools that simplify:



Accounting



Customer Payment Gateways



Cloud based micro SME Accounting Product
(for start-up and entry level SME market)



e-Commerce Solutions

Services & Products



● MYOB ACCOUNTING SYSTEM

The leading desktop accounting software in South East Asia

● ABSS CLICK TO PAY

Direct invoice payment option for MYOB users

● ABSS WEBSTORE

e-Commerce solution for MYOB users

● ABSS BI4CLOUD

Intelligent business reports for MYOB users

● FINANCIO

Micro and small business, jargon free cloud accounting

AT A GLANCE

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
(Resigned effective from 4 July 2017)*

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

Crowe Horwath (AF 1018)

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, 6th 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

2 PERFORMANCE REVIEW

Chairman's Statement
Management's Discussion & Analysis
5-Year Financial Highlights
Share Development and Shareholdings
Highlights of the Year



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PERFORMANCE REVIEW

Chairman's Statement

Dear Valued Shareholders,

On behalf of the Board of Directors, I am pleased to present the Annual Report of Censof Holdings Berhad ("Censof" or "the Company") for the financial year ended 31 March 2017 ("FYE 2017").

IMPROVING PERFORMANCE

During the financial year, Censof successfully subscribed for its share entitlement in relation to Dagang NeXchange Berhad ("DNeX") right issue for a cash consideration of RM38.3 million, fully funded by loans. Subsequently, the Company reduced its equity stake in DNeX to 17.94%, resulting in DNeX becoming an associate of the Company and the share disposal generated some RM44.7 million in cash to pare down its gearing position.

For FYE 2017, the Censof Group recorded lower revenue of RM148.4 million (FYE 2016: RM165.0 million) and profit before tax of RM78.6 million (FYE 2016: RM10.3 million). The reduced revenue was mainly attributed to the non-recognition of revenue from DNeX in third and fourth quarters, as DNeX was derecognised from subsidiary to an associate status upon the DNeX share disposal during second quarter.

The significant increase in profit before tax was mainly contributed by DNeX's share of result.

The Group returned to profitability in FYE 2017 as net profit attributable to shareholders rebounded to RM12.0 million from the previous year's net loss position of RM13.9 million (restated amount).



PERFORMANCE REVIEW

Chairman's Statement

BUSINESS REVIEW

The technology industry that Censof Group operates in is evolving at a rapid pace and to remain competitive, Censof Group needs to constantly adapt our products and services to capitalise on the growing trends of digital mobility such as e-commerce transactions and payments, cloud computing, e-learning solutions, mobile payments and data analytics, to name a few.

The Censof Group entered into strategic collaborations with international technology leaders, enabling us to expand our product portfolio and create immediate market impact.

Notable collaborations included partnering with Singtel to offer MYOB Premier Online via the Software as a Service (SaaS) distribution model, collaborating with Australia-listed MINT Payments and Singapore's Network for Electronic Transfers (NETS) to launch digital payment solutions and being the exclusive OEM partner of Acumatica in the South East Asia region to develop localised cloud ERP products on the Acumatica platform.

The Censof Group strategically launched a new micro-accounting software called Financio targeted at young entrepreneurs of new start-ups, using technology solutions that give them better mobility when running their businesses.

The Censof Group was recently awarded a contract to implement a technology integration data hub that can be used by government ministries and agencies for sharing data more effectively.

CHANGE TO THE BOARD OF DIRECTORS

After the financial year-end, Mr. Charles William Fox resigned from the Board on 4 July 2017 and I would like to extend my heartfelt gratitude to Mr. Charles William Fox for his guidance and contributions during his tenure.

PROSPECTS

Moving forward, Censof will focus on extending our customer lifetime value by offering other related ancillary products and services that complement the Censof Group's financial management software solutions.

We will also continually strive to improve the success rate of our public sector tenders by offering competitive and value-added solutions that meet today's technology needs.

Over the years, the Censof Group had actively pursued strategic merger & acquisition opportunities and partnerships to grow our market reach and technology exposure. This strategy will continue as we look out for new synergistic deals that benefit the Censof Group.

These initiatives set a strong foundation for the Censof Group to deliver growth and a sustainable financial performance. Our expanding portfolio of financial management solutions for businesses will strengthen our market position, and move us closer to achieving our goal of being a leader in offering financial management solutions for the public and private sectors in the ASEAN region.

APPRECIATION

On behalf of the board, I would like to express my utmost appreciation to all our stakeholders for their continued support to the Censof Group. I would also like to take the time to express my deepest gratitude to our clients, business partners, bankers, various government agencies, business associates and strategic partners for their continued trust and confidence in the Censof Group.

My sincerest appreciation to my Board members and management team for their efforts and commitment in pushing the Censof Group forward.

Tan Sri Dato' Mohd Ibrahim Bin Mohd Zain
Chairman

PERFORMANCE REVIEW

—Management's Discussion & Analysis

Dear Valued Shareholders,

I am pleased to present the Management's Discussion and Analysis which highlights notable operational development progress and financial performance of Censof Holdings Berhad ("Censof" or "the Company") in strengthening the Censof Group's long-term business sustainability.

REVIEW OF GROUP BUSINESS DIVISIONS

The Censof Group is a technology company specialising in financial management software solutions. Our core solutions are widely used across the public and private sectors in Malaysia, Singapore, Indonesia and Hong Kong. Our portfolio of financial services solutions have expanded to include e-payment gateway services and wealth management software solutions. We also provide talent and skills development programs specialising in technology certifications.

Financial Management Solution – Government Division

The Censof Group is the leading provider of financial management solutions developed on Standard Accounting System for Government Agencies ("SAGA") compliant standard. With a strong track record spanning over two decades, we have built up an extensive portfolio of clients. We have installed and maintained financial management solutions for a myriad of public sector clients comprising government agencies at the federal, state and local council levels.

In FYE 2017, we successfully secured certain notable projects which include the development of FATCA compliance solutions for the Inland Revenue Board of Malaysia / Lembaga Hasil Dalam Negeri Malaysia ("LHDNM"). We also secured a contract from the Malaysian Administrative Modernisation and Management Planning Unit ("MAMPU"), a central government agency under the Prime Minister's Department to develop an integrated information hub for government agencies.

Accordingly, the Censof Group managed to continue to grow its maintenance contracts annually to provide a stable stream of recurring income to enhance its earnings visibility for the Censof Group. Subsequent to the FYE 2017, we accepted the Letter of Award from LHDNM for a total maintenance contract sum of RM7.5 million for a period of 3 years.



Financial Management Solutions – Commercial Division

The Censof Group aims to be a one-stop business solutions centre for Small and Medium Enterprises ("SMEs") offering accounting management software, eCommerce solutions, inventory management, payroll management and online advertising.

The Censof Group owns and supplies the MYOB branded financial management and accounting software in Asia and have more than 370,000 SME clients across Malaysia, Singapore and Hong Kong. MYOB is a market leader amongst SMEs, holding the No.1 market position in Singapore and Hong Kong.

In strengthening the Censof Group's market presence, we partnered with Singtel to distribute MYOB Premier Online via the Software as a Service (SaaS) distribution model. To capitalise on the increasing online, e-commerce and mobile transactions, we collaborated with payment processing technology provider, Australia-listed MINT Payments and Singapore's Network for Electronic Transfers (NETS) to launch a digital payment solution gateway. This will enable SME merchants to accept fast and seamless online payment transactions via debit and credit card payments.

PERFORMANCE REVIEW

Management's Discussion & Analysis

The Censof Group recently launched Financio, a cloud-based micro-accounting software designed for new start-ups and small business owners. Financio uses a subscription based model at a low monthly fee. It is user-friendly and is fully compliant to the latest local accounting standards.

Training Solutions

The Censof Group's training solutions division aims to upskill the Malaysian workforce by offering technology certifications. Over the years, we have equipped more than 10,000 public and private university students, fresh graduates, government employees and working professionals with certifications from organisations such as SAP, Microsoft, Oracle, IPv6, and Android Training Center.

The Censof Group partnered Academy Cube "The World's Smartest Talent Platform" to link our students with potential employers from all over the world. We also published UP Magazine, the largest circulated magazine in Malaysia which specialises in human resource management. The magazine is distributed to approximately 20,000 companies in 63 human resource sectors.

In recognition of our initiatives and efforts over the years, Knowledge.com received industry awards such as the Human Resource Ministry Award 2015, SAP Training Partner of the Year 2011 and 2013, and SME 100 Fast Growing Company Award 2015.

Payment Aggregation Solution

Our principal product is CPAY which is a one-stop payment and collection portal which supports various payment options and is also GST native. From the payment of household bills to the payroll of large corporate firms, we handle processing of bulk payment, retail payment and a vast variety of payments with interface to IBG (Inter Bank Giro), FPX (Financial Processing Exchange), Legacy Host and statutory bodies such as EPF, SOCSO and LHDNM.

With e-commerce and electronic transactions fast gaining market traction, we intend to roll out a state-of-the-art integrated e-payment solution platform that supports the delivery of multiple e-services for the public sector and assists the private sector's move into e-commerce. The e-Payment Gateway will enable efficient electronic transactions and simplify the processing of payment transactions for electronic services.

Wealth Management Solutions

We offer technology solutions that are especially tailored for the wealth management industry. Our clients include top tier financial institutions in Indonesia.

Our products enable financial institutions to assist high-net-worth individuals to increase their net worth through good investment portfolio management practices. Our clients are able to better manage their business operations and also leverage on process automation through the use of technology.

REVIEW OF FINANCIAL PERFORMANCE

Revenue and Profit / (Loss) Before Tax by Division

Division	Revenue		Profit / (Loss) Before Tax	
	FYE 2017 RM'000	FYE 2016 RM'000	FYE 2017 RM'000	FYE 2016 RM'000 Restated
(a) Financial Management Software Solution (2016: restated)	45,485	48,311	(1,093)	(9,849)
(b) Payment Aggregation Solutions	1,344	2,577	(911)	(1,764)
(c) Corporate Segment	7,651	7,221	4,516	44
(d) Wealth Management Solutions	5,272	5,142	1,441	1,295
(e) Training Solution	12,663	10,409	3,382	3,266
(f) Information Communication Technology	74,276	112,273	14,025	31,368
(g) Energy	11,007	4,380	(4,533)	(4,770)
Elimination	(9,312)	(25,272)	(38,663)	(9,326)
Share of result in associate	—	—	100,406	—
Total	148,386	165,041	78,570	10,264

The Censof Group registered a revenue of RM148.4 million for the FYE 2017 compared to the last financial year revenue of RM165.0 million. The lower revenue for the current year as compared to the previous financial year was due to the cessation of revenue recognition upon the derecognition of Information Communication Technology segment and Energy segment as a subsidiary in second quarter 2017.

PERFORMANCE REVIEW

Management's Discussion & Analysis

The Censof Group recorded a profit before taxation of RM78.6 million for the current financial year compared to the previous year profit before taxation of RM10.3 million after taking into consideration prior year adjustment as disclosed in Note 49 of the financial statements. The profit recorded in current financial year was mainly due to the significant contribution arising from the share of associate result in DNeX Group but partially offset against the loss of derecognition of a subsidiary upon the disposal of DNeX shares amounting to RM18.7 million.

Earnings per share ("EPS") stood at 2.40 sen, a significant improvement from the previous year's net loss per share of 2.83 sen.

GROUP FUNDING POSITION

In FYE 2017, the Censof Group's gearing ratio improved to 0.38 times as compared to 0.44 times in the preceding year. During the financial year, the Censof Group had made the total repayment of term loans by approximately RM25.28 million.

In the immediate term, the Censof Group will continue with efforts to improve the gearing ratio by realisation of cash flows through fast track of project implementation and partial disposal of share investment in Dagang NeXchange Berhad ("DNeX"). The Censof Group continues to remain fully committed by leveraging the stronger market value of DNeX Share in order to restructure all the banking facilities and improve the Group's cash flows and reduce the interest costs.

SHARE PRICE TREND

Five years historical share prices for Censof Holdings Berhad shares traded on the Main Board of Bursa Malaysia (1 January 2012 to 31 March 2017) are as below:



Source: Financial Times website

GROWTH STRATEGIES FOR FYE 2018

We see significant opportunities in cloud computing technologies, e-learning solutions, mobile transactions, digital payments and online marketing. Our aim is to create "customers for life", offering competitive solutions that meet the needs of today's businesses and grow with them as a start-up to SMEs and subsequently larger organisations.

Growing Presence in Asean SME and Micro-SME Market

With approximately 1.1 million SMEs in Malaysia, Singapore and Hong Kong, we have captured an estimated 30% share of this market. By having a strong portfolio of business solutions, we are confident of expanding our market share to more business establishments in these countries and throughout the ASEAN region. Our partnerships with other established foreign strategic players such as Singtel, MINT and NETS will give us the added competitive advantage when operating in new geographical markets.

Another key area of focus is the growing micro SME market which is largely untapped. Defined as companies with sales of less than RM300,000 a year or companies with less than five employees, micro SMEs represent a significant portion of a country's total establishments.

After introducing Financio in Malaysia, we aim to bring Financio to Singapore, Hong Kong, the Philippines and Indonesia. Over the near term, Financio will continue to evolve and develop more extensions, creating an ecosystem for collaborations with third parties.

Capitalising on Cloud Computing

To tap into the growing adoption of cloud ERP systems, Censof had established a strategic alliance with Acumatica, the leading solution for cloud-based accounting and ERP software. Under the alliance, Censof would be the exclusive OEM partner of Acumatica in the South East Asia region.

This will save us years of development time and enable us to develop localised cloud ERP products on the Acumatica platform for the commercial and public sectors across South East Asia.

PERFORMANCE REVIEW

Management's Discussion & Analysis

Establishment of CoET

Moving forward, we will be expanding through collaborations with local universities and establishing Centres of Excellence in Technology ("CoET") nationwide to further enhance our earnings streams. We are creating training solutions that bundle our existing technology modules with modules from selected universities to create a workforce equipped with the relevant skills for today's market needs.

Our training pillars will meet the needs of an Industry 4.0 society, focusing on cyber security, big data, Internet of Things ("IoT") and cloud computing.

RISKS AND MITIGATING STRATEGIES

As with any businesses, our business activities are subjected to a number of risk factors, many of which are outside our control. We have outlined below the principal risks which may have a material effect on our operations and performance, and our approach or action taken to mitigate these risks.

Risk Factors	Mitigation Measures
The outlook of the Information Technology industry is expected to remain challenging as market competition grows intense, especially in the area of government tenders.	In mitigating this market development, we are strengthening our initiatives and efforts to grow our revenue contribution from the private sector.
Being in the rapidly evolving information technology industry, a key challenge is to be up-to-date and relevant on the latest industry trends and developments.	Present and future strategic partnerships and alliances will enable us to create value using our existing business pillars to grow our product offerings. The execution of product line extensions that complement our existing business products will increase our customer's lifetime value to the Censof Group.

Risk Factors	Mitigation Measures
Risk of losses from operation due to inadequate, inefficient or ineffective internal processes, systems, policies, employee errors and events beyond our control, resulting in unexpected additional costs.	Streamline processes and systems across business segments to improve and achieve both cost efficiencies and operational effectiveness.
The Censof Group, like all businesses, is at risk of fraudulent activities from both external and internal sources.	The Censof Group places a high importance on the design and ongoing effectiveness of its internal control process. Physical based security measures are in place across the Censof Group's subsidiaries to mitigate such risk. There are Code of Conduct and whistleblowing arrangements in place throughout the Censof Group.

ACKNOWLEDGEMENTS

I would like to thank our investors, clients, business partners, bankers, government and regulatory bodies for their continued support to the Group. I also wish to extend my sincere gratitude and thanks to our employees at our respective subsidiaries for all their hard work and dedication to the Group.

As we move ahead, we will strive towards delivering sustainable earnings growth as we continue to add value to our shareholders.

Ameer Shaik Mydin
Group Managing Director

PERFORMANCE REVIEW

5-Year Financial Highlights

FINANCIAL YEAR ENDED 31 MARCH	2017	2016 (Restated)	2015	2014**	2012*
PROFIT AND LOSS (RM'MILLION)					
Revenue	148.39	165.04	152.05	80.33	44.77
Profit Before Taxation	78.57	10.26	32.80	5.83	9.81
Profit After Taxation	73.32	1.09	21.64	4.13	9.45
FINANCIAL POSITION (RM'MILLION)					
Share Capital	50.17	50.17	47.67	39.96	34.42
Share Premium [#]	50.38	50.38	45.38	22.55	1.31
Reserves	43.73	29.74	39.61	26.55	28.78
Shareholder's Fund	144.28	130.29	132.66	88.75	64.51
Non-Controlling Interest	10.97	73.41	81.54	62.40	0.99
Current Liabilities	52.22	105.38	103.22	91.86	16.01
Non-Current Liabilities	30.81	48.07	22.19	76.86	0.67
Property, Plant and Equipment	2.42	23.71	16.25	18.25	4.11
Other Investments	0.10	4.27	0.10	0.10	0.10
Current Assets	84.62	228.82	238.55	190.97	55.77
RATIO					
Net Assets Per Share (Sen)	30.94	40.60	44.94	37.83	19.03
Net Earnings / (Loss) Per Share (Sen)	2.40	(2.83)	1.75	0.31	2.71
Dividend Amount Per Share (Sen)	—	—	—	—	1.00

* Financial year ended 31 December 2012.

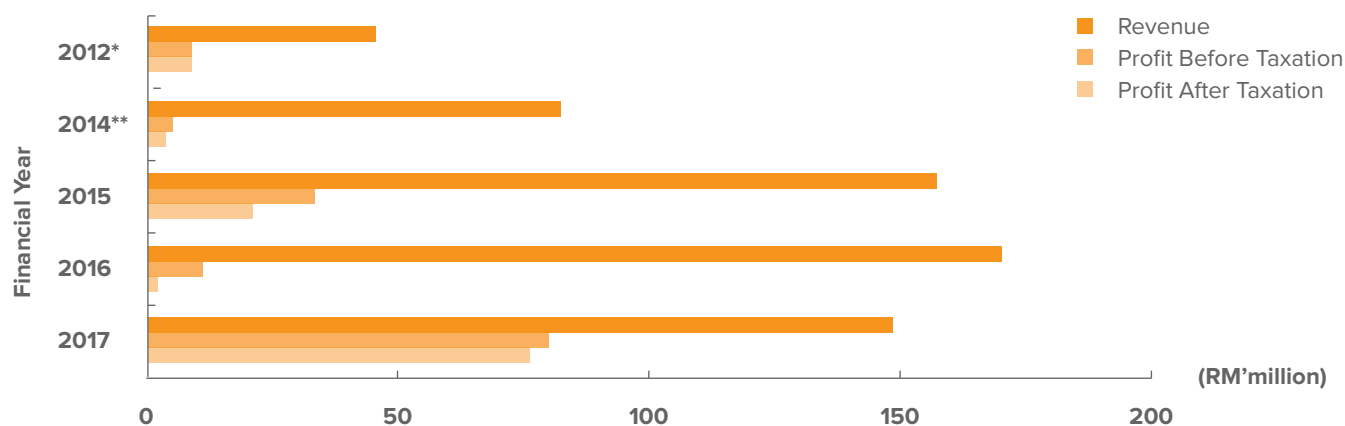
** 15 months financial results with financial year ended 31 March 2014.

[#] Pursuant to subsection 618(3) of the Companies Act 2016 ("New Act"), the Company may transfer the share premium account of RM50.38 million to the share capital account and exercise its right to use the amount within 24 months after the commencement of the New Act on 31 January 2017.

PERFORMANCE REVIEW

5-Year Financial Highlights

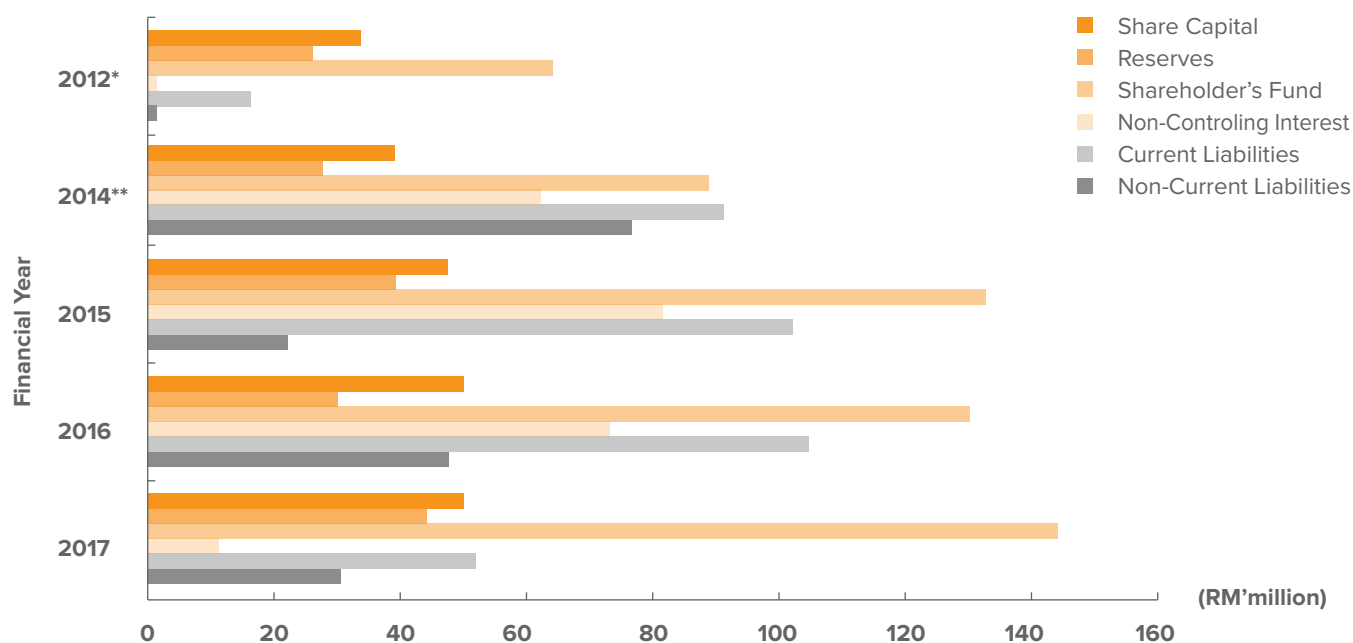
PROFIT AND LOSS PERFORMANCE



* Financial year ended 31 December 2012.

** 15 months results with financial year ended 31 March 2014.

FINANCIAL POSITION



* Financial year ended 31 December 2012.

** 15 months results with financial year ended 31 March 2014.

PERFORMANCE REVIEW

Share Development and Shareholdings

ANALYSIS OF SHAREHOLDINGS AS AT 22 JUNE 2017

Issued Share Capital : RM50,170,312.60
 Class of Shares : Ordinary Shares
 Voting Rights : One Vote Per Ordinary Share
 No. of Shareholders : 7,014

DISTRIBUTION OF SHAREHOLDINGS AS AT 22 JUNE 2017

Category	No. of Shareholders	% of Shareholders	No. of Shares	% of Shares
Less than 100	22	0.31	466	0.00
100 - 1,000	231	3.29	143,130	0.03
1,001 - 10,000	2,954	42.12	20,690,195	4.12
10,001 - 100,000	3,386	48.27	122,380,373	24.39
100,001 to less than 5% of issued shares	419	5.97	182,551,008	36.39
5% and above of issued shares	2	0.04	175,937,954	35.07
Total	7,014	100.00	501,703,126	100.00

LIST OF SUBSTANTIAL SHAREHOLDERS AS AT 22 JUNE 2017

No.	Names	Direct		Indirect		
		No. of Shares	%	No. of Shares	%	Note
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 22 JUNE 2017

No.	Names	Direct		Indirect		
		No. of Shares	%	No. of Shares	%	Note
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	0.36	-	-	-
8	Charles William Fox	-	-	-	-	-

Note:

(a) Deemed Interests pursuant to Section 8A of the Companies Act 2016 through his substantial interest in SAAS Global Sdn Bhd

PERFORMANCE REVIEW

Share Development and Shareholdings

30 LARGEST SHAREHOLDERS AS AT 22 JUNE 2017

No.	Shareholders	Shares	%
1	SAAS GLOBAL SDN BHD	130,937,954	26.10
2	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR SAAS GLOBAL SDN BHD (51401202116A)	45,000,000	8.97
3	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR ERWIN SELVARAJAH A/L PETER SELVARAJAH	15,000,000	2.99
4	CIMSEC NOMINEES (TEMPATAN) SDN BHD CIMB BANK FOR ERWIN SELVARAJAH A/L PETER SELVARAJAH (M53001)	9,950,000	1.98
5	MAYBANK SECURITIES NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR MOHD IBRAHIM BIN MOHD ZAIN (MARGIN)	8,749,032	1.74
6	EXPEDIENT EQUITY VENTURES SDN BHD	8,168,288	1.63
7	HLIB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR WONG FAI TAT (CCTS)	6,069,900	1.21
8	WONG AH YONG	5,400,000	1.08
9	TAN CHAI TAT	3,200,000	0.64
10	ALLIANCE GROUP NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TANG SZE CHEN (7000533)	3,133,300	0.62
11	RHB CAPITAL NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR FOONG LOONG TUCK (CEB)	3,000,000	0.60
12	AMBANK (M) BERHAD PLEDGED SECURITIES ACCOUNT FOR WONG AH YONG (SMART)	2,600,000	0.52
13	BOEY TAK KONG	1,800,000	0.36
14	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR NG KOK SIANG (E-TSA)	1,791,400	0.36
15	TAY KOO HUI	1,700,000	0.34
16	MOHD IBRAHIM BIN MOHD ZAIN	1,600,000	0.32
17	CIMSEC NOMINEES (TEMPATAN) SDN BHD CIMB BANK FOR TEOH EWE JIN (MY0829)	1,190,000	0.24
18	TA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR OH KIM SUN	1,100,000	0.22
19	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR SIM LEONG THUN (E-SS2)	1,020,000	0.20
20	KUANG KIM SOON	1,000,000	0.20
21	LAW KING YONG	1,000,000	0.20
22	RHB CAPITAL NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHAN KAM FUT	1,000,000	0.20
23	MAYBANK SECURITIES NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR ZULKIFLI BIN ISMAIL (MARGIN)	1,000,000	0.20
24	CIMSEC NOMINEES (TEMPATAN) SDN BHD CIMB BANK FOR ANG AH TEE (MY2408)	1,000,000	0.20
25	SINGAPORE ENTERPRISES PRIVATE LIMITED	962,900	0.19
26	OH KIM SUN	920,000	0.18

PERFORMANCE REVIEW

Share Development and Shareholdings

No.	Shareholders	Shares	%
27	WONG WAI KUAN	850,000	0.17
28	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR SARAVANAN A/L RAMAN (E-SRB)	807,000	0.16
29	AMSEC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHAI WAI	800,000	0.16
30	MAYBANK NOMINEES (TEMPATAN) SDN BHD CHIN KAH SENG	769,000	0.15
	Total	261,518,774	52.13

ANALYSIS OF WARRANT-A HOLDINGS AS AT 22 JUNE 2017

Issued Warrants	: 43,025,000
Exercise Period	: 19 July 2012 to 18 July 2017
Exercise Price	: RM0.46 each
No. of Warrant Holders	: 1,054
Warrants Exercised	: 13,529,675

ANALYSIS BY SIZE AS AT 22 JUNE 2017

Category	No. of Warrant Holders	% of Warrant Holders	No. of Warrants	% of Warrants
Less than 100	253	24.00	11,090	0.04
100 - 1,000	214	20.31	98,315	0.33
1,001 - 10,000	284	26.94	1,077,956	3.65
10,001 - 100,000	243	23.06	10,143,010	34.39
100,001 to less than 5% of issued shares	59	5.60	16,341,954	55.41
5% and above of issued shares	1	0.09	1,823,000	6.18
Total	1,054	100.00	29,495,325	100.00

LIST OF SUBSTANTIAL WARRANT-A HOLDERS AS AT 22 JUNE 2017

No.	Name	Direct		Indirect	
		No. of Warrants	%	No. of Warrants	%
1	Lee Kin Hoe	1,823,000	6.18	-	-

PERFORMANCE REVIEW

Share Development and Shareholdings

DIRECTORS' INTERESTS IN WARRANTS-A AS AT 22 JUNE 2017

No.	Names	Direct		Indirect		Note
		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	-	-	69	0.00	(a)
3	Tamil Selvan A/L M. Durairaj	-	-	-	-	-
4	Ameer Bin Shaik Mydin	-	-	69	0.00	(a)
5	Ang Hsin Hsien	-	-	-	-	-
6	Tuan Haji Ab. Gani Bin Haron	-	-	-	-	-
7	Boey Tak Kong	-	-	-	-	-
8	Charles William Fox	-	-	-	-	-

Note:

(a) Deemed Interests pursuant to Section 8 of the Companies Act 2016 through his substantial interest in SAAS Global Sdn Bhd

30 LARGEST WARRANT-A HOLDERS AS AT 22 JUNE 2017

No.	Warrant Holders	No. Of Warrants	%
1	LEE KIN HOE	1,823,000	6.18
2	MIOR SUHAIMI BIN HALIB	1,250,000	4.24
3	MAYBANK SECURITIES NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR MOHD IBRAHIM BIN MOHD ZAIN (MARGIN)	1,093,629	3.71
4	ABDULLAH BIN YAACOB	629,400	2.13
5	ANG BOON LENG	600,000	2.03
6	HO KAH HENG	598,800	2.03
7	LIM LEE PENG	550,000	1.86
8	MAYBANK SECURITIES NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LEE WENG FOOK	500,000	1.70
9	SEE FUH SHERN	500,000	1.70
10	NIK ADAWIYAH BINTI NIK HASHIM	449,800	1.52
11	MAYBANK SECURITIES NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LIM SAW SEAN	400,000	1.36
12	MAYBANK SECURITIES NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR FOO AH MUI	400,000	1.36
13	NORMAH BINTI YUSOF	385,200	1.31
14	MAYBANK NOMINEES (TEMPATAN) SDN BHD TENG YUH CHING	360,000	1.22
15	NG MARRY	350,000	1.19
16	NURUL AZURA BINTI ABD RAHMAN	310,000	1.05
17	HLIB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR ZULKARNAIN BIN ABDULLAH ANAS @ ANAS (CCTS)	300,000	1.02

PERFORMANCE REVIEW

Share Development and Shareholdings

No.	Warrant Holders	No. Of Warrants	%
18	TEOO CHIN LAI	296,900	1.01
19	CHA KONG LOONG	291,000	0.99
20	MAYBANK NOMINEES (TEMPATAN) SDN BHD LOH CHEE KONG	285,100	0.97
21	LEE CHOON MUN @ LEE CHOON MOON	250,000	0.85
22	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR EMMY NAZURA BINTI ABDUL RASHID	245,500	0.83
23	MAYBANK NOMINEES (TEMPATAN) SDN BHD SYED TAUFIK BIN TAHA	245,000	0.83
24	KHALIZAKI BIN HAIRAN	244,400	0.83
25	AB RAHIM BIN IBRAHIM	240,000	0.81
26	MAT ZULKANAIN BIN MAT JUSOH	235,700	0.80
27	LEE JOO ENG	232,400	0.79
28	NG HAN CHUAN	224,100	0.76
29	TAN KIM HUAT	216,000	0.73
30	MOHD IBRAHIM BIN MOHD ZAIN	200,000	0.68
	Total	13,705,929	46.47

ANALYSIS OF WARRANT-B HOLDINGS AS AT 22 JUNE 2017

Issued Warrants	: 111,412,717
Exercise Period	: 8 October 2014 to 7 October 2019
Exercise Price	: RM0.46 each
No. of Warrant Holders	: 3,350
Warrants Exercised	: 7,500

ANALYSIS BY SIZE AS AT 22 JUNE 2017

Category	No. of Warrant Holders	% of Warrant Holders	No. of Warrants	% of Warrants
Less than 100	407	12.15	18,401	0.02
100 - 1,000	383	11.43	233,758	0.21
1,001 - 10,000	1,382	41.26	5,618,598	5.04
10,001 - 100,000	980	29.25	39,060,902	35.06
100,001 to less than 5% of issued shares	198	5.91	66,473,558	59.67
5% and above of issued shares	—	—	—	—
Total	3,350	100.00	111,405,217	100.00

PERFORMANCE REVIEW

Share Development and Shareholdings

LIST OF SUBSTANTIAL WARRANT-B HOLDERS AS AT 22 JUNE 2017

(Not Applicable)

DIRECTORS' INTERESTS IN WARRANTS-B AS AT 22 JUNE 2017

No.	Names	Direct		Indirect		Note
		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	-	-	625,001	0.56	(a)
3	Ameer Bin Shaik Mydin	-	-	625,001	0.56	(a)
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	-	-	-	-	

Note:

(a) Deemed Interests pursuant to Section 8 of the Companies Act 2016 through his substantial interest in SAAS Global Sdn Bhd

30 LARGEST WARRANT-B HOLDERS AS AT 22 JUNE 2017

No.	Warrant Holders	No. Of Warrants	%
1	TAN LAI TEOW	5,472,700	4.91
2	YEOH CHIN HOI	2,425,700	2.18
3	MAYBANK SECURITIES NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR MOHD IBRAHIM BIN MOHD ZAIN (MARGIN)	2,187,258	1.96
4	CIMSEC NOMINEES (TEMPATAN) SDN BHD CIMB BANK FOR WONG AH YONG (MY 1278)	2,000,000	1.80
5	TAN SING CHUN	1,534,100	1.38
6	KENANGA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR JULIAN CHEAH WAI MENG	1,200,000	1.08
7	YONG AH PO	1,121,500	1.01
8	CHIA YAW PING	1,120,000	1.01
9	CIMSEC NOMINEES (TEMPATAN) SDN BHD CIMB BANK FOR ANG AH TEE (MY2408)	1,109,500	1.00
10	JOGINDER SINGH A/L GURBAK SINGH	1,000,000	0.90
11	TEO YAU KWANG @ DAVID	1,000,000	0.90
12	CHIA SOO HOCK	950,000	0.85
13	RHB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR YEOH CHIN HOI	900,000	0.81
14	GAN SEE HEAN	805,500	0.72
15	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR NG TEIK HO (E-KLC)	735,000	0.66

PERFORMANCE REVIEW

Share Development and Shareholdings

No.	Warrant Holders	No. Of Warrants	%
16	OH KIM SUN	730,000	0.66
17	OOI TEE KIONG	706,700	0.63
18	CITIGROUP NOMINEES (ASING) SDN BHD EXEMPT AN FOR OCBC SECURITIES PRIVATE LIMITED (CLIENT A/C-NR)	705,000	0.63
19	INDERJIT SINGH A/L BAGHER SINGH	690,000	0.62
20	PON WEE KHUENG	655,000	0.59
21	HIEW CHON HIYONG	650,000	0.58
22	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR SAAS GLOBAL SDN BHD (51401202116A)	625,000	0.56
23	CHONG MUN YAU	600,000	0.54
24	CITIGROUP NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR RAMLEE BIN MOHD SHARIFF (473646)	518,750	0.47
25	KENANGA NOMINEES (TEMPATAN) SDN BHD FOR CHOONG FOONG MING (021)	500,000	0.45
26	JOGINDER SINGH A/L GURBAK SINGH	500,000	0.45
27	RHB CAPITAL NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHEN THAU MIN (471370)	500,000	0.45
28	TAILAMI A/P PALANIANDY	500,000	0.45
29	SOH ENG HAU	500,000	0.45
30	SIN SIEW LAN	465,250	0.42
	Total	32,406,958	29.12

PERFORMANCE REVIEW

Highlights of the Year

APRIL 2016

ABSS

MY Payroll v6 Launch

Date: 6th April 2016

LHDN Update on EPF, Tax and SOCSO
(Updated 2016 Income Tax)

JULY 2016

ABSS

MY Premier v18.2 & Accounting v23.2 Launch

Date: 21st July 2016

Introducing ABSS Webstore

The ABSS Webstore is an e-commerce application for webstore users to market their products online to businesses or individuals.

The solution is able to sync to marketplaces such as Lazada and eBay to generate more leads and revenue and sales, and orders are synched to the MYOB Accounting software.

JUNE 2016

ABSS

Asian Business Software Solutions Brand Launch



Paul Conway presenting the new ABSS logo

Date: 3rd June 2016

Venue: TGV Cinema, Jaya Shopping Mall

Overview:

It is important that a brand remains fresh, relevant and flexible enough to adapt to the needs of a dynamic, changing market place. The new ABSS logo was designed to reflect a sense of change while reminding us to remain true to the core values of the brand. The new brand identity—specifically its fresh colour palette, sense of space, modern open type face and creative bridge to the old logo—gives a forward-looking, energised identity that reflects and projects a modern, dynamic and professional look.

ABSS

SG Payroll v7 Launch

Date: 13th June 2016

Compliance Update - MBMF Rate and Maybank Interbank GIRO

CENTURY SOFTWARE

Buka Puasa Event

Date: 16th June 2016

Venue: Century Software Office, Sunway PJ 51A

Overview:

In celebration of the holy month of Ramadan, Century Software hosted the Buka Puasa event during which all of its employees enjoyed a familial and festive evening. Held at operations office of Century Software, the event was attended by Directors and members of the Company's executive management team. A long-standing tradition, the Company Buka Puasa event embodies Century Software's vested interest in continuously fostering relations between its management and employees, building team camaraderie and enhancing cross departmental engagement.

ABSS

MY Payroll v7 Launch

Date: 21st June 2016

SOCSO Rate Table Update

PERFORMANCE REVIEW

Highlights of the Year

AUGUST 2016

CENTURY SOFTWARE

Hari Raya Aidilfitri Open House Event



Date: 5th Aug 2016

Venue: Century Software Office,
Sunway PJ 51A

Overview:

Century Software organised a Hari Raya Celebration event which was held at their operations office gathering all Century Software's permanent and contract staffs.

The objective of this event is to gather all Century Software's employees with multiracial background regardless of status, position and religion to celebrate Hari

Raya Aidilfitri. The event also provided an excellent opportunity for staff to celebrate Hari Raya in a warm and friendly atmosphere filled with a sense of goodwill.

ABSS

Asian Business Software Solutions Celebrated it's 7th Anniversary

Date: 18th August 2016

Overview:

Asia Business Software Solutions, the leading supplier of business software and services to SMEs throughout South Asia, celebrated its 7th years of inspiring journey on 18th August 2016.

ABSS

ABSS Click to Pay Launch SG Premier v18.2 & Accounting v23.2 Launch

Date: 29th August 2016

Introducing ABSS Webstore and ABSS Click To Pay

The E-commerce application, ABSS Webstore was introduced to the Singapore market.

ABSS also launched electronic invoice system ABSS Click to Pay. Targeted at the 300,000 business customers using ABSS across South East Asia, Click to Pay provides a simple electronic invoice (e-invoice) option that allows merchants to accept debit and credit card payments online.

Customers are able to click through from the e-invoice, enter credit/debit card or bank account transfer details and submit their payment online before instantly receiving a tax receipt. Click to Pay enables merchants to provide this convenient payment option to customers without the need for costly IT solutions and web development knowledge.

NOVEMBER 2016

CENTURY SOFTWARE

Deepavali Open House Event

Date: 11th Nov 2016

Venue: Century Software Office,
Sunway PJ 51A

Overview:

In the spirit of welcoming the Festival of Lights, Century Software celebrated Deepavali with its employees.

Employees of various races, religions and nationalities came together as one to celebrate the festivities which were held to celebrate the spirit of Deepavali and to enjoy a delectable Indian buffet spread.

CENTURY SOFTWARE

Century Software Badminton Tournament

Date: 26th Nov 2016

Venue: New Vision Badminton,
Seksyen 13, Petaling Jaya

Overview:

With the support from the Group, an inter-company badminton tournament was held on 26th November at New Vision Badminton, Petaling Jaya. The main objective of the tournament was to create a platform for social interaction and to strengthen the working relationship amongst the Censof Group of Companies' employees.

CENTURY SOFTWARE

FATCA Signing Ceremony



Date: 29 Nov 2016

Venue: Le Meridien, Putrajaya

Overview:

FATCA, which stands for Foreign Account Tax Compliance Act, was introduced by the Internal Revenue Service in United States of America (U.S.) to reduce tax evasion of U.S. residents in foreign countries.

Implementation of FATCA is a global-level initiative. Censof Holdings Berhad's wholly-owned subsidiary, Century Software (M) Sdn Bhd and the Inland Revenue Board of Malaysia / Lembaga Hasil Dalam Negeri Malaysia signed an agreement for the development of technology solutions to facilitate the implementation of FATCA in Malaysia. Under the agreement, Century Software has been appointed to develop and implement the FATCA Automatic Exchange of Information Solution, enabling data to be exchanged in a seamless, safe and efficient manner.

PERFORMANCE REVIEW

Highlights of the Year

DECEMBER 2016

CENTURY SOFTWARE Christmas Party



Date: 6th Dec 2016
Venue : Century Software Office,
Sunway PJ 51A

Overview:

The office Christmas party is a great time to celebrate that another year of success and growth and possibly challenges faced as a team has been shared.

The celebrations included fun games and refreshments followed by snacks and drinks. The entire day was brimming with gaiety, which completely transformed the corporate monotony. The celebration adorned the office space and added the spirit of Christmas and New Year.

ABSS SG Payroll v8 Launch

Date: 16th Dec 2016
Place: Singapore
Compliance Update - IR8A and
Appendix 8A requirement updates

KNOWLEDGECOM

Graduation Ceremony of Knowledgecom 360° Upskilling Fund



Participants of Budimas Foundation at a 'thumbs-up' endeavour prior to the graduation ceremony



Knowledgecom Corporation Sdn Bhd's Chief Executive, Mr. ST Rubaneswaran with the participants from Hope Worldwide Malaysia



Mr. ST Rubaneswaran presenting the certificates during the Graduation Ceremony



All Knowledgecom 360° Upskilling participants showing their certificates at the Graduation Ceremony

Date: 31st Dec 2016
Venue: TGV, Jaya Shopping Mall

Overview:

A celebratory event to appreciate the Knowledgecom 360° Upskilling programme's first batch of participants.

The graduation ceremony of Knowledgecom 360° Upskilling witnessed a healthy turnout, strong participation and support by media groups and NGO's as well as its students. An informal graduation ceremony, held in the cinema to certify the participating students is a move to acknowledge his/her's achievement in completing the programme; and to motivate them to further use the knowledge and skill at hand to expand their horizons and boundaries in their daily life.

Participants were also given a movie treat to watch "Star Wars: Rouge One". We believed that the movie, with a science-fiction theme, will encourage the students to excel and prevail over struggles and hardships, and to understand the meaning of sacrifice and staying positive.

PERFORMANCE REVIEW

— Highlights of the Year

JANUARY 2017

ABSS

New ABSS Website Launch

Date: 1st Jan 2017

Overview:

The newly redesigned ABSS website offers visitors richer insight into the ABSS value proposition and refreshes the brand. (www.abssasia.com)

ABSS

MY Payroll v8 Launch

Date: 13th Jan 2017

Tax relief compliance updates from Inland Revenue Board Malaysia.

FEBRUARY 2017

CENTURY SOFTWARE

Chinese New Year Celebration

Date: 10th Feb 2017

Venue: Century Software Office, Sunway PJ 51A



Overview:

In keeping with tradition, Century Software celebrated the event on 11th of February, with a spectacular lion dance performance at Century Software Office, Sunway PJ 51A.

After the lion dance performance, all staff then proceeded to the rest and relaxation area, where they enjoyed a traditional lunch. During the meal, the managing director of Censof Holdings gave angpau to all staff members.

PT. PRAISINDO

Praisindo Annual Meeting 2017

Date: 11th Feb 2017

Overview:

Presentation of each division and discussion on new solution that will be released soon. Besides that the meeting was to brainstorm on marketing and sales strategies. Meeting our customers' needs became one of the major points in our discussion.

ABSS

Account Edge v13 Launch – Malaysia, Singapore and Hong Kong

Date: 15th Feb 2017

Power new features - Mac Operating System Compatibility

MARCH 2017

ABSS

MY Payroll v8.1 Launch

Date: 7th Mar 2017

Newly added EA, TP1 and TP3 forms by Inland Revenue Board Malaysia.

ABSS

Financio Launch

Date: 29th March 2017

Venue: Bookmark @ Arts Printing Works, Bangsar, KL



Overview:

Financio is a new accounting automation software developed by Asian Business Software Solutions Sdn Bhd (ABSS) with startups, micro and small businesses in mind. Financio is for users with little or no accounting knowledge, to manage their accounts with little or no outside help. Financio is designed to be used by non-accountants, it is user friendly and does not require any accounting knowledge to operate.

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SUSTAINABILITY STATEMENT

INTRODUCTION

Sustainability is an essential element of our corporate culture and of our business performance. We continue to build sustainability into all aspects of our business activities. We aspire to achieve a balanced integration of ethical, social, environmental and economic considerations in the way we conduct our business to create sustainable long-term value for our stakeholders.

ETHICS AND COMPLIANCE

The Group is committed to creating an environment where we are able to conduct business in a responsible manner while maintaining the highest standards of ethics and compliance.

We believe integrity is at the core of who we are. This belief governs every aspect of how we run our business. We recognise that our success as a company depends not only on the achievement of our business goals, but also the manner in which we achieve them. In pursuing this, we are guided by our values and business principles to ensure integrity, transparency and accountability in all our business undertakings.

The Code of Conduct applies to all companies within the Group and all individuals representing the Group. This includes Board members, employees, consultants and others who act on behalf of the Censof Group.

Our Code of Conduct provides the basic principles for our personal conduct and business practices and constitutes the framework to ensure that we act in compliance with relevant legislations, internal guidelines and our basic values – that the Group shall be reliable, sustainable and see opportunities.

The Group's governance framework plays an integral role in supporting the business. We are committed to excellence in transparency and accountability. This is essential for the long-term performance and sustainability of our company, and to protect and enhance the interests of our shareholders and other stakeholders.

HUMAN CAPITAL DEVELOPMENT

People are the driving force behind our corporate management, and we believe that increasing the value and technical competencies of our human resources contributes directly to the Group's long-term growth.

Retaining a quality and productive employee base remains pivotal in the Group's drive to sustain its position at the helm within an over-crowded industry. Therefore, consistent and continuous improvements were pursued to extend an empowering and a satisfying workplace for employees to nurture skills and build on their careers with a quality work-life; whilst seeking to reach out to collective goals envisaged for the organisation. In this backdrop, the Group remained steadfast in its retention strategy encompassing fair remuneration, benefits and recognition based on performance, strategic training and ensuring employee wellbeing through balancing work-life, welfare, health and safety measures and redressing their grievances.

The Group also strived to create a work environment and culture conducive for employees to translate their creative energies into innovative solutions and technologies to steer the business ahead. We are committed to thinking about different ways of working that will help employees achieve a healthy work-life balance. We have a flexible working policy and support requests for flexible working arrangements wherever necessary and operationally possible.

SUSTAINABILITY STATEMENT

The Group is committed towards being an 'equal opportunity' employer- enabling an inclusive workplace with no distinction made on ethnicity, gender, age and other socio- economic prejudices. Tabulated below the Group's workforce profile.

Position	Male	Female	Group Wide
Board of Directors	7	1	8
Senior Management	10	3	13
Middle Management	40	13	53
Other Levels	141	121	262
Total	198	138	336

Nationality	Male	Female	Group Wide
Malaysian	147	103	250
Non-Malaysian	51	35	86
Total	198	138	336

Age Group	Male	Female	Group Wide
Below 30	64	65	129
30 to 40	83	46	129
40 to 50	37	19	56
Above 50	14	8	22
Total	198	138	336

As of 25th April 2017

ENVIRONMENTAL AND GREEN INITIATIVES

We recognise the importance of practicing responsible stewardship of the environment and strive to adhere to the principles of sustainable development for the benefit of present and future generations.

Our employees are advised to reduce paper consumption by sending out soft copy version of the documents and marketing materials.

We make conscious effort to minimise waste by selecting more environmental friendly products, reduce dependence and encourage frugal use of non-recyclable products.

We are using LED lights to reduce energy consumption at our premises, therefore reducing environmental harm. In addition, we have been continuously promoting and encouraging our employees to be cautious in energy and water usage in all our facilities

COMMUNITY OUTREACH

The Group strives to promote healthy, safe and vibrant communities through corporate activities and educational outreach programs. Our employees have always actively supported the community outreach programs through their active participation in volunteer activities.

We also keep our staff motivated, happy and productive through a range of social and internal activities. This creates a healthy workplace environment that increases employee motivation and happiness.

4 GOVERNANCE

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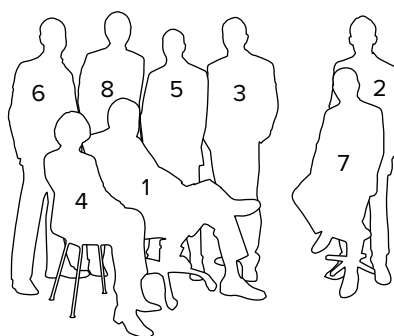
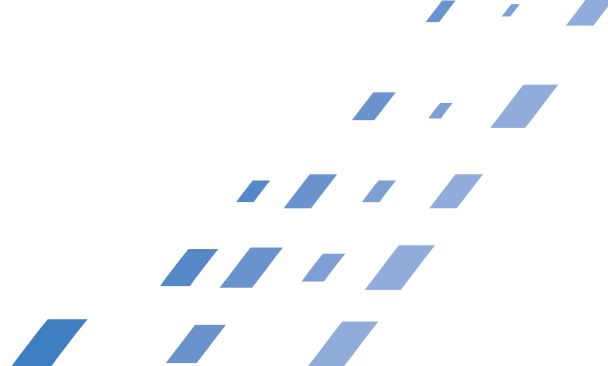
GOVERNANCE

— Board of Directors



GOVERNANCE

Board of Directors



- | | |
|---|--|
| 1. Tan Sri Dato' Mohd Ibrahim Bin Mohd Zain
<i>Independent</i>
<i>Non-Executive Chairman</i> | 5. Tuan Haji Ab. Gani Bin Haron
<i>Senior Independent</i>
<i>Non-Executive Director</i> |
| 2. Ameer Shaik Mydin
<i>Group Managing Director</i> | 6. Boey Tak Kong
<i>Independent</i>
<i>Non-Executive Director</i> |
| 3. Tamil Selvan A/L M. Durairaj
<i>Deputy Group Managing Director</i> | 7. Datuk Samsul Bin Husin
<i>Non-Independent</i>
<i>Non-Executive Director</i> |
| 4. Ang Hsin Hsien
<i>Executive Director</i> | 8. Charles William Fox
<i>Non-Independent</i>
<i>Non-Executive Director</i> |

GOVERNANCE

Directors' Profiles

TAN SRI DATO' MOHD IBRAHIM BIN MOHD ZAIN

INDEPENDENT NON-EXECUTIVE CHAIRMAN

Gender: Male
Nationality: Malaysian
Age: 74
Date of Appointment: 28 December 2010
Length of Service: 6 years 6 months (As at 30 June 2017)
Date of Last Re-election: 20 September 2016

Working Experience:

Upon his graduation in 1965, he was attached to University Technology MARA (UiTM) (formerly known as Institute of Technology MARA) as a lecturer, then Head of School of Business and later, as Dean of Academic Affairs. Subsequently he was appointed as a Council Member/Director, a position he held until October 2006.

He had served as Chief Executive Officer 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, Pan Malaysian Holdings Berhad, Pan Malaysian Industries Berhad, Pan Malaysia Capital Berhad, Chemical Company of Malaysia Berhad and Kawan Food Berhad. He was also Deputy Chairman of Metrojaya Berhad, a Director of K & N Kenanga Berhad and AMMB Holdings Berhad.

He has over 40 years of broad-based senior management, decision making and significant executive leadership positions in various industries in public listed companies as well as private companies.

Membership of Board Committees:

- Audit Committee
- Nomination Committee

Academic / Professional Qualifications:

- Graduate, British Institute of Management, United Kingdom
- Graduate, Institute of Marketing, United Kingdom
- Masters in Business Administration, University of Ohio, United States of America

Present Directorship(s) In Listed Entity:

- Rex Industry Berhad
- Brahims Holdings Berhad

Present Directorship in Public Company:

Yayasan Arshad Ayub

He does not have any family relationship with any director and/or major shareholder of the Company, nor any conflict of interest with the Company. He has no convictions for any offences within the past five years. He had attended five (5) out of the six (6) Board Meetings held during the financial year ended 31 March 2017.

AMEER BIN SHAIK MYDIN

GROUP MANAGING DIRECTOR

Gender: Male
Nationality: Malaysian
Age: 54
Date of Appointment: 28 December 2010
Length of Service: 6 years 6 months (As at 30 June 2017)
Date of Last Re-election: 25 August 2015

Working Experience:

Mr. Ameer bin Shaik Mydin has accumulated invaluable experience in the IT and financial services industry. He started his career as an Account Manager at PanGlobal Sistemaju Sdn Bhd, providing WANG computers solutions to the banking industry. There, he managed an esteemed clientele comprising local and international banks.

3 years later, Ameer then moved to Digital Equipment Malaysia Sdn Bhd to assume the role of a Channels Account Manager in charge of the re-seller market for VAX system processors. This is where Ameer built his network with other channel partners in the IT industry in Malaysia focusing on the Government sector.

Ameer went on to expand his knowledge in the IT solution business as a Sales Manager at Berjaya Ross Systems Sdn Bhd, an accounting system and computer hardware provider. Thereafter, he joined Unisys Malaysia Sdn Bhd, as the Senior Strategic Account Manager in the Network Sales Division.

In 1999 with the coming of Y2K, Ameer joined Century Software (M) Sdn Bhd (CSM) as a Business Development Manager. In the ensuing years, he assumed many roles under the Group including CEO of IT System Implementors Sdn Bhd and Director of Business Development at CSM where he identified, cultivated and negotiated new opportunities for the company.

In 2008, Ameer was appointed an Executive Director for Censof Holdings Berhad and subsequently as CEO of T-Melmax in 2012 to oversee the progress of the company. In 2014, he was appointed as the Group Managing Director of Censof Holdings Bhd overseeing all its subsidiaries. Ameer takes a hands-on approach with all things concerning business development, group strategy, human resource and corporate affairs.

Outside of Censof, Ameer is a staunch environmentalist and is also a Director in Gunung Ganang Corp Sdn Bhd, an environmental and project management turnkey service provider focusing on environmentally friendly and sustainable practices. He is also an avid mountain climber and has even made it to the Mt. Everest base camp.

Membership of Board Committees:

- Member of Remuneration Committee (Appointed 25 May 2015)

Academic / Professional Qualifications:

- Bachelor of Science (Physics), Universiti Malaya, Malaysia

Present Directorship(s) In Listed Entity:

None

He does not have any family relationship with any director and/or major shareholder of the Company, nor any conflict of interest with the Company. He has no convictions for any offences within the past five years and he does not hold any shares in the Company. He had attended all the six (6) Board Meetings held during the financial year ended 31 March 2017.

GOVERNANCE

Directors' Profiles

TAMIL SELVAN A/L M. DURAIRAJ

DEPUTY GROUP MANAGING DIRECTOR

Gender: Male

Nationality: Malaysian

Age: 56

Date of Appointment: 28 December 2010

Length of Service: 6 years 6 months (As at 30 June 2017)

Date of Last Re-election: 29 August 2014

Working Experience:

Mr. Selvan Durairaj has gained over 3 decades of public and private sector experience in business consulting and financial applications.

During the early years of his career, Selvan was a treasury accountant at the Accountant General Office and an accountant for the Perak state secretariat. He then joined the private sector as a consulting manager at New Straits Times Technology Sdn Bhd and then in KPMG Peat Marwick Consulting Sdn Bhd, which gave him exposure into accounting systems and software implementation.

Having taken on roles in both IT and accounting sectors, Selvan gained a unique perspective and aimed to modernise accounting solutions for both the public and private sector.

In 1995, Selvan along with his partners founded Century Software Sdn Bhd, specialising in accounting systems and software. The solutions were made available to both the Malaysian Government and the private sector, winning awards such as Member Excellence Award (2012) & Technoprenuer Excellence Award (2011) from PIKOM ICT Leadership Awards, Best Software Product (2010) from NEF-AWANI ICT Awards, SME Star Award in both 2009 and 2010 from the National Award of Management Accounting and many more.

In 2014, Selvan was appointed as the Group Deputy Managing Director at Censof Holdings Berhad where he still holds the position. His area of expertise includes financial management and cost accounting and he oversees both the finance and operations department of the company.

Membership of Board Committees:

None

Academic / Professional Qualifications:

- Chartered Accountant of the Malaysian Institute of Accountants, Malaysia
- Member, Chartered Institute of Management Accountants, United Kingdom
- Chartered Global Management Accountant, CGMA

Present Directorship(s) In Listed Entity:

None

He does not have any family relationship with any director and/or major shareholder of the Company, nor any conflict of interest with the Company. He has no convictions for any offences within the past five years and he does not hold any shares in the Company. He had attended all the six (6) Board Meetings held during the financial year ended 31 March 2017.

ANG HSIN HSIEN

EXECUTIVE DIRECTOR

Gender: Female

Nationality: Malaysian

Age: 50

Date of Appointment: 28 December 2010

Length of Service: 6 years 6 months (As at 30 June 2017)

Date of Last Re-election: 29 August 2014

Working Experience:

Ms. Ang has more than 20 years of experience in business and the IT industry. Armed with her training in marketing and finance, and her interest in IT, she has IT-enabled business transformation for clients in both the public and private sectors.

Ms. Ang co-founded Century Software Sdn Bhd and started distributing accounting software from Australia to Malaysia. Ang was instrumental in pioneering the government accounting systems with the introduction of SAGA (Standard Accounting System for Government Agencies) and coordinated with Central Agencies to ensure successful implementation of SAGA at respective federal and state government agencies.

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. She is also a technology evangelist and works with partners to get the most out of new technology such as cloud, big data analytics the Internet of Things (IoT) and sees that digitalisation Industry 4.0 as the way forward for the country.

Membership of Board Committees:

None

Academic / Professional Qualifications:

- Bachelor of Business (Finance & Marketing), Curtin University of Technology, Western Australia

Present Directorship(s) In Listed Entity:

Dagang NeXchange Berhad

She does not have any family relationship with any director and/or major shareholder of the Company, nor any conflict of interest with the Company. She has no convictions for any offences within the past five years and she does not hold any shares in the Company. She had attended all the six (6) Board Meetings held during the financial year ended 31 March 2017.

GOVERNANCE

Directors' Profiles

TUAN HAJI AB. GANI BIN HARON

SENIOR INDEPENDENT NON-EXECUTIVE DIRECTOR

Gender: Male

Nationality: Malaysian

Age: 66

Date of Appointment: 28 December 2010

Length of Service: 6 years 6 months (As at 30 June 2017)

Date of Last Re-election: 20 September 2016

Working Experience:

Tuan Haji Gani's professional career over 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 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.

Membership of Board Committees:

- Audit Committee (Chairman)
- Nomination Committee
- Remuneration Committee

Academic / Professional Qualifications:

- Chartered Accountant of the Malaysian Institute of Accountants
- B.Econs (Hons), University of Malaya
- Diploma In Accounting, University of Malaya

Present Directorship(s) In Listed Entity:

- YLI Holdings Berhad

He does not have any family relationship with any director and/or major shareholder of the Company, nor any conflict of interest with the Company. He has no convictions for any offences within the past five years and he does not hold any shares in the Company. He had attended all the six (6) Board Meetings held during the financial year ended 31 March 2017.

BOEY TAK KONG

INDEPENDENT NON-EXECUTIVE DIRECTOR

Gender: Male

Nationality: Malaysian

Age: 63

Date of Appointment: 28 December 2010

Length of Service: 6 years 6 months (As at 30 June 2017)

Date of Last Re-election: 25 August 2015

Working Experience:

He has over 23 years of broad senior management experience in financial management, internal audit, general management, corporate affairs and regional business development with 5 major listed groups with listings in Malaysia, Singapore, United Kingdom, Australia and New Zealand.

His industry knowledge covers financial services, industrial equipment assembly and distribution, general insurance, textile manufacturing, property development, infrastructure project management and integrated timber processing and marketing business.

Presently, he is the Managing Director of Terus Mesra Sdn Bhd, a governance and leadership development training company.

Membership of Board Committees:

- Nomination Committee (Chairman)
- Remuneration Committee (Chairman)
- Audit Committee

Academic / Professional Qualifications:

- Chartered Accountant of the Malaysian Institute of Accountants
- Fellow of the Association of Chartered Certified Accountants (UK)
- Associate of the Institute of Chartered Secretaries & Administrators (UK)
- Member of the Institute of Marketing Malaysia
- Member of the Malaysian Institute of Management

Present Directorship(s) In Listed Entity:

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

He does not have any family relationship with any director and/or major shareholder of the Company, nor any conflict of interest with the Company. He has no convictions for any offences within the past five years and he does not hold any shares in the Company. He had attended all six (6) Board Meetings held during the financial year ended 31 March 2017.

GOVERNANCE

Directors' Profiles

DATUK SAMSUL BIN HUSIN

NON-INDEPENDENT NON-EXECUTIVE DIRECTOR

Gender: Male

Nationality: Malaysian

Age: 55

Date of Appointment: 28 December 2010

Length of Service: 6 years 6 months (As at 30 June 2017)

Date of Last Re-election: 24 June 2015

Working Experience:

He has over 28 years of experience in accounting and IT specialising in financial systems, system planning and designing. His areas of specialty also include system computerisation, namely simplifying decision support systems, public sector accounting for statutory bodies, change management and project management.

He started his career in 1986 with Selangor State Secretary Housing Division and later served as a lecturer at the Malaysian Entrepreneur Development Centre, Universiti Teknologi MARA. 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.

He then joined the private sector in 2001 to hold positions in financial-cum-portfolio management arena before joining Century Software (Malaysia) Sdn Bhd, which is involved in the design, development, implementation and marketing of financial management solutions. He led the development and transformation of Censof into a public-listed company in 2011. He has served as Group Managing Director of Censof Holdings Berhad from September 26, 2011 to August 4, 2014.

In 2013, he led Censof in acquiring a controlling interest of DNeX (then known as TIME Engineering Berhad) from Khazanah Nasional Berhad, the strategic investment fund of the Government of Malaysia. He is currently the Executive Deputy Chairman of Dagang NeXchange Berhad. He is also the Executive Chairman of Dagang Net Technologies Sdn. Bhd. and sits on the Board of Ping Petroleum Limited.

Membership of Board Committees:

None

Academic / Professional Qualifications:

- Bachelor of Accounting from Universiti Kebangsaan Malaysia
- Chartered Accountant, Malaysian Institute of Accountants
- Certified Financial Planner

Present Directorship(s) In Listed Entity:

Dagang NeXchange Berhad

He does not have any family relationship with any director and/or major shareholder of the Company, nor any conflict of interest with the Company. He has no convictions for any offences within the past five years and he does not hold any shares in the Company. He had attended five (5) out of six (6) Board Meetings held during the financial year ended 31 March 2017.

CHARLES WILLIAM FOX

NON-INDEPENDENT NON-EXECUTIVE DIRECTOR

Gender: Male

Nationality: Australian

Age: 63

Date of Appointment: 29 May 2015

Length of Service: 2 years 1 month (As at 30 June 2017)

Date of Last Re-election: 25 August 2015

Date of Resignation: 4 July 2017

Working Experience:

Charles' initial career in telecommunications systems transitioned to computer systems implementation. At 30, he started a software business which over two decades developed and implemented hundreds of systems throughout Australia, New Zealand, Malaysia and the Philippines employing 175 professionals in offices in two countries. A successful management buyout permitted Charles to change pace, becoming an investor and mentor with equity and directorships in two businesses, an Irish based business intelligence company and Singapore incorporated SME accounting software company.

His computer industry knowledge covers all facets of management, sales, marketing, systems design, development, implementation and support.

His current project is building the Bi4Cloud.com company, a business intelligence cloud service bringing corporate quality analytics to the SME.

Membership of Board Committees:

None

Academic / Professional Qualifications:

- Diploma in Electronic Engineering
- Trade Certificate Radio Electronics

Present Directorship(s) In Listed Entity:

None

He does not have any family relationship with any director and/or major shareholder of the Company, nor any conflict of interest with the Company. He has no convictions for any offences within the past five years and he does not hold any shares in the Company. He had attended four (4) out of six (6) Board Meetings held during the financial year ended 31 March 2017.

GOVERNANCE

Management Team

1. ZAINUL ARIFFIN HARUN

Chief Executive Officer
Century Software (M) Sdn Bhd

2. PAUL CONWAY

Chief Executive Officer
Asian Business Software Solutions
(ABSS)

3. S.T RUBANESWARAN

Chief Executive Officer
Knowledgecom Corporation Sdn Bhd

4. HAZAIRIN

Chief Executive Officer
PT. Praisindo Teknologi

5. ZAINAL 'ABIDIN ABD JALIL

Group Managing Director
Dagang NeXchange Berhad (DNeX)



GOVERNANCE

Management Team's Profiles

ZAINUL ARIFFIN HARUN

Age: 46 years old

Nationality: Malaysian

Date of Appointment:

16 January 2014

Length of Service (as at 30 June 2017):

3 years 5 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.

PAUL CONWAY

Age: 42 years old

Nationality: British

Date of Appointment:

21 March 2016

Length of Service (as at 30 June 2017):

1 year 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.

S.T RUBANESWARAN

Age: 36 years old

Nationality: Malaysian

Date of Appointment:

January 2008

Length of Service (as at 30 June 2017):

9 years 5 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 an 80% subsidiary. Currently, he is the CEO of KnowledgeCom and Global Strategic Partners Sdn Bhd, a fully own subsidiary of KnowledgeCom Corporation Sdn Bhd. Ruban won the Young Indian Entrepreneur Award (YIEA) from Malaysian Indian Entrepreneur Cooperative in 2015 and was awarded the Ernst & Young Emerging Entrepreneur in 2016.

GOVERNANCE

Management Team's Profiles

HAZAIRIN

Age: 48 years old

Nationality: Indonesian

Date of Appointment:

November 2011

Length of Service (as at 30 June 2017):

6 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 specialises in IT business processes in Capital Market, Investment Banking and Wealth Management.

ZAINAL 'ABIDIN ABD JALIL

Age: 58 years old

Nationality: Malaysian

Date of Appointment:

19 June 2014

Length of Service (as at 30 June 2017):

3 years

Academic / Professional Qualification(s):

- BE in Civil Engineering, University of Queensland

Working Experience:

Zainal 'Abidin Abd Jalil is the Group Managing Director of Dagang NeXchange Berhad (DNeX) effective 19 June 2014.

Zainal is an accomplished industry leader with a wealth of experience in managing businesses and operations in high-technology and capital-intensive upstream oil and gas industry, and power generation utilities.

He graduated with a BE Civil Engineering from University of Queensland, Australia. He has demonstrated significant leadership experience in deepwater operations including floating production, storage and offloading units (FPSOs) and sub-sea wells, and joint-venture management with strong partner relation experience with global players in the oil and gas sector. He also has in depth knowledge of major hydrocarbon producing areas in West Africa, North America and Asia Pacific in addition to leadership experience overseeing power business in the Middle East, North Africa, South East Asia and Australia.

Serving as Chief Executive Officer of Malakoff Corporation Berhad, Zainal successfully spearheaded the company's transformation into a leading international Independent Water and Power Producer (IWPP) with core businesses in power generation, water desalination and operations & maintenance services. Prior to Malakoff, Zainal 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.

Zainal sits on the Board of Ping Petroleum Limited, an associate company of DNeX.

GOVERNANCE

Statement on Corporate Governance

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 of 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 realising 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.

PRINCIPLE 1 – ESTABLISH CLEAR ROLES AND RESPONSIBILITIES

The Board is responsible for formulating and reviewing the strategic plans and key policies of the Company, and charting the course of the Group’s business operations whilst providing effective oversight of Management’s performance, risk assessment and controls over business operations.

The Group is led and controlled by an effective Board which assumes, amongst others, the following principal responsibilities in discharging its stewardship role and fiduciary and leadership functions:-

- reviewing and adopting a strategic plan for the Company and the Group, and subsequently monitoring the implementation of the strategic plan by the Management to ensure sustainable growth of the Company and the Group;
- overseeing the conduct of the Company and the Group’s business activities;
- evaluating principal risks of the Company and the Group to ensure the implementation of appropriate risk management and internal control systems to manage these identified risks;
- reviewing the adequacy and effectiveness of the Company and the Group’s risk management and internal control systems;
- succession planning of the Company and the Group’s talent diversity; and
- reviewing the adequacy and the integrity of the management information of the Company and the Group.

The Board delegates and confers some of its authorities and discretions to the Chairman, Group Managing Director, Executive Directors and Management as well as the properly constituted Board Committees comprising mainly/exclusively Independent Non-Executive Directors.

There is a clear division of responsibilities between the Chairman of the Board and the Group Managing Director. The Chairman leads strategic planning at the Board level, while the Group Managing Director is responsible for the implementation of the policies laid down and execute the day-to-day decision-making process.

The role of Management is to support the Executive Directors in implementing the overall running and strengthening of the Company and the Group’s business affairs, in accordance with the delegated authority by the Board.

In general, the Non-Executive Directors are independent of Management. Their roles are to constructively challenge Management and monitor the success of Management in delivering the approved targets and business plans within the risk appetite set by the Board. They have free and open contact with Management at all levels, and they engage with the external and internal auditors to address matters concerning Management and oversight of the Company’s business and operations.

Key matters reserved for the Board’s approval include the financial statements, annual business plan, declaration of dividends, securing banking facilities, appointment of Board members and senior management, business continuity plan, issuance of new securities, corporate restructuring plan, material acquisition and disposal of assets.

GOVERNANCE

Statement on Corporate Governance

The Board has established and delegated specific responsibilities to three (3) committees of the Board, which operate within clearly defined written terms of reference. The Board reviews the Board Committees' authority and terms of reference from time to time to ensure their relevance. The Board Committees deliberate the issues on a broad and in-depth basis before putting up any recommendation to the Board for approval. The ultimate responsibility for decision making lies with the Board.

The Board Committees are:-

(a) Audit Committee

- The Audit Committee plays an active role in assisting the Board in discharging its governance responsibilities, which include reviewing financial statements, maintaining a sound risk management, assessing related party transactions, internal control and governance system.
- The full details of the composition, terms of reference and summary of the activities of the Audit Committee during the year are set out in the Audit Committee Report in this Annual Report.

(b) Remuneration Committee

- The Remuneration Committee is primarily responsible for determining and recommending to the Board the remuneration packages of the Executive Director of the Company.

(c) Nomination Committee

- The Nomination Committee is primarily responsible for recommending suitable appointments to the Board, taking into consideration the Board structure, size, composition and the required mix of expertise and experience which the Director should bring to the Board. It assesses the effectiveness of the Board as a whole, the committees of the Board and the contribution of each Director, including Non-Executive Directors, as well as the Group Managing Director.

Board Charter

The Board has established a Board Charter to provide clarity and guidance in the roles and responsibilities to the Board members and management.

The Board Charter addresses, among others, the following matters:-

- Objectives
- Role of the Board
- Independent Non-Executive Chairman and CEO
- Board Committees
- Board Meetings
- General Meetings
- Annual General Meeting
- Extraordinary General Meeting
- Investor Relations and Shareholder Communication
- Relationship with other Stakeholders
- Marketplace
- Workplace
- Environment
- Community
- Company Secretary

The Board Charter serves as a referencing point for Board's activities to enable Directors to carry out their stewardship role and discharge their fiduciary duties towards the Company. The Board Charter is made publicly available on the Company's website at www.censof.com.

GOVERNANCE

Statement on Corporate Governance

Code of Ethics

The Company's Code of Ethics encompasses transparency, integrity, accountability and corporate social responsibility. The Board, in discharging its duties and responsibilities, is guided by the Code of Ethics.

The Code of Ethics is formulated to enhance the standard of corporate governance and behaviour with a view to achieve the following objectives: -

- To establish standard of ethical conduct for directors based on acceptable belief and values that one upholds.
- To uphold the spirit of social responsibility and accountability of the Company in line with the legislations, regulations and guidelines governing it.

The Board is committed to adhering to best practices in corporate governance and observing the highest standards of integrity and behaviour in all activities conducted by the Company and the Group, including the interaction with its shareholders, employees, creditors, customers and within the community and environment in which the Company and the Group operate.

Whistle Blowing Policy

The Group has formalised and established a Whistle Blower Policy. This is to provide an avenue for all employees and stakeholders to raise genuine concerns about unethical behaviour, malpractices, illegal acts or failure to comply with regulatory requirements without fear of reprisal should they act in good faith when reporting such concerns. 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.

Sustainability of Business

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 on pages 33 and 34.

Supply of, and Access to, Information

Every Director has full and unrestricted access to information within the Group. Where required, the Board and its Committees are provided with independent professional advice, the cost of which is borne by the Company. The Board may also seek advice from the Management or request further explanation, information or update on any aspect of the Group's operations or business concerns. The Board is supplied with quality and timely information, which allows it to discharge its responsibilities effectively and efficiently.

The agenda for each meeting together with a set of comprehensive Board Papers for each agenda item are delivered to each Director in advance of meetings, to afford the Board sufficient time to review the matters to be deliberated for effective discussion and decision making during the meeting, and where necessary, to obtain supplementary information before the meeting.

All Board members have access to the advice/opinion of the Company Secretary. They are also entitled to and may avail themselves of any further professional advice by requesting the Management to make the necessary arrangements at the expense of the Company.

GOVERNANCE

Statement on Corporate Governance

Company Secretary

The Board is regularly updated and apprised by the Company Secretary on new regulation or change in the Act, issued by the regulatory authorities. The Company Secretaries are MAICSA members, experienced and competent on statutory and regulatory requirements.

The Company Secretary attends all Board and Board Committee meetings and ensures that all meetings are properly convened and that accurate and proper records of the proceedings and resolutions passed are taken and maintained in the statutory register of the Company.

The Company Secretary works closely with Management to ensure that there are timely and appropriate information flows within and to the Board and Board Committees.

The appointment and removal of Company Secretary is at the purview of the Board.

PRINCIPLE 2 – STRENGTHEN COMPOSITION

Nomination Committee

The Nomination Committee comprises 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 a meeting on 27 May 2016 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 Non-Executive 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.

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

Remuneration Committee

This Board Committee recommends the general remuneration policy of the Group and reflects on 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. The Directors' fees and any other benefits are subject to the approval of the shareholders.

GOVERNANCE

Statement on Corporate Governance

The Committee met on 27 May 2016 and 27 June 2016 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, 2017 is as follows:-

Received from Censof Holdings Berhad

	Salaries RM	Benefit in Kind RM	Fees RM	Allowance RM	Total RM
Executive Director	1,079,397	-	95,000	-	1,174,397
Non-Executive Director	-	-	330,000	47,000	377,000
Total	1,079,397	-	425,000	47,000	1,551,397

Received on Group basis

	Salaries RM	Benefit in Kind RM	Fees RM	Allowance RM	Total RM
Executive Director	1,086,897	17,400	262,517	-	1,366,814
Non-Executive Director	797,867	-	330,000	47,000	1,174,867
Total	1,884,764	17,400	592,517	47,000	2,541,681

The number of Directors of the Company whose total remuneration for the financial year ended 31 March 2017 that falls within the following band is as follows:-

Received from Censof Holdings Berhad

Range of Remuneration	Number of Directors (Executive)	Number of Directors (Non-Executive)
RM1 to RM50,000	-	2
RM50,001 to RM100,000	-	1
RM100,001 to RM150,000	-	2
RM350,001 to RM400,000	1	-
RM400,001 to RM450,000	2	-

Received on Group basis

Range of Remuneration	Number of Directors (Executive)	Number of Directors (Non-Executive)
RM1 to RM50,000	-	1
RM50,001 to RM100,000	-	1
RM100,001 to RM150,000	-	2
RM400,001 to RM450,000	1	-
RM450,001 to RM500,000	2	-
RM800,001 to RM850,000	-	1

Directors' fees for financial year ending 31 March 2018 is subject to shareholders' approval at the Ninth Annual General Meeting to be held on 12 September 2017 and to be paid quarterly in arrears.

GOVERNANCE

Statement on Corporate Governance

The proposed fees and remuneration for the Directors of the Board and Board Committees for the financial year ending 31 March 2018 is computed as follows:-

	Chairman (Per annum) RM	Members* (Per annum) RM	Meeting Allowance (Per meeting) RM
Board	80,000	247,500	1,000
Audit Committee	10,000	16,000	1,000
Nomination Committee	10,000	16,000	1,000
Remuneration Committee	10,000	13,000	1,000

**Based on existing board composition*

PRINCIPLE 3 – REINFORCEMENT 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 MCGG 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 MCGG 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 the following positions with their relevant tenure period in service 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
Total	2	6	-	8

Separation of Positions of the Chairman and Group Managing Director

The Board recognises 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.

GOVERNANCE

Statement on Corporate Governance

Board Composition

At the date of this report, the Board consists of seven (7) members of whom three (3) are Independent Non-Executive Directors, one (1) Non-Independent Non-Executive Director and three (3) 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 38 to 41 of this Annual Report.

The Board is composed of individuals with mixed skills and knowledge from diversified industries comprising of:-

- Accounting & Auditing
- Marketing & Business Development
- Banking & Finance
- Risk & Governance
- Government Relations
- Information Technology
- Management & Leadership

PRINCIPLE 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, 2017, as set out in the following tables.

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	5/6
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	6/6
Datuk Samsul Bin Husin	Non-Independent Non-Executive Director	5/6
Charles William Fox (Resigned effective from 4 July 2017)	Non-Independent Non-Executive Director	4/6

Number of Directorships of Each Director

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 adhere 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.

GOVERNANCE

Statement on Corporate Governance

Audit Committee Meetings

During the year, Five (5) Audit Committee Meetings were held to deliberate and resolve significant issues in relation to financial statements, 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	4/5
Boey Tak Kong	Independent Non-Executive Director	5/5

Nomination Committee Meetings

During the year, One (1) Nomination Committee Meeting was held to deliberate and resolve significant issues in relation to 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	Senior 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	2/2
Ameer Bin Shaik Mydin	Group Managing Director	2/2
Tuan Haji Ab. Gani Bin Haron	Senior Independent Non-Executive Director	2/2

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.

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Statement on Corporate Governance

During the financial year ended 31 March, 2017, the Directors have attended the following trainings:-

Name Of Director	Training Attended	Date of Training
Tan Sri Dato' Mohd Ibrahim Bin Mohd Zain	Board Chairman Series Part 2 – Leadership Excellence From The Chair	11 August 2016
	Global Entrepreneurship Community 2016	8 December 2016
Ameer Bin Shaik Mydin	Expectations On Plcs And Directors In Disclosure & Compliance Requirements Under The Listing Requirements	24 October 2016
	Global Transformation Forum	22 & 23 March 2017
Tamil Selvan A/L M. Durairaj	Tax Planning Ideas	19 April 2016
	How to Maximize Benefits of SOCSO	23 May 2016
	The Leader's Voice	19 July 2016
	Opportunity Capture	20 September 2016
	How to Make A Quantum Leap in Your Sales in 2017	18 October 2016
	Mindfulness	20 December 2016
	Malaysian Economy in 2017 and Beyond	21 February 2017
	Culture Leadership Strategy	21 March 2017
Ang Hsin Hsien	Audit Committee Workshop : Understanding Complex Financial Reporting under MFRS/IFRS	13 July 2016
	"The Velocity Of Global Change & Sustainability – The New Business Model" & (MaSRA) 2016	10 January 2017
	Global Transformation Forum	22 & 23 March 2017
Tuan Haji Ab, Gani Bin Haron	-	Note 1
Boey Tak Kong	Ring the Bell for Gender Equality	11 March 2016
	The Essence of Independence	28 March 2016
	Sustainability Engagement Series For Directors/ Chief Executive Officer	2 May 2016
	The Strategy, the Leadership, the Stakeholders and the Board	6 May 2016
	Driving Value Through Ethics	14 June 2016
	Sustainability Reporting	25 August 2016
	I Am Ready To Manage Risk	5 September 2016
	Directors Training <ul style="list-style-type: none"> Companies Act 2016 – Highlights & Key Changes Security & Terrorism In Malaysia – A Very Real Threat? Power Of Social Media & How It Impacts Our Business 	9 November 2016
	MIA International Accountants Conference – Strengthening The Profession For A Sustainable Future	15 & 16 November 2016
	How To Leverage On AGMs For Better Engagement With Shareholders	21 November 2016
Datuk Samsul Bin Husin	The 3rd World Muslim Leadership Forum (WMLF)	6 October 2016
Charles William Fox (Resigned effective from 4 July 2017)	-	Note 1

Note 1: Even though these two Directors had not attended any training during the financial year due to their busy work schedule, the Directors continuously received briefings and updates on the Group's business and operations, finance, corporate governance, new regulations and statutory requirements.

GOVERNANCE

Statement on Corporate Governance

PRINCIPLE 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 251(2) of the Companies Act 2016 is set out on page 70 where as the Statement of Responsibility by Directors pursuant to paragraph 15.27 (a) of the Main Market Listing Requirements of Bursa Securities is on page 70 of this Annual Report.

The details of the financial statements of the Company are set out on pages 63 to 169 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.

PRINCIPLE 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 reviews 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 56 to 57 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 58 of the Audit Committee Report.

Internal Control

The Statement on Risk Management and Internal Control of the Group is set out on pages 56 to 57 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.

GOVERNANCE

Statement on Corporate Governance

PRINCIPLE 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.

The Board has dedicated the authority to the Group Managing Director and the Company Secretary as authorised persons to release any announcement timely.

PRINCIPLE 8 - STRENGTHENING RELATIONSHIP BETWEEN 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.

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.

Poll Voting

Pursuant to Paragraph 8.29A of the Main Market Listing Requirements of Bursa Securities, all resolution set out in the notice of any general meeting held on after 1 July 2016 shall be voted by poll. An independent scrutineer shall be appointed to undertake the polling process. Resolutions at all general meetings of the Company held after 1 July 2016 will be voted on and passed by shareholders via poll.

The Company will adhere to the Listing Requirement that all resolutions are voted by way of poll.

Communication with Shareholders and Investors

The Company's website 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	: Mr. Ivan Fong Choon Hau
Position	: General Manager, Group Finance
E-mail	: ivan@censof.com

This Corporate Governance Statement has been approved by the Board on 24 July 2017.

GOVERNANCE

Statement on Risk Management & 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.

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. However, the system is designed to manage rather than eliminate the risk of failure to achieve business objectives and can only provide reasonable and not absolute assurance against any risk of material misstatement or financial losses.

MANAGEMENT RESPONSIBILITY

The Management has been tasked to identify and assess the risks faced by the Group and to design effective control measures to mitigate the risks. These processes are regularly reviewed by the Board. Further to that, the Management is responsible for highlighting significant issues related to internal controls and risk management to the Board.

KEY ELEMENTS OF THE GROUP'S RISK MANAGEMENT AND INTERNAL CONTROL SYSTEM

Key elements of the Group's risk management and internal control system are as follows:-

a. Control Environment:

1. The organisational structure has well-defined lines of responsibility, delegation of authority, segregation of duties and information flow to support the Group in achieving its business objectives.
2. Limits of Authority have been established for the Group. These Limits of Authority specify clear department and delegation of responsibilities from the Board to members of management and the authorisation levels for various aspects of operations. All revisions to the Limits of Authority are approved by the Board.
3. Documented policies and procedures have been set out in a series of standard operating procedure manuals which are periodically reviewed and updated to reflect changes in business structures.
4. Annual budgets are prepared in advance of upcoming year using a detailed budgeting process. These budgets are subjected to evaluation and scrutiny by the senior management team before it is recommended to the Board for approval. Performance against the budget is tracked on a quarterly basis.
5. The Group's assets are adequately covered by insurance policies to ensure that there is sufficient sum insured against financial losses in the event of untoward incidences.
6. Quality control and improvement initiatives are in place and key business units of the Group are accredited for ISO certification.
7. All employees of the Group are required to read and understand the Groups' Code of Conduct and whistleblowing policy on the Group website..

b. Information and Communication Processes

1. Regular and comprehensive information is provided by the Management to the Board and the Audit Committees, covering financial performance, achievement of key performance indicators, risk management issues and cash flow position.
2. Various management information systems are operational to provide management with timely and accurate information on the Group's performance and to assist management in making effective decisions.

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Statement on Risk Management & Internal Control

c. Monitoring Processes

1. At each subsidiary company, meeting of the Strategic Management Team ("SMT") comprising the Chief Executive Officer ("CEO") and Senior Management or Board of Executive Directors ("BOED") comprising Executive Directors are regularly held to discuss how the key risk areas such as finance, operations, regulatory compliance, and sustainability were assessed and the controls in place to mitigate or manage those identified risks.
2. 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.

The Group's system of internal control does not apply to associated company where the Group does not have full management control over them.

BOARD 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.

MANAGEMENT ASSURANCE

In accordance with the Guidelines for Directors of Listed Issuers, the Group Managing Director and the Group General Manager, Finance, representing the Management, have given reasonable assurance to the Board that the Group's risk management and internal control systems are adequate and effective, in all material aspects, based on the risk management and internal controls adopted by the Group.

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 the 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.

This Statement on Risk Management and Internal Control is made by the Board of Directors in accordance to its resolution dated 24 July 2017.

GOVERNANCE

Audit Committee Report

The Board is pleased to present the Audit Committee (“AC”) Report which highlights activities carried out for the financial year ended 31 March, 2017, as guided by its Terms of Reference (“TOR”).

1. Composition

As at the date of this report, the AC comprises three (3) members of the Board, all of whom are Independent Non-Executive Directors.

2. Membership

The current composition of the Audit Committee as at the date of this Annual Report is as follows:-

Chairman : Tuan Haji Ab. Gani Bin Haron
Independent Non-Executive Director

Members : Tan Sri Dato’ Mohd Ibrahim Bin Mohd Zain
Independent Non-Executive Director

Mr. Boey Tak Kong
Independent Non-Executive Director

The AC Chairman, Tuan Haji Ab. Gani Bin Haron and Mr. Boey Tak Kong are both Chartered Accountants and members of the Malaysian Institute of Accountants (“MIA”) and complies with Paragraph 15.09 (1)(c)(i).

3 Frequency of Meetings

The AC met five (5) times during the financial year ended 31 March, 2017 and the attendance of the AC members is as follows:-

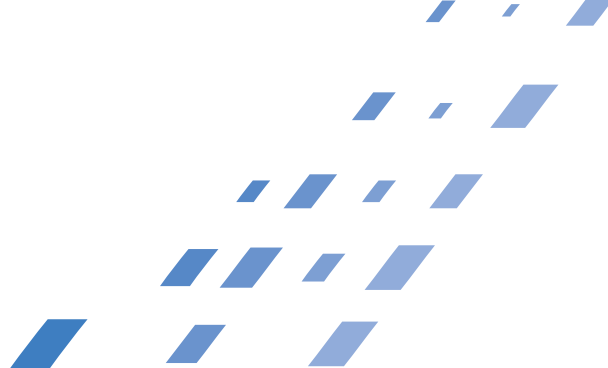
Name	Attendance
Tuan Haji Ab. Gani Bin Haron	5/5
Tan Sri Dato’ Mohd Ibrahim Bin Mohd Zain	4/5
Mr. Boey Tak Kong	5/5

4. Terms of Reference (TOR)

The information on the terms of reference of the Audit Committee is available on the Company’s website at www.censof.com.

GOVERNANCE

Audit Committee Report



SUMMARY OF AUDIT COMMITTEE'S ACTIVITIES

During the financial year ended 31 March, 2017, the AC had discharged its functions and carried out its responsibilities as set out in the TOR.

A summary of the activities carried out by the AC during the financial year under review are as follows: -

A. Financial Reporting

- (i) Reviewed and briefed the Board on the Group's quarterly unaudited financial statements, prior to submission to the Board for their considerations and approval;
- (ii) Reviewed and reported to the Board the Group's Annual Audited Financial Statements of the Company and Group prior to submission to the Board for their consideration and approval;
- (iii) Reviewed the audit reports for the Group and the Company prepared by the External and Internal Auditors and considered the major findings by the auditors and the respective Management's responses thereto; and
- (iv) Reviewed the audit plans for the Group and the Company for the financial year which were prepared by both the External and Internal Auditors.

B. Internal Audit

- (i) Reviewed the Internal Audit Reports prepared by the Internal Auditors and appraised the adequacy of the scope, functions, competency and resources of the Internal Auditors to ensure that it has the necessary authority to carry out their responsibilities; and
- (ii) Reviewed and approved the internal audit programmes and the review of the processes including the findings and results of the audit as well as investigations undertaken to ensure that where appropriate, action had been taken on the recommendations of the internal audit by the Management.

GOVERNANCE

Audit Committee Report

C. External Audit

- (i) Considered and recommended to the Board the re-appointment of the External Auditors, and on their audit fees;
- (ii) Reviewed the Annual Audit Planning Memorandum, the nature and scope of the audit, prior to the commencement of audit;
- (iii) Reviewed with the External Auditors on the following areas and reported the same to the Board:

- (a) Audit report, including the key audit matters which arose during the course of the audit;

During the year under review, the external auditors have highlighted the new requirements on key audit matters. Key audit matters are those matters that, in external auditors' professional judgement, were most significance to the audit of the financial statements. The Committee has also received reports and updates from the external auditors. The Committee is therefore made aware of all materially relevant issues that have concerned management during the year.

The Committee has reviewed and deliberated the key audit matters and the AC on 24 July, 2017 reviewed and agreed with the Management's treatment and controls measures implemented to provide the necessary safeguard for reporting integrity. The AC is pleased to report that there was no significant matter of disagreement that arose between the External Auditors and Management.

- (b) External Auditors management letter and Management's responses thereto;
 - (c) Evaluations of the adequacy of the system of internal controls;
 - (d) Audit approach including coordination of audit efforts with Internal Auditors and assistance given by the employees to the External Auditors; and
 - (e) Key significant audit findings reported by the External Auditors;
- (iv) Conducted 2 private meetings with the External Auditors, without the presence of Management to discuss on their observations and areas for improvements; and
- (v) The Committee to reinforce the independence and objectivity of the External Auditors, the Committee reviewed all non-audit services to be performed by the External Auditors.

D. Related Party Transactions

Reviewed the quarterly report pursuant to related party transactions entered into by the Company and the Group, including review and monitoring of recurrent related party transactions for which shareholders' mandate have been granted to ensure that:

- (a) transactions were carried out on normal commercial terms and were not prejudicial to the interest of the Company or its minority shareholders;
- (b) adequate oversight over internal control procedures with regard to such transactions; and
- (c) compliance with the policy on Related Party Transactions.

E. Risk Management

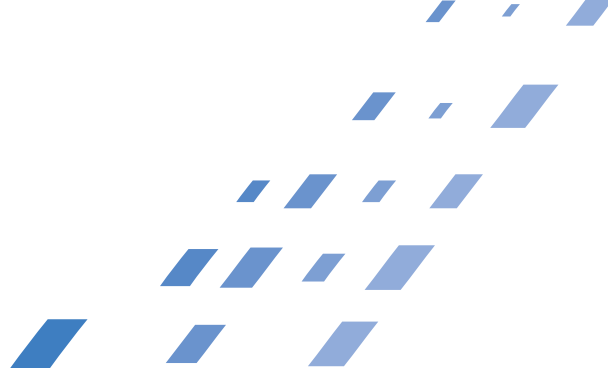
Reviewed and received the updates on the quarterly report on risk management and financial assistance status presented by Management.

F. Other Matters

Reviewed the Statement on Risk Management and Internal Control and Audit Committee Report prior to their submission of the same to the Board for consideration and inclusion in the Annual Report of the Company.

GOVERNANCE

Audit Committee Report



INTERNAL AUDIT FUNCTION

The internal audit function is outsourced to KPMG Management & Risk Consulting Sdn Bhd to undertake the internal audit function for the Group.

During the financial year ended 31 March, 2017, the internal auditors assisted the AC in discharging their duties and responsibilities by executing independent reviews to determine the adequacy and effectiveness of the Group's internal control system. The activities performed by the internal audit function include:

- developing an Internal Audit Plan for the financial year ended 31 March 2017, setting out the implementation of the internal audit scope for the Group based on agreed-upon communication, timelines and reporting protocols;
- perform reviews of the key processes to examine and evaluate the adequacy and efficiency of the operations' internal controls, and highlight any significant risks and non-compliance matters that have impact to the Group;
- undertake two cycles of audit during the financial year ended 2017 and outlined the findings and observations and provide the recommendations to strengthen and improve the controls of the Group;
 - Cycle 1 conducts a follow-up on the status of Management's implementation of internal audit recommendations previously reported by KPMG in its preceding cycles of internal audit; and
 - Cycle 2 focuses on Governance and Risk Management.

During the financial year ended 31 March 2017, internal audit activities were carried out in accordance with the pre-approved internal audit plan. Representatives from the outsourced Internal Audit team led the role of the internal audit functions of the Group and conducted its internal audit visits based on the approved Internal Audit Plan ("IA Plan"). Any significant changes to the IA Plan would be communicated to the Audit Committee for approval prior to the commencement of the internal audit.

The total cost incurred in discharging its functions and responsibilities in 2017 amounted to RM55,000 as compared to RM53,583 in 2016.

GOVERNANCE

Other Disclosure Requirements

1. UTILISATION OF PROCEEDS FROM CORPORATE EXERCISE

The Company did not undertake any corporate exercise during the financial year, hence no proceeds were raised therefrom.

2. 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.

3. AUDIT AND NON-AUDIT FEES

The following are the particulars in relation to the audit and non-audit fees rendered to the Company or its subsidiaries for the financial year:

- (a) Amount of audit fees paid or payable to the Company's auditors incurred by the Company and on a Group basis are RM102,000 and RM210,000 respectively.
- (b) Amount of non audit fee paid or payable to the Company's auditors incurred by the Company and on a Group basis are RM36,000 and RM36,000 respectively.

4. MATERIAL CONTRACTS

There were no material 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 in the ordinary course of business).

5. SUSTAINABILITY STATEMENT

Please refer to Statement on pages 33 to 34.

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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 2017.

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.

RESULTS

	THE GROUP RM'000	THE COMPANY RM'000
Profit after taxation for the financial year	73,318	4,515
Attributable to:-		
Owners of the Company	12,046	4,515
Non-controlling interests	61,272	—
	73,318	4,515

DIVIDENDS

No dividend was recommended by the directors for the financial year.

RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year other than those items disclosed in the financial statements.

ISSUES OF SHARES AND DEBENTURES

During the financial year:-

- (a) there were no changes in the issued and paid-up share capital of the Company; and
- (b) there were no issues of debentures by the Company.

FINANCIAL STATEMENTS

____ Directors' Report

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 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 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-A are disclosed in Note 19 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 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 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 period from 8 October 2014 to 7 October 2019 to subscribe for one new ordinary share 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 19 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 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			
	AT 1.4.2016	ISSUED	EXERCISED	AT 31.3.2017
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.

FINANCIAL STATEMENTS

____Directors' Report

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.

CURRENT ASSETS

Before the financial statements of the Group and of the Company were made out, the directors took reasonable steps to ensure that any current assets, 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 LIABILITY

The contingent liability is disclosed in Note 44 to the financial statements. At the date of this report, there does not exist:-

- (a) 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
- (b) 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.

FINANCIAL STATEMENTS

____Directors' Report

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 in which this report is made.

DIRECTORS

The names of directors of the Company who served during the financial year until the date of this report are as follows:-

Tan Sri Dato' Mohd Ibrahim Bin Mohd. Zain
Ameer Bin Shaik Mydin
Tamil Selvan A/L M. Durairaj
Ang Hsin Hsien (f)
Tuan Haji Ab. Gani Bin Haron
Boey Tak Kong
Datuk Samsul Bin Husin
Charles William Fox (Resigned on 4.7.2017)

The names of directors of the Company's subsidiaries who served during the financial year until the date of this report, not including those directors mentioned above, are as follows:-

Zainul Ariffin Bin Harun (Appointed on 31.5.2017)
Rubaneswaran A/L Thevasenabathy
Siti Safiah Binti Yahaya (Appointed on 29.4.2016)
Hazairin
Boyke Bader Brilliantto
Paul Alistair Jennings
Lum Choong Eu
Paul Stuart Conway (Appointed on 17.8.2016)
Mohd Amiruz Dzaki Bin Muhammad Danil (Resigned on 23.2.2017)
Kularajah M Thavaratnam (Resigned on 23.2.2017)

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:-

	AT 1.4.2016	NUMBER OF ORDINARY SHARES		AT 31.3.2017
		BOUGHT	SOLD	
<i>Direct Interests in the Company</i>				
Tan Sri Dato' Mohd Ibrahim Bin Mohd Zain	10,349,032	—	—	10,349,032
Boey Tak Kong	1,300,000	500,000	—	1,800,000
<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 interests by virtue of their direct substantial shareholdings in SAAS Global Sdn Bhd.

FINANCIAL STATEMENTS

____Directors' Report

DIRECTORS' INTERESTS (CONT'D)

	NUMBER OF WARRANTS-A 2012/2017			
	AT 1.4.2016	BOUGHT	SOLD	AT 31.3.2017
<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 1.4.2016	BOUGHT	SOLD	AT 31.3.2017
<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	–	(28,359,487)	625,001
Ameer Bin Shaik Mydin*	28,984,488	–	(28,359,487)	625,001

Note:

* - Deemed interests by virtue of their direct substantial shareholdings in SAAS Global Sdn Bhd.

The other directors holding office at the end of the financial year had no interest in shares and warrants 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 a benefits included in the aggregate amounts of remuneration received or due and receivable by directors shown in the financial statements or the fixed salary of a full-time employee of the Company or related corporation) 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 42 to the financial statements.

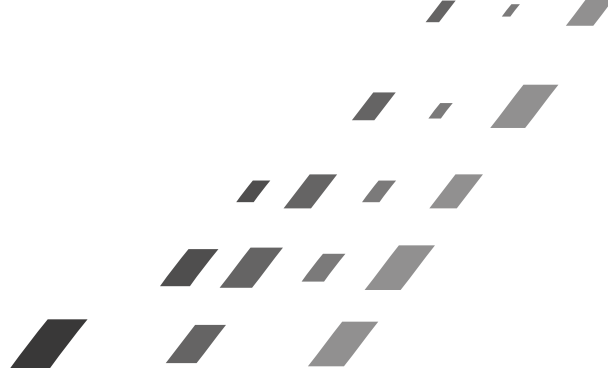
Neither during nor at the end of the financial year was the Group or the Company a party to any arrangements whose object is to enable the directors to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

DIRECTORS' REMUNERATION

The details of the directors' remuneration paid or payable to the directors of the Company during the financial year are disclosed in Note 41 to the financial statements.

FINANCIAL STATEMENTS

____Directors' Report



INDEMNITY AND INSURANCE COST

During the financial year, the total amount of indemnity coverage and insurance premium paid for the directors of the Company were RM24,516.

SUBSIDIARIES

The details of the Group's subsidiaries are disclosed in Note 5 to the financial statements.

SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

The significant events during the financial year are disclosed in Note 47 to the financial statements.

SIGNIFICANT EVENTS OCCURRING AFTER THE REPORTING PERIOD

The significant events occurring after the reporting year are disclosed in Note 48 to the financial statements.

AUDITORS

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

The details of the auditors' remuneration are disclosed in Note 35 to the financial statements.

To the extent permitted by law, the Company has agreed to indemnify its auditors as part of the terms of its audit engagement against any claims by third parties arising from the audit. No payment has been made to indemnify the auditors during or since the financial year.

Signed in accordance with a resolution of the directors dated 27 July 2017.

Datuk Samsul Bin Husin

Tamil Selvan A/L M. Durairaj

FINANCIAL STATEMENTS

Statement by Directors

Pursuant to Section 251(2) of the Companies Act 2016

We, Datuk Samsul Bin Husin 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 77 to 168 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as of 31 March 2017 and of their financial performance and cash flows for the financial year ended on that date.

The supplementary information set out in Note 50, 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 27 July 2017.

Datuk Samsul Bin Husin

Tamil Selvan A/L M. Durairaj

Statutory Declaration

Pursuant to Section 251(1)(b) of the Companies Act 2016

I, Fong Choon Hau, I/C No. 860930-56-6255, 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 77 to 168 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
Fong Choon Hau, I/C No. 860930-56-6255,
at Kuala Lumpur in the Federal Territory
on this 27 July 2017.

Before me

Fong Choon Hau

Lai Din (No. W668)
Commissioner for Oaths

FINANCIAL STATEMENTS

Independent Auditors' Report

To the Members of Censof Holdings Berhad
(Incorporated in Malaysia)
Company No.: 828269 - A

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Censof Holdings Berhad, which comprise the statements of financial position as at 31 March 2017 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 77 to 168.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 March 2017, and of their financial performance and their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

Basis for Opinion

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

Independence and Other Ethical Responsibilities

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

Emphasis of Matter

Without qualifying our opinion, we wish to draw attention to Note 11 - Trade Receivables and Note 13 - 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.

Key Audit Matters

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

FINANCIAL STATEMENTS

Independent Auditors' Report

To the Members of Censof Holdings Berhad
(Incorporated in Malaysia)
Company No.: 828269 - A

Key Audit Matters (Cont'd)

We have determined the matters described below to be the key audit matters to be communicated in our report.

Impairment of trade receivables Refer to Note 4.1(f), Note 11 and Note 46.1(b) in the financial statements	
Key Audit Matter	How our audit addressed the Key Audit Matter
<p>As at 31 March 2017, trade receivables that were past due and not impaired amounted to approximately RM25.80 million. The details of trade receivables and its credit risks are disclosed in Note 46.1(b) to the financial statements.</p> <p>The management applied assumptions in assessing the level of allowance for impairment losses on trade receivables based on the following:-</p> <ul style="list-style-type: none"> specific known facts or circumstances on customers' ability to pay; and/or by reference to past default experiences <p>The impairment assessment involved significant judgements and there is inherent uncertainty in the assumptions applied by the management to determine the level of allowance.</p> <p>We determined this to be a key audit matter due to the inherent subjectivity that is involved in making judgement in relation to credit risk exposures to assess the recoverability of trade receivables.</p>	<p>We performed the following audit procedures:-</p> <ul style="list-style-type: none"> Made enquiries of management's basis of allowance for impairment losses on trade receivables; Tested the Group's trade receivables collection history; and Reviewed the adequacy of the Group's disclosure in this area.
Recoverability of amount owing by contract customers Refer to Note 4.1(b) and Note 13 in the financial statements	
Key Audit Matter	How our audit addressed the Key Audit Matter
<p>This represents the net amount recoverable from customers for work performed on contracts. The assessment of the recoverability of these amounts involved significant judgments and is dependent on the following:-</p> <ul style="list-style-type: none"> the determination of work performed and finalisation of the relevant acceptance tests results; and negotiation and approval of change orders by customers <p>We determined this to be a key audit matter due to the inherent uncertainty in determining the recoverability of the amount.</p>	<p>We performed the following audit procedures:-</p> <ul style="list-style-type: none"> Reviewed significant contracts, purchase orders and sign-off documents; Reviewed the status of major contracts; and Reviewed the adequacy of the Group's disclosure in this area.

FINANCIAL STATEMENTS

Independent Auditors' Report

To the Members of Censof Holdings Berhad
(Incorporated in Malaysia)
Company No.: 828269 - A

Key Audit Matters (Cont'd)

Impairment of goodwill Refer to Note 4.3 and Note 9 in the financial statements	
Key Audit Matter	How our audit addressed the Key Audit Matter
<p>The Group has goodwill of approximately RM29.02 million relating to the acquisition of subsidiaries.</p> <p>We determined this to be a key audit matter given the materiality of the Group's goodwill and the inherent subjectivity in impairment testing.</p> <p>The judgements in relation to the assessment of goodwill impairment relate primarily to the assumptions underlying the calculation of the value in use of the business, which include, amongst others, the achievability of the subsidiaries' long-term business plans.</p>	<p>We performed the following audit procedures:-</p> <ul style="list-style-type: none"> • Made enquiries of and challenge the management on the key assumptions made, including: <ul style="list-style-type: none"> • the consistent application of management's methodology; • the achievability of the business plans; • assumptions in relation to terminal growth in the business at the end of the plan period; if any, and • revenue growth, operating margin and discount rates. • Evaluated the reasonableness of management's assumptions of expected future cash flows by taking into consideration the past performances of the subsidiaries; • Performed sensitivity analysis to assess the impact on the recoverable amount of the cash-generating units; and • Reviewed the adequacy of disclosure in the financial statements.
Impairment of intangible assets Refer to Note 4.9 and Note 8 in the financial statements	
Key Audit Matter	How our audit addressed the Key Audit Matter
<p>The Group has intangible assets of approximately RM25.25 million.</p> <p>We determined this to be a key audit matter given the materiality of the Group's intangible assets and the inherent subjectivity in impairment testing.</p>	<p>We performed the following audit procedures:-</p> <ul style="list-style-type: none"> • Reviewed management's estimate of the recoverable amounts and tested the cash flow forecasts for their accuracy; • Reviewed the key business drivers underpinning the cash flow forecasts prepared to support the recoverable amount; • Evaluated the appropriateness and reasonableness of the key assumptions; • Performed sensitivity analysis over the key assumptions to understand the impact of changes over the recoverable amounts; and • Reviewed the adequacy of disclosure in the financial statements.

FINANCIAL STATEMENTS

Independent Auditors' Report

To the Members of Censof Holdings Berhad
(Incorporated in Malaysia)
Company No.: 828269 - A

Information Other than the Financial Statements and Auditors' Report Thereon

The directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

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

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

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

Responsibilities of the Directors for the Financial Statements

The directors of the Company are responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

FINANCIAL STATEMENTS

Independent Auditors' Report

To the Members of Censof Holdings Berhad
(Incorporated in Malaysia)
Company No.: 828269 - A

Auditors' Responsibilities for the Audit of the Financial Statements (Cont'd)

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

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiaries of which we have not acted as auditors, are disclosed in Note 5 to the financial statements.

FINANCIAL STATEMENTS

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 50 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 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

Crowe Horwath

Firm No: AF 1018
Chartered Accountants

27 July 2017

Kuala Lumpur

Lee Kok Wai

Approval No: 02760/06/2018 J
Chartered Accountant

FINANCIAL STATEMENTS

Statements of Financial Position

At 31 March 2017

		THE GROUP		THE COMPANY	
	NOTE	31.3.2017 RM'000	31.3.2016 RM'000 (RESTATED)	31.3.2017 RM'000	31.3.2016 RM'000
					1.4.2015 RM'000
ASSETS					
NON-CURRENT ASSETS					
Investment in subsidiaries	5	—	—	52,975	113,795
Investment in an associate	6	96,877	—	63,326	—
Property, plant and equipment	7	2,415	23,712	—	—
Intangible assets	8	25,245	33,191	—	—
Goodwill	9	29,019	67,167	—	—
Other investments, at cost	10	100	4,272	—	—
Trade receivables	11	—	—	—	—
Other receivables, deposits and prepayments	12	—	—	—	—
Amount owing by subsidiaries	14	—	—	18,345	—
		153,656	128,342	134,646	83,784
CURRENT ASSETS					
Inventories		53	61	—	—
Amount owing by contract customers	13	18,717	25,539	—	—
Trade receivables	11	42,864	101,205	—	—
Other receivables, deposits and prepayments	12	9,976	71,605	212	198
Amount owing by subsidiaries	14	—	—	7,997	29,498
Amount owing by related parties	15	—	—	—	—
Tax refundable		871	1,863	—	—
Fixed deposits with licensed banks	16	6,725	10,428	4,620	5,250
Short-term investments	17	—	74	—	—
Cash and bank balances	18	5,410	18,041	547	87
		84,616	228,816	13,376	35,033
		238,272	357,158	148,022	123,956
TOTAL ASSETS					

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

FINANCIAL STATEMENTS

Statements of Financial Position

At 31 March 2017

	NOTE	31.3.2017 RM'000	THE GROUP 31.3.2016 RM'000 (RESTATED)	1.4.2015 RM'000	31.3.2017 RM'000	THE COMPANY 31.3.2016 RM'000	1.4.2015 RM'000
EQUITY AND LIABILITIES							
EQUITY							
Share capital	19	50,170	50,170	47,666	50,170	50,170	47,666
Share premium	20	50,379	50,379	45,384	50,379	50,379	45,384
Merger deficit	21	(12,300)	(12,300)	(12,300)	—	—	—
Retained profits/(Accumulated losses)	22	53,999	41,939	52,231	1,643	(2,872)	(2,916)
Foreign exchange translation reserve	23	2,031	103	(320)	—	—	—
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY							
		144,279	130,291	132,661	102,192	97,677	90,134
NON-CONTROLLING INTERESTS							
		10,965	73,409	81,536	—	—	—
TOTAL EQUITY		155,244	203,700	214,197	102,192	97,677	90,134
NON-CURRENT LIABILITIES							
Long-term borrowings	25	28,488	44,611	16,377	27,860	43,800	—
Deferred income	28	—	—	3,042	—	—	—
Deferred taxation	29	2,322	3,463	2,769	—	—	—
TOTAL NON-CURRENT LIABILITIES		30,810	48,074	22,188	27,860	43,800	—
CURRENT LIABILITIES							
Trade payables	30	6,039	9,133	6,653	—	—	—
Other payables and accruals	31	7,274	40,422	20,332	908	937	2,008
Amount owing to related parties	15	1,257	—	1,007	1,108	—	—
Short-term borrowings	32	23,519	41,046	63,160	15,940	6,400	31,800
Deferred income	28	4,272	6,720	4,345	—	—	—
Provision for taxation		2,657	4,481	2,973	14	14	14
Bank overdrafts	33	7,200	3,582	4,755	—	—	—
TOTAL CURRENT LIABILITIES		52,218	105,384	103,225	17,970	7,351	33,822
TOTAL LIABILITIES		83,028	153,458	125,413	45,830	51,151	33,822
TOTAL EQUITY AND LIABILITIES		238,272	357,158	339,610	148,022	148,828	123,956

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

FINANCIAL STATEMENTS

Statements of Profit or Loss and Other Comprehensive Income

For The Financial Year Ended 31 March 2017

		THE GROUP		THE COMPANY	
	NOTE	2017 RM'000	2016 RM'000 (RESTATED)	2017 RM'000	2016 RM'000
REVENUE	34	148,386	165,041	7,651	7,221
COST OF SALES		(77,092)	(58,268)	–	–
GROSS PROFIT		71,294	106,773	7,651	7,221
OTHER INCOME		5,528	3,943	11,787	254
		76,822	110,716	19,438	7,475
ADMINISTRATIVE EXPENSES		(55,621)	(59,390)	(3,750)	(4,551)
FINANCE COSTS		(6,078)	(5,633)	(3,887)	(2,880)
OTHER EXPENSES		(36,959)	(35,429)	(7,286)	–
SHARE OF RESULT IN AN ASSOCIATE, NET OF TAX		100,406	–	–	–
PROFIT BEFORE TAXATION	35	78,570	10,264	4,515	44
INCOME TAX EXPENSE	36	(5,252)	(8,813)	–	–
ZAKAT		–	(358)	–	–
PROFIT AFTER TAXATION		73,318	1,093	4,515	44
OTHER COMPREHENSIVE INCOME					
<u>Items that may be reclassified</u>					
<u>subsequently to profit or loss</u>					
Foreign currency translation differences		269	423	–	–
Share of other comprehensive income of an associate		1,659	–	–	–
		1,928	423	–	–
TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR		75,246	1,516	4,515	44

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

FINANCIAL STATEMENTS

Statements of Profit or Loss and Other Comprehensive Income

For The Financial Year Ended 31 March 2017

		THE GROUP		THE COMPANY	
	NOTE	2017 RM'000	2016 RM'000 (RESTATED)	2017 RM'000	2016 RM'000
PROFIT/(LOSS) AFTER TAXATION ATTRIBUTABLE TO:-					
Owners of the Company		12,046	(13,930)	4,515	44
Non-controlling interests		61,272	15,023	–	–
		73,318	1,093	4,515	44
TOTAL COMPREHENSIVE INCOME/(EXPENSES)					
ATTRIBUTABLE TO:-					
Owners of the Company		13,974	(13,507)	4,515	44
Non-controlling interests		61,272	15,023	–	–
		75,246	1,516	4,515	44
EARNINGS/(LOSS)PER SHARE (SEN)					
- Basic	37	2.40	(2.83)		
- Diluted	37	1.87	(2.83)		

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

FINANCIAL STATEMENTS

Statements of Changes In Equity

For The Financial Year Ended 31 March 2017

THE GROUP	NOTE	ATTRIBUTABLE TO OWNERS OF THE COMPANY				FOREIGN EXCHANGE TRANSLATION RESERVE		RCN		RETAINED PROFITS		NON-CONTROLLING INTERESTS		TOTAL EQUITY
		SHARE CAPITAL RM'000	SHARE PREMIUM RM'000	MERGER DEFICIT RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
Balance at 1.4.2015		47,666	45,384	(12,300)	(320)	—	—	—	—	52,231	132,661	81,536	214,197	
Profit after taxation for the financial year		—	—	—	—	—	—	—	—	(7,191)	(7,191)	15,023	7,832	
- As reported previously	49	—	—	—	—	—	—	—	—	(6,739)	(6,739)	—	(6,739)	
- Prior year adjustment		—	—	—	—	—	—	—	—	—	—	—	—	
As restated		—	—	—	—	—	—	—	—	(13,930)	(13,930)	15,023	1,093	
Other comprehensive income for the financial year:		—	—	—	—	—	—	—	—	—	—	—	—	
- Foreign currency translation differences		—	—	—	423	—	—	—	—	—	423	—	—	423
Total comprehensive income for the financial year		—	—	—	423	—	—	—	—	(13,930)	(13,507)	15,023	1,516	
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	—	—	—	—	41,939	122,792	92,921	215,713	

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

FINANCIAL STATEMENTS

Statements of Changes In Equity

For The Financial Year Ended 31 March 2017

THE GROUP	NOTE	ATTRIBUTABLE TO OWNERS OF THE COMPANY										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	OWNERS OF THE COMPANY RM'000					
Balance brought forward		47,666	45,384	(12,300)	103	-	41,939	122,792	92,921	215,713			
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	19,20	2,000	4,250	-	-	-	-	6,250	-	-	6,250		
- Conversion of RCN	19,20	504	745	-	-	-	-	1,249	-	-	1,249		
- Dividends:													
- By subsidiaries to non-controlling interests		-	-	-	-	-	-	-	-	(3,455)	(3,455)		
- Selective capital reduction and repayment	38(b)(iv)	-	-	-	-	-	-	-	-	(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	-	41,939	130,291	73,409	203,700			

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

FINANCIAL STATEMENTS

Statements of Changes In Equity

For The Financial Year Ended 31 March 2017

THE GROUP	NOTE	SHARE CAPITAL		SHARE PREMIUM		MERGER DEFICIT		FOREIGN EXCHANGE TRANSLATION RESERVE		RCN		RETAINED PROFITS		OWNERS OF THE COMPANY		NON-CONTROLLING INTERESTS		TOTAL EQUITY	
		RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Balance at 1.4.2016																			
- As previously reported		50,170		50,379		(12,300)		103		-		48,678		137,030		73,409		210,439	
- Prior year adjustment	49	-		-		-		-		-		(6,739)		(6,739)		-		(6,739)	
As restated																			
		50,170		50,379		(12,300)		103		-		41,939		130,291		73,409		203,700	
Profit after taxation																			
		-		-		-		-		-		12,046		12,046		61,272		73,318	
Other comprehensive expenses for the financial year:																			
- Foreign currency translation differences		-		-		-		269		-		-		269		-		269	
- Share of other comprehensive income of associate		-		-		-		1,659		-		-		1,659		-		1,659	
Total comprehensive income for the financial year																			
		-		-		-		1,928		-		12,046		13,974		61,272		75,246	
Balance carried forward																			
		50,170		50,379		(12,300)		2,031		-		53,985		144,265		134,681		278,946	

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

FINANCIAL STATEMENTS

Statements of Changes In Equity

For The Financial Year Ended 31 March 2017

THE GROUP	NOTE	FOREIGN EXCHANGE				ATTRIBUTABLE TO OWNERS OF THE COMPANY			NON-CONTROLLING INTERESTS RM'000	TOTAL EQUITY RM'000
		SHARE CAPITAL RM'000	SHARE PREMIUM RM'000	MERGER DEFICIT RM'000	TRANSLATION RESERVE RM'000	RCN RM'000	RETAINED PROFITS RM'000	OWNERS COMPANY RM'000		
Balance brought forward		50,170	50,379	(12,300)	2,031	-	53,985	144,265	134,681	278,946
Contributions by and distributions to owners of the Company:										
Shares issued by a subsidiary to non-controlling interest		-	-	-	-	-	-	-	132,833	132,833
Change in a ownership interests in a subsidiary		-	-	-	-	-	14	14	(16)	(2)
Disposal of subsidiary		-	-	-	-	-	-	-	(249,626)	(249,626)
Dividends:										
- By subsidiaries to non-controlling interests		-	-	-	-	-	-	-	(6,907)	(6,907)
Total transaction with owners		-	-	-	-	-	14	14	(123,716)	(123,702)
Balance at 31.3.2017		50,170	50,379	(12,300)	2,031	-	53,999	144,279	10,965	155,244

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

FINANCIAL STATEMENTS

Statements of Changes In Equity

For The Financial Year Ended 31 March 2017

THE COMPANY	NOTE	SHARE CAPITAL RM'000	SHARE PREMIUM RM'000	(ACCUMULATED LOSSES)/ RETAINED PROFITS RM'000	TOTAL EQUITY RM'000
Balance at 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	19,20	2,000	4,250	–	6,250
- Conversion of RCN	19,20	504	745	–	1,249
Balance at 31.3.2016/1.4.2016		50,170	50,379	(2,872)	97,677
Profit after taxation/Total comprehensive income for the financial year		–	–	4,515	4,515
Balance at 31.3.2017		50,170	50,379	1,643	102,192

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

FINANCIAL STATEMENTS

Statements of Cash Flows

For The Financial Year Ended 31 March 2017

	THE GROUP		THE COMPANY	
	2017 RM'000	2016 RM'000 (RESTATED)	2017 RM'000	2016 RM'000
CASH FLOWS FROM/(FOR) OPERATING ACTIVITIES				
Profit before taxation	78,570	10,264	4,515	44
Adjustments for:-				
Amount owing by contract customers written off	–	6,739	–	–
Amortisation of intangible assets	8,445	5,390	–	–
Bad debts written off	930	–	–	–
Depreciation of property, plant and equipment	4,411	10,305	–	–
Dividend income	–	–	(7,651)	(7,221)
Impairment loss on:				
- trade receivables	4,018	13,107	–	–
- other receivables	–	75	–	–
- intangible assets	320	1,229	–	–
Fair value adjustment on amount owing by a subsidiary	–	–	7,286	–
Provision for foreseeable losses	–	528	–	–
Interest expense	5,983	5,568	3,887	2,880
Unrealised loss on foreign exchange	50	12	–	–
Loss on disposal of property, plant and equipment	4	–	–	–
Loss/(Gain) on disposal of a subsidiary	18,676	–	(8,910)	–
Share of results in an associate	(100,406)	–	–	–
Interest income	(205)	(1,515)	(132)	(243)
Share options expenses in a former subsidiary	2,415	–	–	–
Unrealised gain on foreign exchange	–	(191)	–	–
Operating profit/(loss) before working capital changes	23,211	51,511	(1,005)	(4,540)
Decrease in inventories	598	6	–	–
Decrease/(Increase) in amount owing by contract customers	6,822	(2,086)	–	–
Decrease/(Increase) in trade and other receivables	36,962	(44,159)	(16)	(198)
(Decrease)/Increase in trade and other payables	(1,222)	19,019	(29)	(1,071)
Decrease in deferred income	(2,448)	(2,511)	–	–
Decrease in amount owing by a related party	–	5,664	–	–
CASH FROM/(FOR) OPERATIONS/CARRIED FORWARD	63,923	27,444	(1,050)	(5,809)

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

FINANCIAL STATEMENTS

Statements of Cash Flows

For The Financial Year Ended 31 March 2017

	NOTE	THE GROUP		THE COMPANY	
		2017 RM'000	2016 RM'000 (RESTATED)	2017 RM'000	2016 RM'000
CASH FROM/(FOR) OPERATIONS/BROUGHT FORWARD		63,923	27,444	(1,050)	(5,809)
Interest paid		(5,983)	(5,568)	(3,887)	(2,880)
Income tax paid		(9,688)	(10,662)	–	–
Interest received		–	1,515	132	243
Zakat paid		–	(358)	–	–
NET CASH FROM/(FOR) OPERATING ACTIVITIES		48,252	12,371	(4,805)	(8,446)
CASH FLOWS (FOR)/FROM INVESTING ACTIVITIES					
Deposit for acquisition of investment		(1,246)	–	–	–
Shares issued by a subsidiary to non-controlling interests		85,161	–	–	–
Investment in an associate by a former subsidiary		(37,965)	–	–	–
Acquisition of a subsidiary, net of cash and cash equivalents acquired	38	(57,411)	(23,742)	–	–
Purchase of other investment	10	–	(4,172)	–	–
Additional investment in an existing subsidiary		–	–	(38,320)	(30,011)
Repayment from subsidiaries		–	–	–	3,947
Purchase of property, plant and equipment		(4,432)	(17,371)	–	–
Proceeds from disposal of property plant and equipment		9	3	–	–
Proceeds from disposal of intangible assets		10	–	–	–
Proceeds from disposal of a subsidiary		–	–	44,725	–
Disposal of a subsidiary, net of cash and cash equivalents disposed of	39	(19,511)	–	–	–
Selective capital repayment		–	(23,287)	–	–
Intangible assets additions		(3,900)	(5,385)	–	–
Advances to subsidiaries		–	–	(4,129)	–
NET CASH (FOR)/FROM INVESTING ACTIVITIES		(39,285)	(73,954)	2,276	(26,064)

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

FINANCIAL STATEMENTS

Statements of Cash Flows

For The Financial Year Ended 31 March 2017

		THE GROUP		THE COMPANY	
	NOTE	2017 RM'000	2016 RM'000 (RESTATED)	2017 RM'000	2016 RM'000
CASH FLOWS (FOR)/ FROM FINANCING ACTIVITIES					
Additional investment by non-controlling interests		–	(20)	–	–
Dividend received from an associate		1,554	–	1,554	2,021
Dividend received from subsidiaries		–	–	6,097	–
Interest received		205	–	–	–
Dividend paid to non-controlling interests		(6,907)	(3,455)	–	–
Drawdown of term loans		–	65,166	–	51,800
Placement of pledged deposits and restricted cash		9,443	(5,232)	240	(24)
Proceeds from issuance of shares from:					
- private placement		–	6,250	–	6,250
- conversion of RCN		–	1,249	–	1,249
Advances from related parties		1,257	–	1,108	–
Changes in ownership interests in a subsidiary		(2)	–	–	–
Repayment of hire purchase obligations		(208)	(147)	–	–
Repayment of term loans		(25,283)	(58,899)	(6,400)	(33,400)
NET CASH (FOR)/FROM FINANCING ACTIVITIES		(19,941)	4,912	2,599	27,896
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		(10,974)	(56,671)	70	(6,614)
EFFECTS OF FOREIGN EXCHANGE TRANSLATION		391	206	–	–
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR		10,464	66,929	477	7,091
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR	40	(119)	10,464	547	477

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

FINANCIAL STATEMENTS

Notes to The Financial Statements

For The Financial Year Ended 31 March 2017



1. GENERAL INFORMATION

The Company is a public company limited by shares, incorporated and domiciled in 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 27 July 2017.

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.

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/or interpretations (including the consequential amendments, if any):-

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

MFRS 14 Regulatory Deferral Accounts

Amendments to MFRS 10, MFRS 12 and MFRS 128: Investment Entities – Applying the Consolidation Exception

Amendments to MFRS 11: Accounting for Acquisitions of Interests in Joint Operations

Amendments to MFRS 101: Disclosure Initiative

Amendments to MFRS 116 and MFRS 138: Clarification of Acceptable Methods of Depreciation and Amortisation

Amendments to MFRS 116 and MFRS 141: Agriculture – Bearer Plants

Amendments to MFRS 127: Equity Method in Separate Financial Statements

Annual Improvements to MFRSs 2012 – 2014 Cycle

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

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For The Financial Year Ended 31 March 2017

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:-

MFRSs and/or IC Interpretations (Including The Consequential Amendments)	Effective Date
MFRS 9 Financial Instruments (IFRS 9 issued by IASB in July 2014)	1 January 2018
MFRS 15 Revenue from Contracts with Customers	1 January 2018
MFRS 16 Leases	1 January 2019
IC Interpretation 22 Foreign Currency Transactions and Advance Consideration	1 January 2018
Amendments to MFRS 2: Classification and Measurement of Share-based Payment Transactions	1 January 2018
Amendments to MFRS 4: Applying MFRS 9 Financial Instruments with MFRS 4 Insurance Contracts	1 January 2018*
Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred until further notice
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 107: Disclosure Initiative	1 January 2017
Amendments to MFRS 112: Recognition of Deferred Tax Assets for Unrealised Losses	1 January 2017
Amendments to MFRS 140 – Transfers of Investment Property	1 January 2018
Annual Improvements to MFRS Standards 2014 – 2016 Cycles:	
• Amendments to MFRS 12: Clarification of the Scope of Standard	1 January 2017
Annual Improvements to MFRS Standards 2014 – 2016 Cycles:	
• Amendments to MFRS 1: Deletion of Short-term Exemptions for First-time Adopters	
• Amendments to MFRS 128: Measuring an Associate or Joint Venture at Fair Value	1 January 2018
* Entities that meet the specific criteria in MFRS 4.20B may choose to defer the application of MFRS 9 until the earlier of the application of the forthcoming insurance contracts standard or annual periods beginning before 1 January 2021.	

FINANCIAL STATEMENTS

Notes to The Financial Statements

For The Financial Year Ended 31 March 2017

3. BASIS OF PREPARATION (CONT'D)

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's investments in unquoted shares that are currently stated at costs less accumulated depreciation will be measured at fair value through other comprehensive income upon the adoption of MFRS 9. The Group is currently assessing the financial impact of adopting of MFRS 9.
- (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 an 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.
- (c) The amendments to MFRS 107 require an entity to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes. Accordingly, there will be no financial impact on the financial statements of the Group upon its initial application. However, additional disclosure notes on the statements of cash flows may be required.

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 Property, Plant and Equipment

The estimates for the residual values, useful lives and related depreciation charges for the property, 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 property, 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.

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For The Financial Year Ended 31 March 2017

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

The estimates for the residual values, useful lives and related amortisation charges for the development costs 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 development costs will be insignificant. As a result, residual values are not being taken into consideration for the computation of the amortisation 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 amortisation charges could be revised.

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Notes to The Financial Statements

For The Financial Year Ended 31 March 2017

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.

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.

FINANCIAL STATEMENTS

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For The Financial Year Ended 31 March 2017

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.2 BASIS OF CONSOLIDATION (CONT'D)

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) Merger Accounting for common control business combinations

A business combination involving entities under common control is a business combination in which all the combining entities or subsidiaries are ultimately controlled by the same party and parties both before and after the business combination, and that control is not transitory.

Subsidiaries acquired which have met the criteria for pooling of interest are accounted for using merger accounting principles. Under the merger method of accounting, the results of the subsidiaries presented as if the merger had been effected throughout the current financial year.

The assets and liabilities combined are accounted for based on the carrying amounts from the perspective of the acquirer's interest in the net fair value of the acquiree's identifiable assets and liabilities and contingent liabilities over cost at the time of the common control business combination to the extent of the continuation of the controlling party and parties' interests.

When the merger method is used, the cost of investment in the Company's books is recorded at the nominal value of shares issued. The difference between the carrying value of the investment and the nominal value of the shares of the subsidiaries is treated as a merger deficit or merger reserve as applicable. The results of the subsidiaries being merged are included for the full financial year.

(b) 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.

(c) 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.

FINANCIAL STATEMENTS

Notes to The Financial Statements

For The Financial Year Ended 31 March 2017

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.2 BASIS OF CONSOLIDATION (CONT'D)

(d) 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.

(e) 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 period.

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 in profit or loss immediately.

In respect of equity-accounted associates, the carrying amount of goodwill is included in the carrying amount of the investment and an impairment loss on such an investment is not allocated to any asset, including goodwill, that forms part of the carrying amount of the equity-accounted associates.

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Notes to The Financial Statements

For The Financial Year Ended 31 March 2017

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 and has been rounded to nearest thousand, unless otherwise stated.

(b) Foreign Currency Transaction and Balances

Transactions in foreign currencies are converted into the respective functional currencies on initial recognition, using the exchange rates at the transaction dates. Monetary assets and liabilities at the end of the reporting year are translated at the exchange 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 (including any goodwill and fair value adjustments arising on acquisition) are translated to the Group's presentation currency at the exchange rates at the end of the reporting period. Income, expenses and other comprehensive income of foreign operations are translated at exchange rates 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 is 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.

FINANCIAL STATEMENTS

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For The Financial Year Ended 31 March 2017

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 financial assets, financial liabilities or equity instruments in accordance with the substance of the contractual arrangement and their definitions in MFRS 132. 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.

FINANCIAL STATEMENTS

Notes to The Financial Statements

For The Financial Year Ended 31 March 2017

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.

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

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.

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For The Financial Year Ended 31 March 2017

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.5 FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial Liabilities

(i) Financial Liabilities at 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.

(ii) Other Financial Liabilities

Other financial liabilities are initially measured at fair value plus directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period.

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 initially at cost and are not remeasured subsequently.

Ordinary Shares

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.

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For The Financial Year Ended 31 March 2017

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.5 FINANCIAL INSTRUMENTS (CONT'D)

(e) Financial Guarantee Contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specific debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

Financial guarantee contracts are recognised initially as liabilities at fair value, net of transaction costs. Subsequent to initial recognition, financial guarantee contracts are recognised as income in profit or loss over the period of the guarantee or, when there is no specific contractual period, recognised in profit or loss upon discharge of the guarantee. If the debtor fails to make payment relating to a financial guarantee contract when it is due and the Company, as the issuer, is required to reimburse the holder for the associated loss, the liability is measured at the higher of the best estimate of the expenditure required to settle the present obligation at the end of the reporting period and the amount initially recognised less cumulative amortisation.

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 period 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 INVESTMENTS IN ASSOCIATES

An associate is an entity in which the Group has a long-term equity interest and where it exercises significant influence over the financial and operating policies.

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

The investment in an associate is accounted for in the consolidated financial statements using the equity method based on the financial statements of the associate made up to 31 March 2017. The Group's share of the post acquisition profits and other comprehensive income of the associate is included in the consolidated statement of profit or loss and other comprehensive income, after adjustment if any, to align the accounting policies with those of the Group, from the date that significant influence commences up to the effective date on which significant influence ceases or when the investment is classified as held for sale. The Group's interest in the associate is carried in the consolidated statement of financial position at cost plus the Group's share of the post acquisition retained profits and reserves. The cost of investment includes transaction costs.

FINANCIAL STATEMENTS

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For The Financial Year Ended 31 March 2017

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.7 INVESTMENTS IN ASSOCIATES (CONT'D)

When the Group's share of losses exceeds its interest in an associate, the carrying amount of that interest is reduced to zero, and the recognition of further losses is discontinued except to the extent that the Group has an obligation.

Unrealised gains or losses on transactions between the Group and the associate are eliminated to the extent of the Group's interest in the associate. Unrealised losses are eliminated unless cost cannot be recovered.

When the Group ceases to have significant influence over an associate and the retained interest in the former associate is a financial asset, the Group measures the retained interest at fair value at that date and the fair value is regarded as the initial carrying amount of the financial asset in accordance with MFRS 139. Furthermore, the Group also reclassifies its share of the gain or loss previously recognised in other comprehensive income of that associate to profit or loss when the equity method is discontinued.

4.8 PROPERTY, PLANT AND EQUIPMENT

All items of property, plant and equipment are initially measured at cost. Cost includes expenditure that are directly attributable to the acquisition of the asset and other costs directly attributable to bringing the asset to working condition for its intended use.

Subsequent to initial recognition, all property, plant and equipment, other than freehold land and buildings, are stated at cost less accumulated depreciation and any impairment losses.

Freehold land is stated at valuation less impairment losses recognised after the date of the revaluation. Freehold buildings are stated at revalued amount less accumulated depreciation and impairment losses recognised after the date of the revaluation.

Freehold land and buildings are revalued periodically, at least once in every three years. Surpluses arising from the revaluation are recognised in other comprehensive income and accumulated in equity under the revaluation reserve to the extent that it reverses a revaluation deficit of the same asset previously recognised in profit or loss. Deficits arising from the revaluation, to the extent that they are not supported by any previous revaluation surpluses, are recognised in profit or loss.

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 property, plant and equipment are recognised in profit or loss as incurred.

Freehold land is not depreciated. Depreciation on other property, plant and equipment is charged to profit or loss (unless it is included in the carrying amount of another asset) on a 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:-

Buildings	50 years
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

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4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.8 PROPERTY, PLANT AND EQUIPMENT (CONT'D)

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 period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of the property, plant and equipment. Any changes are accounted for as a change in estimate.

When significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

An item of property, 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. The revaluation reserve included in equity is transferred directly to retained profits on retirement or disposal of the asset.

4.9 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.

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For The Financial Year Ended 31 March 2017

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.9 INTANGIBLE ASSETS (CONT'D)

The research and 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.

4.10 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 period, 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.

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For The Financial Year Ended 31 March 2017

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.10 IMPAIRMENT (CONT'D)

(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 an asset is the higher of the asset's fair value less costs to sell and its value-in-use, which is measured by reference to discounted future cash flows using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where it is not possible to estimate the recoverable amount of an individual asset, the Group determines the recoverable amount of the cash-generating unit to which the asset belongs.

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. Any impairment loss recognised in respect of a cash-generating unit is allocated first to reduce the carrying amount of any goodwill allocated to the cash-generating unit and then to reduce the carrying amounts of the other assets in the cash-generating unit on a pro rata 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.

4.11 LEASED ASSETS

(a) Finance Lease

A lease is recognised as a finance lease if it transfers substantially to the Group all the risks and rewards incidental to ownership. Upon initial recognition, the leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset. The corresponding liability is included in the statement of financial position as hire purchase payables.

Minimum lease payments made under finance leases are apportioned between the finance costs and the reduction of the outstanding liability. The finance costs, which represent the difference between the total leasing commitments and the fair value of the assets acquired, are recognised in the profit or loss and allocated over the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability for each accounting period.

(b) Operating Lease

All leases that do not transfer substantially to the Group all the risks and rewards incidental to ownership are classified as operating leases and, the leased assets are not recognised on the statement of financial position of the Group and of the Company.

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For The Financial Year Ended 31 March 2017

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.11 LEASED ASSETS (CONT'D)

(b) Operating Lease (Cont'd)

Payments made under operating leases are recognised as an expense in the profit or loss on a straight-line method over the term of the lease. Lease incentives received are recognised as a reduction of rental expense over the lease term on a straight-line method. Contingent rentals are charged to profit or loss in the reporting period in which they are incurred.

4.12 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.

4.13 CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise cash in hand, bank balances, demand deposits 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 with original maturity periods of three months or less. For the purpose of the statements of cash flows, cash and cash equivalents are presented net of bank overdrafts.

4.14 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.

4.15 EMPLOYEE BENEFITS

(a) Short-term Benefits

Wages, salaries, paid annual leave and bonuses 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.

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For The Financial Year Ended 31 March 2017

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.16 INCOME TAXES

(a) Current Tax

Current tax assets and liabilities are expected amount of income tax recoverable or payable to the taxation authorities.

Current taxes are measured using tax rates and tax laws that have been enacted or substantively enacted at the end of the reporting period and are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss (either in other comprehensive income or directly in equity).

(b) Deferred Tax

Deferred tax are recognised using the liability method for all temporary differences other than those that arise from goodwill 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.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period 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 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 period and reduced to the extent that it is no longer probable that the related tax benefits will be realised.

Current and deferred tax items are recognised in correlation to the underlying transactions either in profit or loss, other comprehensive income or directly in equity. Deferred tax arising from a business combination is adjusted against goodwill or negative goodwill.

Current tax assets and liabilities or 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 (or on different tax entities but they intend to settle current tax assets and liabilities on a net basis) and the same taxation authority.

(c) Goods and Services Tax ("GST")

Revenues, expenses and assets are recognised net of GST except for the GST in a purchase of assets or services which are not recoverable from the taxation authorities, the GST are included as part of the costs of the assets acquired or as part of the expense item whichever is applicable.

In addition, receivables and payables are also stated with the amount of GST included (where applicable).

The net amount of the GST recoverable from or payable to the taxation authorities at the end of the reporting period is included in other receivables or other payables.

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4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.17 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.

4.18 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.

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For The Financial Year Ended 31 March 2017

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.18 CONTINGENT LIABILITIES (CONT'D)

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

4.19 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.

4.20 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.

4.21 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.

4.22 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.

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For The Financial Year Ended 31 March 2017

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.22 FAIR VALUE MEASUREMENTS (CONT'D)

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.

4.24 REVENUE AND OTHER INCOME

Revenue is measured at the fair value of the consideration received or receivable, net of returns, goods and services tax, cash and trade discounts.

(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 from sale of goods is recognised when significant risks and rewards of ownership of the goods have been transferred to the buyer and where the Group does not have continuing managerial involvement and effective control over the goods sold.

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For The Financial Year Ended 31 March 2017

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.24 REVENUE AND OTHER INCOME (CONT'D)

(c) Services

Revenue is recognised upon the rendering of services and when the outcome of the transaction can be estimated. 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 rate method.

(e) Dividend Income

Dividend income 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.

5. INVESTMENTS IN SUBSIDIARIES

	THE COMPANY	
	2017	2016
	RM'000	RM'000
Quoted shares in Malaysia, at cost:	–	60,822
Unquoted shares, at cost:		
- in Malaysia	18,912	18,910
- outside Malaysia	34,063	34,063
	52,975	52,973
	52,975	113,795
Market value of quoted shares	–	74,508

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For The Financial Year Ended 31 March 2017

5. INVESTMENTS IN SUBSIDIARIES (CONT'D)

The details of the subsidiaries are as follows:-

NAME OF SUBSIDIARY	PRINCIPAL PLACE OF BUSINESS	PERCENTAGE OF ISSUED SHARE CAPITAL HELD BY PARENT		PRINCIPAL ACTIVITIES
		2017 %	2016 %	
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 [^]	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.	Malaysia	100	50.02	Engaged in businesses of marketing and reselling of financial and related software and services.
Global Strategic Partners Sdn. Bhd. [^]	Malaysia	100	100	Magazine publisher.
Asian Business Software Solutions Pte Ltd [^]	Republic of Singapore	51	51	Selling of computerised accounting system.
Asian Business Software Solutions Sdn Bhd [^]	Malaysia	51	51	Selling of computerised accounting system.
Dagang NeXchange Berhad ^{*#}	Malaysia	–	39.23	Investment holding.

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For The Financial Year Ended 31 March 2017

5. INVESTMENTS IN SUBSIDIARIES (CONT'D)

The details of the subsidiaries are as follows (Cont'd):-

NAME OF SUBSIDIARY	PRINCIPAL PLACE OF BUSINESS	PERCENTAGE OF ISSUED SHARE CAPITAL HELD BY PARENT		PRINCIPAL ACTIVITIES
		2017 %	2016 %	
Held by Dagang NeXchange Berhad:-				
Dagang Net Technologies Sdn. Bhd.	Malaysia	–	100	Development, management and provision of business to government (B2G) e-commerce and computerised transaction facilitation services.
DNeX Solutions Sdn. Bhd.	Malaysia	–	100	Providing expertise in IT project management and consultancy, supply of (ICT) hardware equipment, maintenance and asset management.
DNeX Technology Sdn. Bhd.	Malaysia	–	100	Providing IT solutions, cyber security, managed services and supply of computer hardware, software and peripherals.
DNeXPORT Sdn. Bhd.	Malaysia	–	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	Providing upstream oil and gas exploration and production.
DNeX Oilfield Services Sdn. Bhd.	Malaysia	–	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.
Forward Energy Sdn. Bhd.	Malaysia	–	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.

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5. INVESTMENTS IN SUBSIDIARIES (CONT'D)

The details of the subsidiaries are as follows (Cont'd):-

NAME OF SUBSIDIARY	PRINCIPAL PLACE OF BUSINESS	PERCENTAGE OF ISSUED SHARE CAPITAL HELD BY PARENT		PRINCIPAL ACTIVITIES
		2017 %	2016 %	
Held by Forward Energy Sdn. Bhd.				
Solution Power Matrix Sdn. Bhd.^	Malaysia	–	31	Design, develop, construct, operation and maintenance of power plant in Malaysia.
Forward Energy Ltd.	Federal Territory of Labuan, Malaysia	–	51	Holding of off-shore investments involved in power plant.
Held by Forward Energy Ltd.				
Forward Energy Generation Ltd.	Federal Territory of Labuan, Malaysia	–	51	Design, develop, construct, operation and maintenance of power plant. Design, develop, construct, operation and maintenance of power plant.

[^] These subsidiaries were audited by other firms of chartered accountants.

* In the previous financial year, although the Group owned less than half of the voting power in Dagang NeXchange Berhad, the directors had determined that the Group had de facto control over Dagang NeXchange Berhad on the basis that the remaining voting rights of these investees were widely dispersed and that there was no indication that all the other shareholders will exercise their voting power collectively.

During the current financial year, the Company's equity interest in DNeX decreased from 39.23% to 17.94% arising from DNeX's Rights Issue, Special Issue, the issuance of DNeX's share to acquire OGPC and OGPC O&G Sdn Bhd and the disposal of DNeX's shares. Consequently, the Company reclassified its investment in DNeX to investment in an associate as disclosed in Note 6 to the financial statements and the financial effects of this are disclosed in Note 39 to the financial statements.

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

	EFFECTIVE EQUITY INTEREST		THE GROUP	
	2017 %	2016 %	2017 RM'000	2016 RM'000
Dagang NeXchange Berhad ("DNeX")	–	60.77	–	62,615
Asian Business Software Solutions Pte Ltd ("ABSS")	49	49	7,240	7,874
Other individually immaterial subsidiaries			3,725	2,920
			10,965	73,409

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For The Financial Year Ended 31 March 2017

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:-

	2017 RM'000	ABSS 2016 RM'000
<u>At 31 March</u>		
Non-current assets	917	285
Current assets	8,242	7,476
Non-current liabilities	(32)	(14)
Current liabilities	(5,558)	(5,330)
Net assets	3,569	2,417
<u>Financial year ended 31 March 2017/Financial period from 1 December 2015 to 31 March 2016*</u>		
Revenue	19,214	6,574
Profit for the financial period	5,125	2,797
Total comprehensive income	5,106	2,797
Total comprehensive income attributable to non-controlling interests	2,502	1,371
Dividends paid to non-controlling interests	1,946	748
Net cash flows from operating activities	5,451	12,635
Net cash flows for investing activities	(717)	(213)
Net cash flows from financing activities	(4,202)	(17,325)

* Represent the post acquisition period for the Group.

Summarised financial information of other non-controlling interests has not been presented as the other non-controlling interests of the subsidiaries are not individually material to the Group.

6. INVESTMENTS IN AN ASSOCIATE

	THE GROUP		THE COMPANY	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Quoted shares in Malaysia, at cost	88,578	—	63,326	—
Share of post-acquisition profits net of dividends received	6,640	—	—	—
Share of post-acquisition other comprehensive income	1,659	—	—	—
	96,877	—	63,326	—

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For The Financial Year Ended 31 March 2017

6. INVESTMENTS IN AN ASSOCIATE (CONT'D)

The details of the associate are as follows:

NAME OF ASSOCIATE	PRINCIPAL PLACE OF BUSINESS	EFFECTIVE EQUITY INTEREST		PRINCIPAL ACTIVITIES
		2017 %	2016 %	
Dagang NeXchange Berhad	Malaysia	17.94	—	Investment holding.

Although the Group holds less than 20% of the voting power in Dagang NeXchange Berhad, the Group is able to exercise significant influence as it has representations on the Board of Directors of that associate.

- (a) The summarised unaudited financial information (after any fair value adjustment at acquisition date and the alignment for the Group's accounting policies) for the associate that is material to the Group is as follow:-

	DNEX 2017 RM'000
<u>At 31 March</u>	
Non-current assets	312,123
Current assets	146,777
Non-current liabilities	(10,686)
Current liabilities	(32,034)
Net assets	416,180
<u>6-month Period Ended 31 March</u>	
Revenue	111,131
Profit for the financial period	46,013
Other comprehensive income	9,242
Group's share of profit for the financial year	100,406*
Group's share of other comprehensive income	1,659
Dividends received	(1,554)
<u>Reconciliation of Net Assets to Carrying Amount</u>	
Group's share of net assets above	74,663
Goodwill	22,214
Carrying amount of the Group's interests in this associate	96,877

* - Included in the Group's share of profit for the current financial year is an amount of approximately RM92.21 million being share of results in an associate of a former subsidiary.

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7. PROPERTY, PLANT AND EQUIPMENT

THE GROUP	AT 1.4.2016 RM'000	ACQUISITION OF A		RECLASSIFICATION RM'000	DISPOSAL RM'000	CURRENCY TRANSLATION DIFFERENCES RM'000		DEPRECIATION CHARGE RM'000	DISPOSAL OF A SUBSIDIARY RM'000	AT 31.3.2017 RM'000
		AT 1.4.2016 RM'000	SUBSIDIARY RM'000							
2017										
<i>Net Book Value</i>										
Freehold land	-	-	7,669	-	-	-	-	-	(7,669)	-
Buildings	-	-	1,731	-	-	-	-	(40)	(1,691)	-
Plant and machinery	15,801	-	-	139	(2,222)	-	2	(986)	(12,676)	58
Office equipment, furniture and fittings	1,041	-	1,236	381	1,450	-	75	(1,151)	(1,749)	1,283
Computer equipment	3,715	-	246	929	772	(13)	8	(1,600)	(3,957)	100
Office renovation	858	-	1,243	437	55	-	1	(382)	(1,941)	271
Motor vehicles	1,061	-	-	104	-	-	-	(252)	(354)	559
Capital work-in-progress	1,236	-	-	2,442	(55)	-	8	-	(3,487)	144
	23,712	12,125	4,432	-	(13)	94	(4,411)	(33,524)		2,415
2016										
<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	

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

THE GROUP	AT COST RM'000	ACCUMULATED DEPRECIATION RM'000	NET BOOK VALUE RM'000
2017			
Freehold land	–	–	–
Plant and machinery	332	(274)	58
Office equipment, furniture and fittings	6,199	(4,916)	1,283
Computer equipment	1,685	(1,585)	100
Office renovation	3,065	(2,794)	271
Motor vehicles	1,296	(737)	559
Capital work-in-progress	144	–	144
	12,721	(10,306)	2,415

	AT COST RM'000	ACCUMULATED DEPRECIATION RM'000	ACCUMULATED IMPAIRMENT LOSS RM'000	NET BOOK VALUE RM'000
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
	88,708	(60,186)	(4,810)	23,712

Included in the assets of the Group at the end of the reporting year were motor vehicles with a total net book value of RM559,253 (2016 - RM961,806), which were acquired under hire purchase terms. These leased assets have been pledged as security for the related finance lease liabilities of the Group.

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8. INTANGIBLE ASSETS

THE GROUP	SOFTWARE IN PROGRESS RM'000	SOFTWARE RM'000	DEVELOPMENT EXPENDITURE RM'000	CUSTOMER RELATIONSHIP RM'000	TRADEMARK RM'000	TOTAL RM'000
Cost						
At 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 31.3.2016/1.4.2016	1,417	22,897	36,540	8,814	1,818	71,486
Acquisition of a subsidiary	–	48,106	–	–	–	48,106
Addition during the financial year	407	128	3,365	–	–	3,900
Disposal during the financial year	–	–	(10)	–	–	(10)
Reclassification	454	(454)	–	–	–	–
Currency translation differences	–	69	64	–	–	133
Disposal of a subsidiary	(2,278)	(64,123)	(315)	–	–	(66,716)
At 31.3.2017	–	6,623	39,644	8,814	1,818	56,899

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8. INTANGIBLE ASSETS (CONT'D)

THE GROUP	SOFTWARE IN PROGRESS RM'000	SOFTWARE RM'000	DEVELOPMENT EXPENDITURE RM'000	CUSTOMER RELATIONSHIP RM'000	TRADEMARK RM'000	TOTAL RM'000
Accumulated amortisation						
At 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 31.3.2016/1.4.2016	–	(14,457)	(22,417)	–	–	(36,874)
Addition during the financial year	–	(2,351)	(4,304)	(881)	(909)	(8,445)
Currency translation differences	–	(61)	–	–	–	(61)
Disposal of a subsidiary	–	14,960	315	–	–	15,275
At 31.3.2017	–	(1,909)	(26,406)	(881)	(909)	(30,105)
Accumulated impairment loss						
At 1.4.2015	–	(192)	(97)	–	–	(289)
Impairment during the financial year	–	–	(1,229)	–	–	(1,229)
Written off during the financial year	–	–	97	–	–	97
At 31.3.2016/1.4.2016	–	(192)	(1,229)	–	–	(1,421)
Impairment during the financial year	–	–	(320)	–	–	(320)
Disposal of a subsidiary	–	192	–	–	–	192
At 31.3.2017	–	–	(1,549)	–	–	(1,549)
Net carrying amount						
At 31.3.2016	1,417	8,248	12,894	8,814	1,818	33,191
At 31.3.2017	–	4,714	11,689	7,933	909	25,245

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8. INTANGIBLE ASSETS (CONT'D)

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

	THE GROUP	
	2017 RM'000	2016 RM'000
Staff costs	3,365	4,000

The development expenditure are in respect of the development of Century Financials software, Merchant Payment System and Praisindo Investment Management System, and belong to the Group's "FMS", "PAS" and "WMS" reporting segment respectively. Their amortisation charges are recognised in profit or loss under the "Cost of Sales" line item as disclosed in Note 35 to the financial statements.

Based on the impairment assessment carried out in the current financial year, the carrying amount of the development expenditure was determined to be RM319,988 (2016 – RM1,229,109), higher than its recoverable amount and accordingly an impairment loss of RM319,988 (2016 – RM1,229,109) was recognised in profit or loss under the "Other Expenses" line item as disclosed in Note 35 to the financial statements.

9. GOODWILL

	THE GROUP	
	2017 RM'000	2016 RM'000
Cost:-		
At 1 April	67,167	44,703
Acquisition of subsidiaries (Note 38)	48,104	22,464
Disposal of a subsidiary (Note 39)	(86,252)	–
At 31 March	29,019	67,167

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

	THE GROUP	
	2017 RM'000	2016 RM'000
Wealth Management Solutions ("WMS")	3,331	3,331
Training Solutions ("TS")	3,224	3,224
Information Communication Technology ("ICT")	–	35,533
Financial Management Solution - Commercial ("FMS-C")	22,464	22,464
Others	–	2,615
	29,019	67,167

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9. 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 2018 - 2022	AVERAGE GROWTH RATE 2018 - 2022	DISCOUNT RATE 2018 - 2022	TERMINAL GROWTH RATE 2023 - INFINITY
WMS	66%	23%	15.76%	0%
TS	50%	14%	12.63%	0%
FMS	96%	17%	12.63%	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.

10. OTHER INVESTMENTS

	THE GROUP	
	2017 RM'000	2016 RM'000
Cost:		
Unquoted shares in Malaysia	100	4,272

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.

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11. TRADE RECEIVABLES

	THE GROUP	
	2017 RM'000	2016 RM'000
Trade receivables	59,507	115,074
Allowance for impairment losses	(16,643)	(13,869)
	42,864	101,205
Allowance for impairment losses:		
At 1 April	(13,869)	(762)
Addition during the financial year	(4,018)	(13,107)
Disposal of a subsidiary	1,244	–
At 31 March	(16,643)	(13,869)

The Group's normal trade credit terms range from 30 to 45 (2016 - 30 to 45) days.

Included in trade receivables of the Group at the end of reporting period is an amount of approximately RM14.67million owing by two customers which had been long outstanding. 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.

12. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	THE GROUP		THE COMPANY	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Current:				
Other receivables	7,844	18,303	186	99
Allowance for impairment losses	–	(301)	–	–
	7,844	18,002	186	99
Deposits	381	23,889	–	–
Prepayments	1,751	29,714	26	99
	9,976	71,605	212	198
Allowance for impairment losses:				
At 1 April	(301)	(250)	–	–
Addition during the financial year	–	(75)	–	–
Disposal of a subsidiary	301	–	–	–
Written off during the financial year	–	24	–	–
At 31 March	–	(301)	–	–

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

- (a) In the previous financial year, included in other receivables was an amount of RM8,640,575 owing by two receivables which shall be collected subsequent to the implementation of the system integration projects.
- (b) In the previous financial year, included in deposits were:
- (i) an amount of RM13,728,000 for initial deposits paid for the proposed acquisition of new subsidiaries and associate; and
 - (ii) an amount of RM7,219,713 for deposits paid to customers as cash collateral.
- (c) In the previous financial year, included in prepayments were:
- (i) an amount of RM2,807,242 for future services paid in advance to a supplier; and
 - (ii) an amount of RM22,075,703 paid to suppliers in advance for the system integration projects.

13. AMOUNT OWING BY CONTRACT CUSTOMERS

	THE GROUP	
	2017 RM'000	2016 RM'000 (RESTATED)
Aggregate costs incurred to date	53,385	60,206
Attributable profit	26,066	25,164
Less: Provision for foreseeable losses	(528)	(528)
	78,923	84,842
Less: Progress billings	(60,206)	(59,303)
Net amount owing by contract customers	18,717	25,539

Included in the amount due from contract customers at the end of the reporting period is an amount of approximately RM15.72million relating to one (1) project with government agency. This project is an extension of existing projects with the government agency. The recoverability of this amount is subject to the approval from the relevant government agency 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.

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14. AMOUNT OWING BY SUBSIDIARIES

	THE COMPANY	
	2017 RM'000	2016 RM'000
<u>Current portion</u>	7,997	29,498
Non – trade balances		
<u>Non-current portion</u>		
Non – trade balances	25,631	–
Less: Fair value	(7,286)	–
	18,345	–
	26,342	29,498

The amount represents current balances which is non-trade in nature, unsecured, interest-free and repayable on demand.

The amount represents non-current balances which is non-trade in nature, unsecured, interest-free and repayable within next six years.

15. AMOUNTS OWING BY/(TO) RELATED PARTIES

The amounts owing by/(to) are non-trade in nature, and are subjected to the normal credit terms ranging from 30 to 60 days. The amounts owing are settled in cash.

16. FIXED DEPOSITS WITH LICENSED BANKS

- The fixed deposits with licensed banks of the Group and of the Company at the end of the reporting period bore effective interest rates ranging from 2.80% to 3.55% (2016 – 2.85% to 3.50%) per annum. The fixed deposits have maturity periods ranging from 30 to 365 (2016 – 30 to 365) days.
- Included in the fixed deposits with licensed banks of the Group and the Company at the end of the reporting period was an amount of RM5,054,102 (2016 – RM6,365,069) and RM4,619,572 (2016 – RM4,859,614) respectively, which have been pledged to licensed banks as security for banking facilities granted to the Group and to the Company.

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17. SHORT-TERM INVESTMENTS

	THE GROUP	
	2017 RM'000	2016 RM'000
Fixed income trust fund, at fair value	–	74
At market value	–	74

In the previous financial year, the short-term investments in fixed income trust fund represent investments in highly liquid money market, which was 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% per annum. This investment was designated as fair value through profit or loss and was measured at fair value.

18. CASH AND BANK BALANCES

In the previous financial year, included in bank balances was an amount of RM8,132,714 which was restricted and held in an Escrow Account for banking facilities extended to a subsidiary.

19. SHARE CAPITAL

	THE COMPANY			
	2017 NUMBER OF SHARES ('000)	2016 NUMBER OF SHARES ('000)	2017 RM'000	2016 RM'000
Ordinary Shares of RM0.10 Each				
Authorised	N/A	1,000,000	N/A	100,000

N/A - Not applicable due to the adoption of the Companies Act 2016 as disclosed below.

	THE COMPANY			
	2017 NUMBER OF SHARES ('000)	2016 NUMBER OF SHARES ('000)	2017 RM'000	2016 RM'000
Issued And Fully Paid-up				
Ordinary Shares with No Par Value (2016 – Par Value of RM0.10 Each)				
At 1 April	501,703	476,661	50,170	47,666
Issuance of shares pursuant to the:				
- private placement	–	20,000	–	2,000
- conversion of RCN	–	5,042	–	504
At 31 March	501,703	501,703	50,170	50,170

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19. SHARE CAPITAL (CONT'D)

- (i) The holders of ordinary shares are entitled to receive dividends as and when declared by the Company, and are entitled to one vote per ordinary share at meetings of the Company.
- (ii) On 31 January 2017, the concepts of authorised share capital and par value of share capital were abolished in accordance with the Companies Act 2016. There is no impact on the number of ordinary shares in issue or the relative entitlement of any of the members as a result of this transition.

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 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 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 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 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 period from 8 October 2014 to 7 October 2019 to subscribe for one new ordinary share 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 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			
	AT 1.4.2016	ISSUED	EXERCISED	AT 31.3.2017
Warrants-A	29,495,325	—	—	29,495,325
Warrants-B	111,405,217	—	—	111,405,217

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19. 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 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 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, where the entitlement date precedes the date of 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.

20. SHARE PREMIUM

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

	NOTE	THE GROUP/ THE COMPANY	
		2017 RM'000	2016 RM'000
At 1 April		50,379	45,384
Premium arising from:			
- private placement		-	4,250
- conversion of RCN		-	745
At 31 March		50,379	50,379

The share premium account is maintained pursuant to the transitional provisions set out in Section 618(3) of the Companies Act 2016. As at the date of this report, the directors have yet to decide on the utilisation of the share premium.

21. 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.

22. 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.

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23. FOREIGN EXCHANGE TRANSLATION RESERVE

The foreign exchange translation reserve arose from the translation of the financial statements of the foreign subsidiary.

24. 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.

- (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.

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24. REDEEMABLE CONVERTIBLE NOTES ("RCN") (CONT'D)

The salient terms of the RCN were as follows: (Cont'd)

- (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.
- (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.

The RCN has expired on 9 January 2017. There are no outstanding Notes and the number of ordinary shares issued in total are 64,545,951.

25. LONG-TERM BORROWINGS

	THE GROUP		THE COMPANY	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Hire purchase payables (Note 26)	628	811	—	—
Term loans (Note 27)	27,860	43,800	27,860	43,800
	28,488	44,611	27,860	43,800

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26. HIRE PURCHASE PAYABLES

	THE GROUP	
	2017 RM'000	2016 RM'000
Minimum hire purchase payments:		
- not later than one year	156	192
- later than one year and not later than five years	597	681
- later than five years	92	223
	845	1,096
Future finance charges	(91)	(134)
Present value of hire purchase payables	754	962
The net hire purchase payables are repayable as follows:		
Current (Note 32)		
- not later than one year	126	151
Non-current (Note 25)		
- later than one year and not later than five years	545	590
- later than five years	83	221
Total non-current portion	628	811
	754	962

The hire purchase payables bore effective interest rates ranging from 4.36% to 4.48% (2016 - 4.36% to 6.76%) per annum at the end of the reporting period.

27. TERM LOANS

	THE GROUP		THE COMPANY	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Current (Note 32)				
- Not later than one year	23,393	40,895	15,940	6,400
Non-current (Note 25)				
- Later than one year and not later than two years	27,860	43,800	27,860	43,800
	51,253	84,695	43,800	50,200

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27. TERM LOANS (CONT'D)

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	
			2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
1	(a)	(a)	7,453	10,896	—	—
2	(b)	(b)	—	500	—	—
3	33	1,541	—	15,412	—	—
4	(d)	(d)	—	7,500	—	—
5	(e)	(e)	12,000	18,400	12,000	18,400
6	(f)	(f)	31,800	31,800	31,800	31,800
7	(g)	(g)	—	187	—	—
			51,253	84,695	43,800	50,200

- (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 7.50% (2016 - 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.
- (b) In the previous financial year, term loan 2 represented revolving short-term advance for working capital purposes and was repayable in 90 days. It bore an effective interest rate of 8.10% per annum at the end of the reporting period and was 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 bore an effective interest rate of 5.08% per annum at the end of the reporting period and was 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.

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27. TERM LOANS (CONT'D)

Details of the repayment terms of the term loans are as follows:- (Cont'd)

- (d) In the previous financial year, term loan 4 represented a short-term loan. An amount of not less than RM3,750,000 was 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 was due on the 12th 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 was 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.
- (e) Term loan 5 is repayable within 33 months by quarterly payments of RM1,600,000 commencing the date of the first drawdown and a final quarterly instalment of RM2,400,000. It bore an effective interest rate of 7.61% (2016 - 7.61% per annum at the end of the reporting period and is secured by:
- (i) a joint and several guarantee by 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.
- (f) Term loan 6 is repayable within 48 months by 4 semi-annual payments of RM4,770,000 commencing 18 months from the date of the first drawdown and 2 final semi-annual payments of RM6,360,000. It bore an effective interest rate of 7.61% (2016 - 7.61%) 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.
- (g) In the previous financial year, term loan 7 was repayable within a period of 12 months. It bore an effective interest rate of 6.75% per annum at the end of the reporting period.

28. DEFERRED INCOME

	THE GROUP	
	2017 RM'000	2016 RM'000
Current:		
- not later than one year	4,272	6,720

The deferred income represent contract pursuant to the selling of computerised accounting system.

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29. DEFERRED TAXATION

THE GROUP	AT 1.4.2016 RM'000	ACQUISITION OF SUBSIDIARY RM'000	RECOGNISED IN PROFIT OR LOSS NOTE 36 RM'000	DISPOSAL OF SUBSIDIARY NOTE 39 RM'000	AT 31.3.2017 RM'000
2017					
<i>Deferred Tax Liabilities</i>					
Plant and equipment	853	12,056	(139)	(12,556)	214
Intangible assets acquired	2,791	–	(502)	–	2,289
<i>Deferred Tax Assets</i>					
Provision	(181)	–	–	–	(181)
	3,463	12,056	(641)	(12,556)	2,322

THE GROUP	AT 1.4.2015 RM'000	ACQUISITION OF SUBSIDIARY RM'000	RECOGNISED IN PROFIT OR LOSS NOTE 36 RM'000	AT 31.3.2016 RM'000
2016				
<i>Deferred Tax Liabilities</i>				
Plant and equipment		2,838	15	853
Intangible assets acquired		–	2,791	2,791
<i>Deferred Tax Assets</i>				
Provision		(69)	–	(181)
		2,769	2,806	3,463

30. TRADE PAYABLES

The normal trade credit terms granted to the Group range from 30 to 90 (2016 - 30 to 90) days.

31. OTHER PAYABLES AND ACCRUALS

	THE GROUP		THE COMPANY	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Other payables	3,946	18,807	189	370
Accruals	3,328	21,615	719	567
	7,274	40,422	908	937

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32. SHORT-TERM BORROWINGS

	THE GROUP		THE COMPANY	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Hire purchase payables (Note 26)	126	151	–	–
Term loans (Note 27)	23,393	40,895	15,940	6,400
	23,519	41,046	15,940	6,400

33. BANK OVERDRAFTS

The bank overdrafts of the Group bore effective interest rates ranging from 8.25% to 8.40% (2016 - 8.35% to 8.60%) 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 27(b) to the financial statements.

34. REVENUE

	THE GROUP		THE COMPANY	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Software, training and implementation	126,993	144,998	–	–
Maintenance	20,431	18,318	–	–
Hardware	962	1,725	–	–
Dividend income	–	–	7,651	7,221
	148,386	165,041	7,651	7,221

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35. PROFIT BEFORE TAXATION

	THE GROUP		THE COMPANY	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Profit before taxation is arrived:-				
<i>After Charging</i>				
Amount owing by contract customers written off	–	6,739	–	–
Amortisation:				
- intangible assets	8,445	5,390	–	–
Auditors' remuneration				
- auditors of the Company	432	123	102	83
Bad debts written off	930	–	–	–
Contributions to defined contribution plan:				
- directors of the Company:	105	104	105	104
- directors of subsidiaries	364	486	–	–
- others	3,340	3,742	46	67
Depreciation:				
- property, plant and equipment (Note 7)	4,411	10,305	–	–
Directors' fees:				
- directors of the Company	593	339	425	339
- directors of subsidiaries	516	504	–	–
Directors' other emoluments				
- directors of the Company	1,844	957	1,021	936
- directors of subsidiaries	4,614	4,396	–	–
Fair value adjustment on amount owing by a subsidiary	–	–	7,286	–
Impairment loss				
- intangible assets (Note 8)	320	1,229	–	–
- trade receivables	4,018	13,107	–	–
- other receivables	–	75	–	–
Interest expense on financial liabilities that are not at fair value through profit or loss:				
- bank overdrafts	515	293	–	–
- hire purchase	40	48	–	–
- term loans	5,428	5,227	3,887	2,880
Loss on disposal of property, plant and equipment	4	–	–	–
Loss on partial disposal of a subsidiary (Note 39)	18,676	–	–	–
Loss on foreign exchange:				
- realised	–	100	–	–
- unrealised	50	12	–	–
Share options expenses in a former subsidiary	2,415	–	–	–
Provision for foreseeable losses	–	528	–	–

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35. PROFIT BEFORE TAXATION (CONT'D)

	THE GROUP		THE COMPANY	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Profit before taxation is arrived (Cont'd):-				
<i>After Crediting</i>				
Dividend income:				
- subsidiaries	—	—	(6,097)	(7,221)
- associate	—	—	(1,554)	—
Gain on partial disposal of a subsidiary	—	—	(8,910)	—
Interest income				
- fixed deposits with licensed banks	(204)	(1,515)	(132)	(243)
- others	(1)	—	—	—
Reversal of impairment loss				
- trade receivables	—	(244)	—	—
- other receivables	—	(303)	—	—
Unrealised gain on foreign exchange	—	(191)	—	—

36. INCOME TAX EXPENSE

	THE GROUP		THE COMPANY	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Current tax expense:				
- for the financial year	5,144	11,767	—	—
- under/(over)provision in the previous financial year	749	(842)	—	—
	5,893	10,925	—	—
Deferred tax expense: (Note 29)				
- originating and recognition of temporary differences	(487)	(1,204)	—	—
- overprovision in the previous financial year	(154)	(908)	—	—
	(641)	(2,112)	—	—
	5,252	8,813	—	—

Domestic income tax is calculated at the Malaysian statutory tax of 24% assessable profit for the financial year.

Certain subsidiaries of the Group were granted the MSC Malaysia status which qualifies these subsidiaries for Pioneer Status incentive under the Promotion of Investments Act, 1986 whereby the statutory income from pioneer activities is exempted from tax.

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36. INCOME TAX EXPENSE (CONT'D)

A reconciliation of income tax expense applicable to the profit 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	
	2017 RM'000	2016 RM'000 (RESTATED)	2017 RM'000	2016 RM'000
Profit before taxation	78,570	10,264	4,515	44
Tax at the statutory tax rate of 24%	18,857	2,464	1,084	11
Tax effects of:-				
Non-deductible expenses	12,595	12,034	3,036	1,783
Non-taxable income	(4,619)	(2,428)	(4,633)	(1,791)
Effect of change in corporate income tax rate from 25% to 24% on deferred tax	—	(7)	—	—
Share of results in an associate	(24,097)	—	—	—
Tax-exempt pioneer income	(796)	(2,438)	—	—
Deferred tax assets not recognised during the financial year	3,212	1,245	—	—
Utilisation of deferred tax assets not recognised in the previous financial year	(20)	(74)	513	(3)
Under/(Over)provision of in the previous financial year				
- current tax	749	(842)	—	—
- deferred tax	(154)	(908)	—	—
Differential in tax rate	(475)	(233)	—	—
Income tax expense for the financial year	5,252	8,813	—	—

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36. INCOME TAX EXPENSE (CONT'D)

Subject to the agreement of the tax authorities, at the end of the reporting period, 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	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Accelerated capital allowances	10,844	(83)	—	—
Unabsorbed capital allowances	471	351	—	—
Unutilised tax losses	4,153	1,898	2,365	232
	15,468	2,166	2,365	232

No deferred tax assets are recognised on these items.

37. EARNINGS/(LOSS) PER SHARE

	THE GROUP	
	2017	2016 (RESTATEd)
Profit/(Loss) after taxation attributable to owners of the Company (RM'000)	12,046	(13,930)
Weighted average number of ordinary shares (in '000):		
Issued ordinary shares at 1 April	501,703	476,661
Effect of private placement	—	14,493
Effect of conversion of RCN	—	1,105
Weighted average number of ordinary shares at 31 March	501,703	492,259
Basic earnings/(loss) per share (Sen)	2.40	(2.83)
Profit/(loss) after taxation attributable to owners of the Company for diluted earnings per share computation (RM'000)	12,046	(13,930)
Weighted average number of ordinary shares for basic earnings per share (in '000):	501,703	492,259
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	642,603	633,159
Diluted earnings/(loss) per share (Sen)	1.87	(2.83)*

* - The diluted loss per share was equal to the basic earnings per share as there was an anti-dilutive effect arising from the assumed conversion of the Warrant-A and Warrant-B.

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38. ACQUISITION OF SUBSIDIARIES

- (a) During the financial year, DNeX acquired the following companies:-
- (i) a 100% equity interest in OGPC Sdn. Bhd. ("OGPC") comprising 500,000 ordinary shares of RM1.00 each to be satisfied by partial cash consideration of RM80,381,448 and the remaining balance via the issuance of 351,063,550 new ordinary shares with 175,531,775 Warrants; and
 - (ii) a 52% equity interest in OGPC O & G Sdn. Bhd. ("OGPCOG"), a 48% owned subsidiary company of OGPC comprising 1,000,000 ordinary shares of RM1.00 each to be satisfied by partial cash consideration of RM2,618,552 and the remaining balance via the issuance of 11,436,450 new ordinary shares with 5,718,225 Warrants.

The following summarises the major classes of consideration transferred, and the recognised amounts of assets acquired and liabilities assumed at the acquisition date:

(i) Fair Value of Purchase Consideration

	THE GROUP RM'000
Cash and cash equivalents	83,000
Equity instruments issued comprising 362,500,000 ordinary shares	46,222
Warrants	1,450
Total purchase consideration	130,672

There were no contingent consideration and no replacement share-based awards for the acquisition of OGPC and OGPCOG respectively.

(ii) Identifiable Assets Acquired and Liabilities Assumed

	NOTE	THE GROUP FAIR VALUE RECOGNISED RM'000
Property, plant and equipment	7	12,125
Intangible assets	8	48,106
Inventories		583
Trade receivables		14,654
Other receivables, deposits and prepayments		15,588
Cash and cash equivalents		15,589
Trade payables		(9,740)
Other payables and accruals		(865)
Provision for taxation		(1,416)
Deferred tax liabilities		(12,056)
Fair value of net identifiable assets acquired		82,568

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38. ACQUISITION OF SUBSIDIARIES (CONT'D)

- (a) 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):-

(iii) Cash Flow Arising from Acquisition

	THE GROUP RM'000
Purchase consideration settled in cash and cash equivalents	(83,000)
Cash and cash equivalents of subsidiary acquired	15,589
Deposit paid in the previous financial year	10,000
Net cash outflow for the acquisition of a subsidiary	(57,411)

(iv) Goodwill Arising from Acquisition

	THE GROUP RM'000
Total consideration transferred	130,672
Less: Fair value of identifiable net assets	(82,568)
Goodwill from the acquisition of a subsidiary (Note 9)	48,104

The goodwill is attributable to workforce and the high profitability of the acquired business as well as the synergies expected to be achieved from integrating the subsidiaries into the Group's existing Energy segment. The goodwill is not deductible for tax purposes.

(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	26,717
Profit after taxation	4,639

If the acquisition had taken place at the beginning of the current financial year, the Group's revenue and profit after taxation would have been approximately RM81,997,000 and RM11,533,000 respectively.

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38. ACQUISITION OF SUBSIDIARIES (CONT'D)

(b) In the previous financial year, details of the acquisition of subsidiaries were as follows:-

- (i) 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;
- (ii) 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

- (iii) 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
Property, plant and equipment	7	193
Intangible assets	8	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

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38. ACQUISITION OF SUBSIDIARIES (CONT'D)

(b) In the previous financial year, the acquisition of subsidiaries were as follows:- (Cont'd)

(iii) 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)

(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)

(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
Goodwill from the acquisition of a subsidiary (Note 9)	22,464

The non-controlling interests were 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

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38. ACQUISITION OF SUBSIDIARIES (CONT'D)

(b) In the previous financial year, the acquisition of subsidiaries were as follows (Cont'd):-

- (iv) On 8 December 2015, DNeX undertook a selective capital reduction and repayment exercise in Dagang Net Technologies Sdn. Bhd. 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:

	THE 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

39. DISPOSAL OF A SUBSIDIARY

During the current financial year, the Company's equity interest in DNeX decreased from 39.23% to 17.94% arising from DNeX's Rights Issue, Special Issue, the issuance of DNeX's share to acquire OGPC and OGPC O&G Sdn Bhd and the disposal of DNeX's shares. Consequently, the Company reclassified its investment in DNeX to investment in an associate as disclosed in Note 6 to the financial statements and the financial effects of this are disclosed as below:-

The following summarises the major classes of consideration received, and the amounts of assets disposed of and liabilities transferred at the date of disposal:-

(a) Fair Value of Disposal Proceeds

	THE GROUP 2016
Cash and cash equivalent	44,725
Fair value of remaining stake	88,578
Net disposal proceeds	133,303

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39. DISPOSAL OF A SUBSIDIARY (CONT'D)

The following summarises the major classes of consideration received, and the amounts of assets disposed of and liabilities transferred at the date of disposal (Cont'd):-

(b) Financial Effect Arising from Disposal

	NOTE	THE GROUP FAIR VALUE RECOGNISED RM'000
Property, plant and equipment	7	33,524
Investment in associate		134,437
Other investments		5,418
Goodwill on consolidation	9	49,740
Intangible assets	8	51,249
Trade and other receivables		94,803
Tax recoverable		1,191
Cash and cash equivalents		64,236
Deferred taxation	29	(12,556)
Borrowings		(8,165)
Trade and other payables		(45,903)
Tax payable		(466)
Non-controlling interest		2,275
ESOS reserve		(2,415)
		367,368
Goodwill on consolidation	9	36,512
Non-controlling interest's net assets at disposal date		(251,901)
Carrying value of net assets disposed of		151,979
Fair value of remaining stake		88,578
Cash proceeds from disposal		44,725
Net disposal proceeds		133,303
Loss on disposal of a subsidiary		(18,676)

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39. DISPOSAL OF A SUBSIDIARY (CONT'D)

The following summarises the major classes of consideration received, and the amounts of assets disposed of and liabilities transferred at the date of disposal (Cont'd):-

(c) Cash Flows Arising from Disposal of DNeX

	RM'000
Cash proceeds from disposal	44,725
Cash and cash equivalents of subsidiary disposed of	(64,236)
Net cash outflow from the disposal of a subsidiary	(19,511)

There were no disposal of subsidiaries in the previous financial year.

40. CASH AND CASH EQUIVALENTS

For the purpose of the statements of cash flows, cash and cash equivalents comprise the following:-

	THE GROUP		THE COMPANY	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Fixed deposits with licensed banks (Note 16)	6,725	10,428	4,620	5,250
Short-term investments (Note 17)	–	74	–	–
Cash and bank balances (Note 18)	5,410	18,041	547	87
Bank overdrafts (Note 33)	(7,200)	(3,582)	–	–
	4,935	24,961	5,167	5,337
Less: Fixed deposits pledged and restricted cash and bank balances as security (Notes 16 and 18)	(5,054)	(14,497)	(4,620)	(4,860)
	(119)	10,464	547	477

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41. KEY MANAGEMENT PERSONNEL

The key management personnel of the Group and of the Company include executive directors and non-executive directors of the Company and certain members of senior management of the Group and of the Company.

(a) The key management personnel compensation during the financial year are as follows:-

	THE GROUP		THE COMPANY	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Directors				
Executive:				
- fees	263	241	95	95
- non-fee emoluments	1,104	1,046	1,079	1,040
	1,367	1,287	1,174	1,135
Non-executive:				
- fees	330	244	330	244
- non-fee emoluments	845	1,346	47	20
	2,542	2,877	1,551	1,399
Other Key Management Personnel				
Key management personnel compensation:				
- short-term employee benefits	8,679	7,370	1,876	1,645

(b) The number of the Company's directors with total remuneration falling in bands of RM50,000 is as follows:-

	THE GROUP	
	2017 NUMBER OF DIRECTORS	2016 NUMBER OF DIRECTORS
Executive Directors:		
- RM400,001 - RM450,000	3	3
Non-executive Directors:		
- RM1 - RM50,000	1	1
- RM50,001 - RM100,000	3	3
- RM800,001 - RM850,000	1	1
	8	8

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42. SIGNIFICANT RELATED PARTY DISCLOSURES

(a) Identities of related parties

Parties are considered to be related to the Group if the Group or the Company has the ability, directly or indirectly, to control or jointly control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group or the Company and the party are subject to common control.

In addition to the information detailed elsewhere in the financial statements, the Group has related party relationships with its directors, key management personnel and entities within the same group of companies.

(b) Significant Related Party Transactions Balances

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	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Subsidiaries:				
- Dividend income received	—	—	6,097	7,221
Related parties:				
- Rental expenses	(491)	(515)	—	—
- Purchases	(634)	(1,158)	—	—
- Royalty to related party	—	(360)	—	—
- Sales	634	827	—	—
Associate:				
- Dividend income received	—	—	1,554	—

43. 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	
	2017 RM'000	2016 RM'000
United States Dollar	4.4265	3.9220
Singapore Dollar	3.1668	2.9023
Indonesian Rupiah	0.000332	0.000295

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44. CONTINGENT LIABILITY

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.

45. 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.

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45. OPERATING SEGMENTS (CONT'D)

45.1 BUSINESS SEGMENTS

2017	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
Segment revenue	45,485	1,344	7,651	5,272	12,663	74,276	11,007	(9,312)	148,386
Results									
Segment results	413	(911)	8,403	1,531	3,382	15,437	(3,427)	(40,586)	(15,758)
Finance costs	(1,506)	-	(3,887)	(90)	-	(1,412)	(1,106)	1,923	(6,078)
Share of results in an associate									100,406
Profit for the financial year									78,570
Income tax									(5,252)
									73,318
Segment assets	70,809	1,746	155,308	9,919	12,234	-	-	(12,615)	237,401
Tax refundable									871
Consolidated total assets									238,272
Segment liabilities	58,849	1,902	45,816	3,115	4,065	-	-	(35,698)	78,049
Deferred taxation									2,322
Provision for taxation									2,657
Consolidated total liabilities									83,028

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45. OPERATING SEGMENTS (CONT'D)

45.1 BUSINESS SEGMENTS (CONT'D)

	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
2017									
Additions to non-current assets other than financial instruments:									
- property, plant and equipment	259	2	-	30	28	3,469	644	-	4,432
- intangible assets	2,891	-	-	474	-	535	-	-	3,900
Other material items of (income)/expenses consist of the following:									
Depreciation and amortisation	7,868	66	-	852	114	2,871	1,085	-	12,856
Impairment loss on:									
- intangible assets	-	320	-	-	-	-	-	-	320
- trade receivables	3,415	-	-	-	603	-	-	-	4,018
Interest expense	1,502	-	3,887	-	-	594	-	-	5,983
Interest income	(73)	-	(132)	-	-	-	-	-	(205)

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45. OPERATING SEGMENTS (CONT'D)

45.1 BUSINESS SEGMENT (CONT'D)

	FMS RM'000 (RESTATED)	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 (RESTATED)
2016									
Segment revenue	48,311	2,577	7,221	5,142	10,409	112,273	4,380	(25,272)	165,041
Results									
Segment results	(8,321)	(1,764)	2,924	1,295	3,266	32,593	(4,770)	(9,326)	15,897
Finance costs	(1,528)	—	(2,880)	—	—	(1,225)	—	—	(5,633)
Profit for the financial year									10,264
Income tax and Zakat expense									(9,171)
									1,093
Segment assets	96,031	2,983	148,829	7,716	8,148	286,951	23,307	(218,670)	355,295
Tax refundable									1,863
Consolidated total assets									357,158
Segment liabilities	69,027	2,234	51,137	2,513	2,132	110,807	26,075	(118,411)	145,514
Deferred taxation									3,463
Provision for taxation									4,481
Consolidated total liabilities									153,458

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45. OPERATING SEGMENTS (CONT'D)

45.1 BUSINESS SEGMENT (CONT'D)

2016	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
Additions to non-current assets other than financial instruments:									
- property, 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)

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45. OPERATING SEGMENTS (CONT'D)

45.2 GEOGRAPHICAL INFORMATION

Revenue is based on the country in which the customers are located.

Non-current assets are determined according to the country where these assets are located. The amounts of non-current assets do not include financial instruments (but including investments in associates).

	REVENUE		NON-CURRENT ASSETS	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Group				
Indonesia	5,272	5,125	917	2,176
Singapore	19,214	6,374	1,943	285
Malaysia	123,900	153,542	150,796	125,881
	148,386	165,041	153,656	128,342

45.3 MAJOR CUSTOMERS

There is no single customer that contributed 10% or more to the Group's revenue.

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46. 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.

46.1 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, United States Dollar and Hong Kong Dollar. Foreign currency risk is monitored closely on an ongoing basis to ensure that the net exposure is at an acceptable level.

Foreign currency exposure

THE GROUP	HONG KONG DOLLAR RM'000	SINGAPORE DOLLAR RM'000	UNITED STATES DOLLAR RM'000	INDONESIAN RUPIAH RM'000	RINGGIT MALAYSIA RM'000	TOTAL RM'000
2017						
Financial Assets						
Other investments	—	—	—	—	100	100
Trade receivables	410	1,035	108	401	40,910	42,864
Other receivables and deposits	—	83	—	7,377	765	8,225
Fixed deposits with licensed banks	—	1,639	—	32	5,054	6,725
Cash and bank balances	1,163	2,881	—	5	1,361	5,410
	1,573	5,638	108	7,815	48,190	63,324

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46. FINANCIAL INSTRUMENTS (CONT'D)

46.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(a) Market Risk (Cont'd)

(i) Foreign Currency Risk (Cont'd)

Foreign currency exposure (Cont'd)

THE GROUP	HONG KONG DOLLAR RM'000	SINGAPORE DOLLAR RM'000	UNITED STATES DOLLAR RM'000	INDONESIAN RUPIAH RM'000	RINGGIT MALAYSIA RM'000	TOTAL RM'000
2017						
Financial Liabilities						
Hire purchase payables	–	–	–	–	754	754
Term loans	–	–	–	–	51,253	51,253
Trade payables	–	51	–	51	5,937	6,039
Other payables and accruals	–	462	–	1,762	5,050	7,274
Bank overdrafts	–	–	–	–	7,200	7,200
Amount owing to related parties	–	–	–	–	1,257	1,257
	–	513	–	1,813	71,451	73,777
Net financial assets/ (liabilities)	1,573	5,125	108	6,002	(23,261)	(10,453)
Less: Net financial assets denominated in the respective entities' functional currencies	–	–	–	–	23,261	23,261
Currency Exposure	1,573	5,125	108	6,002	–	12,808

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46. FINANCIAL INSTRUMENTS (CONT'D)

46.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(a) Market Risk (Cont'd)

(i) Foreign Currency Risk (Cont'd)

Foreign currency exposure (Cont'd)

THE GROUP	SINGAPORE DOLLAR RM'000	UNITED STATES DOLLAR RM'000	INDONESIAN RUPIAH RM'000	RINGGIT MALAYSIA RM'000	TOTAL RM'000
2016					
Financial Assets					
Other investments	—	4,172	—	100	4,272
Trade receivables	1,430	1,157	498	98,120	101,205
Other receivables and deposits	73	3,728	4,868	33,222	41,891
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	154,788	175,911
Financial Liabilities					
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
	756	40	874	137,124	138,794
Net financial assets	5,467	9,468	4,518	17,664	37,117
Less: Net financial assets denominated in the respective entities' functional currencies	—	—	—	(17,664)	(17,664)
Currency Exposure	5,467	9,468	4,518	—	19,453

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46. FINANCIAL INSTRUMENTS (CONT'D)

46.1 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	
	2017 INCREASE/ (DECREASE) RM'000	2016 INCREASE/ (DECREASE) RM'000	2017 INCREASE/ (DECREASE) RM'000	2016 INCREASE/ (DECREASE) RM'000
Effects On Profit/(Loss)After Taxation				
Strengthened by 10%				
- Hong Kong Dollar	120	—	—	—
- United States Dollar	8	720	—	—
- Singapore Dollar	390	415	—	—
- Indonesian Rupiah	456	343	—	—
Weakened by 10%				
- Hong Kong Dollar	(120)	—	—	—
- United States Dollar	(8)	(720)	—	—
- Singapore Dollar	(390)	(415)	—	—
- Indonesian Rupiah	(456)	(343)	—	—
Effects On Equity				
Strengthened by 10%				
- Hong Kong Dollar	120	—	—	—
- United States Dollar	8	720	—	—
- Singapore Dollar	390	415	—	—
- Indonesian Rupiah	456	343	—	—
Weakened by 10%				
- Hong Kong Dollar	(120)	—	—	—
- United States Dollar	(8)	(720)	—	—
- Singapore Dollar	(390)	(415)	—	—
- Indonesian Rupiah	(456)	(343)	—	—

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46. FINANCIAL INSTRUMENTS (CONT'D)

46.1 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 long-term borrowings with variable rates. The Group's policy is to obtain the most favourable interest rates available and by maintaining a balanced portfolio mix of fixed and floating rate borrowings.

Information relating to the Group's exposure to the interest rate risk of the financial liabilities is disclosed in Note 46.1(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	
	2017 INCREASE/ (DECREASE) RM'000	2016 INCREASE/ (DECREASE) RM'000	2017 INCREASE/ (DECREASE) RM'000	2016 INCREASE/ (DECREASE) RM'000
Effects On Profit After Taxation				
Increase of 100 basis points ("bp")	(450)	(669)	(333)	(377)
Decrease of 100 bp	450	669	333	377
Effects On Equity				
Increase of 100 basis points ("bp")	(450)	(669)	(333)	(377)
Decrease of 100 bp	450	669	333	377

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46. FINANCIAL INSTRUMENTS (CONT'D)

46.1 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 36% (2016 - 35%) of its total trade receivables at the end of the reporting period.

In addition, the Group also determines concentration of credit risk by monitoring the geographical region of its trade receivables on an ongoing basis. The credit risk concentration profile of trade receivables at the end of the reporting period is as follows:-

	THE GROUP	
	2017 RM'000	2016 RM'000
Indonesia	400	498
Singapore	1,446	1,430
Malaysia	41,018	99,277
	42,864	101,205

(ii) Exposure to credit risk

At the end of the reporting period, the maximum exposure to credit risk is represented by the carrying amount of each class of the financial assets recognised in the statement of financial position of the Group and of the Company after deducting any allowance for impairment losses (where applicable) at the end of the reporting period.

In addition, the Company's maximum exposure to credit risk also includes corporate guarantees provided to its subsidiaries as disclosed under the 'Maturity Analysis' of item (c) below, representing the outstanding banking facilities of the subsidiaries as at the end of the reporting period.

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46. FINANCIAL INSTRUMENTS (CONT'D)

46.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(b) Credit Risk (Cont'd)

(iii) Ageing analysis

The ageing analysis of trade receivables at the end of the reporting period is as follows:-

THE GROUP	GROSS AMOUNT RM'000	INDIVIDUAL IMPAIRMENT RM'000	CARRYING VALUE RM'000
2017			
Not past due	17,066	–	17,066
Past due:-			
- 31 - 60 days	1,284	–	1,284
- 61 - 90 days	2,788	–	2,788
- 91 - 150 days	1,546	–	1,546
- more than 150 days	36,823	(16,643)	20,180
	59,507	(16,643)	42,864
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
	115,074	(13,869)	101,205

At the end of the reporting period, trade receivables that are individually impaired were those in significant financial difficulties and have defaulted on payments. These receivables are not secured by any collateral or credit enhancement.

The Group believes that no additional impairment allowance is necessary in respect of trade receivables that are past due but not impaired because they are companies with good collection track record and no recent history of default.

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46. FINANCIAL INSTRUMENTS (CONT'D)

46.1 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.

Maturity Analysis

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):-

THE GROUP	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
2017						
<u>Non-derivative</u>						
<u>Financial Liabilities</u>						
Hire purchase payables	4.42	754	845	156	689	—
Term loans	7.59	51,253	55,102	25,126	29,976	—
Trade payables	—	6,039	6,039	6,039	—	—
Other payables and accruals	—	7,274	7,274	7,274	—	—
Bank overdrafts	8.36	7,200	7,200	7,200	—	—
Amount owing to related parties	—	1,257	1,257	1,257	—	—
		73,777	77,717	47,052	30,665	—
2016						
<u>Non-derivative</u>						
<u>Financial Liabilities</u>						
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	—	—
		138,794	144,986	96,949	47,814	223

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46. FINANCIAL INSTRUMENTS (CONT'D)

46.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(c) Liquidity Risk (Cont'd)

Maturity Analysis (Cont'd)

THE COMPANY	WEIGHTED AVERAGE EFFECTIVE RATE %	CARRYING AMOUNT RM'000	CONTRACTUAL UNDISCOUNTED CASH FLOWS RM'000	WITHIN 1 YEAR RM'000	1 - 5 YEARS RM'000
2017					
<u>Non-derivative Financial Liabilities</u>					
Term loans	7.61	43,800	47,128	17,151	29,977
Other payables and accruals	—	908	908	908	—
Amount owing to related parties	—	1,108	1,108	1,108	—
Financial guarantee contracts in relation to corporate guarantee given to certain subsidiaries	7.65	—	15,175	15,175	—
		45,816	64,319	34,342	29,997
2016					
<u>Non-derivative Financial Liabilities</u>					
Term loans	7.61	50,200	54,020	6,887	47,133
Other payables and accruals	—	937	937	937	—
Financial guarantee contracts in relation to corporate guarantee given to certain subsidiaries	7.63	—	20,338	20,338	—
		51,137	75,295	28,162	47,133

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46. FINANCIAL INSTRUMENTS (CONT'D)

46.2 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 its businesses and maximise shareholder(s) 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 that complies with debt covenants and regulatory, if any. The debt-to-equity ratio is calculated as net debt divided by total equity. The Group includes within net debt, loans and borrowings from financial institutions less cash and cash equivalents. Capital includes equity attributable to the owners of the parent and non-controlling interest. The debt-to-equity ratio of the Group at the end of the reporting period was as follows:-

	THE GROUP	
	2017 RM'000	2016 RM'000 (RESTATED)
Hire purchase payables	754	962
Term loans	51,253	84,695
Bank overdrafts	7,200	3,582
	59,207	89,239
Less: Fixed deposits with licensed banks	(6,725)	(10,428)
Less: Short-term investments	–	(74)
Less: Cash and bank balances	(5,410)	(18,041)
Net debt	47,072	60,696
Total equity	155,244	203,700
Debt-to-equity ratio (times)	0.30	0.30

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46. FINANCIAL INSTRUMENTS (CONT'D)

46.3 CLASSIFICATION OF FINANCIAL INSTRUMENTS

	THE GROUP		THE COMPANY	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Financial Assets				
<u>Available-for-sale Financial Assets</u>				
Other investments, at cost	100	4,272	–	–
<u>Loans and Receivables Financial Assets</u>				
Trade receivables	42,864	101,205	–	–
Other receivables and deposits	8,225	41,891	186	99
Amount owing by subsidiaries	–	–	26,342	29,498
Fixed deposits with licensed banks	6,725	10,428	4,620	5,250
Cash and bank balances	5,410	18,041	547	87
	63,224	171,565	31,695	34,934
<u>Fair Value through Profit or Loss: Held-for-Trading</u>				
Short-term investments	–	74	–	–
Financial Liabilities				
<u>Other financial liabilities</u>				
Hire purchase payables	754	962	–	–
Term loans	51,253	84,695	43,800	50,200
Trade payables	6,039	9,133	–	–
Other payables and accruals	7,274	40,422	908	937
Amount owing to related parties	1,257	–	1,108	–
Bank overdrafts	7,200	3,582	–	–
	73,777	138,794	45,816	51,137

FINANCIAL STATEMENTS

Notes to The Financial Statements

For The Financial Year Ended 31 March 2017

46. FINANCIAL INSTRUMENTS (CONT'D)

46.4 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.

THE GROUP	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		
2017								
<u>Financial Asset</u>								
Other investments:								
- unquoted shares	-	-	-	-	-	-	#	100
<u>Financial Liabilities</u>								
Hire purchase payables	-	-	-	-	628	-	628	628
Term loans	-	-	-	-	27,860	-	27,860	27,860
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 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.

FINANCIAL STATEMENTS

Notes to The Financial Statements

For The Financial Year Ended 31 March 2017

47. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR (CONT'D)

The significant events during the financial year are as follows:

- (a) On 25 April 2016, Global Energy Corp Limited changed its name to Global eCommerce Limited.
- (b) On 3 June 2016, Dagang NeXchange Berhad ("DNeX") completed its acquisition of Ping Petroleum Limited ("Ping") by subscribing for new ordinary shares of USD0.001 each in Ping, representing 30% of the enlarged issued share capital of Ping, for a total consideration of USD10.0 million.
- (c) On 30 June 2016, a subsidiary of DNeX entered into a Sale and Purchase Agreement to acquire two units of annex semi-detached seven (7) storey office towers located at Cyberjaya for RM22,544,990. An initial deposit of RM2,496,835 was paid to the Developer and the balance of the purchase price is to be funded by external borrowing.
- (d) On 3 August 2016, DNeX announced the issuance of 695,396,809 Warrants pursuant to the Rights Issue, Special Issue, and Acquisitions; 465,146,809 Right Shares; 98,000,000 Special Issue Shares; and 362,500,000 Consideration Shares were completed, listed and quoted on the Main Market of Bursa Malaysia Securities Berhad ("Bursa Securities").
- (e) On 3 August 2016, DNeX completed its acquisition of OGPC Sdn. Bhd. and its subsidiary.
- (f) On 16 August 2016, the Company's interest in DNeX was diluted from 39.23% to 28.61% arising from the Rights Issue exercise of DNeX and the issuance of shares arising from DNeX's acquisition of OGPC and OGPC O&G Sdn Bhd.
- (g) On 17 August 2016, the Company had entered into a Share Sale Agreement with Arcadia Acres Sdn Bhd in relation to the disposal of 123,780,000 ordinary shares of RM0.20 and 136,467,638 warrants in DNeX for a total cash consideration of RM32.3 million.
- (h) On 22 August 2016, the Company disposed of 46,000,000 warrants in DNeX for a total cash consideration of RM1.38 million.
- (i) On 24 August 2016, a subsidiary of DNeX incorporated a subsidiary known as DNeX GIS Sdn. Bhd., ("DNeX GIS"). The paid-up share capital of DNeX GIS is RM100,000 comprising 100,000 ordinary shares of RM1.00 each. The subsidiary had subscribed for 51% issued and paid-up share capital of DNeX GIS in cash and the remaining 49% by Sterling Marine Ventures Sdn. Bhd.
- (j) On 24 August 2016, a wholly-owned subsidiary, Century Software (Malaysia) Sdn Bhd received a Letter of Award from Unit Pemodenan Tadbiran Dan Perancangan Pengurusan Malaysia ("MAMPU") for a project named "Membekal, Menghantar, Memasang, Mereka Bentuk, Membangun, Mengintegrasikan, Menguji dan Mentauliah Sistem Aplikasi, Perisian dan Perkakasan" for a total contract sum of RM15,419,820.
- (k) On 25 August 2016, DNeX issued an additional 32,000,000 Special Issue Shares together with 16,000,000 Warrants which were listed and quoted on the Main Market of Bursa Malaysia.
- (l) On 14 September 2016, DNeX granted 38,329,400 share option at an exercise price of RM0.245 per share under DNeX ESOS to Executive Directors and employees of DNeX.

FINANCIAL STATEMENTS

Notes to The Financial Statements

For The Financial Year Ended 31 March 2017

47. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR (CONT'D)

The significant events during the financial year are as follows: (Cont'd)

- (m) On 20 September 2016, the Company disposed of 52,000,000 ordinary shares of RM0.20 each in DNeX, for a cash consideration of RM13.78 million via off-market direct business transactions to the following parties:

COMPANY NAME	NO. OF SHARES (‘000)
Arcadia Acres Sdn Bhd	35,000
Maybank Investment Bank Berhad	17,000
	52,000

- (n) On 20 September 2016, Dagang Net Technologies Sdn. Bhd. (“Dagang Net”), a wholly-owned subsidiary of the DNeX, accepted the award of contract extension by the Government of Malaysia for the NSW trade facilitation. The contract extension is for a period of two (2) years commencing from 25 September 2016 until 24 September 2018.
- (o) The Companies Act 2016 came into effect on 31 January 2017 (except for Section 241 and Division 8 of Part III of the said Act) and replaces the existing Companies Act 1965.

Amongst the key changes introduced under the Companies Act 2016 that will affect in the financial statements of the Company upon its initial adoption are:-

- (i) Removal of the authorised share capital
- (ii) Ordinary shares will cease to have par value; and
- (iii) Share premium account will become part of the share capital

The adoption of the Companies Act 2016 is to be applied prospectively and the impact of adoption is disclosed in Notes 19 and 20 to the financial statements.

48. SIGNIFICANT EVENTS OCCURRING AFTER THE REPORTING PERIOD

The significant events occurring after the reporting period are as follows:

- (a) On 8 May 2017, a wholly-owned subsidiary, Century Software (Malaysia) Sdn Bhd accepted a Letter of Award from Lembaga Hasil Dalam Negeri Malaysia for a contract named “Kontrak Perkhidmatan Penyelenggaraan Aplikasi, Perkakasan Dan Pembaharuan Lesen Sistem Perakaunan Hasil (eRAS) Di Lembaga Hasil Dalam Negeri Malaysia” for a total contract sum of RM7,500,000.
- (b) On 17 May 2017, the Company acquired two (2) ordinary shares representing 100% equity interest in Compuaidtech Sdn Bhd (“CSB”) for a total purchase considerations of RM20,000.

FINANCIAL STATEMENTS

Notes to The Financial Statements

For The Financial Year Ended 31 March 2017

49. PRIOR YEAR ADJUSTMENT

The prior year adjustment relates to the recoverability of costs for a project with a customer amounting to RM6,739,313. This amount was previously included in amount due from contract customers. This amount has been impaired during the financial year and represents a correction in the financial statements for the financial year ended 31 March 2016.

The financial effects of the prior year adjustment on the financial statements are as below:-

THE GROUP	AS PREVIOUSLY REPORTED RM'000	EFFECT OF PRIOR YEAR ADJUSTMENT RM'000	AS RESTATE D RM'000
<i>Statements of Financial Position (Extract):-</i>			
Current assets			
- Amount owing by contract customers	32,278	(6,739)	25,539
Equity			
- Retained profits	48,678	(6,739)	41,939
<i>Statements of Profit or Loss and Other Comprehensive Income (Extract):-</i>			
- Other expenses	(28,690)	(6,739)	(35,429)
Loss after taxation			
- Owners of the Company	(7,191)	(6,739)	(13,930)
Total comprehensive expenses			
- Owners of the Company	(6,768)	(6,739)	(13,507)
<i>Statements of Cash Flows (Extracts):-</i>			
Profit before taxation	17,003	(6,739)	10,264
Amount owing by contract customers written off	—	6,739	6,739

FINANCIAL STATEMENTS

Notes to The Financial Statements

For The Financial Year Ended 31 March 2017

50. SUPPLEMENTARY INFORMATION - DISCLOSURE OF REALISED AND UNREALISED PROFITS/LOSSES

The breakdown of the retained profits/(accumulated losses) 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	
	2017 RM'000	2016 RM'000 (RESTATED)	2017 RM'000	2016 RM'000
Total retained profits/(accumulated loss) of the Company and its subsidiaries:				
- realised	13,984	(27,853)	1,643	(2,872)
- unrealised	389	775	–	–
	14,373	(27,078)	1,643	(2,872)
Total share of retained profits of associate:				
- realised	8,194	–	–	–
Add: Consolidation adjustments	31,432	69,017	–	–
At 31 March	53,999	41,939	1,643	(2,872)

6 OTHER INFORMATION

Notice of Annual General Meeting
PDPA Notice
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OTHER INFORMATION

____Notice of Annual General Meeting

NOTICE OF NINTH ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Ninth Annual General Meeting of CENSO HOLDINGS BERHAD ("Censof" or the "Company") will be held at Dewan Perdana, Bukit Kiara Equestrian & Country Resort, Jalan Bukit Kiara, Off Jalan Damansara, 60000 Kuala Lumpur, Malaysia, on Tuesday, 12 September 2017 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 2017 together with the Directors' and Auditors' Reports thereon.
2. To approve the payment of Directors' Fees of RM402,500 and Meeting Allowance of RM1,000 per meeting (please refer to page 50 of Annual Report for details) for the financial year ending 31 March 2018 and that the Directors' Fees be payable quarterly in arrears and the Meeting Allowance be payable after the meeting in arrears.
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 Ms. Ang Hsin Hsien (Article 78)
 - 3.2 Mr. Tamil Selvan A/L M. Durairaj (Article 78)
4. To re-appoint Messrs Crowe Horwath as Auditors of the Company and to authorise the Directors to fix their remuneration.

Ordinary Resolution 1

Ordinary Resolution 2
Ordinary Resolution 3

Ordinary Resolution 4

AS SPECIAL BUSINESS

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

5. **AUTHORITY TO ALLOT SHARES PURSUANT TO SECTION 75 OF THE COMPANIES ACT 2016**

Ordinary Resolution 5

"THAT pursuant to Section 75 of the Companies Act 2016 ("Act"), and subject to the approvals of the relevant governmental and/or regulatory authorities, the Directors be and are hereby empowered to allot new 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 allotted pursuant to this resolution does not exceed ten percent (10%) 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 allotted AND THAT such authority shall continue in force until the conclusion of the next Annual General Meeting of the Company."

6. To transact any other business 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: 28 July 2017

OTHER INFORMATION

____Notice of 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 6 September 2017. Only a depositor whose name appears on the Record of Depositors as at 6 September 2017 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 5

The proposed Resolution 5 is a renewal of mandate given by the shareholders at the previous Annual General Meeting held on 20 September 2016, primarily to give flexibility to the Board of Directors to 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 allotment of new shares, the Directors, under certain circumstance when the opportunity arises, would have to convene a general meeting to approve the allotment of new shares even though the number involved may be less than 10% of the allotment capital.

In order to avoid any delay and costs involved in convening a general meeting to approve such allotment 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.

No shares have been issued and allotted by the Company pursuant to Section 75 of the Companies Act 2016 since obtaining the said authority from its shareholders at the last AGM held on 20 September 2016.

OTHER INFORMATION

PDPA Notice

NOTICE TO SHAREHOLDERS PURSUANT TO THE PERSONAL DATA PROTECTION ACT 2010

The 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
Email 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 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 tunjukkan transaksi komersial, adalah terpakai terhadap Syarikat. Untuk tujuan Notis ini, 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 dan memberikan anda manfaat-manfaat lain yang berkaitan dengan pegangan saham anda dalam Syarikat;
 - (c) Untuk menguruskan 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 megemaskini atau membuat pembetulan data peribadi anda serta menghubungi kami untuk sebarang pertanyaan atau aduan berkenaan dengan data peribadi anda seperti berikut:

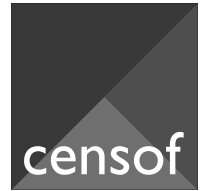
Jawatan Individu Yang Perlu Dihubungi : Setiausaha Syarikat
No. Telefon : 03-2692 4271
No. Faksimili : 03-2732 5388
Alamat e-mel : info@megacorp.com.my

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 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.

Form of Proxy

(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 **CENSO 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 Ninth Annual General Meeting of the Company to be held at Dewan Perdana, Bukit Kiara Equestrian & Country Resort, Jalan Bukit Kiara, Off Jalan Damansara, 60000 Kuala Lumpur, Malaysia, on Tuesday, 12 September 2017 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 for the financial year ending 31 March 2018 and Meeting Allowance.				
2.	To re-elect Ms Ang Hsin Hsien who retires pursuant to Article 78.				
3.	To re-elect Mr Tamil Selvan A/L M. Durairaj who retires pursuant to Article 78.				
4.	To re-appoint Messrs Crowe Horwath as Auditors and to authorise the Directors to fix their remuneration.				
5.	Authority to allot shares pursuant to Section 75 of the Companies Act 2016.				

(Please indicate with an "✓" or "X" in the spaces 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.)

Signature/Common Seal of Shareholder

Signed this _____ day of _____ 2017

Notes:-

- For the purpose of determining a member who shall be entitled to attend and vote at the 9th Annual General Meeting, the Company shall be requesting the Record of Depositors as at 6 September 2017. Only a depositor whose name appears on the Record of Depositors as at 6 September 2017 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.

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**AFFIX
STAMP**

THE SHARE REGISTRAR
CENSO HOLDINGS BERHAD (828269 A)
Level 6, Symphony House
Pusat Dagangan Dana 1
Jalan PJU 1A/46
47301 Petaling Jaya
Selangor Darul Ehsan

1st fold here

CENTURY SOFTWARE (M) SDN BHD

(CO. NO. : 445590-U)

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47300 Petaling Jaya
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DAGANG NEXCHANGE BERHAD

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F +603 7877 5200

www.t-melmax.com

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

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

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CENSOF HOLDINGS BERHAD

(CO. NO. : 828269-A)

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