

censof

Elevating
Excellence



ANNUAL REPORT 2019

COVER RATIONALE

Our passion for perfection is spurring our growth. The rising arrow on the cover represents our quest to attain ever higher levels of excellence, and the intricate facets within it represent the diversity of our resources and services. In the background, a network of grid lines symbolises our precise planning for the future.

eleventh

ANNUAL GENERAL MEETING

Date	29 August 2019, Thursday
Time	10.00 a.m.
Venue	Hibiscus Auditorium, Sime Darby Convention Centre, 1A, Jalan Bukit Kiara 1, Bukit Kiara, 60000 Kuala Lumpur, Malaysia.



OVERVIEW	PERFORMANCE REVIEW	SUSTAINABILITY STATEMENT	LEADERSHIP AND GOVERNANCE	FINANCIAL STATEMENTS	ANNUAL GENERAL MEETING
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vision, mission & values

Our Vision

To be a technology and innovation leader specialising in business and financial management solutions.

Our Mission

We pledge to devote our expertise towards excellence by:

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

Our Values

At Censof, we share three fundamental corporate values. They form the roots of our corporate culture: Caring, Credible and Committed.

Caring

Our ability to genuinely listen, understand and meet our customers' needs is a key differentiator and a critical success factor for our business.

Credible

We accept responsibility for our actions and deliver on our promises.

Committed

Our success is built on the trust we earned from clients. Our commitment to our customers is at the heart of everything we do.



c o r p o r a t e p r o f i l e

Censof Holdings Berhad (“Censof”) was established in 2008 as a technology investment holdings company specializing 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 to 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 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 provides an extensive portfolio of financial management software solutions that cater from start-ups, small and medium enterprises (SMEs) all the way to large corporations and also in government agencies. Our team of experts and strategic partners has an unparalleled competitive ability to address industry requirements at both global and local level.

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 partnership to enhance our offering for our clients' needs.

Accelerating Digital Transformation

Behind every product we deliver, we orchestrate hundreds of logical instruments and functions to compose a systematic masterpiece.

Equipped with dynamic team, a focus on fast IT technologies such as IoT, analytics, AI, blockchain, and cloud computing, Censof is helping to accelerate organizations' digital transformation efforts.

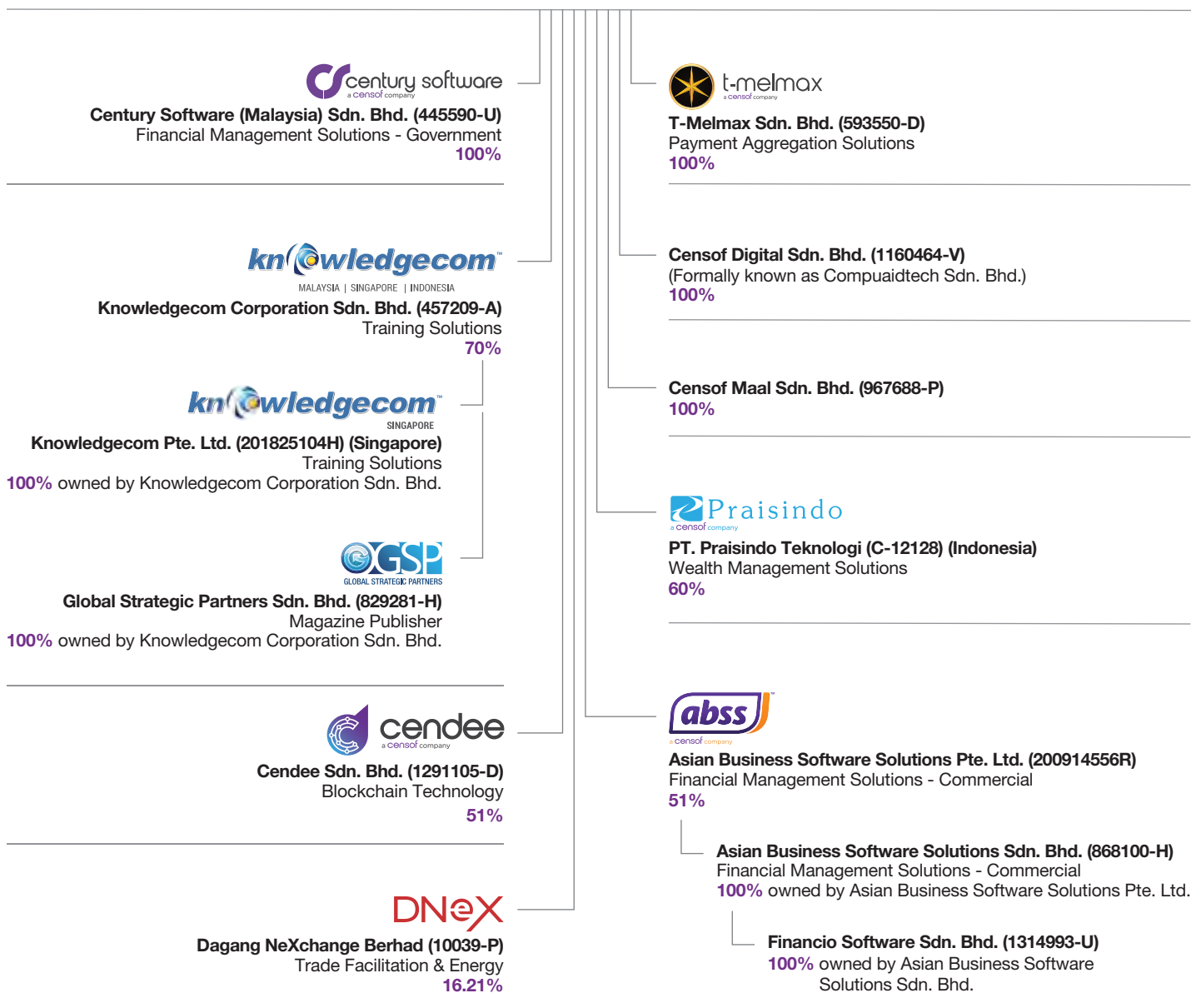
With a far wider set of technology and services capabilities, we are able to offer a unique approach to our clients to its transformed state quickly, efficiently and effectively.

corporate structure

as of 18 June 2019

censof

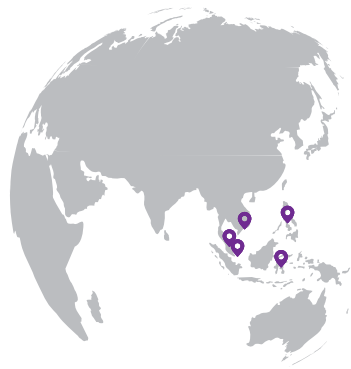
Censof Holdings Berhad
(828269-A)



quick facts & business divisions

QUICK FACTS

Established in

2008**Public
Listed
Company****INVESTMENT
HOLDING COMPANY****316** employees**Expertise:****Financial
Management
Solutions****Payment
Aggregation
Solutions****Wealth
Management
Solutions****Training
Solutions****Presence in:**

ASIA

MALAYSIA • SINGAPORE • INDONESIA
• HONG KONG • PHILIPPINES

AMERICA

UNITED STATES OF AMERICA

REVENUE**RM37.45 mil****Financial Management
Solutions
(Government)****REVENUE****RM15.14 mil****Financial Management
Solutions
(Commercial)****REVENUE****RM0.38 mil****Payment Aggregation
Solutions****REVENUE****RM3.85 mil****Wealth Management
Solutions****REVENUE****RM6.99 mil****Training Solutions****BUSINESS
DIVISIONS**

The Censof Group is a technology group that provides an extensive portfolio of financial management software solutions catering to start-ups, small and medium enterprises ("SMEs") as well as large corporations.

Our portfolio of product and service offerings continues to grow from strength to strength and today encompasses financial management solutions for the Government and Commercial segments, SMEs as well as start-ups. Group subsidiary, Century Software (Malaysia) Sdn. Bhd. ("Century Software") is primarily

responsible for providing financial management solutions on the Government front, while Asian Business Software Solutions Pte. Ltd. ("ABSS") oversees the provision of solutions to the Commercial for SME and micro-SME segments. We also offer training solutions under Knowledgecom Corporation Sdn. Bhd. ("Knowledgecom"); wealth management solutions under our Indonesian subsidiary, PT. Praisindo Teknologi ("PT. Praisindo"); and payment aggregation solutions under T-Melmax Sdn. Bhd. ("T-Melmax").

quick facts & business divisions

(Cont'd)



FINANCIAL MANAGEMENT SOLUTIONS

GOVERNMENT DIVISION

Century Software is the leading provider of financial management solutions for government that have been developed in compliance with the Standard Accounting System for Government Agencies ("SAGA") criteria. With a strong track record spanning over two decades, we have installed and maintained financial management solutions for an extensive portfolio of public sector clients comprising government agencies at the federal, state and local council levels.

Century Software is responsible for SAGA implementation among government agencies. To date, more than 80 government agencies in Malaysia are using our SAGA-certified products and solutions. We possess a variety of solutions to help our clients achieve sustainable growth and realise operational excellence through integration. Apart from financial management solutions, we also provide customisable business solutions pertaining to business performance, business intelligence, data analytics, application development and more. Our solutions can be installed on premise to optimise client's internal infrastructure, or on-Cloud within a secure, modern and reliable delivery framework. Our state-of-the-art financial management and business solutions have helped government agencies to manage public funds effectively. Our team and key delivery personnel are all Project Management-certified professionals with qualified accountants forming the majority of our consultants.

Key Focus Areas



- Financial Management Solutions
- Customised Business Solutions
- Government & Enterprise Resource Planning Solutions
- Systems Implementation, Installation & Rollout
- Systems Maintenance & Technical Support
- Information Exchange & Cloud Based Solutions

COMMERCIAL DIVISION

ABSS has set its sights on becoming a one-stop business solutions centre for SMEs offering accounting management software, e-commerce solutions, inventory management and payroll management solutions. Today, ABSS supplies the ABSS-branded financial management and accounting software in Asia as well as caters to more than 400,000 SME clients across Malaysia, Singapore and Hong Kong. Responsible for our Financial Management Solutions Commercial Division, ABSS is a market leader amongst SMEs and holds the No. 1 market position in Singapore and Hong Kong. To reinforce the Group's market presence among SMEs, we have entered into several strategic collaborations.

In 2017, ABSS launched Financio, a Cloud-based accounting software designed for new start-ups and small business owners. Using a subscription-based model at a low monthly fee, Financio is user-friendly and fully compliant with the latest local accounting standards. To date, we have garnered over 13,000 Financio subscribers from the micro-SME segment in Malaysia and rolled out Financio partnerships with Maybank Singapore, DBS Singapore, RHB, Microsoft and DNeX.

Key Focus Areas



- Accounting Management
- Customer Payment Gateways
- e-Commerce Solutions
- Cloud based micro SME Accounting Product (for start-up and entry level SME market)

quick facts & business divisions

(Cont'd)



TRAINING SOLUTIONS DIVISION

Knowledgecom oversees the operations of the Group's Training Solutions Division. One of our long term ambitions is to upskill the Malaysian workforce by offering technology certifications. We are proud to have played a part in equipping more than 10,000 public and private university students, fresh graduates, government employees and working professionals to date with certifications from organisations such as SAP, Microsoft, Oracle, IPv6, and the Android Training Centre.

In an effort to prepare Malaysia for Industry 4.0 implementation, we have been collaborating with various parties to create and implement a breakthrough programmes. From strategy to implementation, we help our clients solve complex business issues by combining processes and industry knowledge with deep expertise in enabling technologies.

Key Focus Areas



- IT Training and Certification Courses
- Workshops and Conferences
- Industry 4.0 Training and Implementation
- Business Consulting



PAYMENT AGGREGATION SOLUTIONS DIVISION

T-Melmax, which is currently responsible for the Group's Payment Aggregation Solutions business, is a company that focuses on web-based electronic banking solutions to facilitate retail and wholesale transaction processing. Its principal product is CPAY which is a one-stop payment and collection portal that supports various payment options.

Our solutions are equipped to handle the processing of bulk payments, bulk collections, retail payments and a variety of other payments that interface with platforms such as Inter Bank Giro or IBG; Financial Processing Exchange or FPX - the Malaysian payment gateway; as well as statutory bodies such as LHDN, the Employees Provident Fund and SOCSO (Malaysia's social security organisation).

Today, e-commerce has created a healthy ecosystem of start-up tech suppliers of financial services, retail players and other industries in Malaysia. We ourselves have been quick to adopt technology that can create new revenue streams or make operations more efficient. Our partnerships with affiliates such as PureSoftware and Soft Space have helped facilitate this. Through integrating new technologies, such as the Artha platform and integrated card / cardless POS terminals, we are looking to expand our target markets into the e-commerce (B2C/C2C) and the cooperatives sector.

Key Focus Areas



- e-Payment Gateway
- Financial Transaction Processing Application
- Bulk Payment Processing

quick facts & business divisions

(Cont'd)



WEALTH MANAGEMENT SOLUTIONS DIVISION

The Group's Wealth Management Solutions Division falls under the ambit of PT. Praisindo which offers customised technology solutions 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 our technology. Our main aim is to offer a choice of business solutions to clients by combining people, processes, information and technology so as to enhance business processes and activities.

Key Focus Areas



- Investment Management System
- Reka Dana Online
- Wealth Management System
- Network Management, Security and Monitoring



EMERGING TECHNOLOGY

Technologies such as blockchain, artificial intelligence, augmented and virtual reality, and the internet of things are rapidly reshaping our world and evolving at breakneck speed.

Blockchain is one of the emerging technologies in today's world and a lot of revolution and research has just began regarding this distributed technology. Bitcoin has been the most popular cryptographic currency since it was invented and it is the best example that uses the Blockchain technology.

We help transform emerging technologies into sustainable business. Together with our international partners in Switzerland, Dubai and India, our solutions assure your technological innovations in IoT, AI or Blockchain to be sustainable for long term growth. We provide realistic and secure technology solutions for a wide range of use cases in government, banking, shipping and manufacturing.

Key Focus Areas



- Cloud Based Blockchain Infrastructure Solution
- IoT Embedded Tracking Devices
- Process Automation
- Predictive and Insight Algorithms

c o r p o r a t e i n f o r m a t i o n

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
Tan Sri Datuk Wira Dr. Hj. Mohd Shukor Bin Hj. Mahfar / Independent Non-Executive Director

AUDIT COMMITTEE

Tuan Haji Ab. Gani Bin Haron
Chairman

Tan Sri Dato' Mohd Ibrahim Bin Mohd Zain
Member

Boey Tak Kong
Member

Tan Sri Datuk Wira Dr. Hj. Mohd Shukor Bin Hj. Mahfar
Member
(Appointed on 23 July 2019)

NOMINATING & REMUNERATION COMMITTEE

Boey Tak Kong
Chairman

Tan Sri Dato' Mohd Ibrahim Bin Mohd Zain
Member
(Resigned on 23 July 2019)

Tuan Haji Ab. Gani Bin Haron
Member

Tan Sri Datuk Wira Dr. Hj. Mohd Shukor Bin Hj. Mahfar
Member
(Appointed on 23 July 2019)

RISK MANAGEMENT COMMITTEE

Boey Tak Kong
Chairman

Tuan Haji Ab. Gani Bin Haron
Member

Ameer Bin Shaik Mydin
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 Malaysia PLT
(LLP0018817 - LCA & 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

Boardroom Share Registrars Sdn. Bhd.
(Company No.: 378993 D)
(Formerly Known As Symphony Share Registrars Sdn. Bhd.)
Level 6, Symphony House
Block D13, Pusat Dagangan Dana 1
Jalan PJU 1A/46
47301 Petaling Jaya
Selangor Darul Ehsan
Tel : 03-7849 0777
Fax : 03-7841 8151

PRINCIPAL BANKERS

CIMB 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 WB
Warrant Name : Censof-WB

chairman's statement

Dear Valued Shareholders,
On behalf of the Board of Directors, it is my privilege to present the Annual Report of Censof Holdings Berhad ("Censof" or "the Group") for the financial year ended 31 March 2019 ("FYE 2019").



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

c h a i r m a n ' s s t a t e m e n t

(Cont'd)

IN PURSUIT OF LONG-TERM, SUSTAINABLE GROWTH

While the year in review was undeniably a financially challenging one for Censoft, it was also an encouraging one in that we made strong strides forward in our pursuit of long-term, sustainable growth. Amidst implementing vital fixes to ensure our financial recovery, we also laid down strong foundations for our return to profitability. This included entering into several strategic tie-ups, successfully rolling out innovative new solutions, and expanding our market reach. We also successfully delivered on several key client projects and secured new contracts that will make positive contributions to our revenue streams moving forward. In light of these developments, it is with confidence that I say that a resilient Censoft has steadily grown from strength to strength and is today well positioned to capitalise on the many sustainable growth opportunities before us.

For FYE 2019, Group revenue declined by 32.9% to RM63.26 million from RM94.27 previously primarily on the back of significantly lower contributions from Knowledgecom Corporation Sdn. Bhd. ("Knowledgecom"), our Training Solutions segment. Where Knowledgecom had previously secured several Industry 4.0 training opportunities, these projects were put on the back burner following the new Pakatan Harapan administration's decision to streamline procurement processes and introduce open tenders. With some 30% of industry training grants in general affected, Knowledgecom's revenue dipped some 72.8% to RM6.75 million from RM24.85 million previously.

Thankfully, our Financial Management Solutions - Government segment under the ambit of our biggest subsidiary, Century Software (Malaysia) Sdn. Bhd., was not that badly affected by the switch to open tenders with only a few contracts being delayed. Our ongoing government business continued to be a major factor in our turnaround even as we garnered some RM37.45 million in revenue against RM49.76 million previously. Of this, some RM20.86 million came from maintenance revenue.

In terms of our Financial Management Solutions - Commercial segment under subsidiary Asian Business Software Solutions Pte. Ltd. ("ABSS") - this business registered a 7.8% decline in revenue to RM15.14 million from RM16.42 million previously. The finances which we reinvested back in ABSS' Financio micro-SME financial software to make it Cloud-ready were expensed off and not capitalised. The investments in the Financio business have already begun to deliver good returns with Financio gaining good market traction in Malaysia, Singapore and Hong Kong.

Notwithstanding the year's challenging operating environment, I am pleased to report that Group registered a lower loss before taxation of RM0.78 million in FYE 2019 as compared to the preceding year's loss before taxation of RM6.83 million. We take heart that we are making some solid inroads in turning things around as we maintain a laser-focus on becoming profitable again. Our small successes thus far include recovering impaired trade receivables amounting to RM3.56 million in the year under review.

We also continued to make significant progress on the operational front in FYE 2019. I am pleased to report that Century Software successfully delivered on several key client projects which included the large-scale MyResults project (the outcome-based budgeting or OBB project for the Ministry of Finance), and the HASiL International Data Exchange Facility or HiDEF Common Reporting Standard portal for Lembaga Hasil Dalam Negeri Malaysia. All in all, we continued to meet clients' needs over the course of the year by delivering innovative products and solutions.

One of our sustainable growth strategies is to enter into synergistic partnerships that will empower our teams, strengthen our product and service portfolio, elevate the Censoft brand, and extend our geographical footprint. To this end, we continue to establish strategic alliances and viable partnerships with industry players and MNCs in the region.

Our ambition of expanding our footprint in the blockchain space was realised when Group subsidiary, Cendee Sdn. Bhd., entered into strategic partnerships with WiSeKey International Holding Ltd. (a cybersecurity Internet of Things platform company) and Chainstack Pte. Ltd. (a leading provider in the blockchain Platform as a Service or PaaS Cloud computing model). These strategic tie-ups will help the Group roll out blockchain solutions to financial institutions, corporations, regulators and government agencies even as these organisations explore the use of blockchain technology for better cyber security control.

We continue to leverage on the Standard Accounting System for Government Agencies ("SAGA") solution, which remains the mainstay of our business. While we will continue to expand on SAGA and prudently look for acquisition opportunities related to technology that will make good value propositions, we will still maintain a strong focus on financial-related technology. With a team of more than 40 accountants to call upon in our back office, this will continue to be our competitive edge. June 2019 saw the official launch of our integrated Government Resource Planning solution called GRP 9.0 which aims to help government agencies of all sizes to transform themselves, achieve efficient service delivery, as well as enhance participation and governance. With the rollout of this innovative Cloud-based solution, we are doing our bit to elevate the public sector's technological prowess.

chairman's statement

(Cont'd)

The year also saw us ramping up efforts on the micro-SME front even as ABSS partnered with RHB Bank in Malaysia as well as Maybank and DBS Bank in Singapore to integrate Financio into their suite of financial offerings. Knowledgecom too joined the collaboration bandwagon via the formation of a strategic partnership with Millet World Pte. Ltd. (a pioneer in building a digital-forward community in Asia), to develop cutting-edge educational materials in the area of emergent technologies. Knowledgecom also went on to partner with eight other technology companies under its Beyond4 training banner in an effort to upskill SMEs with solutions that will prepare them to navigate the fast-evolving Industry 4.0 landscape.

The Group also embarked on another key game changing initiative, when Century Software entered into a Share Sale and Purchase agreement to acquire a 51% equity stake in Netsense Business Solutions Sdn. Bhd. and Netsense Business Solutions Pte. Ltd., the fastest growing enterprise resource planning ("ERP") software provider in the Singapore enterprise market. Leveraging on Netsense's offices across ASEAN and a strong client base in multiple industry verticals, this move will help us expand our product portfolio as well as our strategic footprint in the Cloud ERP business segment.

We also continue to make good headway in the area of rolling out innovative new solutions. Aside from the rollout of our new GRP 9.0 solution, we are also exploring opportunities to leverage on artificial intelligence and robotic processing automation, among other new technologies, to provide our clients a complete suite of offerings. We are also expecting to double revenue in relation to the government's e-procurement project even as the new Pakatan Harapan administration bolsters its efforts to uphold good governance and transparency within the public sector.

As part of the Group's diversification strategy, we continue to capitalise on the Industry 4.0 movement which calls for the fusion of information technology and lean manufacturing operations. Under Malaysia's Budget 2019, the government has allocated RM210.0 million between 2019 and 2021 to encourage the move towards Industry 4.0 implementation. On top of this some RM2.0 billion has been made available under the Business Financing Guaranteed Scheme to enable SMEs to invest in automation and modernisation, while some RM3.0 billion and a subsidy incentive of 2% is today available under a Digital Transformation of Industries Fund. Our premier skills development company, Knowledgecom is set to benefit from these developments, among others.

Under its new Beyond4 banner, Knowledgecom is able to offer integrated training programmes that combine highly automated learning systems, customised seminars, modern digital learning media and the latest didactic methods. This is complemented by the good momentum we are achieving in the breakthrough NECTGen training programme (also known as the "National Empowerment in Certification and Training for Next Generation Workforce" initiative) and

our current 29 Centre of Excellence Training ("CoET") sites spread across 11 states throughout Malaysia. Our plan is to increase the number of CoET sites to 40 sites by the financial year's end.

As we move forward into FYE 2020, we do so from a position of strength. To date, we have an outstanding order book of RM13.17 million which will keep us busy until the year 2020. The projects in hand include several notable ones that we secured from government agencies. This includes a RM 3.85 million award for the ePihak Berkuasa Tempatan local council financial management system for Dewan Bandaraya Kuala Lumpur; as well as two contracts amounting to RM5.53 million from Pertubuhan Keselamatan Sosial Malaysia or PERKESO.

The Board is confident that Censof will return to profitability over the near-term even as we tap a host of prudently thought-out growth strategies that are relevant to the market. In light of the Group's current position, our key priority going forward will be to establish the ecosystem and building blocks to strengthen our product standing and cash flows, ensure a laser-focus on our return to profitability, as well as sustain long-term growth. The finer details of Censof's strategies for growth can be found in the Management Discussion and Analysis section of this Annual Report.

RESPONSIBLE CORPORATE PRACTICES

Recognising that good governance translates into good business, your Board remains committed to upholding and executing strong corporate governance practices, as well as robust risk management and internal control measures across the Group. These fundamental components of our business are doing much to strengthen investor confidence, safeguard our corporate reputation, and ensure continued shareholder value creation.

We also recognise the responsibility we carry for securing the Group's future and ensuring sustainable value creation for all shareholders. To this end, we continue to be a good steward of the resources we have been entrusted with and continue to maintain the good momentum we have built up in the areas of responsible management and sustainable development. This year, we have extended the scope of our Sustainability Statement to provide more concise insights into our sustainability achievements over FYE 2019. We have centred our sustainability focus on five areas, namely Responsible Business, Client Experience, Environment, Employees and Community. Our focus on these specific areas also helps provide a consistency and momentum to our overall efforts. The finer details of our sustainability endeavours can be found in the Sustainability Statement within this Annual Report which serves to underscore Censof's commitment to upholding responsible practices and to delivering sustainable growth for the long-term.

c h a i r m a n ' s s t a t e m e n t

(Cont'd)

AWARDS & ACCOLADES

In FYE 2019, the Censof Group and its people continued to gain recognition for upholding excellence on several fronts. I am pleased to announce that our Group Managing Director, Mr. Ameer Bin Shaik Mydin, was awarded the “Masterclass in Sustainable Financial Management” at the Global Responsible Business Leadership Awards 2018. Organised by the Asia Pacific Business Council for Sustainability in collaboration with Global Compact Network Malaysia and the Institute of Sustainability, this prestigious event recognises companies globally who demonstrate leadership in corporate responsibility and corporate sustainability.

It was a double celebration for us at the Malaysia Excellence Business Awards 2018 (MEBA 2018) event when Censof’s Independent Non-Executive Director, Tan Sri Datuk Wira Dr. Hj. Mohd Shukor Bin Hj. Mahfar, won the “Lifetime Achievement Award” while Century Software’s Chief Executive Officer, En. Zainul Ariffin Harun, bagged the “Masterclass Bumiputra CEO of the Year Award”. Held in conjunction with The CEO Innovative Disruption Forum, the MEBA 2018 event recognises individuals and businesses in the regional and global markets for their contributions and superior performance in the areas of leadership, technological innovation, customer service, and strategic product development.

Knowledgecom too went on to garner an ICT Education Award 2018 at the Asian-Oceanian Computing Industry Organisation’s (ASOCIO) ICT Excellence Awards event. The latter event serves to promote ICT innovation and competition amongst local ICT organisations in the region’s private and public sectors as they pit themselves against the best of the best. We are proud of our accomplishments and will continue to uphold excellence in all that we set our hands to.

ACKNOWLEDGEMENTS

We owe a debt of gratitude to the many parties who have supported us through both challenging and profitable times. On behalf of the Board of Directors, I would like to convey my heartfelt gratitude to all our shareholders for their tireless support and confidence in the Censof Group. I also wish to express my earnest appreciation to our clients, business partners, bankers, various government agencies, business associates and strategic partners for their kind cooperation and enduring trust in us.

My deep gratitude goes to our many dedicated and diligent employees who continue to demonstrate their resilience and commitment to excellence amidst the challenges of our industry. My sincere thanks also to my esteemed colleagues on the Board and the Management team for their astute insights which helped Censof navigate deftly through the year’s challenges.

Please join me in bidding farewell to Datuk Samsul bin Husin, our Non-Independent Non-Executive Director who retired on 5 September 2018 even as he chose not to seek re-election. We truly appreciate his worthy contributions and the part he played in helping Censof grow from strength to strength for some eight plus years.

As we embrace a new financial year, a reinvigorated Censof is set to make strong strides forward amidst the ever-evolving technology landscape. With strong partnerships in place as well as a wealth of innovative solutions and strategies to leverage on, we are quietly confident of our prospects moving forward. I call upon all our stakeholders to continue lending us their steadfast support as we ramp up our efforts to achieve sustainable growth. Thank you.

Tan Sri Dato’ Mohd Ibrahim Bin Mohd Zain
Independent Non-Executive Chairman

m a n a g e m e n t ' s d i s c u s s i o n a n d a n a l y s i s

Dear Valued Shareholders,
The financial year ended 31 March 2019 (“FYE 2019”) was a challenging but momentous year for Censof Holdings Berhad (“Censof” or “the Group”). Amidst tough operating conditions, we continued to take several measures to shore up our financial position and strengthen our portfolio of businesses.

AMEER BIN SHAIK MYDIN
Group Managing Director



management's discussion and analysis

(Cont'd)

These efforts included the continued rollout of crucial short-term consolidation measures to ensure our recovery; strategic tie-ups to both reinforce our position in existing markets and expand our reach into new ones; as well as the development and deployment of various innovative technological solutions to entrench us as a key player in the market segments we play in. These initiatives did much to strengthen our market position and are today helping us make a steady recovery as we work towards attaining sustainable and profitable long-term growth. It is my privilege to present the finer details of Censoft's businesses and strategies for growth, our financial and operational performance for FYE 2019, as well as our strategic direction moving forward.

THE GROUP'S BUSINESSES

The Censoft Group is a technology group that offers an extensive portfolio of financial management software solutions catering to start-ups, small and medium enterprises ("SMEs") as well as large corporations and also government agencies. Our talented workforce comprises 316 employees spread across the subsidiaries. By leveraging our team of in-house experts and our strategic partners, we have an unequalled competitive ability to address industry requirements at the global and local levels.

We continue to diligently expand our portfolio of product and service offerings which today encompasses financial management solutions for the Government and Commercial segments, SMEs as well as start-ups. Group subsidiary, Century Software (Malaysia) Sdn. Bhd. ("Century Software") is tasked with delivering financial management solutions to the Government, while Asian Business Software Solutions Pte. Ltd. ("ABSS") manages the provision of solutions to the Commercial and SME and micro-SME segments. We also meet our clientele's specific needs by offering training solutions under Knowledgecom Corporation Sdn. Bhd. ("Knowledgecom"); wealth management solutions under our Indonesian subsidiary, PT. Praisindo Teknologi ("PT. Praisindo"); and payment aggregation solutions under T-Melmax Sdn. Bhd. ("T-Melmax"). Following several strategic tie-ups, the Group today is also catering to clients' blockchain technology as well as their artificial intelligence ("AI") and robotic processing automation ("RPA") needs.

More details on the Group's key businesses can be found in the "Overview" section on pages 2 to 9 and the "Performance by Business Divisions" sub-section within this Management Discussion and Analysis section.

STRATEGIES FOR GROWTH

Short-Term Strategies

For the short-term, the Group is looking to capitalise on the government's current drive towards digitisation. To date, the top 13 financially-managed agencies (as recognised by the Auditor-General's Report 2017) all run on the Standard Accounting System for Government Agencies ("SAGA"), the mainstay of our business. We are looking to build upon the good momentum achieved here and to expand our portfolio in time to come. Our recent rollout of the integrated Government Resource Planning ("GRP") solution called GRP 9.0 too augurs well for us. GRP 9.0 aims to help government agencies increase the efficiency of public administration activities so that they can enhance the quality of their services to citizens. The solution also helps improve accountability across government organisations and enables centralised decision-making based on consolidated real-time data and reports.

As the government does its bit to support Industrial Revolution 4.0 ("Industry 4.0") implementation efforts, our premier skills development company, Knowledgecom continues to throw its weight behind this movement by expanding its partnerships and offerings. Where we had previously focused on training for Industry 4.0 by adopting a theoretical-based approach, we have today moved into the provision and implementation of tangible Industry 4.0 solutions. Knowledgecom's new Beyond4 integrated training programme, which brings together highly automated learning systems, customised seminars, modern digital learning media and the latest didactic methods, is set to expedite Industry 4.0 efforts in Malaysia and take the user experience up several notches.

We remain committed to enhancing and strengthening the efficiencies of our current offerings on the blockchain, AI and RPA fronts. We also aim to develop and secure new technologies and platforms as part of our efforts to provide our clients a complete suite of offerings.

We continue to expedite the rollout of our ongoing projects and deliver on these projects ahead of time. Our ultimate aim is to strengthen customers' confidence and trust in our brand, services and solutions. Under the rebranding exercise which we initiated the year before, we have today positioned ourselves as a reinvigorated, tried and true technology group. We continue to focus on strengthening goodwill and gaining trust with our existing clients while exploring new opportunities in the wider market.

management's discussion and analysis

(Cont'd)

For the near-term, we will continue to explore acquisitions and tie-ups that will help us fast-track some of our initiatives and move our services up to the next level. Simultaneously, we will expand and move into new technologies for some of our products so that we can grow our customer base and explore untapped potential. This will include making updates to our software solutions by embedding new technologies and readying our products for migration to the Cloud. We continue to enhance our products as well as customise them for specific markets. For instance, Fiancio, our Cloud-based financial solution for micro-SMEs is today available in three languages, namely English, Bahasa Malaysia and simplified Chinese. It will be made available in Bahasa Indonesia in due course.

Long-Term Strategies

As part of the Group's long-term mandate, we will continue to be on the lookout for businesses that will help complement and bolster our overall business portfolio. This may involve mergers or acquisitions of companies that possess new or disruptive technologies. We also aim to extend our portfolio to cover government-linked companies ("GLCs") and more segments within the private sector even as we bring new solutions into play.

There are also significant opportunities in Cloud computing technologies, e-learning solutions, mobile transactions and digital payments that we can leverage on. While we have made good progress to date on the blockchain technology and AI fronts, we continue to keep our options open. Our aim is to create "customers for life", offering competitive solutions that meet the needs of today's businesses. Our ambition is to grow with our customers as they move from the start-up stage and evolve into SMEs and subsequently larger organisations.

In line with this, we remain committed to catering to the specific needs of specific market segments for the long-term. This is today reflected in the different tiers of accounting software products that the Group's diverse companies have created for the different types of clients. For instance, at one end of the client spectrum, our Acumatica software caters to the enterprise-type needs of government agencies and large SMEs, while on the other end of the spectrum, Fiancio caters to the specific needs of micro-SMEs.

Another long-term goal is to make our presence known in the international market in a more tangible manner. In line with this, Knowledgecom went on to establish an office in Singapore and business exploration in Indonesia over the course of the financial year. Meanwhile, Fiancio, the Group's cloud accounting software under ABSS was not only adopted by RHB Malaysia but also by Maybank Singapore, DBS Singapore and SingTel Singapore. A premium version of Fiancio was also launched in Hong Kong, this being a more mature market.

GROUP FINANCIAL PERFORMANCE

Segmental Revenue and Profit/(Loss) Before Tax

	FYE 2019 RM'000	FYE 2018 RM'000
Revenue		
Financial Management Solutions		
- Government	37,451	49,758
Payment Aggregation Solutions	378	289
Wealth Management Solutions	3,853	3,348
Training Solutions	6,992	24,937
Financial Management Solutions		
- Commercial	15,137	16,423
Corporate	2,086	4,445
Elimination	(2,633)	(4,933)
	63,264	94,267

Profit/(Loss) Before Tax

Financial Management Solutions		
- Government	3,481	(22,395)
Payment Aggregation Solutions	30	(314)
Wealth Management Solutions	(2,049)	(942)
Training Solutions	(1,342)	7,010
Financial Management Solutions		
- Commercial	1,086	3,742
Corporate	(1,038)	6,144
Shares of Results in Associate	4,334	10,274
Elimination	(5,278)	(10,352)
	(776)	(6,833)

For FYE 2019, the Censof Group registered a weaker financial performance against the preceding year's performance. Group revenue decreased by 32.9% to RM63.26 million in FYE 2019 from RM94.27 million previously. This was mainly due to the significantly lower contribution from the Training Solutions segment that came about because of the government's ongoing review of Industry 4.0 allocations. Revenue from the Financial Management Solutions - Government segment remained the mainstay of the Group's revenue contributions representing 59.2% of our total revenue in FYE 2019. This was followed the Financial Management Solutions - Commercial segment and the Training Solutions segment which contributed 23.9% and 11.1% of the Group's revenue respectively.

management's discussion and analysis

(Cont'd)

The Group, however, recorded a lower loss before taxation of RM0.78 million in FYE 2019, compared to FYE 2018's loss before taxation of RM6.83 million. The Group's loss before taxation dropped by 88.6% mainly as a result of the recognition of non-recurring impairment losses on trade receivables amounting to RM10.18 million and cost overruns on existing projects under the Financial Management Solutions - Government segment. The lower loss was also due to the completion of major projects in the Financial Management Solutions - Government segment.

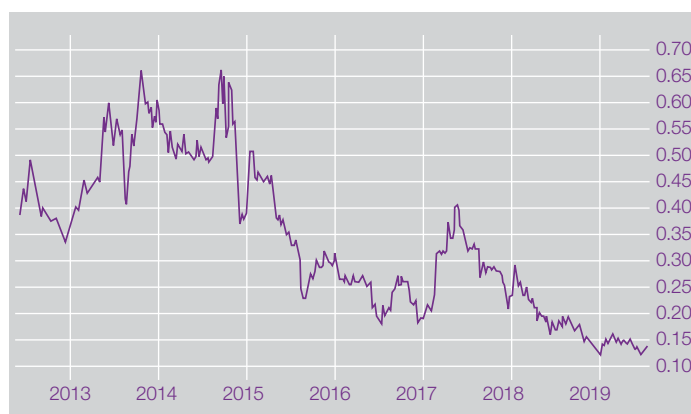
As at 31 March 2019, the Group registered earnings per share of 0.14 sen showing an encouraging recovery against a loss per share of 1.82 sen previously.

Group Funding Position

For the period under review, the Censof Group's gearing ratio improved to 0.30 times as compared to 0.34 times in the preceding year. Over the course of the financial year, the Group repaid term loans amounting to approximately RM1.32 million. Continuing cost saving efforts and strict cash management practices have led to an improved cash position for the Group as at 31 March 2019 as compared to the previous corresponding period. Group cash and cash equivalent stood at RM9.06 million at the financial year's end as compared to negative RM1.62 million in the preceding financial year's end.

Share Price Trend

The five-year historical share prices for Censof Holdings Berhad's shares traded on the Main Board of Bursa Malaysia Securities Berhad (1 January 2013 to 31 March 2019) are highlighted below:



PERFORMANCE BY BUSINESS DIVISIONS

FINANCIAL MANAGEMENT SOLUTIONS – GOVERNMENT DIVISION

Overview

The Censof Group is the leading provider of financial management solutions for government that have been developed in compliance with the Standard Accounting System for Government Agencies or SAGA criteria. Our strong record of accomplishment serving government organisations spans over two decades. Our government agency clients continue to put SAGA to good use in meeting the stringent requirements for better governance, efficiency and timely submission of statutory reports.

The FMS-G Division comes under the purview of Century Software which is responsible for installing and maintaining financial management solutions for a wide-ranging portfolio of public sector clients comprising government agencies at the federal, state and local council levels. To date, more than 80 government agencies in Malaysia are tapping SAGA-certified products and solutions. We offer a variety of solutions to help our clients to achieve sustainable growth and realise operational excellence through integration.

Aside from our FMS, we also provide customisable business solutions related to business performance, business intelligence, data analytics, application development and more. Our solutions can be installed on-premise to optimise a client's internal infrastructure, or on-Cloud within a secure, modern and reliable delivery framework. Our state-of-the-art financial management and business solutions are going a long way in helping government agencies to manage public funds effectively. Our team and key delivery personnel are all Project Management certified professionals with qualified accountants forming the majority of our consultants.

management's discussion and analysis

(Cont'd)

Key Highlights

During the year in review, we continued to secure notable projects from government agencies. August 2018 saw the Group being awarded a RM3.85 million contract, to provide comprehensive maintenance and support services for the ePihak Berkuasa Tempatan or ePBT, local council financial management system for Dewan Bandaraya Kuala Lumpur ("DBKL") for a tenure of 12 months. Previously, we had played a part in modernising and improving the DBKL's legacy financial system by developing a fully integrated and comprehensive financial management system.

The Group also went on to secure two additional contracts amounting to some RM5.53 million from Pertubuhan Keselamatan Sosial Malaysia ("PERKESO") in May 2018 and March 2019 respectively. The first contract worth RM1.0 million, aims to strengthen PERKESO's current Customer Relationship Management ("CRM") and telephone switching system so that the national social security organisation can better connect to its customers as well as streamline its processes and increase productivity. The second contract amounting to RM4.53 million and spanning a three-year period, pertains to the comprehensive maintenance of PERKESO's SAGA software and the provision of an application server with disaster recovery solutions.

The financial year also saw us rolling out two game changing initiatives on the resource planning front. In May 2019, Century Software entered into a Share Sale and Purchase agreement to acquire a 51% equity stake in Netsense Business Solutions Sdn. Bhd. and Netsense Business Solutions Pte. Ltd. The latter company, a Singapore-registered enterprise software applications and services provider, is the fastest growing ERP software provider in the Singapore enterprise market. With offices in Singapore, Kuala Lumpur and Jakarta, the company currently supports around 90 reputable clients across Singapore and Malaysia as well as offers the widest array of business software and technology consulting services to more than 15 industry verticals. This timely move will help us expand our product portfolio as well as our strategic footprint in the commercial market while underpinning our growth strategy especially in the cloud ERP business segment.

More recently, in June 2019, we announced the official launch of our integrated Government Resource Planning solution called GRP 9.0 which aims to help government agencies of all sizes to transform themselves, achieve efficient service delivery, as well as enhance participation and governance. This web-based comprehensive resource planning solution integrates the finance, human resource, asset and e-procurement management functions into one product, thereby allowing related operational elements to work together in the most effective manner. GRP 9.0 also accords agencies the modern technologies they need to ensure the highest degrees of scalability, reliability, and flexibility.

Being a key player in our nation's growth, Censof is focused on revitalising the role of government agencies and making them more transparent, proactive, efficient and service-oriented. By centralising transactional data and results in a seamless manner as well as ensuring proper accounting and completeness of all financial transactions across the system, we are providing a sustainable solution that is extensible, flexible and adaptable to reforms as well as which suits a wide range of public sector-related financial requirements. The newly launched GRP 9.0, which is accessible via a multitude of devices including mobile phones and tablets, is also Cloud-enabled.

The Division also gained forward momentum in several other areas. We successfully rolled out the HASiL International Data Exchange Facility ("HiDEF") Common Reporting Standard ("CRS") portal for Lembaga Hasil Dalam Negeri Malaysia ("LHDN"). This will enable LHDN to exchange information with the tax administrations of other countries in a seamless manner to mitigate tax evasion and protect the integrity of tax systems. May 2019 saw us completing the large-scale MyResults project, the outcome-based budgeting or OBB platform for government agencies in Malaysia, which represents an evolutionary step in Malaysia's implementation of OBB. Now that MyResults project has been handed over, we are looking to follow through with the maintenance of the software platform as a new avenue for revenue.

management's discussion and analysis

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Moving Forward

We continue to keep abreast of disruptive and emerging technologies which are reshaping the world we live in and impacting organisations across multiple sectors. Aside from working on ensuring our clients' smooth transition to Cloud-based products and solutions, we are exploring opportunities to invest in robotic process automation or RPA technologies to automate and elevate our customers' processes. RPA involves the use of software with AI and machine-learning capabilities to handle high-volume, repeatable tasks that previously required humans to perform. While RPA robots utilise the user interface to capture data and manipulate applications just like humans do, they do this substantially better as an RPA software robot never sleeps, never makes mistakes and costs a lot less than a human employee.

The Group also continues to make good progress on the blockchain front through several strategic partnerships. In January 2019, Group subsidiary, Cendee Sdn. Bhd. ("Cendee") entered into a strategic partnership with WISEKey International Holding Ltd ("WISEKey"), a cybersecurity Internet of Things ("IoT") platform company. The companies will focus on deploying WISEKey's Cybersecurity Vertical Platform and Blockchain stack to address public key infrastructure ("PKI"), IoT and blockchain opportunities for a list of identified projects across our client ecosystem. The two companies will also work together to establish a Centre of Excellence in Malaysia to support the creation of a tailor-made trusted blockchain service platform. This initiative will help in facilitating and providing easily integrated enterprise blockchain solutions to financial institutions, corporations, regulators and government agencies.

April 2019 saw Cendee entering into a strategic alliance with Chainstack Pte. Ltd. to collaborate in the area of blockchain and decentralised applications as well as digital and automation solutions. Chainstack is a leading provider in the blockchain Platform as a service ("PaaS") Cloud computing model in which a third-party provider delivers hardware and software tools usually those needed for application development to users over the Internet. The Chainstack platform features enterprise tools that will enable companies to easily form consortia and deploy private blockchain networks on a large scale in a secure and stable manner. The companies will focus their efforts on projects that enhance existing centralised processes and the user experience for various ministries and government agencies in Malaysia.

Following the rollout of GRP 9.0, we will continue to enhance our GRP suite. This solution for governments covers a full spectrum of governance processes including financial management, budget planning and execution, debt management, project management and accounting, procurement, human capital management, citizen services and analytics processes. The intrinsically web-enabled GRP suite of products will also go a long way in helping agencies to strengthen collaboration and automate transactions.

Following our success with DBKL's ePBT project, we are also looking to deploy our local council solution to other municipal or local government bodies. This enterprise-wide solution for local government will help transform customer engagement activities, streamline service delivery and enable client organisations to optimise their operational efficiencies.

FINANCIAL MANAGEMENT SOLUTIONS – COMMERCIAL DIVISION

Overview

The Censof Group's ambition is to serve as a one-stop business solutions centre for SMEs through our offer of accounting management software, e-commerce solutions, inventory management and payroll management solutions. Today, we own and deploy the ABSS-branded financial management and accounting software in Asia as well as cater to more than 370,000 SME clients across Malaysia, Singapore and Hong Kong. ABSS, which has responsibility for our FMS Commercial Division, is a market leader amongst SMEs and holds the No. 1 market position in Singapore and Hong Kong.

To reinforce the Group's market presence among SMEs, we continue to enter into strategic collaborations. We continue to strengthen our partnership with Singtel to distribute our ABSS Premier Online solution via the Software-as-a-Service ("SaaS") distribution model. To make the most of the rise of online, e-commerce and mobile transactions, we are today collaborating with payment processing technology provider, Australia-listed MINT Payments and Singapore's Network for Electronic Transfers ("NETS"), to launch a digital payment solutions gateway. This will enable SME merchants to accept fast and seamless online payment transactions via debit and credit card payments.

Back in 2017, we launched Financio, a Cloud-based accounting software designed for new start-ups and small business owners. Using a subscription-based model at a low monthly fee, Financio is user-friendly and fully compliant with the latest local accounting standards. To date, we have garnered over 7,600 Financio premium subscribers from the micro-SME segment in Malaysia as well as rolled out Financio in Singapore and Hong Kong.

management's discussion and analysis

(Cont'd)

Key Highlights

In July 2018, ABSS partnered with RHB Bank Berhad ("RHB") and Payments Network Malaysia Sdn. Bhd. (which operates the JomPAY national bill payment gateway), to offer a zero-cost payment platform to SMEs via RHB's e-Solution platform. Featuring Financio as one of its integral components, the e-Solution platform aims to optimise business efficiency among SMEs by enabling RHB's SME customers to conduct payment transactions and receive JomPAY payments from customers using the electronic invoice ("e-Invoice") solution at zero-cost. Featuring seamless integration of banking activities on a single platform, RHB's e-Solution provides SMEs complete interoperability so they can overcome the cash flow and financial resource management challenges SMEs typically face and move towards greater business efficiency.

Financio also continued make strong strides forward in Singapore in FYE 2019. November 2018 saw Maybank Singapore announcing a partnership with ABSS to empower start-ups and micro SMEs in Singapore by leveraging on Financio. The solution was positioned as "a new and affordable cloud-based, automated accounting solution that will boost productivity, drive collaboration and help businesses stay on top of their finances without any accounting knowledge". In January 2019, as part of its efforts to help SMEs in their digital transformation journey, DBS Bank Limited ("DBS") launched DBS SME Connect, a portal for SMEs across all industries to access web-based business tools and services to get digital, connected and protected fast. Financio was once again featured as an integral component of the solution. To help SMEs in Singapore who are trying to keep pace with the technological shifts in the local and global economy, we offered Financio at a discounted rate as well as integrated it with DBS Online Banking to further simplify workflow and processes for local SMEs.

With Financio making rapid advances on the business front, ABSS went on to incorporate a new wholly-owned subsidiary known as Financio Software Sdn. Bhd. ("FSSB") on 20 February 2019. The principal activities of FSSB are to carry on the business as an accounting software distributor.

To further support its SME clients, ABSS rolled out ABSS Connect, a first-of-its-kind Cloud service platform which aims to complement the ABSS Desktop software by providing connectivity to other approved third-party Cloud platforms. ABSS Connect aims to help SMEs simplify accounting processes and to halve their time by removing repetitive manual entries on multiple platforms.

Moving Forward

The Division will focus its efforts on launching a new Cloud-based product called ABSS Connect over the near-term (mainly for our desktop-based products). Having increased the number of tie-ups and partnership since the previous year, we will continue to explore new tie ups mainly in Singapore, Malaysia and Hong Kong. Through our recent launch of Financio in Hong Kong, we aim to strengthen our presence among local micro-SME participants in that market.

TRAINING SOLUTIONS DIVISION

Overview

The Group's Training Solutions Division comes under the ambit of Knowledgecom, a 70% subsidiary of Censoft. One of our long-term ambitions is to upskill the Malaysian workforce by offering technology certifications. We are proud to have played a part in equipping more than 10,000 public and private university students, fresh graduates, government employees and working professionals to date with certifications from organisations such as SAP, Microsoft, Oracle, IPv6, and the Android Training Centre. Through our publication of UP Magazine, the largest circulated magazine in Malaysia which specialises in human resource management, we are reaching approximately 20,000 companies in 63 human resource sectors.

Key Highlights

Today, the Group's Industry 4.0 solutions have been expanded to include enhanced mobility, improved field tracking and workforce efficiency through IoT technologies and automation, as well as improved customer experience through data analytics. In the year under review, our brand new Beyond4 offering combining highly automated learning systems, customised seminars, modern digital learning media and the latest didactic methods, received a boost when the Ministry of International Trade and Industry ("MITI") awarded the Beyond4 package a grant under its Industry Forward Plan. The government continues to promote measures to incentivise innovation and automation which will strengthen Malaysia's competitiveness. We also received two grants in Singapore and established an office there. Incorporated on 23 July 2018, Knowledgecom Corporation Pte. Ltd. will set its sights on Industry 4.0 implementation by leveraging on the Beyond4 brand. Knowledgecom also went on to establish roots in Indonesia over the course of FYE 2019.

management's discussion and analysis

(Cont'd)

April 2019 marked the formation of a strategic partnership between Knowledgecom and Millet World Pte. Ltd., a pioneer in building a digital-forward community in Asia. Both firms will be working together closely to develop cutting-edge learning materials and intellectual property in the area of emergent technologies. Knowledgecom will also produce a trainer's manual and learning guide suitable for marketing based on the course structure and lesson plans provided by Millet World. This partnership will ensure that bright, motivated students have the skills, mentors and confidence needed to kick start a career in technology.

On 31 May 2018, Censof Holdings Berhad disposed of a 10% equity stake in subsidiary, Knowledgecom Corporation Sdn. Bhd. to its Chief Executive Officer, Mr. Rubaneswaran A/L Thevasenabathy, for a cash consideration of RM1.65 million. Following the disposal transaction, Mr. Rubaneswaran today holds 600,000 ordinary shares representing 30% equity interest in Knowledgecom while Censof retains some 1,400,000 ordinary shares representing 70% equity interest in the company.

In March 2019, Knowledgecom was one among ten partners who signed a Memorandum of Understanding ("MoU") relating to our Beyond4 offering. The MoU saw Century Software (Malaysia) Sdn. Bhd., Knowledgecom, Cognitive Consulting Sdn. Bhd., Fast Track SBOi Sdn. Bhd., Ingram Micro Sdn. Bhd., Lava Protocols Sdn. Bhd., Monitor ERP Systems Sdn. Bhd., Solara Systems (M) Sdn. Bhd., SysArmy Sdn. Bhd. and YGL Convergence Sdn. Bhd. coming together under the Beyond4 banner to upskill the local workforce and equip SMEs with solutions necessary to stay relevant amidst the Industry 4.0 landscape. The adoption of factory automation will enable local SMEs to transform their traditional manufacturing sites into smart factories as well as enable companies to maximise resources and produce higher-quality goods more efficiently. The partnership is the first of its kind in the country and is set to be a game changer for Malaysia.

Moving forward

As we venture forth, we remain focused on increasing the number of Centre of Excellence Training ("CoET") sites to 40 sites by the end of the 2020 financial year. The CoET sites stem from Knowledgecom's partnership with state skills centres (who are in turn supported by the Federal Government) to upskill the current and next generations of the workforce. We will also focus our efforts on offering more Industry 4.0 tracks, undertake Industry 4.0 implementation via new tie-ups and acquisitions, as well as offer our Industry 4.0 programmes to other ASEAN nations, namely Singapore and Indonesia.

PAYMENT AGGREGATION SOLUTIONS DIVISION

Overview

The Group's Payment Aggregation Solutions business comes under the purview of T-Melmax, a company that focuses on web-based electronic banking solutions to facilitate retail and wholesale transaction processing. T-Melmax's principal product is CPAY which is a one-stop payment and collection portal that supports various payment options. Its solutions facilitate the processing of bulk payments, bulk collections, retail payments and a variety of other payments that interface with platforms such as Inter Bank Giro or IBG; Financial Processing Exchange or FPX – the Malaysian payment gateway; as well as statutory bodies such as LHDN, the Employees Provident Fund and PERKESO.

As the volume of e-commerce and electronic transactions begins to ramp up, we plan to roll out a state-of-the-art integrated e-payment solution platform that will support the delivery of multiple e-services for the public sector and which will assist the private sector's move into e-commerce. This e-Payment Gateway will enable efficient electronic transactions and simplify the processing of payment transactions for electronic services. Today, e-commerce has created a healthy ecosystem of start-up tech suppliers of financial services, retail players and other industries in Malaysia. We ourselves have been quick to adopt technology that can create new revenue streams or make operations more efficient. Our partnerships with affiliates such as Puresoftware and MINT have helped facilitate this. Through integrating new technologies such as the Arthra platform and integrated card/cardless POS terminals, we are looking to expand our target markets into the e-commerce (B2C/C2C) and the cooperatives sector.

management's discussion and analysis

(Cont'd)

Key Highlights

The month of September 2018 saw T-Melmax sign an MoU with Fass Payment Solutions ("Fasspay") Sdn. Bhd. that will see both companies cooperating closely with one another to drive potential capital growth, improve market access, capitalise on various business deals in the Southeast Asia region as well as enable "frictionless" payments. Fasspay is a wholly-owned subsidiary of Asia's leading financial technology or fintech company Soft Space Sdn. Bhd. It specialises in enabling "know your customer" processes, credit assessment, terminal deployment and mobile payment capabilities to merchants. The MoU will enable Fasspay to access to the vast clientele of T-Melmax, while T-Melmax will be able to leverage on Fasspay's payments platforms for further growth.

Built from the ground up, Fasspay's secure and modular payments platform incorporates secure open application program interfaces ("APIs") which will enable third parties to develop value-added features that can be easily integrated with our own platforms. By designing a flexible system, financial institutions who are our partners and customers can pick and choose the different modules that best suit their business needs.

We continue to explore collaboration opportunities with Mint Payments Australia to make us the main official reseller for Mint products in Malaysia. Among these products will be the Unified mPOS solution, whereby each cost-effective mobile payment terminal comes with the ability to not only process credit card and debit card transactions but is equipped with full integration capabilities. Meanwhile, the Mint MInternet solution will provide a simple e-Invoice option that allows merchants to accept debit and credit card payments online through a simple click of the "pay now" button" on electronic invoices sent to merchants' customers.

Moving Forward

We will continue to explore collaboration and partnership opportunities with new technology partners to strengthen our market position. We are currently leveraging on our good network within the Government sector to kickstart the development of solutions that are mobile-responsive as well as undertaking a study on how best to enhance related software and hardware platforms in this area.

WEALTH MANAGEMENT SOLUTIONS DIVISION

Overview

The Group's Wealth Management Solutions Division is managed by PT. Praisindo which offers customised technology solutions for the wealth management industry. Our clients include top-tier financial institutions in Indonesia and our products enable these financial institutions to assist high net worth individuals to increase their net worth through good investment portfolio management practices. By tapping our process automation technology, our clients get to manage their business operations more effectively. Our main aim is to offer a choice of business solutions to clients by combining people, processes, information and technology so as to enhance business processes and activities.

Key Highlights

Over the course of the financial year, PT. Praisindo secured multiple new contracts with the following banks and agencies: PT. Bank CIMB Niaga, Tbk; PT. Bank Bukopin, Tbk; PT. Bank Commonwealth; PT. Bank Mega, Tbk; PT. Bank Mayapada International, Tbk; PT. Asuransi Jiwa Central Asia Raya; PT. Schroder Investment Management Indonesia; PT. Asuransi BRI Life; and BNP Paribas Investment Partners. These contract wins underscore PT. Praisindo's continued focus on deepening its presence in existing core markets, breaking into new markets and expanding its scope of services.

Moving Forward

We will continue to entrench ourselves in Indonesia's banking sector by expanding both our client portfolio and the provision of services to banks. The success of our efforts in FYE 2019 show that we are heading in the right direction.

management's discussion and analysis

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RISKS AND MITIGATION STRATEGIES

As we venture forth into a highly competitive and challenging operating environment, the Group's business activities may be exposed to certain anticipated or known risks, many of which are beyond our control. We have outlined below the principal risks that may have a material effect on our operations, performance, financial condition and liquidity as well as highlighted the measures we have adopted to mitigate these risks.

KEY AREA	RISK FACTORS	MITIGATION MESAURES
External Risk	Moving forward, the outlook for the Information and Communications Technology ("ICT") industry and the Censof Group is expected to remain challenging as market competition intensifies. This is especially true in the area of tenders for government contracts.	To mitigate the effects of intensifying competition within Malaysia's public sector, we are strengthening our efforts to grow our private sector revenue contributions.
Strategic Risk	The ICT industry continues to evolve at a rapid pace and players have no choice but to remain relevant to the market by keeping abreast of the latest industry trends and developments as well as by undertaking continuous innovation.	To remain relevant to the market, we continue to leverage on present as well as future strategic partnerships and alliances to create value. At the same time, we are leveraging our existing business pillars and products as well as executing product line extensions to increase the lifetime value of our customers.
Strategic Risk	Following the change of government, many of the government-related projects are currently under review, have been put on hold, or have been deferred altogether. Century Software's reliance on projects in the FMS-Government sector in particular has been affected.	Moving forward, we are strengthening our relationship with the new government by showcasing our good track record, credibility and capabilities. At the same time, we are showcasing the benefits of how our solutions can make administrative efforts more efficient while even possibly creating new revenue streams. We also continue to explore new markets and new areas of opportunity to grow our revenue streams including the GLC and private sector segments.
Operational Risk	The Group faces the risk of loss from operations due to inadequate, inefficient or ineffective internal processes, systems, policies, employee errors and events beyond our control, which may lead to unexpected costs.	To mitigate such losses, we continue to streamline the processes and systems across our business segments to improve and attain cost efficiencies as well as ensure operational effectiveness.
Operational Risk	Like all businesses, the Group faces the risk of fraudulent activities from both external and internal sources.	We continue to strengthen the design and ongoing effectiveness of our corporate governance, risk management and internal control measures. Several physical security measures have been implemented throughout the Group to mitigate such risks, plus we have rolled out a Code of Conduct and whistleblowing arrangements to counter such risks.

management's discussion and analysis

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OUTLOOK AND PROSPECTS

As Censof moves forward into the new financial year, we are mindful of the challenging global and domestic outlooks. In spite of the strong growth shown in 2017 and early 2018, global economic activity slowed notably in the second half of 2018, underscoring the confluence of factors affecting the major economies. Global growth is now forecast to slow from 3.6% in 2018 to 3.3% in 2019, before returning to 3.6% in 2020. Several factors including ongoing trade tensions between the US and China, worsening financial market sentiment, continued volatility in crude oil prices, Brexit woes and uncertainty about China's outlook, are all converging together to undermine global growth.

On the domestic front, the World Bank Group predicts that Malaysia will register gross domestic products ("GDP") growth of 4.7% for 2019 – a rate comparable to that of 4.7% in 2018. Private consumption is expected to remain the main driver of growth, although expanding at a more measured pace. Nevertheless, despite the external headwinds, Malaysia's macroeconomic fundamentals remain strong.

The domestic ICT industry, whose share of GDP increased by only 0.1 percentage point to 18.3% in 2017, is expected to remain lacklustre on the back of weak market sentiment and consumer spending. On a positive note, there is an expectation that the domestic ICT economy will rebound in the second half of 2020 as renewed government spending begins to stimulate the economy. As the government's newly introduced initiatives and programmes kick in, the Malaysian economy is expected to experience a turnaround by mid-2020. The government's focus on Industry 4.0 implementation, robotics, analytics and AI as the enablers of the country's future economy, should also serve as catalysts for economic growth.

Amidst this backdrop, the Censof Group is cautiously optimistic about its prospects going forward. There are several positive developments in the marketplace that we aim to leverage on. Take for instance the steadily growing SME market. According to the Department of Statistics Malaysia, SMEs continued to account for more than a third of the country's economy, contributing 37.1% and 36.6% to Malaysia's GDP in 2017 and 2016 respectively. As per the SME Masterplan aimed at boosting this segment's contribution to the nation's economy, this figure is set to rise steadily to 41.0% by 2020.

With the anticipated demand for business solutions in this sector, Censof will continue to expand its product portfolio to cater to SMEs specific needs. To date, we have captured an estimated 30% share of the approximately 1.1 million-strong SME markets throughout Malaysia, Singapore and Hong Kong. Our existing partnerships with established foreign strategic players such as Singtel, MINT and NETS as well as the host of new strategic tie-ups we have entered into will give us an added competitive advantage when operating in current and new geographies.

The rollout of digitalisation initiatives such as Malaysia's Digital Free Trade Zone are expected to drive the momentum of the micro-SME market over the next few years. With more small and micro-SMEs expected to enter the market, we are enhancing the capabilities and extending the reach of our Cloud-based accounting software, Financio, which we envisage will be able to capture a good share of the market locally and abroad.

Our recent rollout of GRP 9.0 bodes well for us in the government sector. We are taking the initiative to educate our clients on this solution and the advantages of Cloud computing and they are beginning to embrace the move towards the Cloud but within certain parameters. As they prepare to embrace change, we are looking at way and means to showcase how our products can best help them to operate in a more efficient manner while explore the opportunities to tap into new revenue streams. Moving forward, we will continue to leverage on our more established and newer strategic alliances to develop and deploy solutions that meet the specific needs of this segment, among other segments.

As part of its efforts to promote the implementation of the Industry 4.0 movement and Malaysia's digital economy, the government continues to roll out a host of initiatives across the board. These include matching grants under the Domestic Investment Strategic Fund to enhance smart manufacturing facilities and the Green Technology Financing scheme to promote investment in the green technology industry. The government's agenda is to have at least 35% of the current workforce trained and ready for Industry 4.0 by the year 2020. As more companies prepare their workforces to be Industry 4.0-ready, this is setting a positive tone for the Industry 4.0 training sector, particularly Knowledgecom's business.

In tandem with this, our CoET network that serves to upskill the current and next generations of the workforce, has grown steadily in the past one year. Our aim is to have 40 CoET sites in all states by end 2019. We also plan to expand our Industry 4.0 training efforts to Singapore and Indonesia to enhance our revenue streams.

management's discussion and analysis

(Cont'd)

As the Censof Group presses on amidst a fast-evolving playing field, we continue to take stock of the new market realities and acclimatize ourselves to this. As businesses everywhere embrace digitisation in a more prominent manner, Censof is well positioned to help these organisations to achieve their digitalisation ambitions. Moving forward, we will continue to look out for new acquisitions and strategic alliances to expand our footprint as well as complement our current efforts on the GLC and private sector fronts. We will also ramp up our efforts to capture a bigger slice of the micro-SME market as we believe it will be one of the biggest markets for us in the coming years.

As we press in to secure more business, we believe that our solid client portfolio, strong track record and proven wealth of expertise in delivering projects on time and within budget, bodes well for us. As we set our sights on elevating the customer experience and journey, as well as help our clients achieve their objectives in a tangible manner, we are quietly confident about the Group's prospects going forward.

ACKNOWLEDGEMENTS

In closing, I wish to express my deep appreciation to our investors, clients, business partners, bankers, government and regulatory bodies for their enduring support and trust in Censof. I also wish to convey my heartfelt gratitude to all our loyal employees at our respective subsidiaries for their fine work and commitment to excellence, especially amidst the year's many challenges.

As we venture forth on our journey towards delivering sustainable earnings growth whilst creating good value for our shareholders, we will focus our efforts on making the most of all opportunities while rising above all challenges that the year may bring. Thank you.

Ameer Bin Shaik Mydin
Group Managing Director

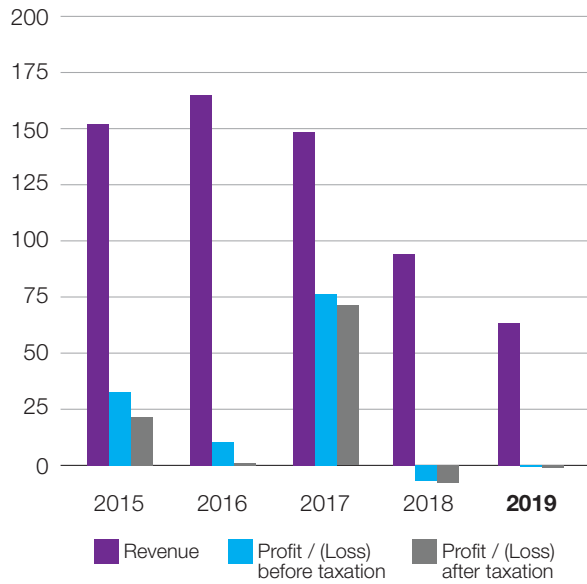
5 - year financial highlights

FINANCIAL YEAR ENDED 31 MARCH	2019	2018	2017 (Restated)	2016 (Restated)	2015
PROFIT AND LOSS (RM'MILLION)					
Revenue	63.26	94.27	148.39	165.04	152.05
(Loss)/Profit Before Taxation	(0.78)	(6.83)	76.42	10.26	32.80
(Loss)/Profit After Taxation	(0.91)	(7.99)	71.17	1.09	21.64
FINANCIAL POSITION (RM'MILLION)					
Share Capital	100.58	50.20	50.17	50.17	47.67
Share Premium#	-	50.38	50.38	50.38	45.38
Reserves	29.40	28.01	41.49	29.74	39.61
Shareholder's Fund	129.98	128.59	142.04	130.29	132.66
Non-Controlling Interest	3.91	7.25	10.97	73.41	81.54
Current Liabilities	38.31	37.77	52.22	105.38	103.22
Non-Current Liabilities	17.27	30.04	30.81	48.07	22.19
Property, Plant and Equipment	2.16	1.62	2.42	23.71	16.25
Other Investments	0.10	0.10	0.10	4.27	0.10
Current Assets	43.17	59.80	84.62	228.82	238.55
RATIO					
Net Assets Per Share (Sen)	26.68	27.07	30.50	40.60	44.94
Net Earnings/(Loss) Per Share (Sen)	0.14	(1.82)	1.97	(2.83)	1.75
Dividend Amount Per Share (Sen)	-	-	-	-	-
# Pursuant to the transitional provisions set out in Section 618(2) of the Companies Act 2016, the amount standing to the credit of the company's share premium account became part of the company's share capital.					

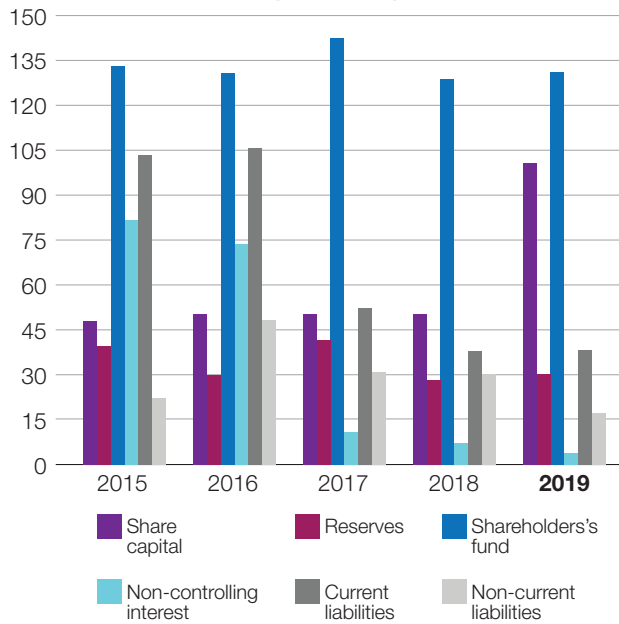
5 - year financial highlights

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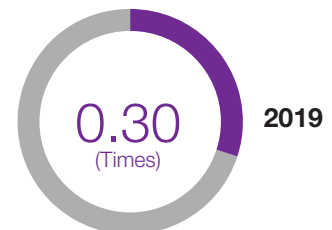
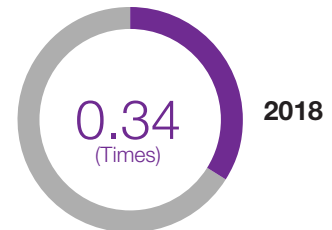
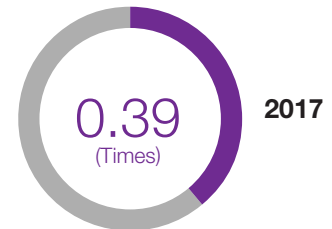
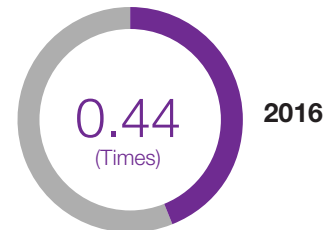
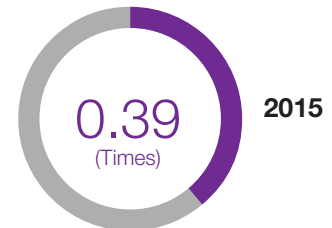
**Profit And Loss Performance
(RM'Million)**



**Financial Position
(RM'Million)**



**Gearing Ratio
(Times)**



share movement and shareholdings

ANALYSIS OF SHAREHOLDINGS AS AT 20 JUNE 2019

Issued Share Capital	:	501,758,126
Class of Shares	:	Ordinary Shares
Voting Rights	:	One Vote Per Ordinary Share
No. of Shareholders	:	6,035

DISTRIBUTION OF SHAREHOLDINGS AS AT 20 JUNE 2019

Category	No. of Shareholders	% of Shareholders	No. of Shares	% of Shares
Less than 100	27	0.45	621	0.00
100 - 1,000	216	3.58	127,557	0.03
1,001 - 10,000	2,437	40.38	17,087,995	3.41
10,001 - 100,000	2,908	48.19	109,136,423	21.75
100,001 to less than 5% of issued shares	445	7.37	199,467,576	39.75
5% and above of issued shares	2	0.03	175,937,954	35.06
Total	6,035	100.00	501,758,126	100.00

LIST OF SUBSTANTIAL SHAREHOLDERS AS AT 20 JUNE 2019

No. Names	Direct		Indirect		
	No. of Shares	%	No. of Shares	%	
1 SAAS Global Sdn Bhd	175,937,954	35.06	-	-	-
2 Ameer Bin Shaik Mydin	200,000	0.04	175,937,954	35.06	(a)
3 Datuk Samsul Bin Husin	453,100	0.09	175,937,954	35.06	(a)
4 Erwin Selvarajah A/L Peter Selvarajah	27,635,400	5.51	-	-	-

DIRECTORS' INTERESTS IN SHARES AS AT 20 JUNE 2019

No. Names	Direct		Indirect		
	No. of Shares	%	No. of Shares	%	
1 Tan Sri Dato' Mohd Ibrahim Bin Mohd Zain	11,300,000	2.25	-	-	-
2 Ameer Bin Shaik Mydin	200,000	0.04	175,937,954	35.06	(a)
3 Tamil Selvan A/L M. Durairaj	-	-	-	-	-
4 Ang Hsin Hsien	1,000,000	0.20	-	-	-
5 Tuan Haji Ab. Gani Bin Haron	-	-	-	-	-
6 Boey Tak Kong	1,800,000	0.36	-	-	-
7 Tan Sri Datuk Wira Dr. Hj. Mohd Shukor Bin Hj. Mahfar	-	-	-	-	-

Note:

(a) Deemed Interested pursuant to Section 8 of the Companies Act 2016 by virtue of his substantial shareholdings in SAAS Global Sdn Bhd.

share movement and shareholdings

(Cont'd)

30 LARGEST SHAREHOLDERS AS AT 20 JUNE 2019

NO.	SHAREHOLDERS	NO. OF SHARES	%
1	MIDF AMANAH INVESTMENT NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR SAAS GLOBAL SDN BHD (MGN-CHB003M)	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	25,000,000	4.98
4	MAYBANK SECURITIES NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR MOHD IBRAHIM BIN MOHD ZAIN (MARGIN)	9,700,000	1.93
5	EXPEDIENT EQUITY VENTURES SDN BHD	8,168,288	1.63
6	WONG AH YONG	5,900,000	1.18
7	LOH KOK WAI	4,075,300	0.81
8	HLIB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR WONG FAI TAT	3,500,000	0.70
9	TAN CHAI TAT	3,200,000	0.64
10	HLB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR WONG FAI TAT	2,700,000	0.54
11	HLB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR ERWIN SELVARAJAH A/L PETER SELVARAJAH	2,635,400	0.53
12	AMBANK (M) BERHAD PLEDGED SECURITIES ACCOUNT FOR WONG AH YONG (SMART)	2,600,000	0.52
13	RHB CAPITAL NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR FONG LOONG TUCK (CEB)	2,129,500	0.42
14	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR NG KOK SIANG (E-TSA)	2,071,400	0.41
15	BOEY TAK KONG	1,800,000	0.36
16	MOHD IBRAHIM BIN MOHD ZAIN	1,600,000	0.32
17	NG SIEW LAN	1,500,000	0.30
18	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TEE KIM HEW (E-KLG/BTG)	1,436,400	0.29
19	RUBANESWARAN A/L THEVASENABATHY	1,380,700	0.28
20	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LIM BENG LEE (E-KPG)	1,329,100	0.26
21	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TANG SZE CHEN (7000533)	1,264,000	0.25
22	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR NG ONN TEE @ NG CHONG TANN	1,232,800	0.25
23	JS NOMINEES (TEMPATAN) SDN BHD CIMB BANK FOR TEOH EWE JIN (MY0829)	1,190,000	0.24
24	PUBLIC NOMINEES (ASING) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LIU, JEN-CHENG (E-TMM/BDR)	1,176,800	0.23
25	MAYBANK SECURITIES NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TAN KOK SIONG	1,156,800	0.23
26	SHAMAYNE LEELAWATI SAMARAKKODY	1,109,100	0.22
27	CIMSEC NOMINEES (TEMPATAN) SDN BHD CIMB BANK FOR MINHAT BIN MION (MY1530)	1,100,000	0.22
28	NG LOO SOON	1,100,000	0.22
29	TA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TAN KAY CHUAN	1,095,200	0.22
30	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR SIM LEONG THUN (E-SS2)	1,020,000	0.20
	TOTAL	268,108,742	53.45

share movement and shareholdings

(Cont'd)

ANALYSIS OF WARRANT-B HOLDINGS AS AT 20 JUNE 2019

Issued Warrants	:	111,412,717
Exercise Period	:	8 October 2014 to 7 October 2019
Exercise Price	:	RM0.46 each
No. of Warrant Holders	:	2,690
Warrants Exercised	:	7,500

ANALYSIS BY SIZE AS AT 20 JUNE 2019

Category	No. of Warrant Holders	% of Warrant Holders	No. of Warrants	% of Warrants
Less than 100	432	16.06	19,482	0.02
100 - 1,000	351	13.05	210,311	0.19
1,001 - 10,000	1,120	41.64	4,319,448	3.88
10,001 - 100,000	600	22.30	23,991,326	21.53
100,001 to less than 5% of issued shares	186	6.91	76,568,450	68.73
5% and above of issued shares	1	0.04	6,296,200	5.65
Total	2,690	100.00	111,405,217	100.00

LIST OF SUBSTANTIAL WARRANT-B HOLDERS AS AT 20 JUNE 2019

No. Name	Direct		Indirect	
	No. of Warrants	%	No. of Warrants	%
1 Erwin Selvarajah A/L Peter Selvarajah	6,296,200	5.65	-	-

DIRECTORS' INTERESTS IN WARRANTS-B AS AT 20 JUNE 2019

No. Name	Direct		Indirect	
	No. of Warrants	%	No. of Warrants	%
1 Tan Sri Dato' Mohd Ibrahim Bin Mohd Zain	-	-	-	-
2 Ameer Bin Shaik Mydin	-	-	625,001	0.56
3 Tamil Selvan A/L M. Durairaj	-	-	-	-
4 Ang Hsin Hsien	-	-	-	-
5 Tuan Haji Ab. Gani Bin Haron	-	-	-	-
6 Boey Tak Kong	-	-	-	-
7 Tan Sri Datuk Wira Dr. Hj. Mohd Shukor Bin Hj. Mahfar	-	-	-	-

Note:-

(a) Deemed Interested pursuant to Section 8 of the Companies Act 2016 by virtue of his substantial shareholdings in SAAS Global Sdn Bhd.

share movement and shareholdings

(Cont'd)

30 LARGEST WARRANT-B HOLDERS AS AT 20 JUNE 2019

NO.	WARRANTS HOLDERS	No. of Warrants	%
1	HLB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR ERWIN SELVARAJAH A/L PETER SELVARAJAH	6,296,200	5.65
2	TAN LAI TEOW	5,472,700	4.91
3	RHB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR YEOH CHIN HOI	2,386,700	2.14
4	NG KHAI JUE	2,338,000	2.10
5	JS NOMINEES (TEMPATAN) SDN BHD CIMB BANK FOR WONG AH YONG (MY1278)	2,000,000	1.80
6	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR ANG HOCK LONG (E-KLG/SJM)	1,919,200	1.72
7	MAYBANK NOMINEES (TEMPATAN) SDN BHD MUHAMMAD HEZRUL HAFIZ BIN SULAIMAN	1,741,800	1.56
8	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR NG KOK SIANG (E-TSA)	1,700,000	1.53
9	TAN SING CHUN	1,534,100	1.38
10	GAN SEE HEAN	1,525,500	1.37
11	INDERJIT SINGH A/L BAGHER SINGH	1,345,000	1.21
12	JF APEX NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR ZALIHUDDIN BIN ABDUL RAHMAN (STA 2)	1,281,625	1.15
13	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR NG ONN TEE @ NG CHONG TANN	1,200,000	1.08
14	YONG AH PO	1,121,500	1.01
15	CHENG KOK SIONG	1,114,200	1.00
16	CHAN POOI CHEE	1,000,000	0.90
17	TEH BOON PING	1,000,000	0.90
18	MANZHUR HISHAM BIN ABDUL KADIR	999,900	0.90
19	PANG FOOK FOR	988,000	0.89
20	CHIA SOO HOCK	950,000	0.85
21	CITIGROUP NOMINEES (ASING) SDN BHD EXEMPT AN FOR OCBC SECURITIES PRIVATE LIMITED (CLIENT A/C-NR)	950,000	0.85
22	A KARTHIGESU A/L K A ALAGIRISAMY	843,200	0.76
23	SPIRAL STONE GROUP SDN BHD	800,000	0.72
24	TAN PENG WENG	794,400	0.71
25	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR SULAIMAN BIN DAUD	750,000	0.67
26	NG TEIK HO	735,000	0.66
27	YIN YIT FUN	677,000	0.61
28	PON WEE KHUENG	655,000	0.59
29	HIEW CHON HIYONG	650,000	0.58
30	TA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LOONG CHEK YUAN	643,900	0.58
TOTAL		45,412,925	40.78

sustainability statement

ELEVATING SUSTAINABILITY

Today's digital technologies have the potential to mitigate negative environmental impact while enabling workers to be more productive, focus more of their expertise on high-value contributions, and discover new ways to address the largest societal challenges, including poverty and climate change. Leveraging on our scale and skills, agility and cost efficiency, strong client relationships as well as technology-driven innovation, Censof Holdings Berhad ("Censof" or "the Group") is well positioned to apply the power of digital transformation to help reshape society for the better.

Censof continues to uphold sustainability as a core priority and an aspirational way to demonstrate strong and meaningful corporate citizenship. Within the Group, we continue to be on the look-out for new socially-responsible business practices that will enable us to accomplish even more in the areas of environmental sustainability, ethical governance, community development, client and partner collaboration, as well as an inclusive workplace culture.



The Board of Directors acknowledge the importance of pursuing an agenda that upholds good Economic, Environmental and Social ("EES") practices. We are committed to investing in a long-term strategic plan that promotes the sustainable growth of the Group's businesses and which will create value for the Group's shareholders.

SCOPE OF REPORTING FRAMEWORK

This Sustainability Statement ("Statement") covers the sustainability performance of Censof and its subsidiaries for the financial year ended 31 March 2019 ("FYE 2019"). This Statement was prepared in line with the Bursa Malaysia Securities Berhad's Sustainability Reporting Guidelines. Unless otherwise stated, the information presented in this Statement only covers the business activities of the Group within Malaysia.

We aim to embed sustainability deeply in our culture and value system to bring about the following outcomes: to enhance the local economy within which we operate; to protect our environment; to effectively engage our internal and external stakeholders; and to contribute to the economic growth and well-being of communities.

Our approach to sustainability centres on five areas of focus, which also helps provide consistency to our sustainability activities. These areas include Responsible Business, Client Experience, Environment, Employees and Community.

 Responsible Business	 Client Experience	 Environment	 Employees	 Community
<p>We endeavour to set a powerful example of integrity within our industry and across the global marketplace through adherence to the highest standards of ethics, environmental sustainability, accountable supplier relationships and productive community involvement.</p>	<p>We enable enterprises in all industries to realise a better future through the innovative use of digital technologies to create new business models as well as help address global issues from climate change to healthcare access.</p>	<p>We adopt eco-friendly practices that improve energy efficiency and reduce carbon emissions in data centres and offices, decrease electronic waste and other waste, as well as which help conserve natural resources across our global operations.</p>	<p>We put people first by emphasising inclusion and diversity as well as implement programmes to hone digital skills, while according everyone on our global team rewarding opportunities for personal and professional growth.</p>	<p>We work with community stakeholders to achieve a shared vision of sustainable development and socio-economic justice, as well as provide educational opportunities and support for underprivileged children, victims of natural disasters, and other vulnerable groups.</p>

sustainability statement

(Cont'd)

SUSTAINABILITY GOVERNANCE STRUCTURE

While successful integration and effective management of sustainability at a company requires having a committed leadership, a clear direction and strong strategic influence, none of this will take place effectively without a robust governance structure. Effective sustainability governance helps a company implement its sustainability strategy across its operations, bolster its goal-setting and reporting processes, strengthen its relationships with external stakeholders, as well as ensure overall accountability for the business.

Censof's sustainability framework is implemented through a top down approach while diverse responsibilities are taken up by various teams at different levels of our organisation. This is reflected in the following table:

Board of Directors	Management Team	Sustainability Team	Operations Team
<ul style="list-style-type: none"> Oversees sustainability performance Ensures business strategy considers sustainability elements Approves sustainability strategy and budget 	<ul style="list-style-type: none"> Develops sustainability strategy and recommends revisions to the Board of Directors Oversees implementation of the sustainability strategy Evaluates overall sustainability risks and opportunities Oversees departments / functions in ensuring robustness of system of sustainability management Approves sustainability targets and disclosures 	<ul style="list-style-type: none"> Sets sustainability strategy, goals and KPI goals Ensures processes and controls are in place within the respective departments / functions to facilitate adherence to sustainability policies Assists and supports Operating Divisions to meet goals Conducts sustainability awareness and engagement activities Reports on performance of processes and controls Reports on management targets and monthly sustainability reporting 	<ul style="list-style-type: none"> Undertakes day-to-day management of sustainability risks and challenges Owns and ensures compliance with related sustainability policies and practices Records all sustainability source data and related information Develops plan and timeline for disclosure

MATERIALITY ASSESSMENT

In developing this Sustainability Statement, a materiality assessment exercise involving internal stakeholders was undertaken to establish a sustainability action plan. We evaluated our EES and governance issues through a formal materiality process to identify our most important sustainability issues. This helped us to assess the state of our business, establish our ambitions, create goals, assign resources and set a roadmap in place to achieve these goals. The exercise which sought to determine and note down possible EES issues affecting the Group involved several phases:








sustainability statement

(Cont'd)

SUSTAINABILITY ASPIRATIONS AND FOCUS

Through internal assessment and communication with the senior management team, we effectively identified material issues and prioritised reporting in areas of significance to the Group and our stakeholders. Using EES principles and guidelines as the sustainability focus, we are committed to embedding a sound corporate culture and ethical practices to secure the Group's long-term success. At the same time, we continue to leverage on transformation strategies to drive our sustainable growth.






Area	Aspirations / Focus
 Products and Services	<ul style="list-style-type: none"> • Maintain a viable and supportive supply chain • Adhere to best practices in corporate governance practices • Adopt effective project implementation and delivery standards • Enhance technical skills and talent management capabilities • Comply with stringent cost management practices to protect performance margins • Expand opportunities, innovation and value through digital transformation
 Environmental	<ul style="list-style-type: none"> • Reduce energy use and greenhouse gas emissions throughout operations • Improve recycling and reuse initiatives • Safeguard water consumption usage • Undertake e-waste management • Ensure material and resource efficiency • Ensure travel and transportation efficiency
 Social Capital	<ul style="list-style-type: none"> • Strengthen community engagement efforts • Grow shareholder engagement initiatives • Enhance data security and privacy • Position Censof as a thought leader
 Human Capital	<ul style="list-style-type: none"> • Increase training opportunities • Elevate the customer experience • Strengthen employee engagement • Bolster digital skills development • Uphold inclusion and diversity
 Leadership and Governance	<ul style="list-style-type: none"> • Implement a responsible supply chain • Uphold supplier diversity • Ensure business continuity • Strengthen management of intellectual property • Embed strong business ethics • Ensure robust transparency and accounting practices

sustainability statement

(Cont'd)

STAKEHOLDER ENGAGEMENT CHANNELS AND PRIORITIES

Censof's ongoing stakeholder engagement process involves the following periodic engagement reviews:

Who to Engage	Engagement Aspects	Engagement Process
Customers 	<ul style="list-style-type: none"> • New solution offerings • Software security • Hardware quality • Downtime incidents 	<ul style="list-style-type: none"> • Discussion on our innovation edge • Rollout of awareness training sessions • Review of equipment maintenance • Devise measures to reduce downtime
Employees 	<ul style="list-style-type: none"> • Remuneration • Promotion • Talent development • Work environment 	<ul style="list-style-type: none"> • Market survey on competitors • Annual staff performance assessment • Enrol for skills training courses • Build team performance
Government & Regulatory Bodies 	<ul style="list-style-type: none"> • Licensing compliance • Industry standards • Listing requirements 	<ul style="list-style-type: none"> • Adhere to all licensing requirements • Compliance with MSC status • Adhere to Bursa Malaysia Securities Berhad's Main Market Listing Requirements
Suppliers 	<ul style="list-style-type: none"> • Performance standards • Effective pricing • High quality applications 	<ul style="list-style-type: none"> • Adhere to contract implementation terms • Ensure competitive and transparent pricing • Implement product benchmarking process
Shareholders & Investors 	<ul style="list-style-type: none"> • Corporate information updates 	<ul style="list-style-type: none"> • Timely and detailed updates on the Company's website • Hold Annual General Meeting

sustainability statement

(Cont'd)

SUSTAINABILITY ACTION PLAN



ECONOMIC

To ensure the effective turnaround of our business prospects, we have further streamlined our operating activities to remain relevant in the diverse sectors that we compete in. Accordingly, Censof in its annual strategic business review is undertaking drastic measures to restructure its strategies going forward by embedding new revenue opportunities that will lead to a more productive and profitable outcome for FYE 2020.

Sustainability Focus	Goals & Commitments	Action Plans	Status
Activity focus <ul style="list-style-type: none"> ✓ Maintaining a viable and supportive supply chain. ✓ Adhering to best corporate governance practices. ✓ Adopting effective project implementation and delivery standards. ✓ Enhancing technical skills and talent management capabilities. ✓ Complying with stringent cost management practices to protect performance margins. 	Team culture and shared values Promote ownership and team culture to achieve a high-performance outcome.	Realign corporate vision and awareness training to strengthen shared values and staff commitment.	<ul style="list-style-type: none"> An external training programme was initiated to focus on the philosophy of “CCOT” (correct, complete and on time). A final follow-up was done in March 2019 to determine the performance outcome.
	New product development Identify technology trends and initiate product development activities for sustainable performance over the medium to longer term.	Develop innovative business solutions to meet customers’ requirements, focus on Cloud-based products and move into the digitalisation era using blockchain technology for better cyber security control.	<ul style="list-style-type: none"> Developing Cloud-based product – Acumatica system and estimation of the date of commercialisation by end of December 2018. Set up a new blockchain company in 2Q19, namely Gendee Sdn. Bhd.
	Client-centric services Focus on high standards to achieve excellent customer service levels.	Online client feedback.	<ul style="list-style-type: none"> Quarterly report on customer satisfaction survey. Implemented ways to improve services and addressed customer feedback thoroughly.
	Value for shareholders Develop policy to declare an annual dividend rate of 20% of profit after tax.	Strengthening capital management strategies to settle debt position in order to leverage future dividend payment options.	<ul style="list-style-type: none"> Based on the fourth quarter results, it is not recommended that we declare interim dividends. We will, however, keep this in view for the next financial year end.

sustainability statement

(Cont'd)

SUSTAINABILITY ACTION PLAN



ENVIRONMENTAL

The Group's environmental focus sees us leveraging on the use of environmental-friendly materials and enhancing our recycling efforts by adopting the following initiatives:

Sustainability Focus	Goals & Commitments	Action Plans	Status
Activity focus ✓ Expanding energy savings opportunities. ✓ Improving recycle and reuse initiatives.	Aligning customers' sustainability needs to our procurement process Address environmental footprint through the use of materials that can be endorsed as being environmentally and socially sustainable.	Staff awareness on environmental and social sustainability choices.	<ul style="list-style-type: none"> Reduced usage of paper and wastage for tender submissions.
	Energy and water consumption management Encourage staff to save on energy and water consumption as a cost saving initiative.	Proactive actions by staff to contribute towards the lower usage of energy and water consumption.	<ul style="list-style-type: none"> Display signage in the office area to remind staff to lower usage of energy and water consumption.
	Encouragement of online payments and reduced usage of paper Do with less human interaction and go for a paperless green environment.	Reduce usage of cheque payments and recycle A4 paper that has been printed on one side only.	<ul style="list-style-type: none"> All subsidiaries are to reduce the usage of cheque payments by using online banking. For the Group's other companies, the Finance team is in the midst of implementing online banking.

sustainability statement

(Cont'd)

SUSTAINABILITY ACTION PLAN



SOCIAL

The effective development of our employees is essential for the Group's long-term sustainability. We desire our employees to be healthy and happy at work, in order to efficiently support our customers' needs.

The Group as a good corporate citizen also annually contributes towards the communities with whom employees are involved with.

Sustainability Focus	Goals & Commitments	Action Plans	Status
Activity focus <ul style="list-style-type: none"> ✓ Increase training opportunities. ✓ Strengthen community engagement efforts. ✓ Enhance the customer experience. ✓ Grow shareholder engagement initiatives. 	Health and Safety Awareness Looking after our people's health and safety makes good business sense. Workplaces which neglect health and safety issues may risk prosecution, lose their staff, as well as experience lower productivity, increased costs and reduced profitability.	Implement more sport activities and launch the campaign/talk for health and safety awareness.	Sport Activities <ul style="list-style-type: none"> • Weekly futsal. • Bowling session on 12 October 2018. • Badminton session on 15 December 2018. • Hiking activities on 10 February 2018 and 28 July 2018.
	Employee Engagement Maintain open and transparent communication channels with all staff.	Staff stay committed and motivated with direct communication opportunities and accessible feedback. (i.e. via team building)	<ul style="list-style-type: none"> • The companies within the Group have different communication channels to interact with the staff (e.g. townhall meetings, team building exercises and monthly e-newsletters).
	Equal Employment Opportunity Maintain workforce diversity.	Workplace diversity.	<ul style="list-style-type: none"> • Increased diversity hiring through candidate sourcing and screening.
	Community Services Encourage staff participation in welfare activities.	Expose staff to contribute towards the needs of society.	<ul style="list-style-type: none"> • Employees connected, ideas shared and new programmes and activities co-created.

s u s t a i n a b i l i t y s t a t e m e n t

(Cont'd)

WORKPLACE DIVERSITY FOR OUR MALAYSIAN OPERATIONS

Workforce Statistics	FY 2016/17	FY 2017/18	FY 2018/19
Total Number of Employees			
Male	166	207	178
Female	123	156	138
Employees by Age Group			
<30	116	121	118
30 – 40	108	106	126
41– 50	48	113	50
>50	17	23	22
Employees by Ethnicity			
Bumiputera	210	280	217
Non-Bumiputera	64	70	89
Foreigners	15	13	10
% of Female Employees			
Total Employees	123	156	138
Board of Directors	0.37%	0.33%	0.72%
Senior Management	9.45%	9%	2.90%
Middle Management	13.90%	13%	9.42%
Executive/ Supervisory	70.98%	75.51%	61.60%
Non-Executive	5.3%	2.16%	25.36%
New Hires			
Total Number of New Hires	94	71	58
Male	60	34	38
Female	34	37	20
Staff Turnover Rate (%)	21.43%	19.16%	17.08%

h i g h l i g h t s o f t h e y e a r

PT. Praisindo Teknologi

April 2018 - March 2019

New Projects

Overview :

PT. Praisindo secured multiple new contracts with the following banks and agencies for the financial year 2018-2019: PT. Bank CIMB Niaga, Tbk; PT. Bank Bukopin, Tbk; PT. Bank Commonwealth; PT. Bank Mega, Tbk; PT. Bank Mayapada International, Tbk; PT. Asuransi Jiwa Central Asia Raya; PT. Schroder Investment Management Indonesia; PT. Asuransi BRI Life; and BNP Paribas Investment Partners. The contract wins demonstrate PT. Praisindo's continued focus on deepening its presence in existing core markets, breaking into new markets and expanding its scope of services.



PT. Praisindo Teknologi

18 April 2018

CSR Activity

Yayasan Remaja Masa Depan

Overview :

A monthly CSR programme aimed at reaching out to the public at large especially the less fortunate.



Knowledgecom

12 April 2018

2018 Quantum Leap into the Future with NECT-Gen

PSDC Auditorium

Overview :

Knowledgecom and Penang Skills Department Centre collaborated in bringing together the best speakers to highlight areas and industries that will be highly impacted by Industry 4.0. Both companies are striving to lead Malaysia and the upcoming generation towards Industry 4.0 implementation.

Knowledgecom

24-25 April 2018

UKM Career and Entrepreneurship Expo 2018

UKM, Bangi

Overview :

Knowledgecom joined more than 50 prominent companies and industry leaders at the UKM Career and Entrepreneurship Expo 2018 to meet with new and current talent in the workforce.

h i g h l i g h t s o f t h e y e a r

(Cont'd)



PT. Praisindo Teknologi

11 May 2018

CSR Activity

Panti Asuhan Dan Santunan Keluarga Muhammadiyah 'Aisiyah

Overview :

A monthly CSR programme aimed at reaching out to the public at large especially the less fortunate.



Knowledgecom

29 June 2018 - 1 July 2018

The Grand Challenge Hackathon

Knowledgecom Office

Overview :

Knowledgecom is proud to have partnered with The Grand Challenge Hackathon. The event brought together around 50 participants who worked in teams to code for 36 hours to create innovative Internet of Things ("IoT") solutions for an outdoor billboard monitoring system.



PT. Praisindo Teknologi

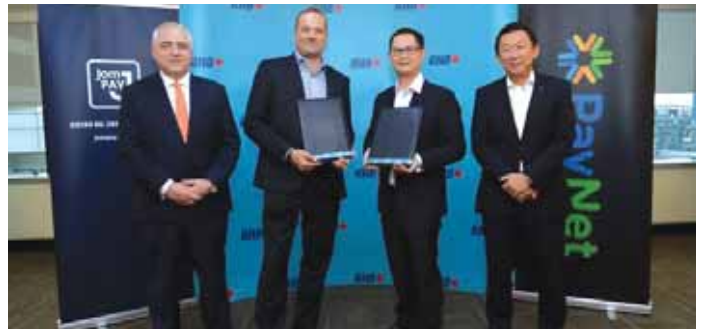
13 July 2018

CSR Activity

Panti Asuhan Dan Santunan Keluarga Muhammadiyah Assa'adah

Overview :

A monthly CSR programme aimed at reaching out to the public at large especially the less fortunate.



ABSS

27 July 2018

RHB Bank Berhad Partnership

RHB Centre

Overview :

ABSS announced its strategic partnership and collaboration with RHB Bank Berhad to allow small and medium enterprises ("SMEs") in Malaysia to utilise a fully integrated accounting and banking solution leveraging on Financio and RHB's e-Solution offering. By tapping seamless connectivity between bank services, Financio and other digital service providers, SMEs now have the means to dramatically improve the efficiency of their collections, payments and accounting payments reconciliation through direct integration with the RHB banking platform and a secure API (Application Programming Interface).

h i g h l i g h t s o f t h e y e a r

(Cont'd)

Century Software

23 August 2018

Century Software Bags Contract from DBKL and PERKESO

Overview :

Century Software secured a RM3.85 million contract to provide comprehensive maintenance and support services for the ePBT or ePihak Berkuasa Tempatan financial management system for Dewan Bandaraya Kuala Lumpur ("DBKL"). It also secured an additional contract worth RM999,983 from Pertubuhan Keselamatan Sosial Malaysia ("PERKESO") to enhance their current system of managing prospective customers and customer interactions. The additional hardware and peripherals aim to increase PERKESO's productivity and improve customer satisfaction and retention.

PT. Praisindo Teknologi

30 August 2018

CSR Activity

Donation for Nusa Tenggara Barat ("NTB") through Aksi Cepat Tanggap ("ACT")

Overview :

Following a 7.0-magnitude earthquake that hit NTB, PT. Praisindo made a donation to Indonesian-based humanitarian organisation, ACT. The latter actively helps victim of natural disasters from the emergency phase to the post-recovery phase.



Century Software

7 September 2018

Century Software Announces Go-Live Implementation of HiDEF CRS

LHDN

Overview :

Century Software announced that Lembaga Hasil Dalam Negeri Malaysia or LHDN's portal called HASiL International Data Exchange Facility ("HiDEF") Common Reporting Standard ("CRS") had gone live. The CRS contains the due diligence and reporting requirements that are the foundation of automatic exchange. The portal will enable LHDN to exchange information with the tax administrations of other countries in a seamless manner to mitigate tax evasion and protect the integrity of tax systems

T-Melmex

27 September 2018

T-Melmax and Soft Space's Subsidiary Sign MoU for Growth in Southeast Asia

Kuala Lumpur

Overview :

T-Melmax Sdn. Bhd. signed a memorandum of understanding ("MoU") with Fass Payment Solutions Sdn. Bhd. to drive potential capital growth, improve market access, and procure various business deals together in Southeast Asia.

h i g h l i g h t s o f t h e y e a r

(Cont'd)



ABSS

16 - 17 October 2018

Accounting & Finance Show Asia - In Partnership with Maybank Singapore

Suntec Convention Centre, Singapore

Overview :

ABSS in partnership with its partner Maybank Singapore, attended the Accounting and Finance Show in Singapore. On a jointly-branded stand ABSS promoted and demonstrated Financio, our cloud accounting solution to a wide range of accountants and SME customers. Among the new up-coming features that were featured were the PayNow ready invoices and the new Financio mobile app features. In addition, Matt Paff, an independent industry expert and commentator, lauded the merits of Financio during his presentation slot.

PT. Praisindo Teknologi

17 October 2018

CSR Activity

Donation for NTB through ACT

Overview :

More than 800 people died and hundreds more were injured after a tsunami hit Indonesia's central Sulawesi island. PT. Praisindo's donation helped provide emergency funding to locally-driven relief efforts that sought to provide food, medicine, and other essential supplies to help the people impacted by the disaster.

Knowledgecom

31 October 2018

Launch Ceremony of the National Policy on Industry 4.0

Menara MITI

Overview :

Knowledgecom had the privilege to be part of the Launch Ceremony of the National Policy on Industry 4.0 by the honourable Prime Minister of Malaysia, YAB Tun Dr. Mahathir bin Mohamad. The event saw leading speakers and panel members from various sectors sharing their insights on Industry 4.0 and its implementation in Malaysia.

Knowledgecom

8 November 2018

ICT Education Award

Tokyo, Japan

Overview :

Knowledgecom received the ICT Education Award 2018 in Tokyo, Japan from Asian-Oceanian Computing Industry Organization ("ASOCIO") who recognized Knowledgecom as an innovative and exemplary IT training and education service in Malaysia.

ABSS

9 November 2018

DBS Bank Partnership

Singapore

Overview :

ABSS announced a strategic partnership and collaboration agreement with DBS Bank Limited to allow SMEs in Singapore to integrate our ABSS Premier and Financio cloud computing products with the DBS banking system. This will allow SMEs to receive live bank balances and transactions, perform full accounting reconciliation, and enable the processing of Fast Payments directly from their accounting packages.

h i g h l i g h t s o f t h e y e a r

(Cont'd)



Censof Holdings

29 November 2018

Strategic Partnership with Singapore's Millet Holdings

Singapore

Overview :

Censof Holdings signed a MoU with Millet Holdings which will see both companies collaborating on a range of business opportunities that includes creative place and space making, creating physical and digital co-working platforms for SMEs in the creative industries, as well as providing consultancy and business solutions using emergent technologies across Malaysia.



Century Software

6 December 2018

Century Software Wins at Malaysia Excellence Business Awards 2018

SACC

Overview :

Century Software's Chief Executive Officer, Zainul Ariffin Harun, won the "Masterclass Bumiputra CEO of The Year" award at the recent Malaysia Excellence Business Awards 2018 event. The prestigious awards programme was co-organised by the Malaysia Digital Chamber of Commerce and The Leadership Post with the support of the Ministry of Federal Territories Malaysia and the United Nations Global Compact Network Malaysia.

PT. Praisindo Teknologi

19 December 2018

CSR Activity

Panti Yatim Indonesia

Overview :

The plight of underprivileged families rarely receives the same amount of attention or exposure from the media and Internet as they hardly have access to these channels to highlight their predicament. We helped elevate the well-being of this underserved group by allocating funds and resources to mitigate some of their burden.



Knowledgecom

29 December 2018

CSR Movie Night 2018

Jaya Shopping Mall

Overview :

Knowledgecom feted several children to the movie, "Spider-man: Into the Spider-Verse". The smiles on these precious children's faces were reward enough for us.

h i g h l i g h t s o f t h e y e a r

(Cont'd)

Knowledgecom**24 January 2019****Industry 4.0 Talk on Digital Transformation**

Knowledgecom Office

Overview :

Knowledgecom organised an Industry 4.0 talk on Digital Transformation which focused on Big Data and IoT solutions. Also present at the talk were guest speakers Jesu Arockia Xavier and Nasrudin bin Abdul Muthalib.

Cendee**24 January 2019****Cendee and WISEKey Enter into Strategic Partnership****Overview :**

WISEKey International Holding Ltd, a cybersecurity IoT platform company, announced a strategic partnership with Cendee Sdn. Bhd. To deploy WISEKey's Cybersecurity Vertical Platform and Blockchain stack to address public key infrastructure, IoT and blockchain opportunities for a list of identified projects across Censoft's client ecosystem.

Censoft Software**13 February 2019****LHDN Launches eProcurement System****Overview :**

LHDN launched an eProcurement ("eP") system (powered by our platform called TenderWizard) and its suppliers' portal as a continuous effort to improve service delivery to suppliers or tenderers dealing with the agency. The eP system is an electronic procurement management system that serves as a platform for companies to participate in the procurement of services, supplies or works.

Century Software**4 March 2019****Century Software Wins Contract from PERKESO****Overview :**

Century Software secured a RM4.53 million contract from PERKESO to provide comprehensive maintenance for its Standard Accounting System for Government Agencies or SAGA-compliant accounting software and an application server with disaster recovery solutions, among other things. The contract is to run for three years.

**Knowledgecom****22 March 2019****Knowledgecom Teams Up with Nine Partners to Promote Digital Transformation**

Kuala Lumpur

Overview :

Knowledgecom signed a MoU with nine other local and foreign technology service companies to enable SMEs in Malaysia to transform their traditional manufacturing sites into smart factories. The MoU involves collaboration between Knowledgecom and YGL Convergence Sdn. Bhd., Monitor ERP Sdn. Bhd., Ingram Micro, Solara Systems, Cognitive Consulting, Fast Track Sdn. Bhd., Lava Protocols Sdn. Bhd., SysArmy Sdn. Bhd. as well as Century Software (Malaysia) Sdn. Bhd.

b o a r d o f d i r e c t o r s

ANG HSIN HSIEN
Executive Director

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

**TAN SRI DATUK
WIRA DR. HJ. MOHD
SHUKOR BIN HJ.
MAHFAR**
Independent Non-Executive Director

b o a r d o f d i r e c t o r s

(Cont'd)



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

**AMEER BIN
SHAIK MYDIN**
Group Managing Director

BOEY TAK KONG
Independent Non-Executive
Director

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

directors' profiles

TAN SRI DATO' MOHD IBRAHIM BIN MOHD ZAIN

Independent Non-Executive
Chairman

Gender:

Male

Nationality:

Malaysian

Age:

76

Date Of Appointment:

28 December 2010

Length Of Service:

8 years 6 months
(As at 30 June 2019)

Date Of Last Re-Election:

20 September 2016

Membership of Board Committees:

- Audit Committee
- Nominating & Remuneration Committee (*Resigned on 23 July 2019*)

Academic / Professional Qualifications:

- Graduate, British Institute of Management, United Kingdom.
- Graduate, Institute of Marketing, United Kingdom.
- Master's in Business Administration, University of Ohio, United States of America.

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 had 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.

Other Directorship In Public Companies and Listed Issuers:

- Director, Brahims Holdings Berhad
- Chairman, Yayasan Arshad Ayub
- Chairman, Rex Industry 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 nor any public sanction or penalty imposed by the relevant regulatory bodies during financial year. He had attended all five (5) Board Meetings held during the financial year ended 31 March 2019.



directors' profiles

(Cont'd)

AMEER BIN SHAIK MYDIN

Group Managing Director

GENDER:

Male

NATIONALITY:

Malaysian

AGE:

56

DATE OF APPOINTMENT:

28 December 2010

LENGTH OF SERVICE:
8 years 6 months
(As at 30 June 2019)
DATE OF LAST RE-ELECTION:

5 September 2018

Membership of Board Committees:

- Risk Management Committee

Academic / Professional Qualifications:

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

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 (Malaysia) 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 Berhad 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.

Other Directorship In Public Companies and Listed Issuers:

- 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 nor any public sanction or penalty imposed by the relevant regulatory bodies during financial year. He had attended all five (5) Board Meetings held during the financial year ended 31 March 2019.



directors' profiles

(Cont'd)

TAMIL SELVAN A/L M. DURAIRAJ

Deputy Group Managing Director

Gender:

Male

Nationality:

Malaysian

Age:

58

Date Of Appointment:

28 December 2010

Length Of Service:

8 years 6 months
(As at 30 June 2019)

Date Of Last Re-Election:

12 September 2017

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

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.

Other Directorship In Public Companies and Listed Issuers:

- 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 nor any public sanction or penalty imposed by the relevant regulatory bodies during financial year. He had attended all five (5) Board Meetings held during the financial year ended 31 March 2019.



directors' profiles

(Cont'd)

ANG HSIN HSIEN

Executive Director

GENDER:

Female

NATIONALITY:

Malaysian

AGE:

52

DATE OF APPOINTMENT:

28 December 2010

LENGTH OF SERVICE:

8 years 6 months
(As at 30 June 2019)

DATE OF LAST RE-ELECTION:

12 September 2017



Membership of Board Committees:

None

Academic / Professional Qualifications:

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

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.

Other Directorship In Public Companies and Listed Issuers:

- 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 nor any public sanction or penalty imposed by the relevant regulatory bodies during financial year. She had attended all five (5) Board Meetings held during the financial year ended 31 March 2019.

directors' profiles

(Cont'd)

BOEY TAK KONG

Independent Non-Executive Director

GENDER:

Male

NATIONALITY:

Malaysian

AGE:

65

DATE OF APPOINTMENT:

28 December 2010

LENGTH OF SERVICE:

8 years 6 months
(As at 30 June 2019)

DATE OF LAST RE-ELECTION:

5 September 2018

Membership of Board Committees:

- Risk Management Committee (Chairman)
- Nominating & 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

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.

Other Directorship In Public Companies and Listed Issuers:

- Gadang Holdings Berhad
- Green Packet Berhad
- Ho Hup Construction Company Berhad
- IJM Plantations 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 nor any public sanction or penalty imposed by the relevant regulatory bodies during financial year. He had attended all five (5) Board Meetings held during the financial year ended 31 March 2019.



directors' profiles

(Cont'd)

TUAN HAJI ABDUL GANI BIN HARON

Senior Independent
Non-Executive Director

Gender:

Male

Nationality:

Malaysian

Age:

68

Date Of Appointment:

28 December 2010

Length Of Service:

8 years 6 months
(As at 30 June 2019)

Date Of Last Re-Election:

20 September 2016

Membership of Board Committees:

- Audit Committee (Chairman)
- Risk Management Committee
- Nominating & 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

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.

Other Directorship In Public Companies and Listed Issuers:

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 nor any public sanction or penalty imposed by the relevant regulatory bodies during financial year. He had attended all five (5) Board Meetings held during the financial year ended 31 March 2019.



directors' profiles

(Cont'd)

**TAN SRI DATUK
WIRA DR. HJ. MOHD
SHUKOR BIN HJ.
MAHFAR**

Independent Non-Executive Director

GENDER:

Male

NATIONALITY:

Malaysian

AGE:

64

DATE OF APPOINTMENT:

15 January 2018

DATE OF LAST RE-ELECTION:

5 September 2018

Membership of Board Committees:

- Audit Committee (*Appointed on 23 July 2019*)
- Nominating & Remuneration Committee (*Appointed on 23 July 2019*)

Academic / Professional Qualifications:

- Bachelor of Economics from University Malaya
- Post Graduate Diploma in Computer Science from Malaysia University of Technology Diploma In Accounting, University of Malaya
- Master of Taxation and Doctor of Public Administration from the Golden Gate University USA
- Honorary Doctor of Management from UNITEN and Asia Metropolitan University
- Appointed the Adjunct Professor of University Teknologi Mara (UiTM), Universiti Tenaga National (UNITEN), Universiti Tun Abdul Razak (UNITAR), Universiti Utara Malaysia (UUM), Universiti Malaysia Perlis (UniMAP) and University College of Technology Sarawak (UCTS)

Working Experience:

He started his career as a Bank Officer in 1978; a year later he took a leap to work with the Inland Revenue Board of Malaysia (IRBM) as Assessment Officer. He then rose through the ranks in IRBM, being appointed Deputy CEO of Compliance, Deputy CEO of Operations, and CEO in January 2011 until his retirement in December 2016.

Throughout the years, he received many accolades and awards, he was elected President of the Malaysian Association of Statutory Bodies and Chairman of The Commonwealth Association of Tax Administrations (CATA); and was awarded the CEO of the year 2015 by The European Emerging Markets Awards and received the 2015 Lifetime Achievement Award-Outstanding Contribution in Shaping People by the Asia HRD Award.

Equipped with 36 years of vast experiences both in taxation and management throughout his tenure ship with IRBM, he now leads his own Tax and Management firm known as MSM Management Advisory. With his continuous engagement in the tax related field, he was subsequently appointed as the Chairman of McMillan Woods National Tax Firm, Chairman of Uniutama Education and Consultancy. He also sits on the Board of Directors of Uniutama Management Holdings, and Prokhas, a private limited company wholly-owned by Minister of Finance, a Partner of YYC Advisors and an Advisor to Century Software (Malaysia) Sdn. Bhd.

Other Directorship In Public Companies and Listed Issuers:

- Paragon Globe Berhad (Formerly known as Goh Ban Huat Berhad)
- Minda Global 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 nor any public sanction or penalty imposed by the relevant regulatory bodies during financial year. He had attended all five (5) Board Meetings held during the financial year ended 31 March 2019.



management team's profiles



ZAINUL ARIFFIN HARUN

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

Age / Nationality

48 / Malaysian

Date Of Appointment

16 January 2014

Length Of Service (as at 30th June 2019)

5 years 6 months

Academic / Professional Qualification(s):

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

Working Experience

He started his career as Credit Officer with Kwong Yik Bank Berhad in 1995 where he was responsible for ASB loans. He then joined Tractors Malaysia Berhad in 1996 as the Sales & Administrative Executive.

In 2000 he was appointed as the Chief Business Development Officer of Digicert Sdn Bhd, a joint venture company of POS Malaysia and MIMOS Berhad Officer before moving to Scan Associate Berhad as Head, Business Development in 2011. In January 2014, he joined Century Software (Malaysia) Sdn. Bhd. as the Chief Executive Officer. Zainul won Masterclass Bumiputra CEO of The Year award at the recent Malaysia Excellence Business Awards 2018 (MEBA 2018).

S.T RUBANESWARAN

Chief Executive Officer
Knowledgecom Corporation Sdn. Bhd.

Age / Nationality

38 / Malaysian

Date Of Appointment

January 2008

Length Of Service (as at 30th June 2019)

15 years 6 months

Academic / Professional Qualification(s):

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

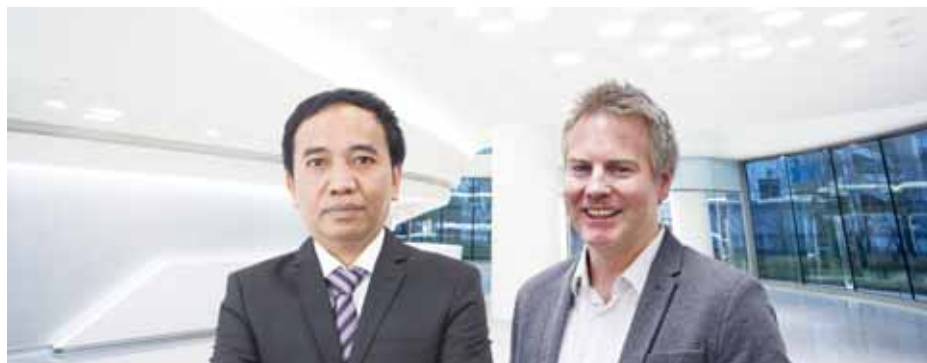
Working Experience

He was employed by Knowledgecom in 2004 as the Business Development Manager and was subsequently promoted to CEO/Managing Director in January 2008. He became a shareholder of Knowledgecom in 2012 which was subsequently acquired by Censof as 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.

management team's profiles

(Cont'd)



HAZAIRIN

Chief Executive Officer
P.T Praisindo Teknologi

Age / Nationality

50 / Indonesian

Date Of Appointment

November 2011

Length Of Service (as at 30th June 2019)

16 years 1 month

Academic / Professional Qualification(s):

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

Working Experience

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

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

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

RHYS BROWN

Chief Operating Officer
Asian Business Software Solutions Pte. Ltd.

Age / Nationality

40 / New Zealand

Date Of Appointment

July 2019

Academic / Professional Qualification(s):

- Post Graduate Diploma in Business, University of Auckland

Working Experience

Rhys is a 15-year veteran of the accounting software industry, having held senior management roles with MYOB now ABSS spanning China, South East Asia and New Zealand. As a founding shareholder of ABSS and part of the leadership team, Rhys brings a background in technology with a passion for helping small businesses grow and thrive.

management team's profiles

(Cont'd)

**RIZAL MUKTI**

Chief Executive Officer
Cendee Sdn. Bhd.

Age / Nationality

42 / Malaysian

Date Of Appointment

September 2018

Length Of Service (as at 30th June 2019)

9 months

Academic / Professional Qualification(s):

- A Business Management, East London University

Working Experience

Rizal brings in business and marketing experience in managing large scale projects. Rizal served as a board member in PSS Asia Pte Ltd, an MNC based company in Australia dealing with oil and gas for nearly 8 years before embarking in helping budding entrepreneurs in new start-up ventures. Currently, he also seats as a board member of many other start-up companies in Malaysia.

IVAN FONG CHOON HAU

Chief Financial Officer
Censof Holdings Berhad

Age / Nationality

33 / Malaysian

Date Of Appointment

16 November 2016

Length Of Service (as at 30th June 2019)

2 years 7 months

Academic / Professional Qualification(s):

- Chartered Accountant, Malaysia Institute of Accountant
- ACCA

Working Experience

Ivan joined Censof Holdings Berhad in November 2016 as a General Manager in Finance and was subsequently promoted to Chief Financial Officer in September 2017. He comes with 10 years of solid in-depth knowledge and experience in the accounting and finance field. Ivan is currently holding a directorship position in one of the subsidiaries based in Indonesia.

Prior to joining the company, he was the Head of Finance in a construction listed company where he oversees the Utility Department in both Malaysia and Indonesia where he gained extensive knowledge of regulatory compliance in both countries.

He started his career as an external auditor in Baker Tilly Monteiro Heng firm in 2008 where he later got his Chartered Accountant from Malaysia Institute of Accountant.

NAGENDRAN PERUMAL

Chief Technology Officer
Censof Holdings Berhad

Age / Nationality

54 / Malaysian

Date Of Appointment

1 June 2018

Length Of Service (as at 30th June 2019)

1 Year

Academic / Professional Qualification(s):

- Bachelor of applied in Computer Science, Royal Institute of Technology (RMIT)
- Certified Diploma in Accounting and Finance
- MBA (University of Strathclyde)

Working Experience

Nagendran worked at 3S Consulting in 2013 as an advisor to various technology companies related to software developments and project management. More than 30 years of experiences in software development methodologies and project management. And has extensive experiences in providing consulting services to government, semi-government, reorganization and process improvements. He was also involved in the setting and developing of business activities in Australia and India.

Nagendran previously worked towards a researcher specializing in artificial intelligence and database system. Not just that, he has worked with Century Software (Malaysia) Sdn. Bhd. by managing and advising the outcome-based budgeting for the ministry of finance Malaysia and government data exchange for the agency MAMPU under The Prime Minister's department.

Nagendran's earlier employment was at Tenaga Serata Sdn Bhd as managing and advising the key projects there and then worked at MIMOS as the senior director where he was in charge of the software development lab and for development platforms.

c o r p o r a t e g o v e r n a n c e o v e r v i e w s t a t e m e n t

The Board of Directors of Censof Holdings Berhad ("CENSOF") is committed to ensuring that high standards of corporate governance are applied throughout Censof Group ("GROUP"). Pursuant to the principles and recommendations stipulated in the Malaysian Code On Corporate Governance 2017 ("CODE" or "MCCG 2017") and Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("BURSA MALAYSIA").

Through the Group's Policies and Procedures as well as periodic audit reviews, the Board ensures that good governance is practised throughout the Group in all aspects of its business dealings, and that integrity and transparency are displayed with the objective of safeguarding shareholders' investments and ultimately enhancing shareholders' long-term value. The Board is convinced that by doing so, will undoubtedly contribute towards the betterment of the Group's performance.

The Board is pleased to set out the Corporate Governance Overview Statement ("CG Overview Statement"), which summarises the application by the Group on the Principles of the Code for the financial year ended 31 March 2019. The detailed application of the Code can be found in the Corporate Governance Report ("CG Report") published on the Company's website at www.censof.com. This CG Overview Statement and the CG Report are prepared in compliance with the MMLR.

The Board took cognisance of the MCCG published in April, 2017 and considers that the Company has complied with the provisions and applied the main principles of the MCCG for the financial year, except:-

- Practice 4.5 - The Board must have at least 30% women Directors
- Practice 12.3 – Leverage technology to facilitate including voting in absentia and remote shareholders' participation at General Meetings

The explanation for departure is further disclosed in the CG Report.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

Board Role and Responsibilities

The Board has the collective responsibility for the overall conduct and performance of the Group's business by maintaining full and effective control over strategic, financial, operational, compliance and governance issues. The Board exercises due diligence and care in discharging its duties and responsibilities to ensure that high ethical standards are applied through compliance with the relevant rules and regulations as well as directives and guidelines. This is in addition to adopting the best practices in the Code and Corporate Governance Guide as well as acting in the best interests of the Group and its shareholders.

The Board Charter ("Charter") provides guidance to the Board in discharging its roles, duties and responsibilities in line with the principles of good governance. The Charter has been adopted and last reviewed on 23 July 2019, is made available at the Company's website at www.censof.com. The Charter also outlines the roles and responsibilities of the Board, the balance and composition of the Board, the authority of the Board and the schedule of matters reserved for the Board. It also touches upon matters pertaining to the establishment of Board Committees, processes and procedures for convening Board and Board Committees meetings, the Board's assessment and review of its performance, compliance with ethical standards, the Board's access to information and advice, and declarations of conflict of interest. The Board will review the Charter as and when required and will update the Charter in accordance with the needs of the Group and any new regulations that may have an impact on the discharge of the Board's responsibilities to ensure its effectiveness.

The principal responsibilities and roles of the Board, amongst others, are as follows:-

- to review and adopt strategic business development plans for the Group;
- to oversee the conduct of the Group's businesses;
- to identify principal risks and to ensure the implementation of appropriate systems to manage these risks;
- to ensure succession planning;
- to oversee the development and implementation of investor relations programmes or the shareholders communication policy for the Group; and
- to review the adequacy and integrity of the Group's internal control systems and management information systems, including systems for compliance with applicable laws, regulations, rules, directives and guidelines.

corporate governance overview statement

(Cont'd)

Matters reserved for the Board's approval and delegation of powers to its Board Committees, the Group Managing Director as well as Management are set out in an approved framework on limits of authority. The business affairs of the Group are governed by the Group's limits of authority, while any non-compliance issues are brought to the attention of the Management, the Audit Committee ("AC"), Risk Management Committee and/or the Board for effective supervisory decision-making and proper governance. The Board strives to adhere to the highest ethical standards in discharging its responsibilities and continues to promote integrity and ethical conduct among its employees in all aspects of the Group's business operations, including confidentiality of information, conflicts of interest.

Board Balance and Composition

The Board currently comprises four (4) Independent Non-Executive Directors and three (3) Non-Independent Directors. The Board has achieved the target of having a half of Independent Directors in compliance with the Code and exceeding the minimum one-third (1/3) requirement as set out in the MMLR.

The Board believes that the Group's unique set-up which rests on its capable, experienced and professional entrepreneur brings dynamism and leadership qualities to the Group, giving it a distinct ability to carry on its business as a going concern and to continue to grow the Group.

Diversity in the Board's composition is essential to facilitate good decision-making as this enables different insights and perspectives to be harnessed. This diversity criteria may include competencies, skills, knowledge, experience, ethnicity, gender, age and educational background. The Group's Board Diversity Policy seeks to be inclusive and eradicate any form of discrimination, may it be on the basis of gender, age, ethnicity or other factors.

Currently, there is one (1) female member on the Board, representing 14.3% of the total Board Members. The Board is continuously on the lookout to seek persons that would best fit the skill sets to fill up any vacancy required on the Board.

In terms of diversity in skills, experience and competencies, the Board comprises members with various professional backgrounds from the fields of information technology, accounting, management, economics, business and public administration, all of whom bring in-depth and diverse experiences, expertise and perspectives to the Group's operations to ultimately enhance shareholders' value for the long-term. They also possess the necessary calibre, credibility, skills and experience to bring sound judgement to matters of strategy, performance, resources and governance.

The Board diversity at the close of the financial year is as follows:-

	Male	Female
Age Group		
41 - 50	-	-
50 - 60	2	1
60 - 70	3	-
Above 70	1	-
Ethnicity		
Malay	4	-
Chinese	1	1
Indian	1	-
Nationality		
Malaysian	6	1

c o r p o r a t e g o v e r n a n c e o v e r v i e w s t a t e m e n t

(Cont'd)

In terms of time commitment, all members of the Board currently hold not more than five (5) directorships in listed companies in line with the maximum limit as set out under Paragraph 15.06 of the MMLR. The Directors are aware that they are required to notify the Chairman of the Board prior to accepting any new directorships and to indicate the time expected to be spent on the new appointment. This is set out in the Charter. The Board is satisfied that each member of the Board has spent sufficient time on all Board matters, as evidenced by their attendance record at the Board and Board Committees meetings, hence ensuring a timely and orderly decision-making process for the Group.

The Independent Non-Executive Directors provide unbiased and independent views in ensuring that the Group's strategies proposed by the Management are fully deliberated and examined in the interest of all stakeholders. With its diversity of skills, the Board has been able to provide clear and effective leadership to the Group. This has also brought informed and independent judgement to the Group's strategy and performance so as to ensure that the highest standards of conduct and integrity are always at the core of the Group's business activities. The background of each Director is contained in the "Profile of Board of Directors" section of this Annual Report.

Tenure of Independent Director

One of the recommendations of the MCCG states that the tenure of an Independent Director should not exceed a cumulative term of nine (9) years. Upon completion of the nine (9) years term, an Independent Director may continue to serve on the Board subject to the said Director's re-designation as a Non-Independent Director. The Nominating and Remuneration Committee ("NRC") had performed an annual review on the independence of the Independent Directors and there are no Independent Directors whose tenure exceeds a cumulative term of nine (9) years in the Company.

Roles and Responsibilities between the Chairman and the Group Managing Director

The Board appreciates the distinct roles and responsibilities of the Chairman of the Board and the Group Managing Director to ensure a clear and proper balance of power and authority. As such, the roles of the Chairman and the Group Managing Director are separated. The Chairman's main responsibility is to ensure effective conduct of the Board through the execution of the following key roles:

- (i) To build a high-performance Board by leading the evaluation of the Board's performance and ensuring that succession planning is considered on an on-going basis;
- (ii) To manage Board meetings in order to achieve robust decision making by ensuring that accurate, timely and clear information is provided to all Directors. The Chairman encourages participation and deliberation by the Board to tap the wisdom of all members and to promote consensus building as much as possible; and
- (iii) To facilitate the Board and Management interface as the conduit between the two parties. The Chairman has never assumed any executive position in the Group.

The Group Managing Director has the overall responsibility for the Group's operational, business units and support services, organisational effectiveness and implementation of Board policies, directives, strategies and decisions. In addition, the Group Managing Director by virtue of his position as a Board member, also functions as the intermediary between the Board and Management.

Senior Independent Director

The Board has identified Tuan Haji Ab. Gani Bin Haron as the key person to whom the concerns of shareholders and stakeholders may be conveyed. Shareholders and other interested parties may contact Tuan Haji Ab. Gani Bin Haron to address any concerns in writing or via telephone or electronic mail as set out below:-

Corporate Office
Unit B-10-6, 6th Floor,
Dataran 3 Two,
Jalan 19/1,
46300 Petaling Jaya
Selangor Darul Ehsan
Tel: +603-79627888
Email: abganiharon@yahoo.com

c o r p o r a t e g o v e r n a n c e o v e r v i e w s t a t e m e n t

(Cont'd)

Induction and Continuous Professional Development

Induction and briefing programmes are conducted for all newly appointed Directors which include briefings by the Senior Management to provide Directors with the necessary information to assist them in understanding the operations of the Group, current issues and corporate strategies, as well as the structure and management of the Group.

The Board is encouraged to attend education programmes, talks, seminars, workshops and conferences to enhance their skills and knowledge on a regular basis and to keep abreast with new developments in the business environment. The Group through the Nominating and Remuneration Committee ("NRC") has on an on-going basis, undertaken an assessment of the training needs of each Director as well as identified conferences and seminars that are considered beneficial to the Board.

The training programmes attended by each of the Directors of the Company for the financial year are as follows:-

Name of Director	Date of Training	Training Attended	Organiser
Tan Sri Dato' Mohd Ibrahim Bin Mohd Zain	3 Dec 2018	The 10 th Distinguished Tan Abdul Razak Lecture "Synergy of Curiosity: From Acid to Art"	Ohio University, UITM & UPM
Tan Sri Datuk Wira Dr. Hj. Mohd Shukor Bin Hj. Mahfar	16 Jul - 17 Jul 2018	National Tax Conference 2018	LHDN & Chattered Tax Institute of Malaysia
	29 Aug 2018	Advocacy Programme on CG Assessment Using the Revised Asean CG Scorecard Methodology	Board of Directors
	22 Nov 2018	Seminar Percukaian Kebangsaan 2018	LHDN & CTIM
	22 Mar 2019	Director Talk Series #1: Back To Basics: Rethinking Corporate Governance	Board of Directors
Ameer Bin Shaik Mydin	26 Jul 2018	MICG: Official Launch of the Pathway to a Governance	Malaysian Institute of Corporate Governance
	16 Oct 2018	Accounting and Finance Show Asia 2018	Terrappin
	21 Mar 2019	MIDF Green Conference 2019	Malaysian Industrial Development Finance Berhad
Tamil Selvan A/L M. Durairaj	17 Apr 2018	Vistage Training: Thick Black Theory	Vistage Malaysia Sdn Bhd
	15 May 2018	Vistage Training: Wisdom, Compassion and Courage are the three universally recognized moral qualities of human - Confucius	Vistage Malaysia Sdn Bhd
	26 Jun 2018	Vistage Training: Your premium brand had better be delivering something special, or it's not going to get the business.	Vistage Malaysia Sdn Bhd

corporate governance overview statement

(Cont'd)

Name of Director	Date of Training	Training Attended	Organiser
	17 Jul 2018	Vistage Training: Innovation distinguishes between a leader and a follower. One of my mantras - focus and simplicity. Simple can be harder than complex: You have to work hard to get your thinking clean to make it simple. But it's worth it in the end because once you get there, you can move mountains.	Vistage Malaysia Sdn Bhd
	3 Aug 2018	Vistage CEO Summit 2018	Vistage
	6 Aug 2018	Strengthening The Performance, Orientation of the Budget for Malaysia	World Bank Group
	28 Sep 2018	Industry Session with Minister of Communications and Multimedia - Gobind Singh Deo	Malaysia Digital Economy Corporation
	16 Oct 2018	Accounting and Finance Show Asia 2018	Terrappin
	27 Nov 2018	3rd ASEAN India Business Summit	Ministry of International Trade and Industry
	18 Dec 2018	Vistage Training: Setting goals is the first step in turning the invisible into the visible. Success is the progressive realization of predetermined, worthwhile, personal goals.	Vistage Malaysia Sdn Bhd
	15 Jan 2019	Vistage Training: The Great Pearl of Wisdom	Vistage Malaysia Sdn Bhd
	28 Jan – 1 Feb 2019	Acumatica Summit	Acumatica
	19 Feb 2019	Vistage Training: Economy Going Forward	Vistage Malaysia Sdn Bhd
Ang Hsin Hsien	23 May 2018	AI-Imagining Different Futures	PIKOM
	28 Aug 2018	INSEAD Masterclass Event – Corporate Entrepreneurship	INSEAD
	2 – 3 Oct 2018	Next Big Tech Asia 2018	Knowledge Group of Companies
	13 Nov 2018	Leadership Summit	PIKOM
	7 Mar 2019	Governance Symposium 2019 - Building a Governance Eco-System	Malaysian Institute of Accountants

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(Cont'd)

Name of Director	Date of Training	Training Attended	Organiser
Tuan Haji Ab. Gani Bin Haron	09 – 10 Oct 2018	MIA International Accountants Conference	MIA
Boey Tak Kong	9 Apr 2018	AI and Accountants: Armageddon or Advancement	University of London & Association of Chartered Certified Accountants
	10 Apr 2018	Artificial Intelligence and The Future of Accountancy	Malaysian Institute of Accountants & ICAEW
	23 May 2018	GST Abolishment	Crowe Horwath
	05 Jul 2018	Sustainability Engagement Series	Bursa Malaysia & PWC
	18 Jul 2018	Ethics Seminar on Code of Ethics – A Key to Public Trust	Malaysian Institute of Accountants
	26 Jul 2018	Introduction to Corporate Liability Provision	Malaysian Institute of Corporate Governance
	3 Aug 2018	Audit Committee Institute Breakfast Roundtable 2018	KPMG
	10 Aug 2018	CG Assessment Using The Revised ASEAN Scorecard Methodology (Malaysian PLCs)	Bursa Malaysia & MSWG
	13 Aug 2018	The Malaysian Sales Tax & Services Tax Makes A Comeback: How Should Business Prepare?	Wong & Partners
	28 Aug 2018	Leveraging Diversity Through Culture Awareness	Lead Women
	13 Oct 2017	Blockchain	NEM
	30 Aug 2018	Technology Conference: A Focus on E-Commerce	Wong & Partners
	27 Sep 2018	2018 ACCA Global Ethics	Association of Chartered Certified Accountants
	17 Oct 2018	Oracle Innovation Summit	Oracle Corporation
	08 Nov 2018	Ring The Bell for Gender Equality 2019	Bursa Malaysia Berhad
	14 Mar 2019	AMLA, Fraud in Digital Economy & Forensic Auditing	Association of Chartered Certified Accountants

corporate governance overview statement

(Cont'd)

Board Meetings

Board meetings are scheduled in advance before the commencement of the new financial year to enable Directors to plan and accommodate the year's meetings into their schedules. The Board requires all members to devote sufficient time to effectively discharge their duties and to endeavour to attend meetings to the best of their ability. Special Board meetings and Board Committees meetings are convened between the scheduled meetings to consider urgent proposals or matters that require expeditious decisions or deliberations by the Board and/or the Board Committees. The Board has a regular annual schedule of matters that is tabled for their approval and/or notation which include reviews of operational and financial performances, significant issues and activities as well as opportunities relating to the Company and its Group. The Board is furnished with information in an appropriate form and of a quality that enables it to discharge its duties relating to all matters that require its attention and decision-making in a timely manner.

The agenda and supporting Board and Board Committee papers are distributed in advance to all Board and Board Committees respectively, in order to allow sufficient time for appropriate review to facilitate full discussion at the meetings. The agendas of meetings that include, amongst others, comprehensive management reports, minutes of meetings, project or investment proposals and supporting documents, are targeted for dissemination to the respective members at least five (5) working days prior to the meetings. However, Board papers that are deemed urgent may still be submitted to the Company Secretary for tabling at the meeting subject to the approvals of the Chairman and the Managing Director. Information is prepared and delivered in a manner to ensure clear and adequate presentations of the subject matter.

All issues raised, discussions, deliberations, decisions and conclusions, including dissenting views made at Board and Board Committee meetings, along with clear actions to be taken by parties responsible, are recorded in the minutes of meetings. Where the Board is considering a matter in which a Director has an interest, the relevant Director must immediately disclose the nature of his/her interest and abstain from participating in any discussion or decision making on the subject matter.

The Board is constantly advised and updated on statutory and regulatory requirements pertaining to its duties and responsibilities. As and when the need arises, the Board is also provided with ad-hoc reports, information papers and relevant training, where necessary, to ensure it is apprised on key business, operational, corporate, legal, regulatory and industry matters. Whenever necessary, Senior Management and/or external advisors are invited to attend Board and Board Committee meetings to provide clarification on agenda items relating to their areas of responsibility, and to brief and provide clarifications and details on recommendation so as to enable the Board and/or the Board Committees to arrive at considered and informed decisions.

Pursuant to the MMLR, all Directors have complied with the requirement to attend at least 50% of Board meetings held in a financial year. The attendance of the respective Directors in relation to Board meetings held during the financial year is as set out below:-

Name of Director	Designation	Attendance	Percentage (%)
Tan Sri Dato' Mohd Ibrahim Bin Mohd Zain	Chairman, Independent Non-Executive Director	5/5	100
Tan Sri Datuk Wira Dr. Hj. Mohd Shukor Bin Hj. Mahfar	Independent Non-Executive Director	5/5	100
Ameer Bin Shaik Mydin	Group Managing Director	5/5	100
Tamil Selvan A/L M. Durairaj	Deputy Group Managing Director	5/5	100
Ang Hsin Hsien	Executive Director	5/5	100
Tuan Haji Ab. Gani Bin Haron	Senior Independent Non-Executive Director	5/5	100
Boey Tak Kong	Independent Non-Executive Director	5/5	100
Datuk Samsul Bin Husin (Retired effective from 5 September 2018)	Non-Independent Non-Executive Director	1/3	33.3

c o r p o r a t e g o v e r n a n c e o v e r v i e w s t a t e m e n t

(Cont'd)

Minutes of meetings are duly recorded and thereafter, confirmed at the following meeting of the Board. All Directors have the right to make further enquiries as and when deemed necessary. The four (4) Independent Directors are independent of management and free from any businesses or other relationships that could materially interfere with the exercise of their independent judgement. They have the calibre to ensure that the strategies proposed by the Management are fully deliberated and examined for the long-term interests of the Group as well as its shareholders, employees and customers.

Access to Information and Advice

The Board has complete and unrestricted access to the advice of the Company Secretary to enable them to discharge their duties effectively. In discharging their duties, the Board also has access to professional advice, from time to time and if necessary, at the Company's expense.

Board Remuneration Policies and Procedures

The Board, through the Nominating and Remuneration Committee ("NRC"), annually reviews the performance of the Executive Directors as a prelude to determining their annual remuneration, bonus and other benefits. In discharging this duty, the NRC evaluates the performance of the Executive Directors against the objectives set by the Board, thereby linking their remuneration to performance.

Remuneration of Non-Executive Directors

The level of Directors' remuneration is comparable in order to attract and retain Directors of such calibre to provide the necessary skills and experience as required and to commensurate with the responsibilities for the effective management and operations of the Group. All Non-Executive Directors are paid additional fees for added responsibilities undertaken such as a Director acting as Chairman of a Board Committee and membership of Board Committees.

The remuneration of the Non-Executive Directors which is subject to the approval of the shareholders at the Annual General Meeting, is reviewed by the Board as a whole to ensure that it is aligned to the market and to the Directors' duties and responsibilities.

corporate governance overview statement

(Cont'd)

Executive Directors

The basic salaries of the Executive Directors are fixed for the duration of their contracts. Any revision to the basic salaries will be reviewed and recommended by the NRC for the approval of the Board, taking into consideration, amongst others, individual performance, inflation price index and information from independent sources on the rates of salary of similar positions in other comparable companies within the industry. The Group operates a bonus scheme for all employees including its Executive Directors. Bonuses payable to the Executive Directors are reviewed by the NRC for the approval by the Board. The Executive Directors are entitled to fees.

Details of the Directors' remuneration (both Executive and Non-Executive) in the financial year are as follows:-

Group

Name	Salaries and other emoluments	Fees	Meeting allowance	Bonus	Defined contribution	Benefits-in-kind	Total
Executive Directors							
Ameer Bin Shaik Mydin	516,923	118,678	-	-	70,560	17,400	723,561
Tamil Selvan A/L M. Durairaj	516,923	113,678	-	-	70,560	17,400	718,561
Ang Hsin Hsien	420,924	30,000	-	-	56,520	11,100	518,544
Non-Executive Directors							
Tan Sri Dato' Mohd Ibrahim Bin Mohd Zain	-	96,000	14,000	-	-	-	110,000
Tan Sri Datuk Wira Dr. Hj. Mohd Shukor Bin Hj. Mahfar	-	60,000	6,000	-	-	-	66,000
Tuan Haji Ab. Gani Bin Haron	-	86,000	18,000	-	-	-	104,000
Boey Tak Kong	-	88,000	18,000	-	-	-	106,000
Datuk Samsul Bin Husin	-	15,000	4,000	-	-	-	19,000
Total	1,454,770	607,356	60,000	-	197,640	45,900	2,365,666

Company

Name	Salaries and other emoluments	Fees	Meeting allowance	Bonus	Defined contribution	Benefits-in-kind	Total
Executive Directors							
Ameer Bin Shaik Mydin	516,923	35,000	-	-	70,560	17,400	639,883
Tamil Selvan A/L M. Durairaj	516,923	30,000	-	-	70,560	17,400	634,883
Ang Hsin Hsien	420,924	30,000	-	-	56,520	11,100	518,544
Non-Executive Directors							
Tan Sri Dato' Mohd Ibrahim Bin Mohd Zain	-	96,000	14,000	-	-	-	110,000
Tan Sri Datuk Wira Dr. Hj. Mohd Shukor Bin Hj. Mahfar	-	60,000	6,000	-	-	-	66,000
Tuan Haji Ab. Gani Bin Haron	-	86,000	18,000	-	-	-	104,000
Boey Tak Kong	-	88,000	18,000	-	-	-	106,000
Datuk Samsul Bin Husin	-	15,000	4,000	-	-	-	19,000
Total	1,454,770	440,000	60,000	-	197,640	45,900	2,198,310

corporate governance overview statement

(Cont'd)

Details of the remuneration of key senior management personnel within the Group (including salary, bonus, benefits in-kind and other emoluments) in each successive band of RM50,000 during the financial year 2019, are as follows:

Range of Remuneration	Name of Key Senior Management	Designation
RM200,000 and below	-	-
RM200,001 to RM250,000	Ivan Fong Choon Hau	Group Chief Financial Officer
RM250,001 to RM300,000	-	-
RM300,001 to RM350,000	Hazairin Nagendran Perumal	Chief Executive Officer, PT Prasindo Teknologi Group Chief Technology Officer (Joined on 1 June 2018)
RM350,001 to RM400,000	-	-
RM400,001 to RM450,000	-	-
RM450,001 to RM500,000	Zainul Ariffin Harun	Chief Executive Officer, Century Software (M) Sdn Bhd
RM500,001 to RM550,000	Paul Stuart Conway	Chief Executive Officer, Asian Business Software Solutions Pte Ltd (Resigned and last service day on 7 February 2019)
RM550,001 to RM600,000	S. T Rubaneswaran	Chief Executive Officer, Knowledgecom Corporation Sdn Bhd

Roles of the Company Secretary

The Company Secretary reports directly to the Board and is the source of guidance and advice to the Directors on areas of corporate governance, relevant legislation, regulations and policies, disclosure of interests and disclosure of any conflict of interest in transactions with the Company besides ensuring compliance with the MMLR of Bursa Securities and other regulatory requirements.

The Company Secretary attends Board and Board Committees meetings and is responsible for accuracy and adequacy of records of the proceedings of Board and Board Committees meetings and resolutions. The Company Secretary also serves closed period notices to Directors and Senior Management for trading in the Company's shares and briefs the Board on the content and timing of material announcements to Bursa Securities.

The Company Secretary also facilitates the communication of key decisions and policies between the Board, Board Committees and Senior Management.

Board & Board Committees Activities & Focus in FYE 31 March 2019

The Board and Board Committees have an agenda that ensures strategic, budget, sustainability, risk management and internal control, operational, financial performance and corporate governance items are discussed at the appropriate time at Board meetings. The Board agenda has strong links to the strategic goals and objectives for the business. Key highlights of the Board and Board Committees activities and priorities are set out below:-

Board Activities

- Group's Business Strategy – Sustainability Governance and Reporting Financial, Risk and Management Performance
- Sustainability Implementation Plan Review of annual report, quarterly results and financial statements
- Capital Expenditure approvals and performance review of historical capex
- Board evaluation and effectiveness the Group's budget, forecasts and key performance targets and indicators
- Composition of Board and Board Diversity Risk Management and internal control
- Review of Discretionary Authority Limits
- Group's operational efficiency

Board Committee Activities

Nominating and Remuneration Committee

- Board annual evaluation and effectiveness assessment
- Search, selection, review and recommendation for new Independent Non-Executive Director and suitable professional development training for new director
- Review of Board Diversity Review and recommend the retiring Directors retiring for re-election and re-appointment at the Annual General Meeting ("AGM")
- Review of Executive Directors remuneration and benefits payable
- Review of Key Senior Management remuneration
- Review of Directors' fees and benefits payable

c o r p o r a t e g o v e r n a n c e o v e r v i e w s t a t e m e n t

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PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

Audit Committee (“AC”)

In presenting the annual financial statements and quarterly financial results announcements to shareholders, the Board aims to present a balanced assessment of the Group's financial position and prospects to ensure that the financial results are released to Bursa Securities within the stipulated time frame and that the financial statements comply with the regulatory reporting requirements. In this regard, the Board is assisted by the AC in overseeing and governing the Group's financial reporting processes and the quality of its financial reporting.

The financial statements are prepared on a going concern basis and give a true and fair view of the financial position of the Group as at 31 March 2019. In addition to the Chairman's Statement, the Annual report of the Company contains the following additional information to enhance shareholder's understanding of the business operations of the Group:-

- Management's Discussion & Analysis
- Financial highlights and key performance indicators; and
- Sustainability Report

The membership of the AC, its responsibilities and main works carried out in FYE 31 March 2019 are set out in the Audit Committee Report of this Annual Report.

External Auditors

The Board maintains a transparent and professional relationship with the Group's external auditors, Crowe Malaysia PLT (“Crowe”). During the year, the AC considered the independence and objectivity of Crowe based on the criteria quality of services, sufficiency of resources, audit planning and communication's interaction. In determining the independence of Crowe, the AC reviewed all aspects of their relationships with them including processes, policies and safeguards adopted by the Group and Crowe relating to audit independence and agreed to the audit strategy and the audit fee.

The AC meets periodically to carry out its functions and duties pursuant to its terms of reference. Other Board members and key senior management also attend meetings upon invitation of the AC. During the FYE 31 March 2019, the AC met privately two (2) times with the external auditors without the presence of the executive Board members and Management to exchange frank and independent views on matters which require the AC attention. The AC was also satisfied in its review that the provision of the non-audit service by Crowe to the Company for the FYE 31 March 2019 did not in any way impair their objectivity and independence as external auditors of the Company. Having regard to the outcome of the annual assessment of Crowe, the Board had in July 2019 approved the AC's recommendation for the shareholders' approval to be sought at the forthcoming AGM on the appointment of Crowe as external auditors of the Company FYE 31 March 2020. Additional disclosures on non-statutory audit fees and the detailed work carried out by the AC for the financial year are set out separately in the Audit Committee Report of this Annual Report.

Risk Management and Internal Audit

The Board acknowledges its responsibility for the Group's system of internal controls covering not only financial controls but also operational and compliance controls as well as risk management. The internal control system involves each business and key management from each business, including the Board, and is formulated 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 AC and Board review the adequacy and integrity of the Group's system of internal controls weaknesses and Risk Register Reports are tabled to the AC. The report summarises identified principal business in critical areas assessing the likelihood and impact of material exposures and determining its corresponding risk mitigation and treatment measures. There are clear procedures and defined authorities for the following:

- Financial reporting, with clear and procedures governing the financial reporting process and preparation of the financial statements.
- Capital investment with detailed appraisal, risk analysis and authorization.

A summary of the material risks that could affect the Group's (including any material exposure to economic, environmental and financial risks) are monitored for changes in their exposure and are reported to the Board and AC during the course of the year, along with their related controls and action plans. The Group adopts the COSO framework model in risk management.

corporate governance overview statement

(Cont'd)

The Group's internal audit function is outsourced to an independent consulting firm to assist the Board and the AC in providing an independent assessment of the adequacy, efficiency and effectiveness of the Group's internal control system. Scheduled internal audit reviews were carried out by the internal auditors based on the audit plans presented and approved by the AC. During the financial year under review, the internal auditors had conducted two (2) cycles of internal audit as set out as stipulated in the approved internal audit strategy plan. The internal audit was performed in accordance with accepted internal auditing practices which involves assessing adequacy and integrity of our internal controls that were used to manage key risks associated with operating processes; discussions held with senior management and key staff; as well as limited tests of transactions based on sample selected covering the various related records and documents are supplemented with an observation of its current practices adopted. The Statement on Risk Management and Internal Control which provides an overview of the state of risk management and internal controls within the Group are set out in the Statement on Risk Management and Internal Control in this Annual Report.

PRINCIPLE C : INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

Communication with Stakeholders

The Board believes that on-going communication with shareholders is vital for shareholders and investors to make informed investment decisions and is committed in maintaining effective communications with its shareholders, stakeholders and the public generally. A Shareholder Communications Policy has been developed to earn the trust and confidence of shareholders and investing public as a whole, assist in providing an understanding of the Company's business, management direction and the industry the Company is in and be transparent for effective and informed investment decisions.

The various channels of communication with the shareholders are as follows:-

- a. The Annual Report;
- b. The AGM;
- c. The quarterly announcements on financial results to Bursa Securities;
- d. The various corporate disclosures, circulars and announcements made to Bursa Securities;
- e. Press releases and published interviews with business journals; and
- f. The Company's website at www.censof.com from which shareholders and prospective investors can access corporate information, annual reports, press releases, financial information, company announcements and share prices of the Company.

Investor Relations Activities

Investor relations activities such as meeting with fund managers and analysts; and interviews by the media are attended by designated Senior Management to explain the Group's strategy, performance and major developments.

Conduct of General Meetings

The AGM is an excellent forum for dialogue with all shareholders for which due notice is given. The AGM is also an opportunity for shareholders to direct questions to the Board in relation to the Group's financial performance and the Group's activities. To ensure the effective participation of and engagement with shareholders at the last AGM held on 5 September 2018, the Chairman encouraged the shareholders to participate in the Questions and Answers session on the resolutions being proposed and on the Group's operations in general. The Directors, Group Managing Director, Management and External Auditors were in attendance to respond to the shareholders' queries. The voting of the last AGM was conducted through electronic voting system to facilitate greater shareholder participation at general meetings as well as to expedite verification and counting of votes.

Compliance Statement

The Board is committed to achieve a high standard of Corporate Governance throughout the organization and would endeavour to apply the recommendations of the MCCG 2017.

This Corporate Governance Overview Statement was approved by the Board of Directors on 23 July 2019.

statement on risk management and internal control

INTRODUCTION

The Board of Directors (“the Board”) of Censof Holdings Berhad is committed in maintaining a robust system of risk management and internal controls framework during the year under review as required by paragraph 15.26(b) of the Main Market Listing Requirements (“MMLR”) of Bursa Malaysia Securities Berhad. In this respect, we are pleased to provide the following Statement which outlines the nature and scope of the Group’s risk management and internal control for the financial year ended 31 March 2019.

BOARD RESPONSIBILITY

The Board recognise the importance of maintaining a sound system of risk management and internal control system to safeguard shareholders’ investments and Group’s assets.

The Board acknowledges its overall responsibility to ensure that principal risks in the Group are identified, measured, monitored and managed with an appropriate governance structure and embedded the system of risk management and internal control into management processes to complement all day to day business activities of the Group. However, in view of the inherent limitations, the Group’s internal control system is designed to manage, rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable but not absolute assurance against any risk of material misstatement or financial losses.

The Board confirms that there is an ongoing process of identifying, evaluating, managing and monitoring the significant risks faced by the Group and the process has been in place for the year and up to the date of approval of this Statement on Risk Management and Internal Control which prepared in accordance with the “Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers” as issued under the Bursa Malaysia Securities Berhad Listing Requirements and Practices 9.1 and 9.2 of the Malaysian Code on Corporate Governance 2017 (“MCCG 2017”). All the significant risks of the Group are reported to the Board on quarterly basis with the report preparation by detailing the significant risks, the impact to the Group’s performance, the status of risk reviews and the status of implementation of action plans.

The Board is assisted by Audit Committee in reviewing the adequacy, integrity and effectiveness of the risk management and internal control system within the Group.

KEY FEATURES OF RISK MANAGEMENT AND INTERNAL CONTROL

The Group’s internal audit function adopts a risk-based approach to provide assurance to the Board that the internal audit reviews conducted addresses the Group key risks areas and core business activities based on their risk profile assessment. The Management acknowledges their responsibility towards the achievement of business goals and is responsible for implementing appropriate risk management frameworks, compliance to relevant policies and procedures and keeping the Board aware of new or emerging risk when arise. The Management is expected to provide assurance to the Board that the Group’s risk management and internal control system are operating adequately and effectively based on the risk management framework adopted by the Group through the Audit Committee. However, the Group’s system of internal control does not apply to associated company where the Group does not have direct control over their business operations.

statement on risk management and internal control

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1. Risk Management

In line with good practice to closely monitor the Group's risk exposure, risk management is firmly embedded in the Group's management system as its deemed critical for the Group's sustainability and for the enhancement of shareholder value. Hence, the Board explicitly assumes the responsibility of identifying principal risks and ensures the implementation of a robust system to manage risk exposures within an acceptable level of tolerance. One of the key features is a risk governance structure which constitutes three lines of defense with clear accountabilities for risk management.

The following depicts the Board's and key parties within the Group responsibilities in relation to risk management and internal control:

First Line of Defense	Senior Management comprise of Chief Executive Officer, Chief Financial Officer, Chief Technology Officer, Chief Operating Officer, and Senior General Manager	The Senior Management is accountable for all risks assumed under their respective areas of responsibility in line with the risk management policy. They are also responsible for identifying, evaluating, managing and reporting the significant risks applicable to their respective areas of business and in formulating suitable internal controls and action plans to mitigate and control these risks. The key features of the Group's risk appetite cover strategic, operational, financial and regulatory parameters. The level of risk tolerance is guided by a risk likelihood and impact matrix which enables the risk to be rated and prioritized accordingly.
Co-ordination of Risk Management Activities	Risk Manager, currently the Group Chief Financial Officer being appointed as the Risk Manager	To co-ordinate the risk management activities within the Group, supervise the implementation of the risk management policy and to act as the key liaison for risk management issues within the Group by maintaining the Group Risk Management Policy and Risk Register with assistance of respective risk owners.
Second Line of Defense	Risk Management Committee ("RMC"); <ul style="list-style-type: none"> • BOEY TAK KONG (Chairman) Independent Non-Executive Director • TUAN HAJI AB. GANI BIN HARON (Member) Senior Independent Non-Executive Director • AMEER BIN SHAIK MYDIN (Member) Group Managing Director 	To review the significant risks faced by the Group on quarterly basis, as consolidated and reported by the Risk Manager. The RMC reviews the planned actions to ascertain if those risks are mitigating and are managing appropriately. The RMC's comments are incorporated into the minutes and the direction of mitigation measures will be fine-tuned as it deems fit to ensure action plans are on track in addressing the significant risk factors.
Third Line of Defense	Internal Auditors reviews the control effectiveness and provides independent assurance to the Board and Management	The internal audit function conducts risk mapping to classify the risk impact and its potential risk ranking on its occurrence to provide appropriate risk assessment for internal audit planning.

statement on risk management and internal control

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2. Organisational Structure

The business activities of the Group are overseen by the Board which provides direction to the Group Managing Director who is supported by the Management. The Board is supported by few established Board Committees, namely the Audit, Risk Management, Remuneration and Nomination Committees, all of which facilitate the Board in the discharge of its duties. Each Board Committee has clearly defined terms of reference and responsibilities. The daily running of business operations are entrusted to the Group Managing Director, Deputy Group Managing Director and supported by the Senior Management team. 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.

3. Role of Auditors

Internal Audit

The internal audit function is independent of the activities or operations of the Group. Its principal role is to provide reasonable assurance that the Group's risk management and internal control system is sound and operating effectively. For the financial year under review, the internal audit assignments were primarily performed by an outsourced professional service firm, Galton Advisory PLT. The Internal Auditors plays a significant role in verifying and validating whether the management has complied with established policies and procedures and determining the level of internal controls robustness.

External Audit

The External Auditor conduct annual statutory audit on the financial statements. Areas for improvement identified during the course of statutory audit by the External Auditors are brought to the attention of the Board accordingly.

4. Strategic Business Plan, Budget and Performance Review

Annual Business Plan and Budget are prepared on a yearly basis and are deliberated and approved by the Board. The Group's Strategic Business Plan maps out the strategic objectives and business direction of the Group. The Group's businesses and financial performance are monitored and measured against the business plan and approved budget.

On a quarterly basis, the Group Chief Financial Officer presents to the Board on the actual financial performance for each subsidiary against the budget and the variances of financial performance are explained to the Board. The financial results are reviewed by Audit Committee and the Board to enable them to monitor and evaluate the Group's business and financial performance.

5. Limits of Authority and Operating Procedures

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 the various aspects of operations and business decision process. The Limits of Authority are reviewed as and when necessary and updated to ensure relevance the Group's operations. All revisions to the Limits of Authority are approved by the Board.

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 and ensure clear accountabilities.

6. Information and Communication Processes

Regular and comprehensive information is provided by the Management to the Board and the Audit Committee, covering financial performance, achievement of key performance indicators, and cash flow position.

Various management information systems are operational to provide management with timely and accurate information on the Group's performance and to assist management make effective decisions.

statement on risk management and internal control

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7. Whistle Blowing Policy

The Company has an established whistle blowing policy which is made available in the Company's website. This provides an avenue for the Board, officers and employees as well as members of the public a safe channel of reporting of incidents which are against the regulations and policies of the Company.

8. Monitoring Processes

The board meetings convened and conducted in the subsidiary level comprising of Executive Directors, Chief Executive Officer, Chief Financial Officer and Senior Management Team are held on quarterly basis to discuss how the key risk areas such as finance, operations, regulatory compliance, risk register and sustainability were evaluated and the controls in place to mitigate or manage those risk.

MANAGEMENT COMMITMENT

In accordance with the Guidelines for Directors of Listed Issuers and Practices 9.1 and 9.2 of the MCCG 2017, the Group Managing Director, Deputy Group Managing Director and the Chief Financial Officer, representing the Management that to the best of their knowledge, have given reasonable assurance to the Board that the Group's risk management and internal control system is sound and effective, and that the structure and operation of controls are appropriate for the Group's operations. Where weaknesses are identified, rectification steps have been put in place to strengthen the system of risk management and internal control so as to safeguard shareholders' investments, the interest of customers, regulators and employees, and the Group's assets. The structure of controls and operations will be continuously and gradually improved to ensure they remain adequate and relevant to the Company and the Group activities as the Group further expand on its business operations locally and regionally.

REVIEW OF THE STATEMENT BY EXTERNAL AUDITORS

In accordance with paragraph 15.23 of the MMLR, the External Auditors have reviewed this Statement on Risk Management and Internal Control pursuant to the scope set out in the Audit and Assurance Practice Guide 3 (AAPG 3) - Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control included in the Annual Report, issued by Malaysian Institute of Accountants ("MIA").

Based on their review, the External Auditors have reported to the Board that nothing has come to their attention that causes them believe that the Statement is not prepared, in all material respects, in accordance with the disclosures required by paragraphs 41 and 42 of the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers and Practices 9.1 and 9.2 of the MCCG 2017 to be set out, nor is factually inaccurate.

AAPG 3 does not require the External Auditors to consider whether the Directors' Statement on Risk Management and Internal Control covers all risks and controls, or the form an opinion on the adequacy and effectiveness of the Group's risk management and internal control system including the assessment and opinion by the Board and Management thereon. The Auditors are also not required to consider whether the processes described to deal with material internal control aspects of any significant problems disclosed in the Annual Report will, in fact, remedy the problems.

This Statement on Risk Management and Internal Control is made by the Board of Directors in accordance to its resolution dated 23 July 2019.

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 2019, 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

Tuan Haji Ab. Gani Bin Haron and Mr. Boey Tak Kong are both Chartered Accountants and 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 2019 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	5/5
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

SUMMARY OF AUDIT COMMITTEE'S ACTIVITIES

During the financial year ended 31 March 2019, 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 the 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 the submission to the Board for their consideration and approval.

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- (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.
- (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.
- (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.

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 23 July 2019 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) Conduct two private meetings with the External Auditors, without the presence of Management to discuss on their observations and areas for improvements.
- (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.

audit committee report

(Cont'd)

E. RISK MANAGEMENT

Reviewed and received the updates on the quarterly report on risk register 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.

INTERNAL AUDIT FUNCTION

Upon completion of the Cycle 1 internal audit report by the outsourced Internal Auditor, KPMG Management & Risk Consulting Sdn Bhd ("KPMG") in the first half of the financial year, the Company had terminated KPMG and subsequently appointed Galton Advisory PLT ("GAP") as the outsource Internal Auditor to undertake the Internal Audit function for the Group.

During the financial year ended 31 March 2019, 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 2019, setting out the implementation of the Internal Audit scope for the Group based on agreed-upon communication, timelines and reporting protocols;
- performing reviews of the key processes to examine and evaluate the adequacy and efficiency of the operations' internal controls, and highlighting any significant risks and non-compliance matters that have impact to the Group;
- undertaking to carry out two cycles of audit during the financial year ended 2019 and outlining 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 the adequate procedures for MACC Amendment Act 2018 and key internal controls pertaining to recurring maintenance reported by GAP.

During the financial year ended 31 March 2019, Internal Audit activities were carried out in accordance with the pre-approved IA 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 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.

Internal audit reports were issued to the Management of the operating units audited, highlighting the findings on any systems and control weaknesses together with recommendations for improvement. Management implements the corrective and preventive actions based on agreed deadlines. These reports together with follow-up audit reports were tabled to the AC quarterly for deliberations and process improvement.

The total costs incurred in discharging its functions and responsibilities in 2019 amounted to RM30,000 as compared to RM55,000 in 2018.

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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 was 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 RM107,000 and RM268,960 respectively.
- (b) Amount of non-audit fee paid or payable to the Company's auditors incurred by the Company is RM6,000.

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).

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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 2019.

PRINCIPAL ACTIVITIES

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

RESULTS

	The Group RM'000	The Company RM'000
Loss after taxation for the financial year	(909)	(925)
Attributable to:-		
Owners of the Company	681	(925)
Non-controlling interests	(1,590)	-
	(909)	(925)

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 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.

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

The ordinary shares issued from the exercise of warrants shall rank pari passu in all respects with the existing issued ordinary shares of the Company except that they shall not be entitled to any dividends, distributions, rights, allotment and/or any other forms of distribution where the entitlement date 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>	At 1.4.2018	Entitlement For Ordinary Shares			At 31.3.2019
		Issued	Exercised	Lapsed	
Warrants-B	111,405,217	-	-	-	111,405,217

OPTIONS GRANTED OVER UNISSUED SHARES

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

BAD AND DOUBTFUL DEBTS

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

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

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 so 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.

d i r e c t o r s ' r e p o r t

(Cont'd)

VALUATION METHODS

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

CONTINGENT AND OTHER LIABILITIES

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.

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 and up to the date of this report are as follows:-

Ameer Bin Shaik Mydin
Tamil Selvan A/L M. Durairaj
Tan Sri Dato' Mohd Ibrahim Bin Mohd. Zain
Ang Hsin Hsien (f)
Boey Tak Kong
Tuan Haji Ab. Gani Bin Haron
Tan Sri Datuk Wira Dr. Hj. Mohd Shukor Bin Hj. Mahfar
Datuk Samsul Bin Husin (Retired on 5.9.2018)

d i r e c t o r s ' r e p o r t

(Cont'd)

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

Rubaneswaran A/L Thevasenabathy
 Hazairin
 Boyke Bader Brillianto
 Paul Alistair Jennings
 Zainul Ariffin Bin Harun
 Fong Choon Hau
 Ang Teck Lee
 Charles William Fox
 Abdul Mushir Bin Che Chik (Appointed on 23.4.2018)
 Grant Richard Morgan (Appointed on 5.12.2018)
 Su Chun Keat (Appointed on 23.7.2018)
 Mohamed Rizal Bin Mukti (Appointed on 15.8.2018)
 Rizal Mohd Nor (Appointed on 15.8.2018)
 Paul Stuart Conway (Resigned on 5.12.2018)
 Siti Safiah Binti Yahaya (Resigned on 24.5.2019)

D I R E C T O R S ' I N T E R E S T S

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

	← Number of Ordinary Shares →			
	At 1.4.2018	Bought	Sold	At 31.3.2019
The Company				
<i>Direct Interests</i>				
Tan Sri Dato' Mohd Ibrahim Bin Mohd. Zain	10,349,032	950,968	-	11,300,000
Boey Tak Kong	1,800,000	-	-	1,800,000
Ameer Bin Shaik Mydin	-	200,000	-	200,000
Ang Hsin Hsien	-	1,000,000	-	1,000,000
<i>Indirect Interests</i>				
Ameer Bin Shaik Mydin*	175,937,954	-	-	175,937,954

Note:

* - Deemed interested by virtue of his direct substantial shareholdings in SAAS Global Sdn Bhd.

directors' report

(Cont'd)

	← Number Of Warrants-B 2014/2019 →			
	At 1.4.2018	Bought	Sold	At 31.3.2019
The Company				
<i>Indirect Interests</i>				
Ameer Bin Shaik Mydin*	625,001	-	-	625,001

Note:

* - Deemed interested by virtue of his 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 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 benefit included in the aggregate amount 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 39 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 38 to the financial statements.

INDEMNITY AND INSURANCE COST

During the financial year, there was no indemnity given to or professional indemnity insurance effected for directors, officers or auditors of the Company.

SUBSIDIARIES

The details of the Company'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 45 to the financial statements.

d i r e c t o r s ' r e p o r t

(Cont'd)

SIGNIFICANT EVENT OCCURRING AFTER THE REPORTING PERIOD

The significant event occurring after the reporting period is disclosed in Note 46 to the financial statements.

AUDITORS

The auditors, Crowe Malaysia PLT (converted from a conventional partnership, Crowe Malaysia), have expressed their willingness to continue in office.

The auditors' remuneration are disclosed in Note 34 to the financial statements.

Signed in accordance with a resolution of the directors dated 23 July 2019.

Ameer Bin Shaik Mydin

Tamil Selvan A/L M. Durairaj

s t a t e m e n t b y d i r e c t o r s

pursuant to section 251(2) of the Companies Act 2016

We, Ameer Bin Shaik Mydin and Tamil Selvan A/L M. Durairaj, being two of the directors of Censof Holdings Berhad, state that, in the opinion of the directors, the financial statements set out on pages 92 to 173 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 2019 and of their financial performance and cash flows for the financial year ended on that date.

Signed in accordance with a resolution of the directors dated 23 July 2019.

Ameer Bin Shaik Mydin

Tamil Selvan A/L M. Durairaj

s t a t u t o r y d e c l a r a t i o n

pursuant to section 251(1)(b) of the Companies Act 2016

I, Fong Choon Hau, MIA Membership Number: 40821, 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 92 to 173 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the declaration to be true, and by virtue of the Statutory Declarations Act 1960.

Subscribed and solemnly declared by the abovementioned
Fong Choon Hau, NRIC Number: 860930-56-6255
at Kuala Lumpur
in the Federal Territory
on this 23 July 2019

Before me

Fong Choon Hau

Lai Din (No. W668)
Commissioner for Oaths

i n d e p e n d e n t a u d i t o r s ' r e p o r t

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 2019 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 92 to 173.

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 2019, 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.

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.

i n d e p e n d e n t a u d i t o r s ' r e p o r t

to the members of Censof Holdings Berhad (Incorporated in Malaysia) (Company No: 828269-A) (Cont'd)

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 goodwill

Refer to Note 4.1(c), Note 4.3 and Note 9 to the financial statements

Key Audit Matter	How our audit addressed the Key Audit Matter
<p>The Group has goodwill of approximately RM29.04 million relating to the acquisition of subsidiaries.</p> <p>This is considered a key audit matter due to its significant balance 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 challenged 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 4.1(d), Note 4.9 and Note 8 to the financial statements

Key Audit Matter	How our audit addressed the Key Audit Matter
<p>The Group has intangible assets of approximately RM19.54 million.</p> <p>This is considered 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.

i n d e p e n d e n t a u d i t o r s ' r e p o r t

to the members of Censof Holdings Berhad (Incorporated in Malaysia) (Company No: 828269-A) (Cont'd)

Key Audit Matters (Cont'd)

Impairment of trade receivables

Refer to Note 4.1(g), Note 12 and Note 44.1(b) to the financial statements

Key Audit Matter	How our audit addressed the Key Audit Matter
<p>As at 31 March 2019, trade receivables amounted to approximately RM20.32 million. The details of trade receivables and its credit risks are disclosed in Note 44.1(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>This is considered a key audit matter due to the inherent subjectivity that is involved in making judgement in relation to 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.

Impairment of investment in an associate

Refer to Note 4.1(d) and Note 6 to the financial statements

Key Audit Matter	How our audit addressed the Key Audit Matter
<p>As at 31 March 2019, investment in an associate amounted to approximately RM95.46 million. The details of an associate are disclosed in Note 6 to the financial statements.</p> <p>This is considered a key audit matter due to its significant carrying amount and the inherent subjectivity in impairment testing.</p> <p>The impairment assessment involved significant judgements and there is inherent uncertainty in the assumptions applied by the management to determine the calculation of the value in use of an associate.</p>	<p>We performed the following audit procedures:-</p> <ul style="list-style-type: none"> • Assessed if there is any impairment indication and reviewed the adequacy of impairment losses provided, if any; • Performed sensitivity analysis to assess the impact on the recoverable amount of a single asset; and • Reviewed the adequacy of the Group's disclosure in this area.

i n d e p e n d e n t a u d i t o r s ' r e p o r t

to the members of Censof Holdings Berhad (Incorporated in Malaysia) (Company No: 828269-A) (Cont'd)

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.

i n d e p e n d e n t a u d i t o r s ' r e p o r t

to the members of Censof Holdings Berhad (Incorporated in Malaysia) (Company No: 828269-A) (Cont'd)

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.

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 Malaysia PLT
LLP0018817-LCA & AF 1018
Chartered Accountants

Kuala Lumpur

23 July 2019

Lee Kok Wai
02760/06/2020 J
Chartered Accountant

statements of financial position

at 31 March 2019

		The Group		The Company	
	Note	2019 RM'000	2018 RM'000	2019 RM'000	2018 RM'000
ASSETS					
NON-CURRENT ASSETS					
Investments in subsidiaries	5	-	-	65,046	65,495
Investment in an associate	6	95,462	92,352	58,080	58,080
Property, plant and equipment	7	2,158	1,620	-	-
Intangible assets	8	19,542	20,738	-	-
Goodwill	9	29,039	29,039	-	-
Other investments	10	100	100	-	-
Amount owing by subsidiaries	11	-	-	7,622	11,758
		146,301	143,849	130,748	135,333
CURRENT ASSETS					
Inventories		44	34	-	-
Trade receivables	12	20,321	39,889	-	-
Other receivables, deposits and prepayments	13	4,340	7,799	826	827
Amount owing by contract customers	14	-	397	-	-
Amount owing by subsidiaries	11	-	-	7,985	5,104
Amount owing by related parties	15	1,184	-	250	-
Current tax assets		697	1,093	-	-
Fixed deposits with licensed banks	16	9,991	4,533	3,475	4,031
Short-term investments	17	-	568	-	568
Cash and bank balances		6,591	5,491	298	242
		43,168	59,804	12,834	10,772
TOTAL ASSETS		189,469	203,653	143,582	146,105
EQUITY AND LIABILITIES					
EQUITY					
Share capital	18	100,575	50,196	100,575	50,196
Share premium	19	-	50,379	-	50,379
Merger deficit	20	(12,300)	(12,300)	-	-
Retained profits	21	42,982	42,380	6,868	7,793
Foreign exchange translation reserve	22	(1,449)	(3,100)	-	-
Share option reserve		168	1,037	-	-
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY		129,976	128,592	107,443	108,368
NON-CONTROLLING INTERESTS		3,914	7,251	-	-
TOTAL EQUITY		133,890	135,843	107,443	108,368

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

s t a t e m e n t s o f f i n a n c i a l p o s i t i o n

at 31 March 2019 (Cont'd)

		The Group		The Company	
	Note	2019 RM'000	2018 RM'000	2019 RM'000	2018 RM'000
NON-CURRENT LIABILITIES					
Long-term borrowings	23	16,008	28,248	15,021	27,746
Deferred taxation	26	1,260	1,788	-	-
		17,268	30,036	15,021	27,746
CURRENT LIABILITIES					
Trade payables	27	2,401	4,460	-	-
Other payables and accruals	28	5,567	10,121	118	396
Amount owing to related parties	15	48	228	-	-
Short-term borrowings	29	21,192	9,707	21,000	9,581
Deferred income	30	4,005	3,613	-	-
Provision for taxation		1,535	1,918	-	14
Bank overdrafts	31	3,563	7,727	-	-
		38,311	37,774	21,118	9,991
TOTAL LIABILITIES		55,579	67,810	36,139	37,737
TOTAL EQUITY AND LIABILITIES		189,469	203,653	143,582	146,105

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

statements of profit or loss and other comprehensive income

for the Financial Year Ended 31 March 2019

		The Group		The Company	
	Note	2019 RM'000	2018 RM'000	2019 RM'000	2018 RM'000
REVENUE	32	63,264	94,267	2,086	4,445
COST OF SALES		(35,773)	(72,736)	-	-
GROSS PROFIT		27,491	21,531	2,086	4,445
OTHER INCOME		4,143	3,240	4,156	7,527
		31,634	24,771	6,242	11,972
ADMINISTRATIVE EXPENSES		(28,932)	(26,954)	(4,240)	(3,104)
FINANCE COSTS		(3,507)	(3,539)	(2,941)	(2,718)
OTHER EXPENSES		(1,525)	(1,277)	-	-
NET IMPAIRMENT LOSSES ON FINANCIAL ASSETS	33	(2,780)	(10,108)	-	-
SHARE OF PROFITS OF EQUITY ACCOUNTED ASSOCIATE		4,334	10,274	-	-
(LOSS)/PROFIT BEFORE TAXATION	34	(776)	(6,833)	(939)	6,150
INCOME TAX (EXPENSE)/CREDIT	35	(133)	(1,154)	14	-
(LOSS)/PROFIT AFTER TAXATION		(909)	(7,987)	(925)	6,150
OTHER COMPREHENSIVE INCOME/(EXPENSES)					
<u>Items that will be Reclassified</u>					
<u>Subsequently to Profit or Loss</u>					
Foreign currency translation differences		142	(1,099)	-	-
Share of other comprehensive income/(expense) of equity accounted associate		1,521	(3,945)	-	-
		1,663	(5,044)	-	-
TOTAL COMPREHENSIVE INCOME/(EXPENSES) FOR THE FINANCIAL YEAR		754	(13,031)	(925)	6,150

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

statements of profit or loss and other comprehensive income

for the Financial Year Ended 31 March 2019 (Cont'd)

		The Group		The Company	
		2019	2018	2019	2018
	Note	RM'000	RM'000	RM'000	RM'000
(LOSS)/PROFIT AFTER TAXATION					
ATTRIBUTABLE TO:-					
Owners of the Company		681	(9,123)	(925)	6,150
Non-controlling interests		(1,590)	1,136	-	-
		(909)	(7,987)	(925)	6,150
TOTAL COMPREHENSIVE INCOME/(EXPENSES)					
ATTRIBUTABLE TO:-					
Owners of the Company		2,344	(14,167)	(925)	6,150
Non-controlling interests		(1,590)	1,136	-	-
		754	(13,031)	(925)	6,150
EARNINGS/(LOSS) PER SHARE (SEN)					
- Basic	36	0.14	(1.82)		
- Diluted	36	0.14	(1.82)		

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

statements of changes in equity

for the Financial Year Ended 31 March 2019

The Group	Note	Non-Distributable				Dis-tributable		Attributable to Owners		Non-controlling Interests		Total Equity RM'000
		Share Capital RM'000	Share Premium RM'000	Merger Deficit RM'000	Share Option Reserve RM'000	Foreign Exchange Translation Reserve RM'000	Retained Profits RM'000	Company RM'000	of the controlling Interests RM'000			
Balance at 1.4.2017		50,170	50,379	(12,300)	-	2,031	53,999	144,279	10,965	155,244		
- As previously reported		-	-	-	-	(87)	(2,152)	(2,239)	-	(2,239)		
- Prior year adjustment												
As restated		50,170	50,379	(12,300)	-	1,944	51,847	142,040	10,965	153,005		
Loss after taxation for the financial year		-	-	-	-	-	(9,123)	(9,123)	1,136	(7,987)		
Other comprehensive expenses for the financial year:												
- Foreign currency translation differences		-	-	-	-	(1,099)	-	(1,099)	-	(1,099)		
- Share of other comprehensive expense of an equity accounted associate		-	-	-	-	(3,945)	-	(3,945)	-	(3,945)		
Total comprehensive expenses for the financial year		-	-	-	-	(5,044)	(9,123)	(14,167)	1,136	(13,031)		
Contributions by and distributions to owners of the Company:		50,170	50,379	(12,300)	-	(3,100)	42,724	127,873	12,101	139,974		
- Issuance of shares	18	26	-	-	-	-	-	26	-	26		
Accretion loss from changes in a subsidiary's ownership interests		-	-	-	-	-	(344)	(344)	(2,644)	(2,988)		
Dividends:												
- by subsidiaries to non-controlling interests		-	-	-	-	-	-	-	(2,206)	(2,206)		
Total transactions with owners		26	-	-	-	-	(344)	(318)	(4,850)	(5,168)		
Share of share option reserve of an associate		-	-	-	1,037	-	-	1,037	-	1,037		
Balance at 31.3.2018		50,196	50,379	(12,300)	1,037	(3,100)	42,380	128,592	7,251	135,843		

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

statements of changes in equity

for the Financial Year Ended 31 March 2019 (Cont'd)

The Group	Note	Non-Distributable				Dis-tributable		Attributable to Owners of the Company		Non-controlling Interests		Total Equity
		Share Capital	Share Premium	Merger Deficit	Share Option Reserve	Foreign Exchange Translation Reserve	Retained Profits	RM'000	RM'000	RM'000	RM'000	
Balance at 31.3.2018/1.4.2018		50,196	50,379	(12,300)	1,037	(3,100)	42,380	128,592	7,251			135,843
- Adjustment on initial application of MFRS 9, net of tax	47	-	-	-	-	-	(329)	(329)	-	-	-	(329)
Balance at 31.3.2018/1.4.2018 (restated)		50,196	50,379	(12,300)	1,037	(3,100)	42,051	128,263	7,251			135,514
Loss after taxation for the financial year		-	-	-	-	-	681	681	(1,590)			(909)
Other comprehensive income for the financial year:												
- Foreign currency translation differences		-	-	-	-	142	-	142	-	-	-	142
- Share of other comprehensive income of an equity accounted associate		-	-	-	-	1,521	-	1,521	-	-	-	1,521
Total comprehensive income for the financial year		-	-	-	-	1,663	681	2,344	(1,590)			754
Balance carried forward		50,196	50,379	(12,300)	1,037	(1,437)	42,732	130,607	5,661			136,268

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

statements of changes in equity

for the Financial Year Ended 31 March 2019 (Cont'd)

The Group	Note	Non-Distributable				Dis-tributable		Attributable to Owners of the Company		Non-controlling Interests		Total Equity RM'000
		Share Capital RM'000	Share Premium RM'000	Merger Deficit RM'000	Share Option Reserve RM'000	Foreign Exchange Translation Reserve RM'000	Retained Profits RM'000	Company RM'000	RM'000	RM'000	RM'000	
Balance brought forward		50,196	50,379	(12,300)	1,037	(1,437)	42,732	130,607	5,661	136,268		
Contributions by and distributions to owners of the Company:												
- Accretion gain from changes in a subsidiary's ownership interests		-	-	-	-	-	1,581	1,581	(2,099)	(518)		
- Share issued by a subsidiary to non-controlling interest		-	-	-	-	-	-	-	49	49		
- Dividends:												
- by subsidiaries to non-controlling interests		-	-	-	-	-	-	-	(814)	(814)		
- Transfer to share capital upon implementation of the Companies Act 2016		50,379	(50,379)	-	-	-	-	-	-	-		
Changes in a subsidiary's ownership interests that do not result in a loss of control		50,379	(50,379)	-	-	-	1,581	1,581	(2,864)	(1,283)		
Total transactions with owners		50,379	(50,379)	-	-	-	2,114	2,114	(1,747)	367		
Share of equity reserve of an associate		-	-	-	(869)	(12)	(1,864)	(2,745)	-	(2,745)		
Balance at 31.3.2019		100,575	-	(12,300)	168	(1,449)	42,982	129,976	3,914	133,890		

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

statements of changes in equity

for the Financial Year Ended 31 March 2019 (Cont'd)

The Company	Note	Share Capital RM'000	Non- Distributable Share Premium RM'000	Distributable Retained Profits RM'000	Total Equity RM'000
Balance at 1.4.2017		50,170	50,379	1,643	102,192
Profit after taxation/Total comprehensive income for the financial year		-	-	6,150	6,150
Contribution by and distribution to owners of the Company:					
- Issuance of shares	18	26	-	-	26
Balance at 31.3.2018/1.4.2018		50,196	50,379	7,793	108,368
Loss after taxation/Total comprehensive expense for the financial year		-	-	(925)	(925)
Contribution by and distribution to owners of the Company:					
- Transfer to share capital upon implementation of the Companies Act 2016	18	50,379	(50,379)	-	-
Balance at 31.3.2019		100,575	-	6,868	107,443

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

s t a t e m e n t s o f c a s h f l o w s

for the Financial Year Ended 31 March 2019

	The Group		The Company	
	2019	2018	2019	2018
	RM'000	RM'000	RM'000	RM'000
CASH FLOWS FROM/(FOR) OPERATING ACTIVITIES				
(Loss)/Profit before taxation	(776)	(6,833)	(939)	6,150
Adjustments for:-				
Amortisation of intangible assets	3,989	7,311	-	-
Bad debts written off	102	-	-	-
Depreciation of property, plant and equipment	1,173	1,237	-	-
Dividend income	-	-	(2,086)	(4,445)
Impairment loss:				
- trade receivables	2,858	10,175	-	-
- other receivables	151	-	-	-
Interest expense	3,507	3,539	2,941	2,718
Unrealised loss on foreign exchange	92	83	-	-
Interest income on financial assets measured at amortised cost:-				
- imputed interest on amount owing by a subsidiary under non-current	-	-	(2,938)	(1,676)
Gain on partial disposal of an associate	-	(2,776)	-	(5,695)
Gain on partial disposal of a subsidiary	-	-	(1,150)	-
Reversal of impairment:				
- trade receivables	(201)	(67)	-	-
- other receivables	(28)	-	-	-
Share of net profits of equity accounted associate	(4,334)	(10,274)	-	-
Interest income	(163)	(269)	(68)	(152)
Operating profit/(loss) before working capital changes	6,370	2,126	(4,240)	(3,100)
(Increase)/Decrease in inventories	(9)	16	-	-
Decrease in amount owing by contract customers	397	18,320	-	-
Decrease/(Increase) in trade and other receivables	19,844	(6,268)	1	(615)
(Decrease)/Increase in trade and other payables	(6,662)	1,526	(278)	(511)
Decrease in amount owing by related parties	(403)	-	-	-
Increase/(Decrease) in deferred income	315	(393)	-	-
CASH FROM/(FOR) OPERATIONS/CARRIED FORWARD	19,852	15,327	(4,517)	(4,226)

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

statements of cash flows

for the Financial Year Ended 31 March 2019 (Cont'd)

	Note	The Group		The Company	
		2019 RM'000	2018 RM'000	2019 RM'000	2018 RM'000
CASH FROM/(FOR) OPERATIONS/BROUGHT FORWARD		19,852	15,327	(4,517)	(4,226)
Interest paid		(3,507)	(3,539)	(2,941)	(2,718)
Income tax paid		(632)	(2,367)	-	-
Interest received		-	-	68	152
NET CASH FROM/(FOR) OPERATING ACTIVITIES		15,713	9,421	(7,390)	(6,792)
CASH FLOWS (FOR)/FROM INVESTING ACTIVITIES					
Acquisition of a subsidiary, net of cash and cash equivalents acquired		-	(20)	-	(20)
Additional investment in an existing subsidiary		-	-	-	(12,500)
Advances to related parties		(781)	-	-	-
Intangible assets additions		(2,747)	(3,049)	-	-
Investment in a new subsidiary		-	-	(51)	-
Purchase of property, plant and equipment	37(a)	(1,005)	(553)	-	-
Proceeds from disposal of property, plant and equipment		1	1	-	-
Proceeds from partial disposal of an associate		-	10,941	-	10,941
Repayment from subsidiaries		-	-	4,193	11,156
NET CASH (FOR)/FROM INVESTING ACTIVITIES		(4,532)	7,320	4,142	9,577

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

statements of cash flows

for the Financial Year Ended 31 March 2019 (Cont'd)

		The Group		The Company	
		2019	2018	2019	2018
	Note	RM'000	RM'000	RM'000	RM'000
CASH FLOWS (FOR)/FROM FINANCING ACTIVITIES					
Dividend received from an associate		-	1,486	-	1,486
Dividend received from subsidiaries		-	-	2,086	2,959
Interest received		163	269	-	-
Dividend paid to non-controlling interests		(814)	(2,206)	-	-
Decrease in pledged fixed deposits with licensed bank and restricted cash		528	566	556	589
Proceeds from issuance of shares pursuant to:					
- warrants exercised		-	26	-	26
Proceeds from issuance of shares to non-controlling interest in a subsidiary		49	-	-	-
Repayment to related parties		(180)	(1,007)	(250)	(1,109)
Share buyback by a subsidiary		(518)	(2,988)	-	-
Proceeds from disposal of partial interest in a subsidiary that do not result in loss of control		1,650	-	1,650	-
Repayment of hire purchase obligations	37(b)	(133)	(126)	-	-
Net repayment of term loans	37(b)	(1,322)	(13,926)	(1,306)	(6,473)
NET CASH (FOR)/FROM FINANCING ACTIVITIES		(577)	(17,906)	2,736	(2,522)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS					
		10,604	(1,165)	(512)	263
EFFECTS OF FOREIGN EXCHANGE TRANSLATION		78	(339)	-	-
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR		(1,623)	(119)	810	547
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR	37(c)	9,059	(1,623)	298	810

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

notes to the financial statements

for the Financial Year Ended 31 March 2019

1. GENERAL INFORMATION

The Company is a public limited liability company, 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 23 July 2019.

2. PRINCIPAL ACTIVITIES

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

3. BASIS OF PREPARATION

The financial statements of the Group are prepared under the historical cost convention and modified to include other bases of valuation as disclosed in other sections under significant accounting policies, and in compliance with Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

3.1 During the current financial year, the Group has adopted the following new accounting standard(s) and/or interpretation(s) (including the consequential amendments, if any):-

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

MFRS 9 Financial Instruments (IFRS 9 as issued by IASB in July 2014)

MFRS 15 Revenue from Contracts with Customers

IC Interpretation 22 Foreign Currency Transactions and Advance Consideration

Amendments to MFRS 2: Classification and Measurement of Share-based Payment Transactions

Amendments to MFRS 4: Applying MFRS 9 Financial Instruments with MFRS 4 Insurance Contracts

Amendments to MFRS 15: Effective Date of MFRS 15

Amendments to MFRS 15: Clarifications to MFRS 15 'Revenue from Contracts with Customers'

Amendments to MFRS 140 – Transfers of Investment Property

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

notes to the financial statements

for the Financial Year Ended 31 March 2019 (Cont'd)

3. BASIS OF PREPARATION (CONT'D)

- 3.1 During the current financial year, the Group has adopted the following new accounting standard(s) and/or interpretation(s) (including the consequential amendments, if any) (Cont'd):-

The adoption of the above accounting standard(s) and/or interpretation(s) (including the consequential amendments, if any) did not have any material impact on the Group's financial statements except as follows:-

- (i) MFRS 9 introduces a new classification and measurement requirements for financial assets that reflects the business model in which the financial assets are managed and their cash flow characteristics. MFRS 9 contains 3 principal classification categories for financial assets i.e. measured at amortised cost, fair value through profit or loss, fair value through other comprehensive income and eliminates the previous categories of held to maturity, loans and receivables and available-for-sale financial assets. In addition, MFRS 9 replaces the 'incurred loss' model in MFRS 139 with an 'expected credit loss' model. This new impairment approach is forward-looking and eliminates the need for a trigger event to have occurred before credit losses are recognised. The impacts on the financial statements upon the initial application of this accounting standard are disclosed in Note 47 to the financial statements.
- (ii) MFRS 15 requires an entity to recognise revenue to depict the transfer of promised goods or services to customers for an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Revenue is recognised when a customer obtains control of goods or services, i.e. when the customer has the ability to direct the use of and obtain the benefits from the goods or services. In addition, more guidance has been added in MFRS 15 to deal with specific scenarios. The impacts on the financial statements upon the initial application of this accounting standard are disclosed in Note 47 to the financial statements.

- 3.2 The Group has not applied in advance the following accounting standard(s) and/or interpretation(s) (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 16 Leases	1 January 2019
MFRS 17 Insurance Contracts	1 January 2021
IC Interpretation 23 Uncertainty Over Income Tax Treatments	1 January 2019
Amendments to MFRS 3: Definition of a Business	1 January 2020
Amendments to MFRS 9: Prepayment Features with Negative Compensation	1 January 2019
Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred
Amendments to MFRS 101 and MFRS 108: Definition of Material	1 January 2020
Amendments to MFRS 119: Plan Amendment, Curtailment or Settlement	1 January 2019
Amendments to MFRS 128: Long-term Interests in Associates and Joint Ventures	1 January 2019
Amendments to References to the Conceptual Framework in MFRS Standards	1 January 2020
Annual Improvements to MFRS Standards 2015 - 2017 Cycles	1 January 2019

The adoption of the above accounting standard(s) and/or interpretation(s) (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:-

MFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases and will replace the current guidance on lease accounting when it becomes effective. Under MFRS 16, the classification of leases as either finance leases or operating leases is eliminated for lessees. All lessees are required to recognise their leased assets and the related lease obligations in the statement of financial position (with limited exceptions). The leased assets are subject to depreciation and the interest on lease liabilities are calculated using the effective interest method. The Group is currently assessing the financial impact that may arise from the adoption of this standard.

notes to the financial statements

for the Financial Year Ended 31 March 2019 (Cont'd)

4. SIGNIFICANT ACCOUNTING POLICIES

4.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Key Sources of Estimation Uncertainty

Management believes that there are no key assumptions made concerning the future, and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year other than as disclosed 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. The carrying amount of property, plant and equipment as at the reporting date is disclosed in Note 7 to the financial statements.

(b) 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. The carrying amount of development costs measured at revaluation as at the reporting date is disclosed in Note 8 to the financial statements.

(c) Impairment of Goodwill

The assessment of whether goodwill is impaired requires an estimation of the value in use of the cash-generating unit to which the goodwill is allocated. Estimating a value in use amount requires management to make an estimate of the expected future cash flows from the cash-generating unit and also to choose a suitable discount rate in order to calculate the present value of those cash flows. The carrying amount of goodwill as at the reporting date is disclosed in Note 9 to the financial statements.

(d) Impairment of Property, Plant and Equipment, Intangible Assets and Investment in an Associate

The Group determines whether its property, plant and equipment, intangible assets and investment in an associate is impaired by evaluating the extent to which the recoverable amount of the asset is less than its carrying amount. This evaluation is subject to changes such as market performance, economic and political situation of the country. A variety of methods is used to determine the recoverable amount, such as valuation reports and discounted cash flows. For discounted cash flows, significant judgement is required in the estimation of the present value of future cash flows generated by the assets, which involve uncertainties and are significantly affected by assumptions used and judgements made regarding estimates of future cash flows and discount rates. The carrying amount of property, plant and equipment, intangible assets and investment in an associate as at the reporting date are disclosed in Notes 7, 8 and 6 to the financial statements.

notes to the financial statements

for the Financial Year Ended 31 March 2019 (Cont'd)

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)

Key Sources of Estimation Uncertainty (Cont'd)

(e) Fair Value Estimates for Unquoted Financial Assets

The Group carries certain financial assets that are not traded in an active market at fair value. The Group uses its judgement to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of each reporting period. The amount of fair value changes would differ if the Group uses different valuation methodologies and assumptions, and eventually affect profit and/or other comprehensive income. The carrying amount of these unquoted financial assets as at the reporting date is disclosed in Note 10 to the financial statements.

(f) Write-down of Inventories

Reviews are made periodically by management on damaged, obsolete and slow-moving inventories. These reviews require judgement and estimates. Possible changes in these estimates could result in revisions to the valuation of inventories.

(g) Impairment of Trade Receivables

The Group uses the simplified approach to estimate a lifetime expected credit loss allowance for all trade receivables. The contract assets are grouped with trade receivables for impairment assessment because they have substantially the same risk characteristics as the trade receivables for the same types of contracts. The Group develops the expected loss rates based on the payment profiles of past sales and the corresponding historical credit losses, and adjusts for qualitative and quantitative reasonable and supportable forward-looking information. If the expectation is different from the estimation, such difference will impact the carrying value of trade receivables. The carrying amount of trade receivables as at the reporting date is disclosed in Note 12 the financial statements.

(h) Impairment of Non-Trade Receivables

The loss allowances for non-trade financial assets are based on assumptions about risk of default and expected loss rates. The Group uses judgement in making these assumptions and selecting appropriate inputs to the impairment calculation, based on the past payment trends, existing market conditions as well as forward-looking estimates at the end of each reporting period. The carrying amounts of other receivables and amounts owing by subsidiaries as at the reporting date are disclosed in Notes 13 and 11 to the financial statements.

(i) Revenue Recognition for Construction Contracts

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.

n o t e s t o t h e f i n a n c i a l s t a t e m e n t s

for the Financial Year Ended 31 March 2019 (Cont'd)

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)

Key Sources of Estimation Uncertainty (Cont'd)

(j) 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 expense and deferred tax balances in the period in which such determination is made. The carrying amounts of current tax assets and current tax liabilities as at the reporting date are RM697,000 and RM1,535,000 respectively (2018 - current tax assets: RM1,093,000 and current tax liabilities: RM1,918,000).

Critical Judgements Made in Applying Accounting Policies

Management believes that there are no instances of application of critical judgement in applying the Group's accounting policies which will have a significant effect on the amounts recognised in the financial statements other than as disclosed below:-

Contingent Liabilities

The recognition and measurement for contingent liabilities is based on management's view of the expected outcome on contingencies after consulting legal counsel for litigation cases and experts, for matters in the ordinary course of business.

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 only when such rights are substantive. The Group also considers it has de facto power over an investee when, despite not having the majority of voting rights, it has the current ability to direct the activities of the investee that significantly affect the investee's return.

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

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

notes to the financial statements

for the Financial Year Ended 31 March 2019 (Cont'd)

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.2 BASIS OF CONSOLIDATION (CONT'D)

(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.

(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.

notes to the financial statements

for the Financial Year Ended 31 March 2019 (Cont'd)

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.2 BASIS OF CONSOLIDATION (CONT'D)

(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 9 (2018 - MFRS 139) or, when applicable, the cost on initial recognition of an investment in an associate or a joint 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.

notes to the financial statements

for the Financial Year Ended 31 March 2019 (Cont'd)

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.4 FUNCTIONAL AND FOREIGN CURRENCIES

(a) Functional and Presentation Currency

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

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

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for the Financial Year Ended 31 March 2019 (Cont'd)

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.5 FINANCIAL INSTRUMENTS

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

Financial instruments are classified as 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 (other than trade receivables without significant financing component which are measured at transaction price as defined in MFRS 15 - Revenue from Contracts with Customers at inception). 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

All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value (through profit or loss, or other comprehensive income), depending on the classification of the financial assets.

Debt Instruments

(i) Amortised Cost

The financial asset is held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest. Interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset. When the asset has subsequently become credit-impaired, the interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset.

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), excluding expected credit losses, through the expected life of the financial asset or a shorter period (where appropriate).

(ii) Fair Value through Other Comprehensive Income

The financial asset is held for both collecting contractual cash flows and selling the financial asset, where the asset's cash flows represent solely payments of principal and interest. Movements in the carrying amount are taken through other comprehensive income and accumulated in the fair value reserve, except for the recognition of impairment, interest income and foreign exchange difference which are recognised directly in profit or loss. Interest income is calculated using the effective interest rate method.

notes to the financial statements

for the Financial Year Ended 31 March 2019 (Cont'd)

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.5 FINANCIAL INSTRUMENTS (CONT'D)

(a) Financial Assets (Cont'd)

Debt Instruments (Cont'd)

(iii) Fair Value through Profit or Loss

All other financial assets that do not meet the criteria for amortised cost or fair value through other comprehensive income are measured at fair value through profit or loss.

The Group reclassifies debt instruments when and only when its business model for managing those assets change.

Equity Instruments

All equity investments are subsequently measured at fair value with gains and losses recognised in profit or loss except where the Group has elected to present the subsequent changes in fair value in other comprehensive income and accumulated in the fair value reserve at initial recognition.

The designation at fair value through other comprehensive income is not permitted if the equity investment is either held for trading or is designated to eliminate or significantly reduce a measurement or recognition inconsistency that would otherwise arise.

Dividend income from this category of financial assets is recognised in profit or loss when the Group's right to receive payment is established unless the dividends clearly represent a recovery of part of the cost of the equity investments.

(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. The changes in fair value of these financial liabilities are recognised in profit or loss.

(ii) Other Financial Liabilities

Other financial liabilities are 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 (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 liability or a shorter period (where appropriate).

(c) Equity Instruments

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

Ordinary Shares

Ordinary shares are classified as equity and recorded at the proceeds received, net of directly attributable transaction costs.

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

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for the Financial Year Ended 31 March 2019 (Cont'd)

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.5 FINANCIAL INSTRUMENTS (CONT'D)

(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 when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. On derecognition of a financial asset measured at amortised cost, the difference between the carrying amount of the asset and the sum of the consideration received and receivable is recognised in profit or loss. In addition, on derecognition of a debt instrument classified as fair value through other comprehensive income, the cumulative gain or loss previously accumulated in the fair value reserve is reclassified from equity to profit or loss. In contrast, there is no subsequent reclassification of the fair value reserve to profit or loss following the derecognition of an equity investment.

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.

(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 Group, as the issuer, is required to reimburse the holder for the associated loss, the liability is measured at the higher of the amount of the credit loss determined in accordance with the expected credit loss model and the amount initially recognised less cumulative amortisation.

Accounting Policies Applied Until 31 March 2018

As disclosed in Note 47 to the financial statements, the Group has applied MFRS 9 retrospectively with cumulative financial impacts recognised in the opening consolidated statement of financial position on 1 April 2018 (date of initial application of MFRS 9) and hence, the comparative information of its financial instruments is not restated. As a result, the comparative information of the Group's financial assets continues to be accounted for in accordance with their previous accounting policies as summarised below:-

- Financial assets were designated at fair value through profit or loss when the financial asset was either held for trading or was designated to eliminate or significantly reduce a measurement or recognition inconsistency that would otherwise arise. Derivatives were also classified as held for trading unless they were designated as hedges. Financial assets at fair value through profit or loss were stated at fair value at each reporting date with any gain or loss arising on remeasurement recognised in profit or loss.
- Non-derivative financial assets with fixed or determinable payments and fixed maturities that the management had the positive intention and ability to hold to maturity were classified as held-to-maturity. The held-to-maturity investments were 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.
- Unquoted trade receivables and other receivables with fixed or determinable payments were classified as loans and receivables financial assets, measured at amortised cost using the effective interest method, less any impairment loss. Interest income was recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

notes to the financial statements

for the Financial Year Ended 31 March 2019 (Cont'd)

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.5 FINANCIAL INSTRUMENTS (CONT'D)

Accounting Policies Applied Until 31 March 2018 (Cont'd)

- Available-for-sale financial assets were non-derivative financial assets not classified in any of the other categories. After initial recognition, available-for-sale financial assets were remeasured to fair value at each reporting date with any gain and loss 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 was reclassified from equity into profit or loss. Interest income calculated for a debt instrument using the effective interest method was recognised in profit or loss. Investments in equity instruments whose fair value cannot be reliably measured were measured at cost less accumulated impairment losses, if any.

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 INVESTMENT IN AN ASSOCIATE

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.

Investment in an associate 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 2019. 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.

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 9 (2018 - 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.

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for the Financial Year Ended 31 March 2019 (Cont'd)

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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	88 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 included in property, plant and equipment are not depreciated as these assets are not yet available for use.

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.

notes to the financial statements

for the Financial Year Ended 31 March 2019 (Cont'd)

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.8 PROPERTY, PLANT AND EQUIPMENT (CONT'D)

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.

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.

notes to the financial statements

for the Financial Year Ended 31 March 2019 (Cont'd)

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**4.10 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.

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.

4.11 INVENTORIES

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

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

4.12 DEFERRED INCOME

A deferred income is stated at cost and represents the obligation of the Group to transfer goods or services to a customer for which consideration has been received from the customers.

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 statement of cash flows, cash and cash equivalents are presented net of bank overdrafts.

notes to the financial statements

for the Financial Year Ended 31 March 2019 (Cont'd)

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.14 IMPAIRMENT

(a) Impairment of Financial Assets

The Group recognises a loss allowance for expected credit losses on investments in debt instruments that are measured at amortised cost or at fair value through other comprehensive income, trade receivables, as well as on financial guarantee contracts.

The expected credit loss is estimated as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the original effective interest rate.

The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument. The Group always recognises lifetime expected credit losses for trade receivables and contract assets using the simplified approach. The expected credit losses on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience and are adjusted for forward-looking information (including time value of money where appropriate).

For all other financial instruments, the Group recognises lifetime expected credit losses when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses.

The Group recognises an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account, except for investments in debt instruments that are measured at fair value through other comprehensive income, for which the loss allowance is recognised in other comprehensive income and accumulated in the fair value reserve, and does not reduce the carrying amount of the financial asset in the statement of financial position.

Accounting Policies Applied Until 31 March 2018

As disclosed in Note 47 to the financial statements, the Group has applied MFRS 9 retrospectively with cumulative financial impacts recognised in the opening consolidated statement of financial position on 1 April 2018 (date of initial application of MFRS 9) and hence, the comparative information of its financial instruments is not restated. As a result, the comparative information on the impairment of the Group's financial assets has been accounted for in accordance with its previous accounting policy as summarised below:-

- The Group assessed at the end of each reporting period whether there was objective evidence that a financial asset (or group of financial assets) was impaired. Impairment losses were incurred only if there was objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset and that event(s) had an impact on the estimated future cash flows of the financial asset (or group of financial assets) that could be reliably estimated. In the case of equity investments classified as available-for-sale, a significant or prolonged decline in the fair value of the security below its cost was considered an indicator that the assets are impaired.

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for the Financial Year Ended 31 March 2019 (Cont'd)

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.14 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.

4.15 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 discount rate shall be a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as interest expense in profit or loss.

4.16 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 development costs, 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 development costs, 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.

notes to the financial statements

for the Financial Year Ended 31 March 2019 (Cont'd)

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.17 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.

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.

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.

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for the Financial Year Ended 31 March 2019 (Cont'd)

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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 are 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. The capitalisation rate used to determine the amount of borrowing costs eligible for capitalisation is the weighted average of the borrowing costs applicable to borrowings that are outstanding during the financial year, other than borrowings made specifically for the purpose of financing a specific project-in-progress, in which case the actual borrowing costs incurred on that borrowings less any investment income on temporary investment of that borrowings will be capitalised.

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

4.22 FAIR VALUE MEASUREMENTS

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

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

Level 1: Inputs are quoted prices (unadjusted) in active markets for identical assets or liability that the entity can access at the measurement date;

Level 2: Inputs are inputs, other than quoted prices included within level 1, that are observable for the asset or liability, either directly or indirectly; and

Level 3: Inputs are unobservable inputs for the asset or liability.

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

notes to the financial statements

for the Financial Year Ended 31 March 2019 (Cont'd)

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.23 REVENUE FROM CONTRACTS WITH CUSTOMERS

Revenue from contracts with customers is recognised by reference to each distinct performance obligation in the contract with customer. Revenue from contracts with customers is measured at its transaction price, being the amount of consideration which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, net of sales and service tax, returns, rebates and discounts. Transaction price is allocated to each performance obligation on the basis of the relative standalone selling prices of each distinct good or services promised in the contract.

The Group recognises revenue when (or as) it transfers control over a product or service to customer. An asset is transferred when (or as) the customer obtains control of that asset.

Depending on the substance of the contract, revenue is recognised when the performance obligation is satisfied, which may be at a point in time or over time. The Group transfers control of a good or service at a point in time unless one of the following overtime criteria is met:-

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

(a) Sale of Hardware and Software

Revenue from sale of hardware and software is recognised when the Group has transferred control of the goods to the customer, being when the goods have been delivered to the customer and upon its acceptance. Following delivery, the customer has full discretion over the manner of distribution and price to sell the goods, and bears the risks of obsolescence and loss in relation to the goods.

A receivable is recognised when the goods are delivered, as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

(b) Rendering of Maintenance Services

Revenue from providing maintenance services is recognised over time in the period in which the services are rendered. For fixed-price contracts, revenue is recognised based on the actual service provided to the end of the reporting period as proportion of the total services to be provided because the customer receives and uses the benefits simultaneously. As a practical expedient, the Group recognises revenue on a straight line method over the period of service.

Customers are invoiced on a monthly basis and consideration is payable when invoiced.

notes to the financial statements

for the Financial Year Ended 31 March 2019 (Cont'd)

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.24 REVENUE FROM OTHER SOURCES AND OTHER OPERATING INCOME

(a) Interest Income

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

(b) Dividend Income

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

(c) Rental Income

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

5. INVESTMENTS IN SUBSIDIARIES

	The Company	
	2019	2018
	RM'000	RM'000
Unquoted shares, at cost	65,046	65,495

The details of the subsidiaries are as follows:-

Name of Subsidiary	Principal Place of Business/Country of Incorporation	Percentage of Issued Share Capital Held by Parent		Principal Activities
		2019 %	2018 %	
Century Software (Malaysia) 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.

notes to the financial statements

for the Financial Year Ended 31 March 2019 (Cont'd)

5. INVESTMENTS IN SUBSIDIARIES (CONT'D)

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

Name of Subsidiary	Principal Place of Business/Country of Incorporation	Percentage of Issued Share Capital Held by Parent		Principal Activities
		2019 %	2018 %	
Censof Maal Sdn. Bhd.^	Malaysia	100	100	Engaged in the businesses of marketing and reselling of financial and related software and services.
Censof Digital Sdn. Bhd.^ (Formerly known as Compuaidtech Sdn. Bhd.)	Malaysia	100	100	Providing information technology service activities, employment placement agencies and consultancy.
Cendee Sdn. Bhd.^	Malaysia	51	-	Dormant and yet to commence business of information technology services.
Knowledgecom Corporation Sdn. Bhd.	Malaysia	70	80	Providing computer training services.
<i>Subsidiaries of Knowledgecom Corporation Sdn. Bhd.</i>				
Global Strategic Partners Sdn. Bhd.^	Malaysia	70	80	Magazine publisher.
Knowledgecom Pte. Ltd.^	Republic of Singapore	70	-	Dormant and yet to commence business of corporate training services and provide motivational courses and software consultancy.
Asian Business Software Solutions Pte. Ltd.^	Republic of Singapore	51	51	Selling of computerised accounting system.
<i>Subsidiaries of Asian Business Software Solution Pte. Ltd.</i>				
Asian Business Software Solutions Sdn. Bhd.^	Malaysia	51	51	Selling of computerised accounting system.
Financio Software Sdn. Bhd.^	Malaysia	51	-	Dormant and yet to commence business as an accounting software distributor and to provide training and after sales services.

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

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for the Financial Year Ended 31 March 2019 (Cont'd)

5. INVESTMENTS IN SUBSIDIARIES (CONT'D)

- (a) (i) On 31 May 2018, the Company disposed of 10% of its equity interest in Knowledgecom Corporation Sdn. Bhd. ("KCOM") for a consideration of RM1,650,000. The disposal resulted in a dilution in the Company's ownership interest in KCOM which did not result in a loss of control.
- (ii) On 20 August 2018, the Company acquired 51% equity interests in Cendee Sdn. Bhd. for a total consideration of RM51,000. The acquisition has no significant effect on the financial results of the Group for the current financial year and the financial position of the Group as at the end of the current reporting period.
- (iii) In the previous financial year, the Company acquired 100% equity interests in Censof Digital Sdn. Bhd. (formerly known as Compuaidtech Sdn. Bhd.) for a total cash consideration of RM20,000. The acquisition has no significant effect on the financial results of the Group for the current financial year and the financial position of the Group as at the end of the current reporting period.
- (iv) In the previous financial year, a wholly owned subsidiary, Century Software (Malaysia) Sdn. Bhd. ("CSM") capitalised RM12,500,000 being amount owing to the Company for 12,500,000 ordinary shares.
- (b) The non-controlling interests at the end of the reporting year comprised the following:-

	Effective Equity Interest		The Group	
	2019 %	2018 %	2019 RM'000	2018 RM'000
Asian Business Software Solutions Pte. Ltd. ("ABSS")	49	49	563	3,371
Knowledgecom Corporation Sdn. Bhd. ("KCOM")	30	20	2,646	2,337
Other individually immaterial subsidiaries			705	1,543
			3,914	7,251

notes to the financial statements

for the Financial Year Ended 31 March 2019 (Cont'd)

5. INVESTMENTS IN SUBSIDIARIES (CONT'D)

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

	ABSS	
	2019	2018
	RM'000	RM'000
<u>At 31 March</u>		
Non-current assets	589	895
Current assets	5,571	5,842
Non-current liabilities	-	-
Current liabilities	(5,249)	(5,603)
Net assets	911	1,134
<u>Financial Year Ended 31 March</u>		
Revenue	15,137	16,423
Profit for the financial year	1,019	3,080
Total comprehensive income	1,017	3,089
Total comprehensive income attributable to non-controlling interests	499	1,514
Dividends paid to non-controlling interests	364	1,549
Net cash flows from operating activities	2,552	2,824
Net cash flows for investing activities	(99)	(288)
Net cash flows for financing activities	(2,195)	(4,594)
	KCOM	
	2019	2018
	RM'000	RM'000
<u>At 31 March</u>		
Non-current assets	1,451	484
Current assets	9,675	15,335
Non-current liabilities	(629)	-
Current liabilities	(1,968)	(4,161)
Net assets	8,529	11,658
<u>Financial Year Ended 31 March</u>		
Revenue	6,748	24,848
(Loss)/Profit for the financial year	(1,418)	6,023
Total comprehensive (expenses)/income	(1,418)	6,023

notes to the financial statements

for the Financial Year Ended 31 March 2019 (Cont'd)

5. INVESTMENTS IN SUBSIDIARIES (CONT'D)

- (c) 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:- (Cont'd)

	KCOM	
	2019 RM'000	2018 RM'000
Total comprehensive (expenses)/income attributable to non-controlling interests	(353)	1,205
Dividends paid to non-controlling interests	450	500
Net cash flows from operating activities	7,560	4,021
Net cash flows for investing activities	(1,984)	(237)
Net cash flows for financing activities	(1,187)	(2,980)

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. INVESTMENT IN AN ASSOCIATE

	The Group		The Company	
	2019 RM'000	2018 RM'000	2019 RM'000	2018 RM'000
Quoted shares, at cost	80,413	80,413	58,080	58,080
Share of post acquisition profits, net of dividends received	17,609	13,275	-	-
Share of post acquisition other comprehensive expenses	(852)	(2,373)	-	-
Share of post acquisition equity reserve	(1,708)	1,037	-	-
	95,462	92,352	58,080	58,080
Market value of quoted shares	79,816	114,023		

The details of the associate are as follows:

Name of Associate	Principal Place of Business	Effective Equity Interest		Principal Activity
		2019 %	2018 %	
Dagang NeXchange Berhad	Malaysia	16.21	16.22	Investment holding.

- (a) Although the Group holds less than 20% of the voting power in Dagang NeXchange Berhad ("DNeX"), the Group is able to exercise significant influence because it has representations on the Board of Directors of the associate.

notes to the financial statements

for the Financial Year Ended 31 March 2019 (Cont'd)

6. INVESTMENT IN AN ASSOCIATE (CONT'D)

- (b) 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 follows:-

	DNeX	
	2019	2018
	RM'000	RM'000
<u>At 31 March</u>		
Non-current assets	379,904	357,357
Current assets	259,135	250,033
Non-current liabilities	(24,336)	(27,305)
Current liabilities	(162,112)	(160,058)
Net assets	452,591	420,027
<u>12-month Period Ended 31 March</u>		
Revenue	291,294	231,220
Profit for the financial period	31,043	68,875
Other comprehensive income/(expenses)	9,747	(24,277)
Group's share of profit for the financial year	4,334	10,274
Group's share of other comprehensive income/(expenses)	1,521	(3,945)
Group's share of equity reserve	(2,745)	1,037
Dividends received	-	(1,486)
<u>Reconciliation of Net Assets to Carrying Amount</u>		
Group's share of net assets	75,163	72,053
Goodwill	20,299	20,299
Carrying amount of the Group's interests in this associate	95,462	92,352

notes to the financial statements

for the Financial Year Ended 31 March 2019 (Cont'd)

7. PROPERTY, PLANT AND EQUIPMENT

The Group	At 1.4.2018 RM'000	Additions RM'000	Disposal RM'000	Currency Translation Differences RM'000	Depreciation Charges RM'000	At 31.3.2019 RM'000
31.3.2019						
<i>Carrying Amount</i>						
Building	-	1,033	-	-	(6)	1,027
Plant and machinery	50	-	-	-	(18)	32
Office equipment, furniture and fittings	642	570	-	5	(767)	450
Computer equipment	128	83	(1)	(1)	(67)	142
Office renovation	448	19	-	3	(131)	339
Motor vehicles	352	-	-	-	(184)	168
Capital work-in-progress	-	-	-	-	-	-
	1,620	1,705	(1)	7	(1,173)	2,158
31.3.2018						
<i>Carrying Amount</i>						
Plant and machinery	58	-	-	(1)	(19)	50
Office equipment, furniture and fittings	1,283	-	-	(87)	(836)	642
Computer equipment	100	(1)	-	-	(53)	128
Office renovation	271	-	132	(10)	(122)	448
Motor vehicles	559	-	-	-	(207)	352
Capital work-in-progress	144	-	(132)	(12)	-	-
	2,415	553	(1)	(110)	(1,237)	1,620

notes to the financial statements

for the Financial Year Ended 31 March 2019 (Cont'd)

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

The Group	At Cost RM'000	Accumulated Depreciation RM'000	Carrying Amount RM'000
31.3.2019			
Buildings	1,033	(6)	1,027
Plant and machinery	342	(310)	32
Office equipment, furniture and fittings	6,458	(6,008)	450
Computer equipment	1,839	(1,697)	142
Office renovation	3,382	(3,043)	339
Motor vehicles	1,296	(1,128)	168
Capital work-in-progress	-	-	-
	14,350	(12,192)	2,158

	At Cost RM'000	Accumulated Depreciation RM'000	Carrying Amount RM'000
31.3.2018			
Plant and machinery	339	(289)	50
Office equipment, furniture and fittings	5,867	(5,225)	642
Computer equipment	1,758	(1,630)	128
Office renovation	3,358	(2,910)	448
Motor vehicles	1,296	(944)	352
Capital work-in-progress	-	-	-
	12,618	(10,998)	1,620

- (a) Included in the assets of the Group at the end of the reporting year were motor vehicles with a total carrying amount of RM167,818 (2018 - RM351,869), which were acquired under hire purchase terms. These leased assets have been pledged as security for the related finance lease liabilities of the Group as disclosed in Note 24 to the financial statements.
- (b) The buildings of the Group have been pledged to licensed bank as security for banking facilities granted to the Group as disclosed in Notes 25 and 31 to the financial statements.

notes to the financial statements

for the Financial Year Ended 31 March 2019 (Cont'd)

8. INTANGIBLE ASSETS

	Software RM'000	Development expenditure RM'000	Customer relationship RM'000	Trademark RM'000	Total RM'000
The Group					
Cost:-					
At 1.4.2017	6,623	39,644	8,814	1,818	56,899
Addition during the financial year	-	3,049	-	-	3,049
Reclassification	941	(941)	-	-	-
Currency translation differences	-	(302)	-	-	(302)
At 31.3.2018/1.4.2018	7,564	41,450	8,814	1,818	59,646
Addition during the financial year	-	2,747	-	-	2,747
Currency translation differences	(91)	156	-	-	65
At 31.3.2019	7,473	44,353	8,814	1,818	62,458
Accumulated amortisation:-					
At 1.4.2017	(1,909)	(26,406)	(881)	(909)	(30,105)
Addition during the financial year	(1,198)	(4,323)	(881)	(909)	(7,311)
Currency translation differences	53	4	-	-	57
At 31.3.2018/1.4.2018	(3,054)	(30,725)	(1,762)	(1,818)	(37,359)
Addition during the financial year	(1,196)	(1,912)	(881)	-	(3,989)
Currency translation differences	(16)	(3)	-	-	(19)
At 31.3.2019	(4,266)	(32,640)	(2,643)	(1,818)	(41,367)
Accumulated impairment loss:-					
At 31.3.2018/ 31.3.2019	-	(1,549)	-	-	(1,549)
Net carrying amount					
At 31.3.2018	4,510	9,176	7,052	-	20,738
At 31.3.2019	3,207	10,164	6,171	-	19,542

notes to the financial statements

for the Financial Year Ended 31 March 2019 (Cont'd)

8. INTANGIBLE ASSETS (CONT'D)

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

	The Group	
	2019	2018
	RM'000	RM'000
Staff costs	1,108	2,996

The development expenditure are in respect of the development of Century Financials Software for Government and for Commercial, 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 in the financial statements.

9. GOODWILL

	The Group	
	2019	2018
	RM'000	RM'000
Cost:-		
At 1 April	29,039	29,019
Acquisition of subsidiaries	-	20
At 31 March	29,039	29,039

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

	The Group	
	2019	2018
	RM'000	RM'000
Wealth Management Solutions ("WMS")	3,331	3,331
Training Solutions ("TS")	3,224	3,224
Financial Management Solutions - Commercial ("FMS-C")	22,464	22,464
Others	20	20
	29,039	29,039

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for the Financial Year Ended 31 March 2019 (Cont'd)

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 each cash-generating unit computed based on the projections of financial budgets approved by management covering a period of 5 years.

The key assumptions used in the determination of the recoverable amounts are as follows:

	Average Budgeted Gross Margin 2020 - 2024	Average Growth Rate 2020 - 2024	Discount Rate (Pre-tax) 2020 - 2024	Terminal Growth Rate 2024 - infinity
WMS	49%	23%	13.17%	0%
TS	50%	30%	10.53%	0%
FMS-C	91%	3%	10.53%	0%

The values assigned to 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) The directors believes that there is no reasonable possible change in the above key assumptions applied that is likely to materially cause the respective cash-generating unit's carrying amount to exceed its recoverable amount.

10. OTHER INVESTMENTS

	The Group 2019 RM'000	2018 RM'000
Unquoted shares, at fair value (2018 - at cost)	100	100

Equity Investments at Fair Value Through Other Comprehensive Income

As at 1 April 2018, the Group designated its investments in unquoted shares to be measured at fair value through other comprehensive income because the Group intends to hold for long-term strategic purposes. In the last financial year, these investments were classified as available-for-sale financial assets and measured at cost.

notes to the financial statements

for the Financial Year Ended 31 March 2019 (Cont'd)

11. AMOUNT OWING BY SUBSIDIARIES

	The Company	
	2019	2018
	RM'000	RM'000
<u>Non-current</u>		
Non-trade balances	4,684	10,082
Accretion of interest	2,938	1,676
	7,622	11,758
<u>Current</u>		
Non-trade balances	7,985	5,104
	15,607	16,862

(a) The amounts represent current balances which are non-trade in nature, unsecured, interest-free and repayable on demand.

(b) The amounts represent non-current balances which are non-trade in nature, unsecured, interest-free and repayable within the next six years.

12. TRADE RECEIVABLES

	The Group	
	2019	2018
	RM'000	RM'000
Trade receivables	22,907	51,080
Allowance for impairment losses	(2,586)	(11,191)
	20,321	39,889
Allowance for impairment losses:-		
At 1 April:		
- As previously reported	(11,191)	(16,643)
- Effects on adoption of MFRS 9	(301)	-
- Amount reported under MFRS 9 (2018 - MFRS 139)	(11,492)	(16,643)
Addition during the financial year (Note 33)	(2,858)	(10,175)
Reversal during the financial year (Note 33)	201	67
Written off during the financial year	11,563	15,560
At 31 March	(2,586)	(11,191)

The Group's normal trade credit terms range from 30 to 45 (2018 - 30 to 45) days.

notes to the financial statements

for the Financial Year Ended 31 March 2019 (Cont'd)

13. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	The Group		The Company	
	2019	2018	2019	2018
	RM'000	RM'000	RM'000	RM'000
Other receivables:-				
Third parties	2,755	5,925	826	827
Allowance for impairment losses	(151)	-	-	-
	2,604	5,925	826	827
Deposits	655	483	-	-
Prepayments	1,081	1,391	-	-
	4,340	7,799	826	827
Allowance for impairment losses:-				
At 1 April				
- As previously reported	-	-	-	-
- Effects on adoption of MFRS 9	(28)	-	-	-
- Amount reported under MFRS 9 (2018 - MFRS 139)	(28)	-	-	-
Addition during the financial year (Note 33)	(151)	-	-	-
Reversal during the financial year (Note 33)	28	-	-	-
At 31 March	(151)	-	-	-

14. AMOUNT OWING BY CONTRACT CUSTOMERS

	The Group	
	2019	2018
	RM'000	RM'000
Aggregate costs incurred to date	-	6,118
Attributable profit	-	2,901
	-	9,019
Less: Progress billings	-	(8,622)
Net amount owing by contract customers	-	397

notes to the financial statements

for the Financial Year Ended 31 March 2019 (Cont'd)

15. AMOUNTS OWING BY/(TO) RELATED PARTIES

	The Group		The Company	
	2019	2018	2019	2018
	RM'000	RM'000	RM'000	RM'000
Amount owing by Related Parties				
<u>Current</u>				
Trade balances	403	-	-	-
Non-trade balances	781	-	250	-
	1,184	-	250	-
Amount owing to Related Parties				
<u>Current</u>				
Non-trade balances	48	228	-	-

(a) The trade balances are subject to the normal credit terms ranging from 30 to 90 days. The amount owing is to be settled in cash.

(b) The non-trade balances represent unsecured payments made on behalf. The amounts are repayable on demand and are to be settled in cash.

16. FIXED DEPOSITS WITH LICENSED BANKS

(a) 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 2.95% to 3.45% (2018 - 2.80% to 3.45%) per annum respectively. The fixed deposits have maturity periods ranging from 30 to 365 (2018 - 28 to 90) days.

(b) Included in the fixed deposits with licensed banks of the Group and of the Company at the end of the reporting period was an amount of RM3,960,486 (2018 - RM4,488,098) and RM3,474,736 (2018 - RM4,030,942) respectively, which have been pledged to licensed banks as security for banking facilities granted to the Group and to the Company as disclosed in Note 25 to the financial statements.

17. SHORT-TERM INVESTMENTS

	The Group/The Company	
	2019	2018
	RM'000	RM'000
Equity fund unit trusts, at fair value	-	568
At market value	-	568

In the previous financial year, the Group considered the investments in equity fund unit trusts as investments in highly liquid money market instruments which were readily convertible to known amounts of cash, and were subject to an insignificant risk of changes in value.

notes to the financial statements

for the Financial Year Ended 31 March 2019 (Cont'd)

18. SHARE CAPITAL

	The Group/The Company			
	2019 Number Of Shares ('000)	2018 Number Of Shares ('000)	2019 RM'000	2018 RM'000
Issued and Fully Paid-up				
Ordinary Shares				
At 1 April	501,758	501,703	50,196	50,170
Issuance of shares pursuant to:				
- warrants exercised	-	55	-	26
Transfer from share premium account	-	-	50,379	-
At 31 March	501,758	501,758	100,575	50,196

- (a) 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. The ordinary shares have no par value.
- (b) 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. Consequently, the amount standing to the credit of the Company's share premium account became part of the Company's share capital pursuant to the transitional provisions set out in Section 618(2) of the Companies Act 2016. There is no impact on the numbers of ordinary shares in issue or the relative entitlement of any of the members as a result of this transition.

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:

	At 1.4.2018	Entitlement For Ordinary Shares			At 31.3.2019
		Issued	Exercised	Lapsed	
<i>Number of unexercised Warrants</i>					
Warrants-B	111,405,217	-	-	-	111,405,217

notes to the financial statements

for the Financial Year Ended 31 March 2019 (Cont'd)

18. SHARE CAPITAL (CONT'D)

The main features of the warrants are as follows:-

- (i) Each warrant entitles the registered holder to subscribe for one (1) new ordinary share 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) 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 8 October 2014 for Warrants-B. 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.

19. SHARE PREMIUM

	The Group/The Company	
	2019	2018
	RM'000	RM'000
At 1 April/31 March	-	50,379

On 31 January 2017, the concept of authorised share capital and par value of share capital were abolished in accordance with the Companies Act 2016. Consequently, the amount standing to the credit of the Company's share premium account became part of the Company's share capital pursuant to the transitional provisions set out in Section 618(2) of the Companies Act 2016. There is no impact on the numbers of ordinary shares in issue or the relative entitlement of any of the members as a result of this transition.

20. MERGER DEFICIT

The merger deficit relates to the subsidiary which was consolidated under the merger method of accounting.

The merger deficit arose from the difference between the nominal value of shares issued for the acquisition of a subsidiary and the nominal value of the shares acquired.

21. RETAINED PROFITS

Under the single-tier tax system, tax on the Company's profits is the final tax and accordingly, any dividends to the shareholders are not subject to tax.

22. FOREIGN EXCHANGE TRANSLATION RESERVE

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

notes to the financial statements

for the Financial Year Ended 31 March 2019 (Cont'd)

23. LONG-TERM BORROWINGS

	The Group		The Company	
	2019	2018	2019	2018
	RM'000	RM'000	RM'000	RM'000
Hire purchase payables (Note 24)	358	502	-	-
Term loans (Note 25)	15,650	27,746	15,021	27,746
	16,008	28,248	15,021	27,746

24. HIRE PURCHASE PAYABLES

	The Group	
	2019	2018
	RM'000	RM'000
Minimum hire purchase payments:		
- not later than one year	156	157
- later than one year and not later than five years	376	532
	532	689
Less: Future finance charges	(37)	(61)
Present value of hire purchase payables	495	628
Analysed by:-		
Current liabilities (Note 29)	137	126
Non-current liabilities (Note 23)	358	502
	495	628

- (a) The hire purchase payables of the Group are secured by the Group's motor vehicle under finance leases as disclosed in Note 7 to the financial statements. The hire purchase arrangements are expiring from 1 to 5 (2018 - 1 to 6) years.
- (b) The hire purchase payables of the Group at the end of the reporting period bore effective interest rates ranging from 4.36% to 4.48% (2018 - 4.36% to 4.48%). The interest rates are fixed at the inception of the hire purchase arrangements.

25. TERM LOANS

	The Group		The Company	
	2019	2018	2019	2018
	RM'000	RM'000	RM'000	RM'000
Current liabilities (Note 29)	21,055	9,581	21,000	9,581
Non-current liabilities (Note 23)	15,650	27,746	15,021	27,746
	36,705	37,327	36,021	37,327

notes to the financial statements

for the Financial Year Ended 31 March 2019 (Cont'd)

25. TERM LOANS (CONT'D)

Details of the term loans are as follows:-

Term Loan	The Group		The Company	
	2019 RM'000	2018 RM'000	2019 RM'000	2018 RM'000
1	-	22,301	-	22,301
2	15,021	15,026	15,021	15,026
3	684	-	-	-
4	21,000	-	21,000	-
	36,705	37,327	36,021	37,327

- (a) In the previous financial year, term loan 1 bore an effective interest rate of 7.40% per annum at the end of the reporting period and was secured by:
- (i) a first party Memorandum of Deposit for pledge over 280,056,609 Dagang NeXchange Berhad ("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.
- (b) Term loan 2 bore an effective interest rate of 7.25% (2018 - 7.15%) per annum at the end of the reporting period and is secured by:
- (i) a first party Memorandum of Deposit by way of second legal charge over the ordinary shares of DNeX currently pledged to the Bank ("Pledge Shares") under the existing term loan facility, as well as all the dividends and all other entitlements from such shares;
 - (ii) an assignment over all dividend proceeds from certain subsidiaries; and
 - (iii) a joint and several guarantee of certain directors of the Group.
- (c) Term loan 3 bore an effective interest rate of 4.85% per annum at the end of the reporting period and is secured by:
- (i) a facility agreement to be stamped for RM1,500,000;
 - (ii) a legal charge over a property;
 - (iii) fixed deposit of a subsidiary pledged to a licensed bank;
 - (iv) a joint and several guarantee of the directors of a subsidiary; and
 - (v) a corporate guarantee executed by the Company.
- (d) Term loan 4 bore an effective interest rate of 7.50% per annum at the end of the reporting period and is secured by:
- (i) a first charge on shares of DNeX currently pledged to the Bank ("Pledge Shares") under the existing term loan facility, as well as all the dividends and all other entitlements from such shares; and
 - (ii) a corporate guarantee executed by the Company.

notes to the financial statements

for the Financial Year Ended 31 March 2019 (Cont'd)

26. DEFERRED TAXATION

The Group	At 1.4.2018 RM'000	Recognised in Profit or Loss (Note 35) RM'000	Currency Translation Difference RM'000	At 31.3.2019 RM'000
2019				
<i>Deferred Tax Liabilities</i>				
Property, plant and equipment	182	-	-	182
Intangible assets acquired	1,787	(347)	-	1,440
<i>Deferred Tax Assets</i>				
Provision	(181)	(179)	(2)	(362)
	1,788	(526)	(2)	1,260

The Group	At 1.4.2017 RM'000	Recognised in Profit or Loss (Note 35) RM'000	At 31.3.2018 RM'000
2018			
<i>Deferred Tax Liabilities</i>			
Property, plant and equipment		214	182
Intangible assets acquired		2,289	1,787
<i>Deferred Tax Assets</i>			
Provision		(181)	(181)
		2,322	1,788

27. TRADE PAYABLES

The normal trade credit terms granted to the Group range from 30 to 90 (2018 - 30 to 90) days.

28. OTHER PAYABLES AND ACCRUALS

	The Group		The Company	
	2019 RM'000	2018 RM'000	2019 RM'000	2018 RM'000
Other payables	2,364	5,186	-	120
Accruals	3,203	4,935	118	276
	5,567	10,121	118	396

notes to the financial statements

for the Financial Year Ended 31 March 2019 (Cont'd)

29. SHORT-TERM BORROWINGS

	The Group		The Company	
	2019	2018	2019	2018
	RM'000	RM'000	RM'000	RM'000
Hire purchase payables (Note 24)	137	126	-	-
Term loans (Note 25)	21,055	9,581	21,000	9,581
	21,192	9,707	21,000	9,581

30. DEFERRED INCOME

	The Group	
	2019	2018
	RM'000	RM'000
Current:		
- not later than one year	4,005	3,613

The deferred income primarily relates to advance considerations received by a subsidiary from customers for subscription of computerised accounting software of which the revenue will be recognised over the remaining contract term of the specific contract it relates to, ranging from 1 to 12 (2018 - 1 to 12) months.

31. BANK OVERDRAFTS

The bank overdrafts of the Group bore effective interest rates ranging from 8.20% to 8.65% (2018 - 8.50% to 8.65%) per annum at the end of the reporting period and are secured by:

- (i) a legal charge of 2,500,000 ordinary shares of a corporate shareholder;
- (ii) a Deed of Assignment of all contract proceeds and/or receivables to be received by a subsidiary in respect of the projects being financed;
- (iii) fixed deposits of a subsidiary pledged to a licensed bank;
- (iv) a joint and several guarantee of the directors of a subsidiary;
- (v) a facility agreement to be stamped for RM1,500,000; and
- (vi) a legal charge over property.

notes to the financial statements

for the Financial Year Ended 31 March 2019 (Cont'd)

32. REVENUE

	The Group		The Company	
	2019	2018	2019	2018
	RM'000	RM'000	RM'000	RM'000
<u>Revenue from Contracts with Customers</u>				
Software, training and implementation	31,314	57,839	-	-
Maintenance	20,935	21,264	-	-
Hardware	11,015	15,164	-	-
	63,264	94,267	-	-
<u>Revenue from Other Sources</u>				
Dividend income	-	-	2,086	4,445
	63,264	94,267	2,086	4,445

The information on the disaggregation of revenue is disclosed in Note 43 to the financial statements.

33. NET IMPAIRMENT LOSSES ON FINANCIAL ASSETS

	The Group		The Company	
	2019	2018	2019	2018
	RM'000	RM'000	RM'000	RM'000
Impairment losses during the financial year:				
- Individually impaired under MFRS 139 (Note 12)	-	10,175	-	-
- Additions under MFRS 9 (Notes 12 and 13)	3,009	-	-	-
Reversal of impairment losses (Notes 12 and 13)	(229)	(67)	-	-
	2,780	10,108	-	-

notes to the financial statements

for the Financial Year Ended 31 March 2019 (Cont'd)

34. (LOSS)/PROFIT BEFORE TAXATION

	The Group		The Company	
	2019	2018	2019	2018
	RM'000	RM'000	RM'000	RM'000
(Loss)/Profit before taxation is arrived at after charging/(crediting):-				
Amortisation of intangible assets (Note 8)	3,989	7,311	-	-
Auditors' remuneration:				
- audit fees	269	267	107	102
- non-audit fees:				
- auditors of the Company	6	6	-	-
Bad debts written off	102	-	-	-
Staff costs (including other key management personnel):				
- short-term employee benefits	20,870	21,230	851	511
- defined contribution benefits	2,051	2,112	93	53
Depreciation of property, plant and equipment (Note 7)	1,173	1,237	-	-
Directors' remuneration (Note 38)	2,319	1,769	2,152	1,565
Impairment loss:				
- trade receivables (Note 12)	2,858	10,175	-	-
- other receivables (Note 13)	151	-	-	-
Interest expense on financial liabilities that are not at fair value through profit or loss:				
- bank overdrafts	522	539	-	-
- hire purchase	24	30	-	-
- term loans	2,956	2,960	2,941	2,718
- others	5	10	-	-
Loss on foreign exchange:				
- unrealised	92	83	-	-
Bad debts recovered	(3,560)	-	-	-
Dividend income:				
- subsidiaries	-	-	(2,086)	(2,959)
- associate	-	-	-	(1,486)
Gain on partial disposal of a subsidiary	-	-	(1,150)	-
Gain on partial disposal of an associate	-	(2,776)	-	(5,695)
Interest income:				
- fixed deposits with licensed banks	(115)	(164)	(68)	(152)
- others	(48)	(105)	-	-
Interest income on financial assets measured at amortised cost:-				
- imputed interest on amount owing by a subsidiary under non-current	-	-	(2,938)	(1,676)
Reversal of impairment loss:				
- trade receivables (Note 12)	(201)	(67)	-	-
- other receivables (Note 13)	(28)	-	-	-
Unrealised gain on foreign exchange	-	(58)	-	-

notes to the financial statements

for the Financial Year Ended 31 March 2019 (Cont'd)

35. INCOME TAX EXPENSE/(CREDIT)

	The Group		The Company	
	2019	2018	2019	2018
	RM'000	RM'000	RM'000	RM'000
Current tax expense	386	1,714	-	-
Under/(Over)provision in the previous financial year	273	(26)	(14)	-
	659	1,688	(14)	-
Deferred tax (Note 26):				
- originating and recognition of temporary differences	(526)	(516)	-	-
- overprovision in the previous financial year	-	(18)	-	-
	(526)	(534)	-	-
	133	1,154	(14)	-

A reconciliation of income tax expense applicable to the (loss)/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	
	2019	2018	2019	2018
	RM'000	RM'000	RM'000	RM'000
(Loss)/Profit before taxation	(776)	(6,833)	(939)	6,150
Tax at the statutory tax rate of 24% (2018 - 24%)	(186)	(1,640)	(225)	1,476
Tax effects of:-				
Non-deductible expenses	3,858	6,510	1,021	904
Non-taxable income	(1,520)	(2,935)	(1,482)	(2,836)
Share of results in an associate	(1,040)	(2,466)	-	-
Tax-exempt income	(74)	(605)	-	-
Deferred tax assets not recognised during the financial year	899	2,934	686	456
Utilisation of deferred tax assets not recognised in the previous financial year	(1,964)	(4)	-	-
Under/(Over)provision in the previous financial year				
- current tax	273	(26)	(14)	-
- deferred tax	-	(18)	-	-
Differential in tax rates	(113)	(376)	-	-
Effect of change in corporate income tax rate	-	(220)	-	-
	133	1,154	(14)	-

Domestic income tax is calculated at the Malaysian statutory tax rate of 24% (2018 - 24%) of the estimated assessable profit for the financial year. The taxation of other jurisdictions is calculated at the rates prevailing in the respective jurisdiction.

For years of assessment 2018 and 2019, the Malaysian statutory tax rate will be reduced by 1% to 4%, based on the prescribed incremental percentage of chargeable income from business, compared to that of the immediate preceding year of assessment. The Group has accounted for the reduction in the tax rate in the current financial year, based on the percentage of increase in chargeable income of the Company and its subsidiaries.

notes to the financial statements

for the Financial Year Ended 31 March 2019 (Cont'd)

35. INCOME TAX EXPENSE/(CREDIT) (CONT'D)

In the previous 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.

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	
	2019	2018	2019	2018
	RM'000	RM'000	RM'000	RM'000
Accelerated capital allowances	352	275	-	-
Provision	926	11,801	-	-
Unabsorbed capital allowances	617	427	-	-
Unutilised tax losses	23,122	16,951	3,365	505
	25,017	29,454	3,365	505

No deferred tax assets are recognised on these items.

36. EARNINGS/(LOSS) PER SHARE

	The Group	
	2019	2018
Profit/(Loss) after taxation attributable to owners of the Company (RM'000)	681	(9,123)
Weighted average number of ordinary shares (in '000):		
Issued ordinary shares at 1 April	501,731	501,703
Effect of issuance of shares	-	28
Weighted average number of ordinary shares at 31 March	501,731	501,731
Basic earnings/(loss) per share (Sen)	0.14	(1.82)
Profit/(Loss) after taxation attributable to owners of the Company for diluted earnings per share computation (RM'000)	681	(9,123)
Weighted average number of ordinary shares for basic earnings per share (in '000):	501,731	501,731
Effects of dilution:		
- Warrant-B exercise in exchange of new ordinary shares	-	-
Weighted average number of ordinary shares for diluted earnings per share computation	501,731	501,731

notes to the financial statements

for the Financial Year Ended 31 March 2019 (Cont'd)

36. EARNINGS/(LOSS) PER SHARE (CONT'D)

	The Group	
	2019	2018
Diluted earnings/(loss) per share (Sen)	0.14*	(1.82)*

* - The effects of potential ordinary shares arising from the conversion of Warrants-B (2018 - Warrants-B) are anti-dilutive and accordingly, they have been ignored in the calculation of dilutive earnings/(loss) per share. As a result, the diluted earnings/(loss) per ordinary share is the same as basic earnings/(loss) per share.

37. CASH FLOW INFORMATION

(a) The cash disbursed for the purchase of property, plant and equipment is as follows:-

	The Group	
	2019	2018
	RM'000	RM'000
Cost of property, plant and equipment purchased (Note 7)	1,705	553
Amount financed through term loan	(700)	-
Cash disbursed for purchase of property, plant and equipment	1,005	553

(b) The reconciliations of liabilities arising from financing activities are as follows:-

The Group	Term Loans	Hire Purchase	Total
	RM'000	RM'000	RM'000
2019			
At 1 April	37,327	628	37,955
<u>Changes in Financing Cash Flows</u>			
Proceeds from drawdown	22,700	-	22,700
Repayment of borrowing principal	(23,343)	(133)	(23,476)
Repayment of borrowing interests	(2,956)	(24)	(2,980)
	(3,599)	(157)	(3,756)
<u>Non-cash Changes</u>			
Finance charges recognised in profit or loss	2,956	24	2,980
Accrual for interest expense	21	-	21
	2,977	24	3,001
At 31 March	36,705	495	37,200

notes to the financial statements

for the Financial Year Ended 31 March 2019 (Cont'd)

37. CASH FLOW INFORMATION (CONT'D)

(b) The reconciliations of liabilities arising from financing activities are as follows:- (Cont'd)

The Group	Term Loans RM'000	Hire Purchase RM'000	Total RM'000
2018			
At 1 April	51,253	754	52,007
<u>Changes in Financing Cash Flows</u>			
Proceeds from drawdown	15,000	-	15,000
Repayment of borrowing principal	(28,993)	(126)	(29,119)
Repayment of borrowing interests	(2,960)	(30)	(2,990)
	(16,953)	(156)	(17,109)
<u>Non-cash Changes</u>			
Finance charges recognised in profit or loss	2,960	30	2,990
Accrual for interest expense	67	-	67
	3,027	30	3,057
At 31 March	37,327	628	37,955
The Company		Term Loans RM'000	
2019			
At 1 April			37,327
<u>Changes in Financing Cash Flows</u>			
Proceeds from drawdown			22,000
Repayment of borrowing principal			(23,327)
Repayment of borrowing interests			(2,941)
			(4,268)
<u>Non-cash Changes</u>			
Finance charges recognised in profit or loss			2,941
Accrual for interest expense			21
			2,962
At 31 March			36,021

notes to the financial statements

for the Financial Year Ended 31 March 2019 (Cont'd)

37. CASH FLOW INFORMATION (CONT'D)

(b) The reconciliations of liabilities arising from financing activities are as follows:- (Cont'd)

The Company	Term Loans RM'000
2018	
At 1 April	43,800
<u>Changes in Financing Cash Flows</u>	
Proceeds from drawdown	15,000
Repayment of borrowing principal	(21,540)
Repayment of borrowing interests	(2,718)
	(9,258)
<u>Non-cash Changes</u>	
Finance charges recognised in profit or loss	2,718
Accrual for interest expense	67
	2,785
At 31 March	37,327

(c) The cash and cash equivalents comprise the following:-

	The Group		The Company	
	2019 RM'000	2018 RM'000	2019 RM'000	2018 RM'000
Fixed deposits with licensed banks (Note 16)	9,991	4,533	3,475	4,031
Short-term investments (Note 17)	-	568	-	568
Cash and bank balances	6,591	5,491	298	242
Bank overdrafts (Note 31)	(3,563)	(7,727)	-	-
	13,019	2,865	3,773	4,841
Less: Fixed deposits pledged to licensed banks (Note 16)	(3,960)	(4,488)	(3,475)	(4,031)
	9,059	(1,623)	298	810

notes to the financial statements

for the Financial Year Ended 31 March 2019 (Cont'd)

38. KEY MANAGEMENT PERSONNEL COMPENSATION

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.

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

	The Group		The Company	
	2019	2018	2019	2018
	RM'000	RM'000	RM'000	RM'000
(a) Directors				
<u>Directors of the Company</u>				
Executive:				
- fees	262	299	95	95
- non-fee emoluments	1,652	1,106	1,652	1,106
	1,914	1,405	1,747	1,201
Non-executive:				
- fees	345	320	345	320
- non-fee emoluments	60	44	60	44
	2,319	1,769	2,152	1,565
(b) Other Key Management Personnel				
Key management personnel compensation:				
- short-term employee benefits	4,669	5,350	649	423

39. 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, associate, key management personnel and entities within the same group of companies.

notes to the financial statements

for the Financial Year Ended 31 March 2019 (Cont'd)

39. SIGNIFICANT RELATED PARTY DISCLOSURES (CONT'D)

(b) Significant Related Party Transactions and 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	
	2019	2018	2019	2018
	RM'000	RM'000	RM'000	RM'000
Subsidiaries:				
- Dividend income received	-	-	2,086	2,959
Related parties:				
- Rental expenses	(567)	(523)	-	-
- Sales	732	-	-	-
Associate:				
- Dividend income received	-	-	-	1,486

40. 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 period are as follows:-

	The Group	
	2019	2018
	RM'000	RM'000
United States Dollar	4.0850	3.8630
Singapore Dollar	3.0142	2.9494
Indonesian Rupiah	0.000287	0.000281

41. CONTINGENT LIABILITY

No provisions are recognised on the following matters as it is not probable that a future sacrifice of economic benefits will be required or the amount is not capable of reliable measurement:-

	The Group	
	2019	2018
	RM'000	RM'000
Performance guarantee extended by a subsidiary to third parties	3,861	3,568

notes to the financial statements

for the Financial Year Ended 31 March 2019 (Cont'd)

42. CAPITAL COMMITMENTS

	The Group	
	2019	2018
	RM'000	RM'000
Purchase of property, plant and equipment	-	900

43. 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 on a quarterly basis. For management purposes, the Group is organised into business units based on their products and services provided.

The Group is organised into 6 main reportable segments as follows:-

- (i) Financial Management Solutions segment for Government ("FMS - G") and for Commercial ("FMS - C") - 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.

for the Financial Year Ended 31 March 2019 (Cont'd)

43.1 BUSINESS SEGMENTS

[illegible]

notes to the financial statements

for the Financial Year Ended 31 March 2019 (Cont'd)

43. OPERATING SEGMENTS (CONT'D)

43.1 BUSINESS SEGMENTS (CONT'D)

	FMS - G RM'000	PAS RM'000	CS RM'000	WMS RM'000	TS RM'000	FMS - C RM'000	Elimination RM'000	The Group RM'000
2019								
Segment assets	31,239	210	143,603	4,657	10,862	6,007	(7,806)	188,772
Current tax assets								697
Consolidated total assets								189,469
Segment liabilities	22,840	675	36,172	2,288	2,953	4,818	(16,962)	52,784
Deferred taxation								1,260
Provision for taxation								1,535
Consolidated total liabilities								55,579
Additions to non-current assets other than financial instruments:								
- property, plant and equipment	25	-	-	465	1,115	100	-	1,705
- intangible assets	2,451	-	-	296	-	-	-	2,747
Other material items of (income)/expenses consist of the following:								
Amortisation and depreciation	2,160	11	-	535	147	269	2,040	5,162
Impairment loss on:								
- trade receivables	1,198	-	-	1,660	-	-	-	2,858
- other receivables	-	-	-	-	-	151	-	151
Reversal of impairment loss on:								
- trade receivables	-	-	-	-	(201)	-	-	(201)
- other receivables	-	(28)	-	-	-	-	-	(28)
Interest expense	536	-	2,941	-	30	-	-	3,507
Interest income	(15)	-	(68)	(2)	(78)	-	-	(163)

for the Financial Year Ended 31 March 2019 (Cont'd)

43.1 BUSINESS SEGMENT (CONT'D)

[illegible]

notes to the financial statements

for the Financial Year Ended 31 March 2019 (Cont'd)

43. OPERATING SEGMENTS (CONT'D)

43.1 BUSINESS SEGMENTS (CONT'D)

	FMS - G RM'000	PAS RM'000	CS RM'000	WMS RM'000	TS RM'000	FMS - C RM'000	Elimination RM'000	The Group RM'000
2018								
Additions to non-current assets other than financial instruments:								
- property, plant and equipment	145	-	-	37	236	135	-	553
- intangible assets	2,329	-	-	720	-	-	-	3,049
Other material items of (income)/expenses consist of the following:								
Amortisation and depreciation	4,594	51	-	590	103	260	2,950	8,548
Impairment loss on:								
- trade receivables	10,160	15	-	-	-	-	-	10,175
Interest expense	821	-	2,718	-	-	-	-	3,539
Interest income	(87)	-	(152)	(1)	-	(29)	-	(269)

n o t e s t o t h e f i n a n c i a l s t a t e m e n t s

for the Financial Year Ended 31 March 2019 (Cont'd)

43. OPERATING SEGMENTS (CONT'D)

43.2 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 investment in an associate).

	Revenue		Non-current Assets	
	2019	2018	2019	2018
	RM'000	RM'000	RM'000	RM'000
The Group				
Indonesia	3,853	3,349	2,068	1,799
Singapore	15,137	16,423	589	11,426
Malaysia	44,274	74,495	143,644	130,624
	63,264	94,267	146,301	143,849

43.3 MAJOR CUSTOMERS

The following are major customers with revenue equal to or more than 10% of the Group's total revenue:

	Revenue		Segment
	2019	2018	
	RM'000	RM'000	
Customer #1	-	13,996	FMS - G
Customer #2	-	24,197	TS
Customer #3	10,390	-	FMS - G

44. 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.

44.1 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 the respective functional currencies of entities within the Group. 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.

notes to the financial statements

for the Financial Year Ended 31 March 2019 (Cont'd)

44. FINANCIAL INSTRUMENTS (CONT'D)

44.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(a) Market Risk (Cont'd)

(i) Foreign Currency Risk (Cont'd)

The Group's exposure to foreign currency risk (a currency which is other than the functional currency of the entities within the Group) based on the carrying amounts of the financial instruments at the end of the reporting period is summarised below:-

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
2019						
Financial Assets						
Other investments	-	-	-	-	100	100
Trade receivables	452	332	185	845	18,507	20,321
Other receivables	-	2	-	1,214	1,362	2,578
Amount owing by related parties	-	-	-	-	1,184	1,184
Fixed deposits with licensed banks	-	-	-	1	9,990	9,991
Cash and bank balances	220	3,025	-	25	3,321	6,591
	672	3,359	185	2,085	34,464	40,765
Financial Liabilities						
Hire purchase payables	-	-	-	-	495	495
Term loans	-	-	-	-	36,705	36,705
Trade payables	3	24	-	9	2,365	2,401
Other payables and accruals	-	689	-	703	3,616	5,008
Amount owing to related parties	-	-	-	-	48	48
Bank overdrafts	-	-	-	-	3,563	3,563
	3	713	-	712	46,792	48,220
Net financial assets/(liabilities)	669	2,646	185	1,373	(12,328)	(7,455)
Less: Net financial (assets)/liabilities denominated in the respective entities' functional currencies	-	(2,646)	-	(1,373)	12,328	8,309
Currency Exposure	669	-	185	-	-	854

notes to the financial statements

for the Financial Year Ended 31 March 2019 (Cont'd)

44. FINANCIAL INSTRUMENTS (CONT'D)

44.1 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
2018						
Financial Assets						
Other investments	-	-	-	-	100	100
Trade receivables	298	766	165	267	38,393	39,889
Other receivables	-	180	-	4,629	1,116	5,925
Short-term investments	-	-	-	-	568	568
Fixed deposits with licensed banks	-	-	-	45	4,488	4,533
Cash and bank balances	18	2,384	-	75	3,014	5,491
	316	3,330	165	5,016	47,679	56,506
Financial Liabilities						
Hire purchase payables	-	-	-	-	628	628
Term loans	-	-	-	-	37,327	37,327
Trade payables	7	32	-	10	4,411	4,460
Other payables and accruals	-	1,392	-	906	7,320	9,618
Amount owing to related parties	-	-	-	-	228	228
Bank overdrafts	-	-	-	-	7,727	7,727
	7	1,424	-	916	57,641	59,988
Net financial assets/(liabilities)	309	1,906	165	4,100	(9,962)	(3,482)
Less: Net financial (assets)/liabilities denominated in the respective entities' functional currencies	-	(1,830)	-	(4,100)	9,962	4,032
Currency Exposure	309	76	165	-	-	550

notes to the financial statements

for the Financial Year Ended 31 March 2019 (Cont'd)

44. FINANCIAL INSTRUMENTS (CONT'D)

44.1 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	
	2019	2018	2019	2018
	Increase/ (Decrease)	Increase/ (Decrease)	Increase/ (Decrease)	Increase/ (Decrease)
	RM'000	RM'000	RM'000	RM'000
Effects on (Loss)/Profit After Taxation and Other Comprehensive Income/(Expenses)				
Strengthened by 10%				
- Hong Kong Dollar	(51)	(23)	-	-
- United States Dollar	(14)	(13)	-	-
- Singapore Dollar	-	(6)	-	-
Weakened by 10%				
- Hong Kong Dollar	51	23	-	-
- United States Dollar	14	13	-	-
- Singapore Dollar	-	6	-	-

(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.

The Group's fixed deposits with licensed banks are carried at amortised cost. Therefore, they are not subject to interest rate risk as defined in MFRS 7 since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

The Group's exposure to interest rate risk based on the carrying amounts of the financial instruments at the end of the reporting period is disclosed in Note 44.1(c) to the financial statements.

notes to the financial statements

for the Financial Year Ended 31 March 2019 (Cont'd)

44. FINANCIAL INSTRUMENTS (CONT'D)

44.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(a) Market Risk (Cont'd)

(ii) Interest Rate Risk (Cont'd)

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	
	2019	2018	2019	2018
	RM'000	RM'000	RM'000	RM'000
Effects on (Loss)/Profit After Taxation and Other Comprehensive Income/(Expense)				
Increase of 100 basis points ("bp")	(306)	(342)	(274)	(284)
Decrease of 100 bp	306	342	274	284

(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 Company's exposure to credit risk arises principally from loans and advances to subsidiaries, and corporate guarantee given to financial institutions for credit facilities granted to certain subsidiaries. The Company monitors the results of these subsidiaries regularly and repayments made by the subsidiaries.

(i) Credit risk concentration profile

The Group's major concentration of credit risk relates to the amounts owing by three customers which constituted approximately 14% (2018 - 33%) 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	
	2019	2018
	RM'000	RM'000
Indonesia	845	388
Singapore	1,106	1,086
Malaysia	18,370	38,415
	20,321	39,889

notes to the financial statements

for the Financial Year Ended 31 March 2019 (Cont'd)

44. FINANCIAL INSTRUMENTS (CONT'D)

44.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(b) Credit Risk (Cont'd)

(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).

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.

(iii) Assessment of Impairment Losses

At each reporting date, the Group assesses whether any of the financial assets at amortised cost are credit impaired.

The gross carrying amounts of financial assets are written off when there is no reasonable expectation of recovery (i.e. the debtor does not have assets or sources of income to generate sufficient cash flows to repay the debt) despite the fact that they are still subject to enforcement activities.

Trade Receivables

The Group applies the simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables.

To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due.

The Group considers any receivables having financial difficulty or with significant balances outstanding for more than two years, are deemed credit impaired.

The expected loss rates are based on the payment profiles of sales over a period of 12 months from the measurement date and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle their debts.

notes to the financial statements

for the Financial Year Ended 31 March 2019 (Cont'd)

44. FINANCIAL INSTRUMENTS (CONT'D)

44.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(b) Credit Risk (Cont'd)

(iii) Assessment of Impairment Losses (Cont'd)

Trade Receivables (Cont'd)

The information about the exposure to credit risk and the loss allowances calculated under MFRS 9 for the trade receivables are summarised below:

The Group	Gross Amount RM'000	Lifetime Loss Allowance RM'000	Carrying Amount RM'000
2019			
Current (not past due)	14,074	(14)	14,060
31 - 60 days past due	1,719	(3)	1,716
61 - 90 days past due	824	(7)	817
91 - 120 days past due	982	(12)	970
more than 120 days	4,492	(1,734)	2,758
Credit impaired:			
- individually impaired	816	(816)	-
	22,907	(2,586)	20,321

In the last financial year, the loss allowance on trade receivables was calculated under MFRS 139. The ageing analysis of trade receivables is as follows:-

The Group	Gross Amount RM'000	Individual Impairment RM'000	Carrying Amount RM'000
2018			
Not past due	31,604	-	31,604
Past due:-			
- 31 - 60 days	1,963	-	1,963
- 61 - 90 days	2,404	-	2,404
- 91 - 120 days	637	-	637
- more than 120 days	14,472	(11,191)	3,281
	51,080	(11,191)	39,889

notes to the financial statements

for the Financial Year Ended 31 March 2019 (Cont'd)

44. FINANCIAL INSTRUMENTS (CONT'D)

44.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(b) Credit Risk (Cont'd)

(iii) Assessment of Impairment Losses (Cont'd)

Trade Receivables (Cont'd)

The movements in the loss allowances in respect of trade receivables are disclosed in Note 12 to the financial statements.

Other Receivables

The Group applies the 3-stage general approach to measuring expected credit losses for the other receivables. Generally, the Group considers the advances to other receivables have low credit risks.

The information about the exposure to credit risk and the loss allowance calculated under MFRS 9 for the other receivables are summarised below:

The Group	Gross Amount RM'000	Lifetime Loss Allowance RM'000	Carrying Amount RM'000
2019			
Low credit risk	2,604	-	2,604
Credit impaired	151	(151)	-
	2,755	(151)	2,604

In the last financial year, the loss allowance on other receivables has calculated under MFRS 139.

Fixed Deposits with Licensed Banks, Cash and Bank Balances

The Group considers these banks and financial institutions have low credit risks. Therefore, the Group is of the view that the loss allowance is immaterial and hence, it is not provided for.

Amount Owing By Subsidiaries (Non-trade Balances)

Amount owing by subsidiaries are also subject to the impairment requirements of MFRS 9, the identified impairment loss was immaterial and hence, it is not provided for.

Financial Guarantee Contracts

All of the financial guarantee contracts are considered to be performing, have low risks of default and historically there were no instances where these financial guarantee contracts were called upon by the parties of which the financial guarantee contracts were issued to. Accordingly, no loss allowances were identified based on 12-month expected credit losses.

notes to the financial statements

for the Financial Year Ended 31 March 2019 (Cont'd)

44. FINANCIAL INSTRUMENTS (CONT'D)

44.1 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 Interest 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
2019						
<u>Non-derivative Financial Liabilities</u>						
Hire purchase payables	4.42	495	532	156	376	-
Term loans	7.35	36,705	39,403	22,611	16,395	397
Trade payables	-	2,401	2,401	2,401	-	-
Other payables and accruals	-	5,008	5,008	5,008	-	-
Bank overdrafts	8.63	3,563	3,563	3,563	-	-
Amount owing to related parties	-	48	48	48	-	-
		48,220	50,955	33,787	16,771	397
2018						
<u>Non-derivative Financial Liabilities</u>						
Hire purchase payables	4.42	628	688	156	532	-
Term loans	7.30	37,327	40,052	10,280	29,772	-
Trade payables	-	4,460	4,460	4,460	-	-
Other payables and accruals	-	9,618	9,618	9,618	-	-
Bank overdrafts	8.56	7,727	7,727	7,727	-	-
Amount owing to related parties	-	228	228	228	-	-
		59,988	62,773	32,469	30,304	-

notes to the financial statements

for the Financial Year Ended 31 March 2019 (Cont'd)

44. FINANCIAL INSTRUMENTS (CONT'D)

44.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(c) Liquidity Risk (Cont'd)

Maturity Analysis (Cont'd)

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):- (Cont'd)

The Company	Weighted Average Effective Interest Rate %	Carrying Amount RM'000	Contractual Undiscounted Cash Flows RM'000	Within 1 Year RM'000	1 - 5 Years RM'000
2019					
<u>Non-derivative Financial Liabilities</u>					
Term loans	7.40	36,021	38,685	22,553	16,132
Other payables and accruals	-	118	118	118	-
Financial guarantee contracts in relation to corporate guarantee given to certain subsidiaries	-	-	14,500	14,500	-
		36,139	53,303	37,171	16,132
2018					
<u>Non-derivative Financial Liabilities</u>					
Term loans	7.30	37,327	40,052	10,280	29,772
Other payables and accruals	-	396	396	396	-
Financial guarantee contracts in relation to corporate guarantee given to certain subsidiaries	-	-	13,000	13,000	-
		37,723	53,448	23,676	29,772

44.2 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.

notes to the financial statements

for the Financial Year Ended 31 March 2019 (Cont'd)

44. FINANCIAL INSTRUMENTS (CONT'D)

44.2 CAPITAL RISK MANAGEMENT (CONT'D)

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	
	2019	2018
	RM'000	RM'000
Hire purchase payables	495	628
Term loans	36,705	37,327
Bank overdrafts	3,563	7,727
	40,763	45,682
Less: Fixed deposits with licensed banks	(9,991)	(4,533)
Less: Short-term investments	-	(568)
Less: Cash and bank balances	(6,591)	(5,491)
Net debt	24,181	35,090
Total equity	133,890	135,843
Debt-to-equity ratio (times)	0.18	0.26

There was no change in the Group's approach to capital management during the financial year.

44.3 CLASSIFICATION OF FINANCIAL INSTRUMENTS

	2019	
	The Group	The Company
	RM'000	RM'000
Financial Assets		
<u>Designated at Fair Value Through Other Comprehensive Income Upon Initial Recognition</u>		
Other investments (Note 10)	100	-
<u>Amortised Cost</u>		
Trade receivables	20,321	-
Other receivables	2,578	826
Amount owing by subsidiaries	-	15,607
Amount owing by related parties	1,184	250
Fixed deposits with licensed banks	9,991	3,475
Cash and bank balances	6,591	298
	40,665	20,456

notes to the financial statements

for the Financial Year Ended 31 March 2019 (Cont'd)

44. FINANCIAL INSTRUMENTS (CONT'D)

44.3 CLASSIFICATION OF FINANCIAL INSTRUMENTS (CONT'D)

	2019	
	The Group RM'000	The Company RM'000
Financial Liabilities		
Amortised Cost		
Hire purchase payables	495	-
Term loans	36,705	36,021
Trade payables	2,401	-
Other payables and accruals	5,008	118
Amount owing to related parties	48	-
Bank overdrafts	3,563	-
	48,220	36,139
	2018	
	The Group RM'000	The Company RM'000
Financial Assets		
Available-for-sale Financial Assets		
Other investments	100	-
<u>Loans and Receivables Financial Assets</u>		
Trade receivables	39,889	-
Other receivables	5,925	827
Amount owing by subsidiaries	-	16,862
Fixed deposits with licensed banks	4,533	4,031
Cash and bank balances	5,491	242
	55,838	21,962
<u>Fair Value through Profit or Loss: Held-for-Trading</u>		
Short-term investments	568	568
Financial Liabilities		
<u>Other Financial Liabilities</u>		
Hire purchase payables	628	-
Term loans	37,327	37,327
Trade payables	4,460	-
Other payables and accruals	9,618	396
Amount owing to related parties	228	-
Bank overdrafts	7,727	-
	59,988	37,723

notes to the financial statements

for the Financial Year Ended 31 March 2019 (Cont'd)

44. FINANCIAL INSTRUMENTS (CONT'D)

44.4 FAIR VALUE INFORMATION

The fair values of the financial assets and financial liabilities of the Group and of the Company which are maturing within the next 12 months approximated their carrying amounts due to the relatively short-term maturity of the financial instruments or repayable on demand terms.

The following table sets out the fair value profile of financial instruments that are carried at fair value and those not carried at fair value at the end of the reporting period: -

The Group	Fair Value Of Financial Instruments Carried At Fair Value			Fair Value Of Financial Instruments Not Carried At Fair Value			Total Fair Value	Carrying Amount
	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	RM'000	RM'000
2019								
<u>Financial Asset</u>								
Other investment	-	100	-	-	-	-	100	100
- unquoted								
<u>Financial Liabilities</u>								
Hire purchase payables	-	-	-	-	495	-	495	495
Term loans	-	-	-	-	36,705	-	36,705	36,705
2018								
<u>Financial Asset</u>								
Short-term investments	-	-	-	-	568	-	568	568
<u>Financial Liabilities</u>								
Hire purchase payables	-	-	-	-	628	-	628	628
Term loans	-	-	-	-	37,327	-	37,327	37,327

* In the last financial year, the fair value of the Group's investment in unquoted shares with carrying amount of RM100,002 was not presented due to the lack of marketability of the shares and the fair value cannot be reliably measured.

notes to the financial statements

for the Financial Year Ended 31 March 2019 (Cont'd)

44. FINANCIAL INSTRUMENTS (CONT'D)

44.4 FAIR VALUE INFORMATION (CONT'D)

The Company	Fair Value Of Financial Instruments Carried At Fair Value			Fair Value Of Financial Instruments Not Carried At Fair Value			Total Fair Value	Carrying Amount
	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	RM'000	RM'000
2019								
<u>Financial Liabilities</u>								
Term loans	-	-	-	-	36,021	-	36,021	36,021
2018								
<u>Financial Asset</u>								
Short-term investments	-	-	-	-	568	-	568	568
<u>Financial Liabilities</u>								
Term loans	-	-	-	-	37,327	-	37,327	37,327

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 equity fund unit trusts is determined by reference to statements provided by the respective financial institutions, with which the investments were entered into.
- The fair value of the unquoted equity investments is determined to approximate the net assets of the investee as it is immaterial in the context of the financial statements.
- There were no transfer between level 1 and level 2 during the financial period.

n o t e s t o t h e f i n a n c i a l s t a t e m e n t s

for the Financial Year Ended 31 March 2019 (Cont'd)

45. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

The significant events during the financial year are as follows:

- (a) On 30 April 2018, a wholly-owned subsidiary, Century Software (Malaysia) Sdn. Bhd. accepted a Letter of Appointment from Pembangunan Sumber Manusia Berhad for a project named "*Service Provider For The ICT Transformation And Implementation Of An Integrated Core And Finance System*" for a contract sum of RM73,346,692.
- (b) On 15 August 2018, the Company acquired 51,000 ordinary shares representing 51% equity interest in Cendee Sdn. Bhd. for a total purchase consideration of RM51,000.
- (c) On 23 August 2018, a wholly-owned subsidiary, Century Software (Malaysia) Sdn. Bhd. has received a Letter of Award from Dewan Bandaraya Kuala Lumpur for a project named "*Comprehensive Maintenance And Support Services of ePBT Financial Management System In Dewan Bandaraya Kuala Lumpur*" for a tenure of 12 months with a project sum of RM3,850,000.
- (d) On 4 March 2019, its wholly-owned subsidiary, Century Software (Malaysia) Sdn. Bhd. has accepted a Letter of Award from Pertubuhan Keselamatan Sosial for a project named "*Pembaharuan Kontrak Penyelenggaraan Komprehensif Serta Penggantian Server Aplikasi dan Pangkalan Data Dengan Penyelesaian Pengurusan Bencana Bagi Sistem Perakaunan Saga Perkeso*" for a total project sum of RM4,529,354.

46. SIGNIFICANT EVENT OCCURRING AFTER THE REPORTING PERIOD

The significant event occurring after the reporting period is as follows:

- (a) On 15 May 2019, its wholly-owned subsidiary, Century Software (Malaysia) Sdn. Bhd. entered into a Share Sale and Purchase Agreement for a total consideration of RM1,300,000 to acquire the following companies:-

Names of Companies	Number Of Shares
Netsense Business Solutions Sdn. Bhd.	255,000
Netsense Business Solutions Pte. Ltd.	51,000
	306,000

notes to the financial statements

for the Financial Year Ended 31 March 2019 (Cont'd)

47. CHANGES IN ACCOUNTING POLICIES

As mentioned in Note 3.1 to the financial statements, the Group has adopted MFRS 9 and MFRS 15 during the financial year. The financial impacts upon the adoption of these accounting standards are summarised below:-

Statement of Financial Position

	At 1 April 2018		
	As Previously Reported RM'000	MFRS 9 Adjustments RM'000	As Restated RM'000
The Group			
<u>Assets</u>			
Trade receivables	39,889	(301)	39,588
Other receivables	5,925	(28)	5,897

Initial Application of MFRS 9

The Group has adopted MFRS 9 without restating any comparative information (transitional exemption). Therefore, the financial impacts arising from the new classification and measurement of financial instruments, and the new impairment requirements are not reflected in the consolidated statement of financial position as at 31 March 2018; but are recognised in the opening consolidated statement of financial position on 1 April 2018 (date of initial application of MFRS 9). The main impacts resulting from the changes made are summarised below:-

	Classification and Carrying Amount		
	Under MFRS 139 RM'000	Under MFRS 9 RM'000	Transition adjustment RM'000

The Group

- | | | | | |
|-----|--|-----|-----|---|
| (a) | Reclassification from available-for-sale financial assets ("AFS") to fair value through other comprehensive income ("FVOCI") | 100 | 100 | - |
| | <p>The Group intends to hold the investments in unquoted shares for long-term strategic purposes. These investments were measured at cost in prior periods. As permitted by MFRS 9, the Group has designated such investments as fair value through other comprehensive income, to be measured at fair value at each reporting date.</p> | | | |
| (b) | The Group has changed its impairment loss methodology from the 'incurred loss' approach to the 'expected credit loss' approach upon the adoption of MFRS 9. Under this new approach, the Group has accounted for the expected credit losses of its financial assets measured at amortised cost to reflect their changes in credit risk since initial recognition. Also, the Group has applied a simplified approach to measure the loss allowance of its trade receivables as permitted by MFRS 9. | | | |

n o t e s t o t h e f i n a n c i a l s t a t e m e n t s

for the Financial Year Ended 31 March 2019 (Cont'd)

47. CHANGES IN ACCOUNTING POLICIES (CONT'D)Initial Application of MFRS 9 (Cont'd)**The Company**

There were no material financial impacts upon the transition to MFRS 9 at the date of initial application.

Initial Application of MFRS 15

The Group has adopted MFRS 15 with modified retrospective application using the following practical expedients of which the cumulative financial impacts are recognised in the opening statements of financial position on 1 April 2018 (date of initial application of MFRS 15):

- (i) The Group has chosen to apply MFRS 15 retrospectively only to contracts that were not completed at the date of initial application; and
- (ii) For completed contracts that have variable consideration, the Group has chosen to use the transaction price at the date the contract was completed rather than estimating variable consideration amounts.

The adoption of MFRS 15 did not have any material impact on the Group's financial statements as the timing and amount of revenue recognised under MFRS 15 are consistent with the Group's current practice.

notice of the eleventh annual general meeting

NOTICE IS HEREBY GIVEN that the Eleventh Annual General Meeting ("AGM") of CENSOF HOLDINGS BERHAD ("Censof" or the "Company") will be held at Hibiscus Auditorium, Sime Darby Convention Centre, 1A, Jalan Bukit Kiara 1, Bukit Kiara, 60000 Kuala Lumpur, Malaysia, on Thursday, 29 August 2019 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 2019 together with the Directors' and Auditors' Reports thereon.
2. To approve the payment of Directors' Fees of RM425,000 and Meeting Allowance of RM1,000 per meeting for the financial year ending 31 March 2020 and that the Directors' Fees be payable quarterly in arrears and the Meeting Allowance be payable after the meeting in arrears. **Ordinary Resolution 1**
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 Tan Sri Dato' Mohd Ibrahim Bin Mohd Zain (Article 78) **Ordinary Resolution 2**
 - 3.2 Tuan Haji Ab. Gani Bin Haron (Article 78) **Ordinary Resolution 3**
4. To re-appoint Crowe Malaysia PLT as Auditors of the Company and to authorise the Directors to fix their remuneration. **Ordinary Resolution 4**

AS SPECIAL BUSINESS

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

5. **AUTHORITY TO ALLOT SHARES PURSUANT TO SECTION 75(1) OF THE COMPANIES ACT 2016** **Ordinary Resolution 5**

"THAT pursuant to Section 75(1) 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 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. **RETENTION OF DIRECTORS AS INDEPENDENT DIRECTORS OF THE COMPANY**

"THAT the tenure of the following directors which is coming to 9 years be retained as Independent Non-Executive Directors and to hold office until the conclusion of the next Annual General Meeting."

 - (a) Tan Sri Dato' Mohd Ibrahim Bin Mohd Zain **Ordinary Resolution 6**
 - (b) Tuan Haji Ab. Gani Bin Haron **Ordinary Resolution 7**
 - (c) Mr. Boey Tak Kong **Ordinary Resolution 8**

notice of the eleventh annual general meeting

(Cont'd)

7. PROPOSED ADOPTION OF A NEW CONSTITUTION OF THE COMPANY IN PLACE OF THE EXISTING MEMORANDUM & ARTICLES OF ASSOCIATION ("PROPOSED NEW CONSTITUTION")

Special Resolution

"THAT approval be and is hereby given to abolish the existing Memorandum and Articles of Association of the Company with immediate effect and in place thereof, the proposed new Constitution of the Company as set out in Appendix II of the Circular to Shareholders dated 31 July 2019 accompanying the Company's Annual Report for the financial year ended 31 March 2019 be and is hereby adopted as the Constitution of the Company AND THAT the Directors of the Company be and are hereby authorised to assent to any modifications, variations and/or amendments as may be required by the relevant authorities and to do all acts and things and take all such steps as may be considered necessary to give full effect to the foregoing."

8. 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: 31 July 2019

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 23 August 2019. Only a depositor whose name appears on the Record of Depositors as at 23 August 2019 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 authorized 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 authorized 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.

n o t i c e o f t h e e l e v e n t h a n n u a l g e n e r a l m e e t i n g

(Cont'd)

Explanatory Notes on Special Business:

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 5 September 2018, 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 issued share 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 allot shares in the Company, up to any amount not exceeding in total 10% of the issued share capital of the Company 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.

2. Resolution Pursuant to Retention As Independent Directors

The proposed Ordinary Resolutions 6, 7 and 8 will allow the Directors, Tan Sri Dato' Mohd Ibrahim Bin Mohd Zain, Tuan Haji Ab. Gani Bin Haron and Mr. Boey Tak Kong whose tenure is coming to 9 years, to continue to act as Independent Non-Executive Directors of the Company as: -

- i) They fulfil the criteria under the definition of an Independent Director as stated in the Main Market Listing Requirement of Bursa Malaysia Securities Berhad, and thus they are able to function as check and balance, provide a broader view and bring an element of objectivity to the Board;
- ii) They understand the business nature and office structure;
- iii) They provide the Board valuable advice and insight;
- iv) They actively participate in Board deliberations and decision making in an objective manner; and
- v) They uphold independent decision and challenges the management objectively.

P D P A n o t i c e**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.

PDPA notice

(Cont'd)

NOTIS KEPADA PEMEGANG SAHAM DI BAWAH AKTA PERLINDUNGAN DATA PERIBADI 2010

Seperti mana yang berkenaan, notis ini diberikan berhubungan dengan status anda sebagai pemegang saham Censof Holdings Berhad (828269-A) ("Syarikat").

Akta Perlindungan Data Peribadi 2010 (selepas ini disebut sebagai "PDPA"), yang mengawal selia pemprosesan data peribadi untuk tujuan transaksi komersial, adalah terpakai terhadap Syarikat. Untuk tujuan Notis ini, terma-terma "data peribadi" dan "pemprosesan" akan mempunyai maksud seperti yang ditakrifkan di dalam PDPA.

1. Notis bertulis ini ("Notis") bertujuan untuk memaklumkan kepada anda bahawa data peribadi anda sedang diproses oleh/ atau bagi pihak Syarikat.
2. Data peribadi yang diproses oleh kami termasuk nama, nombor kad pengenalan, nombor telefon, alamat dan butir-butir lain yang diberikan oleh anda atau bagi pihak anda berkenaan dengan pegangan saham anda dalam Syarikat.
3. Kami sedang memproses data peribadi anda, termasuklah sebarang maklumat tambahan yang anda mungkin berikan kemudian, untuk tujuan-tujuan berikut ("Tujuan-Tujuan") :
 - (a) Untuk menghantar kepada anda notis dan surat-surat pekeliling yang berkaitan dengan status anda sebagai pemegang saham dalam Syarikat;
 - (b) Untuk membayar kepada anda dividend 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 Dihubung: : 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.

(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 **CENSOF HOLDINGS BERHAD**, hereby appoint the following person(s):-

NAME OF PROXY, NRIC NO. & ADDRESS	NO. OF SHARES TO BE PRESENTED
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 Eleventh Annual General Meeting of the Company to be held at Hibiscus Auditorium, Sime Darby Convention Centre, 1A, Jalan Bukit Kiara 1, Bukit Kiara, 60000 Kuala Lumpur on Thursday, 29 August 2019 at 10.00 a.m. and at any adjournment thereof. My/our proxy/proxies is/are to vote as indicated below :-

ORDINARY RESOLUTION	FIRST PROXY		SECOND PROXY	
	FOR	AGAINST	FOR	AGAINST
1. To approve the payment of Directors' Fees for the financial year ending 31 March 2020 and Meeting Allowance.				
2. To re-elect Tan Sri Dato' Mohd Ibrahim Bin Mohd Zain who retires pursuant to Article 78.				
3. To re-elect Tuan Haji Ab. Gani Bin Haron who retires pursuant to Article 78.				
4. To re-appoint Crowe Malaysia PLT as Auditors and to authorise the Directors to fix their remuneration.				
5. Authority to allot shares pursuant to Section 75(1) of the Companies Act 2016.				
6. Retention of Director as Independent Director of the Company: - Tan Sri Dato' Mohd Ibrahim Bin Mohd Zain				
7. Retention of Director as Independent Director of the Company: - Tuan Haji Ab. Gani Bin Haron				
8. Retention of Director as Independent Director of the Company: - Mr. Boey Tak Kong				
SPECIAL RESOLUTION				
9. Proposed Adoption of New Constitution				

(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

Dated thisday of2019

Notes:-

- For the purpose of determining a member who shall be entitled to attend and vote at the Annual General Meeting, the Company shall be requesting the Record of Depositors as at 23 August 2019. Only a depositor whose name appears on the Record of Depositors as at 23 August 2019 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 authorized 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 authorized 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

CENSOF HOLDINGS BERHAD (828269-A)
Level 6, Symphony House
Block D13, Pusat Dagangan Dana 1
Jalan PJU 1A/46
47301 Petaling Jaya
Selangor Darul Ehsan

Then fold here

Fold this flap for sealing

**CENTURY SOFTWARE (MALAYSIA)
SDN. BHD.**

(445590-U)
Unit B-10-06, 6th Floor,
Dataran 3 Two, Jalan 19/1,
46300 Petaling Jaya,
Selangor, Malaysia
T +603 7962 7888
F +603 7962 7800
www.centurysoftware.com.my

T-MELMAX SDN. BHD.

(593550-D)
A-3, Block A, Level 3,
Sunway PJ51A,
Jalan SS9A/19, Seri Setia,
47300 Petaling Jaya,
Selangor, Malaysia
T +603 7877 9500
F +603 7877 5200
www.maxpaygate.com

**KNOWLEDGECOM CORPORATION
SDN. BHD.**

(457209-A)
Unit C-15-03, Block C,
3 Two Square,
No. 2, Jalan 19/1,
46300 Petaling Jaya,
Selangor, Malaysia
T +603 7960 1922
F +603 7960 1921
www.knowledgetec.com.my

PT. PRAISINDO TEKNOLOGI

(C-12128)
Jl. Empu Sendok, No. 53,
Senopati, Kebayoran Baru,
Jakarta 12110, Indonesia
T +62 21 526 5423/+62 21 526 5424
F +62 21 573 6236
www.praisindo.com

**ASIAN BUSINESS SOFTWARE
SOLUTIONS PTE. LTD.**

(200914556R)
33, Ubi Avenue 3, #08-67,
Vertex Tower A,
Singapore 408868
T +65 6505 6582
F +65 6505 6577
www.abssasia.com

CENDEE SDN. BHD.

(1291105-D)
Unit B-10-06, 6th Floor,
Dataran 3 Two, Jalan 19/1,
46300 Petaling Jaya,
Selangor, Malaysia
T +603 7962 7888
F +603 7962 7800
www.cendee.com

DAGANG NEXCHANGE BERHAD

(10039-P)
Dagang Net Tower,
Block 10 (A&B) Corporate Park,
Star Central, Lingkaran Cyberpoint Timur,
Cyber 12, 63000 Cyberjaya,
Selangor, Malaysia
T +603 8230 6900
F +603 8230 6969
www.dnex.com.my

www.censof.com

censof

CENSOF HOLDINGS BERHAD (828269-A)

Unit B-10-06, 6th Floor, Dataran 3 Two,
Jalan 19/1, 46300, Petaling Jaya, Malaysia
T +603-7962 7888 F +603-7962 7800