

censof

EXPANDING INTO THE FUTURE

annual report 2020



12th

ANNUAL GENERAL
MEETING (AGM)
OF CENSO OF HOLDINGS BERHAD

VENUE:

Hibiscus Auditorium,
Sime Darby Convention Centre,
1A, Jalan Bukit Kiara 1, Bukit Kiara,
60000 Kuala Lumpur, Malaysia.

DATE:

30 September 2020, Wednesday

TIME:

10.00 a.m.



COVER RATIONALE

The headline 'Expanding Into The Future' conveys how Censof Holdings Berhad is growing robustly as it forges ahead. On the cover, there is a futuristic landscape with dots and lines that rise above it to represent the company's milestones. On the whole, the cover design highlights Censof Holdings Berhad's forward-looking approach.

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OUR VISION

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

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

OUR MISSION

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PRoviding innovative business solutions for our customers

Instilling a positive corporate culture that motivates our people to deliver excellence

Delivering sustainable growth and value for stakeholders

Empowering our people to be caring citizens actively contributing to the community

Censof Holdings Berhad (“Censof”) was established in 2008 as a technology investment holdings company specialising in financial management software solutions.

Since then, Censof has expanded its portfolio of financial services solutions to include e-payment gateway services and wealth management software solutions. Subsequently, Censof ventured into professional training of software application specialists to support human capital development in technology certification. Consequently, Censof acquired a major accounting solution business that caters to the SME business market. Through its subsidiaries, Censof’s technology solutions are widely used in the 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 for start-ups, small and medium enterprises (“SMEs”), all the way to large corporations and government agencies. Our team of experts and strategic partners has an unparalleled competitive ability to address industry requirements at both the global and local levels.

Embracing The Digital Frontier

Since Censof was founded, we have supported thousands of clients. The wealth of experience and expertise we have garnered to date has given us invaluable insights into how best to deliver effective results to our customers. In return, our customers have the confidence that their business is supported by reliable, proven and robust solutions from the Censof Group.

We have completely modernised our solutions portfolio in the last three years, connecting and integrating these diverse solutions in new and innovative ways. We have developed financial management solutions which are open and integrated software 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 to our clients.

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 rapidly evolving technologies such as IoT, analytics, AI, blockchain, P2P and cloud computing, Censof is helping to accelerate organisations’ digital transformation efforts.

With a far wider set of technology and services capabilities, we are today well positioned to offer a unique approach to our clients in a quicker as well as more efficient and effective manner.

CORPORATE STRUCTURE

AS OF 30 JUNE 2020

censof

Censof Holdings Berhad
(828269-A)



Century Software (Malaysia) Sdn. Bhd. (445590-U)
Financial Management Software Solutions
100%

CS Cloud Sdn. Bhd. (1371737-T)
Cloud Service Infrastructure
100%

Tender Pintar Sdn. Bhd. (1363901-X)
eProcurement & eTendering Solutions
100%



Netsense Business Solutions Pte. Ltd. (201313421R)
Financial Management Solution - Commercial
51%



Netsense Business Solutions Sdn. Bhd. (1095441-D)
Financial Management Solution - Commercial
51%



Cendee Sdn. Bhd. (1291105-D)
Blockchain Technology
51%



Dagang NeXchange Berhad (10039-P)
Investment Company
7.22%



T-Melmax Sdn. Bhd. (593550-D)
Payment Aggregation Solutions
100%

Censof Digital Sdn. Bhd. (1160464-V)
(Formerly known as Compupaidtech Sdn. Bhd.)
100%

Censof Maal Sdn. Bhd. (967688-P)
100%



P T Praisindo Teknologi (C-12128) (Indonesia)
Wealth Management
60%



Asian Business Software Solutions Pte Ltd (200914556R)
Financial Management Solutions - Commercial
58.2%

Asian Business Software Solutions Sdn. Bhd. (868100-H)
Financial Management Solutions - Commercial
100%

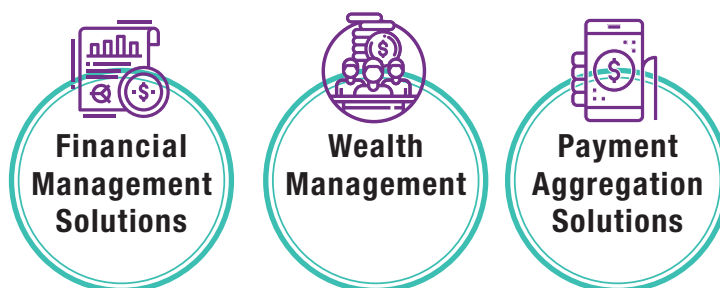
Financio Software Sdn. Bhd. (1314993-U)
Financial Management Solutions - SME
100%



MoneySave Holding Sdn. Bhd. (1334255-K)
Cornerstone Investor
10%

QUICK FACTS: OUR GROUP AND BUSINESS DIVISIONS

Expertise

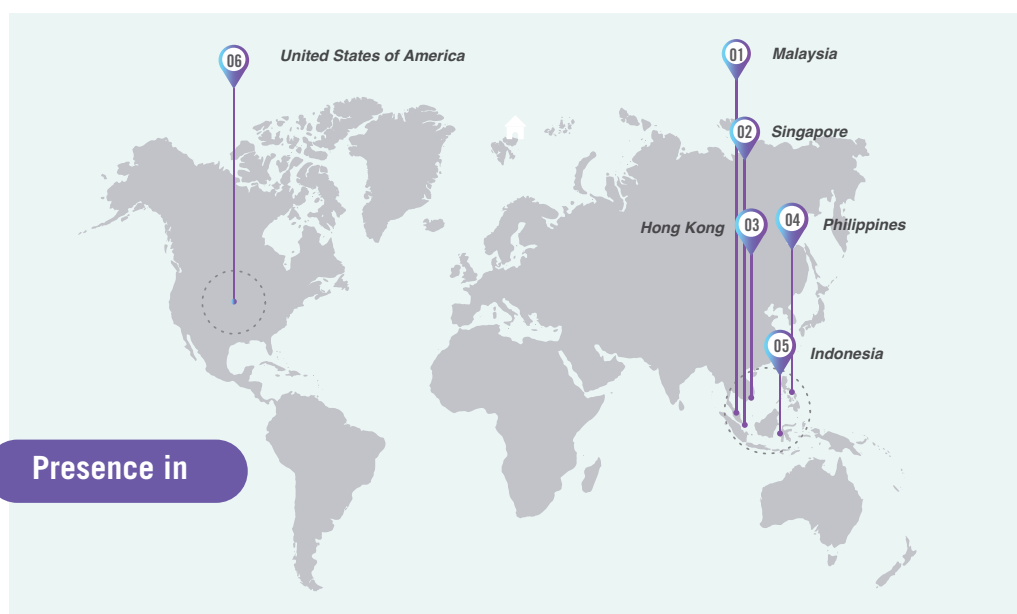


**Financial
Management
Solutions**

**Wealth
Management**

**Payment
Aggregation
Solutions**

Presence in



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; Netsense Business Solutions Sdn. Bhd. oversees the provision of solutions to the Commercial segment; and Asian Business Software Solutions Pte. Ltd. (“ABSS”) is responsible for providing solutions to the SME and micro-SME segments. We also offer wealth management solutions under our Indonesian subsidiary, PT. Praisindo Teknologi (“PT. Praisindo”); and payment aggregation solutions under T-Melmax Sdn. Bhd. (“T-Melmax”).

Established In
2008

Public
Listed
Company

Investment
Holding
Company

More than
300 Employees

REVENUE

RM52.75 mil
Financial Management
Solutions - Government

RM16.34 mil
Financial Management
Solutions - Commercial

RM5.74 mil
Wealth Management Solutions

RM2.8 mil
Training Solutions

RM0.31 mil
Payment Aggregation Solutions

QUICK FACTS & BUSINESS DIVISIONS



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, the company has 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 82 government agencies in Malaysia are using its SAGA-certified products and solutions. Via Century Software, the Censof Group possesses 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 and Enterprise Resource Planning ("ERP") solutions
- Systems implementation, installation and rollout
- Systems maintenance and technical support
- Information exchange and cloud-based solutions

Commercial Division - Corporate

Netsense is on a mission to bring leading innovation in cloud-ERP solutions and become a game changer in the mid-market tier. When it comes to meeting the needs of businesses that require a one-stop solutions house for their IT solutions, Netsense is in an ideal position to cater to customers' requests.

With offices in Singapore and Kuala Lumpur, Netsense offers a wide array of business solutions ranging from the Acumatica cloud-based ERP software as well as a multitude of accounting, customer relationship management, human resource, payroll, project management, business intelligence, customised dashboards, mobile apps and e-commerce solutions. By leveraging on Netsense's arsenal of solutions, SMEs are able to quickly automate and increase their productivity to meet rapidly changing customer demands.

Netsense is aligned with the Censof Group's interest to fast-track our market presence in the private sector. As the need to automate and increase productivity in businesses evolves from day-to-day, Netsense provides an array of solutions which assists businesses to thrive in such times.

Established in 2013, Netsense has been delivering IT solutions to many SMEs and continues to support over 90 reputable clients today across 15 different industry verticals.

Key Focus Areas



- Acumatica Cloud ERP:
 - General Business Edition
 - Distribution Edition
 - Field Services Edition
 - Manufacturing Edition
 - Construction Edition
- E-commerce solutions
- Human resource management system



FINANCIAL MANAGEMENT SOLUTIONS

Commercial Division - SME

Asian Business Software Solutions Pte. Ltd. or 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 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 Censof's 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.

Key Focus Areas



- Accounting management
- Customer payment gateways
- E-commerce solutions
- Cloud-based micro-SME accounting product (for start-ups and the entry-level SME market)



PAYMENT AGGREGATION SOLUTIONS DIVISION

T-Melmax, which is 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 and is also GST-native.

T-Melmax's 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 Lembaga Hasil Dalam Negeri Malaysia ("LHDNM" or the Inland Revenue Board of Malaysia), Kumpulan Wang Simpanan Pekereja ("KWSP" or the Employees Provident Fund) and Pertubuhan Keselamatan Sosial ("PERKESO" or the 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. The Censof Group has been quick to adopt technologies 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 Arttha 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



WEALTH MANAGEMENT SOLUTIONS DIVISION

The Group's Wealth Management Solutions Division falls under the ambit of PT. Praisindo which offers customised technology solutions to 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 TECHNOLOGIES

Technologies such as blockchain, artificial intelligence ("AI"), augmented and virtual reality, the internet of things ("IoT") and Peer to Peer ("P2P") platforms are evolving at breakneck speed and rapidly reshaping our world.

Today, the Censof Group has a foothold in the P2P lending space through our acquisition of a 10% equity stake in MoneySave Holding Sdn. Bhd., a Recognised Market Operator or RMO registered with the Securities Commission of Malaysia and given a license to operate a P2P financing platform. This has essentially made us a cornerstone investor in P2P lending and opens up new opportunities for us to diversify our income streams.

Together with our international partners in Switzerland, Dubai and India, we are helping transform emerging technologies such as AI, IoT, AI or P2P into sustainable businesses for the long-term. We also provide realistic and secure technology solutions for a wide range of uses on the government, banking, shipping and manufacturing fronts.

Key Focus Areas



- IoT embedded tracking devices
- Process automation
- Predictive and insight algorithms
- P2P

CORPORATE INFORMATION

BOARD OF DIRECTORS

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

Ameer Bin Shaik Mydin
Group Managing Director

Tamil Selvan A/L M. Durairaj
Deputy Group Managing Director

Ang Hsin Hsien
Executive Director

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

Boey Tak Kong
Independent Non-Executive Director

**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

NOMINATING & REMUNERATION COMMITTEE

Boey Tak Kong
Chairman

Tuan Haji Ab. Gani Bin Haron
Member

**Tan Sri Datuk Wira
Dr. Hj. Mohd Shukor Bin Hj. Mahfar**
Member

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
201906000005 (LLP0018817-LCA) &
AF1018
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.
[Registration No. 199601006647 (378993-D)]
11th Floor, Menara Symphony
No. 5, Jalan Prof. Khoo Kay Kim
Seksyen 13, 46200 Petaling Jaya, Selangor
Tel : 03-7890 4700
Fax : 03-7890 4670

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 : <http://www.censof.com>

STOCK EXCHANGE LISTING

**Main Market,
Bursa Malaysia Securities Berhad**
Stock Code : 5195
Stock Name : Censof

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 2020 ("FYE 2020").**

A GOOD RUN INTERRUPTED

Censof, for a good part of FYE 2020, enjoyed a relatively robust year. The year in review saw sales increasing, while a string of customers signed extensions or new maintenance contracts. On top of this, we sealed several exciting new partnerships to co-develop emerging information and communication technologies. As a business, we grew steadily over the course of the year, registering higher sales and capitalising on the many sustainable growth opportunities before us. In light of the encouraging progress made for most of the financial year, it was all the more disappointing that FYE 2020's final result was impacted by a significant loss taken up into our profit and loss account for our investment in associate, Dagang NeXchange Berhad ("DNeX").

Shortly after the Covid-19 pandemic began gaining momentum and the Malaysian Government announced its intention to implement the Movement Control Order ("MCO") effective 18 March 2020, market sentiment on the KLSE Composite Index dropped drastically as did the shares of the majority of public listed companies. Between the period 17 and 18 March 2020, Censof was pushed to dispose of a cumulative 104.51 million ordinary shares of DNeX upon forced selling action taken by our bank, MIDF Amanah Investment Bank Berhad ("MIDF"), to rectify the shortfall position of a margin call. This led to the Group's equity interest in DNeX dropping to below 10% and subsequently DNeX's "Investment in Associate" status being reclassified as Short-term investment. This reclassification impacted the Censof Group to the extent that we had to realign the remaining investment with the market price thus incurring a remeasurement loss of approximately RM45.69 million. Subsequently, MIDF continued with its forced selling action disposing of a further 43.49 million DNeX shares on 19 March 2020 which resulted in our equity stake in DNeX declining to 7.22%.

As a result of these unexpected developments – regrettably just before the financial year's end – Censof registered a final loss before tax of RM70.85 million against a loss of RM0.78 million in

the preceding financial year. This was despite the fact that the Group as a whole had resolutely turned in a stronger performance for FYE 2020 with revenue increasing by 23.1% to RM77.86 million from RM63.26 previously. If not for this sudden turn of events which had a significant and unexpected impact on our bottom-line, we would otherwise have had a good run over FYE 2020.

In terms of contractual work, the year saw the Group completing several client projects while securing new contracts that will serve to extend our revenue flows. The year's higher revenue came primarily on the back of significantly higher contributions from the Financial Management Solutions - Government division, following their success in securing new maintenance contracts from Lembaga Hasil Dalam Negeri and the Ministry of Finance. With every subsidiary profitable, except for the Training Solutions and Payment Aggregation Solutions divisions, we were on course for a successful run for most of FYE 2020 until the final few weeks.

In FYE 2020, our Financial Management Solutions - Government segment under the ambit of our biggest subsidiary, Century Software (Malaysia) Sdn. Bhd. ("Century Software"), was barely affected by the switch to open tenders under the new government with only a few contracts being delayed. Our ongoing government business continued to be a major factor in our good performance garnering some RM52.75 million in revenue against RM37.45 million previously. Of this sum, some RM24.32 million came from maintenance revenue.

With regard to our Financial Management Solutions - Commercial segment, the business registered a 7.9% increase in revenue to RM16.34 million from RM15.14 million previously. Our investment in the Financio product, which has gained respectable market traction in Malaysia, Singapore and Hong Kong, has already begun to deliver good returns.

Our Wealth Management Solutions division in Indonesia, PT. Praisindo Teknologi ("PT. Praisindo") did well in securing five bank contracts for their financial products and achieving turnover of RM5.74 million and a profit before tax of RM1.12 million. We expect this segment to continue to do well in such a populous market.



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

All in all, while the financial year in review proved to be a turbulent one fraught with political realignments, economic tensions and the unexpected advent of the Covid-19 pandemic, Censof's main business divisions delivered robust performances. Additionally, the Group did not suffer any major disruption of operations or loss of business during the different phases of the nationally-imposed MCO. Our good fortune is attributable to the fact that the majority of our systems and spread of offerings are cloud-based. This has enabled us group-wide to comply with quarantine measures, such as working from home, with ease and without having to interrupt or cease operations like many other businesses have been compelled to do so.

FYE 2020'S KEY HIGHLIGHTS

Exiting the Training Solutions Business

Taking advantage of the temporary suspension in economic activity at the onset of the MCO, we immediately got down to re-evaluating our products and services, strengthening our offerings and futureproofing our processes. Upon undertaking a review of our businesses and recognising that social distancing restrictions in the new normal would limit the number of training programmes and events that we would be able to carry out in the near term, the Board came the decision to exit the Training Solutions market.

This led to the divestment of our 70% subsidiary, Knowledgecom Corporation Sdn. Bhd. ("Knowledgecom") in May 2020 by way of a smoothly arranged management buyout exercise. On May 4 2020, the Board entered into a Sale and Purchase of Shares Agreement ("S&P") with Knowledgecom's Chief Executive Officer, Mr. Rubaneswaran Thevasenabathy, for the disposal of the entire 70% equity interest in the company for a cash consideration of RM1.5 million.

Strengthening Our Offering

We also continue to make strategic investments or establish strategic alliances as part of efforts to expand the reach and spread of our offerings.

FYE 2020 saw us cementing our position on the resource planning front through a game changing initiative. In early January 2020, Censof completed the acquisition of a 51% equity stake in Netsense Business Solutions Sdn. Bhd. and Netsense Business Solutions Pte. Ltd. ("the Netsense Group"). 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

CHAIRMAN'S STATEMENT

teams working out of Singapore and Kuala Lumpur, the company currently supports around 90 reputable clients in Singapore and Malaysia as well as offers a wide array of business software and technology consulting services to more than 15 industry verticals. This strategic move will help Censof strengthen its product portfolio as well as our strategic footprint in the commercial market while underpinning our growth strategy especially in the cloud ERP business segment.

Coming under the ambit of our Financial Management Solutions - Commercial division, Netsense's Acumatica ERP System will enable us to cater to mid-market tier companies, while ABSS, a 58%-owned subsidiary, targets SMEs. The year also saw us ramping up efforts on the micro-SME front. Following on ABSS's successful partnership with RHB Bank in Malaysia as well as Maybank and DBS Bank in Singapore to integrate Financio (an all-in-one cloud-based accounting software designed for small businesses) into their suite of financial offerings, ABSS has just entered into a similar partnership with DBS Hong Kong.

One of Censof's strategies for sustainable growth is to enter into synergistic partnerships that will empower our teams, strengthen our product and service portfolio, elevate the Censof brand, and extend our geographical footprint. As such, we continue to explore strategic alliances and viable partnerships with industry players and multinational corporations ("MNCs") in the region.

A new opportunity that has opened up to us is the provision of funds to SMEs, especially those businesses that have been impacted by the MCO, via the concept of Peer to Peer ("P2P") lending. P2P lending (also known as 'social lending' or 'crowd lending') enables individuals or businesses to obtain loans directly from other individuals or businesses thereby eliminating the role of the financial institution as the middleman. With numerous online platforms facilitating P2P lending today, this concept (that was first introduced in 2005) has today established itself as an acceptable alternative method of financing.

Through our tie-up with MoneySave Holding Sdn. Bhd., a registered P2P financing platform and a Recognised Market P2P Operator ("RMO") with the Securities Commission Malaysia, we plan to leverage MoneySave's platform to boost funding to suppliers and secure better returns for lenders. Our investment into a 10% equity stake in MoneySave Holding Sdn. Bhd. serves to complement the Group's other businesses. By becoming a cornerstone investor in P2P-lending we are adding a new key revenue generator to our income stream that bodes well for us for the long-term.

The bedrock of our business is the Standard Accounting System

for Government Agencies ("SAGA") solution and we continue to make good progress in this area. Our plan is to expand on SAGA and prudently look for acquisition opportunities related to financial-related technology that will make good value propositions. With a team of more than 40 accountants to call upon in our back office, this mainstay segment will continue to give us a competitive advantage.

Back in June 2019, we introduced our integrated Government Resource Planning solution called GRP 9.0. This web-based comprehensive resource planning solution aims to help government agencies of all sizes transform themselves, achieve efficient service delivery, as well as enhance participation and governance. It 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. As we work to convince government agencies about the benefits of GRP, we are making good progress.

As 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 suiting a wide range of public sector-related financial requirements.

As the new normal heralds in widespread use of digital solutions among the private and public sectors, we believe we are in a good position to capitalise on opportunities in this area. Moving forward, the Censof Group will continue to leverage on strategic alliances that will help us to expand our offerings to a larger client base. Similarly, we will continue to explore further opportunities in diverse technologies that include embedded Machine Learning ("ML"), artificial intelligence ("AI") and robotic process automation ("RPA").

As the Censof Group moves forward into FYE 2021, we are doing so from a position of strength with multiple projects amounting to RM15.20 million in hand including several notable ones from government agencies. This includes a RM4.98 million contract from Dewan Bandaraya Kuala Lumpur awarded on 24 July 2020.

Moving forward, Board is mindful that Censof will need to diligently tap a host of prudently thought-out growth strategies to remain relevant to the market. As such, our key priority going forward will be to populate the ecosystem and gather the building blocks to strengthen our product standing and cash flow, ensure a laser-focus on widening margins, as well as sustain long-term growth.

A more detailed report of our strategies for growth can be found in the Management Discussion and Analysis section of this Annual Report.

RESPONSIBLE CORPORATE PRACTICES

The Board recognises that good governance equals good business and serves as the foundation for our long-term success. As such, we are committed to upholding and implementing corporate governance best practices as well as ensuring that effective risk management and internal control measures are rigorously observed throughout our operations. By upholding good governance, we will strengthen investor relations, protect our corporate reputation, and ensure continued value creation.

We also remain committed to upholding our stakeholders' best interests through the continued delivery of sustainable value. In this regard, we will continue to efficiently steward our resources while maintaining and strengthening our efforts in responsible management and sustainable development. In FYE 2020, we continued to focus our sustainability endeavours around these five areas, namely Responsible Business, Client Experience, Environment, Employees and Community. A more detailed insight into our sustainability efforts can be found in the Sustainability Statement within this Annual Report which underscores Censof's commitment to creating value in a sustainable, ethical and responsible manner.

RECOGNISED FOR OUR COMMITMENT TO EXCELLENCE

Censof is committed to embedding excellence throughout our operations and in the products that we offer. As testament to our commitment, the Group and the people who represent us were awarded with various accolades during the year in review.

Censof was named as "one the seven tech companies at the cutting edge of the 2030 Shared Prosperity Vision or SPV." Launched by the government in 2019, the SPV is an effort to make Malaysia a country that develops sustainably, with fair economic distribution, as well as equitable growth at all levels of income, ethnicity, regions and supply chains by 2030. The 2030 SPV which is the primary strategic policy document that will guide the restructuring priorities for Malaysia's development was used as a baseline to identify the technology companies at the cutting edge of empowering or delivering shared prosperity in Malaysia. To make the list, companies needed to demonstrate that they were able to participate in a meaningful manner towards the SPV enablers (i.e. effective institutional delivery, financial capital, governance and integrity especially relating to increasing transparency, and lastly, the use of Big Data).

The year saw Century Software winning two awards at the SME and Entrepreneurs Business Awards ("SEBA") 2019 event, one of the most reputable local industry awards. Century Software won the "Revolutionary Business Solution – Finance" Award while its Chief Executive Officer, En. Zainul Arrifin Harun, picked up the "Strategic Financial Entrepreneur of The Year" Award.

These awards and accolades spur us on to maintain high standards of excellence and to do the best that we can.

ACKNOWLEDGEMENTS

Many parties have stood with us through both challenging and profitable times and I would like to acknowledge them for their worthy commitment and support.

On behalf of the Board of Directors, I would like to express my utmost gratitude to all our shareholders for their unstinting support and belief in the Censof Group. I also wish to convey my heartfelt appreciation to our clients, business partners, bankers, various government agencies, business associates and strategic partners for their continuing trust and confidence in us.

My sincere appreciation goes to our many loyal employees who continued to exhibit resilience and a spirit of excellence amidst a challenging year. My deep gratitude also goes to my colleagues on the Board and the Management team for their wise counsel that helped Censof steer a clear pathway through the year's challenges.

Over the course of the financial year, ABSS announced the appointment of Mr. Rhys Brown as its Chief Executive Officer. Rhys who was previously the Group Sales Director for ABSS, is a 15-year veteran of the accounting software industry, having held senior management roles with ABSS Ltd spanning China, South East Asia and New Zealand. We wish him every success in his new role.

While the year in review was undeniably a financially challenging one for Censof, our efforts to strengthen our business fundamentals and engineer the right strategies should see us returning to profitability in the coming financial year. With the one-off investment loss behind us, we can look forward to a new chapter for the Censof Group. We are confident that we will gain momentum from our many strategic tie-ups, our successful rollout of innovative solutions and our market expansion efforts. All in all, as we enter the new normal, Censof is in a position of strength ready to take on whatever challenges or opportunities that may come our way. I call upon all our stakeholders to lend us their continuous support. Thank you.

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

MANAGEMENT'S DISCUSSION AND ANALYSIS

**Dear Valued Shareholders,
While Censof Holdings Berhad (“Censof” or “the Group”) turned in an improved performance for most of FYE 2020 on the back of improved sales and solid profits garnered by the majority of our main business divisions, the year’s final result was impacted by a loss on our investment in associate Dagang Nexchange Berhad (“DNeX”). Nevertheless, despite the year’s weaker financials, we went on to make good progress on several other fronts.**

The year saw us successfully delivering on and extending several existing contracts while we went on to secure new ones from existing and new clients. We also went on to strengthen our existing product and service offering while gaining new orders for improved solutions. In developing and deploying innovative technological solutions with our existing strategic partners, we continued to entrench ourselves as a key player in the market segments that we play in. We also entered into strategic tie-ups with new technology partners to reinforce our footprint in existing markets or expand our reach into new ones. Even as we undertook these among other measures, we strengthened our overall portfolio and market position and are today making good headway in our journey towards attaining sustainable and profitable long-term growth.

It is my privilege to present the finer details of Censof’s businesses and strategies for growth, our financial and operational performance for FYE 2020, as well as our strategic direction moving forward.

THE GROUP’S BUSINESSES

The Censof Group is a technology group that provides an extensive portfolio of financial management software solutions that cater to large corporations and government agencies as well as SMEs. Our workforce comprises 325 talented employees spread across our subsidiaries and five countries. By tapping 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.

Our spread of product and service offerings today comprise financial management solutions for the Government and Commercial segments, SMEs as well as start-ups. Our subsidiary, Century Software (Malaysia) Sdn. Bhd. (“Century Software”) is tasked with delivering financial management solutions to the Government segment, while subsidiary, Asian Business Software Solutions Pte. Ltd. (“ABSS”), is tasked with providing solutions to the Commercial, SME and micro-SME segments. January 2020 saw Censof Holdings Berhad taking up 51% equity stake in both Netsense Business Solutions Sdn. Bhd. and Netsense Business Solutions Pte. Ltd. (“the Netsense Group”). This has extended our product portfolio and strategic footprint in the Commercial segment while underpinning our growth strategy especially on the cloud-based Enterprise Resource Planning or ERP business front.

Over the course of the year, we continued to meet our clientele’s specific training needs by offering training solutions under Knowledgecom Corporation Sdn. Bhd. (“Knowledgecom”) until we divested of this business via a management buyout in May 2020. This divestment aligns with our long-term strategy of realigning our



businesses to focus on our core business solutioning offering, particularly in the wake of the Covid-19 pandemic. The Group also offers 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 involved in providing emerging technologies including blockchain and Internet of Things (“IoT”) technologies, embedded tracking devices, process automation, predictive and insight algorithms, as well as Peer-to-Peer (“P2P”) systems.

Further details on the Group’s key businesses can be found in the “Overview” section on pages 18 to 24 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 rethinking its business strategies to mitigate the economic impact of a post-COVID-19 environment on its diverse business activities in Malaysia and across the region. At the same time, we are exploring opportunities to capitalise on the upsurge in demand for digital solutions as public and private sector organisations re-examine the way they work in what is being termed “the new normal”.

In 2019, some 41% of the 113 listed Federal statutory bodies were recognised as having clean audit reports thus attesting to their good governance, financial compliance and internal control measures. All these organisations were using Century Software’s GRP solution at the time and they continue to do so today. We are focusing our efforts on building upon the good momentum achieved to date by adding maintenance service contracts and expanding our client base. Given our spread of offerings and expertise, we are well positioned to capitalise on the government’s drive towards digitisation and their openness towards embracing cloud-based solutions.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Keeping pace with the latest technological advancements, our integrated Government Resource Planning solution, GRP 9.0, which aims to improve accountability across government organisations and enable centralised decision-making based on consolidated real-time data and reports, is accessible via a multitude of devices including mobile phones and tablets. It is also cloud-enabled. This solution also aims to help government agencies increase the efficiency of public administration activities so that they can enhance the quality of their services to citizens.

On the commercial front, Netsense's Acumatica cloud-based ERP software caters to the enterprise-type needs of government agencies and large SMEs by enabling them automate their processes and increase their productivity.

For the near-term, we will explore acquisitions and tie-ups that can help us fast-track some of our initiatives and take our product and service offerings up several notches. At the same time, we will expand and move into new technologies for some of our products so that we can grow our customer base and further explore the Group's untapped potential. This will include making updates to our software solutions by integrating new technologies and readying more of our products for migration to the cloud. We also continue to strengthen our existing products as well as customise them for specific markets. For instance, Financio, 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.

Censof's ultimate aim is to bolster customers' confidence and trust in our brand, services and solutions. Having positioned ourselves as a reinvigorated, tried and true technology group, we continue to focus our efforts on building goodwill and strengthening the confidence of our existing customers while exploring new opportunities in the wider market. We are also committed to expediting the rollout of our ongoing projects and delivering these projects ahead of time.

Long-Term Strategies

For the long-term, to complement and bolster our overall business portfolio, we will continue to explore merger or acquisition opportunities with companies that own new or disruptive technologies. Our ambition is also 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.

Our strategic investment with the Netsense Group is aligned with our ambition to fast-track our market presence in the Commercial sector, particularly among mid-sized corporates. Our goal is to grow with our customers as they move from the start-up phase and evolve into SMEs and subsequently larger organisations. With its offer of one-stop, cutting-edge cloud-based ERP solutions, Netsense is set to become a gamechanger.

We are also collaborating with an insurance claims specialist to develop an online insurance aggregate portal. The online insurance space in this region has huge untapped opportunities and we hope to be one of the first movers to utilise technology to redefine the way the insurance industry has been traditionally run.

We remain committed to catering to the needs of specific market segments. This is evident in the different tiers of accounting software products that the Group's diverse companies have created for 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, Financio 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. Data is the name of the game and banks coming into this space want to tie up with us. For example, Financio, the Group's cloud accounting software under ABSS has not only been adopted by RHB Malaysia, but also by Maybank Singapore, DBS Singapore and SingTel Singapore. A premium version of Financio was also launched in Hong Kong, a more mature market. The banks provide the SMEs with our accounting system for free and once deployed they have full visibility of these SMEs' data. With these enhanced insights, they can offer customised banking products and services to these companies. Given our success in this area to date, we are keen to explore partnerships with other banks too.

We also intend to leverage the significant opportunities in cloud computing technologies, e-learning solutions, mobile transactions and digital payments. While we have made good progress to date on the blockchain technology and e-commerce fronts, we continue to keep our eyes and ears open for other opportunities that we can avail ourselves of. Our aim is to create "customers for life", offering competitive solutions that meet the needs of today's businesses.

PERFORMANCE REVIEW

GROUP FINANCIAL PERFORMANCE

Segmental Revenue and Profit/(Loss) Before Tax

	FYE 2020 RM'000	FYE 2019 RM'000
Revenue		
Financial Management Solutions		
- Government	52,752	37,451
Payment Aggregation Solutions	308	378
Wealth Management Solutions	5,741	3,853
Training Solutions	2,800	6,992
Financial Management Solutions		
- Commercial	16,338	15,137
Corporate	4,173	2,086
Elimination	(4,253)	(2,633)
	77,859	63,264

Profit/(Loss) Before Tax

Financial Management Solutions		
- Government	7,099	3,481
Payment Aggregation Solutions	(140)	30
Wealth Management Solutions	1,122	(2,049)
Training Solutions	(1,398)	(1,342)
Financial Management Solutions		
- Commercial	4,436	1,086
Corporate	(38,394)	(1,038)
Shares of Results in Associate	3,944	4,334
Elimination	(47,514)	(5,278)
	(70,845)	(776)

For most of FYE 2020, the Censof Group made good progress on the performance front. However, our performance was weighed down by the substantial loss incurred in relation to associate, DNeX, just prior to the close of the financial year.

Year-on-year, the Group's revenue increased by 23.1% to RM77.86 million from RM63.26 million previously. This came on the back of significantly higher contributions from the Financial Management Solutions - Government Division following their success in securing new maintenance contracts from Lembaga Hasil Dalam Negeri Malaysia ("LHDNM") and the Ministry of Finance ("MOF"). This division remained the mainstay contributor to the Group's revenue delivering 67.8% of our total revenue in FYE 2020, followed by the Financial Management Solutions - Commercial segment and the Wealth Management Solutions segment which contributed 21.0% and 7.4%

of our revenue respectively. With every subsidiary profitable, except for the Training Solutions and Payment Aggregation Solutions divisions, we were on course for a successful result in the financial year until we registered a substantial loss of RM73.96 million at the individual quarter end of FYE 2020 from our divestment of DNeX's shares.

As a result, Censof recorded a loss before taxation of RM70.85 million in FYE 2020 as compared to FYE 2019's loss before taxation of RM0.78 million. The negative contributing factors leading to the loss in FYE 2020 were due to (i) a RM31.22 million loss on the partial disposal of our investment in associates upon forced selling of DNeX shares by our banker, MIDF Amanah Investment Bank Berhad ("MIDF"), to rectify the shortfall position of a margin call; (ii) a RM45.69 million loss arising from the re-measurement the retained interest of a former associate to market value; and (iii) impairment losses amounting to RM3.24 million related to goodwill in subsidiaries.

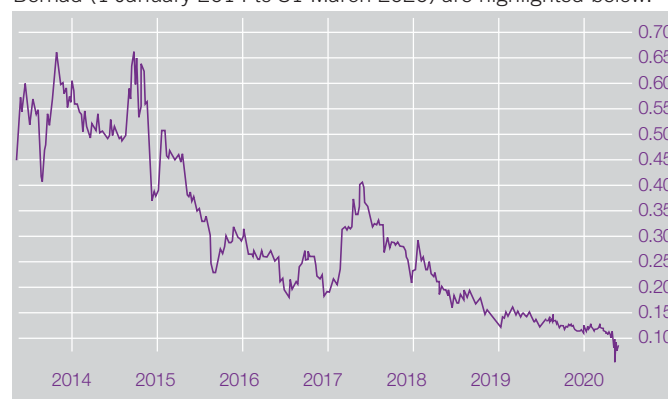
As at 31 March 2020, the Group registered a loss per share of 14.43 sen against earnings per share of 0.14 sen previously.

Group Funding Position

Over the course of the financial year, the Group repaid term loans amounting to approximately RM14.79 million. The Censof Group's cash and cash equivalents at the end of the financial year were lower at RM6.85 million compared to RM9.06 million at the preceding financial year's end. The Group's gearing ratio stood at 0.40 time as compared to 0.30 times at previous year's end. The higher of gearing ratio was mainly due to the significant dropped in total equity which led by the MIDF's forced selling action on disposal of DNeX shares.

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 2014 to 31 March 2020) are highlighted below:



MANAGEMENT'S DISCUSSION AND ANALYSIS

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. We have a strong track record of serving government organisations for over two decades. Our government agency clients are leveraging SAGA effectively to meet the stringent requirements for better governance, efficiency and timely submission of statutory reports.

The FMS - Government Division comes under the ambit of Century Software which is tasked with 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 82 government agencies in Malaysia are tapping SAGA-certified products and solutions. Our range of diverse solutions helps our clients achieve sustainable growth and realise operational excellence through integration.

Aside from this, we also accord clients 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. Today, government agencies are tapping our state-of-the-art financial management and business solutions 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 Highlights

As a key player in our nation's growth, Censof is determined to play its part in revitalising the role of government agencies and making them more transparent, proactive, efficient and service-oriented. To this end, we continue to make good progress on the Government Resource Planning front with our GRP 9.0 solution. Introduced in June 2019, this integrated solution is helping 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.

By according government agencies the modern technologies they need, GRP 9.0 is helping them ensure the highest degrees of scalability, reliability, and flexibility. 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.

We are happy to highlight that our service delivery to our clients was unaffected through the different phases of the Movement Control Order ("MCO") that came into effect on 18 March 2020. The financial year in review saw the FMS - Government Division carrying out the maintenance contracts it had secured earlier. These included two contracts amounting to RM5.53 million for Pertubuhan Keselamatan Sosial Malaysia ("PERKESO") that were secured in May 2018 and March 2019 respectively. The first contract worth RM1.0 million sought to strengthen PERKESO's current Customer Relationship Management ("CRM") and telephone switching system, while the second amounting to RM4.53 million was for comprehensive maintenance of PERKESO's SAGA software and the provision of an application server with disaster recovery solutions over a three-year period.

The division continues to implement a contract worth RM8.2 million for Dewan Bandaraya Kuala Lumpur ("DBKL"). Under the terms of this one-year contract secured in August 2019, the division is to provide comprehensive maintenance and support services for DBKL's ePihak Berkuasa Tempatan ("ePBT") Financial Management system.

Century Software went on to secure several new contracts over the course of FYE 2020. These included a contract for hardware upgrades and software license renewals worth RM34.77 million from LHDNM for a period of three years from January 2020 to December 2022. Under the terms of the contract, Century Software is tasked with hardware maintenance as well as software renewal with support services for LHDNM's data warehouse system. Century Software has a long-standing relationship with the LHDNM and this contract will provide us the opportunity to show our continued dedication and commitment to delivering innovative solutions and services to them. Prior to this, we had successfully rolled out the HASiL International Data Exchange Facility ("HiDEF") Common Reporting Standard ("CRS") portal. This is enabling LHDNM 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.

Back in May 2019, we reached an important milestone upon completing the large-scale MyResults project on the Outcome-Based Budgeting or (“OBB”) platform for government agencies in Malaysia. This represented an evolutionary step up in Malaysia’s implementation of the OBB budget management information system. Having delivered on the MyResults project, we went on to sign a contract with the MOF to provide maintenance and support services for the MyResults system. The 12-month contract valued at RM5.3 million is to run from 2 January 2020 until 1 January 2021.

MyResults is a module for the OBB platform which Century Software developed for the MOF. Via the OBB platform, high-level national strategies are linked to specific budget programmes and activities. This aims to improve the Government’s resource management endeavours while enhancing transparency and accountability. As this budget system is integrated across the various ministries, government officials are able to plan their budgets more effectively. We appreciate the continued confidence MOF has in the Group, as it lends credence to our technical capabilities and strengthens our track record in the area of financial management solutions.

Moving Forward

As we move forward, we will continue to enhance our GRP suite as well as deploy our local council solution (taking a page from DBKL’s ePBT project) to other municipal or local government bodies.

Today, in our capacity as a financial management solutions provider, we are partnering with a specialist in insurance advisory and claims services to develop an online insurance comparison portal. The portal aims to provide users with a more transparent and hassle-free experience when purchasing insurance. This collaborative effort was formalised upon the signing of a teaming agreement between Censof’s wholly owned subsidiary, Censof Maal Sdn. Bhd. (“Censof Maal”) and OSCA Sdn. Bhd. (“OSCA”), which is primarily involved in providing insurance advisory services, as well as being a third-party administrator of insurance claims services.

The partnership will see Censof Maal and OSCA working together to develop an online insurance aggregate portal. By combining Censof’s expertise in technologies such as AI and big data analytics with OSCA’s in-depth knowledge of the insurance industry, we are confident in delivering a portal that truly serves the need of today’s consumers. The big idea of this platform is to offer consumers an option where they are able to research and compare insurance

products with the information provided by the respective insurers. The direct engagement will fast-track the insurance purchase and claims process as consumers will have complete control over the insurance policies which suit them best, without much dependence on agents. In turn, it will be a safe haven for consumers as the portal will help eliminate misleading dissemination of information.

This solution will target the private and public sectors in Malaysia, Singapore and beyond. With such a diversified product offering in the pipeline, we look forward to filling in the gaps and re-imagining the world of insurance with OSCA. This is an opportune time for such strategic tie-ups with like-minded partners as the insurance industry is going through a digital transformation. The online insurance space in this region has huge untapped opportunities and we hope to be one of the first movers to utilise technology to re-define the traditional insurance industry.

FINANCIAL MANAGEMENT SOLUTIONS – COMMERCIAL DIVISION

Overview

The Censof Group’s ambition is to be a one-stop business solutions centre for SMEs via our offer of accounting management software, e-commerce solutions, inventory management, payroll management solutions, and more recently, ERP solutions. 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. Our subsidiary, Asian Business Software Solutions Pte. Ltd. or ABSS, which is tasked with helming the FMS - Commercial Division, is a market leader among SMEs and holds the No. 1 market position in Singapore and Hong Kong.

To bolster the Group’s market presence among SMEs, we continue to build upon strategic collaborations while seeking out new ones. Through a partnership with Singtel, we are distributing our Financio online solution via the Software-as-a-Service (“SaaS”) distribution model. This cloud-based accounting software designed for new start-ups and small business owners continues to make excellent headway among the SME segment. Offering a subscription-based model for a low monthly fee, Financio is user-friendly and fully compliant with the latest local accounting standards. To date, we have garnered over 5,800 Financio premium subscribers across Southeast Asia and Hong Kong.

In January 2020, we completed the acquisition and subscription of a 51% stake in the Netsense Group for approximately RM0.64 million. Through our controlling equity stake in the Netsense Group, we are

MANAGEMENT'S DISCUSSION AND ANALYSIS

today able to offer leading-edge cloud-based ERP solutions to the private sector. Netsense is set to be a gamechanger in the mid-sized corporates segment and this bodes well for our aspiration to fast-track Censoft's market presence in this area. As a one-stop shop for technological solutions, Netsense's offerings encompass the Acumatica cloud-based ERP software as well as a bevy of accounting, customer relationship management, human resource, payroll, project management, business intelligence, customised dashboards, mobile apps and e-commerce solutions. Tapping Netsense's arsenal of solutions, SMEs are able to quickly automate and increase their productivity to meet rapidly changing customer demands.

Netsense's Acumatica suite is one of the fastest-growing cloud and mobile technology-based ERP solutions with its offer of rich features and seamless integration. Cloud-based ERP systems are becoming more popular among SMEs because they offer SMES low start-up costs on a small scale. Many SMEs adopt information technology solutions, such as ERP systems, to efficiently manage their business processes and to collaborate with suppliers, partners, and customers. The successful adoption and deployment of ERP systems are crucial for the competitiveness and survival of these organisations.

Key Highlights

I am pleased to say that the implementation of the MCO had little impact on Censoft's Commercial business due to our wide client base and the market's need to embrace digital solutions over this trying time. We are grateful that the government has been quick to recognise that SMEs, who are the backbone of commerce in Malaysia, require supplementary support and grants to sustain their operations. The government's stimulus support has been critical to the livelihood of this market segment. SMEs are key to strengthening productivity, delivering more jobs and adapting to the major transformation initiatives of our time.

It is imperative that SMEs embrace the digital revolution swiftly if they are to stay competitive. In conjunction with Malaysia's Budget 2020 announcement in October 2019, the government through the MOF has been working together with Bank Simpanan Nasional, SME Bank and Malaysia Digital Economy Corporation ("MDEC") to manage the grant for eligible SMES to adopt digitalisation in their daily operations. Under this initiative, a 50% matching grant of up to RM5,000 per company will be provided for the subscription of five key digitalisation areas covering digital marketing and sales; e-POS systems; HR payroll and CRM systems; procurement and ERP/accounting and tax solutions. Some RM500 million has been

allocated over a five-year period for the first 100,000 SMEs applying to upgrade their systems. This means if an SME business buys up to RM10,000 of any software, the government will pay for 50% of whatever is spent.

Back in May 2019, ABSS extended its existing partnership with RHB Bank Berhad ("RHB") to launch Malaysia's first-of-its-kind SME connected banking ecosystem featuring the enhanced RHB SME e-Solutions platform. In collaboration with Financio, the RHB SME e-Solutions platform offers SMEs complete interoperability to achieve greater business efficiency while eliminates the need to navigate multiple systems.

By leveraging the integrated Financio accounting software component of the platform, SMEs will benefit from direct integration with third party accounting software using secure application programming interfaces ("API") and real-time views of their bank account balance within the accounting software. The facilitation of payment initiations is made directly from SME customers' accounting software, and an automated reconciliation process leverages on direct bank feeds. Also available is the request for on-demand/periodical bank account statements from the accounting software as well as a view of the financial accounting dashboard within the banking platform.

Where enterprise systems have typically been too complex and costly, our collaboration with RHB to develop a cost-effective connected banking ecosystem that simplifies cash flow and financial resource management for SMEs, has certainly had an impact on this segment. The link up with Financio actualises RHB's approach towards SME banking which is to provide a holistic ecosystem that makes everyday business for SMEs simple and convenient, thus improving their productivity and enabling them to further improve their business. RHB is targeting to have at least 10,000 SMEs on its SME e-Solutions platform by the end of 2020.

In February 2020, ABSS and Pagero (the leading global e-invoicing service provider) went live with their partnership in Singapore to bring PEPPOL enablement seamlessly to the ABSS user community. Today, organisations connected to PEPPOL (originally the Pan-European Public Procurement OnLine network) can exchange business documents in various electronic formats through this highly secure and safe international network. PEPPOL in essence serves as an international e-invoicing network that allows users to safely send e-invoices to companies and governments worldwide.

This collaboration between two industry leaders brings several benefits to the region's SMEs. It enables SMEs to reap the benefits of improved invoicing efficiency by leveraging on the combination of ABSS' ERP solution for SMEs and Pagero's open, cloud-based business network for automated exchange of business documents across Accounts Payable and Accounts Receivable processes. With access to PEPPOL (which is fully accredited by Singapore's Infocomm Media Development Authority or IMDA), the ABSS user community now can readily transact digitally with thousands of companies registered in the open, global network. Full digitisation of these transactions allows users to improve their overall efficiency while eliminating the labour-intensive processes of data entry and document conversion. Users also benefit from improved data quality as the PEPPOL infrastructure has a standardised format and the receiver's information is validated within the network. According to the IMDA, the average cost of rectifying an error is SGD8 per document. Businesses can now eliminate that cost by transacting via PEPPOL.

In the everchanging world of e-invoicing regulations and governments extending their digital footprint, companies need an agile technology platform and expert consulting services to maintain local compliance with cross-border operations. To this end, ABSS will help its customers across Singapore and Southeast Asia stay compliant in the face of changing regulations and multiple jurisdictions. Today, with Australia, New Zealand and several Southeast Asian nations having adopted PEPPOL or are looking to embrace it as their standard for e-invoicing, this bodes well for the ABSS-Pagero partnership.

May 2020 saw ABSS tying up with DBS Hong Kong. Facing limited access to capital and workforce shortages, Hong Kong's SMEs face the daily pressure of trying to sustain and grow their businesses both domestically and globally. The partnership is timely as SMEs are looking for local, cost-effective solutions to streamline their business processes and ensure good cashflow visibility as they embark on their digital transformation journeys.

By integrating Financio within a DBS business account, DBS' SME clients will be able to transfer their data to Financio securely as well as take advantage of real-time reports, automated bookkeeping, invoice-purchasing and automatic daily cash flow reports. This service equips Hong Kong's SMEs with true efficiency and productivity gains so that they can focus on growing their businesses. It also includes in-app support from Financio, a Cantonese-speaking help desk, and a traditional Chinese and English interface.

Moving Forward

Even as the FMS - Commercial Division continues to make good headway by way of increased tie-ups and partnerships, it will continue to explore new tie ups in its main markets of Singapore, Malaysia and Hong Kong as well as other areas where it makes sense to do business.

The appointment of Rhys Brown to the role of Chief Executive Officer of ABSS also augurs well for ABSS. Rhys who was previously the Group Sales Director for ABSS, is a 15-year veteran of the accounting software industry, having held senior management roles with ABSS and MYOB Ltd spanning China, South East Asia and New Zealand. We look forward to his contributions as he focuses his efforts on driving regional relationships with government, financial institutions, enterprises and SMEs, among other things.

TRAINING SOLUTIONS DIVISION

Overview

The Group's Training Solutions Division, previously under the purview of Knowledgecom, a 70% subsidiary of Censof has had a long history of upskilling the Malaysian workforce by offering technology certifications. Through Knowledgecom, Censof is proud to have played a part in equipping more than 10,000 public and private university students, fresh graduates, government employees and working professionals via certification from organisations such as SAP, Microsoft, Oracle, IPv6, and the Android Training Centre. Through Knowledgecom's publication of *UP Magazine*, the largest circulated magazine in Malaysia which specialises in human resource management, we have had the opportunity to reach out to approximately 20,000 companies in 63 human resource sectors.

In May 2020, a new chapter emerged in the Group's history even as we divested our 70% equity stake in Knowledgecom via a management buyout. Realising that new social distancing norms would limit the number of training programmes and events that could be organised, and that the training market would remain constricted over the near to mid-term, the Board acting proactively made the decision to exit the Training Solutions segment. On 4 May 2020, the Censof Group, under a management buyout arrangement entered into a Sale and Purchase of Shares Agreement with Knowledgecom's Chief Executive Officer, Mr Rubaneswaran A/L Thevasenabathy, for the disposal of the entire 70% equity interest in Knowledgecom for a cash consideration of RM1.5 million.

MANAGEMENT'S DISCUSSION AND ANALYSIS

The share disposal will enable Censof to raise proceeds to be utilised as working capital and ensure that Group resources are best utilised to concentrate on the core business activities of providing financial management solutions to both the government and commercial sectors.

Key Highlights

As Knowledgecom was still very much a part of Censof's overall business over the course of FYE 2020, we touch upon some of their key highlights for the financial year. The following took place in the year under review:

- 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. Today, both firms are working together closely to develop cutting-edge learning materials and intellectual property in the area of emergent technologies;
- In September 2019, Knowledgecom lent support to MDEC's inaugural digital adtech hackathon event in conjunction with AI and Data Week 2019;
- In October 2019, Knowledgecom lent its support to the MonsoonSim 2019 Malaysia Country Finals and universities as part of its CSR efforts; and
- In December 2019, Knowledgecom welcomed new strategic shareholders at its Singapore subsidiary, Knowledgecom Pte. Ltd. with a view to strengthening its market presence in Singapore.

For some time now, Knowledgecom has been setting its sights on Industry 4.0 implementation by leveraging on the BEYOND4 brand and establishing roots in key markets. The BEYOND4 initiative consists of a neutral, non-competing open vendor ecosystem in training, technology and strategic partnerships. The goal is to drive digital transformation as value exchange, fostering synergy among alliance partners to collaborate and innovate. The plan is to kickstart the BEYOND4 initiative in Malaysia and then replicate this model throughout Southeast Asia. Under BEYOND4, Knowledgecom aims to attract 50 technology and training partners in each country to form a strategic and collaborative alliance to propel the adoption of digital technology in their respective countries. This will also tackle the issue of decreasing job opportunities faced by the growing middle-income population and the Non-STEM ("Science, Technology, Engineering and Mathematics") workforce.

As part of its BEYOND4 initiatives, Knowledgecom (in October 2019) announced its strategic collaboration with the Hong Leong Group and took up all of Level 6 at the 32-storey HLX Integrated Innovation Centre, Asia's first innovation exchange. The companies aim to collaborate and develop education, training and skills development opportunities relating to emergent technologies. This partnership will ensure that bright motivated students have the skills, mentors, and confidence needed to begin careers in technology. To kickstart the collaboration, the parties organised the BEYOND4 Fest in December 2019. This three-day event was filled with various conferences, workshops and fire-side chat sessions covering niche and interesting topics from Big Data to Proptech. It saw participation by some 56 speakers and over 400 participants. In January 2020, Knowledgecom and 10 technology and training companies exchanged Memorandum of Agreements (MOAs) to confirm their participation in the BEYOND4 initiative.

Moving forward

Moving forward, following the divestment of our stake in Knowledgecom, the Training Solutions Division will no longer form part of our reporting responsibilities. We are sad to part ways with a team that has been part and parcel of the Censof family for quite a while now. We bid Rubaneswaran and the team at Knowledgecom every success in all their undertakings and look forward to working with them again should the opportunity arise.

PAYMENT AGGREGATION SOLUTIONS DIVISION

Overview

Censof's Payment Aggregation Solutions business comes under the ambit of T-Melmax, a company that offers web-based electronic banking solutions that support retail and wholesale transaction processing. Its principal product is CPAY, a one-stop payment and collection portal that enables various payment options. T-Melmax's solutions facilitate the processing of bulk payments, bulk collections, retail payments and diverse 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 LHDNM, Kumpulan Wang Simpanan Pekerja (the Employees Provident Fund) and PERKESO.

Key Highlights

Today, we are seeing the exponential growth of e-commerce even as all levels of society are tapping e-commerce to buy and sell amidst movement restrictions and the widespread global lockdowns stemming from the COVID-19 pandemic. According to Frost & Sullivan, global online retail sales are expected to reach USD4.3 trillion by 2025 accounting for 19% of total retail globally.¹ To capitalise on this, T-Melmax is moving forward with its plans to introduce a state-of-the-art integrated e-payment solution platform that will support the delivery of multiple e-services to the public sector while expediting the private sector's move into e-commerce. This e-Payment Gateway will facilitate efficient electronic transactions and simplify the processing of payment transactions for electronic services.

With e-commerce fostering a healthy ecosystem of start-up tech suppliers of financial services, retail players and other industries in Malaysia, Censof itself has been quick to adopt technology that can create new revenue streams or make operations more efficient. We are also leveraging partnerships with affiliates such as Puresoftware to capitalise on opportunities in this playing space. On top of 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.

Moving Forward

The Censof Group continues to explore collaboration and partnership opportunities with new technology partners to strengthen our market position. We also continue to capitalise on our good network within the government sector to bolster the development of solutions that are mobile-responsive. At the same time, we are looking into how best to enhance related software and hardware platforms in this area.

WEALTH MANAGEMENT SOLUTIONS DIVISION

Overview

The Group's Wealth Management Solutions Division business, helmed by PT. Praisindo in Indonesia, offers customised technology solutions for the wealth management industry. Clients include top-tier financial institutions in Indonesia who leverage on PT. Praisindo's products to assist high net worth individuals to increase their net worth through good investment portfolio management practices. Tapping the company's process automation technology, clients get to manage their business operations more effectively. PT. Praisindo's primary aim is to offer its clients a choice of business solutions by combining people, processes, information and technology so as to strengthen business processes and activities.

Key Highlights

This division faced little impact from COVID-19 as its business is spread across several financial institutions and trust funds in Indonesia. Over the course of FYE 2020, Praisindo secured multiple new contracts with several banks and agencies for the financial year, namely PT. Bank CIMB Niaga, PT Bank Tabungan Pensiunan Nasional, and PT Bank Mandiri Syariah. These 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.

Moving Forward

Preparations are underway to launch a new product called Praisindo Customer Portfolio Management ("CPM") which will form the front-end system of the Praisindo Wealth Management System. The plan is to offer CPM to CIMB Niaga Indonesia while the combined CPM and WMS upgrades will be offered to Bank QNB Indonesia. In the pipeline are plans to launch a pilot project for the cloud version of the Praisindo Investment Management System and to work with CIMB Niaga and Bank BTN on the rollout of the Praisindo IMS Custodian System.

PT. Praisindo will focus its efforts on entrenching itself in Indonesia's banking sector by expanding both its client portfolio and the provision of services to banks. The success of FYE 2020's endeavours demonstrate that it is making advances in the right direction.

¹ Extracted from a Frost & Sullivan Mega Trends article, page 19 – <https://www.thegeniusworks.com/wp-content/uploads/2016/01/Megatrends-2025-Frost-and-Sullivan.pdf>

MANAGEMENT'S DISCUSSION AND ANALYSIS

EMERGING TECHNOLOGIES

Overview

Today, innovative technologies such as blockchain technology, artificial intelligence (“AI”), augmented and virtual reality, as well as the Internet of Things (“IoT”) are evolving at breakneck speed and reordering our world. Blockchain technology for instance, which was conceived just some 12 years ago, has given rise to cryptocurrencies like Bitcoin that has in turn inspired thousands of altcoin projects in the blockchain space.

As part of the Censof Group’s efforts to accord our clients a complete suite of offerings, we are committed to improving and augmenting the efficiencies of our current emerging technologies offering. Together with our international partners in Switzerland, Dubai and India, we are helping transform emerging technologies such as AI, IoT and P2P into sustainable businesses. Our offer of practical and secure technological solutions is helping bring about a wide range of applications on the government, banking, shipping and manufacturing fronts.

Key Highlights

Today, we have a foothold in the P2P lending space via our Investment of a 10% equity stake in MoneySave Holding Sdn. Bhd. This makes the Censof Group a cornerstone investor in P2P lending and opens up new opportunities for us to diversify our income stream. The MoneySave P2P platform is fully owned and managed by MoneySave Holding Sdn. Bhd. which is a Recognised Market Operator (“RMO”) registered with the Securities Commission of Malaysia (“SC”) and given a license to operate a P2P financing platform.

MoneySave reviews and assesses all applications before investment notes are allowed to be hosted on the platform by referring to the information sourced from official sources or information providers. Investors then select which investment notes they wish to invest in by submitting their offers on the MoneySave platform. Investors can spread their risks by investing in different investment notes. MoneySave intends to make the platform as affordable as possible so that an investor can start investing from a little as RM5.

As SMEs employ the majority of workers in Malaysia, their performance has a profound effect on the health of the economy. MoneySave is playing a crucial role in the nation’s economic development by empowering SMEs to raise financing. At the same

time, MoneySave is assisting investors to gain access to opportunities and to potentially gain more attractive yields while participating in growing the issuers’ businesses.

Today, MoneySave holds one of the 11 licenses issued by the SC which is looking to promote P2P platforms and equity crowdfunding (“ECF”) as alternative sources of financing for SMEs. The SC is attempting to do this within the overarching context of the ASEAN Economic Community’s vision for 2025 which is focused on closing the digital gap. The SC sees Fintech as a potential catalyst in bringing ASEAN markets and nations together. Within the ASEAN region, the Fintech industry has successfully raised about 40% of all start-up funding to date. It is leading innovation in every corner of the market, giving rise to new business models and solutions in trading, fundraising, and asset management.

In terms of the SC’s Digital Agenda, it aims to enhance the value chain and provide equal access to financing specifically for micro SMEs as they are traditionally the under-served segment of the financial system, despite being a vital component of the Malaysian economy. We are confident that the SC will be a firm supporter of players like Censof who are accelerating progress in the Fintech space with our P2P financing platforms.

Moving Forward

The Censof Group will continue to seek out 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 will also focus on areas such as IoT embedded tracking devices, AI, process automation, predictive and insight algorithms, and P2P systems.

We continue to look at how we can tap Robotic Process Automation (“RPA”) technologies to automate and elevate our customers’ processes. RPA entails 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 markedly better as an RPA software robot never sleeps, never makes mistakes and costs a lot less than a human employee.

RISKS AND MITIGATION STRATEGIES

As the Censof Group moves forward into a highly competitive and challenging operating landscape, there may be certain anticipated or known risks, many of which are beyond our control, that may impact our business activities. The table below highlights the principal risks that may have a material effect on our operations, performance, financial condition and liquidity as well as the measures we are adopting to mitigate these risks.

KEY AREA	RISK FACTORS	MITIGATION MEASURES
External Risk	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 particularly true in regard to tenders for government contracts.	To alleviate the effects of escalating competition within Malaysia’s public sector, we are bolstering efforts to grow our private sector revenue contributions.
Strategic Risk	With the ICT industry evolving at a rapid pace, 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 tap existing strategic partnerships and alliances as well as explore new opportunities to create value. At the same time, we are making the most of our existing business pillars and products as well as executing product line extensions to increase the lifetime value of our customers.
Strategic Risk	Following changes in the government, many government-related projects are currently under review, have been put on hold, or have been postponed altogether. Century Software’s reliance on projects in the FMS-Government sector in particular has been affected.	We are working on strengthening our relationship with the new administration by showcasing our good record of accomplishment, credibility and capabilities. At the same time, we are demonstrating the benefits of how our solutions can make administrative efforts more efficient while even possibly creating new revenue streams. We are also looking into new markets and new areas of opportunity to grow our revenue streams, including the GLC and private sector segments.
Operational Risk	We face the risk of loss from operations due to inadequate, inefficient or ineffective internal processes, systems, policies, employee errors and events beyond the Group’s control, which may lead to unexpected costs.	To mitigate the possibility of such losses, we continue to streamline the processes and systems across our business segments. This is helping us to improve and attain cost efficiencies as well as ensure operational effectiveness.
Operational Risk	Like every other business, the Group has to contend with the risk of fraudulent activities from both external and internal sources.	We continue to reinforce the design and ongoing effectiveness of our corporate governance, risk management and internal control measures. Several physical security measures are in place throughout the Group to mitigate such risks. On top of this, a Code of Conduct and whistleblowing arrangements have been implemented to counter such risks.

FYE 2020 proved to be a year where our risk and mitigation strategies were really put to the test. Having comfortably passed the trial, we are confident that Censof is well-positioned for positive future growth.

MANAGEMENT'S DISCUSSION AND ANALYSIS

OUTLOOK AND PROSPECTS

As Censof ventures forward into FYE 2021, we do so with a cautious optimism given the highly challenging global and domestic outlooks. The International Monetary Fund ("IMF"), in its June 2020 World Economic Outlook ("WEO") Update report has forecast that global economic recovery will be more gradual than previously expected. This is due to the fact that the COVID-19 pandemic has had a more adverse impact on global activity in the first half of 2020 than anticipated. The IMF predicts that global growth will plunge dramatically to -4.9% in 2020, some 1.9 percentage points below the IMF's April 2020 WEO forecast of 3.0 per cent. Downside risks are expected to arise from the prolonged and wider spread of COVID-19 globally and domestically, heightened tensions from trade wars, recurring commodities supply disruptions, and tighter financial conditions following heightened volatility in financial markets. There is also upside potential emanating from possibly larger-than-expected impact from the pro-growth measures, faster normalisation in activity amid pent-up demand, as well as a better-than-expected global economy arising from the various stimulus measures.

Meanwhile, the IMF projects that Malaysia will register a 3.8% year-on-year (y-o-y) contraction in its 2020 gross domestic product ("GDP") from the previously estimated 1.7% contraction. In support of the reopening of the domestic economy amidst soaring unemployment and the threat of recession, July 7 saw Bank Negara Malaysia ("BNM") cut its benchmark interest rate to 1.75%, its lowest level on record. This marks BNM's fourth policy easing during a period in which the economy has faced the triple threats of the coronavirus pandemic, low oil prices and political uncertainty. Earlier, the government had announced RM295 billion worth of stimulus packages to cushion the effects of the pandemic and continues to look at other measures to uphold economic recovery.

BNM had also earlier projected that the domestic economy would experience a deep contraction in the second quarter of 2020 before bottoming out. The economy is predicted to pick up again in the third quarter of 2020 once the lockdown is eased and businesses begin to reopen. At the time of writing in early August, the Recovery MCO phase is ongoing and will run until 31 August 2020. However, in view of a renewed spike in COVID-19 cases due to supposed public complacency, the government has warned that it will re-implement the MCO if the number of COVID-19 cases touches three digits. Given the uncertainties posed, it is difficult to come to a conclusion as to how things will shape up as we move forward. The outlook for the domestic ICT industry too remains ambiguous

at this point in time. On one hand, the ICT industry is expected to remain lacklustre on the back of weak market sentiment and consumer spending as well as the cautionary stance adopted by businesses. On a more positive note, there is an expectation that the domestic ICT economy will rebound in the second half of 2020 as renewed government spending and accelerated digital adoption begin to stimulate the economy. 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.

Regardless of the uncertain outlook, there are several positive developments in the marketplace that the Censof Group aims to leverage on. The steadily growing SME market bodes well for us. As per the Department of Statistics Malaysia's latest data, SMEs continue to account for more than a third of the country's economy, contributing 38.9% and 38.3% to Malaysia's GDP in 2019 and 2018 respectively.

Given the anticipated demand for business solutions in this sector, we will continue to expand our product portfolio to cater to the specific needs of SMEs, particularly in markets such as 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 other strategic tie-ups we have entered into will give us an added competitive advantage when operating in current and new geographies.

Under Malaysia's Budget 2020, the government is offering a 50% matching grant of up to RM5,000 to increase the digitalisation of operations for Malaysian SMEs. This bodes well for our businesses. To alleviate the impact of the MCO on the economy, the government has stepped in with stimulus packages to cover wage subsidies, financial support for businesses, and interest rate cuts, among other initiatives. In February 2020, the government issued the first stimulus package valued at RM20 billion, followed by a second stimulus package amounting to RM250 billion in March 2020. The bulk of these incentives aim to help SMEs manage their cashflow and retain employees.

On top of this, the implementation of digitalisation initiatives such as Malaysia's Digital Free Trade Zone are expected to spur the growth of the micro-SME market over the next few years. With more small and micro-SMEs expected to enter the market, we are bolstering the capabilities and extending the reach of our cloud-based accounting software, Financio, which is netting a good share of the market locally and abroad.

The government's adoption of our GRP 9.0 solution too is set to take off even as there is an accelerated momentum towards embracing all things digital in the public sector. As users prepare to embrace change particularly by tapping cloud-based solutions, we are looking at ways and means to showcase how our products can best help them to operate in a more efficient manner while exploring 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.

In line with efforts to promote the rollout of the Industry 4.0 movement and Malaysia's digital economy, the government continues to implement 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.

As we focus our efforts on pressing on amidst a fast-evolving playing field, we continue to take stock of the new market realities and acclimatise 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. The Group is determined to grow and strengthen its role as a provider of innovative solutions. With the MCO having forced many traditionally-run companies' operations to come to a halt, businesses are now more open-minded to embracing digital platforms for their operations. To this end, we are moving towards the launch of our own cloud-based solutions. This strategic move is also in line with the Government's push for businesses, especially SMEs, to embrace digitalised processes. In the new normal, cloud adoption is the way forward for all.

On the emerging technologies front, we look forward to our tie-up with the Netsense Group, among our other strategic partners, and will explore synergies with our other emerging technologies within the Group to deliver innovative solutions that support digitising businesses. We will set our sights on exploring opportunities to undertake M&As and strategic alliances to expand our footprint as well as complement our current efforts on the GLCs 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 Censof presses on 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, will stand us in good stead. 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.

To help us get where we need to get to, we have redesigned our organisational structure to help us to establish fluent processes and drive our growth strategies. The redesigned members of the management team are as follows:

- Mr. Nagendran Perumal, Chief Technology Officer;
- Mr. Ivan Fong Choon Hau, Chief Finance Officer;
- Encik Ismadi Norahman, Chief People Officer;
- Dr. Zainul Ariffin Harun, the Chief Executive Officer in Century Software, has come in as the Group Strategic Director to look at formulating a more effective Group strategy.

As the management team works together to steer the company and our employees expertly through a challenging playing field, I am confident we will make good progress.

ACKNOWLEDGEMENTS

In closing, I wish to convey my sincere gratitude to our investors, clients, business partners, bankers, government and regulatory bodies for their unwavering support and confidence in Censof. I also wish to convey my heartfelt appreciation to all our loyal employees at our respective subsidiaries for their dedication, diligence and commitment to excellence. It is their worthy efforts that have enabled us to remain resilient amidst challenging times and grow from strength to strength.

As we venture forth into the new normal, we will do our best to remain flexible and relevant to the market. We are confident of maintaining our position of strength and are ready to face any challenges or capitalise on any opportunities that the year may bring. I call upon our stakeholders to lend us their steadfast support as we move forward to deliver earnings growth in a sustainable manner while creating enduring value for our shareholders.

Ameer Bin Shaik Mydin

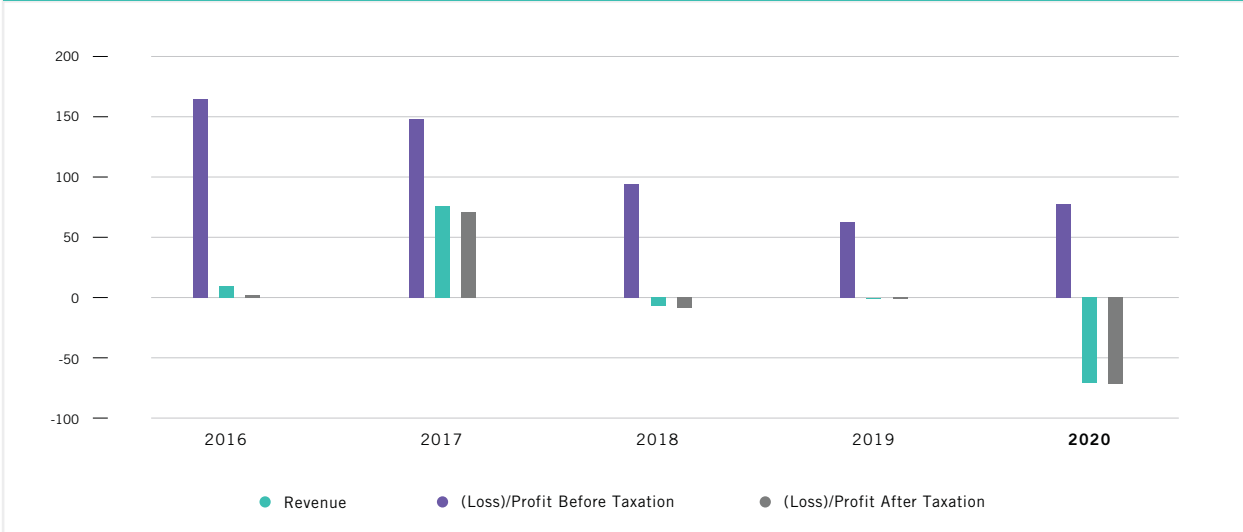
Group Managing Director

5-YEAR FINANCIAL HIGHLIGHTS

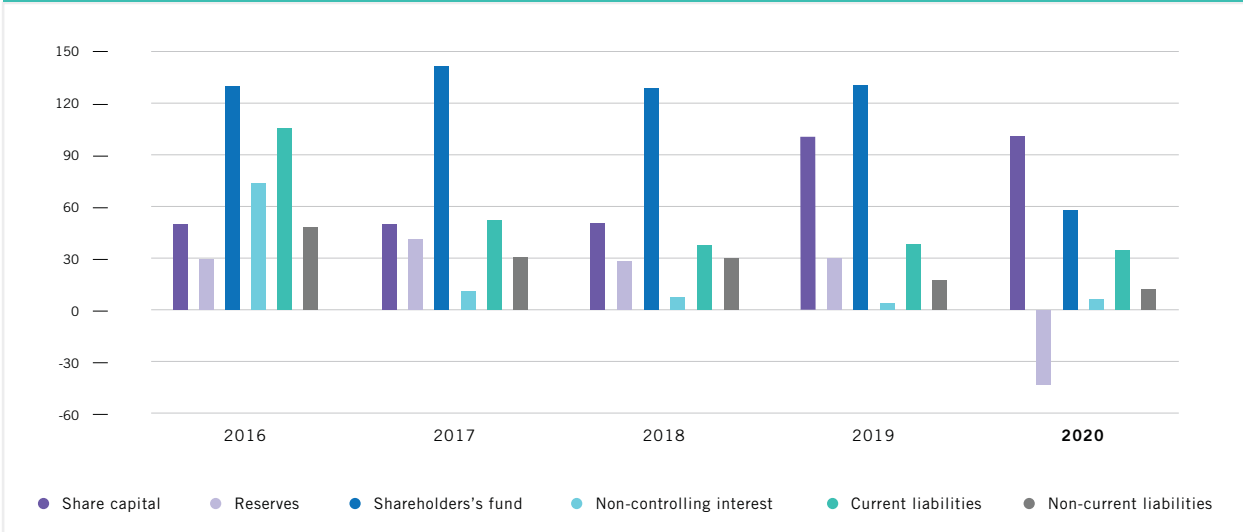
FINANCIAL YEAR ENDED 31 MARCH	2020	2019	2018	2017 (Restated)	2016 (Restated)
PROFIT AND LOSS (RM'MILLION)					
Revenue	77.86	63.26	94.27	148.39	165.04
(Loss)/Profit Before Taxation	(70.85)	(0.78)	(6.83)	76.42	10.26
(Loss)/Profit After Taxation	(71.65)	(0.91)	(7.99)	71.17	1.09
FINANCIAL POSITION (RM'MILLION)					
Share Capital	100.58	100.58	50.20	50.17	50.17
Share Premium	-	-	50.38	50.38	50.38
Reserves	(42.84)	29.40	28.01	41.49	29.74
Shareholder's Fund	57.74	129.98	128.59	142.04	130.29
Non-Controlling Interest	6.34	3.91	7.25	10.97	73.41
Current Liabilities	34.82	38.31	37.77	52.22	105.38
Non-Current Liabilities	12.49	17.27	30.04	30.81	48.07
Property, Plant and Equipment	1.87	2.16	1.62	2.42	23.71
Other Investments	3.30	0.10	0.10	0.10	4.27
Current Assets	61.61	43.17	59.80	84.62	228.82
RATIO					
Net Assets Per Share (Sen)	12.77	26.68	27.07	30.50	40.60
Net (Loss)/Earnings Per Share (Sen)	(14.43)	0.14	(1.82)	1.97	(2.83)
Dividend Amount Per Share (Sen)	-	-	-	-	-

PERFORMANCE REVIEW

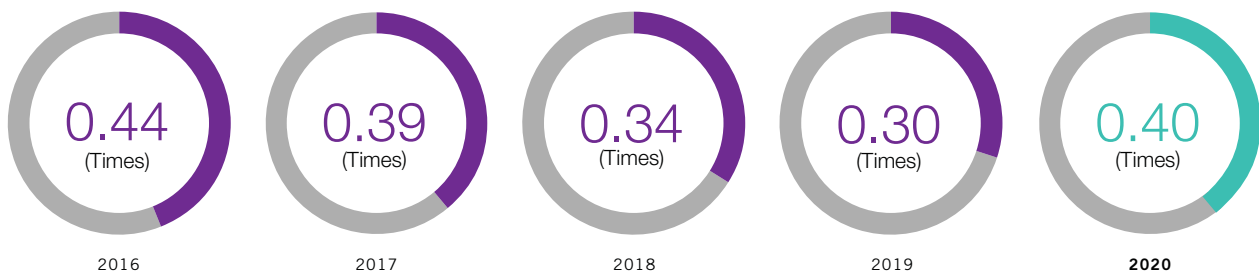
Profit And Loss Performance (RM'Million)



Financial Position (RM'Million)



Gearing Ratio (Times)



ANALYSIS OF SHAREHOLDINGS

AS AT 21 JULY 2020

Issued Share Capital : 501,758,926
 Class of Shares : Ordinary Shares
 Voting Rights : One Vote Per Ordinary Share
 No. of Shareholders : 6,185

DISTRIBUTION OF SHAREHOLDINGS AS AT 21 JULY 2020

Category	No. of Shareholders	No. of Shares	% of Shareholding
Less than 100	37	679	0.00
100 - 1,000	265	152,530	0.03
1,001 - 10,000	2,476	17,369,195	3.46
10,001 - 100,000	2,956	111,128,223	22.15
100,001 to less than 5% of issued shares	448	169,848,245	33.85
5% and above of issued shares	3	203,260,054	40.51
Total	6,185	501,758,926	100.00

LIST OF SUBSTANTIAL SHAREHOLDERS AS AT 21 JULY 2020

No.	Names	Direct		Indirect	
		No. of Shares	%	No. of Shares	%
1	SAAS Global Sdn. Bhd.	175,937,954	35.07	-	-
2	Ameer Bin Shaik Mydin	1,320,500	0.26	175,937,954	35.07 ^(a)
3	Datuk Samsul Bin Husin	-	-	175,937,954	35.07 ^(a)
4	Tan Chean Suan	27,322,100	5.45	-	-

DIRECTORS' INTERESTS IN SHARES AS 21 JULY 2020

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	1,320,500	0.26	175,937,954	35.07 ^(a)
3	Tamil Selvan A/L M. Durairaj	-	-	-	-
4	Ang Hsin Hsien	2,191,000	0.44	-	-
5	Tuan Haji Ab. Gani Bin Haron	-	-	-	-
6	Boey Tak Kong	1,974,800	0.39	-	-
7	Tan Sri Datuk Wira Dr. Hj. Mohd Shukor Bin Hj. Mahfar	-	-	-	-

Note:

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

PERFORMANCE REVIEW

30 LARGEST SHAREHOLDERS AS AT 21 JULY 2020

NO. SHAREHOLDERS	NO. OF SHARES	%
1 MIDF AMANAH INVESTMENT NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR SAAS GLOBAL SDN. BHD. (MGN-CHB0003M)	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. MAYBANK PRIVATE WEALTH MANAGEMENT FOR TAN CHEAN SUAN (PW-M01071) (423625)	27,322,100	5.45
4 MAYBANK SECURITIES NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR MOHD IBRAHIM BIN MOHD ZAIN (MARGIN)	9,700,000	1.93
5 LOH KOK WAI	7,490,400	1.49
6 EXPEDIENT EQUITY VENTURES SDN. BHD.	6,739,512	1.34
7 MAYBANK NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR ERWIN SELVARAJAH A/L PETER SELVARAJAH	4,150,000	0.83
8 WONG AH YONG	3,650,000	0.73
9 TAN CHAI TAT	3,200,000	0.64
10 PUBLIC NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR NG KOK SIANG (E-TSA)	2,271,400	0.45
11 ANG HSIN HSIEN	2,191,000	0.44
12 RHB CAPITAL NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR FONG LOONG TUCK (CEB)	2,129,500	0.42
13 PUBLIC NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR TEE KIM HEW (E-KLG/BTG)	2,076,400	0.41
14 BOEY TAK KONG	1,974,800	0.39
15 MAYBANK SECURITIES NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR TAN KOK SIONG	1,726,500	0.34
16 ALLIANCEGROUP NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR NG ONN TEE @ NG CHONG TANN	1,693,100	0.34
17 MOHD IBRAHIM BIN MOHD ZAIN	1,600,000	0.32
18 AMSEC NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR AMEER BIN SHAIK MYDIN	1,320,500	0.26
19 PKNK ENTREPRENEUR DEVELOPMENT SDN. BHD.	1,213,114	0.24
20 CGS-CIMB NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR TEOH EWE JIN (MY0829)	1,190,000	0.24
21 PUBLIC NOMINEES (ASING) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR LIU, JEN-CHENG (E-TMM/BDR)	1,176,800	0.23
22 CITIGROUP NOMINEES (ASING) SDN. BHD. EXEMPT AN FOR OCBC SECURITIES PRIVATE LIMITED (CLIENT A/C-NR)	1,150,000	0.23
23 MINHAT BIN MION	1,100,000	0.22
24 NG LOO SOON	1,100,000	0.22
25 TA NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR TAN KAY CHUAN	1,095,200	0.22
26 PUBLIC NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR SIM LEONG THUN (E-SS2)	1,020,000	0.20
27 ALLIANCEGROUP NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR ERWIN SELVARAJAH A/L PETER SELVARAJAH (7006509)	1,000,000	0.20
28 HLIB NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR WONG FAI TAT	1,000,000	0.20
29 KUANG KIM SOON	1,000,000	0.20
30 MAYBANK SECURITIES NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR ZULKIFLI BIN ISMAIL (MARGIN)	1,000,000	0.20
TOTAL	268,218,280	53.45

SUSTAINABILITY STATEMENT

ELEVATING SUSTAINABILITY

Digital technologies today have the potential to reduce negative environmental impact while enabling workers to be more productive, focus more of their expertise on high-value contributions, and explore new ways to address the largest societal challenges, including poverty and climate change. By 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.

We continue 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 to uphold an inclusive workplace culture.

Censof’s Board of Directors acknowledges 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 2020 (“FYE 2020”). 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.

Our aim is to embed sustainability deeply within 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.

<div>Responsible Business</div> <div></div>	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.
<div>Client Experience</div> <div></div>	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.
<div>Environment</div> <div></div>	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.
<div>Employees</div> <div></div>	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.
<div>Community</div> <div></div>	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.

SUSTAINABILITY STATEMENT

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
<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
Sustainability Team	Operations Team
<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:

	1 IDENTIFICATION Trimmed down topics to identify real issues impacting the Group.
	2 PRIORITISATION Arranged material topics according to their importance to the Group and its stakeholders.
	3 EVALUATION Managers assessed the prioritised matters and submitted them to the top management.
	4 VALIDATION The top management reviewed the submission before giving the final approval for the assessed materiality issues.

SUSTAINABILITY STATEMENT

SUSTAINABILITY ASPIRATIONS AND FOCUS

Through face-to-face interviews and other assessments, 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

Over the course of FYE 2020, we revisited our materiality assessment process and decided that since there was no major change to the business operating environment, we would adopt the same sustainability materiality assessment as per the previous financial year. We aim to reassess our business conditions every year and make a decision as to whether to renew or modify our materiality assessment process.

SUSTAINABILITY STATEMENT

STAKEHOLDER ENGAGEMENT CHANNELS AND PRIORITIES

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

Engagement Aspects	Who to Engage	Engagement Process
New solution offerings Software security Hardware quality Downtime incidents	 Customers	Discussion on our innovation edge Rollout of awareness training sessions Review of equipment maintenance Devise measures to reduce downtime
Remuneration Promotion Talent development Work environment	 Employees	Market survey on competitors Annual staff performance assessment Enrol for skills training courses Build team performance
Licensing compliance Industry standards Listing requirements	 Government & Regulatory Bodies	Adhere to all licensing requirements Compliance with MSC status Adhere to Bursa Malaysia Securities Berhad's Main Market Listing Requirements
Performance standards Effective pricing High quality applications	 Suppliers	Adhere to contract implementation terms Ensure competitive and transparent pricing Implement product benchmarking process
Corporate information updates	 Shareholders & Investors	Timely and detailed updates on the Company's website Hold Annual General Meeting

SUSTAINABILITY STATEMENT

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 2021 and beyond.

Sustainability Focus	Goals & Commitments	Action Plans	Status
Economic <u>Activity focus</u> <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. 	<u>Team culture and shared values</u> 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 “5C” (caring, credibility, creativity, collaboration, commitment). A final follow-up was done in March 2020 to determine the performance outcome.
	<u>New product development</u> 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"> Currently developing a new Peer-to-Peer or P2P lending capability via the strategic acquisition of a 10% equity stake in MoneySave Holding Sdn. Bhd., a Recognised Market Operator that has a license to operate a P2P financing platform. This effectively gives us a foothold in the P2P lending space and opens up new opportunities for us to diversify our income streams.
	<u>Client centric services</u> 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 and addressed customer feedback thoroughly.
	<u>Value for shareholders</u> 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 the dividends. We will, however, keep this in view for the next financial year end and focus to transform the accumulated losses position to positive retained earnings.

SUSTAINABILITY STATEMENT

Committed to Upholding Integrity

As a company that upholds integrity, we remain committed to ensuring transparent and ethical transactions as well as keeping abreast of changes in the regulatory environment to ensure the most robust and comprehensive governance framework. In preparation for Section 17A of The Malaysian Anti-Corruption Commission ("MACC") Act that introduces corporate liability for corruption and imposes personal liability on directors, controllers and management, our Board and Management looked into potential areas of risk as well as introduced the necessary measures to ensure compliance. This saw Censof's Directors and management team undergoing training to ensure that they understood and complied with the new requirements before Section 17A took effect on 1 June 2020. In line with the new requirements, all our employees have had to study and acknowledge that they understand the details of the Group's Anti-Bribery & Corruption Policy.

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
Environmental <u>Activity focus</u> <ul style="list-style-type: none"> Expanding energy savings opportunities. Improving recycle and reuse initiatives. 	<u>Aligning customers' sustainability needs to our procurement process</u> 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.	- Reduced usage of paper and wastage for tender submissions.
	<u>Energy and water consumption management</u> 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.	- Displayed signage in the office area to remind staff to lower usage of energy and water consumption.
	<u>Encouragement of online payments and reduced usage of paper</u> Do more 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.	- All subsidiaries are to reduce the usage of cheque payments by utilising online banking. For the Group's other companies, the Finance team is in the midst of implementing online banking.

SUSTAINABILITY STATEMENT

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
Social <u>Activity focus</u> <ul style="list-style-type: none"> Increase training opportunities. Strengthen community engagement efforts. Enhance the customer experience. Grow shareholder engagement initiatives. 	<u>Health and Safety Awareness</u> 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.	<u>Sport Activities</u> <ul style="list-style-type: none"> Weekly futsal. Hiking activities on 30 March 2020. <u>Health & Safety Awareness</u> <ul style="list-style-type: none"> Health Screening & Health Talk (22 March 2019).
	<u>Employee Engagement</u> 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)	- 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).
	<u>Equal Employment Opportunity</u> Maintain workforce diversity.	Workplace diversity.	- Increased diversity hiring through candidate sourcing and screening.
	<u>Community Services</u> Encourage staff participation in welfare activities.	Expose staff to contribute towards the needs of society.	- Employees connected, ideas shared and new programmes and activities co-created.

**Upholding a
Covid-19
Free
Workplace**

The safety and health of our employees, customers and the communities that we operate in remain a top priority to Censof and we continue to implement elevated health and safety standard operating procedures ("SOPs") to mitigate the threat of Covid-19. All our employees have been required to adopt strict SOPs since the onset of Malaysia's Movement Control Order ("MCO"). Today, they continue to undergo mandatory temperature checks, diligently use face masks and hand sanitizers, as well as practice strict social distancing. All meetings are to be held online unless face-to-face meetings are absolutely necessary. Under the Recovery MCO phase, only one-third of our workforce is allowed to work at the office (on a shift basis) while the remainder is to work from home. We are also looking into the wellbeing of our staff by according some flexibility to those that have any special family needs (e.g. childcare needs). These employees discuss their respective situations with their superiors and plan a way forward (e.g. to work from home). Meanwhile those employees who are at high-risk (i.e. those 60 years and above, or who are pregnant, or have health issues or need to commute via public transport), are exempt from working at the office. In all that we do, we ensure the health and safety of people come first.

SUSTAINABILITY STATEMENT

WORKPLACE DIVERSITY FOR OUR MALAYSIAN OPERATIONS

Workforce Statistics	FY 2017/18	FY 2018/19	FY 2019/20
Total Number of Employees			
Male	207	178	194
Female	156	138	131
Employees by Age Group			
<30	121	118	113
30 – 40	106	126	123
41 – 50	113	50	64
>50	23	22	25
Employees by Ethnicity			
Bumiputera	280	217	222
Non-Bumiputera	70	89	83
Foreigners	13	10	20
% of Female Employees			
Total Employees	156	138	131
Board of Directors	0.33%	0.72%	0.76%
Senior Management	9%	2.90%	5.34%
Middle Management	13%	9.42%	9.17%
Executive/ Supervisory	75.51%	61.60%	83.21%
Non-Executive	2.16%	25.36%	1.52%
New Hires			
Total Number of New Hires	71	58	69
Male	34	38	45
Female	37	20	24
Staff Turnover Rate (%)	19.16%	17.08%	24.31%

CONTINUING OUR SUSTAINABILITY JOURNEY

Here at Censof, we consider sustainability as an endless journey of improvement and we are committed to upholding the sustainable growth of our businesses without compromising the needs of our stakeholders. To this end, we will continue to embed sustainability into our operations and business strategies by refining our internal processes and strengthening our ability to create sustainable value for our business, our stakeholders, and society as a whole.

HIGHLIGHTS OF THE YEAR

PT PRAISINDO TEKNOLOGI SECURES MULTIPLE NEW CONTRACTS

INDONESIA

APRIL 2019-MARCH 2020

Overview :

PT. Praisindo Teknologi ("PT. Praisindo") secured multiple new contracts with the following banks and agencies for the financial year 2019-2020: PT. Bank CIMB Niaga, Tbk; PT Bank Tabungan Pensiunan Nasional, Tbk; and PT Bank Mandiri Syariah. These contract wins attest to PT. Praisindo's continued focus on deepening its presence in its existing core markets, securing a foothold in new markets and broadening its scope of services.

KNOWLEDGECOM AND MILLET WORLD ANNOUNCE STRATEGIC TECHNOLOGY PARTNERSHIP

ASIA PACIFIC UNIVERSITY OF
TECHNOLOGY AND INNOVATION
("APU")

19 APRIL 2019

Overview :

Under a strategic alliance, Knowledgecom Sdn. Bhd. ("Knowledgecom") and Millet World Pte. Ltd. will collaborate and develop business in education, training and skills development in emergent technologies. This partnership will ensure that bright motivated students have the skills, mentors, and confidence needed to kickstart their careers in technology.

CENSO OF ANNOUNCES COLLABORATION WITH BLOCKCHAIN START-UP CHAINSTACK



SINGAPORE

25 APRIL 2019

Overview :

Censof subsidiary, Cendee Sdn. Bhd.'s ("Cendee") core objectives are to deliver impactful blockchain based applications for Malaysia, in particular, the Government sector. Through a strategic collaboration with Chainstack Pte. Ltd., Cendee will be able to accelerate its positioning of its blockchain solutions platform.

CENTURY SOFTWARE ANNOUNCES COMPLETION OF OBB PROJECT WITH THE MINISTRY OF FINANCE ("MOF")



PUTRAJAYA

2 MAY 2019

Overview :

Century Software (Malaysia) Sdn. Bhd. ("Century Software") announced the completion of the large-scale Outcome-Based Budgeting ("OBB") platform for the MOF. This represents an evolutionary step in Malaysia's implementation of performance-based budgeting.

SUSTAINABILITY STATEMENT

RHB LAUNCHES MALAYSIA'S FIRST SME CONNECTED BANKING ECOSYSTEM



KUALA LUMPUR

23 MAY 2019

Overview :

RHB Banking Group ("RHB") launched Malaysia's first-of-its-kind SME connected banking ecosystem, featuring the enhanced RHB SME e-Solutions platform. This RHB SME e-Solutions platform offers small and medium enterprises ("SMEs") complete interoperability to achieve greater business efficiency. Through its collaboration with Asian Business Software Solutions Sdn. Bhd. ("ABSS"), a business solutions partner offering the Financio cloud-based accounting software, RHB will eliminate the need for SME customers to navigate multiple systems.

KNOWLEDGECOM SPONSORS MONSOONSIM 2019 MALAYSIA COUNTRY FINAL @ APU



APU

20 JULY 2019

Overview :

Knowledgecom sponsored the MonsoonSim 2019 Malaysia Country finals as part of a CSR initiative under its Entrepreneurship pillar. With more than 10 universities joining the competition, the event as a whole was a success. Universiti Sains Malaysia was announced champion of the competition and went on to represent Malaysia at the National Finals in Hong Kong on 10 of October 2019. We believe in the importance and urgency to educate and drive digital transformation in Malaysia, and it starts with empowering the future workforce with exposure to the latest available technology.

CENTURY SOFTWARE LAUNCHES GAME-CHANGING GOVERNMENT RESOURCE PLANNING SOLUTION

PETALING JAYA

28 JUNE 2019

Overview :

Century Software officially launched its integrated Government Resource Planning ("GRP") solution called GRP 9.0. The GRP 9.0 solution will enable government agencies to transform and achieve efficient service delivery, participation and governance. It is a web-based comprehensive resource planning solution that supports the management of finance, human resource, assets and e-procurement activities all integrated in one product, allowing related operational elements to work together in the most effective manner.

CENTURY SOFTWARE SECURES RM8.2 MILLION CONTRACT FROM DBKL

PETALING JAYA

28 AUG 2019

Overview :

Under the terms of a one-year RM8.2 million contract with Dewan Bandaraya Kuala Lumpur ("DBKL"), Century Software is tasked with undertaking comprehensive maintenance and support services for DBKL's ePBT Financial Management system. The contract also includes the refreshing of hardware for the system.

HIGHLIGHTS OF THE YEAR

PT. PRAISINDO REACHES OUT TO THE PUBLIC



PANTI ASUHAN TEBET / YAYASAN REMAJA MASA DEPAN 12 SEPT 2019

Overview :
The company undertook a monthly CSR programme aimed at reaching out to the public at large especially the less fortunate.

CENSOF / KNOWLEDGECOM SPONSORS MDEC'S AG HACKATHON

ADAX 20-22 SEPT 2019

Overview :
Knowledgecom sponsored Malaysian Digital Economy Corporations or MDEC's digital adtech hackathon in conjunction with AI and Data Week 2019. Knowledgecom sponsored this initiative, the very first of its kind, in the hope that this will create good exposure and motivate young minds to explore the latest technology. Hackathon participants were expected to come up with automated and smart mobile solutions that use Artificial Intelligence or Machine Learning to resolve problems.

CENTURY SOFTWARE AWARDED CONTRACT FROM LHDNM WORTH RM34.77 MILLION

PETALING JAYA 3 OCT 2019

Overview :
Under the terms of the contract with Lembaga Hasil Dalam Negeri Malaysia ("LHDNM"), Century Software is responsible for hardware maintenance and software renewal with support services for LHDNM's data warehouse system.

KNOWLEDGECOM SUPPORTS HLX



LE MERIDIEN HOTEL, KUALA LUMPUR 24 OCT 2019

Overview :
As part of its BEYOND4 initiative, Knowledgecom officially announced its strategic collaboration with the Hong Leong Group and took up all of Level 6 at the 32-storey HLX Integrated Innovation Centre, Asia's first innovation exchange. The companies aim to collaborate and develop education, training and skills development opportunities relating to emergent technologies. Present at the event were over 25 media representatives which were hosted at a private dining room at Le Meridien.

SUSTAINABILITY STATEMENT

CENSOF PARTNERS WITH INSURANCE CLAIMS SPECIALIST TO DEVELOP ONLINE INSURANCE AGGREGATE PORTAL



PETALING JAYA

12 NOV 2019

Overview :

The partnership will see Censof subsidiary, Censof Maal Sdn. Bhd. and OSCA Sdn. Bhd. working together to develop an online insurance aggregate portal whereby users will be able to compare and purchase life, general and medical insurance from various insurance providers at a competitive rate. The collaboration will also look into offering claims handling services to provide users with a hassle-free claims process.

CENTURY SOFTWARE WINS TWO AWARDS AT SEBA AWARDS 2019



KUALA LUMPUR

15 NOV 2019

Overview :

Century Software won two awards at the SME and Entrepreneurs Business Awards ("SEBA") 2019, one of the most reputable local industry awards. The company garnered the "Revolutionary Business Solution – Finance" Award while its Chief Executive Officer, Zainul Arrifin Harun picked up the "Strategic Financial Entrepreneur of The Year" Award.

CENTURY SOFTWARE RECEIVES A VISIT BY A DELEGATION FROM KYOTO UNIVERSITY

BEYOND4, MENARA HLX

19 NOV 2019

Overview :

Century Software received a visit by a delegation from Kyoto University led by Ms. Yori Kanami and accompanied by a representative from International Islamic University Malaysia. During the meeting, the GRP 9.0 Government Resource Planning product as well as all the Group's other major projects were presented to the visitors.

CENTURY SOFTWARE SUPPORTS CHILDREN FOR CHILDREN EVENT AT KIDZANIA



KIDZANIA, KUALA LUMPUR

20 NOV 2019

Overview :

The event organised by Antz World Berhad and supported by KidZania Kuala Lumpur, was part of a community outreach event to provide underserved children with fun, positive activities and life-enhancing experiences that would contribute to their development, well-being and their outlook for a happier and brighter future.

HIGHLIGHTS OF THE YEAR

CENTURY SOFTWARE AT BEYOND4FEST WITH KNOWLEDGECOM

BEYOND4, MENARA HLX

10-12 DEC 2019

Overview :

The Group's companies, namely Century Software and Netsense, were part of the BEYOND4FEST event which showcased applications driving digital transformation and demonstrated how these could make a positive impact on business operations across various industries. These innovations have brought about faster, cost-effective operations as well as allowed organisations to meet regulatory deadlines, improve employee engagement, enhance the customer experience, and remain competitive.

PT. PRAISINDO REACHES OUT TO THE PUBLIC



PANTI ASUHAN YAYASAN KASIH
MANDIRI BERSINAR

12 DEC 2019

Overview :

The company took part in a monthly CSR programme aimed at reaching out to the public at large especially the less fortunate.

CENTURY SOFTWARE BAGS RM5.3 MILLION CONTRACT FROM MOF

KUALA LUMPUR

16 DEC 2019

Overview :

Century Software secured a contract from the MOF to provide maintenance and support services for the agency's budget management information system, MyResults. The contract valued at RM5.3 million is for a tenure of 12 months and will run from 2 January 2020 until 1 January 2021.

CENTURY SOFTWARE CLIENTS AWARDED SAGA CERTIFICATION

JOHOR BAHRU

23 DEC 2019

Overview :

Five of the Century Softwares' clients, namely Perbadanan Kemajuan Kraftangan Malaysia ("PKKM"), Malaysia Qualifications Agency ("MQA"), Universiti Malaysia Terengganu ("UMT"), Majlis Peperiksaan Malaysia ("MPM") and Universiti Malaysia Kelantan ("UMK") were recently awarded the Standard Accounting for Government Agencies ("SAGA") Compliance certificate. The certificates were presented by YBhg. Dr Yacob bin Mustafa, Akauntan Negara Malaysia at the SAGA Compliance Certificate ("MASS") Awards Ceremony held at the Holiday Villa, Johor Bahru City Centre. The certification will boost the credibility of government agencies credibility in managing their finance and administration activities efficiently and in compliance with standard operating procedures.

CENSOF / KNOWLEDGECOM'S ANNUAL MOVIE DAY EVENT

TGV JAYA SHOPPING COMPLEX

31 DEC 2019

Overview :

Listed as one of the Group's annual activities and carried out consecutively for the past five years, the 2019 Movie Day saw over 70 children from four homes namely, Sri Sai Home, Jagaan Pusat Kebajikan Mesra, RACTAR and HOPE Worldwide taking part in the event. The children took delight in watching the new Star Wars movie, *Rise of Skywalker* while munching their popcorn and sipping their drinks.

SUSTAINABILITY STATEMENT

CENSOF COMPLETES ACQUISITION OF 51% STAKE IN NETSENSE



PETALING JAYA

3 JAN 2020

Overview :

The Group's acquisition of Netsense, a company with an existing portfolio of SME clients who are using the Acumatica ERP application, will fast-track Censof's expansion into the private sector. This venture with the Netsense Group provides Censof the opportunity to deliver innovative solutions that support the business growth of SMEs.

CENSOF PARTICIPATES IN NATIONAL E-INVOICING INITIATIVE CONSULTATIVE MEETING



MDEC, MALAYSIA

19 FEBRUARY 2020

Overview :

The National E-invoicing initiative aims to help businesses improve their operational efficiencies, reduce costs, enjoy faster payments and stay green at the same time. It also serves as an extension of the digital transformation and integration activities taking place within the business ecosystem at both the national and international levels.

KNOWLEDGECOM SIGNS MOA WITH 10 TECHNOLOGY AND TRAINING PARTNERS FOR BEYOND4

BEYOND4, MENARA HLA

16 JAN 2020

Overview :

A Memorandum of Agreement was signed between Beyond4 and its first 10 partners at a small ceremony that featured five strategic and five delivery partners plus representatives from various agencies and businesses witnessing the event. This marked the beginning of partners marketing their courses on the Beyond4 platform. The event was also celebrated in conjunction with the Group's Chinese New Year luncheon event.

PAGERO AND ABSS PARTNER TO SUPPORT E-INVOICING IN SINGAPORE AND ASIA

KUALA LUMPUR

4 FEB 2020

Overview :

ABSS and Pagero signed a new strategic partnership which will see the ABSS ERP solution combined together with Pagero's open, cloud-based business network for automated exchange of business documents across the Accounts Payable and Accounts Receivable processes being offered to SMEs.

CENSOF BAGS RM4 MILLION LHDNM CONTRACT

PETALING JAYA

1 MAR 2020

Overview :

This RM4.0 million contract for LHDNM is expected to contribute positively to the Group's future earnings.

BOARD OF DIRECTORS



LEADERSHIP AND GOVERNANCE

From left to right:

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

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

Tuan Haji Ab. Gani Bin Haron / Senior Independent Non-Executive Director

Boey Tak Kong / Independent Non-Executive Director

Ang Hsin Hsien / Executive Director

Ameer Bin Shaik Mydin / Group Managing 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 / Nationality / Age
Male / Malaysian / 77

Length Of Service:
9 years 6 months
(As at 30 June 2020)

Date Of Appointment:
28 December 2010

Date Of Last Re-Election:
29 August 2019



Membership of Board Committees:

- Audit Committee

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 and 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 the six (6) Board Meetings held during the financial year ended 31 March 2020.

AMEER BIN SHAIK MYDIN

Group Managing Director

Gender / Nationality / Age

Male / Malaysian / 57

Length Of Service:9 years 6 months
(As at 30 June 2020)**Date Of Appointment:**

28 December 2010

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 the six (6) Board Meetings held during the financial year ended 31 March 2020.

DIRECTORS' PROFILES

TAMIL SELVAN A/L M. DURAIRAJ

Deputy Group Managing Director

Gender / Nationality / Age

Male / Malaysian / 59

Length Of Service:

9 years 6 months
(As at 30 June 2020)

Date Of Appointment:

28 December 2010

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 the six (6) Board Meetings held during the financial year ended 31 March 2020.

ANG HSIN HSIEN

Executive Director

Gender / Nationality / Age

Female / Malaysian / 53

Length Of Service:9 years 6 months
(As at 30 June 2020)**Date Of Appointment:**

28 December 2010

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.

She 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.

Ang has a strong commitment towards social economy, people and believes that an emphasis on sustainable technology is

essential to the growth and development of businesses today. Ang is actively involved in empowering children with artistic expression using emergent technology with Antz World, a not-for-profit organisation that seeks to build a sustainable 'arts with technology' ecosystem to benefit our underserved children within our community.

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 the six (6) Board Meetings held during the financial year ended 31 March 2020.

DIRECTORS' PROFILES

BOEY TAK KONG

Independent Non-Executive Director

Gender / Nationality / Age

Male / Malaysian / 66

Length Of Service:

9 years 6 months
(As at 30 June 2020)

Date Of Appointment:

28 December 2010

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
- 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 the six (6) Board Meetings held during the financial year ended 31 March 2020.

TUAN HAJI ABDUL GANI BIN HARON

Senior Independent Non-Executive Director

Gender / Nationality / Age

Male / Malaysian / 69

Length Of Service:9 years 6 months
(As at 30 June 2020)**Date Of Appointment:**

28 December 2010

Date Of Last Re-Election:

29 August 2019

**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 the six (6) Board Meetings held during the financial year ended 31 March 2020.

DIRECTORS' PROFILES

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

Independent Non-Executive Director

Gender / Nationality / Age

Male / Malaysian / 65

Date Of Last Re-Election:

5 September 2018

Date Of Appointment:

15 January 2018



Membership of Board Committees:

- Audit Committee (Chairman)
- Nominating & Remuneration Committee

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 Nasional (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
- 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 the six (6) Board Meetings held during the financial year ended 31 March 2020.

MANAGEMENT TEAM'S PROFILES

DR. ZAINUL ARIFFIN BIN HARUN

Group Strategic Director (*Effective from January 2020*)
Censof Holdings Berhad



Nationality / Age	Date Of Appointment:	Length Of Service:
Malaysian / 49	January 2014	6 years 6 months (as at 30 th June 2020)

Academic / Professional Qualification(s):

- Bachelor in Business Administration, International Islamic University Malaysia
- Master of Business Administration, International Islamic University Malaysia
- Doctor 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 Malaysia Excellence Business Awards 2018 (MEBA 2018) as well as Strategic Financial Entrepreneur of The Year award at the recent SME and Entrepreneurs Business Awards (SEBA 2019).

HAZAIRIN

Chief Executive Officer
P.T Praisindo Teknologi



Nationality / Age	Date Of Appointment:	Length Of Service:
Indonesian / 51	November 2011	17 years 1 month (as at 30 th June 2020)

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.

MANAGEMENT TEAM'S PROFILES

RHYS BROWN

Chief Operating Officer
Asian Business Software Solutions Pte. Ltd.



Nationality / Age / Date Of Appointment:

New Zealand / 41 / July 2019

Length Of Service:

1 year 1 month (as at 30th June 2020)

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.

IVAN FONG CHOON HAU

Chief Finance Officer
Censof Holdings Berhad



Nationality / Age / Date Of Appointment:

Malaysian / 34 / November 2016

Length Of Service:

3 years 7 months (as at 30th June 2020)

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 12 years of solid in-depth knowledge and experience in the accounting and finance field. Ivan is currently holding directorship position in three of the subsidiaries based in Indonesia, Singapore and Malaysia.

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.

ISMADI NORAHMAN

Chief People Officer
Censof Holdings Berhad



Nationality / Age / Date Of Appointment:

Malaysian / 44 / September 2019

Length Of Service:

9 Months (as at 30th June 2020)

Academic / Professional Qualification(s):

- Bachelor's Degree of Human Sciences International Islamic University (UIAM)

Working Experience

Ismadi joins Censof Holdings Berhad with over 18 years' of human resource experience as a HR generalist with various industries including Technology. He has been pivotal in the development of human resource strategy and operations while constantly exploring innovative HR solutions for the organisations.

Ismadi play an integral role in the development of HR strategy for Censof Holdings Berhad and support the CEOs of its companies on all HR & internal communications related needs. His wealth of experience in organizational development and talent management will be an added value to the role.

We believe Ismadi's experience will be instrumental for the transformation of the Human Resources Dept from a transactional function to a business partner role while adding enormous value to the growth and development of Human Resource function at Censof Holdings Berhad.

ABDUL REHMAN

Chief Operating Officer
Netsense Business Solutions Pte. Ltd.



Nationality / Age	Date Of Appointment:	Length Of Service:
Indian / 32	May 2019	1 year 1 month (as at 30 th June 2020)

Academic / Professional Qualification(s):

- Bachelor of Business - Majors in Accounts and Finance Heriot Watt University, Scotland, UK
- Certified Advance Business Consultant & Project Manager Acumatica University (OpenUni)
- Certified Manufacturing Consultant JAAS Systems (Acumatica ERP)

Working Experience

Abdul Rehman leads the team in charge of Digital Transformation in SME's. His main task is to create awareness and educate the business owners and key decision makers on benefits of using systems like ERP, HRMS & DMS solutions to increase productivity and profitability in business operations. His experience covers different stages of technology adoption from being a Support Helpdesk Consultant to Implementation consultant and later becoming a Project Manager and finally moving to Presales Director.

Over the last 11 years he has helped 100+ SME's from Malaysia, Singapore & Dubai in adopting technology to grow their business and keeping the Operations lean. Being an Accounting and Finance graduate he is well equipped to envision and architect solutions end to end. He has also mentored number of startups and provided them guidance on business growth hacks and marketing techniques to get early traction.

He is now the Regional Director – Business Development for Netsense Business Solutions. Netsense provides Implementation & Support services for latest solutions like Acumatica ERP, Cadena HRMS & OpenBee DMS covering 6+ Industry verticals.

NAGENDRAN PERUMAL

Chief Technology Officer
Censof Holdings Berhad



Nationality / Age	Date Of Appointment:	Length Of Service:
Malaysian / 55	June 2018	2 years (as at 30 th June 2019)

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.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

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 of Bursa Malaysia Securities Berhad (“BURSA MALAYSIA”) (“MMLR”).

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 2020. 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 4.3 – The board has policy which limits the tenure of its independent directors to nine years
- 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 Corporate Governance 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 24 August 2020, 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.

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

CORPORATE GOVERNANCE OVERVIEW STATEMENT

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 board is of the view that the length of service of the Independent Directors on the Board do not in any way interfere with their independent judgment and ability to act in the best interest of the Group. Accordingly the Board can resolve to seek the shareholders' approval at the forthcoming 12th Annual General Meeting to continue to retain the services of the Independent Non-Executive Director as Independent Director.

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

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	3 Oct 2019	ABC Dialogue with Sandiaga Uno – Indonesia's Political Economy Outlook in ASEAN	Asian Business Club
Tan Sri Datuk Wira Dr. Hj.	22 March 2019	Director Talk Series #1: Back To Basics: Rethinking Corporate Governance	Board of Directors
Mohd Shukor Bin Hj. Mahfar	9 April 2019	Transfer Pricing Seminar 2019	CPD hours for Approved Tax Agents
	30 April 2019	Invitation to MIA's Engagement Session with Audit Committee members on Integrated Reporting	Board of Directors
	5-6 Aug 2019	National Tax Conference 2019	CPD hours for Approved Tax Agents
	6 Aug 2019	MKD Directors Talk Series No2 The Board of Directors of the 21 st Century	Board of Director
	14 Aug 2019	Demystifying the Diversity Conundrum: The Road to Business Excellence	Board of Director
	6 Sep 2019	Talk-2-Solve Colloquium	CPD hours for Approved Tax Agents (MCM)
	15 Oct 2019	Seminar Percukaian Kebangsaan 2019	CPD hours for Approved Tax Agents (MCM)
	5 Nov 2019	Workshop on Corporate Liability Provision (Section 17A) of MACC Act 2099	Board of Director
Ameer Bin Shaik Mydin	19 June 2019	Revolutioning Businesses Through Blockchain	Securities Commission Malaysia
	20 Aug 2019	Gain Forum with YB Tuan Gobind Singh Deo	By MDec, at CCEC
	4 Oct 2019	Corporate Liability Training	Terus Mesra Sdn. Bhd.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Name of Director	Date of Training	Training Attended	Organiser
Tamil Selvan A/L M. Durairaj	16 Apr 2019	Vistage Training: Blockchain Technology and its Practical Application in Businesses	Vistage Malaysia Sdn. Bhd.
	18 June 2019	Vistage Training: Personal Storytelling in Business	Vistage Malaysia Sdn. Bhd.
	17 Sept 2019	Vistage Training: Sales Intelligence – Strategies for the Modern Company & Salesperson	Vistage Malaysia Sdn. Bhd.
	4 Oct 2019	Corporate Liability Training	Terus Mesra Sdn. Bhd.
	19 Nov 2019	Vistage Training: Robotic Process Automation	Vistage Malaysia Sdn. Bhd.
	17 Dec 2019	Vistage Training: Developing Mindfulness for Clarity and to Remove Stress	Vistage Malaysia Sdn. Bhd.
	26 March 2020	Vistage Training: Debt Collection Strategy and Tactics	Vistage Malaysia Sdn. Bhd.
Ang Hsin Hsien	24 April 2019	Future Business Ideas 2019: Business Innovation Re-imagined	Securities Industry Development Corporation
	25 April 2019	Data Driven Decision Workshop	ASEAN Data Analytics eXchange (ADAX)
	5 Sep 2019	Risk Management Conference 2019. Governance and Risk in Digital World	Malaysian Institute of Accountants (MIA)
Tuan Haji Ab. Gani Bin Haron	22 - 23 Oct 2019	MIA International Accountants Conference	MIA
Boey Tak Kong	2 April 2019	8 th Annual National Procurement Conference 2019	MICG
	3 Apr 2019	Audit Committee Institute Breakfast Roundtable 2019 • AML/CFT Framework & Risk Assessment • Building Cyber Resilience	KPMG
	3 May 2019	CG Watch : How Does Malaysia Rank?	Iclif
	6 May 2019	Corporate Governance Monitor 2019	Security Commission
	16 May 2019	Climate Governance Initiative Malaysia	Institute of Corporate Directors
	27 June 2019	Cyber Security In The Boardroom – Accelerating from Acceptance to Action	Bursa Malaysia Berhad

LEADERSHIP AND GOVERNANCE

Name of Director	Date of Training	Training Attended	Organiser
	05.07.2019	Demystifying The Diversity Conundrum: The Road to Business Excellence	Bursa Malaysia Berhad
	17.07.2019	Avoiding Competition Law Violations – Formulating An Effective Compliance Policy	Zain & Co and Bursa Malaysia Berhad
	18.07.2019	Corporate Liability On Corruption: ‘Is Your Organisation Ready To Safeguard Its Directors, Top Management And Personnel Against A Corruption Prosecution?’	MICG and Star Media Group
	06.08.2019	Audit Committee Institute Breakfast Roundtable 2019	KPMG
	02.10.2019	Bursa Malaysia Diversity Xperience The Board “Agender”	Bursa Malaysia Berhad
	09.10.2019	Corporate Governance Case Study Workshop - Independent Directors: Towards Boardroom Excellence	Bursa Malaysia Berhad & SIDC
	15.10.2019	Evaluating Effective Internal Audit Function – Audit Committee’s Guide On How To	Bursa Malaysia Berhad & The Institute of Internal Auditors Malaysia
	22.10.2019	The Malaysian Budget 2020 Making the Leap Towards Mutual Prosperity	Wong & Partners
	29.10.2019	IJM Budget Talk 2020 By PricewaterhouseCoopers Tax Advisory Sdn. Bhd.	IJM Corporation Berhad
	31.10.2019	Session On Corporate Governance and Anti-Corruption	Securities Commission/ Bursa Malaysia
	05.11.2019	Forum on CG in the Capital Market	MICG & FPLC
	07.11.2019	Transparency in Corporate Reporting 2019: Assessing Malaysia’s Top 100 Public Listed Companies.	MICG
	08.11.2019	Malaysia’s Audit Oversight Board Conversation with Audit Committees	Securities Commission/ Bursa Malaysia

CORPORATE GOVERNANCE OVERVIEW STATEMENT

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	6/6	100%
Tan Sri Datuk Wira Dr. Hj. Mohd Shukor Bin Hj. Mahfar	Independent Non-Executive Director	6/6	100%
Ameer Bin Shaik Mydin	Group Managing Director	6/6	100%
Tamil Selvan A/L M. Durairaj	Deputy Group Managing Director	6/6	100%
Ang Hsin Hsien	Executive Director	6/6	100%
Tuan Haji Ab. Gani Bin Haron	Senior Independent Non-Executive Director	6/6	100%
Boey Tak Kong	Independent Non-Executive Director	6/6	100%

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.

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:-

Name	Salaries and other emoluments	Fees	Meeting allowance	Bonus	Defined contribution	Benefits- in-kind	Total
Group							
Executive Directors							
Ameer Bin Shaik Mydin	516,923	119,512	-	-	73,800	9,900	720,135
Tamil Selvan A/L M. Durairaj (Inclusive of allowance as Acting CEO for Century Software (Malaysia) Sdn. Bhd. from January 2020 to March 2020)	576,923	114,512	-	-	82,800	9,900	784,135
Ang Hsin Hsien	420,923	54,000	-	-	59,400	6,600	540,923

CORPORATE GOVERNANCE OVERVIEW STATEMENT

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

Name	Salaries and other emoluments	Fees	Meeting allowance	Bonus	Defined contribution	Benefits-in-kind	Total
Group							
Non-Executive Directors							
Tan Sri Dato' Mohd Ibrahim Bin Mohd Zain	-	96,000	5,000	-	-	-	101,000
Tan Sri Datuk Wira Dr. Hj. Mohd Shukor Bin Hj. Mahfar	-	60,000	2,000	-	-	-	62,000
Tuan Haji Ab. Gani Bin Haron	-	86,000	6,000	-	-	-	92,000
Boey Tak Kong	-	88,000	6,000	-	-	-	94,000
Total	1,514,769	618,024	19,000	-	216,000	26,400	2,394,193

Company

Executive Directors

Ameer Bin Shaik Mydin	516,923	35,000	-	-	73,800	9,900	635,623
Tamil Selvan A/L M. Durairaj	516,923	30,000	-	-	82,800	9,900	639,623
Ang Hsin Hsien	420,923	30,000	-	-	59,400	6,600	516,923

Non-Executive Directors

Tan Sri Dato' Mohd Ibrahim Bin Mohd Zain	-	96,000	5,000	-	-	-	101,000
Tan Sri Datuk Wira Dr. Hj. Mohd Shukor Bin Hj. Mahfar	-	60,000	2,000	-	-	-	62,000
Tuan Haji Ab. Gani Bin Haron	-	86,000	6,000	-	-	-	92,000
Boey Tak Kong	-	88,000	6,000	-	-	-	94,000

Total	1,454,769	425,000	19,000	-	216,000	26,400	2,141,169
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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 RM 50,000 during the financial year 2020, are as follows:

Range of Remuneration	Name of Key Senior Management	Designation
RM200,000 and below	Ismadi Bin Norahman	Chief People Officer
RM200,001 to RM250,000	Hazairin	Director and Chief Executive Officer
RM250,001 to RM300,000	Abdul Rehman Khalid Fong Choon Hau, Ivan	Chief Executive Office Chief Financial Officer
RM300,001 to RM350,000		
RM350,001 to RM400,000	Dr. Zainul Ariffin Bin Harun	Group Strategic Director
RM400,001 to RM450,000	Nagendran a/l M. Perumal	Chief Technology Officer
RM450,001 to RM500,000		
RM500,001 to RM550,000		
RM550,001 to RM600,000	Rhys Paul Brown	Chief Executive Officer

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 or 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 2020

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 & Reporting Financial, Risk & Management Performance
- Sustainability Implementation Plan Review of annual report, quarterly results & financial statements
- Capital Expenditure approvals & performance review of historical capex
- Board evaluation & effectiveness the Group's budget, forecasts & key performance targets & indicators
- Composition of Board & Board Diversity Risk Management & 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 & recommendation for new Independent Non-Executive Director and suitable professional development training for new director
- Review of Board Diversity Review & recommend the retiring Directors retiring for re-election & 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 & benefits payable

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 2020. 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
- Statement on Sustainability Report

The membership of the AC, its responsibilities and main works carried out in FYE 31 March 2020 are set out in the Audit Committee Report of this Annual Report.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

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 2020, 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 2020 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 August 2020 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 2021. 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 acknowledge their 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 model in risk management.

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, 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 24 August 2020.

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 of the Group for the financial year ended 31 March, 2020.

BOARD RESPONSIBILITIES AND ACCOUNTABILITIES

The Board acknowledges its overall responsibilities for the establishment of a sound and effective risk management and internal control system to safeguard shareholders’ investments and Group’s assets.

The Board recognises its overall responsibilities to ensure that principal risks in the Group are identified, measured, monitored, and managed. Accordingly, the Board has established proper 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 excluding Associates Companies which are not within the Group’s direct control. Considering the inherent limitations in any internal control system, 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 and not absolute assurance against any material financial misstatement, fraud 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 key business risks and its mitigating activities 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 the Board Audit Committee with the support of the Internal Auditors to ensure independent oversight of internal control and reviewing the adequacy, integrity and effectiveness of the risk management and internal control system within the Group’s operations. The Internal Auditors conduct an annual review of these systems including the extent of compliance in accordance with the Group’s operating policies and procedures.

During the financial year ended 31 March 2020 (“FY2020”), the Board has received assurance from the Group Managing Director and the Chief Financial Officer that the Group’s risk management and internal control system is operating adequately and effectively, in all material aspects, based on the risk management and internal control framework of the Group.

KEY FEATURES OF RISK MANAGEMENT AND INTERNAL CONTROL

During the financial year, the Board continued to adopt the risk-based approach which focused on identifying key risks and deploying actions to mitigate the likelihood and impact of the risks on core business activities. The Management acknowledges its responsibilities towards the achievement of business goals and is responsible for implementing appropriate risk management frameworks, compliance practices to relevant policies and procedures and keeping the Board aware of new or emerging risk when arise. The Group has continued to strengthen and review the risk management and internal control system across all its business units and subsidiaries to ensure that the system meets business needs and supports the effect management of risks. 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.

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 it is critical for the Group's sustainability and enhancement of shareholder value. Hence, the Board explicitly assumes the responsibilities 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 the risk governance structure which constitute 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 People Officer, Group Strategic Director 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 being appropriately mitigated and managed. The RMC's comments are incorporated into the minutes and the related mitigation measures will be fine-tuned 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

2. Organisational Structure

The business activities of the Group are managed and monitored by the Board which provides direction to the Group Managing Director who is supported by the Management. The Board is supported by three established Board Committees, namely the Audit, Risk Management, Remuneration and Nomination, all of which facilitate the Board in the discharge of its duties. Each Board Committee has clearly defined Terms of Reference and allocated 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's annual audit planning and audit review memorandum in relation to the audit services on the Group's financial statements were reviewed and approved by the Audit Committee. The External Auditors, through the Audit Committee, provides the Board with limited assurance as to the control environment in which the Group operates. This is demonstrated by the External Auditor's reports, particularly issues raised in the management letter together with management response to their findings.

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 outline 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-making process. The Limits of Authority are reviewed and mandated 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.

7. Whistle Blowing Policy

The Company has an established whistle blowing policy which is made available on 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. Board Meetings in Subsidiary Level

The board meetings convened and conducted in each of the subsidiary level comprising of Executive Directors, Chief Executive Officer, Chief Financial Officer and Senior Management Team are held on quarterly basis in each of the subsidiary 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 MCGG 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 progressively improved to ensure they remain adequate and relevant to the Group's business activities as the Group further expands its business operations locally and regionally.

COVID-19 EVENT

The COVID-19 pandemic outbreak has caused many countries around the world to be in lockdown action, disrupting economic activity across the globe. As uncertainty grips the stock market amid the coronavirus pandemic, investors race to sell-off their investments and liquidate their equity holdings.

In the first half of 2020, the Group identified key risk exposures arising from the COVID-19 outbreak and committed to the monitoring and mitigation of these risks to safeguard and enhance the Group's operational efficiency. Accordingly, the business continuity plan was activated with the followings focus areas:-

- Acted swiftly to mitigate the effect or impact from the unprecedented uncertainty through close monitoring with major business units and subsidiaries on the implementation of their business continuity plan to ensure business sustainability.

- Active communication of the formalised business continuity plan for COVID-19 and Standard Operating Procedures ("SOP") as a preventive safety and health measure in the workplace to guide all employees, customers and visitors in compliance with the regulations requirements during the MCO and post MCO.
- Consistent follow-up on trade receivables collection status and ensure the sufficiency of cash flows for business continuity and accelerate the business recovery in the post MCO period.
- Active monitoring of liquidity risk and credit risks with proactive actions taken with bankers and suppliers to mitigate the impact on the Group's financial position and financial performance.

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 on Risk Management and Internal Control is inconsistent with their understanding of the processes adopted by the Board in reviewing the adequacy and integrity of the system of internal control.

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 24 August 2020.

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, 2020, 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

Tan Sri Datuk Wira Dr. Hj. Mohd Shukor
Bin Hj. Mahfar
Independent Non-Executive Director
(Appointed 23 July 2019)

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

3. Frequency of Meetings

The AC met four (5) times during the financial year ended 31 March, 2020 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
Tan Sri Datuk Wira Dr. Hj. Mohd Shukor Bin Hj. Mahfar (Appointed 23 July 2019)	3/3

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, 2020, 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.
- (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; and
- (ii) Reviewed and approved the internal audit programmes and the review of the processes including the findings and results of the audit as well as investigations undertaken to ensure that where appropriate, action had been taken on the recommendations of the internal audit by the Management.

C. External Audit

- (i) Considered and recommended to the Board the re-appointment of the External Auditor, Crowe Malaysia PLT, 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 Auditor on the following areas and reported the same to the Board:
 - (a) Audit report, including the key audit matters which arose during the course of the audit;

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

The Committee has reviewed and deliberated the key audit matters and the AC on 24 August 2020 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 2 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.

E. Risk Management

Reviewed and receiving 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, Galton Advisory PLT ("GAP") to undertake the internal audit function for the Group.

During the financial year ended 31 March 2020, 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 2020, setting out the implementation of the internal audit scope for the Group based on agreed-upon communication, timelines and reporting protocols;
- perform reviews of the key processes to examine and evaluate the adequacy and efficiency of the operations' internal controls, and highlight any significant risks and non-compliance matters that have impact to the Group;

AUDIT COMMITTEE REPORT

- undertake to carry out two cycles of audit during the financial year ended 31 March 2020 and outlined the findings and observations and provide the recommendations to strengthen and improve the controls of the Group;
- Cycle 1 conducts a follow-up on the status of Management's implementation of internal audit recommendations previously reported by GAP in its preceding cycles of internal audit; and
- Cycle 2 focuses the adequate procedures for Information Technology and key internal controls pertaining to human resources reported by GAP.

During the financial year ended 31 March 2020, internal audit activities were carried out in accordance with the pre-approved internal audit plan. Representatives from the outsourced Internal Audit team led the role of the internal audit functions of the Group and conducted its internal audit visits based on the approved

Internal Audit Plan ("IA Plan"). Any significant changes to the IA Plan would be communicated to the Audit Committee for approval prior to the commencement of the internal audit.

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 2020 amounted to RM31,000 as compared to RM30,000 in 2019.

OTHER DISCLOSURE REQUIREMENTS

1. Utilisation of Proceeds from Corporate Exercise

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

2. Recurrent Related Party Transactions

There 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 RM105,000 and RM283,900 respectively.

(b) Amount of non-audit fee paid or payable to the Company's auditors incurred by the Company and on a group basis 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 2020.

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	(71,649)	(38,237)
Attributable to:-		
Owners of the Company	(72,421)	(38,237)
Non-controlling interests	772	-
	(71,649)	(38,237)

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) the Company increased its issued and paid-up share capital from RM100,574,494 to RM100,574,862 by way of an issuance of 800 new ordinary shares from the exercise of Warrants-B 2014/2019 at the exercise price of RM0.46 per warrant as disclosed in Note 18 to the financial statements which amounted to approximately RM368.

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

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

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) were constituted under a Deed Poll executed on 25 September 2014 and were issued on 8 October 2014 where each warrant entitled 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 Warrants-B have lapsed on 7 October 2019 and were removed from the Main Market of Bursa Malaysia Securities Berhad on 8 October 2019.

The movements of the Warrants are as follows:

Number of Warrants	Entitlement For Ordinary Shares			At 31.3.2020
	At 1.4.2019	Exercised	Lapsed	
Warrants-B (2014/2019)	111,405,217	(800)	(111,404,417)	-

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.

DIRECTORS' REPORT

(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

FINANCIAL STATEMENTS

DIRECTORS (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 Thevasenabathiy
 Hazairin
 Boyke Bader Brillianto
 Paul Alistair Jennings
 Zainul Ariffin Bin Harun
 Fong Choon Hau
 Charles William Fox
 Rhys Paul Brown (Appointed on 1.4.2019)
 Sharon Lim Siok Lin (Appointed on 20.12.2019)
 Giritharan A/L Nagalingan (Appointed on 2.3.2020)
 Cheong Hom Tai (Appointed on 4.5.2020)
 Wahida Binti M.V Mohamed Koya (Appointed on 6.5.2020)
 Siti Safiah Binti Yahaya (Resigned on 24.5.2019; Appointed on 2.3.2020)
 Grant Richard Morgan (Resigned on 10.4.2019)
 Abdul Mushir Bin Che Chik (Resigned on 16.10.2019)
 Ang Teck Lee (Resigned on 24.12.2019)
 Su Chun Keat (Resigned on 27.12.2019)

DIRECTORS' INTERESTS

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

	At 1.4.2019	Number of Ordinary Shares		At 31.3.2020
		Bought	Sold	
The Company				
<i>Direct Interests</i>				
Tan Sri Dato' Mohd Ibrahim Bin Mohd. Zain	11,300,000	-	-	11,300,000
Boey Tak Kong	1,800,000	174,800	-	1,974,800
Ameer Bin Shaik Mydin	200,000	1,120,500	-	1,320,500
Ang Hsin Hsien (f)	1,000,000	1,191,000	-	2,191,000
<i>Indirect Interests</i>				
Ameer Bin Shaik Mydin*	175,937,954	-	-	175,937,954

* - 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 1.4.2019	Bought	Lapsed	At 31.3.2020

The Company

Indirect Interests

Ameer Bin Shaik Mydin*	625,001	-	(625,001)	-
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* - 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 or debentures 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(b) 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(a) 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 44 to the financial statements.

SIGNIFICANT EVENTS OCCURRING AFTER THE REPORTING PERIOD

The significant events occurring after the reporting period are disclosed in Note 45 to the financial statements.

AUDITORS

The auditors, Crowe Malaysia PLT, have expressed their willingness to continue in office.

The auditors' remuneration is disclosed in Note 33 to the financial statements.

Signed in accordance with a resolution of the directors dated 24 August 2020.

Ameer Bin Shaik Mydin

Tamil Selvan A/L M. Durairaj

STATEMENT BY DIRECTORS

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 90 to 180 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 2020 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 24 August 2020.

Ameer Bin Shaik Mydin

Tamil Selvan A/L M. Durairaj

STATUTORY DECLARATION

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 90 to 180 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 24 August 2020.

Before me

Fong Choon Hau

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

INDEPENDENT AUDITORS' REPORT

To the Members of Censof Holdings Berhad

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 2020 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 90 to 180.

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 2020, 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' *International Code of Ethics for Professional Accountants (including International Independence Standards)* ("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.

INDEPENDENT AUDITORS' REPORT

To the Members of Censof Holdings Berhad (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 10 to the financial statements

Key Audit Matter	How our audit addressed the Key Audit Matter
<p>The Group has goodwill of approximately RM26.32 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 9 to the financial statements

Key Audit Matter	How our audit addressed the Key Audit Matter
<p>The Group has intangible assets of approximately RM16.54 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.

Key Audit Matters (Cont'd)**Impairment of trade receivables**

Refer to Note 4.1(g), Note 13 and Note 43.1(b) to the financial statements

Key Audit Matter	How our audit addressed the Key Audit Matter
<p>As at 31 March 2020, trade receivables amounted to approximately RM28.87 million. The details of trade receivables and its credit risks are disclosed in Note 43.1(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.

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.

INDEPENDENT AUDITORS' REPORT

To the Members of Censof Holdings Berhad (Cont'd)

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.
- 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.

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)

- 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, actions taken to eliminate threats or safeguards applied.

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
201906000005 (LLP0018817-LCA) & AF 1018
Chartered Accountants

Kuala Lumpur
24 August 2020

Lee Kok Wai
02760/06/2022 J
Chartered Accountant

STATEMENTS OF FINANCIAL POSITION

At 31 March 2020

		The Group		The Company	
	Note	2020	2019	2020	2019
		RM'000	RM'000	RM'000	RM'000
ASSETS					
NON-CURRENT ASSETS					
Investments in subsidiaries	5	-	-	60,660	65,046
Investment in an associate	6	-	95,462	-	58,080
Property, plant and equipment	7	1,870	2,158	-	-
Right-of-use assets	8	1,743	-	-	-
Intangible assets	9	16,541	19,542	-	-
Goodwill	10	26,324	29,039	-	-
Other investments	11	3,300	100	3,200	-
Amount owing by subsidiaries	12	-	-	6,537	7,622
		49,778	146,301	70,397	130,748
CURRENT ASSETS					
Inventories		41	44	-	-
Trade receivables	13	28,874	20,321	-	-
Other receivables, deposits and prepayments	14	5,858	4,340	324	826
Amount owing by subsidiaries	12	-	-	5,656	7,985
Amount owing by related parties	15	826	1,184	250	250
Current tax assets		672	697	-	-
Short-term investments	16	13,976	-	13,976	-
Fixed deposits with licensed banks	17	3,754	9,991	401	3,475
Cash and bank balances		7,610	6,591	75	298
		61,611	43,168	20,682	12,834
TOTAL ASSETS		111,389	189,469	91,079	143,582

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

FINANCIAL STATEMENTS

		The Group		The Company	
	Note	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
EQUITY AND LIABILITIES					
Share capital	18	100,575	100,575	100,575	100,575
Merger deficit	19	(12,300)	(12,300)	-	-
(Accumulated losses)/ Retained profits		(29,783)	42,982	(31,369)	6,868
Foreign exchange translation reserve	20	(754)	(1,449)	-	-
Share option reserve		-	168	-	-
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY					
NON-CONTROLLING INTERESTS		57,738	129,976	69,206	107,443
		6,342	3,914	-	-
TOTAL EQUITY		64,080	133,890	69,206	107,443
NON-CURRENT LIABILITIES					
Lease liabilities	21	887	-	-	-
Long-term borrowings	22	10,563	16,008	10,000	15,021
Deferred taxation	25	1,035	1,260	-	-
		12,485	17,268	10,000	15,021
CURRENT LIABILITIES					
Trade payables	26	2,965	2,401	-	-
Other payables and accruals	27	8,177	5,567	430	118
Amount owing to related parties	15	199	48	150	-
Lease liabilities	21	1,189	-	-	-
Short-term borrowings	28	11,358	21,192	11,293	21,000
Deferred income	29	5,762	4,005	-	-
Provision for taxation		1,597	1,535	-	-
Bank overdrafts	30	3,577	3,563	-	-
		34,824	38,311	11,873	21,118
TOTAL LIABILITIES		47,309	55,579	21,873	36,139
TOTAL EQUITY AND LIABILITIES		111,389	189,469	91,079	143,582

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 2020

		The Group		The Company	
	Note	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
REVENUE	31	77,859	63,264	4,173	2,086
COST OF SALES		(48,093)	(35,773)	-	-
GROSS PROFIT		29,766	27,491	4,173	2,086
OTHER INCOME		6,553	4,143	4,927	4,156
		36,319	31,634	9,100	6,242
ADMINISTRATIVE EXPENSES		(25,885)	(28,932)	(4,441)	(4,240)
FINANCE COSTS		(2,905)	(3,507)	(2,576)	(2,941)
OTHER EXPENSES		(81,862)	(1,525)	(40,320)	-
NET IMPAIRMENT LOSSES ON FINANCIAL ASSETS	32	(456)	(2,780)	-	-
SHARE OF PROFITS OF EQUITY ACCOUNTED ASSOCIATE		3,944	4,334	-	-
LOSS BEFORE TAXATION	33	(70,845)	(776)	(38,237)	(939)
INCOME TAX (EXPENSE)/CREDIT	34	(804)	(133)	-	14
LOSS AFTER TAXATION		(71,649)	(909)	(38,237)	(925)
OTHER COMPREHENSIVE (EXPENSES)/INCOME					
Items that will be Reclassified Subsequently to Profit or Loss					
Foreign currency translation differences		(169)	142	-	-
Share of other comprehensive income of equity accounted associate		1,773	1,521	-	-
		1,604	1,663	-	-
TOTAL COMPREHENSIVE (EXPENSES)/INCOME FOR THE FINANCIAL YEAR		(70,045)	754	(38,237)	(925)

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

FINANCIAL STATEMENTS

		The Group		The Company	
	Note	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
(LOSS)/PROFIT AFTER TAXATION ATTRIBUTABLE TO:-					
Owners of the Company		(72,421)	681	(38,237)	(925)
Non-controlling interests		772	(1,590)	-	-
		(71,649)	(909)	(38,237)	(925)
TOTAL COMPREHENSIVE (EXPENSES)/INCOME ATTRIBUTABLE TO:-					
Owners of the Company		(70,817)	2,344	(38,237)	(925)
Non-controlling interests		772	(1,590)	-	-
		(70,045)	754	(38,237)	(925)
(LOSS)/EARNINGS PER SHARE (SEN)					
- Basic	35	(14.43)	0.14		
- Diluted	35	(14.43)	0.14		

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

STATEMENTS OF CHANGES IN EQUITY

For the Financial Year Ended 31 March 2020

The Group	Note	Non-Distributable				Distributable		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/ (Accumulated Loss)	RM'000	RM'000	RM'000	RM'000	
Balance at 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		-	-	-	-	-	(329)	(329)				(329)
Balance at 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.

FINANCIAL STATEMENTS

The Group	Note	Non-Distributable				Distributable		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/ (Accumulated Loss)	RM'000	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 2020 (Cont'd)

The Group	Note	Non-Distributable				Distributable		Attributable to Owners of the Company	Non-controlling Interests	Total Equity
		Share Capital	Merger Deficit	Share Option Reserve	Foreign Exchange Translation Reserve	Retained Profits/ (Accumulated Loss)				
		RM'000	RM'000	RM'000	RM'000	RM'000		RM'000	RM'000	RM'000
Balance at 31.3.2019/1.4.2019		100,575	(12,300)	168	(1,449)	42,982		129,976	3,914	133,890
Loss after taxation for the financial year		-	-	-	-	(72,421)		(72,421)	772	(71,649)
Other comprehensive income for the financial year:										
- Foreign currency translation differences		-	-	-	(169)	-		(169)	-	(169)
- Share of other comprehensive income of an equity accounted associate		-	-	-	1,773	-		1,773	-	1,773
Total comprehensive income for the financial year		-	-	-	1,604	(72,421)		(70,817)	772	(70,045)
Balance carried forward		100,575	(12,300)	168	155	(29,439)		59,159	4,686	63,845

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

FINANCIAL STATEMENTS

The Group	Note	Non-Distributable				Distributable		Attributable to Owners of the Company	Non-controlling Interests	Total Equity
		Share Capital	Merger Deficit	Share Option Reserve	Foreign Exchange Translation Reserve	Retained Profits/ (Accumulated Loss)				
		RM'000	RM'000	RM'000	RM'000	RM'000		RM'000	RM'000	RM'000
Balance brought forward		100,575	(12,300)	168	155	(29,439)		59,159	4,686	63,845
Contributions by and distributions to owners of the Company:										
- Warrant exercise	18	*	-	-	-	-	*	-	-	*
- Accretion gain from changes in a subsidiary's ownership interests		-	-	-	-	(2,950)	(2,950)		2,950	-
- Acquisition of subsidiaries	36	-	-	-	-	-	-		109	109
- Share issued by a subsidiary to non-controlling interest		-	-	-	-	-	-		98	98
- Dividends:										
- by subsidiaries to non-controlling interests		-	-	-	-	-	-		(1,662)	(1,662)
Changes in a subsidiary's ownership interests that do not result in a loss of control		*	-	-	-	(2,950)	(2,950)		1,495	(1,455)
Total transactions with owners										
Share of equity reserve of an associate		-	-	(1)	6	(594)	(589)		-	(589)
Reversal of reserves related to disposal of an associate		-	-	(167)	(915)	2,458	1,376		-	1,376
Balance at 31.3.2020		100,575	(12,300)	-	(754)	(29,783)	57,738		6,342	64,080

* Amount below RM500.

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

STATEMENTS OF CHANGES IN EQUITY

For the Financial Year Ended 31 March 2020 (Cont'd)

The Company	Note	Non-Distributable	Distributable	Retained Profits/ (Accumulated Loss)	Total Equity
		Share Capital RM'000	Share Premium RM'000	RM'000	RM'000
Balance at 1.4.2018		50,196	50,379	7,793	108,368
Loss after taxation/Total comprehensive income 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		50,379	(50,379)	-	-
Balance at 31.3.2019/1.4.2019		100,575	-	6,868	107,443
Loss after taxation/Total comprehensive expense for the financial year		-	-	(38,237)	(38,237)
Contribution by and distribution to owners of the Company: - Warrant exercise	18	*	-	-	*
Balance at 31.3.2020		100,575	-	(31,369)	69,206

* Amount below RM500.

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

FINANCIAL STATEMENTS

STATEMENTS OF CASH FLOWS

For the Financial Year Ended 31 March 2020

	The Group		The Company	
	2020	2019	2020	2019
	RM'000	RM'000	RM'000	RM'000
CASH FLOWS FROM/(FOR) OPERATING ACTIVITIES				
Loss before taxation	(70,845)	(776)	(38,237)	(939)
Adjustments for:-				
Amortisation of intangible assets	4,646	3,989	-	-
Bad debts written off	-	102	-	-
Depreciation of property, plant and equipment	481	1,173	-	-
Depreciation of right-of-use assets	1,023	-	-	-
Dividend income	-	-	(4,173)	(2,086)
Fair value gain on financial assets measured at fair value through profit or loss:				
- short-term investments	(3,811)	-	(3,811)	-
Impairment loss:				
- investments in subsidiaries	-	-	5,130	-
- goodwill	3,244	-	-	-
- trade receivables	461	2,858	-	-
- other receivables	-	151	-	-
Interest expense on lease liabilities	110	-	-	-
Interest expense	2,918	3,507	2,576	2,941
Unrealised loss on foreign exchange	24	92	-	-
Interest income on financial assets measured at amortised cost:-				
- imputed interest on amount owing by a subsidiary under non-current	-	-	(1,075)	(2,938)
Loss on partial disposal of an associate	31,219	-	13,215	-
Loss on partial disposal of equity investment at fair value through profit and loss	870	-	870	-
Loss on remeasuring to fair value the retained interest of a former associate	45,685	-	21,105	-
Gain on disposal of property, plant and equipment	(14)	-	-	-
Gain on partial disposal of a subsidiary	-	-	-	(1,150)
Reversal of impairment:				
- trade receivables	(5)	(201)	-	-
- other receivables	-	(28)	-	-
Share of net profits of equity accounted associate	(3,944)	(4,334)	-	-
Interest income	(211)	(163)	(41)	(68)
Unrealised gain on foreign exchange	(25)	-	-	-
Operating profit/(loss) before working capital changes/Balance carried forward	11,826	6,370	(4,441)	(4,240)

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

STATEMENTS OF CASH FLOWS

For the Financial Year Ended 31 March 2020 (Cont'd)

		The Group		The Company	
	Note	2020	2019	2020	2019
		RM'000	RM'000	RM'000	RM'000
Operating profit/(loss) before working capital changes/					
Balance brought forward		11,826	6,370	(4,441)	(4,240)
Decrease/(Increase) in inventories		3	(9)	-	-
Decrease in amount owing by contract customers		-	397	-	-
(Increase)/Decrease in trade and other receivables		(8,772)	19,844	502	1
Increase/(Decrease) in trade and other payables		2,224	(6,662)	312	(278)
Decrease/(Increase) in amount owing by related parties		285	(403)	-	-
Increase in deferred income		1,749	315	-	-
CASH FROM/(FOR) OPERATIONS		7,315	19,852	(3,627)	(4,517)
Interest paid		(3,028)	(3,507)	(2,576)	(2,941)
Income tax paid		(1,034)	(632)	(1)	-
Income tax refunded		86	-	-	-
Interest received		-	-	41	68
NET CASH FROM/(FOR) OPERATING ACTIVITIES		3,339	15,713	(6,163)	(7,390)
CASH FLOWS FROM/(FOR) INVESTING ACTIVITIES					
Acquisition of subsidiaries, net of cash and cash equivalents acquired	36	(191)	-	-	-
Additional investment in an existing subsidiary		-	-	(102)	-
Purchase of other investments		(3,200)	-	(3,200)	-
Repayment from/(Advances to) related parties		163	(781)	-	-
Intangible assets additions		(1,734)	(2,747)	-	-
Investment in new subsidiaries		-	-	(642)	(51)
Purchase of property, plant and equipment	37(a)	(477)	(1,005)	-	-
Proceeds from disposal of property, plant and equipment		23	1	-	-
Proceeds from partial disposal of an associate		10,117	-	10,117	-
Proceeds from partial disposal of equity instrument		2,609	-	2,609	-
Repayment from subsidiaries		-	-	4,489	4,193
NET CASH FROM/(FOR) INVESTING ACTIVITIES		7,310	(4,532)	13,271	4,142

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

FINANCIAL STATEMENTS

		The Group		The Company	
	Note	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
CASH FLOWS (FOR)/FROM FINANCING ACTIVITIES					
Dividend received from an associate		-	-	1,425	-
Dividend received from subsidiaries		-	-	2,748	2,086
Advances from related company		150	-	150	-
Interest received		211	163	-	-
Dividend paid to non-controlling interests		(1,662)	(814)	-	-
Decrease in pledged fixed deposits with licensed banks		3,026	528	3,074	556
Proceeds from issuance of shares pursuant to: - warrants exercised		*	-	*	-
Proceeds from issuance of shares to non- controlling interest in a subsidiary		98	49	-	-
Repayment to related parties		-	(180)	-	(250)
Share buyback by a subsidiary		-	(518)	-	-
Proceeds from disposal of partial interest in a subsidiary that do not result in loss of control		903	1,650	-	1,650
Repayment of hire purchase obligations	37(b)	-	(133)	-	-
Repayment of lease liabilities	37(b)	(1,015)	-	-	-
Net repayment of term loans	37(b)	(14,784)	(1,322)	(14,728)	(1,306)
NET CASH (FOR)/FROM FINANCING ACTIVITIES		(13,073)	(577)	(7,331)	2,736
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		(2,424)	10,604	(223)	(512)
EFFECTS OF FOREIGN EXCHANGE TRANSLATION		218	78	-	-
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR		9,059	(1,623)	298	810
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR	37(c)	6,853	9,059	75	298

* Amount below RM500.

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

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 March 2020

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 24 August 2020.

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 16 Leases

IC Interpretation 23 Uncertainty Over Income Tax Treatments

Amendments to MFRS 9: Prepayment Features with Negative Compensation

Amendments to MFRS 119: Plan Amendment, Curtailment or Settlement

Amendments to MFRS 128: Long-term Interests in Associates and Joint Ventures

Annual Improvements to MFRS Standards 2015 – 2017 Cycles

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:-

MFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases and replaced the previous guidance on lease accounting. 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 lease assets and the related lease obligations in the statement of financial position (with limited exceptions) as right-of-use assets and lease liabilities respectively. The right-of-use assets are subject to depreciation and the interest on lease liabilities are calculated using the effective interest method. The impacts on the financial statements of the Group upon its initial application of MFRS 16 are disclosed in Note 46 to the financial statements.

3. BASIS OF PREPARATION (CONT'D)

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

MFRSs and/or IC Interpretations (Including The Consequential Amendments)	Effective Date
MFRS 17 Insurance Contracts	1 January 2021
Amendments to MFRS 3: Definition of a Business	1 January 2020
Amendments to MFRS 3: Reference to the Conceptual Framework	1 January 2022
Amendments to MFRS 9, MFRS 139 and MFRS 7: Interest Rate Benchmark Reform	1 January 2020
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 16: COVID-19-Related Rent Concessions	1 June 2020
Amendments to MFRS 101 and MFRS 108: Definition of Material	1 January 2020
Amendments to MFRS 101: Classification of Liabilities as Current or Non-current	1 January 2022
Amendments to MFRS 116: Property, Plant and Equipment – Proceeds before Intended Use	1 January 2022
Amendments to MFRS 137: Onerous Contracts – Cost of Fulfilling a Contract	1 January 2022
Amendments to References to the Conceptual Framework in MFRS Standards	1 January 2020
Annual Improvements to MFRS Standards 2018 – 2020	1 January 2022

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

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.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 March 2020 (Cont'd)

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)

Key Sources of Estimation Uncertainty (Cont'd)

(b) Amortisation of Intangible Assets

The estimates for the residual values, useful lives and related amortisation charges for the intangible assets 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 intangible assets 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 intangible assets as at the reporting date is disclosed in Note 9 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 10 to the financial statements.

(d) Impairment of Property, Plant and Equipment, Right-of-use Assets and Intangible Assets

The Group determines whether its property, plant and equipment, right-of-use assets and intangible assets 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, right-of-use assets and intangible assets as at the reporting date are disclosed in Notes 7, 8 and 9 to the financial statements.

(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 financial assets as at the reporting date is disclosed in Note 11 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.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)

Key Sources of Estimation Uncertainty (Cont'd)

(g) Impairment of Trade Receivables

The Group uses the simplified approach to estimate a lifetime expected credit loss allowance for all trade receivables. 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 13 to 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 14 and 12 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.

(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 RM672,000 and RM1,597,000 respectively (2019 - current tax assets: RM697,000 and current tax liabilities: RM1,535,000).

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 March 2020 (Cont'd)

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)

Key Sources of Estimation Uncertainty (Cont'd)

(k) Purchase Price Allocation

Purchase prices related to business combinations are allocated to the underlying acquired assets and liabilities based on their estimated fair value at the time of acquisition. The determination of fair value required the Group to make assumptions, estimates and judgements regarding future events. The allocation process is inherently subjective and impacts the amount assigned to individually identifiable assets and liabilities. As a result, the purchase price allocation impacts the Group's reported assets (including goodwill) and liabilities, future net earnings due to the impact on future depreciation and amortisation expense and impairment tests.

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:-

(a) Lease Terms

Some leases contain extension options exercisable by the Group before the end of the non-cancellable contract period. In determining the lease term, management considers all facts and circumstances including the past practice and any cost that will be incurred to change the asset if an option to extend is not taken. An extension option is only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

(b) 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.

(c) Coronavirus Disease 2019 (COVID-19)

The current outbreak of COVID-19 has resulted in the occurrence of a multitude of associated events such as temporarily closing of businesses, travel restrictions and quarantine measures across the world. These measures and policies affect supply chains and the production of goods and services and lower economic activity which is likely to result in reduced demand for the Group's goods and services. The Group exercises judgement, in light of all facts and circumstances, to assess what event in this series of events provides additional evidence about the condition that existed at the reporting date and therefore affects the recognition and measurement of the Group's assets and liabilities at 31 March 2020.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.2 BASIS OF CONSOLIDATION

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

Subsidiaries are entities (including structured entities, if any) controlled by the Group. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Potential voting rights are considered when assessing control 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.

(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.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 March 2020 (Cont'd)

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.2 BASIS OF CONSOLIDATION (CONT'D)

(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.

(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 or, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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.

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 period 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.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 March 2020 (Cont'd)

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.4 FUNCTIONAL AND FOREIGN CURRENCIES (CONT'D)

(c) Foreign Operations (Cont'd)

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.

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.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.5 FINANCIAL INSTRUMENTS (CONT'D)

(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.

(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.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 March 2020 (Cont'd)

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.5 FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial Liabilities

(i) Financial Liabilities at Fair Value through Profit or Loss

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

(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.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.5 FINANCIAL INSTRUMENTS (CONT'D)

(e) Financial Guarantee Contracts

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

Financial guarantee contracts are recognised initially as liabilities at fair value, net of transaction costs. Subsequent to initial recognition, financial guarantee contracts are recognised as income in profit or loss over the period of the guarantee or, when there is no specific contractual period, recognised in profit or loss upon discharge of the guarantee. If the debtor fails to make payment relating to a financial guarantee contract when it is due and the 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.

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 2020. 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. The interest in the associate is the carrying amount of the investment in the associate determined using the equity method together with any long-term interests that, in substance, form part of the Group's net investment in the associate.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 March 2020 (Cont'd)

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.7 INVESTMENT IN AN ASSOCIATE (CONT'D)

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. Furthermore, the Group also reclassifies its share of the gain or loss previously recognised in other comprehensive income of that associate to profit or loss when the equity method is discontinued.

4.8 PROPERTY, PLANT AND EQUIPMENT

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

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

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.

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%
Office equipment, furniture and fittings	10% - 33%
Computer equipment	20% - 25%
Office renovation	20% - 33%
Motor vehicles	16% - 25%

The depreciation method, useful lives and residual values are reviewed, and adjusted if appropriate, at the end of each reporting period to ensure that the amounts, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of the property, plant and equipment. Any changes are accounted for as a change in estimate.

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

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use. Any gain or loss arising from derecognition of the asset, being the difference between the net disposal proceeds and the carrying amount, is recognised in profit or loss. The revaluation reserve included in equity is transferred directly to retained profits on retirement or disposal of the asset.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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.

4.10 LEASES

The Group assesses whether a contract is or contains a lease, at inception of the contract. The Group recognises a right-of-use asset and corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for low-value assets and short-term leases with 12 months or less. For these leases, the Group recognises the lease payments as an operating expense on a straight-line method over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use assets and the associated lease liabilities are presented as a separate line item in the statement of financial position.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 March 2020 (Cont'd)

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.10 LEASES (CONT'D)

The right-of-use asset is initially measured at cost. Cost includes the initial amount of the corresponding lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred, less any incentives received.

The right-of-use asset is subsequently measured at cost less accumulated depreciation and any impairment losses, and adjustment for any remeasurement of the lease liability. The depreciation starts from the commencement date of the lease. If the lease transfers ownership of the underlying asset to the Group or the cost of the right-of-use asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. Otherwise, the Group depreciates the right-of-use asset to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of the right-of-use assets are determined on the same basis as those property, plant and equipment.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate.

The lease liability is subsequently measured at amortised cost using the effective interest method. It is remeasured when there is a change in the future lease payments (other than lease modification that is not accounted for as a separate lease) with the corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recognised in profit or loss if the carrying amount has been reduced to zero.

Accounting Policies Applied Until 31 March 2019

(a) Finance Leases

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 Leases

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.

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. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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.

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.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 March 2020 (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.

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.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 March 2020 (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.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.23 REVENUE FROM CONTRACTS WITH CUSTOMERS

Revenue is recognised by reference to each distinct performance obligation in the contract with customer. Revenue is measured at the consideration specified in the contract of 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.

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.

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.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 March 2020 (Cont'd)

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.24 REVENUE FROM OTHER SOURCES AND OTHER OPERATING INCOME (CONT'D)

(c) Rental Income

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

5. INVESTMENTS IN SUBSIDIARIES

	The Company	
	2020	2019
	RM'000	RM'000
Unquoted shares, at cost	60,660	65,046

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
		2020 %	2019 %	
Subsidiaries of the Company				
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.
Knowledgecom Corporation Sdn. Bhd.	Malaysia	70	70	Providing computer training services.
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.
Asian Business Software Solutions Pte. Ltd.^	Republic of Singapore	58.2	51	Selling of computerised accounting system.

FINANCIAL STATEMENTS

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
		2020 %	2019 %	
Subsidiaries of the Company (Cont'd)				
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	51	Developing a platform for integrated financial interactions across the blockchain ecosystem comprising of the internet and private key cryptography.
Netsense Busines Solutions Sdn. Bhd.^	Malaysia	51	-	Providing enterprise resource planning (“ERP”) software.
Netsense Busines Solutions Pte. Ltd.^	Republic of Singapore	51	-	Providing enterprise resource planning (“ERP”) software.
Tender Pintar Sdn. Bhd.^	Malaysia	100	-	Providing computer programmings, consultancy and related activities.
Subsidiaries of Knowledgecom Corporation Sdn. Bhd.				
Global Strategic Partners Sdn. Bhd.^	Malaysia	100	100	Magazine publisher.
Knowledgecom Pte. Ltd.^	Republic of Singapore	70	70	Dormant and yet to commence business of corporate training services and provide motivational courses and software consultancy.
Beyond4 Sdn. Bhd.^	Malaysia	100	-	Computer training providers.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 March 2020 (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
		2020 %	2019 %	
Subsidiaries of Asian Business Software Solution Pte. Ltd.				
Asian Business Software Solutions Sdn. Bhd.	Malaysia	58.2	51	Selling of computerised accounting system.
Financio Software Sdn.Bhd.^	Malaysia	58.2	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

- (a) (i) On 2 January 2020, the Company acquired 51% equity interests in Netsense Business Solutions Sdn. Bhd. and Netsense Business Solutions Pte. Ltd. for a total consideration of RM408,000 and RM234,145 respectively. 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.
- (ii) In the previous financial year, 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.
- (iii) In the previous financial year, 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.
- (b) The non-controlling interests at the end of the reporting year comprised the following:-

	Effective Equity Interest		The Group	
	2020 %	2019 %	2020 RM'000	2019 RM'000
Asian Business Software Solutions Pte. Ltd. ("ABSS")	41.8	49	3,633	563
Knowledgecom Corporation Sdn. Bhd.	30	20	1,532	2,646
Other individually immaterial subsidiaries			1,177	705
			6,342	3,914

FINANCIAL STATEMENTS

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	
	2020 RM'000	2019 RM'000
<u>At 31 March</u>		
Non-current assets	835	589
Current assets	7,343	5,571
Non-current liabilities	(239)	-
Current liabilities	(5,490)	(5,249)
Net assets	2,449	911
<u>Financial Year Ended 31 March</u>		
Revenue	15,937	15,137
Profit for the financial year	3,949	1,019
Total comprehensive income	3,951	1,017
Total comprehensive income attributable to non-controlling interests	1,935	499
Dividends paid to non-controlling interests	1,062	364
Net cash flows from operating activities	4,530	2,552
Net cash flows for investing activities	(36)	(99)
Net cash flows for financing activities	-	(2,195)
	KCOM	
	2020 RM'000	2019 RM'000
<u>At 31 March</u>		
Non-current assets	2,039	1,451
Current assets	5,735	9,675
Non-current liabilities	(778)	(629)
Current liabilities	(1,891)	(1,968)
Net assets	5,105	8,529
<u>Financial Year Ended 31 March</u>		
Revenue	1,824	6,748
Loss for the financial year	(1,424)	(1,418)
Total comprehensive expenses	(1,424)	(1,418)

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 March 2020 (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	
	2020 RM'000	2019 RM'000
Total comprehensive expenses attributable to non-controlling interests	(427)	(353)
Dividends paid to non-controlling interests	600	450
Net cash flows (for)/from operating activities	(2,848)	7,560
Net cash flows from/(for) investing activities	376	(1,984)
Net cash flows for financing activities	(1,241)	(1,187)

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	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Quoted shares, at cost	-	80,413	-	58,080
Share of post-acquisition profits, net of dividends received	-	17,609	-	-
Share of post-acquisition other comprehensive expense	-	(852)	-	-
Share of post-acquisition equity reserve	-	(1,708)	-	-
	-	95,462	-	58,080
Market value of quoted shares	-	79,816		

The details of the associate in the previous financial year were as follows:

Name of Associate	Principal Place of Business	Percentage of Ownership		Principal Activity
		2020 %	2019 %	
Dagang NeXchange Berhad	Malaysia	-	16.21	Investment holding.

- (a) In the previous financial year, although the Group held less than 20% equity interest in Dagang NeXchange Berhad ("DNeX"), the Group is able to exercise significant influence in the associate.
- (b) During the current financial year, the Company disposed of part of its equity interest in DNeX which reduced its equity interest from 16.21% to 7.22%. As a result, the Company reclassified its investment in DNeX to short-term investments as disclosed in Note 16 and Note 44(g) to the audited financial statements.

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6. INVESTMENT IN AN ASSOCIATE (CONT'D)

- (c) The summarised unaudited financial information (after any fair value adjustment at acquisition date and the alignment for the Group's accounting policies) of the associate that is material to the Group in the previous financial year were as follows:-

	DNeX	
	2020 RM'000	2019 RM'000
<u>At 31 March</u>		
Non-current assets	-	379,904
Current assets	-	259,135
Non-current liabilities	-	(24,336)
Current liabilities	-	(162,112)
Net assets	-	452,591
<u>12-month Period Ended 31 March</u>		
Revenue	285,187	291,294
Profit for the financial period	24,329	31,043
Other comprehensive income	10,937	9,747
Group's share of profit for the financial year	3,944	4,334
Group's share of other comprehensive income	1,773	1,521
Group's share of equity reserve	(589)	(2,745)
Dividends received	(1,425)	-
<u>Reconciliation of Net Assets to Carrying Amount</u>		
Group's share of net assets	-	75,163
Goodwill	-	20,299
Carrying amount of the Group's interests in this associate	-	95,462

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 March 2020 (Cont'd)

7. PROPERTY, PLANT AND EQUIPMENT

The Group	1.4.2019		As Previously Reported RM'000	Initial Application of MFRS 16 RM'000	As Restated RM'000	Additions RM'000	Disposal RM'000	Depreciation Charges RM'000	Currency Translation Differences RM'000	At 31.3.2020 RM'000
	As	Initial								
2020										
<i>Carrying Amount</i>										
Buildings	1,027	-	1,027	-	1,027	-	-	(12)	-	1,015
Plant and machinery	32	-	32	-	32	1	(1)	(19)	1	14
Office equipment, furniture and fittings	450	-	450	-	450	330	(6)	(279)	(101)	394
Computer equipment	142	-	142	-	142	138	(2)	(69)	3	212
Office renovation	339	-	339	-	339	5	-	(102)	(10)	232
Motor vehicles	168	(168)	-	-	-	3	-	-	-	3
	2,158	(168)	1,990		1,990	477	(9)	(481)	(107)	1,870
2019										
<i>Carrying Amount</i>										
Buildings	-	-	-	-	-	1,033	-	(6)	-	1,027
Plant and machinery	50	-	50	-	50	-	-	(18)	-	32
Office equipment, furniture and fittings	642	-	642	-	642	570	-	(767)	5	450
Computer equipment	128	-	128	-	128	83	(1)	(67)	(1)	142
Office renovation	448	-	448	-	448	19	-	(131)	3	339
Motor vehicles	352	-	352	-	352	-	-	(184)	-	168
	1,620	-	1,620	-	1,620	1,705	(1)	(1,173)	7	2,158

FINANCIAL STATEMENTS

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

The Group	At Cost RM'000	Accumulated Depreciation RM'000	Carrying Amount RM'000
2020			
Buildings	1,033	(18)	1,015
Plant and machinery	340	(326)	14
Office equipment, furniture and fittings	6,341	(5,947)	394
Computer equipment	1,325	(1,113)	212
Office renovation	3,131	(2,899)	232
Motor vehicles	3	-	3
	12,173	(10,303)	1,870
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
	14,350	(12,192)	2,158

- (a) In the previous financial year, included in the property, plant and equipment of the Group were motor vehicles with a total carrying amount of RM167,818, which were acquired under hire purchase terms. These leased assets had been pledged as security for the hire purchase payables of the Group as disclosed in Note 23(b) 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 24 and 30 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 March 2020 (Cont'd)

8. RIGHT-OF-USE ASSETS

The Group	1.4.2019			Additions RM'000	Depreciation Charges (Note 33) RM'000	Currency Translation Differences RM'000	At 31.3.2020 RM'000
	As Previously Reported RM'000	Initial Application of MFRS 16 RM'000	As Restated RM'000				
2020							
Carrying Amount							
Office buildings	-	2,109	2,109	490	(883)	(1)	1,715
Motor vehicles	-	168	168	-	(140)	-	28
	-	2,277	2,277	490	(1,023)	(1)	1,743

Analysed by:-

	RM'000
Cost	3,893
Accumulated depreciation	(2,150)
	<u>1,743</u>

The comparative information is not presented as the Group has applied MFRS 16 using the modified retrospective approach.

The Group leases office buildings and motor vehicles of which the leasing activities are summarised below:-

- (i) Office Buildings The Group leases a number of office buildings with lease periods of between 1 year and 3 years, with an option to renew.
- (ii) Motor Vehicles The Group leases its motor vehicles under hire purchase arrangements. The leases are secured by the leased assets. The Group has an option to purchase the asset at the expiry of the lease period at an insignificant amount.

FINANCIAL STATEMENTS

9. INTANGIBLE ASSETS

	Software RM'000	Development expenditure RM'000	Customer relationship RM'000	Trademark RM'000	Total RM'000
The Group					
Cost:-					
At 1.4.2018	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 31.3.2019/1.4.2019	7,473	44,353	8,814	1,818	62,458
Addition during the financial year	-	1,734	-	-	1,734
Reclassification	860	(860)	-	-	-
Currency translation differences	(26)	(65)	-	-	(91)
At 31.3.2020	8,307	45,162	8,814	1,818	64,101
Accumulated amortisation:-					
At 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 31.3.2019/1.4.2019	(4,266)	(32,640)	(2,643)	(1,818)	(41,367)
Addition during the financial year	(1,161)	(2,604)	(881)	-	(4,646)
Currency translation differences	-	2	-	-	2
At 31.3.2020	(5,427)	(35,242)	(3,524)	(1,818)	(46,011)
Accumulated impairment loss:-					
At 31.3.2019/ 31.3.2020	-	(1,549)	-	-	(1,549)
Net carrying amount					
At 31.3.2019	3,207	10,164	6,171	-	19,542
At 31.3.2020	2,880	8,371	5,290	-	16,541

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 March 2020 (Cont'd)

9. INTANGIBLE ASSETS (CONT'D)

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

	The Group	
	2020	2019
	RM'000	RM'000
Staff costs	1,367	1,108

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.

10. GOODWILL

	The Group	
	2020	2019
	RM'000	RM'000
Cost:-		
At 1 April	29,039	29,039
Acquisition of subsidiaries	529	-
At 31 March	29,568	29,039
Accumulated impairment loss:-		
At 1 April	-	-
Impairment during the financial year (Note 33)	(3,244)	-
At 31 March	(3,244)	-
	26,324	29,039

FINANCIAL STATEMENTS

10. GOODWILL (CONT'D)

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

	The Group	
	2020 RM'000	2019 RM'000
Wealth Management Solutions ("WMS")	3,331	3,331
Training Solutions ("TS")	-	3,224
Financial Management Solutions - Commercial ("FMS-C")	22,464	22,464
Others	529	20
	26,324	29,039

- (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 2021 – 2025	Average Growth Rate 2021 – 2025	Discount Rate (Pre-tax) 2021 – 2025	Terminal Growth Rate 2026 - infinity
WMS	49%	15%	14.14%	0%
FMS-C	77%	14%	10.66%	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 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.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 March 2020 (Cont'd)

11. OTHER INVESTMENTS

	The Group		The Company	
	2020	2019	2020	2019
	RM'000	RM'000	RM'000	RM'000
Unquoted shares, at fair value	3,300	100	3,200	-

The Group and the Company has designated these equity investments at fair value through other comprehensive income because the Group and the Company intend to hold for long-term strategic purposes.

The fair value of each investment is summarised below:-

	The Group		The Company	
	2020	2019	2020	2019
	RM'000	RM'000	RM'000	RM'000
Unquoted shares of Corporate Membership of Glenmarie Golf and Country Club	100	100	-	-
Unquoted shares of Moneysave Holding Sdn. Bhd.	3,200	-	3,200	-
	3,300	100	3,200	-

12. AMOUNT OWING BY SUBSIDIARIES

	The Company	
	2020	2019
	RM'000	RM'000
<u>Non-current</u>		
Non-trade balances	5,462	4,684
Accretion of interest	1,075	2,938
	6,537	7,622
<u>Current</u>		
Non-trade balances	5,656	7,985
	12,193	15,607

(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.

FINANCIAL STATEMENTS

13. TRADE RECEIVABLES

	The Group	
	2020 RM'000	2019 RM'000
Trade receivables	29,440	22,907
Allowance for impairment losses	(566)	(2,586)
	28,874	20,321
Allowance for impairment losses:-		
At 1 April:	(2,586)	(11,492)
Addition during the financial year (Note 32)	(461)	(2,858)
Reversal during the financial year (Note 32)	5	201
Written off during the financial year	2,476	11,563
At 31 March	(566)	(2,586)

The Group's normal trade credit terms range from 30 to 45 (2019 - 30 to 45) days.

14. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	The Group		The Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Other receivables:-				
Third parties	4,581	2,755	324	826
Allowance for impairment losses	(151)	(151)	-	-
	4,430	2,604	324	826
Deposits	537	655	-	-
Prepayments	891	1,081	-	-
	5,858	4,340	324	826
Allowance for impairment losses:-				
At 1 April	(151)	(28)	-	-
Addition during the financial year (Note 32)	-	(151)	-	-
Reversal during the financial year (Note 32)	-	28	-	-
At 31 March	(151)	(151)	-	-

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 March 2020 (Cont'd)

15. AMOUNTS OWING BY/(TO) RELATED PARTIES

	The Group		The Company	
	2020	2019	2020	2019
	RM'000	RM'000	RM'000	RM'000
Amount owing by Related Parties				
<u>Current</u>				
Trade balances	118	403	-	-
Non-trade balances	708	781	250	250
	826	1,184	250	250

Amount owing to Related Parties

<u>Current</u>				
Non-trade balances	199	48	150	-

- (a) The trade balances are subject to the normal credit terms ranging from 30 to 90 (2019 - 30 to 90) days. The amounts owing are 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. SHORT-TERM INVESTMENTS

	The Group/The Company			
	2020	2019		
	Carrying Amount	Market Value	Carrying Amount	Market Value
	RM'000	RM'000	RM'000	RM'000
Quoted shares, at fair value	13,976	13,976	-	-

17. 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 0.25% to 3.35% (2019 - 0.25% to 3.45%) per annum respectively. The fixed deposits have maturity periods ranging from 30 to 365 (2019 - 30 to 365) 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 RM934,096 (2019 - RM3,960,486) and RM400,758 (2019 - RM3,474,736) 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 24 to the financial statements.

FINANCIAL STATEMENTS

18. SHARE CAPITAL

	2020	The Group/The Company		2019
	Number Of Shares ('000)	2019	2020	2019
		RM'000	RM'000	RM'000
Issued and Fully Paid-up				
Ordinary Shares				
At 1 April	501,758	501,758	100,575	50,196
Issuance of shares pursuant to warrants exercised	1	-	*	-
Transfer from share premium account	-	-	-	50,379
At 31 March	501,759	501,758	100,575	100,575

* Amount below RM500.

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.

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) were constituted under a Deed Poll executed on 25 September 2014 and were issued on 8 October 2014 where each warrant entitled 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 Warrants-B have lapsed on 7 October 2019 and were removed from the Main Market of Bursa Malaysia Securities Berhad on 8 October 2019.

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

Number of Warrants	Entitlement For Ordinary Shares			At 31.3.2020
	At 1.4.2019	Exercised	Lapsed	
Warrants-B (2014/2019)	11,405,217	(800)	(111,404,417)	-

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 March 2020 (Cont'd)

18. SHARE CAPITAL (CONT'D)

The main features of the warrants were as follows:-

- (i) Each warrant entitled 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. 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.

20. FOREIGN EXCHANGE TRANSLATION RESERVE

The foreign exchange translation reserve arose from the translation of the financial statements of the foreign subsidiaries and the Group's share of an associate's foreign currency translation differences whose functional currencies are different from the Group's presentation currency.

FINANCIAL STATEMENTS

21. LEASE LIABILITIES

	The Group 2020 RM'000
At 1 April	
- As previously reported	-
- Initial application of MFRS 16	2,601
- As restated	2,601
Additions (Note 37(b))	490
Interest expense recognised in profit or loss	110
Repayment of principal	(1,015)
Repayment of interest expense	(110)
At 31 March	2,076
Analysed by:-	
Current liabilities	1,189
Non-current liabilities	887
	2,076

The comparative information is not presented as the Group has applied MFRS 16 using the modified retrospective approach.

Certain lease liabilities of the Group are secured by the Group's motor vehicles under the hire purchase arrangements as disclosed in Note 8(a)(ii) to the financial statements, with lease terms ranging from 1 to 4 years and bear effective interest rates ranging from 4.36% to 4.48%.

22. LONG-TERM BORROWINGS

	The Group		The Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Hire purchase payables (Note 23)	-	358	-	-
Term loans (Note 24)	10,563	15,650	10,000	15,021
	10,563	16,008	10,000	15,021

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 March 2020 (Cont'd)

23. HIRE PURCHASE PAYABLES

	The Group 2019 RM'000
Minimum hire purchase payments:	
- not later than one year	156
- later than one year and not later than five years	376
	532
Less: Future finance charges	(37)
Present value of hire purchase payables	495
Analysed by:-	
Current liabilities (Note 28)	137
Non-current liabilities (Note 22)	358
	495

- (a) The hire purchase payables have been represented as 'lease liabilities' as shown in Note 21 to the financial statements following the application of MFRS 16 by the Group using the modified retrospective approach.
- (b) In the previous financial year, the hire purchase payables of the Group were secured by the Group's motor vehicle under finance leases as disclosed in Note 7(a) to the financial statements. The hire purchase arrangements are expiring from 1 to 5 years.
- (c) In the previous financial year, 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%. The interest rates were fixed at the inception of the hire purchase arrangements.

24. TERM LOANS

	The Group		The Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Current liabilities (Note 28)	11,358	21,055	11,293	21,000
Non-current liabilities (Note 22)	10,563	15,650	10,000	15,021
	21,921	36,705	21,293	36,021

24. TERM LOANS (CONT'D)

Details of the term loans are as follows:-

Term Loan	The Group		The Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
1	14,786	15,021	14,786	15,021
2	628	684	-	-
3	6,507	21,000	6,507	21,000
	21,921	36,705	21,293	36,021

- (a) Term loan 1 bore an effective interest rate of 7.28% (2019 - 7.25%) 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 Dagang NeXchange Berhad 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.
- (b) Term loan 2 bore an effective interest rate of 4.20% (2019 - 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.
- (c) Term loan 3 bore an effective interest rate of 7.50% (2019 - 7.50%) per annum at the end of the reporting period and is secured by:
- (i) a third party legal charge of not less than 130,937,954 ordinary shares of the Company held by a corporate shareholder; and
 - (ii) a corporate guarantee executed by the Company.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 March 2020 (Cont'd)

25. DEFERRED TAXATION

The Group	At 1.4.2019 RM'000	Recognised in Profit or Loss (Note 34) RM'000	Currency Translation Difference RM'000	At 31.3.2020 RM'000
2020				
<i>Deferred Tax Liabilities</i>				
Property, plant and equipment	182	-	-	182
Intangible assets acquired	1,440	(347)	-	1,093
<i>Deferred Tax Assets</i>				
Provision	(362)	116	6	(240)
	1,260	(231)	6	1,035

The Group	At 1.4.2018 RM'000	Recognised in Profit or Loss (Note 34) 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

26. TRADE PAYABLES

The normal trade credit terms granted to the Group range from 30 to 90 (2019 - 30 to 90) days.

FINANCIAL STATEMENTS

27. OTHER PAYABLES AND ACCRUALS

	The Group		The Company	
	2020	2019	2020	2019
	RM'000	RM'000	RM'000	RM'000
Other payables	3,219	2,364	165	-
Accruals	4,958	3,203	265	118
	8,177	5,567	430	118

28. SHORT-TERM BORROWINGS

	The Group		The Company	
	2020	2019	2020	2019
	RM'000	RM'000	RM'000	RM'000
Hire purchase payables (Note 23)	-	137	-	-
Term loans (Note 24)	11,358	21,055	11,293	21,000
	11,358	21,192	11,293	21,000

29. DEFERRED INCOME

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 36 (2019 - 1 to 12) months.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 March 2020 (Cont'd)

30. BANK OVERDRAFTS

The bank overdrafts of the Group bore effective interest rates ranging from 7.20% to 7.35% (2019 - 8.20% 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.

31. REVENUE

	The Group		The Company	
	2020	2019	2020	2019
	RM'000	RM'000	RM'000	RM'000
<u>Revenue from Contracts with Customers</u>				
Software, training and implementation	43,939	31,314	-	-
Maintenance	24,422	20,935	-	-
Hardware	9,498	11,015	-	-
	77,859	63,264	-	-
<u>Revenue from Other Sources</u>				
Dividend income	-	-	4,173	2,086
	77,859	63,264	4,173	2,086

The information on the disaggregation of revenue is disclosed in Note 42 to the financial statements.

FINANCIAL STATEMENTS

32. NET IMPAIRMENT LOSSES ON FINANCIAL ASSETS

	The Group		The Company	
	2020	2019	2020	2019
	RM'000	RM'000	RM'000	RM'000
Impairment losses:				
- trade receivables (Note 13)	461	2,858	-	-
- other receivables (Note 14)	-	151	-	-
Reversal of Impairment losses:				
- trade receivables (Note 13)	(5)	(201)	-	-
- other receivables (Note 14)	-	(28)	-	-
	456	2,780	-	-

33. LOSS BEFORE TAXATION

	The Group		The Company	
	2020	2019	2020	2019
	RM'000	RM'000	RM'000	RM'000
Loss before taxation is arrived at after charging/(crediting):-				
Amortisation of intangible assets (Note 9)	4,646	3,989	-	-
Auditors' remuneration:				
- audit fees				
- current financial year	284	271	105	105
- under/(over)provision in the previous financial year	126	(2)	123	(3)
- non-audit fees:				
- auditors of the Company	6	6	6	6
Bad debts written off	-	102	-	-
Staff costs (including other key management personnel):				
- short-term employee benefits	21,308	20,870	1,067	851
- defined contribution benefits	2,082	2,051	115	93
Depreciation:				
- Property, plant and equipment (Note 7)	481	1,173	-	-
- Right-of-use assets (Note 8)	1,023	-	-	-
Directors' remuneration (Note 38)	2,368	2,319	2,115	2,152
Impairment loss:				
- Investment in subsidiaries	-	-	5,130	-
- goodwill (Note 10)	3,244	-	-	-
- trade receivables (Note 13)	461	2,858	-	-
- other receivables (Note 14)	-	151	-	-
Interest expense on lease liabilities (Note 21)	110	-	-	-
Lease expenses:				
- short-term leases	372	-	-	-
- low-value assets	9	-	-	-

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 March 2020 (Cont'd)

33. LOSS BEFORE TAXATION (CONT'D)

	The Group		The Company	
	2020	2019	2020	2019
	RM'000	RM'000	RM'000	RM'000
Loss before taxation is arrived at after charging/(crediting):- (Cont'd)				
Interest expense on financial liabilities that are not at fair value through profit or loss:				
- bank overdrafts	183	522	-	-
- hire purchase	-	24	-	-
- term loans	2,607	2,956	2,576	2,941
- others	5	5	-	-
Loss on foreign exchange:				
- unrealised	24	92	-	-
Loss on partial disposal of an associate	31,219	-	13,215	-
Loss on partial disposal of equity investment at fair value through profit and loss	870	-	870	-
Loss on remeasuring to fair value the retained interest of a former associate	45,685	-	21,105	-
Bad debts recovered	-	(3,560)	-	-
Dividend income:				
- subsidiaries	-	-	(2,748)	(2,086)
- associate	-	-	(1,425)	-
Fair value gain on financial assets measured at fair value through profit or loss mandatorily:				
- short-term investments	(3,811)	-	(3,811)	-
Gain on disposal of property, plant and equipment	(14)	-	-	-
Gain on partial disposal of a subsidiary	-	-	-	(1,150)
Interest income:				
- fixed deposits with licensed banks	(207)	(115)	(41)	(68)
- others	(4)	(48)	-	-
Interest income on financial assets measured at amortised cost:-				
- imputed interest on amount owing by a subsidiary under non-current	-	-	(1,075)	(2,938)
Reversal of impairment loss:				
- trade receivables (Note 13)	(5)	(201)	-	-
- other receivables (Note 14)	-	(28)	-	-
Unrealised gain on foreign exchange	(25)	-	-	-

FINANCIAL STATEMENTS

34. INCOME TAX EXPENSE/(CREDIT)

	The Group		The Company	
	2020	2019	2020	2019
	RM'000	RM'000	RM'000	RM'000
Current tax expense	1,185	386	-	-
(Over)/Underprovision in the previous financial year	(150)	273	-	(14)
	1,035	659	-	(14)
Deferred tax (Note 25):				
- originating and recognition of temporary differences	(231)	(526)	-	-
	804	133	-	(14)

A reconciliation of income tax expense/(credit) applicable to the loss before taxation at the statutory tax rate to income tax expense at the effective tax rate of the Group and of the Company is as follows:-

	The Group		The Company	
	2020	2019	2020	2019
	RM'000	RM'000	RM'000	RM'000
Loss before taxation	(70,845)	(776)	(38,237)	(939)
Tax at the statutory tax rate of 24% (2019 - 24%)	(17,003)	(186)	(9,177)	(225)
Tax effects of:-				
Non-deductible expenses	21,023	3,858	9,622	1,021
Non-taxable income	(825)	(1,520)	(1,260)	(1,482)
Share of results in an associate	(946)	(1,040)	-	-
Tax-exempt income	(83)	(74)	-	-
Deferred tax assets not recognised during the financial year	1,161	899	815	686
Utilisation of deferred tax assets not recognised in the previous financial year	(2,080)	(1,964)	-	-
(Over)/Underprovision in the previous financial year				
- current tax	(150)	273	-	(14)
Differential in tax rates	(293)	(113)	-	-
	804	133	-	(14)

Domestic income tax is calculated at the Malaysian statutory tax rate of 24% (2019 - 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.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 March 2020 (Cont'd)

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

Subject to the agreement of the tax authorities, at the end of the reporting period, the Group and the Company have unutilised tax losses and unabsorbed capital allowances available to be carried forward for offset against future taxable business income as follows:-

	The Group		The Company	
	2020	2019	2020	2019
	RM'000	RM'000	RM'000	RM'000
Accelerated capital allowances	390	351	-	-
Provision	2,166	926	-	-
Unabsorbed capital allowances	144	543	-	-
Unutilised tax losses	31,182	35,892	3,844	447
	33,882	37,712	3,844	447

No deferred tax assets are recognised on these items.

35. (LOSS)/EARNINGS PER SHARE

	The Group	
	2020	2019
(Loss)/Profit after taxation attributable to owners of the Company (RM'000)	(72,421)	681
Weighted average number of ordinary shares (in '000):		
Issued ordinary shares at 1 April	501,731	501,731
Effect of issuance of shares	-	-
Weighted average number of ordinary shares at 31 March	501,731	501,731
Basic (loss)/earnings per share (Sen)	(14.43)	0.14

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

	The Group	
	2020	2019
(Loss)/Profit after taxation attributable to owners of the Company for diluted earnings per share computation (RM'000)	(72,421)	681
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
Diluted (loss)/earnings per share (Sen)	(14.43 [@])	0.14 [*]

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

- The Warrants-B have lapsed on 7 October 2019 and were removed from the Main Market of Bursa Malaysia Securities Berhad on 8 October 2019.

@ - The Company has not issued any dilutive potential ordinary shares and hence, the diluted loss per share is equal to the basic loss per share.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 March 2020 (Cont'd)

36. ACQUISITIONS OF SUBSIDIARIES

- (i) On 2 January 2020, the Company acquired 51% equity interests in Netsense Business Solutions Sdn. Bhd. ("NBSSB") comprising 408,000 ordinary shares of RM1.00 each for a consideration of RM408,000 which represents 51% of the issues and paid-up capital of NBSSB.

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

	The Group 2020 RM'000
Trade receivable	403
Other receivable, deposit and prepayment	61
Amount owing by related company	90
Cash and cash equivalents	302
Trade payables	(240)
Other payables and accruals	(636)
Net identifiable assets acquired	(20)
Add: Non-controlling interests, measured at the proportionate share of the fair value of the net identifiable assets	10
Add: Goodwill on acquisition (Note 10)	418
Total purchase consideration, to be settled by cash	408
Less: Cash and bank balances of subsidiary acquired	(302)
Net cash outflow from the acquisition of a subsidiary	106

The subsidiary has contributed revenue of RM220,000 and profit after taxation of RM2,989 to the Group since the date of acquisition.

FINANCIAL STATEMENTS

36. ACQUISITIONS OF SUBSIDIARIES (CONT'D)

- (ii) On 2 January 2020, the Company acquired 51% equity interests in Netsense Business Solutions Pte. Ltd. ("NBSPL") comprising 76,500 ordinary shares of SGD1.00 each for a total consideration of RM234,145 which represents 51% of the issued and paid-up capital of NBSPL.

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

	The Group 2020 RM'000
Trade receivable	221
Other receivable, deposit and prepayment	6
Amount owing by related company	1
Cash and cash equivalents	149
Trade payables	(52)
Other payables and accruals	(83)
Net identifiable assets acquired	242
Less: Non-controlling interests, measured at the proportionate share of the fair value of the net identifiable assets	(119)
Add: Goodwill on acquisition (Note 10)	111
Total purchase consideration, to be settled by cash	234
Less: Cash and bank balances of subsidiary acquired	(149)
Net cash outflow from the acquisition of a subsidiary	85

The subsidiary has contributed revenue of RM181,684 and loss after taxation of RM203,053 to the Group since the date of acquisition.

There were no acquisitions of new subsidiaries in the previous financial year.

37. CASH FLOW INFORMATION

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

	The Group 2020 RM'000	2019 RM'000
Cost of property, plant and equipment purchased (Note 7)	477	1,705
Amount financed through term loan	-	(700)
	477	1,005

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 March 2020 (Cont'd)

37. CASH FLOW INFORMATION (CONT'D)

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

The Group	Term Loans RM'000	Hire Purchase RM'000	Lease Liabilities RM'000	Total RM'000
2020				
At 1 April, as previously reported	36,705	495	-	37,200
Effects on adoption of MFRS 16	-	(495)	2,601	2,106
At 1 April, as restated	36,705	-	2,601	39,306
<u>Changes in Financing Cash Flows</u>				
Repayment of borrowing principal	(14,882)	-	(1,015)	(15,897)
Repayment of borrowing interests	(2,607)	-	(110)	(2,717)
	(17,489)	-	(1,125)	(18,614)
<u>Non-cash Changes</u>				
Acquisition of new leases (Note 21)	-	-	490	490
Interest expense recognised in profit or loss	2,607	-	110	2,717
Accrual for interest expense	98	-	-	98
	2,705	-	600	3,305
At 31 March	21,921	-	2,076	23,997
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>				
Interest expense 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

FINANCIAL STATEMENTS

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
2020	
At 1 April	36,021
<u>Changes in Financing Cash Flows</u>	
Repayment of borrowing principal	(14,825)
Repayment of borrowing interests	(2,576)
	(17,401)
<u>Non-cash Changes</u>	
Interest expense recognised in profit or loss	2,576
Accrual for interest expense	97
	2,673
At 31 March	21,293
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>	
Interest expense 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 2020 (Cont'd)

37. CASH FLOW INFORMATION (CONT'D)

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

	The Group		The Company	
	2020	2019	2020	2019
	RM'000	RM'000	RM'000	RM'000
Fixed deposits with licensed banks (Note 17)	3,754	9,991	401	3,475
Cash and bank balances	7,610	6,591	75	298
Bank overdrafts (Note 30)	(3,577)	(3,563)	-	-
	7,787	13,019	476	3,773
Less: Fixed deposits pledged to licensed banks (Note 17)	(934)	(3,960)	(401)	(3,475)
	6,853	9,059	75	298

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	
	2020	2019	2020	2019
	RM'000	RM'000	RM'000	RM'000
(a) Directors				
<u>Directors of the Company</u>				
Executive:				
- fees	288	262	95	95
- non-fee emoluments	1,731	1,652	1,671	1,652
	2,019	1,914	1,766	1,747
Non-executive:				
- fees	330	345	330	345
- non-fee emoluments	19	60	19	60
	2,368	2,319	2,115	2,152

(b) Other Key Management Personnel

Key management personnel compensation:				
- short-term employee benefits	3,523	4,669	409	649

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.

(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	
	2020	2019	2020	2019
	RM'000	RM'000	RM'000	RM'000
Subsidiaries:				
- Dividend income received	-	-	2,748	2,086
Related parties:				
- Rental expenses	(567)	(567)	-	-
- Sales	370	732	-	-
Associate:				
- Dividend income received	-	-	1,425	-

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	
	2020	2019
	RM'000	RM'000
United States Dollar	4.3130	4.0850
Singapore Dollar	3.0255	3.0142
Indonesian Rupiah	0.000264	0.000287

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 March 2020 (Cont'd)

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	
	2020	2019
	RM'000	RM'000
Performance guarantee extended by a subsidiary to third parties	3,855	3,861

42. 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 5 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.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 March 2020 (Cont'd)

42. OPERATING SEGMENTS (CONT'D)

42.1 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
2020								
Segment assets	40,504	281	91,214	4,562	7,701	9,062	(42,607)	110,717
Current tax assets								672
Consolidated total assets								111,389
Segment liabilities	24,840	878	21,950	2,072	3,008	5,814	(13,885)	44,677
Deferred taxation								1,035
Provision for taxation								1,597
Consolidated total liabilities								47,309
Additions to non-current assets other than financial instruments:								
- property, plant and equipment	179	-	-	144	117	37	-	477
- intangible assets	1,338	-	-	396	-	-	-	1,734
- right-of-use assets	-	-	-	-	490	-	-	490
Other material items of (income)/expenses consist of the following:								
Amortisation and depreciation	3,303	54	-	82	223	447	2,041	6,150
Impairment loss on:								
- goodwill	-	-	3,244	-	-	-	-	3,244
- trade receivables	439	-	-	-	22	-	-	461
Reversal of impairment loss on:								
- trade receivables	-	-	-	-	(5)	-	-	(5)
Interest expense	127	-	2,576	-	92	-	-	2,795
Lease interest	62	4	-	-	9	35	-	110
Interest income	(12)	-	(41)	(3)	(150)	(5)	-	(211)

42. OPERATING SEGMENTS (CONT'D)

42.1 BUSINESS SEGMENTS (CONT'D)

[illegible]

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 March 2020 (Cont'd)

42. OPERATING SEGMENTS (CONT'D)

42.1 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)

FINANCIAL STATEMENTS

42. OPERATING SEGMENTS (CONT'D)

42.2 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	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
The Group				
Indonesia	5,741	3,853	2,324	2,068
Singapore	16,338	15,137	836	589
Malaysia	55,780	44,274	46,618	143,644
	77,859	63,264	49,778	146,301

42.3 MAJOR CUSTOMERS

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

	Revenue		Segment
	2020 RM'000	2019 RM'000	
Customer #1	13,597	10,390	FMS - G

43. 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.

43.1 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 2020 (Cont'd)

43. FINANCIAL INSTRUMENTS (CONT'D)

43.1 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
2020						
Financial Assets						
Other investments	-	-	-	-	3,300	3,300
Trade receivables	487	788	33	421	27,145	28,874
Other receivables	-	9	-	1,415	2,997	4,421
Amount owing by related parties	-	-	-	-	826	826
Short-term investments	-	-	-	-	13,976	13,976
Fixed deposits with licensed banks	-	2,002	-	-	1,752	3,754
Cash and bank balances	1,027	2,364	-	235	3,984	7,610
	1,514	5,163	33	2,071	53,980	62,761
Financial Liabilities						
Lease liabilities	-	167	-	-	1,909	2,076
Term loans	-	-	-	-	21,921	21,921
Trade payables	-	95	69	-	2,801	2,965
Other payables and accruals	-	320	-	684	5,397	6,401
Amount owing to related parties	-	-	-	-	199	199
Bank overdrafts	-	-	-	-	3,577	3,577
	-	582	69	684	35,804	37,139
Net financial assets/(liabilities)	1,514	4,581	(36)	1,387	4,200	11,646
Less: Net financial (assets)/ liabilities denominated in the respective entities' functional currencies	-	(4,581)	-	(1,387)	(4,200)	(10,168)
Currency Exposure	1,514	-	(36)	-	-	1,478

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43. FINANCIAL INSTRUMENTS (CONT'D)

43.1 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
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 2020 (Cont'd)

43. FINANCIAL INSTRUMENTS (CONT'D)

43.1 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	
	2020	2019	2020	2019
	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 (Expenses) /Income				
Strengthened by 10%				
- Hong Kong Dollar	(115)	(51)	-	-
- United States Dollar	3	(14)	-	-
Weakened by 10%				
- Hong Kong Dollar	115	51	-	-
- United States Dollar	(3)	14	-	-

(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 43.1(c) to the financial statements.

43. FINANCIAL INSTRUMENTS (CONT'D)

43.1 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	
	2020	2019	2020	2019
	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")	(194)	(306)	(162)	(274)
Decrease of 100 bp	194	306	162	274

(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 40% of its total trade receivables at the end of the reporting period.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 March 2020 (Cont'd)

43. FINANCIAL INSTRUMENTS (CONT'D)

43.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(b) Credit Risk (Cont'd)

(i) Credit Risk Concentration Profile (Cont'd)

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	
	2020 RM'000	2019 RM'000
Indonesia	421	845
Singapore	1,424	1,106
Malaysia	27,029	18,370
	28,874	20,321

(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.

FINANCIAL STATEMENTS

43. FINANCIAL INSTRUMENTS (CONT'D)

43.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(b) Credit Risk (Cont'd)

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

Trade Receivables (Cont'd)

For certain large customers or customers with a high risk of default, the Group assesses the risk of loss of each customer individually based on their financial information, past trends of payments an external credit rating, where applicable.

The Group considers any receivables having financial difficulty or with significant balances outstanding for more than two years, are deemed credit impaired and assesses for their risk of loss individually.

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.

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	Individual Impairment RM'000	Collective Impairment RM'000	Carrying Amount RM'000
2020				
Current (not past due)	17,373	-	(111)	17,262
31 - 60 days past due	4,468	-	(14)	4,454
61 - 90 days past due	4,155	-	(14)	4,141
91 - 120 days past due	504	-	(2)	502
more than 120 days	2,540	-	(25)	2,515
Credit impaired	400	(400)	-	-
	29,440	(400)	(166)	28,874
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	816	(816)	-	-
	22,907	(816)	(1,770)	20,321

43. FINANCIAL INSTRUMENTS (CONT'D)

43.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(b) Credit Risk (Cont'd)

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

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 Owed By Subsidiaries (Non-trade Balances)

The Company applies the 3-stage general approach to measuring expected credit losses for (type of balances). No expected credit loss is recognised on these balances as it is negligible.

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.

(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.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 March 2020 (Cont'd)

43. FINANCIAL INSTRUMENTS (CONT'D)

43.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(c) Liquidity Risk (Cont'd)

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
2020						
<u>Non-derivative Financial Liabilities</u>						
Lease liabilities	4.74	2,076	2,358	1,374	984	-
Term loans	7.31	21,921	23,512	12,191	11,034	287
Trade payables	-	2,965	2,965	2,965	-	-
Other payables and accruals	-	6,401	6,401	6,401	-	-
Bank overdrafts	7.34	3,577	3,577	3,577	-	-
Amount owing to related parties	-	199	199	199	-	-
		37,139	39,012	26,707	12,018	287
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

FINANCIAL STATEMENTS

43. FINANCIAL INSTRUMENTS (CONT'D)

43.1 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
2020					
<u>Non-derivative Financial Liabilities</u>					
Term loans	7.35	21,293	22,858	12,123	10,735
Other payables and accruals	-	430	430	430	-
Financial guarantee contracts in relation to corporate guarantee given to certain subsidiaries	-	-	5,829	5,829	-
		21,723	29,117	18,382	10,735
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

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 March 2020 (Cont'd)

43. FINANCIAL INSTRUMENTS (CONT'D)

43.2 CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that entities within the Group will be able to maintain an optimal capital structure so as to support its businesses and maximise shareholder(s) value. To achieve this objective, the Group may make adjustments to the capital structure in view of changes in economic conditions, such as adjusting the amount of dividend payment, returning of capital to shareholders or issuing new shares.

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

	The Group	
	2020 RM'000	2019 RM'000
Hire purchase payables	-	495
Lease liabilities	2,076	-
Term loans	21,921	36,705
Bank overdrafts	3,577	3,563
	27,574	40,763
Less: Fixed deposits with licensed banks	(3,754)	(9,991)
Less: Cash and bank balances	(7,610)	(6,591)
Net debt	16,210	24,181
Total equity	64,080	133,890
Debt-to-equity ratio (times)	0.25	0.18

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

FINANCIAL STATEMENTS

43. FINANCIAL INSTRUMENTS (CONT'D)

43.3 CLASSIFICATION OF FINANCIAL INSTRUMENTS

	2020 The Group RM'000	The Company RM'000
Financial Assets		
<u>Designated at Fair Value Through Other Comprehensive Income Upon Initial Recognition</u>		
Other investments (Note 11)	3,300	3,200
<u>Mandatorily at Fair Value Through Profit or Loss</u>		
Short-term investments (Note 16)	13,976	13,976
<u>Amortised Cost</u>		
Trade receivables	28,874	-
Other receivables	4,421	324
Amount owing by subsidiaries	-	12,193
Amount owing by related parties	826	250
Fixed deposits with licensed banks	3,754	401
Cash and bank balances	7,610	75
	45,485	13,243
Financial Liability		
<u>Amortised Cost</u>		
Lease liabilities	2,076	-
Term loans	21,921	21,293
Trade payables	2,965	-
Other payables and accruals	6,401	430
Amount owing to related parties	199	150
Bank overdrafts	3,577	-
	37,139	21,873

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 March 2020 (Cont'd)

43. FINANCIAL INSTRUMENTS (CONT'D)

43.3 CLASSIFICATION OF FINANCIAL INSTRUMENTS (CONT'D)

	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 11)	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
Financial Liability		
<u>Amortised Cost</u>		
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

FINANCIAL STATEMENTS

43. FINANCIAL INSTRUMENTS (CONT'D)

43.4 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 RM'000	Carrying Amount RM'000
	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000		
2020								
<u>Financial Asset</u>								
Other investment:								
- unquoted	-	3,300	-	-	-	-	3,300	3,300
Short-term investments:								
- quoted shares	13,976	-	-	-	-	-	13,976	13,976
<u>Financial Liabilities</u>								
Term loans	-	-	-	-	21,921	-	21,921	21,921
2019								
<u>Financial Asset</u>								
Other investment								
- unquoted	-	100	-	-	-	-	100	100
<u>Financial Liabilities</u>								
Hire purchase payables	-	-	-	-	495	-	495	495
Term loans	-	-	-	-	36,705	-	36,705	36,705

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 March 2020 (Cont'd)

43. FINANCIAL INSTRUMENTS (CONT'D)

43.4 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 RM'000	Carrying Amount RM'000
	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000		
2020								
<u>Financial Asset</u>								
Other investment:								
- unquoted	-	3,300	-	-	-	-	3,300	3,300
Short-term investments:								
- quoted shares	13,976	-	-	-	-	-	13,976	13,976
<u>Financial Liabilities</u>								
Term loans	-	-	-	-	21,293	-	21,293	21,293
2019								
<u>Financial Liabilities</u>								
Term loans	-	-	-	-	36,021	-	36,021	36,021

43. FINANCIAL INSTRUMENTS (CONT'D)**43.4 FAIR VALUE INFORMATION (CONT'D)****(a) Fair Value of Financial Instruments Carried at Fair Value**

The fair values above have been determined using the following basis:-

- (i) 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.
- (ii) The fair value for golf club memberships is estimated based on references to current available counterparty quotations of the same investments.
- (iii) The fair value of quoted equity investments is determined at their quoted closing bid prices at the end of the reporting period.
- (iv) There were no transfer between level 1 and level 2 during the financial period.

(b) Fair Value of Financial Instruments Not Carried at Fair Value

The fair values, which are for disclosure purposes, have been determined using the following basis:-

- (i) The fair value of the Group's term loans that carry floating interest rates approximated their carrying amounts as they are repriced to market interest rates on or near the reporting date.
- (ii) The fair value of hire purchase payables that carry fixed interest rates are determined by discounting the relevant future contractual cash flows using current market interest rates for similar instruments at the end of the reporting period. The interest rates used to discount the estimated cash flows are as follows:-

	The Group	
	2020	2019
	RM'000	RM'000
Hire purchase payables	-	495

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 March 2020 (Cont'd)

44. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

The significant events during the financial year are as follows:

- (a) On 28 August 2019, a wholly-owned subsidiary, Century Software (Malaysia) Sdn. Bhd. received a Letter of Award from Dewan Bandaraya Kuala Lumpur for a project named "Projek Comprehensive Maintenance and Support Services of ePBT Financial Management System in Dewan Bandaraya Kuala Lumpur for 1 year" with a total project sum of RM8,200,000.
- (b) On 2 October 2019, a wholly-owned subsidiary, Century Software (Malaysia) Sdn. Bhd. received a Letter of Award from Lembaga Hasil Dalam Negeri Malaysia for a project named "Kontrak LHDNM IP (ICT) BIL.09/2019: Pembaharuan Lesen, Khidmat Sokongan Dan Penyelenggaraan Perisian serta Perkakasan bagi Sistem Gudang Data Di Lembaga Hasil Dalam Negeri Malaysia" for a total contract sum of RM34,771,545.
- (c) On 16 December 2019, a wholly-owned subsidiary, Century Software (Malaysia) Sdn. Bhd. received a Letter of Award from Kementerian Kewangan Malaysia for a project named "Tender Bagi Perkhidmatan Penyelenggaraan Dan Khidmat Sokongan Ke Atas Aplikasi Myresults" for a total contract sum of RM5,350,931.
- (d) On 23 December 2019, a subsidiary, Knowledgecom Corporation Sdn. Bhd. entered into a Share Sale and Purchase Agreement to divest 30,000 ordinary shares in Knowledgecom Pte. Ltd. representing 30% of the equity interest for a total consideration of SGD300,000.
- (e) On 2 March 2019, the Company acquired 100 ordinary shares representing 100% equity interest in Tender Pintar Sdn. Bhd. for a total purchase consideration of RM100.
- (f) On 4 March 2020, a wholly-owned subsidiary, Century Software (Malaysia) Sdn. Bhd. accepted a Letter of Award from Lembaga Hasil Dalam Negeri Malaysia for a project named "Perkhidmatan Penyelenggaraan Hasil Financial Integrated System (HFIS) Merangkumi Sistem Perakaunan Standard Accounting System For Government Agencies (SAGA) Dan Sistem Sokongan Kewangan Di Lembaga Hasil Dalam Negeri Malaysia Dengan Century Software (M) Sdn. Bhd." for a total contract sum of RM4,016,000.
- (g) The Company has partially disposed of its investments in DNeX and details are as follows:-

Date	Number of shares disposed	Total Consideration RM'000
12 March 2019	10,000,000	1,826
18 March 2019	43,000,000	3,920
19 March 2019	61,511,500	4,370
20 March 2019	43,488,500	2,610
	158,000,000	12,726

As a result of the disposal, the equity interest in DNeX was reduced from 16.21% to 7.22% during the financial year. As a result, the Company reclassified its investments in DNeX to short-term investments at the end of the financial year.

FINANCIAL STATEMENTS

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

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

- (h) On 19 March 2019, its subsidiary, Knowledgecom Corporation Sdn. Bhd. acquired 100 ordinary shares representing 100% equity interest in Beyond4 Sdn. Bhd. for a total purchase consideration of RM100.
- (i) On 2 January 2020, the Company entered into a Share Sales and Purchase Agreement for a total consideration of RM642,145 to acquire the following companies:-

Name of Companies	Number of Shares	Total Consideration RM'000
Netsense Business Solutions Sdn. Bhd.	408,000	408
Netsense Business Solutions Pte. Ltd.	76,500	234
		642

- (j) The outbreak of Coronavirus Disease 2019 (COVID-19) in early 2020 has affected the business and economic environments of the Group and hence, may impact its performance and financial position in the future. However, given the unpredictability associated with the COVID-19 outbreak and any further contingency measures that may be put in place by the governments and various private corporations, the potential financial impact of the COVID-19 outbreak on the Group's 31 March 2020 financial statements could not be reasonably quantified at this juncture.

45. SIGNIFICANT EVENTS OCCURRING AFTER THE REPORTING PERIOD

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

- (a) On 5 May 2020, the Company entered into a Sales and Purchase of Shares Agreement with Mr Rubaneswaran A/L Thevasenabathy, Chief Executive Officer of its subsidiary, Knowledgecom Corporation Sdn. Bhd. ("KCOM"), for the disposal of the entire 70% equity interest in KCOM for a cash consideration of RM1.50 million under a management buy-out arrangement.
- (b) The Company has partially disposed of its investments in DNeX and details are as follows:-

Date	Number of shares disposed	Total Consideration RM'000
10 July 2020	71,000,000	12,780
7 August 2020	46,056,609	10,365
	117,056,609	23,145

- (c) On 24 July 2020, a wholly-owned subsidiary, Century Software (Malaysia) Sdn. Bhd. accepted a Letter of Award from Dewan Bandaraya Kuala Lumpur for a project named "Menaiktaraf Sistem Penilaian Dan Pengurusan Harta Dewan Bandaraya Kuala Lumpur" with a total project sum of RM4,980,000.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 March 2020 (Cont'd)

46. INITIAL APPLICATION OF MFRS 16

The Group has adopted MFRS 16 using the modified retrospective approach under which the cumulative effect of initial application is recognised as an adjustment to the retained profits as at 1 April 2019 (date of initial application) without restating any comparative information.

The Group has applied MFRS 16 only to contracts that were previously identified as leases under MFRS 117 'Leases' and IC Interpretation 4 'Determining Whether an Arrangement Contains a Lease'. Therefore, MFRS 16 has been applied only to contracts entered into or changed on or after 1 April 2019.

(a) Lessee Accounting

At 1 April 2019, for leases that were classified as operating leases under MFRS 117, the Group measured the lease liabilities at the present value of the remaining lease payments, discounted using the Group's incremental borrowing rate at that date of 4.74%. The right-of-use assets were measured at the amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease.

The Group has used the following practical expedients in applying MFRS 16 for the first time:-

- Applied a single discount rate to a portfolio of leases with reasonably similar characteristics;
- Applied for the exemption not to recognise operating leases with a remaining lease term of less than 12 months as at 1 April 2019;
- Excluded initial direct costs for the measurement of the right-of-use asset at the date of initial application; and
- Used hindsight in determining the lease term where the lease contract contains options to extend or terminate the lease.

(b) Lessor Accounting

The Group did not make any adjustments to the accounting for assets held as lessor under operating leases as a result of the adoption of MFRS 16.

There were no financial impacts to the Group's and the Company's retained earnings as at 1 April 2019.

NOTICE OF TWELFTH ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Twelfth 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 Wednesday, 30 September 2020 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 2020 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 2021 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 Constitution and being eligible, have offered themselves for re-election :-
 - 3.1 Mr Tamil Selvan A/L M. Durairaj (Clause 86) **Ordinary Resolution 2**
 - 3.2 Ms Ang Hsin Hsien (Clause 86) **Ordinary Resolution 3**
4. To re-appoint Messrs 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 twenty (20%) 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 following directors who have served the Company for more than 9 years be retained as Independent Non-Executive Directors and to hold office until the conclusion of the next AGM.”

 - (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 TWELFTH ANNUAL GENERAL MEETING

7. To transact any other business which may properly be transacted at an AGM for which due notice shall have been given.

By order of the Board

LIM SECK WAH (MAICSA NO. 0799845)

M. CHANDRASEGARAN A/L S. MURUGASU (MAICSA NO. 0781031)

Company Secretaries

Kuala Lumpur

Dated this: 28 August 2020

Notes:-

1. For the purpose of determining a member who shall be entitled to attend and vote at the AGM, the Company shall be requesting the Record of Depositors as at 23 September 2020. Only a depositor whose name appears on the Record of Depositors as at 23 September 2020 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 Poll Administrator's address located at Level 15-2, Bangunan Faber Imperial Court, Jalan Sultan Ismail, 50250 Kuala Lumpur not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof.

Explanatory Notes on Special Business:**1. Ordinary Resolution 5**

The proposed Ordinary Resolution 5 is to seek a new general mandate to empower the Directors of the Company pursuant to the Companies Act 2016, from the date of the above Meeting, to issue and allot ordinary shares of not more than twenty per centum (20%) for such purposes as the Directors of the Company consider would be in the best interest of the Company. This authority will, unless revoked or varied at a General Meeting, will expire at the conclusion of the next AGM of the Company.

The Board of Directors' are of the view that the 20% General Mandate is in the best interest of the Company and its shareholders as due to the outbreak of the COVID 19 and hence, the imposition of the Movement Control Order ("MCO") by the government which has affected the Company's cashflow. Hence, this increase in mandate to 20% would allow the Company to raise funds quickly and efficiently during this challenging time to ensure the long-term sustainability and interest of the Company and its shareholders.

The Company had been granted a general mandate by its shareholders at the Eleventh AGM of the Company held on 29 August 2019. However, no shares have been issued and allotted by the Company pursuant to Section 75(1) of the Companies Act 2016 since obtaining the said authority from its shareholders at the last AGM held on 29 August 2019.

The proposed resolution, if passed, will provide flexibility and enable the Directors to take swift action for allotment of shares for any possible fund raising activities, including but not limited to further placement of shares for purpose of funding future investment project(s), working capital and/or acquisition(s) and to avoid delay and cost in convening general meetings to approve such issue of shares.

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 who have served the Company for more than 9 consecutive 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.

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**PROXY FORM**

(Before completing this form please refer to the notes below)

No. of ordinary shares held	
-----------------------------	--

I/We I/C No./Co. No./CDS A/C No.
(Full name in Capital Letters)of
(Full address)being a member/members of **CENSO 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 Twelfth 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 Wednesday, 30 September 2020 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 2021 and Meeting Allowance.				
2.	To re-elect Mr Tamil Selvan A/L M. Durairaj who retires pursuant to Clause 86.				
3.	To re-elect Ms Ang Hsin Hsien who retires pursuant to Clause 86.				
4.	To re-appoint Messrs 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				

(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 of2020

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 September 2020. Only a depositor whose name appears on the Record of Depositors as at 23 September 2020 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 Poll Administrator's address located at Level 15-2, Bangunan Faber Imperial Court, Jalan Sultan Ismail, 50250 Kuala Lumpur not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof.

1st Fold here

Affix
Stamp

CENSOF HOLDINGS BERHAD
[200801026945 (828269 A)]
Level 15-2, Bangunan Faber Imperial Court,
Jalan Sultan Ismail,
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Fold this flap for sealing

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