

censof



TRANSFORMING

Lives With Technology

annual report 2021

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Report 2021.

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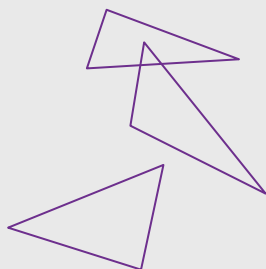
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Rationale:

Censof Holdings Berhad is leading its clients in their digital transformation and this is highlighted by the headline **'Transforming Lives With Technology'**.

On the cover, this transition is symbolised by the metamorphosis that a larva undergoes in order to become a glorious butterfly. The subtle glow of the images is inspired by the futuristic nature of digitalisation and the vibrancy of a better tomorrow.

ABOUT THE THEME





OUR Vision

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



OUR Mission

PR

PRoviding innovative business solutions for our customers

I

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

D

Delivering sustainable growth and value for stakeholders

E

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



OUR Values

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

CARING

Our ability to genuinely listen, understand and meet our customers' needs is a key differentiation 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.



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

Since then, Censof has expanded its portfolio of financial management 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. Thereafter, 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 Securities Berhad.

Today, the Censof Group provides an extensive portfolio of financial management software solutions that caters to both the government and commercial sectors, that include small and medium enterprises (“SME”) and large corporations. Our team of experts and strategic partners has an unparalleled competitive ability to address industry requirements at both the global and local levels.

Our portfolio of financial services solutions has expanded to include e-payment gateway services and wealth management software

solutions. We also provide talent and skills development programmes specialising in technology certifications.

We see significant opportunities in cloud computing technologies, digital signature, mobile, digital payments and our aim is to create “customers for life”, offering competitive solutions that meet the needs of today's businesses and grow with them as start-ups to SMEs and subsequently larger organisations.

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 over the last three years, by 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 partnerships to enhance our offering to meet our clients' needs.

Accelerating Digital Transformation

Behind every product we deliver, we orchestrate hundreds of logical instruments and functions to compose a systematic masterpiece. Equipped with dynamic team with a focus on rapidly adopting evolving technologies such as IoT, analytics, AI, ML, 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 more efficient and effective manner.

Corporate Structure

as of 30 June 2021

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Censof Holdings Berhad
(828269-A)

CENTURY SOFTWARE (MALAYSIA) SDN BHD

Financial Management Software Solutions
100%

CS CLOUD SDN BHD
Cloud Service Infrastructure
80%

ASIAN BUSINESS SOFTWARE SOLUTIONS PTE LTD

Financial Management Solutions - SME
89.07%

ASIAN BUSINESS SOFTWARE SOLUTIONS SDN BHD
Financial Management Solutions - SME
100%

FINANCIO SOFTWARE SDN BHD
Financial Management Solutions - SME
100%

NETSENSE BUSINESS SOLUTIONS PTE LTD

Financial Management Solution - Commercial
51%

NETSENSE BUSINESS SOLUTIONS SDN BHD

Financial Management Solution - Commercial
51%

P T PRAISINGO TEKNOLOGI

Wealth Management
60%

T-MELMAX SDN BHD

Payment Aggregation Solutions
49%

TENDER PINTAR SDN BHD

eProcurement & eTendering Solutions
100%

CENSOF DIGITAL SDN BHD

100%

CENSOF MAAL SDN BHD

100%

CENDEE SDN BHD

Blockchain Technology
51%

MONEYSAVE HOLDING SDN BHD

Cornerstone Investor
10%

Legend

- Financial Management Solutions - Government
- Financial Management Solutions - Commercial & SME
- Wealth Management Solutions

- Payment Aggregation Solutions
- Emerging Technologies



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

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
Suite 50-3, Setia Avenue
No.2, Jalan Setia Prima S U13/S,
Setia Alam, Seksyen U13,
40170 Shah Alam, Selangor, Malaysia
Tel : 03-3343 0730
Fax : 03-3344 3036

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

Malayan Banking Berhad
Bank Islam Malaysia

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

Quick Facts and Business Divisions

COMPANY BACKGROUND

ESTABLISHED IN

2008

**PUBLIC
LISTED COMPANY**

**INVESTMENT
HOLDING COMPANY**

EXPERTISE

**FINANCIAL
MANAGEMENT
SOLUTIONS**



**WEALTH
MANAGEMENT
SOLUTIONS**

**PAYMENT
AGGREGATION
SOLUTIONS**



**EMERGING
TECHNOLOGIES**

HIGHLIGHTS OF SEGMENTAL REVENUE



RM60.32 mil

FINANCIAL MANAGEMENT
SOLUTIONS - GOVERNMENT



RM21.79 mil

FINANCIAL MANAGEMENT
SOLUTIONS - COMMERCIAL



RM5.25 mil

WEALTH MANAGEMENT
SOLUTIONS



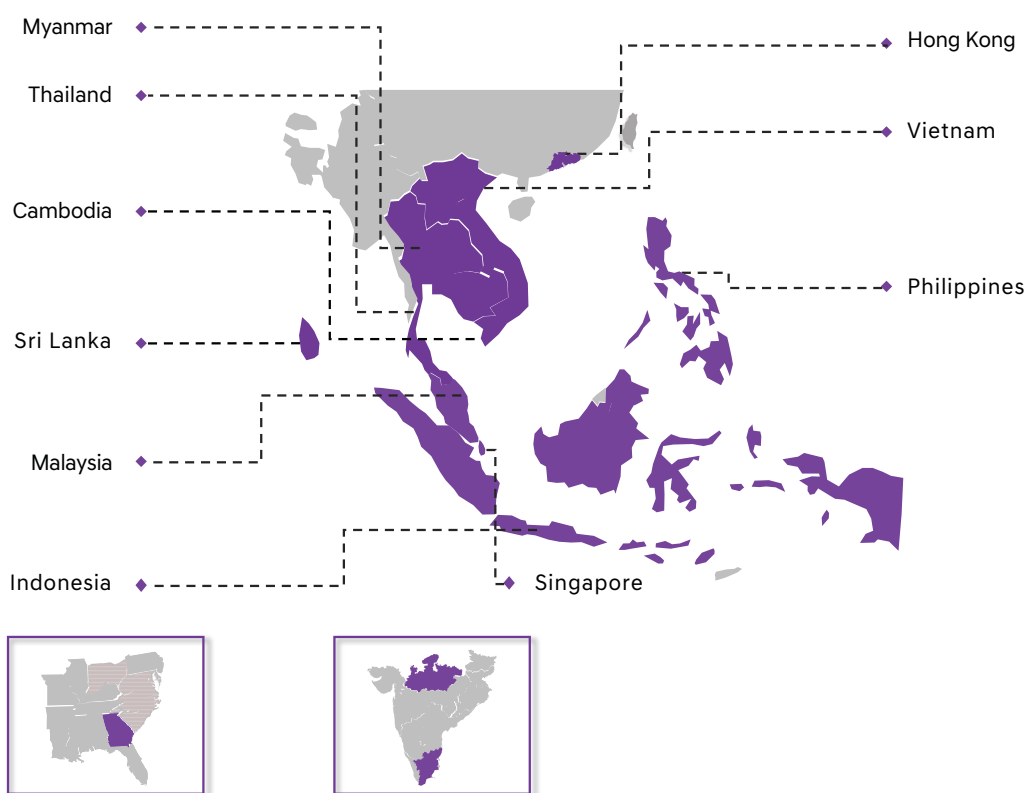
RM0.19 mil

PAYMENT AGGREGATION
SOLUTIONS

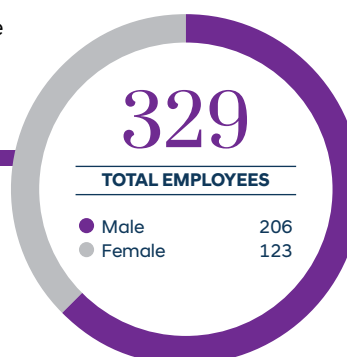


Quick Facts and Business Divisions (Cont'd)

GEOGRAPHICAL FOOTPRINT



TOTAL EMPLOYEES



Quick Facts and Business Divisions (Cont'd)

BUSINESS DIVISIONS

The Censof Group is a technology group that provides an extensive portfolio of financial management software solutions catering to government, small and medium enterprises (“SME”) and large corporations.

Our portfolio of product and service offerings continues to grow from strength to strength and today it encompasses financial management solutions for the government, commercial and SME segments, as well as start-ups. 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. (“Netsense”) 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”).



Quick Facts and Business Divisions (Cont'd)

FINANCIAL MANAGEMENT SOLUTIONS

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



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



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 86 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.

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, to 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.

Quick Facts and Business Divisions (Cont'd)

FINANCIAL MANAGEMENT SOLUTIONS

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)



Commercial Division - SME

Asian Business Software Solutions Pte. Ltd. ("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 407,000 SME clients across Malaysia, Singapore and Hong Kong. Responsible for Censof's Financial Management Solutions Commercial Division, ABSS is a market leader amongst SMEs in Singapore and Hong Kong. To reinforce the Group's market presence among SMEs, we have entered into several

strategic collaborations.

Financio, a cloud accounting software by ABSS, is at the forefront of the small business accounting automation market in Malaysia, Singapore, Hong Kong and other countries. It has been redefining the way over 5,000 small business and SME owners handle their accounting and tax tasks. Designed for today's smart businesses, Financio automates and simplifies accounting tasks, enabling business owners to stay focused on growing their businesses. With automation, real-time reports, and mobile apps, owners can manage their business finance and tax matters in an easier and more effective manner.

PAYMENT AGGREGATION SOLUTIONS DIVISION

Key Focus Areas

E-payment gateway

Financial transaction processing
application

Bulk payment processing

Mobile payments



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 known as CPAY, is a one-stop payment and collection portal that supports various payment options and SST.

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 the Inter Bank Giro ("IBG") and Financial Processing Exchange ("FPX" - the Malaysian payment gateway) platforms. T-Melmax's solutions are also put to good use in dealings with statutory bodies such as Lembaga Hasil Dalam Negeri Malaysia ("LHDNM" or the Inland Revenue Board

of Malaysia), Kumpulan Wang Simpanan Pekerja ("KWSP" or the Employees Provident Fund) and Pertubuhan Keselamatan Sosial ("PERKESO" or the Social Security Organisation").

In September 2020, Censof entered into a 49:51 strategic partnership with Green Packet Berhad, a technology solutions provider, to transform T-Melmax into a digitally-driven, real-time, multi-layer reporting, preferred payment gateway service provider catering to growing demand from SMEs, larger enterprises and state governments. The collaboration will see T-Melmax's comprehensive Kiple product being leveraged as the ideal payment gateway solution to meet these organisations' need for an integrated solution that can combine the power of real-time cashless payments and accounting with end-to-end financial reporting analytics.



Quick Facts and Business Divisions (Cont'd)

WEALTH MANAGEMENT SOLUTIONS DIVISION

Key Focus Areas

Investment management system

Reksa Dana Online

Wealth management system

Network management, security
and monitoring



The Group's wealth management solutions division falls under the ambit of activities and services provided by 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 choices of business solutions to clients by combining people, processes, information and technology so as to enhance business processes and activities.

EMERGING TECHNOLOGIES

Key Focus Areas

IoT embedded tracking devices

Process automation

Predictive and insight algorithms

P2P



Technologies such as artificial intelligence ("AI"), machine learning ("ML"), 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, 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 with 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 partners, we are helping to transform emerging technologies such as AI, ML, IoT and 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, and service sector fronts.

Chairman's Statement

Dear Valued Shareholders,
On behalf of the Board of Directors, it is my pleasure and privilege to present the Annual Report of Censoff Holdings Berhad ("Censoff" or "the Group") for the financial year ended 31 March 2021 ("FYE 2021").

A Turnaround Performance Amidst a Highly Challenging Year

I am pleased to report that despite the unprecedented disruption caused by the COVID-19 pandemic and related lockdowns over the course of the financial year, Censoff stood its ground to turn in a commendable performance in FYE 2021. Amidst highly challenging operating conditions that affected people, businesses and economies the world over, we leveraged our talent pool, strengthened our product and service offerings, as well as engaged in strategic collaboration to make our business more relevant to our stakeholders.

As most of the world embraced digitalisation in a greater manner amidst the global pandemic, Censoff achieved growth, expansion and improvements across our organisation. Given that the majority of our systems and spread of offerings are cloud-based, not only were we able to maintain our contracts and customers, but we went on to expand our footprint on the public and private sector fronts. We are grateful that our subsidiaries did not suffer any major operational disruptions or loss of business during the different phases of the

nationally-imposed Movement Control Order ("MCO") in Malaysia, but were able to readily comply with quarantine measures, including adopting Work-from-Home arrangements with ease. In fact, FYE 2021 saw us implementing several initiatives to enhance our operational efficiency as well as strengthen our performance, profitability and quality across the Group.

As a result of our team's hard work, astute planning and a laser-focused approach on making the most of the opportunities that came our way, the Group's revenue increased by 12.2% to RM87.36 million in FYE 2021 from RM77.86 million previously. The improvement in revenue was attributable to higher contributions from the Group's Financial Management Solutions - Government and Financial Management Solutions - Commercial divisions.

In line with the Group's higher revenue, we turned in a profit before tax ("PBT") of RM29.59 million in FYE 2021, a 141.8% hike over the preceding year's loss before tax ("LBT") of RM70.85 million. (FYE 2020's LBT was due to the significant loss taken up into our profit and loss account for our investment in associate, Dagang NeXchange Berhad, upon forced selling action taken by our bank, MIFM Amanah Investment Bank Berhad, to rectify the

shortfall position of a margin call). The significant rise in the Group's earnings throughout the financial year was largely due to higher profit contributions from our Financial Management Solutions - Government and Financial Management Solutions - Commercial divisions which turned in a PBT of RM11.17 million and RM7.41 million respectively, a 57.4% and 67.1% hike over their respective PBTs in the previous year.

The year in review saw our Financial Management Solutions - Government segment helmed by our largest subsidiary, Century Software (Malaysia) Sdn. Bhd. ("Century Software"), garnering revenue of RM60.32 million, marking a 14.4% increase from FYE 2020's revenue of RM52.75 million. The increase was supported by the continuation of various contracts with the Malaysian Government. The Group's good performance was further bolstered by the fast-tracking of project deliverables and the recognition of fair value gain on a short-term investment of approximately RM 16.19 million and gains on the disposal of a short-term investment of approximately RM 2.08 million.

Our Financial Management Solutions - Commercial division under the ambit of Asian Business Software Solutions Pte. Ltd. ("ABSS"), which is tasked with



Chairman's Statement (Cont'd)

business operations for the long term as well as the ability to fund future capital expenditure and growth initiatives when opportunities arise.

Censof also remains committed to safeguarding shareholders' interests and creating sustainable value for them.

Prior to FYE 2021, Censof experienced three consecutive loss-making years. Seeing that the financial year in review was a turnaround year for the Group, the Board, being mindful of the need to reward our shareholders for their patience and continued confidence in Censof, declared an interim single-tier dividend of 0.75 sen per ordinary shares in respect of the financial year ended 31 March 2021. This pay-out amounted to approximately RM4.14 million representing a pay-out ratio of 15.6% of net earnings for FYE 2020, payment was made on 25 June 2021 to eligible shareholders whose names appeared in the register of depositors as of 4 June 2021.

While the Board remains committed to delivering sustainable value to shareholders even as we enter a new season of growth and profitability, given the Group and Company's position of accumulated losses of RM14.68 million and RM12.63 million respectively, the Board has decided not to declare a final dividend in respect of FYE 2021. Instead, we will continue to preserve cash flow for business operations during the COVID-19 pandemic as well as to fund potential merger and acquisition activities to improve the Group's future profitability should such opportunities arise.

FYE 2021's Key Highlights

Capitalising on the Acceleration of Digitalisation

With the new normal having fast-forwarding the widespread use of digital solutions among the private and public sectors, Censof is well positioned to capitalise on the opportunities on these

providing solutions to the enterprise, small and medium enterprises ("SMEs") and micro-SME segments, too registered higher demand for its products. This culminated in a 33.4% increase in the division's total revenue to RM21.79 million on the back of higher revenue contributions from its Netsense and ABSS Singapore businesses.

Committed to Delivering Value to Shareholders

As at FYE 2021, Censof's net assets per share attributable to owners of the company stood at 15.85 sen in comparison to net assets per share

attributable to owners of the company of 11.51 sen as at FYE 2020. Our cash and cash equivalents too remained robust having surged to RM28.63 million as at FYE 2021 in comparison to RM6.85 million as at FYE 2020. Our borrowings stood at RM0.35 million as at FYE 2021 in comparison to RM21.92 million as at FYE 2020 giving us a gearing ratio of nearly 0 times as compared to 0.40 times previously. The Group's basic earnings per share for FYE 2021 also increased to 5.28 sen as at FYE 2021 as compared to a loss of 14.43 sen as at FYE 2020.

Today, Censof continues to maintain a healthy balance sheet and a robust cash position. This is helping ensure that we have the resources to sustain our



Chairman's Statement (Cont'd)

fronts. For the financial year in review, we continued to make strategic investments or establish strategic alliances as part of our effort to expand our reach and spread of offerings.

Our acquisition of a 51% equity stake in Netsense Business Solutions Sdn. Bhd. and Netsense Business Solutions Pte. Ltd. ("the Netsense Group") in early 2020, was a game changing initiative that accorded the Group several advantages all at once. Firstly, it cemented Censof's position in the cloud Enterprise Resource Planning ("ERP") business segment; secondly, it expanded our strategic footprint in the Commercial segment; and last but not least, it strengthened the Group's overall product portfolio. Not only did this exercise bring Singapore's fastest growing ERP software provider into our fold, it gave us talented teams working out of Singapore and Kuala Lumpur that are focused on supporting some 90 reputable clients as well as providing a host of business software and technology consulting services to more than 15 industry verticals.

Today, our Financial Management Solutions - Commercial division has within its portfolio Netsense's proven suite of solutions including the Acumatica ERP solution which is enabling them to cater to mid-market tier companies; while Asian Business Software Solutions Pte. Ltd. ("ABSS"), our 89.07%-owned subsidiary, is targeting SMEs with its bevy of solutions.

With businesses globally having to contend with the ongoing COVID-19 onslaught, SMEs have had to reassess their operations and embrace digitalisation in a more purposeful manner. In this regard, the Netsense team has been doing its bit to facilitate the digital transformation of the construction, logistics/distribution and manufacturing industries by bringing Acumatica ERP solutions into play. Through several successful implementations, the

Netsense team have gained recognition in Malaysia and Singapore as "the mid-tier ERP experts".

The future for this business looks promising as opportunities are expected to grow with the rise in demand for Work-from-Anywhere or WFA-friendly solutions like cloud ERP and mobile applications among others. As legacy ERP systems come to the end of their useful life cycle, SMEs are shifting to WFA solutions to remain relevant and Netsense is well placed to meet their needs through its ever-evolving suite of ERP solutions and services.

On 31 March 2021, the Group completed the acquisition of an additional 30.87% equity interest in Singapore-based ABSS for RM14.07 million, raising Censof's stake in ABSS from 58.20% to 89.07%. This exercise bodes well for our long-term growth on the SME front in Asia even as the demand for ABSS-branded financial management and accounting software including accounting management software, E-commerce solutions, customer payment gateways, and our all-in-one cloud-based accounting solution, Financio, for start-ups and entry-level SMEs, is set to take off. ABSS currently caters to more than 407,000 SME clients across Malaysia, Singapore and Hong Kong, and this number continues to grow as SMEs embrace digitalisation in greater measure.

Given the fact that ABSS has been classified as an essential service provider in the markets that it operates in, its business operations were not as severely affected as other businesses over the course of FYE 2021. In fact, in Singapore, because of the necessity to continue generating invoices (e-invoicing) and managing business accounts digitally, ABSS Singapore experienced significant growth in new product registrations. The introduction of fixes and upgrades including the rollout of automated

processes saw more ABSS customers upgrading to the latest versions of its various offerings.

In June 2021, ABSS announced the launch of the CONNECT mobile application on all three application stores for its Financio Premium subscribers. The CONNECT mobile app aims to transform how SMEs manage their business by enabling reliable and efficient accounting transactions that are executable through smartphones. Dubbed as a next-generation mobile app, Financio CONNECT enables subscribers to manage their business accounts on a seamless and integrated platform anytime, anywhere. With just a smartphone, Financio Premium subscribers are today able to record expenses, send invoices, see what is owed, chase payments, reconcile accounts and do much more in real-time.

Meanwhile on the micro-SME front, ABSS continues to make good progress by way of its successful partnerships with RHB Bank in Malaysia, Maybank and DBS Bank in Singapore, as well as DBS Hong Kong to integrate Financio into these banks' suite of financial offerings for SMEs. The ABSS team is also currently working on evolving its Financio cloud accounting solutions with both Financio Essential (for start-up SMEs) and Financio Premier (a full-feature cloud offering) scheduled for launch in August 2021.

Strengthening Our Solutions Offering through Synergistic Partnerships

In line with our primary objective of sustainable growth, we continue to enter into synergistic partnerships with other industry players to empower our teams, strengthen our product and service portfolio, elevate the Censof brand, and extend our geographical footprint.

Back in September 2020, Censof entered into an integrated payments and fintech



Chairman's Statement (Cont'd)

solutions joint venture with Green Packet Berhad to transform our payment processing technology subsidiary, T-Melmax Sdn Bhd ("T-Melmax"), into a digitally-driven, real-time, multi-layer reporting preferred payment gateway service provider. Through this joint venture, both parties aim to help fill the gap in the market for SMEs, larger enterprises and state governments who are looking for a one-stop provider that is able to combine the power of real-time cashless payments and accounting to deliver a truly integrated seamless solution with end-to-end financial reporting analytics.

The combined strength of Censof and Green Packet will ensure the delivery of digitalised strategies, products, and services via T-Melmax to our large base of government agencies and SME clients in Malaysia, Singapore and Hong Kong. Both Censof and Green Packet Bhd are also members of the Global Acceleration and Innovation Network ("GAIN") programme facilitated by Malaysia Digital Economy Corporation or MDEC to get Malaysian technology companies onto the global stage in an accelerated manner. This joint venture demonstrates the strength of the GAIN network and Malaysia's homegrown tech leadership. As part of the conditions pursuant to the joint venture, Censof went on to dilute its equity interest in T-Melmax so that it is today a 49% associate company of the Group, while Green Packet subsidiary, Packet Interactive Sdn Bhd, which has taken up a 51% stake in the company, will hold the controlling stake in T-Melmax moving forward.

Our venture into the Peer to Peer ("P2P") lending arena via a 10% equity stake in MoneySave Holding Sdn. Bhd. ("MoneySave") continues to deliver good results while complementing our other businesses. Via the P2P lending model also known as crowdfunding, Censof is involved in providing funds to SMEs,

especially businesses that have been impacted by the MCO. The P2P platform enables individuals or businesses to obtain loans directly from other individuals or businesses thereby eliminating the role of the financial institution as the middleman. The P2P concept has grown from strength to strength and is today an acceptable alternative method of financing.

MoneySave, which is a registered P2P financing platform and a Recognised Market P2P Operator with the Securities Commission Malaysia, targets to crowdfund 40,000 SMEs in Malaysia with some RM8 billion in investments by 2025 and become the top Asian supply chain funding platform. It has got off to a good start having dispersed over RM30 million in loans to date. As a cornerstone investor in P2P-lending, we have added a new key investment portfolio to the Group's financial position which augurs well for our long-term plan.

Fast-Forwarding the Public Sector's Digital Transformation

In our role as a key player in the growth of Malaysia's digital economy, Censof has set its sights on revitalising the role of government agencies and making them more transparent, proactive, efficient and service-oriented. To this end, we continue to bring our Standard Accounting System for Government Agencies ("SAGA") solution into play. The bedrock of our business, SAGA (under the ambit of Century Software) continues to contribute a significant portion of our revenue and gross profit. By centralising transactional data and results in a seamless manner as well as ensuring proper accounting and completeness of all financial transactions across government agencies, SAGA is a sustainable solution that is extensible, flexible and adaptable to reforms as well as suitable for a wide range of public sector-related financial requirements.

Even as we have strengthened this offering, the gross rating point on the latest version of SAGA has been approved and we are pleased to report a successful return on investment. With a team of more than 40 accountants to call upon in our back office, this mainstay segment of our business will continue to give us a competitive advantage. Moving forward, we will continue to expand on SAGA and prudently look for acquisition opportunities related to financial-related technology that will make good value propositions.

We continue to make good inroads into the public sector as evidenced by the many government contracts we have secured to date. In January 2021, Century Software was awarded a 24-month contract by Malaysia's Ministry of Finance ("MOF") worth RM10.12 million. Running from 1 January 2021 to 31 December 2022, the MOF project calls for Censof to provide maintenance and support services for the Government's budget management information system, MyResults.

In March 2021, we secured a RM17.86 million contract to develop a commercial vehicle licensing system for the Ministry of Transport ("MOT"). This 36-month contract for the MOT is to run from 1 April 2021 until 31 March 2024.

In May 2021, Censof was appointed as one of Microsoft's partners tasked with advancing the nation's digital transformation agenda among the public and private sectors. Our collaboration with Microsoft will see us delivering our proven and tested integrated Government Resource Planning ("GRP") solution which will run on Microsoft Azure to government agencies. This cloud-based comprehensive resource planning solution which is a flexible and scalable GRP system, is set to redefine the future of resource planning for the Malaysian public sector. It already has a track record



Chairman's Statement (Cont'd)

of helping government agencies of all sizes transform themselves, as well as achieve efficient service delivery, greater accountability and transparency. By integrating the finance, human resource, asset and e-procurement management functions into one product, our GRP solution enables related operational elements to work together in the most effective manner. Our collaboration with Microsoft also reflects our commitment to supporting Microsoft's "Bersama Malaysia" initiative that aims to accelerate the nation's digital transformation.

We continue to make strong advances in the public sector even as more and more government agencies acknowledge the merits of tapping cloud-based solutions and the benefits of GRP, particularly amidst the ongoing pandemic.

In June 2021, Century Software announced its official partnership with Hospital Pengajar Universiti Putra Malaysia ("HPUPM") to implement the cloud-based TenderWizard system aimed at enhancing this training module for hospital's tendering and procurement processes. The development of this end-to-end digital tendering solution for the public healthcare segment began with a pilot project for HPUPM in February 2021. With the TenderWizard solution now having been fully integrated into HPUPM's operational processes, we expect to see a substantial increase in the hospital's operational efficiency.

Designed with user-friendly features and an integrated payment gateway, this cost-effective solution is expected to facilitate digital adoption across the public sector and the public healthcare segment. By improving the efficiency and effectiveness of procurement processes in a transparent manner, this is speeding up the procurement cycle as well as ensuring the integrity of the entire process.

A Continued Focus on Innovation

With the world increasing its reliance on all-things-digital in the new normal, needs are evolving and expectations are rising. As private and public sector players are compelled to shift the way they strategize and operate, Censof will continue to play a key part in their growth by providing innovative products and services that will strengthen and enhance their operations while ensuring they remain relevant to their audiences.

As the Censof Group moves forward into FYE 2022, we do so from a position of strength with multiple projects amounting to RM46.12 million in hand including notable ones from government agencies.

Moving forward, we intend to continue leveraging strategic alliances which will help us to expand our spread of offerings to a larger client base. At the same time, we intend to explore further opportunities in diverse technologies that include embedded Machine Learning ("ML"), artificial intelligence ("AI") and robotic process automation ("RPA").

To remain relevant to the market amidst the new normal, we are mindful that we will need to diligently implement prudently thought-out growth strategies. As such, our key priorities going forward will be to populate the ecosystem, 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.

Upholding Responsible Corporate Practices

The Board acknowledges that good governance translates into good business

and is essential to our long-term success. As such, we remain committed to upholding and implementing corporate governance best practices as part of our efforts to create a strong, transparent and sustainable business. At the same time, we continue to ensure that effective risk management and internal control measures are rigorously observed across the Group. By adhering to good governance and risk management practices, we are safeguarding our corporate reputation, strengthening stakeholder relationships and ensuring continued value creation.

As part of our efforts to ensure the delivery of sustainable value to our stakeholders, we continue to implement practices that are helping us to steward our resources efficiently while bolstering our efforts on the responsible management and sustainable development fronts. To ensure we have our stakeholders' best interests at heart, we continue to focus our sustainability endeavours around five areas, namely Responsible Business, Client Experience, Environment, Employees and Community. For more details of our sustainability efforts to date, please turn to the Sustainability Statement within this Annual Report which provides an overview of the Group's commitment to creating sustainable, ethical and responsible value.

Recognising that the development of our people is essential if the Group is to progress, we continue to champion effective human development programmes that equip and empower the individuals and teams that make up our dedicated workforce. We also continue to leverage training tools from external sources, such as the training resources provided by the Human Resources Development Fund or HRDF. As part of our efforts to support the Government's Professional Training and Education for Growing Entrepreneurs or PROTÉGÉ



Chairman's Statement (Cont'd)

Programme, we have to date taken two interns on board to train them with the end objective of eventually absorbing them into our workforce. This entrepreneurial and marketplace training programme, which is a collaboration between the Ministry of Entrepreneur Development and industry experts, aims to nurture the potential of youth through enhancing their entrepreneurial and professional skills so that this group will add value to the national economy.

In line with our commitment to operating in a transparent and ethical manner, we rolled out our Anti-Bribery and Anti-Corruption ("ABAC") Policy as per the requirements of the Malaysia Anti-Corruption Commission Act 2009. The Group's ABAC Policy outlines how our stakeholders are to strictly observe and comply with all Malaysia's anti-bribery and anti-corruption laws. This policy also covers the Group's operations outside of Malaysia and advocates strict compliance with the laws of the localities within which our subsidiaries conduct business.

Recognised for Our Commitment to Excellence

As Censof continues to grow in its capacity as a leading provider of financial management solutions, we acknowledge the importance of maintaining high standards of excellence within our operations and the quality of our products and services. In recognition of our efforts, Censof and the people who represent us were presented with numerous awards and accolades during the year in review. In FYE 2021, our Financial Management Solutions - Government division which is helmed by Century Software received the Asia Pacific ICT Alliance or APICTA Award under the Digital Government category for its implementation of the MOF's MyResults project. The APICTA Awards serve as a regional platform (among its 16 member

countries) to advance collaboration through the promotion of technological innovation and the development of indigenous ICT solutions for the global market. Century Software was also lauded as being the Top Embedded Solution Agreement Partner of the Year 2020 at the IBM Malaysia Business Partner Awards 2021 virtual event.

The year in review also saw Netsense being hailed Acumatica Asia's "Partner of the Year". Netsense was recognised for its contributions as a valued community member of Acumatica and a long-standing partner of this leading solutions provider for cloud-based accounting and ERP software. On top of this, Netsense's Founder and Chief Executive Officer, Mr Abdul Rehman, was the only Asian recipient of Acumatica's Most Valuable Professional (MVP) 2020 award during the Acumatica 2021 R1 virtual launch event. The Acumatica MVP Programme serves to reward outstanding community members who go above and beyond the call of duty in advancing Acumatica's cloud ERP solution and cloud xRP platform through engagement within the community. Under Mr Abdul Rehman's guidance, Netsense has grown significantly in recent years to assume its position as an ERP specialist.

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

Acknowledgements

We are grateful to all those who have stood with Censof through both challenging and profitable times and would like to acknowledge them for their steadfast support.

On behalf of the Board of Directors, I would like to convey my deep

appreciation to all our shareholders for their unwavering support and confidence in the Censof Group. I also wish to express my sincere gratitude to our clients, business partners, bankers, various government agencies, business associates and strategic partners for continuing to place their unstinting faith and confidence in us.

My heartfelt gratitude goes to all of our diligent and dedicated employees who have resiliently persevered through the year's hardships and challenges to help us deliver a commendable performance. To my colleagues on the Board and Management, a resounding "thank you" for your hard work, insights and wise counsel that helped us safely navigate the year's challenges and come out stronger.

We are also grateful to the Ministry of Finance and the many other government agencies for supporting and believing in the domestic ICT industry. With the worthy backing of the Malaysian Government, the future looks bright for Malaysia's burgeoning digital economy. Censof for one is privileged to play a part in the growth that is unfolding before our eyes.

Even as we have returned to profitability in FYE 2021, we will not rest on our laurels but will continue to strengthen our business fundamentals and strategies as well as build upon the good momentum we have gained. As the world continues to embrace digitalisation in greater measure, we will continue to do our part to accelerate the digital economy by providing innovative solutions and quality services. I call upon all our stakeholders to work together with us as we focus our efforts on scaling new heights of success. Thank you and stay safe everyone.

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

Independent Non-Executive Chairman
29 July 2021



Management Discussion and Analysis

Dear Valued Shareholders,

I am delighted to report that Censoff Holdings Berhad (“Censoff” or “the Group”) successfully delivered a turnaround performance for the financial year ended 31 March 2021 (“FYE 2021”) after three years of consecutive losses. Our success is largely owing to the many opportunities that we tapped into during the surge in demand for digital products and services as restricted movement control orders were imposed the world over to stem the tide of the pandemic.

Amidst highly challenging operating conditions that saw a multitude of public and private sector organisations having to fast-forward their plans for digitalisation, our teams worked hard to ensure that our clients were able to continue operating digitally or quickly embark on the digitalisation of their operations. As we focused our efforts on ensuring that our clients remained relevant to their stakeholders in the new normal, demand for our solutions (much of which is cloud-based) grew. All these led our profitable performance over FYE 2021.

For the financial year in review, much effort went into strengthening our core businesses, namely our Financial Management Solutions - Government and Financial Management Solutions - Commercial divisions. We continued to deliver on our existing contracts while securing new ones from existing and new clients. We also focussed our efforts on enhancing our processes and solutions to ensure the sustainability of our business and to remain at the cutting edge of our industry. Tapping into the surge for all-

things-digital, we continued to collaborate with our strategic partners, both existing and new ones, to develop, deploy and strengthen our portfolio of innovative technological offerings. These among other measures, reinforced our position as a key player in the markets that we operate in, bolstered our reputation as a reliable and credible partner, leading to the solid growth and profits that we garnered over the course of FYE 2021.

It is my pleasure and privilege to present the finer details of Censoff's businesses and growth strategies, our turnaround financial and operational performance for FYE 2021, as well as our strategic direction moving forward.

The Group's Businesses

The Censoff Group is a technology group that specialises in an extensive portfolio of financial management software solutions. Catering to the government

agencies, large corporations as well as SMEs and micro-SMEs, Censoff leverages the expertise of in-house experts and strategic partners to offer our clients innovative solutions. Today, the Censoff Group has a geographical footprint in 12 countries and comprises a workforce of 329 dedicated and talented individuals. Given our industry insights, coupled with our dedicated teams and strategic partners, Censoff has an unequalled competitive ability to address industry requirements and deliver high-quality products at the local and global levels.

Our subsidiary, Century Software (Malaysia) Sdn. Bhd. (“Century Software”), continues to be a major contributor to the Group's growth via its provision of government-centric financial management solutions. Meanwhile, subsidiary Asian Business Software Solutions Pte. Ltd. (“ABSS”), is tasked with providing solutions to the Commercial, SME and micro-SME segments. Censoff also has a 51% equity stake in both Netsense Business Solutions Sdn. Bhd. and Netsense Business Solutions Pte. Ltd.



Management Discussion and Analysis (Cont'd)

Our Strategies for Growth

The Censof Group is committed to delivering sustainable long-term value to our stakeholders. The holding company together with our subsidiaries are guided by Censof's strategies for growth which provide clarity and uniformity on the way forward for all our companies. Comprising both short-term and long-term approaches, our strategies direct our value creation efforts as we continue to grow in our role as a technology and innovation leader specialising in business and financial management solutions.

Short-term Strategies

Seeing that the Malaysian economy and many of the other markets we operate in are still grappling with the impact of the COVID-19 pandemic and related lockdowns, the Censof Group continues to align its business activities with the existing conditions in these markets. In line with this, we continue to focus our efforts on developing new products and services that will help us to capitalise on the uptrend in demand for digital solutions. Through our products and services, we also aim to contribute to the economies we operate in by offering support to government agencies, corporations, SMEs and micro-SMEs as they begin to embrace digitalisation in greater measure.

To support this, Censof will continue to explore strategic partnerships and acquisition opportunities that will help us to enhance our products and services as well as speed up the delivery of new ones. Through strategic collaboration, we will be able to provide a broader and more holistic range of products and services that are attuned to market needs. Introducing new technology into our products will also serve to cement our reputation as a provider of cutting-edge, long-term technology solutions while

("the Netsense Group"). This has done much to extend our product portfolio and strategic footprint in the Commercial segment while underpinning our growth strategy especially on the cloud-based Enterprise Resource Planning ("ERP") business front.

The Group's wealth management solutions come under the ambit of our Indonesian subsidiary, PT. Praisindo Teknologi ("PT. Praisindo"), while our payment aggregation solutions are helmed by T-Melmax Sdn. Bhd. ("T-Melmax"). Censof has also entered the emerging technologies market via several strategic partnerships. Our offerings within this segment include Internet of Things technologies, embedded tracking devices, process automation, predictive and insight algorithms, as well as Peer-to-Peer systems.

Back in May 2020, in line with our strategy to refocus our efforts on our core businesses, we divested our training solutions segment, Knowledgecom Corporation Sdn. Bhd. Over the course of FYE 2021, we went on to strengthen the Group's value proposition via the launch of two new subsidiaries, namely Tender Pintar Sdn. Bhd., a company stemming from the spin-off of our e-procurement system, and CS Cloud Sdn. Bhd., a cloud computing company. We aim to group these and other related companies under the banner of Censof Digital Sdn. Bhd. further down the road.

For more details of the Group's key businesses, please refer to the "Quick Facts & Business Divisions" section on pages 6 to 11 and the "Performance by Business Divisions" sub-section within this Management Discussion and Analysis.



Management Discussion and Analysis (Cont'd)

strengthening our market position. Our enhancement initiatives for the near-term include the migration of more of our solutions onto the cloud and priming our products to reach specific market segments.

The Group will also leverage the regional demand for remote workforces—an essential and rising need as nations go in and out of lockdown. With the Netsense Group's Acumatica cloud-based ERP software, larger SMEs and government agencies are today able to work remotely without sacrificing their efficiency and productivity.

Today, Century Software's Government Resource Planning ("GRP 9.0") solution is an integral resource planning tool for the public sector. An integrated cloud-based financial and business management system that provides users with consolidated real-time data and reports, GRP 9.0 is also compatible with mobile phones and tablets, making it accessible from virtually anywhere. Our solution also aims to help government agencies increase the efficiency of public administration activities so that they can strengthen the quality of their services to citizens. To date, several Federal statutory bodies who have been making effective use of the GRP 9.0 solution have been recognised as having clean audit reports thereby attesting to the good governance, financial compliance and internal control features that our solution has accorded them.

We continue to build upon the good momentum we have garnered in this area and add maintenance service contracts to our GRP 9.0 related offerings. We will also continue to work on expanding our client base as we support the Malaysian Government in its drive towards digital transformation. With the Government's increasing openness towards embracing cloud-based solutions especially in the new normal, this bodes well for our efforts in this area.

Long-term Strategies

Our long-term plan is to continue expanding the Group's presence via synergistic partnerships. This supports our objective of establishing Censof as a household name within the industry and strengthening our overall portfolio. To this end, we are looking to develop and maintain a network of channel partners on both a local and international scale. Channel partnerships will not only provide Censof with valuable sales and advertising opportunities, it will also open up avenues for new revenue streams and serve as a platform for collaborative growth. To ensure that the Censof's branding and all our products are well represented, the Group's channel partners will undergo focused training. Furthermore, the Group will appoint a dedicated Channel Partners Manager to oversee our network-related activities.

In addition to the development of our channel partners network, the Group will continue to explore collaborative opportunities that will help drive Malaysia's digital transformation and support the growth of the technology industry. This strategy is rooted in the Group's mission to empower our people to be caring citizens actively contributing to the community. These collaborations also serve to bolster our market presence while extending our product portfolio.

In May 2021, Censof entered into a partnership with Microsoft under the latter's "Bersama Malaysia" initiative that aims to drive the nation's digital transformation in key segments within the private and public sectors. The collaboration will see Censof's GRP 9.0 solution combined with Microsoft Azure and other data technologies to meet the needs of both the private and public sector in a holistic and versatile manner.

The Group also plans to leverage cloud computing technologies, e-learning solutions, mobile transactions and digital payments on the commercial front in greater measure.

These solutions continue to gain traction as remote workforces and the use of digital platforms become commonplace in the new normal. In line with this, the Group is looking to support SMEs through its development of a cloud-based information management system that caters specifically to SMEs. Accompanied by a monthly subscription, this system will help to smoothen out the Work-from-Home experience for smaller companies even as some nations remain in a state of lockdown.

As part of our efforts to strengthen the technology community as well as grow our reputation as a responsible and relevant corporate citizen, we will continue to support industry-driven initiatives through participation in industry web-conferences and webinars.

Censof's strategy for growth in the international arena too continues to gain momentum via our participation in the Malaysian Digital Economy Corporation's or MDEC's Global Acceleration and Innovation Network ("GAIN") programme. The GAIN programme is an initiative by the Malaysian Government to launch homegrown companies onto the global stage via partnerships with foreign companies. The programme also accords members access to MDEC's global network, funding facilitation and a mentorship programme. The Group is exploring the prospect of extending its operations to countries within the region as well. In addition to this, our subsidiaries under the ambit of our Financial Management Solutions - Commercial segment will continue to strengthen their relationships with their existing overseas partners.

We remain committed to continuously building the Censof brand even as we grow our business in tandem with the digitalisation needs of our customers. An integral aspect of our brand-building strategy is to maintain clear channels of communication with our stakeholders which include our shareholders, workforce, regulatory officials, members of the Media and the communities in



Management Discussion and Analysis (Cont'd)

which we operate. Through consistent engagement as well as consistent and transparent reporting, we aim to uphold our stakeholders' confidence in us while reinforcing our reputation as a trustworthy corporate citizen.

Among the measures that we will be carrying out under this strategy are the relaunch of our corporate website and the bi-monthly submission of press releases to our Media partners. These press releases will provide updates on the Group's activities, including contract signing, project closures and the launch of new product modules. The Group will also be organising online conferences that will serve as platforms for engagement with our partners and clients.

The Group's ultimate aim is to reinforce our clients' confidence and trust in the Censof brand, services and solutions. Having positioned Censof as a reinvigorated, tried and true technology group, we continue to set our sights on building goodwill and bolstering the confidence of our existing customers while exploring new opportunities in the wider market. We remain committed to expediting the rollout of our ongoing projects and delivering these projects ahead of time so that our clients keep coming back to us and stay on as "customers for life".

+12.2%

increase in revenue
to RM87.36 million

Group Financial Performance

Overview

Segmental Revenue and Profit/(Loss) Before Tax

	FYE 2021 RM'000	FYE 2020 RM'000
Revenue		
Financial Management Solutions		
- Government	60,324	52,752
Payment Aggregation Solutions	189	308
Wealth Management Solutions	5,246	5,741
Training Solutions	60	2,800
Financial Management Solutions		
- Commercial	21,790	16,338
Corporate	4,029	4,173
Elimination	(4,277)	(4,253)
	87,361	77,859
Profit/(Loss) Before Tax		
Financial Management Solutions		
- Government	11,171	7,099
Payment Aggregation Solutions	657	(140)
Wealth Management Solutions	263	1,122
Training Solutions	(177)	(1,398)
Financial Management Solutions		
- Commercial	7,411	4,436
Corporate	18,660	(38,394)
Shares of Results in Associate	-	3,944
Elimination	(8,396)	(47,514)
	29,589	(70,845)

The Censof Group registered year-on-year revenue of RM87.36 million in FYE 2021, marking a 12.2% increase from revenue of RM77.86 million garnered in the preceding year. The year's robust performance was driven by the good progress made by our two core businesses, namely our Financial Management Solutions - Government segment which contributed 69.1% of the Group's revenue on the back of new contracts with various government agencies, and our Financial Management Solutions - Commercial segment which delivered a higher contribution of 24.9% in FYE 2021 largely on the back of an increase in revenue from the Netsense Group and improved sales demand for ABSS products. Within the government segment, Century Software registered revenue of RM60.32 million, marking a 14.4% increase from FYE 2020's revenue of RM52.75 million. Within the commercial segment, both ABSS and Netsense Group registered a 33.4% increase in total revenue to RM21.79 million. Due to COVID-19 operational restrictions, both our Wealth Management Solutions and Payment Aggregation Solutions segments contributed just 6.0% and 0.2% respectively of the Group's overall revenue.

Management Discussion and Analysis (Cont'd)

The Group recorded an increase in basic earnings per share to 5.28 sen in FYE 2021, in comparison to a loss per share of 14.43 sen in the previous year.

The Group's profit before tax ("PBT") rose by some 141.8% to RM29.59 million in FYE 2021. This increase is a much welcome improvement from FYE 2020's loss before tax ("LBT") of 70.85 million due to the losses incurred in relation to the divestment of the Group's shares in associate, Dagang NeXchange Berhad ("DNeX"), among other things. The significant hike in PBT was primarily due to higher profit contributions from our Financial Management Solutions - Government and Financial Management Solutions - Commercial divisions which turned in a PBT of RM11.17 million and RM7.41 million respectively or a 57.4% and 67.1% increase over their respective PBTs in FYE 2020.

Similarly, Censof's profit after tax and minority interests ("PATAMI") improved to RM26.60 million, from a loss after tax and minority interests ("LATAMI") of RM72.42 million in FYE 2020. Aside from the higher contributions from our Financial Management Solutions - Government and Financial Management Solutions - Commercial segments, the rise in PBT and PATAMI was attributable to a gain on fair value adjustment on a short-term investment of approximately RM16.19 million.

As at 31 March 2021, the Group recorded an increase in basic earnings per share to 5.28 sen, in comparison to a loss per share of 14.43 sen in the previous year.

Group Funding Position

For the financial year in review, Censof continued to dispose-off its stake in DNeX to reduce the Group's total borrowings to RM0.35 million from RM21.92 million previously. Correspondingly, the Group's gearing ratio stood nearly at 0 times as at FYE 2021 as compared to 0.40 times as at FYE 2020. The Censof Group's cash and cash equivalents too improved to RM28.63 million at the end of the financial year in comparison to RM6.85 million in the preceding financial year.

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 2016 to 23 July 2021) are as follows:





Management Discussion and Analysis (Cont'd)

Performance by Business Divisions

FINANCIAL MANAGEMENT SOLUTIONS - GOVERNMENT DIVISION



Overview

Our Financial Management Solutions - Government division under the ambit of Century Software, provides an array of financial management solutions to government agencies at the federal, state and local council levels. By leveraging our suite of comprehensive and customisable solutions, clients are able to strengthen their operations in an efficient and sustainable manner.

Censoft has successfully served government agencies for over two decades now and we continue to strengthen our role as the leading provider of financial management solutions to the public sector particularly through our provision of specialised high-quality products that have been developed in compliance with the Standard Accounting System for Government Agencies ("SAGA"). Censoft's SAGA solution—the bedrock of the Group's business—helps streamline operations and statutory reporting across government agencies so that operational excellence, good governance and timely reporting are upheld. To date, more than 86 government agencies in Malaysia are utilising SAGA-certified products and solutions.

Century Software's state-of-the-art business solutions are not solely limited to financial management, but also encompass business performance, business intelligence, data analytics, application development and other solutions. Our solutions can be installed on-premise to optimise a client's internal infrastructure, or on-cloud within a secure, modern and reliable delivery framework. Our services are supported by a team of high calibre consultants comprising Project Management certified professionals—the majority of whom are qualified accountants.

Censoft continues to play an integral part in the transformation of Malaysia's public sector by revitalising the role of government agencies and making them more transparent, proactive, efficient and service-oriented. On the Government Resource Planning front, we continue to leverage our GRP 9.0 suite to help agencies of all sizes to transform themselves, achieve efficient service delivery, as well as strengthen their participation and governance. Our comprehensive GRP 9.0 web-based resource planning solution has helped accelerate the transformation of various government agencies by ensuring all their related operational elements such as the finance, human resource, asset and e-procurement management functions work together in the most effective manner for enhanced efficiency and service delivery.

Today, GRP 9.0 is according government agencies the highest degrees of scalability, reliability and flexibility they require. 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, our GRP 9.0 solution has proven to be a sustainable solution that is extendable, flexible and adaptable to reforms as well as which suits a wide range of public sector-related financial requirements.

Key Highlights

On 18 March 2020, the first phase of Malaysia's Movement Control Order ("MCO") began and this was followed by various other challenging but necessary phases of the MCO. At the time of writing, the nation is undergoing the Enhanced MCO phase in an effort to curtail the sudden spike in positive COVID-19 cases among the public. I am pleased to highlight that in spite of the many restrictions on businesses over the course of the year, the Group's service delivery to our clients was unaffected and we continued to carry out existing contracts as well as renew several while securing new ones.

On the SAGA and GRP fronts, we grew our base of public sector clients, implemented successful upgrades and increased the profitability of these businesses. FYE 2021 saw us acquire seven new GRP 9.0 clients, make 13 GRP-related upgrades and derive better returns from our investment in this solution. Our partnership with Microsoft to accelerate the nation's digital transformation by leveraging on our GRP solution and Microsoft's Azure supported by the global leader in digital transformation services, Crayon, bodes well for us over the long run. As more government agencies recognise the importance of tapping the benefits of our cloud-based solutions amidst the ongoing pandemic, we are confident of growing our SAGA and GRP solutions businesses.

Following our completion of the large-scale MyResults project on the Outcome-Based Budgeting or ("OBB") platform, we went on to sign a 12-month contract with the Ministry of Finance ("MOF") to provide maintenance and support services for the budget management information system, MyResults, effective 2 January 2020. Even as the contract valued at RM5.3 million came to an end on 1 January 2021, we successfully secured a 24-month extension worth RM10.12 million up till 31 December 2022.

Management Discussion and Analysis (Cont'd)

MyResults is a module within the OBB platform which Century Software developed for the MOF. By tapping the OBB platform, high-level national strategies are linked to specific budget programmes and activities. This serves to enhance 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. Censof appreciates the continued confidence of the MOF in MyResults. This contract extension underscores our technical capabilities and strengthens our track record in the area of financial management solutions. MyResults received further endorsement when it received the Asia Pacific ICT Alliance Award in the Digital Government category last year. We look forward to strengthening the MyResults solution and this business moving forward.

March 2021 saw the division securing a RM17.86 million contract from the Ministry of Transport ("MOT") effective 1 April 2021 to 31 March 2024. This 36-month contract, involves our team working closely with the MOT to develop a commercial licensing system that caters for land transportation. We are grateful to the MOT for placing their trust in us and look forward to working with them to implement a successful project.

In June 2021, Century Software announced a partnership with Hospital Pengajar Universiti Putra Malaysia to implement a cloud-based, end-to-end

digital tendering and procurement solution for the public healthcare segment. The cost-effective TenderWizard solution is expected to facilitate digital adoption across the public sector and the public healthcare segment. By enhancing the efficiency and effectiveness of procurement processes in a transparent manner, it aims to speed up the procurement cycle and elevate governance standards across the entire process.

Moving Forward

Moving forward, we will continue to serve the public sector by delivering high-quality solutions and services while strengthening our spread of offerings. To sustain business growth in the public sector segment, we will work hard to ensure ongoing projects are implemented successfully. We will then explore opportunities to secure maintenance and support contracts from those clients. At the same time, we will focus our efforts on acquiring new clients who are interested in adopting our proven SAGA and GRP solutions. We are also looking to work with other municipal or local government bodies to develop a comprehensive version of the web-based local council or ePihak Berkuasa Tempatan ("ePBT") solution that we developed for Dewan Bandaraya Kuala Lumpur.

With the pandemic still very much a real threat to all, the majority of our public sector clients have migrated to the cloud which accords us more opportunities for recurring income. In February 2021, the Prime Minister of Malaysia, launched the Malaysia Digital Economy Blueprint or MyDIGITAL initiative, a new and comprehensive approach designed to anchor the country's digital economy by 2030. Censof for one is committed to supporting the Government in its digitalisation efforts by enabling all government agencies to meet this mandate. To enhance our cloud services offering and add value to the public sector, we are open to exploring options to tie-up with a strategic partner like we did with Microsoft.

Century Software has also been exploring opportunities to venture into new areas of opportunity. Given the increase in demand for cloud computing solutions amidst the global pandemic, the company launched CS Cloud Sdn. Bhd. in 2020 to capitalise on opportunities in this area. As the move towards embracing on-cloud solutions quickens, we have taken the opportunity to ramp up our team's skills in this specific technical area with a view to providing solutions and services that will help bolster Malaysia's digital transformation economy as well as create a new breed of cloud-based entrepreneurs and homegrown companies. We are also looking to expand our regional footprint down the road via strengthening our talent pool in India and exploring potential new opportunities to serve the public and private sectors in that nation. For now, however, we will focus our resources on streamlining our line of core digital businesses by positioning them under a one-stop hub called Censof Digital.



March 2021 saw Century Software securing a RM17.86 million contract from the Ministry of Transport ("MOT") effective 1 April 2021 to 31 March 2024.



Management Discussion and Analysis (Cont'd)

FINANCIAL MANAGEMENT SOLUTIONS - COMMERCIAL DIVISION



Overview

In line with the Censof's Group's ambition to be a one-stop business solutions centre for SMEs, our Financial Management Solutions - Commercial division provides clients a bevy of accounting management software, e-commerce solutions as well as inventory management, payroll management and ERP solutions, among others. Our 89.07%-owned subsidiary, ABSS, which is tasked with helping our Commercial arm, is a market leader among SMEs in Singapore and Hong Kong. It owns and deploys its ABSS-branded financial management and accounting software in Asia as well as caters to more than 407,000 SME clients across Malaysia, Singapore, Hong Kong and more recently Indonesia. The Commercial division also has within its portfolio Netsense's proven suite of solutions including the Acumatica ERP solution which is enabling it to cater to mid-market tier companies.

ABSS' cloud-based product, the Financio accounting solution, continues to make good headway among SMEs and micro-SMES in the region. Available in English, Chinese, Bahasa Malaysia (and Bahasa Indonesia in due course), Financio's user-friendly platform simplifies the bookkeeping process with a wide range of accounting functions that are fully compliant with the latest local accounting standards. Financio is especially popular among SMES due to its low monthly subscription fee which makes it more accessible to a wider range of users. Since its launch, Financio has grown to garner more than 5,000 premium subscribers within Southeast Asia and Hong Kong. With more people turning to digitalisation, this number is set to increase.

The Censof Group's acquisition of a 51% controlling equity stake in the Netsense Group in early 2020 has enabled us to leverage the expertise of this mid-tier ERP solutions provider and strengthen our overall portfolio. A one-stop-shop for ERP solutions, Netsense's wide range of products and services range from customer relationship management, human resource, payroll and project management, to business intelligence, customised dashboards, mobile apps and e-commerce solutions. Netsense also specialises in the implementation of ERP systems for the construction, logistics/distribution and manufacturing industries.

Netsense's principal offering is the Acumatica suite, an integrated cloud and mobile technology-based ERP system. Cost-efficient and customisable in scale, Acumatica accords SMEs an attractive arsenal of efficient and accessible tools that are essential in these challenging economic times. As regional markets and industries strive to navigate the challenges of the new normal, we are confident that Netsense will grow to become a significant contributor to the Commercial business' earnings as SMEs leverage on Acumatica in greater measure to achieve their digital transformation and productivity improvement goals.

Key Highlights

In FYE 2021, our Financial Management Solutions - Commercial division experienced significant growth across all businesses and product categories which culminated in higher revenue and profitability.

In Singapore, ABSS achieved a commendable performance on the back of a higher uptake of new product registrations. As its sought to help its clients in Singapore and across Southeast Asia stay compliant in the face of changing regulations and multiple

jurisdictions, ABSS saw many of its existing clients migrate to the latest versions of its products that offered e-invoicing and automation features. ABSS' earlier tie-up with Pagero (the leading global e-invoicing service provider) to bring PEPOL enablement (the exchange of business documents in various electronic formats through a highly secure and safe international network) seamlessly to the ABSS user community was one of the factors that influenced its users to migrate. Today, even as Australia, New Zealand and several Southeast Asian nations have already adopted PEPOL or are looking to embrace it as their standard for e-invoicing, this bodes well for the ABSS-Pagero partnership.

Our Financio solution under the purview of ABSS too enjoyed a successful run in FYE 2021 registering 42.3% revenue growth year-on-year. This was mainly attributable to Financio's customer-centric focus and its offer of innovative products as well as its dedicated regional focus, speed-to-market, regional compliance and local support options, among other factors. Following rising demand by users for more effective and easily-accessible solutions, Financio released its first mobile application, Financio CONNECT, to its premium subscribers. Enabling convenient business accounting transactions on the go, the app registered a 60% uptake rate among subscribers just six months after its launch.

March 2021 saw the Group raising its equity stake in ABSS from 58.20% to 89.07% for some RM14.07 million. This bodes well for our long term growth on the SME front in Asia even as the demand for ABSS' range of offerings is set to take off as SMEs embrace digitalisation in greater measure.

Following its assimilation into the Censof Group, Netsense undertook an operational revamp in FYE 2021. Since then, the business has shown signs of accelerated growth with a 30% expansion in the size of its team. For the year in review, Netsense added four new referral

Management Discussion and Analysis (Cont'd)

In FYE 2021, Netsense's revenue increased by over 262.5% in line with the successful delivery of 10 new projects spread across a wide spectrum of industries.

partners and signed project contracts with two manufacturing customers. The company also entered a partnership deal with Procore Technologies, an American construction project management software company, to provide complete end-to-end solutions for existing and new construction industry customers.

Netsense's success is also owing to the surge in digital transformation activities fuelled by the pandemic. With its experience in implementing over 90 projects and its latest technology-driven ERP solutions, Netsense is well equipped to meet the current and future needs of the SME segment. Today, the company is also collaborating with governments to support the SME segment. Although relatively new to the Censof family, Netsense is already an active contributor to the Group's revenue. In FYE 2021, the companies' revenue increased by over 262.5% in line with the successful delivery of 10 new projects spread across a wide spectrum of industries.

The year in review saw Acumatica release the latest version of its ERP software suite, namely Acumatica 2021 R1. This powerful, flexible cloud version incorporates comprehensive updates that deliver superior usability and best-in-class functionality that give its users a competitive edge. This solution accords users improved ERP features such as AI/ML-powered mobile image recognition, KPI tracking and an enhanced workflow engine. Acumatica is scheduled to release 2021 R2, the second of its biannual product updates, in mid-September 2021.

In 2021, Netsense was recognised for its dedicated efforts in furthering the Acumatica brand when it was named Acumatica Asia's "Partner of the Year", while Netsense's Founder and Chief Executive Officer, Mr Abdul Rehman, was the sole Asian recipient of Acumatica's Most Valuable Professional 2020 award during the Acumatica 2021 R1 virtual launch event.

Moving Forward

Amidst the disruption caused by the COVID-19 pandemic, businesses have seen the need to overhaul themselves and embed digital solutions in a greater manner to ensure the safety of their workforce and the efficiency of their operations. This has helped cement the Censof Group's role as an essential solutions provider with real solutions that deal with real issues. All these developments bode well for our Commercial arm moving forward and we are confident that the businesses within its fold will continue to maintain the good growth momentum they have gained as they seek out new opportunities.

ABSS is well positioned to achieve growth with ABSS Connect, its secure on-premise solution that has been designed to complement the ABSS Desktop solution by providing connectivity to third-party cloud platforms. Similarly, Financio will be rolling out Financio Essential, the next version of Financio which offers e-payment, e-invoicing and partnerships with banks and commercial-related organisations. Slated to be rolled out in August 2021, the fully featured cloud offering has been developed to cater specifically to start-up SMEs and subscribers of Financio Premier.

As a result of heightened demand for solutions that enable remote working, Netsense has been experiencing a spike in demand for its cloud ERP and mobile applications. To meet market demand, Netsense has several plans in the offing. Furthermore, as many legacy ERP systems approach the end of their useful life cycle, Netsense is positioning itself to cater to clients looking to shift to more flexible Work-from-Anywhere or WFA-friendly solutions like cloud ERP and mobile applications, among others, to remain relevant. In line with this, we anticipate another promising year for Netsense as it makes the most of new projects and new partnerships.



Management Discussion and Analysis (Cont'd)

PAYMENT AGGREGATION SOLUTIONS DIVISION



Overview

The Group is involved in the Payment Aggregation Solutions business via T-Melmax which aims to strengthen the burgeoning e-commerce sector via its provision of web-based electronic banking solutions that support retail and wholesale transaction processing. T-Melmax's one-stop integrated payment and collection platform, CPAY, caters to both vendors and customers by facilitating bulk payments, bulk collections, retail payments and diverse other payments that interface with platforms such as Inter Bank Giro or IBG; and the Financial Processing Exchange or FPX, the Malaysian payment gateway. CPAY also facilitates transactions with statutory bodies such as Lembaga Hasil Dalam Negeri Malaysia (the Inland Revenue Board of Malaysia), Kumpulan Wang Simpanan Pekerja (the Employees Provident Fund) and PERKESO (the Social Security Organisation).

Key Highlights

In the first quarter of 2020, the closure of brick-and-mortar establishments during the movement restrictions led to the mass migration of businesses online. As all levels of society tapped e-commerce to buy and sell amidst the lockdowns, traditional businesses were quick to jump onto the digitalisation bandwagon. As a result, Malaysia's e-commerce market grew exponentially and is today one of the fastest growing markets in the region.

In fact, a pre-pandemic report highlighted that Malaysia's e-commerce market had tripled in size since 2015 to exceed some USD3 billion in 2019. It was also projected (then) that the value of Malaysia's e-commerce transactions would reach USD11 billion in 2025. According to January 2019 data, of Malaysia's 32.25 million population, some 25.84 million or 80% of this number were digitally-savvy, active internet users with extremely high rates of mobile phone penetration. Today, with more and more people turning to online platforms to buy and sell amidst the ongoing movement restrictions, e-commerce transactions and internet penetration rates are definitely set to grow exponentially.

While digital initiatives such as the Government's Digital Free Trade Zone aimed at increasing the country's cross-border e-commerce activities and driving SMEs onto the regional arena were already taking off prior to the pandemic, more of such initiatives have suddenly mushroomed. February 2021 saw the launch of the MyDIGITAL initiative to anchor the country's digital economy by 2030 and the establishment of the National eCommerce Council ("NeCC") to drive the implementation of the National eCommerce Strategic Roadmap ("NeSR"). Comprising various ministries and agencies, the NeCC is tasked with driving the NeSR's six thrusts that aim to double Malaysia's e-commerce growth rate. The six NeSR thrusts serve to (i) accelerate seller adoption of e-commerce, (ii) increase adoption of eProcurement by businesses, (iii) lift non-tariff barriers, (iv) realign existing economic incentives, (v) make strategic investments in selected e-commerce players, and (vi) promote national brands to boost cross-border e-commerce activities.

In line with this, T-Melmax too is bolstering its services to meet the burgeoning demand for e-commerce. Among its strategies are the development and introduction of an integrated e-payment gateway that will introduce more efficient electronic transactions and simplify the processing of payment transactions for electronic services.

In September 2020, Censof embarked on a joint venture with Green Packet Berhad ("Green Packet"), an international technology solutions provider, to transform T-Melmax into a digitally-driven, real-time, multi-layer reporting preferred payment gateway service provider. This collaboration aims to fill the gap in the market for SMEs, larger enterprises and state governments who are looking for a one-stop provider that is able to combine the power of real-time cashless payments and accounting to deliver a truly integrated seamless solution with end-to-end financial reporting analytics. In line with the conditions of the joint venture agreement, Green Packet subsidiary, Packet Interactive Sdn. Bhd., went on to take up a 51% controlling stake in T-Melmax.

Moving Forward

Moving forward, T-Melmax will continue to enhance its integrated platform and services to accommodate more mobile-responsive solutions. Such solutions will help bolster its efforts to capitalise on the current surge in the e-commerce market and the accelerated migration of businesses onto digital platforms. The company also aims to strengthen its market position and range of offerings by establishing more strategic partnerships and collaborations.

The value of Malaysia's
e-commerce transactions
is expected to reach

USD11 bil
by 2025

Management Discussion and Analysis (Cont'd)

EMERGING TECHNOLOGIES

Overview

Throughout history, innovative new technologies have always served as catalysts to herald in new eras of development and enlightenment for mankind. With the COVID-19 pandemic having disrupted entire markets and ecosystems, digitalisation has become the determining point between a market's ability to survive or thrive. The advent of innovative technologies such as artificial intelligence ("AI"), augmented and virtual reality, as well as the Internet of Things ("IoT"), together with new fintech practices such as Peer-to-Peer ("P2P") financing or crowdfunding, are enabling individuals and organisations to veer away from the workings of traditional financial systems and processes to establish their own set of rules.

As part of Censof's vision "to be a technology and innovation leader specialising in business and financial management solutions," the Group is continuously exploring emerging technologies that will allow us to provide a more comprehensive portfolio to our customers. Through collaboration with our international partners in Switzerland, Dubai and India, we are transforming emerging technologies such as Robotic Process Automation ("RPA"), AI, IoT and P2P financing into sustainable businesses. These innovations are augmenting our overall portfolio of technological solutions and enabling us to offer practical and secure technological solutions that cater specifically to the government, banking, shipping and manufacturing segments.

Today, Censof has a foothold in the P2P lending sector via a 10% equity stake in MoneySave Holding Sdn. Bhd. ("MoneySave"), a Recognised Market Operator ("RMO") registered with the Securities Commission of Malaysia ("SC"). MoneySave's P2P platform bridges the gap between investors and SMEs by granting SMEs access to fundraising capabilities while according investors opportunities that provide attractive yields. Our initiative is in line with the SC's Digital Agenda to improve the value chain by empowering micro-SMEs, who, although are essential to the economic ecosystem, have been historically underserved.

While the Group's cornerstone investment in MoneySave is relatively new, it is expected to be a good source of income as we leverage our large regional SME base. To date, MoneySave has dispersed over RM30 million in loans. This number is expected to increase even as we continue to monitor and evaluate the business. The platform has also maintained the lowest default rate in the industry with zero defaulters to date. This



achievement is largely due to the 20 risk reduction incentives that the company issues to the SMEs or issuers that seek funding on its platform. Moving forward, MoneySave is expected to attract more traffic from both SMEs and investors with its high investment-note subscription rates and attractive returns of between 8%-16% per annum.

Moving Forward

The Censof Group will continue to leverage disruptive and emerging technologies as a means to enhance and add value to our wide range of innovative solutions. Some of our current areas of focus include IoT embedded tracking devices, AI, process automation, predictive and insight algorithms, and P2P systems. The Group is also looking into the feasibility of utilising RPA technologies to automate and elevate our customers' processes. Through these enhancements, we aim to help our clients transition with ease onto our cloud-based products and solutions. Our initiatives in this segment are also in support of our commitment to ensuring the sustainability of our business through the diversification of our income streams.

Through collaboration with our international partners in Switzerland, Dubai and India, we are transforming emerging technologies such as RPA, AI, ML, IoT and P2P financing into sustainable businesses.



Management Discussion and Analysis (Cont'd)

Risks and Mitigation Strategies

As the Censof Group ventures forth amidst the highly competitive and challenging operating landscape that is the new normal, there may be certain anticipated or known risks, many of which are beyond our control, that may impact our business activities. The following table highlights the principal risks that may have a material effect on our operations, performance, financial condition and liquidity as well as the measures we have adopted 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 remains challenging given the intense market competition. This is particularly true in regard to tenders for government contracts.	To mitigate the effects of escalating competition within Malaysia’s public sector, we are strengthening efforts to grow our private sector revenue contributions.
Strategic Risk	As the ICT industry evolves at a rapid pace, market players have little choice but to remain relevant to the market by keeping abreast of the latest industry trends and developments as well as by upholding continuous innovation.	In order to remain relevant to the market, we continue to leverage 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 the ongoing political 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 Financial Management Solutions – Government sector in particular continues to be affected.	We continue to work on strengthening our relationship with the current administration by showcasing our good track record, 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	The Group faces the risk of loss from operations due to inadequate, inefficient or ineffective internal processes, systems, policies, employee errors and events beyond our control. All these may lead to unexpected costs.	To counter the possibility of such losses, we continue to streamline the processes and systems across our business segments. This is helping us to enhance and attain cost efficiencies as well as ensure operational effectiveness. The continuous training solutions provided under the Human Resource Development Fund has equipped our teams with the necessary skills that will help strengthen our company for the long run.
Operational Risk	Like every other business, the Group has to contend with the risk of fraudulent activities from both external and internal sources.	To mitigate this risk, we continue to reinforce the design and ongoing effectiveness of our corporate governance, risk management and internal control measures. Several physical security measures are also 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. Censof also has in place several policies and terms of reference that are accessible via our corporate website. These include Censof’s Anti-Bribery and Anti-Corruption Policy; the terms of reference for the Audit Committee, Risk Management Committee, as well as Nominating and Remuneration Committee; the Board Charter; and our Whistle Blowing Policy.

Management Discussion and Analysis (Cont'd)

Moving forward, Censof remain cautiously optimistic that as the world embraces digitalisation and our solutions in a greater manner, we will continue to register steadfast growth.

Outlook and Prospects

As we move forward into FYE 2022, Censof remains cautiously optimistic about the global outlook. According to the World Bank Group's flagship report, *Global Economic Prospects*, published in late June 2021, the world economy is experiencing an exceptionally strong but highly uneven recovery. Global growth is forecast to reach 5.6% in 2021 (2020: -3.5% growth). This, its strongest post-recession pace in 80 years, is in part underpinned by steady but highly unequal vaccine access. Unfortunately, growth is concentrated in a few major economies, with most emerging market and developing economies ("EMDEs") lagging behind. In the meanwhile, even as some 90% of advanced economies are expected to regain their pre-pandemic per capita income levels by 2022, only about one-third of EMDEs are expected to do so. In many low-income countries, the effects of COVID-19 are reversing earlier gains in poverty reduction as well as intensifying food insecurity and other long-standing challenges.

The global outlook to some extent remains highly unclear, with major risks around the path of the pandemic and the likelihood of financial stress amid large debt loads. More equitable vaccine distribution would help control the pandemic at the global level, particularly among low-income countries. Policy makers face a difficult balancing act as they seek to nurture recovery through efficiently allocated fiscal support while safeguarding price stability and fiscal sustainability. They can help ensure a lasting recovery by undertaking growth-enhancing reforms and steering their economies onto a green, resilient, and inclusive development path. Among the

potential solutions would be efforts to evolve global financial conditions while lowering trade costs. The hope is that trade can once again become a robust engine of growth for the global economy.

On the domestic front, Bank Negara Malaysia ("BNM"), in March 2021, had initially projected a growth rate of between 6% and 7.5% in 2020 for Malaysia. However, as the year progresses, it is expected that Malaysia will lower this initial optimistic projection to between 4% and 4.5% for 2021. This is mainly stemming from the dramatic resurgence of positive COVID-19 cases that began in mid-April 2021 and the Government's implementation of another full lockdown. The sudden hike in infections has raised concerns about the overall capacity of the nation's health system and the effects of the continuing cycle of opening and closing the economy on households and firms. The slower growth also signals a slower pathway toward subduing the pandemic and a slower-than-expected vaccine rollout.

The risk for further economic damage is high in light of the fact that parts of Malaysia remain in Enhanced MCO mode at the time of writing. In fact, the ongoing movement restrictions are expected to cost the economy an estimated RM1 billion a day as well as impact private consumption due to slower wage growth and more cautionary consumer spending. Together with ongoing political uncertainty, these elements are causing much anxiety among the people and lending to an uncertain market environment. It is against this challenging backdrop that essential service providers like Censof continue to make the most of the opportunities that come our way, although in a pragmatic and cautious manner.

In view of the uncertainties posed, it is difficult to ascertain how things will play out as we move forward. The outlook for the domestic ICT industry too remains ambiguous at this point in time. While renewed government backing of all-things-digital and accelerated digital adoption have done much to stimulate the market for ICT players like Censof, there is also a concern as to how the extended lockdowns and political uncertainty will affect our customers and the overall economy.

Although the future remains uncertain, the Group will continue to push through with our best efforts to satisfy consumers needs as well as add value and strength to Malaysia's digital economy. Moving forward, we will continue to focus our efforts on the many different developments that are underway throughout the Group.

Following the divestment of subsidiary Knowledgecom Corporation Sdn. Bhd. in May 2020, we have taken the opportunity to streamline our businesses and are finetuning our strategies to strengthen our resources and profitability as well as remain relevant to our stakeholders for the long term.

On the public sector front, we will continue to explore opportunities to expand our client base as demand for digitalisation and cloud-based technology increases. With Censof being one of the only companies that is Chief Government Security Office or CGSO-certified (meaning we have attained high-level security clearance) we hold an industry advantage and intend to capitalise on this.

The Group's revenue increased by some 12% to 13% during the pandemic as we worked alongside governments to support SMEs across Malaysia and Singapore through our provision of ERP solutions.



Management Discussion and Analysis (Cont'd)

Moving forward, subsidiary Netsense will continue to work alongside governments to ensure the growth of SMEs while maintaining its position as a mid-tier ERP expert.

Meanwhile, ABSS will continue to evolve its offerings for SMEs and micro-SMES particularly in markets such as Malaysia, Singapore, Hong Kong and Indonesia. 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 as well as help us refine and enhance our suite of offerings.

We believe that the micro-SME segment will be one of the biggest markets for us in the coming years and will ramp up our efforts to capture a bigger slice of this market. As more small and micro-SMEs enter the market, we are augmenting the capabilities and extending the reach of our cloud-based Financio solution which continues to net a good share of the market locally and abroad. In the pipeline is Financio v3.0.0 which we believe will spur SMEs to migrate to the cloud. Currently we have more than 5,000 premium subscribers on cloud and are hoping to double that number with the enhancements we are making. In Singapore, SMEs have had support in the form of the Productivity Solutions Grant and Start Digital grants from the Government that have helped them to upgrade their software solutions.

As one of Microsoft's partners in Malaysia, Censof is working with them to further explore how we can best serve the market together. We will be migrating our solutions onto Microsoft Azure, once Microsoft completes its implementation in Malaysia. At the same time, we are developing ways to further integrate this technology to further assist government agencies.

T-Melmax continues to strengthen its market position as well as expand the offerings of its integrated platform. We intend to effectively leverage this business in a way that will enable us to be an independent gateway provider in the future. This will enable us to maximise T-Melmax's services whilst adding value to our shareholders.

On the emerging technologies front, we look forward to our tie-ups with our existing strategic partners and will explore further synergies in terms of other emerging technologies within the Group to deliver innovative solutions that support the digitalisation of business. We will also explore opportunities to undertake M&As and strategic alliances to expand our footprint as well as complement our current efforts on the GLC and private sector fronts.

As we move forward, we will keep a tight rein on measures that will allow us to further reduce operational costs, improve staff proficiency and capacity, as well as improve product augmentation. We intend to reduce our project delivery cycles and our support issues to improve profitability and product quality in our businesses. We believe that by leveraging automation in a heightened manner, this will reduce room for human error in production and enable us to achieve our targets while delivering higher quality products and services.

One of our highest priorities is to ensure there is continuous growth within our team in order to sustain and enhance all that Censof is today. Our team matters to us and we continue to make investments in staff training on various levels alongside leadership development training for our Senior Management team.

As the Censof Group presses in and presses on to secure more opportunities, we believe that our solid client portfolio, strong track record and proven wealth of expertise in delivering projects on time and within budget, will continue to stand us in good stead. As we set our sights on elevating the customer experience and journey, as well as

helping our clients achieve their objectives in a tangible manner, we are quietly confident about the Group's prospects going forward.

In Appreciation

In bringing this statement to a close, I would like to express my heartfelt gratitude to our investors, clients, business partners, bankers, government agencies, and regulatory bodies for their steadfast support as well as unwavering trust in Censof. I am also grateful to the Ministry of Finance for believing in and supporting the local technology industry amidst a year of uncertainty.

I would also like to sincerely thank every loyal and hardworking employee throughout the Censof Group for their admirable efforts and resilient dedication to helping us deliver a turnaround performance. My utmost gratitude also to my colleagues on the Management team and Board for their strong leadership and astute insights which helped us steer through stormy seas to reach safe shore.

Moving forward, Censof remain cautiously optimistic that as the world embraces digitalisation and our solutions in a greater manner, we will continue to register steadfast growth. On our part, we remain committed to providing innovative solutions and quality services that will create value for our stakeholders as well as strengthen the markets that we operate in. As we move forward into a new era, Censof will do its best to remain flexible and relevant to the market. I call upon our stakeholders to lend us their unstinting support as we set our sights on facing all challenges and capitalising on any opportunities that FYE 2022 may bring.

My sincere thanks to all. Stay safe everyone.

Ameer Bin Shaik Mydin
Group Managing Director

29 July 2021

5-Year Financial Highlights

FINANCIAL YEAR ENDED 31 MARCH	2021	2020	2019	2018	2017 (Restated)
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PROFIT AND LOSS (RM'MILLION)

Revenue	87.36	77.86	63.26	94.27	148.39
Profit/(Loss) Before Taxation	29.59	(70.85)	(0.78)	(6.83)	76.42
Profit/(Loss) After Taxation	28.46	(71.65)	(0.91)	(7.99)	71.17

FINANCIAL POSITION (RM'MILLION)

Share Capital	115.08	100.58	100.58	50.20	50.17
Share Premium	-	-	-	50.38	50.38
Reserves	(27.55)	(42.84)	29.40	28.01	41.49
Shareholders' Fund	87.53	57.74	129.98	128.59	142.04
Non-Controlling Interests	2.40	6.34	3.91	7.25	10.97
Current Liabilities	21.08	34.82	38.31	37.77	52.22
Non-Current Liabilities	1.07	12.49	17.27	30.04	30.81
Property, Plant and Equipment	0.60	1.87	2.16	1.62	2.42
Other Investments	3.39	3.30	0.10	0.10	0.10
Current Assets	68.26	61.61	43.17	59.80	84.62

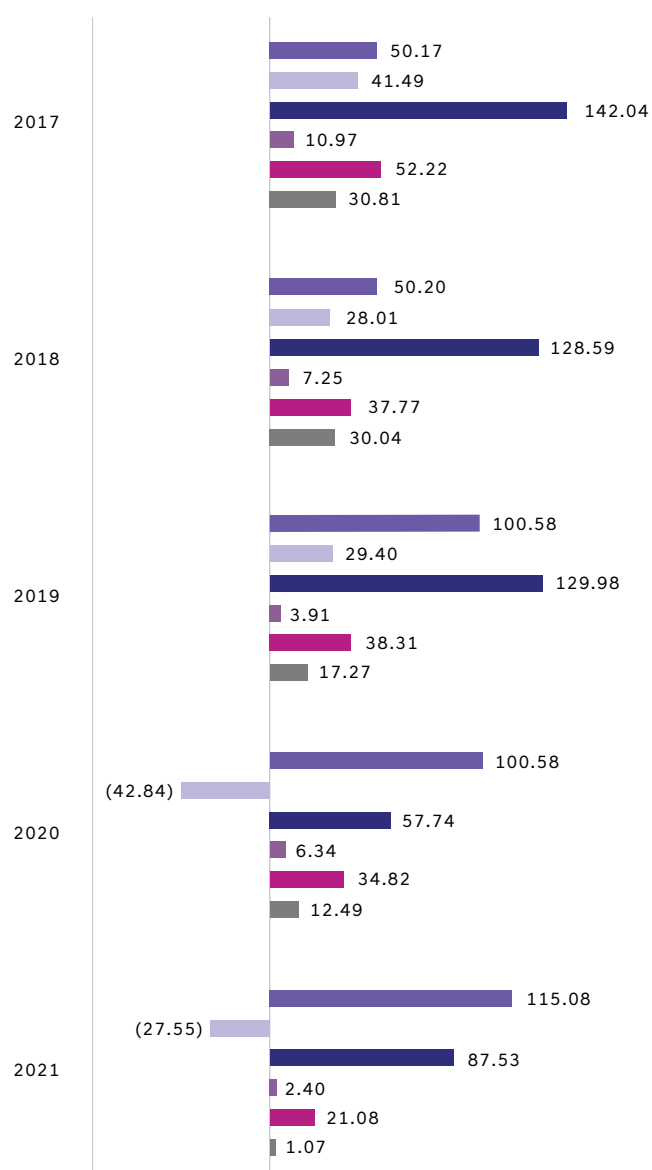
RATIO

Net Assets Per Share (Sen)	16.28	12.77	26.68	27.07	30.50
Net Earnings/(Loss) Per Share (Sen)	5.28	(14.43)	0.14	(1.82)	1.97
Dividend Amount Per Share (Sen)	0.75	-	-	-	-



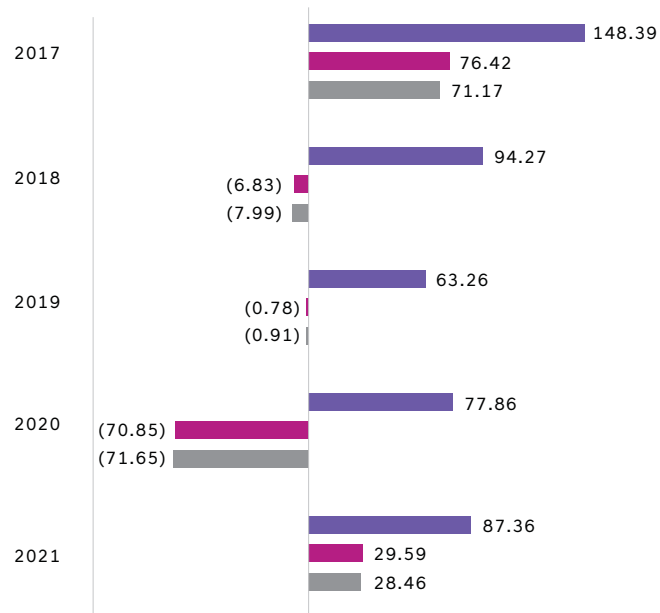
5-Year Financial Highlights (Cont'd)

Financial Position (RM'Million)



- Share capital
- Reserves
- Shareholders's fund
- Non-controlling interests
- Non-current liabilities
- Current liabilities

Profit And Loss Performance (RM'Million)



- Revenue
- Profit/(Loss) Before Taxation
- Profit/(Loss) After Taxation

Gearing Ratio (Times)



Analysis of Shareholdings

As at 9 July 2021

Issued Share Capital : 552,281,576
 Class of Shares : Ordinary Shares
 Voting Rights : One Vote Per Ordinary Share
 No. of Shareholders : 8,508

DISTRIBUTION OF SHAREHOLDINGS AS AT 9 JULY 2021

Category	No. of Shareholders	No. of Shares	% of Shareholding
Less than 100	40	732	0.00
100 - 1,000	731	424,580	0.08
1,001 - 10,000	4,443	27,749,055	5.02
10,001 - 100,000	2,961	99,107,991	17.95
100,001 to less than 5% of issued shares	330	174,138,614	31.53
5% and above of issued shares	3	250,860,604	45.42
Total	8,508	552,281,576	100.00

LIST OF SUBSTANTIAL SHAREHOLDERS AS AT 9 JULY 2021

No. Names	Direct		Indirect	
	No. of Shares	%	No. of Shares	%
1 SAAS Global Sdn Bhd	175,937,954	31.86	-	-
2 Ameer Bin Shaik Mydin	1,420,500	0.26	175,937,954	31.86 ^(a)
3 Tamil Selvan A/L M. Durairaj	-	-	175,937,954	31.86 ^(a)
4 Ang Hsin Hsien	2,191,000	0.40	175,937,954	31.86 ^(a)
5 Tan Chean Suan	77,844,750	14.10	-	-
6 Tan Sri Dato' Mohd Ibrahim Bin Mohd Zain	31,000,000	5.61	-	-

DIRECTORS' INTERESTS IN SHARES AS AT 9 JULY 2021

No. Names	Direct		Indirect	
	No. of Shares	%	No. of Shares	%
1 Tan Sri Dato' Mohd Ibrahim Bin Mohd Zain	31,000,000	5.61	-	-
2 Ameer Bin Shaik Mydin	1,420,500	0.26	175,937,954	31.86 ^(a)
3 Tamil Selvan A/L M. Durairaj	-	-	175,937,954	31.86 ^(a)
4 Ang Hsin Hsien	2,191,000	0.40	175,937,954	31.86 ^(a)
5 Tuan Haji Ab. Gani Bin Haron	-	-	-	-
6 Boey Tak Kong	1,930,000	0.35	-	-
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 their substantial interests in SAAS Global Sdn Bhd.



Analysis of Shareholdings

As at 9 July 2021 (Cont'd)

30 LARGEST SHAREHOLDERS AS AT 9 JULY 2021

NO. SHAREHOLDERS	NO. OF SHARES	%
1 KENANGAN NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR SAAS GLOBAL SDN BHD	130,937,954	23.71
2 AFFIN HWANG NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TAN CHEAN SUAN	74,922,650	13.57
3 MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR SAAS GLOBAL SDN BHD (51401202116A)	45,000,000	8.15
4 MAYBANK SECURITIES NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR MOHD IBRAHIM BIN MOHD ZAIN	26,200,000	4.74
5 CITIGROUP NOMINEES (ASING) SDN BHD UBS AG	9,709,700	1.76
6 MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR ERWIN SELVARAJAH A/L PETER SELVARAJAH	9,300,000	1.68
7 CIMSEC NOMINEES (TEMPATAN) SDN BHD CIMB FOR SU DO KEEN KANG (PB)	3,600,000	0.65
8 COS-CIMB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR MOHD IBRAHIM BIN MOHD ZAIN (MM0804)	3,200,000	0.58
9 EXPEDIENT EQUITY VENTURES SDN BHD	3,039,512	0.55
10 YAP SWEE SANG	3,001,900	0.54
11 WONG AH YONG	2,900,000	0.53
12 MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TAN CHEAN SUAN	2,600,000	0.47
13 CITIGROUP NOMINEES (ASING) SDN BHD EXEMPT AN FOR OCBC PRIVATE LIMITED (CLIENT A/C-NR)	2,326,000	0.42
14 ANG HSIN HSIEN	2,191,000	0.40
15 LEE CHIA LOON	2,150,000	0.39
16 YAP SWEE SANG	2,100,000	0.38
17 NG JEH YEONG	2,000,000	0.36
18 BOEY TAK KONG	1,930,000	0.35
19 ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHIA AI SENG (7007375)	1,855,000	0.34
20 MAYBANK NOMINEES (TEMPATAN) SDN BHD ETIQA LIFE INSURANCE BERHAD (LIFE PAR)	1,836,000	0.33
21 LO BEE NING	1,788,000	0.32
22 DB (MALAYSIA) NOMINEES (ASING) SDN BHD THE BANK OF NEW YORK MELLON FOR ENSIGN PEAK ADVISORS INC.	1,639,000	0.30
23 MOHD IBRAHIM BIN MOHD ZAIN	1,600,000	0.29
24 AMSEC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR AMEER BIN SHAIK MYDIN	1,420,500	0.26
25 KUAK JUAN CHEE	1,354,100	0.25
26 RHB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR KUAK JUAN CHEE	1,328,100	0.24
27 PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR SARAVANAN A/L RAMAN (E-SRB)	1,224,000	0.22
28 PKNK ENTREPRENEUR DEVELOPMENT SDN BHD	1,213,114	0.22
29 HLB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR HIEW CHEE WAN	1,200,000	0.22
30 MINHAT BIN MION	1,100,000	0.20
TOTAL	344,666,530	62.42

Sustainability Statement

UPHOLDING THE AGENDA OF SUSTAINABILITY

Amidst the disruption caused by the COVID-19 pandemic and ensuing lockdowns, public and private sector organisations are embracing digitalisation in an accelerated manner in order to keep their people safe and to ensure they remain relevant to their stakeholders. With Work-from-Home arrangements increasingly becoming the standard work mode in the new norm, digital solutions are being put to good use to enable workers to be more productive and focus more of their expertise on high-value contributions. At the same time, digitalisation is being tapped to reduce negative environmental impact while addressing larger societal challenges including poverty and climate change.

Here at Censoff Holdings Berhad ("Censoff" or "the Group"), we continue to leverage on our scale and skills, agility and cost efficiency, strong client relationships as well as technology-driven innovation, to apply the power of digital transformation to help reshape society for the better. The Group continues to uphold the agenda of sustainability as a core priority and practical means by which to demonstrate strong and meaningful corporate citizenship. Censoff is resolutely exploring 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, while upholding an inclusive workplace culture.

Acknowledging the importance of pursuing an agenda that upholds good Economic, Environmental and Social ("EES") practices, Censoff's Board is committed to investing in a long-term strategic plan that promotes the sustainable growth of the Group's businesses and which will create long-term shared value for our stakeholders while securing our future.

OUR APPROACH TO SUSTAINABILITY / SCOPE OF OUR REPORTING FRAMEWORK

This Sustainability Statement ("Statement") provides an overview of the sustainability performance of Censoff and its subsidiaries for the financial year ended 31 March 2021 ("FYE 2021"). 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 at the Censoff Group's Headquarters.

The Group's aim is to integrate 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 wellbeing of communities.

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

Responsible Business



We aim 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.

Client Experience



We enable enterprises across 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.

Environment



We implement 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.

Employees



We celebrate people 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.

Community



We collaborate 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 (Cont'd)

SUSTAINABILITY GOVERNANCE STRUCTURE

If the agenda of sustainability is to be embedded and managed effectively within an organisation, elements such as a committed leadership, a clear direction, and a strong strategic influence must be brought into play. However, none of these will truly be effective without a robust governance structure. Effective sustainability governance helps a company implement its sustainability strategy across its operations, strengthen its goal-setting and reporting processes, enhance 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 undertaken by various teams at different levels within our organisation. This is reflected in the following table:

Board of Directors
<ul style="list-style-type: none"> Oversees sustainability performance. Ensures the business strategy considers and embodies sustainability elements. Approves sustainability strategy and budget.
Management Team
<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 the robustness of the system of sustainability management. Approves sustainability targets and disclosures. Responsible for the implementation of sustainable business policies and practices. Monitors and acts on related risks and reports on evolving development and progress.
Sustainability Team
<ul style="list-style-type: none"> Sets sustainability strategy, goals, KPI goals and targets. 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 the performance of processes and controls. Reports on management targets and monthly sustainability reporting. Monitors, aligns and facilitates adherence to sustainability policies and practices. <p>In February 2021, the new Head of Corporate Communications was appointed as a member of the Sustainability Team to ensure that the Group's overall communications strategy is aligned with its sustainability agenda.</p>
Operations Team
<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 the plans and timelines for disclosure.

MATERIALITY ASSESSMENT

In developing this Sustainability Statement, we undertook a materiality assessment exercise involving internal stakeholders which led to the establishment of sustainability action plans. We evaluated our EES and governance issues through a formal materiality process to identify our most important sustainability issues. This helped us to evaluate the state of our business, establish our aspirations, 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 as follows:



01

IDENTIFICATION

Trimmed down topics to identify real issues impacting the Group.



02

PRIORITISATION

Arranged material topics according to their importance to the Group and its stakeholders.



03

EVALUATION

Managers assessed the prioritised matters and submitted them to the top management.



04

VALIDATION

The top management reviewed the submission before giving the final approval for the assessed materiality issues.

Sustainability Statement (Cont'd)

SUSTAINABILITY ASPIRATIONS AND FOCUS

By leveraging face-to-face interviews and other assessments, we identified material issues and prioritised reporting in areas of significance to the Group and our stakeholders. Using EES principles and guidelines as our sustainability focus, we remain 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.

<div>Area</div> <div>Products and Services</div> <div>Aspirations / Focus</div> <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. 	<div>Area</div> <div>Environmental</div> <div>Aspirations / Focus</div> <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. 	<div>Area</div> <div>Social Capital</div> <div>Aspirations / Focus</div> <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.
<div>Area</div> <div>Human Capital</div> <div>Aspirations / Focus</div> <ul style="list-style-type: none"> Increase training opportunities. Elevate the customer experience. Strengthen employee engagement. Bolster digital skills development. Uphold inclusion and diversity. 	<div>Area</div> <div>Leadership and Governance</div> <div>Aspirations / Focus</div> <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. 	<p>In FYE 2021, we reviewed our materiality assessment process and decided that since there was no major change to the business operating environment (apart from the pandemic), 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.</p>








Sustainability Statement (Cont'd)

STAKEHOLDER ENGAGEMENT CHANNELS AND PRIORITIES

As the Censof Group's businesses and markets evolve, we find ourselves interacting with a growing number of diverse stakeholder groups. Today, proactive stakeholder engagement is a fundamental component of our sustainability strategy and we are committed to undertaking continuous activities in this area. Through proactive engagement with our many stakeholders, we are able to respond to their different expectations, meet their changing needs and strengthen our ties with them.

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

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

Sustainability Statement (Cont'd)

SUSTAINABILITY ACTION PLANS

To ensure our business remains on a sustainable growth pathway, we have streamlined our operating activities to remain relevant to the diverse sectors that we compete in. The following tables provide an overview of Censof's sustainability endeavours on the EES fronts as well as the related goals or commitments, action plans, measurements and the status of our efforts moving forward.

Economic			
Sustainability Focus	Activity focus		
ECONOMIC	Maintain a viable and supportive supply chain.		
	Adhere to best corporate governance practices and policies.		
	Adopt effective project implementation and delivery standards.		
	Enhance technical skills and talent management capabilities.		
	Comply with stringent cost management practices to protect performance margins.		
Goals & Commitments	Action Plans	Measurement/ Indicators	Status
<u>Team culture and shared values</u> Promote ownership and team culture to achieve high-performance outcomes.	Realign corporate vision and awareness training to strengthen shared values and staff commitment.	Create a page on the Company website to explain our vision and mission.	Implemented.
<u>New product development</u> Continuously keep abreast of technology trends and roll out solutions that are suitable and relevant to changing market needs and which keep us ahead of the competition.	Develop innovative business solutions to meet customers' requirements. Focus on cloud-based products and move into the digitalisation era using Robotic Process Automation, Internet of Things, Artificial Intelligence, and Machine Learning.	Establish an R&D department to create new products and introduce new technologies to customers.	Implemented. Meanwhile, the Product Development Department at Century Software continues to hire new talent to develop new products and register patents.
<u>Client centric services</u> Focus on high delivery standards to achieve excellent customer service and satisfaction levels.	Online client feedback and customer satisfaction survey.	Create an online platform to collect feedback from customers about product performance.	Quarterly surveys/ reports on customer satisfaction continue to be carried out while ways to improve and address customer feedback thoroughly have been implemented. Century Software has also created the Request for Support online platform for customers to lodge their complaints and feedback, as well as established a policy to resolve problems within a specific period of time.
<u>Value for shareholders</u> Develop policy to declare an annual dividend rate of 20% of profit after tax.	Strengthen capital management strategies to manage working capital position for future dividend pay-out.	Improve cash flow and meet the budget.	These activities are ongoing.



Sustainability Statement (Cont'd)

Upholding Customer Satisfaction and ISO Standards

Censoft conducts a Customer Satisfaction Survey ("CSS") on an annual basis. The objective of the CSS is to generate valid and consistent customer feedback, which can then be used to initiate strategies that will retain customers and protect one of our most valuable corporate assets, namely loyal customers. We conduct the CSS among all of our customers who have the opportunity to rate our products, solutions and services. Based on this feedback, we work to increase customer utility, advocacy and profitability. To help us strengthen the quality of our products and services, we continue to ensure we meet world class standards. For instance, as of October 2020, Century Software's Information Security Management System was certified as meeting the ISO 27001: 2013 standard.

Advancing Malaysia's Digital Transformation

Through our products and services, we are contributing to the economies we operate in by offering support to government agencies, corporations, SMEs and micro-SMEs as they begin to embrace digitalisation in greater measure. In Malaysia, we are impacting the nation through our partnership with Microsoft under its "Bersama Malaysia" initiative to advance the digital transformation of key segments within Malaysia's private and public sectors. This collaboration sees Censoft's proven Government Resource Planning ("GRP") 9.0 solution combined with Microsoft Azure and other data technologies to meet the evolving needs of both the private and public sector as per the Malaysia Digital Economy Blueprint or MyDIGITAL initiative. This combination of solutions is doing much to strengthen the Malaysian Government's ability to maximise its resources. It will also widely influence how other industries operate their businesses in the future.

Environmental

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

Sustainability Focus

ENVIRONMENTAL

Activity focus

Expand scope of energy saving opportunities.

Improve recycle and reuse initiatives.

Goals & Commitments

Action Plans

Measurement/ Indicators

Status

Align customers' sustainability needs to our procurement processes
Address our environmental footprint with the use of materials that meet environmental and social sustainability standards or which are endorsed.

Strengthen supplier awareness on environmental and social sustainability choices.

To include KPIs related to conducting background checks on new suppliers, and periodic supplier evaluation checks to ensure they have a good CSR track record. The KPIs should be part of their standard operating procedures ("SOPs").
To send reading materials on social and environmental news to all suppliers.

To date, we have reduced paper usage by minimising printing, using both sides of an A4 sheet and recycling used paper. We are also reducing wastage during tender submissions and are collecting used paper for recycling.

These activities are ongoing.

Sustainability Statement (Cont'd)

Goals & Commitments	Action Plans	Measurement/ Indicators	Status
<u>Energy and water consumption management</u> Encourage staff to save on energy and water consumption as a cost-saving initiative.	Proactive action by staff to contribute towards lowering the consumption of energy and water.	Establish a reward system to encourage staff to contribute their ideas. Promote awareness of the importance of being environmentally conscious via office signage and the staff portal Centranet.	We continue to display signage in the office area to remind staff to reduce their consumption of energy and water. Given that staff capacity in the office is to be minimised during the Movement Control Order ("MCO"), we are able to have better control over the amount of energy and water consumed every day. These activities are ongoing while our workforce capacity changes from time to time under different phases of the MCO.
<u>Encourage online payments and reduce usage of paper</u> Adopt online activities (that help mitigate human interaction in the midst of the pandemic) and go for a paperless green environment/ transaction workflow.	Reduce payments by cheque by undertaking online transactions and recycle office stationery whenever possible.	Promote online signing of contracts. Promote document storage on the cloud.	All subsidiaries are to reduce payments by cheque and opt for online banking instead. For the Group's other companies, the Finance team is in the midst of setting up online banking facilities. Today, costing sheets are approved via e-signature, while most of Finance's document are stored in a cloud server. On top of this, Board papers are uploaded in Convene to reduce paper usage.

Social

To ensure the Group's long-term sustainability, the effective development of our employees is essential. We desire our employees to be healthy and happy at work in order to efficiently support our customers' needs. As a good corporate citizen, the Group also annually contributes towards the communities with whom our employees are involved with.

Sustainability Focus

SOCIAL

Activity focus

Increase staff training opportunities.

 Strengthen community engagement efforts.

 Empower customer experience.

 Grow shareholder engagement initiatives.

Goals & Commitments	Action Plans	Measurement/ Indicators	Status
<u>Health and safety awareness</u> Educate staff that 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 (within SOP parameters) and launch campaigns/ talks on health and safety awareness.	Promote awareness on the importance of a healthy lifestyle through office signage and the staff portal Centranet. Encourage health screening programme i.e., once every two years for those aged below 50 and yearly health screening for those aged 50 and above.	While many physical contact activities have had to be stopped under MCO SOPs, we continue to focus on engagement activities that ensure the mental health and wellbeing of our people such as the Session on Stress Management and a Virtual Health Challenge. Specific permitted activities are ongoing.



Sustainability Statement (Cont'd)

Goals & Commitments	Action Plans	Measurement/ Indicators	Status
<u>Employee engagement</u> Maintain open and transparent communication channels with all staff.	Staff stay committed and motivated with direct communication opportunities with Senior Management to keep them inspired and readily provide feedback. (i.e., via annual team building event)	Virtual townhall meetings at the Group-level every quarter. The companies within the Group have different communication channels to interact with their staff (e.g., virtual townhall meetings, team building exercises and monthly e-newsletters). Subsidiaries have also undertaken online events such as the 'ABBS Got Talent', and 'CSM Virtual Health Challenge' events.	These activities are ongoing.
<u>Equal employment opportunities</u> Maintain workforce diversity.	Workplace diversity to support our growing customer base.	Arrange training to improve staff productivity and efficiency. Set quantitative and qualitative training KPIs for staff.	Strengthened the hiring of diverse talent through candidate sourcing and screening. These activities are ongoing.
<u>Community services</u> Encourage staff participation in welfare activities.	Educate staff on contributing towards the needs of society.	Promote communal works (e.g., gotong-royong activities, visits to old folks' homes and orphanages, tree planting activities, etc.). Set the KPIs for staff volunteerism in the staff performance evaluations.	Century Software's MyJiran app is being put to good use to strengthen communications within communities. These activities are ongoing.

Strengthening Residential Neighbourhoods via the MyJiran App

As part of our efforts to empower resident associations during the pandemic (especially since physical contact is restricted), we are getting them embrace digital transformation by offering them the MyJiran mobile application. We are making this internally developed cloud-based resident association management portal available to resident associations for free as part of our corporate social responsibility endeavours. While many communities have already adopted other forms of applications for group communications, the comprehensive MyJiran solution will help streamline the communications of resident associations while building a community that is more engaged.

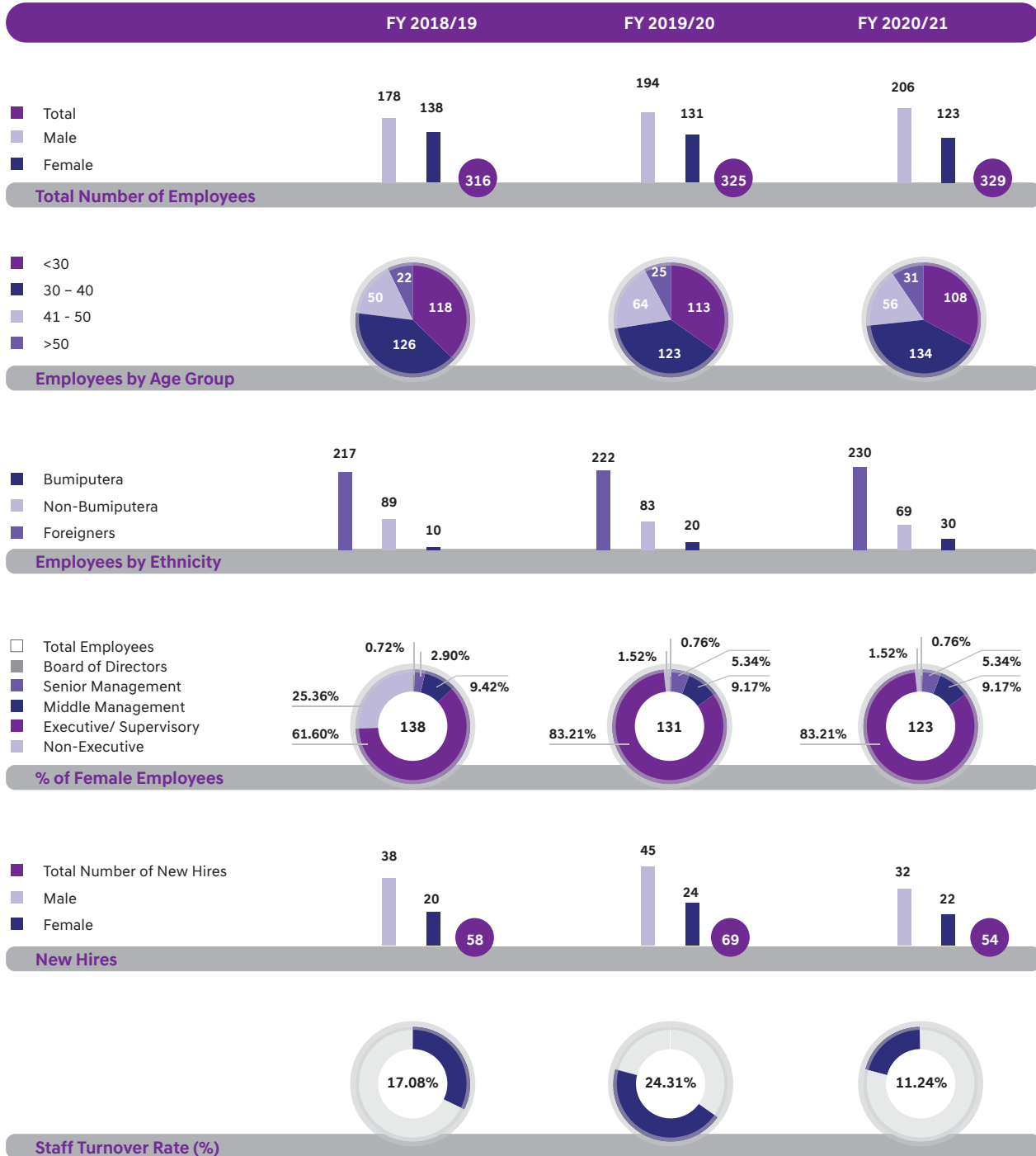
Continuing to Ensure a COVID-19 Free Workplace

The safety and health of Censof's employees, customers and the communities that we operate in remain a top priority for us. To this end, we continue to bring our Business Continuity Plan into play as well as implement elevated health and safety SOPs to mitigate the threat of the pandemic. Since the onset of Malaysia's initial MCO and over the course of its various phases, all our employees have been required to adopt stringent SOPs. Today, our people continue to undergo mandatory temperature checks, use face masks and hand sanitizers, as well as practice strict social distancing and hold virtual meetings. Most of our workforce is in Work-from-Home mode while the minimum capacity is allowed to work at the office (on a shift basis). Employees across the Group are encouraged to be vaccinated under their respective national immunisation programmes and to advise us when they have done so. Plans are underway for the staff of Century Software to be registered for their vaccination shots via Selangkah, the contact tracing mobile app for the state of Selangor, and we are awaiting further feedback on this.

We also continue to look after 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 as a Group, we ensure that the health and safety of our people come first.

Sustainability Statement (Cont'd)

Workplace Diversity for Our Malaysian Operations

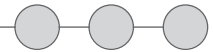




Sustainability Statement (Cont'd)

A Continued Focus on Developing Our Talent Pool

Here at Censof, we are deeply committed to strengthening the skills set and competencies of our people. As we are an IT-centric organisation, we focus our people development efforts in the areas of technical and functional competencies. We also focus our efforts on developing personal competencies through our 5 Cs approach that advocates these values: Committed, Credible, Caring, Creative and Collaborate. On average, each employee undergoes three working days or 24 hours of training each year. To ensure we have a high calibre pool of talent for the long-term, our succession planning revolves around an employee's performance and potential. Assessments are done via a Performance Enhancement Programme which assesses one's strengths in the areas of team collaboration and personal competencies. We are working to implement a full talent and succession management framework by the fourth quarter of 2022.



MOVING FORWARD / BUILDING A SUSTAINABLE FUTURE

As we go about our daily tasks of managing and operating our business, we are leveraging the agenda of sustainability to best serve our customers, care for the environment, secure profits, and drive long-term prosperity. We view sustainability as integral to our business as it ensures the safety, efficiency and management of our business in a manner that protects our employees, partners, communities, shareholders and the environment, today and for the future.

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.

Moving forward, we will set our sights on undertaking CSR activities in areas that will see us giving back to selected communities. For instance, on the education front, we will be exploring opportunities to sponsor high-school students from the B40 income group so that they can further their studies in public universities in the areas of Accounting,

Technology or Business. We also intend to explore activities related to the area of environmental preservation with NGOs. Our aspiration is to adopt a pragmatic approach in everyday efforts that will lend to Censof's overall sustainability focus when it comes to areas such as environmental preservation and recycling.

Censof aspires to be a leader in corporate sustainability and we remain committed to continuing the journey we have begun in our capacity as a business partner, employer, community member, environmental steward and value creator. By thinking and acting in a sustainable manner, we intend to deliver excellent financial management products, customer service and strong financial results as well as position the Company for a bright, sustainable future.

Highlights of the Year

NEW PROJECTS

PT PRAISINDO

APRIL 2020 – MARCH 2021

Overview :

PT Praisindo has secured multiple new contracts with the following banks and agencies for the financial year 2020-2021. The contract wins demonstrate PT Praisindo's continued pursuit to deepen its presence in existing core markets, break into new markets and expansion of business opportunities.

DPLK PT. AXA Mandiri - AFMS DPLK System Core Project, PT. Eastspring Investments Indonesia - Fact Sheet (FFS) Fund Project, PT Bank Victoria International - Wealth Management System (WMS) Project, PT. Bank Commonwealth - E-Bonds Secondary Market Project, Amanah Saham Nasional Berhad (ASNB) - WPAS ASNB Malaysia Fund Project, PT Bank Syariah Indonesia - Reksadana Online Project, and PT. Bank CIMB Niaga - Enhancement WMS untuk Operation (WMO) Project (in 2020), Automate Process Mapping CIF ke SIBS dan SICS based Online Project (in 2021), Preferred Upgrade SFT (CP Journey Phase 3) Project (2021), Integrasi User with IDM Project (2021)

CENTURY SOFTWARE (M) SDN BHD GETS RM4MIL IRB CONTRACT

CENTURY SOFTWARE

28 MAY 2020

Overview :

Century Software (M) Sdn Bhd, had accepted a letter of award from the IRB (Inland Revenue Board) to implement an accounting software system. The contract awarded is for a period of three years, commencing from March 1, 2020 to Feb 28, 2023.



CENSOFF HOLDINGS BERHAD FAST-TRACKS INTO EPAYMENTS AND FINTECH SOLUTIONS

CENSOFF

29 SEPTEMBER 2020

Overview :

Censoff Holdings Berhad announced today its joint venture with Green Packet Berhad into integrated payments and fintech solutions through T-Melmax Sdn Bhd. The acquisition also marked the establishment of a joint vision of transforming T-Melmax into a digitally driven, real time multi-layer reporting preferred payment gateway service provider.



Highlights of the Year (Cont'd)



FINANCIO CONNECT MOBILE APP RELEASED GLOBALLY

ABSS	OCT 2020
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Overview :

Dubbed as a next-generation mobile app, Financio CONNECT facilitates and provides convenient business accounting transactions where subscribers will be able to instantly access their data, anytime, anywhere by merely using a smartphone. The Financio CONNECT mobile app is currently available for download from Google Play Store, Huawei App Gallery and Apple App store.

MONEYSAVE CROWDFUNDS 100 INVESTMENTS WITH AVERAGE ANNUAL RETURNS OF 13.96PCT

CENSOF	7 DECEMBER 2020
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Overview :

MoneySave a cornerstone investor for Censof Holdings Berhad has crowdfunded its 100th investment note on November 27 with a total of RM7.68 million invested since its launch seven months ago. Moneysave is a peer-to-peer crowdfunding platform registered with the Securities Commission.

CENTURY SOFTWARE BAGS RM10.12 MILLION CONTRACT FROM MINISTRY OF FINANCE

CENTURY SOFTWARE	6 JANUARY 2021
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Overview :

Century Software accepted the Letter of Award from the Ministry of Finance ("MOF") to provide maintenance and support services for the Malaysian government's budget management information system, MyResults.

MyResults is an Outcome-Based Budgeting platform, of which 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 which will benefits the country and Malaysians.

CENSOF ACQUIRES ADDITIONAL 30.87% INTEREST IN ABSS FOR RM14.1 MILLION

CENSOF	27 JANUARY 2021
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Overview :

The RM14.1 million purchase consideration was arrived at a "willing-buyer, willing-seller" basis after taking into consideration, amongst others, the historical financial performance of Asian Business Software Solutions Pte Ltd ("ABSS"), the value of the proprietary software portfolio and the prospects of ABSS moving forward.

Highlights of the Year (Cont'd)

ABSS FORMS STRATEGIC PARTNERSHIP WITH STORECOVE

ABSS	3 FEB 2021
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Overview :

With this partnership, ABSS and Storecove will provide an electronic invoicing solution to small and medium enterprises ("SMEs") in Singapore, ensuring a faster and more sustainable way to transact, nationwide and worldwide, through the adoption of the Singapore Government's nationwide e-invoicing initiative, namely InvoiceNow.

CENTURY SOFTWARE WINS APICTA AWARD IN PUBLIC SECTOR AND GOVERNMENT - DIGITAL GOVERNMENT CATEGORY FOR MYRESULTS

CENTURY SOFTWARE	19 FEBRUARY 2021
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Overview :

Century Software's Out Based Budgeting Project for Ministry of Finance MyResults chosen as the winner of MSC Malaysia APICTA 2020 Virtual Awards under the Public Sector & Government category for Digital Government.



CENSO OF PROUD TO BE PART OF THE DIGITAL INITIATIVE IN PUSHING THE DIGITAL ECONOMY FORWARD

CENSO OF	2 MARCH 2021
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Overview :

Prime Minister Tan Sri Muhyiddin Yassin's announcement of the MyDIGITAL blueprint saw the partnership between Censof Holdings Berhad and Microsoft in the Digitalization of Malaysia initiative.



Highlights of the Year (Cont'd)



MR ABDUL REHMAN – DIRECTOR OF PROJECTS GETS THE ASIA'S ONLY ACUMATICA MVP AWARD 2021

NETSENSE

3 MARCH 2021

Overview :

Netsense Business Solutions Director, Mr Abdul Rehman was named Acumatica's Most Valuable Professional (MVP) 2020. He is the only MVP named in Asia currently. The Acumatica MVP Program was created to show tangible gratitude to community members who actively participate and contribute in growing and improving Acumatica's cloud ERP solution and cloud xRP platform by engaging in various activities organized by Acumatica for the benefit of its community.

CENTURY SOFTWARE INKS CONTRACT WORTH RM17.86 MILLION FROM THE MINISTRY OF TRANSPORT

CENTURY SOFTWARE

10 MARCH 2021

Overview :

Century Software accepted the Letter of Award from the Ministry of Transport Malaysia ("MOT") for a contract named "Perolehan Pembangunan Sistem Pelesenan Kenderaan Perdagangan". This contract, valued at RM17.86 million, involves the development of a commercial vehicle licensing system for a tenure of 36 months, commencing from 1 April 2021 until 31 March 2024. The licensing system generally caters for the application of commercial licenses for land transportation.



CENTURY SOFTWARE WON IBM TOP ESA PARTNER OF THE YEAR AWARD 2020

CENTURY SOFTWARE

25 MARCH 2021

Overview :

Century Software received this award from IBM for Century Software (M) Sdn Bhd as the Top ESA Partner of the Year 2020. Ensuring strong partnerships have always been the key for Century Software and given how 2020 was a year full of uncertainties and surprises, receiving this award is not just a boost but also shows commitment to this partnership.

Highlights of the Year (Cont'd)



YAYASAN MEDIA AMAL ISLAMI AND PANTI ASUHAN AL-KHAIRIYAH

PT PRAISINDO

13 AUGUST 2020

Overview :

A monthly CSR programme that was aimed at reaching out to orphanage homes with the objective of providing food aid for the less fortunate.

YAYASAN AL-ABQO ZIDAYAH AND YAYASAN AMANAH

PT PRAISINDO

14 AUGUST 2020

Overview :

A monthly CSR programme that was aimed at reaching out to orphanage homes with the objective of providing food aid for the less fortunate.



GRIYA YATIM & DHUAFA, PANTI ASUHAN DARUL AITAM AL KARIMIYAH AND PANTI ASUHAN SA'ADATUD - DAARAIN

PT PRAISINDO

24 DECEMBER 2020

Overview :

A monthly CSR programme that was aimed at reaching out to orphanage homes with the objective of providing food aid for the less fortunate.





Highlights of the Year (Cont'd)



CENSO OF LAUNCHES ITS VIRTUAL COMMUNITY PLATFORM – MYJIRAN

CENSO OF

31 MARCH 2021

Overview :

MyJiran application is part of Censof's corporate social responsibility (CSR) initiatives, whereby the application will be made available to residential associations for free. Taman Yarl Residents Association in Kuala Lumpur has been identified as the platform for the first pilot project.

The application allows for two-way interactive communication that aims to promote community engagements across a neighbourhood by assisting the management and members of the resident association to stay connected and kept informed with the current activities and developments which concern the neighbourhood. MyJiran mobile app is available for download on Google Playstore and Apple Appstore.

Board of Directors



From left to right

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

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

Ameer Bin Shaik Mydin / Group Managing Director

**Board of Directors**
(Cont'd)

From left to right

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

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

Ang Hsin Hsien / Executive Director

Boey Tak Kong / Independent Non-Executive Director

Profile of Directors

TAN SRI DATO' MOHD IBRAHIM BIN MOHD ZAIN

Independent Non-Executive Chairman

Gender / Age / Nationality

Male / 78 / Malaysian

Date of Appointment

28 December 2010

Length of Service

10 years 6 months
(As at 30 June 2021)

Date of Last Re-election

29 August 2019

Membership of Board Committees

None



Academic/Professional Qualification(s)

- 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:

- 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 six (6) out of seven (7) Board Meetings held during the financial year ended 31 March 2021.



Profile of Directors (Cont'd)

AMEER BIN SHAIK MYDIN

Group Managing Director

Gender / Age / Nationality

Male / 58 / Malaysian

Date of Appointment

28 December 2010

Length of Service

10 years 6 months
(As at 30 June 2021)

Date of Last Re-election

5 September 2018

Membership of Board Committees

- Risk Management Committee



Academic/Professional Qualification(s)

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

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

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

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 seven (7) Board Meetings held during the financial year ended 31 March 2021.

Working Experience

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

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

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

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

Profile of Directors (Cont'd)

TAMIL SELVAN A/L M. DURAIRAJ

Deputy Group
Managing Director

Gender / Age / Nationality

Male / 60 / Malaysian

Date of Appointment

28 December 2010

Length of Service

10 years 6 months
(As at 30 June 2021)

Date of Last Re-election

30 September 2020

Membership of Board Committees

- None



Academic/Professional Qualification(s)

- 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 seven (7) Board Meetings held during the financial year ended 31 March 2021.



Profile of Directors (Cont'd)

ANG HSIN HSIEN
Executive Director

Gender / Age / Nationality
Female / 54 / Malaysian

Date of Appointment
28 December 2010

Length of Service
10 years 6 months
(As at 30 June 2021)

Date of Last Re-election
30 September 2020

**Membership of
Board Committees**
• None



Academic/Professional Qualification(s)

- 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 upskilling 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 seven (7) Board Meetings held during the financial year ended 31 March 2021.

Profile of Directors (Cont'd)

BOEY TAK KONG

Independent Non-Executive
Director

Gender / Age / Nationality

Male / 67 / Malaysian

Date of Appointment

28 December 2010

Length of Service

10 years 6 months
(As at 30 June 2021)

Date of Last Re-election

5 September 2018

Membership of Board Committees

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



Academic/Professional Qualification(s)

- 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

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 seven (7) Board Meetings held during the financial year ended 31 March 2021.



Profile of Directors (Cont'd)

TUAN HAJI ABDUL GANI BIN HARON

Senior Independent
Non-Executive Director

Gender / Age / Nationality

Male / 70 / Malaysian

Date of Appointment

28 December 2010

Length of Service

10 years 6 months
(As at 30 June 2021)

Date of Last Re-election

29 August 2019

Membership of Board Committees

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



Academic/Professional Qualification(s)

- 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 five (5) out of seven (7) Board Meetings held during the financial year ended 31 March 2021.

Profile of Directors (Cont'd)

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

Independent Non-Executive
Director

Gender / Age / Nationality
Male / 66 / Malaysian

Date of Appointment
15 January 2018

Length of Service
3 Years 5 Months
(As at 30 June 2021)

Date of Last Re-election
5 September 2018

Membership of Board Committees

- Audit Committee
- Nominating & Remuneration Committee



Academic/Professional Qualification(s)

- 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 seven (7) Board Meetings held during the financial year ended 31 March 2021.



Mangement Team's Profiles



1 Dr. Zainul Ariffin Harun

**Group Strategic Director
Censof Holdings Berhad**

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

Male Malaysian 50

Date Of Appointment
16 January 2014

Length Of Service
7 years 5 months
(as at 30 June 2021)

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.

Hethen 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).

Date Of Appointment
17 November 2011

Length Of Service
9 years 7 months
(as at 30 June 2021)

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.



2 Hazairin

**Chief Executive Officer
PT Praisindo Teknologi**

Male Indonesian 52

Management Team's Profiles (Cont'd)



3 Rhys Brown

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

Male New Zealand 42

Date Of Appointment

1 June 2019

Length Of Service

2 years and 1 month
(as at 30 June 2021)

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.

Date Of Appointment

3 January 2020

Length Of Service

1 year 6 months
(as at 30 June 2021)

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.



4 Abdul Rehman

**Chief Executive Officer
Netsense Business Solutions
Pte Ltd**

Male Indian 33



Management Team's Profiles (Cont'd)



5 Ismadi Norahman

**Chief People Officer
Censof Holdings Berhad**

Male Malaysian 45

Date Of Appointment
10 September 2019

Length Of Service
1 year 9 months
(as at 30 June 2021)

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.

Date Of Appointment
16 November 2016

Length Of Service
4 years 6 months
(as at 30 June 2021)

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 a directorship position in two of the subsidiaries based in Indonesia 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 obtained his Chartered Accountant designation from Malaysia Institute of Accountant.



6 Ivan Fong Choon Hau

**Chief Finance Officer
Censof Holdings Berhad**

Male Malaysian 35

Management Team's Profiles (Cont'd)



7 | Nagendran Perumal

**Chief Technology Officer
Censof Holdings Berhad**

Male

Malaysian

56

Date Of Appointment

1 June 2018

Length Of Service

3 years 1 month (as at 30 June 2021)

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

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

The Board is pleased to set out the Corporate Governance Overview Statement (“CG Overview Statement”), which summarises the application by the Group on the Principles of the Code for the financial year ended 31 March 2021. 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.

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 27 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.

Corporate Governance Overview Statement (Cont'd)

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.

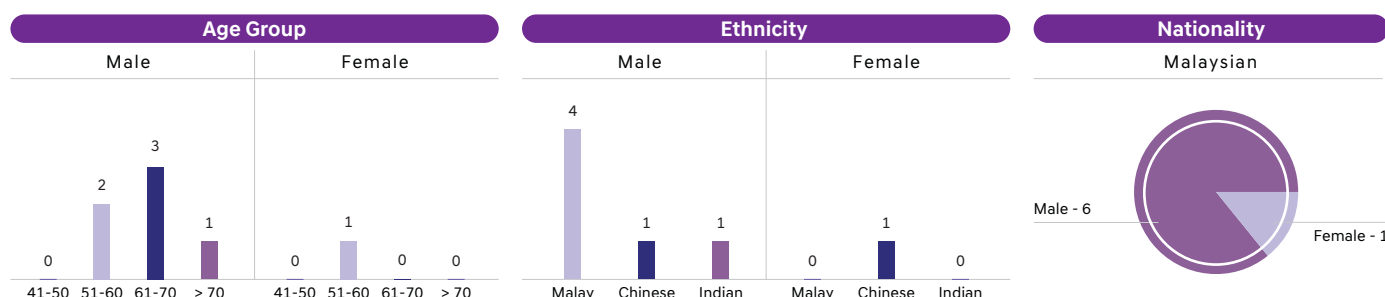
The Board believes that the Group's unique set-up which rests on its capable, experienced and professional entrepreneur brings dynamism and leadership qualities to the Group, giving it a distinct ability to carry on its business as a going concern and to continue to grow the Group.

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:-





Corporate Governance Overview Statement (Cont'd)

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

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

Tenure of Independent Director

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

Roles and Responsibilities between the Chairman and the Group Managing Director

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

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

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

Senior Independent Director

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

Corporate Office
Unit B-10-6, 6th Floor,
Dataran 2 Two,
Jalan 19/1,
46300 Petaling Jaya
Selangor Darul Ehsan
Tel: +603-79627888
Email: abganiharon@yahoo.com

Corporate Governance Overview Statement (Cont'd)

Induction and Continuous Professional Development

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

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

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

Name of Director	Date of Training	Training Attended	Organiser
Tan Sri Dato' Mohd Ibrahim Bin Mohd Zain	10 Nov 2020	BRI Post Covid – 19 New Opportunities and Challenges	Persatuan Persahabatan
Ameer Bin Shaik Mydin	26 Mar 2021	Rethinking Corporate Risk to Manage Market Uncertainty	Boey Tak Kong
Tamil Selvan A/L M. Durairaj	26 Mar 2021	Rethinking Corporate Risk to Manage Market Uncertainty	Boey Tak Kong
	5 May 2020	Digital Marketing-Implementing the Critical Fundamentals for Business	Vistage Malaysia Sdn Bhd
	5 June 2020	Marketing in the new normal	Vistage Malaysia Sdn Bhd
	15 Sep 2020	Reasons for a Will and or Trust	Vistage Malaysia Sdn Bhd
	20 Oct 2020	Clarity in Marketing Success-Marketing Strategies for 2021 and beyond	Vistage Malaysia Sdn Bhd
	17 Nov 2020	Forever Young: The Three Secrets	Vistage Malaysia Sdn Bhd
	15 Dec 2020	Global Trends, and Current & Future Opportunities in Renewable Energy in Malaysia	Vistage Malaysia Sdn Bhd
Ang Hsin Hsien	13 – 14 Oct 2020	Workshop and Brainstorming Session with Key Management	DNeX Holdings Berhad
	10 – 11 Nov 2020	SP 2021: Leadership Workshop & Brainstorming Session	DNeX Holdings Berhad
	4 May 2021	Awareness Training on Corporate Liability for Director and Senior Management Workshop and Brainstorming Session with Key Management	Axcelasia
	22 Mar 2021	Whistleblower Protection Key to Upholding Good Corporate Governance	Malaysian Institute of Accountants
	26 Mar 2021	Rethinking Corporate Risk to Manage Market Uncertainty	Boey Tak Kong



Corporate Governance Overview Statement (Cont'd)

The training programmes attended by each of the Directors of the Company for the financial year are as follows:- (Cont'd)

Name of Director	Date of Training	Training Attended	Organiser
Tuan Haji Ab. Gani Bin Haron	9 July 2020	Managing Liquidity Post-MCO: Guidelines For Business Recovery	Malaysian Institute of Management
Boey Tak Kong	14 July 2020	Merger Control in Malaysia: Implications and Lessons from Other Jurisdictions	Wong & Partners
	16 July 2020	Influencing without Authority	Malaysian Institute of Management
	18 July 2020	Managing Change in Disruptive Times	The Edge and Singapore Management University
	30 July 2020	Weathering the Storm: From Reactive to Proactive: Charting Your Course	Wong & Partners
	06 Aug 2020	Tackling Anxiety through Emotional Intelligence	ACCA Malaysia Women's Network
	13 Aug 2020	Asia Pacific Thought Leadership Virtual Forum - Rethinking Business Partnering – The New Way Forward	ACCA
	18 Aug 2020	Embracing Radical Change in the New Norm	MICG
	24 Sep 2020	Business Unusual: Prospects Beyond the Pandemic	Wong & Partners
	25 Sep 2020	KPMG Captains' Forum: Transformation towards recovery, Session 1: Financial Resilience	KPMG
	07 Oct 2020	Business Unusual: Buying Through a Court-Ordered Insolvency Process from a Buyer's Perspective	Wong & Partners
	09 Oct 2020	KPMG Captains' Forum: Transformation towards recovery, Session 2: Operational Resilience	KPMG
	13 Oct 2020	M&A Due Diligence: Managing Potential Third-Party Risks Before and after the Acquisition	Red Flag Group
	21 Oct 2020	Alternative Fund Raising – Leveraging non-listed opportunities in the Capital Market Forum	ACCA
	27 Oct 2020	Analytics & Big Data for Accountants	ACCA
	28 Oct 2020	The Future of Sales Talent – Understand the Full Picture	Korn Ferry
	12 Nov 2020	ESG perspective: Managing Recovery and Resilience	KPMG

Corporate Governance Overview Statement (Cont'd)

The training programmes attended by each of the Directors of the Company for the financial year are as follows:- (Cont'd)

Name of Director	Date of Training	Training Attended	Organiser
Boey Tak Kong (Cont'd)	16 Nov 2020	Fraud Risk Management Workshop	Bursa Malaysia Berhad
	26 Nov 2020	ESG Shariah-Compliant Screening for Equities	Securities Commission Malaysia
	27 Nov 2020	Improving Public Sector Governance Through Financial Reporting	Malaysian Institute of Accountants
	02 Dec 2020	Distressed/Opportunistic M&As	Wong & Partners
	10 Dec 2020	Managing Risks in Construction Contracts Across Asia Pacific	Wong & Partners
	12 Jan 2021	How Integrated Thinking Can Support Boards in Creating Long-term Value	Malaysian Institute of Accountants and Institute of Corporate Directors Malaysia
	21 Jan 2021	The Four Elements of Wellbeing on How to Reduce Stress and Improve Your Performance	ACCA Malaysia Women's Network
	22 Jan 2021	Third Party Risk: How to Best Design Valuable Partner Audits	Ethics Intelligence
	18 Mar 2021	Scarcity of Digital Talents – Our Collective Responsibility?	Korn Ferry
	19 Mar 2021	Bend Your Reality with Resilient Mindset	ACCA
	31 Mar 2021	The New Finance Department: How to Apply Automation in 2021 & Beyond	Esker
Tan Sri Datuk Wira Dr. Hj. Mohd Shukor Bin Hj. Mahfar	6 Oct 2020	Leadership Program “Becoming A Strategic Leader”	Razak School of Government
	7 Sep 2020	Kecemerlangan Kepimpinan Dalam Menghadapi Cabaran Masa Kini	Institut Pemikiran Dr. Mahathir, UUM
	5 Nov 2020	Creativity and Innovation : Leading At The Peak	Razak School of Government
	19 Nov 2020	Seminar Percukaian Kebangsaan	Inland Revenue Board of Malaysia
	25 Nov 2020	Budget Talk 2020	McMillan Woods



Corporate Governance Overview Statement (Cont'd)

Board Meetings

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

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

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

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

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

Name of Director	Designation	Attendance
Tan Sri Dato' Mohd Ibrahim Bin Mohd Zain	Chairman, Independent Non-Executive Director	6/7
Tan Sri Datuk Wira Dr. Hj. Mohd Shukor Bin Hj. Mahfar	Independent Non-Executive Director	7/7
Ameer Bin Shaik Mydin	Group Managing Director	7/7
Tamil Selvan A/L M. Durairaj	Deputy Group Managing Director	7/7
Ang Hsin Hsien	Executive Director	7/7
Tuan Haji Ab. Gani Bin Haron	Senior Independent Non-Executive Director	5/7
Boey Tak Kong	Independent Non-Executive Director	7/7

Corporate Governance Overview Statement (Cont'd)

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

Access to Information and Advice

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

Board Remuneration Policies and Procedures

The Board, through the Nominating and Remuneration Committee ("NRC"), annually reviews the performance of the Executive Directors as a prelude to determining their annual remuneration, bonus and other benefits. In discharging this duty, the RC 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	Allowance	Bonus	Defined contribution	SOCSSO & EIS Contribution	Benefits-in-kind	Total
Group								
Executive Directors								
Ameer Bin Shaik Mydin	543,637	55,013	38,300	-	79,056	923	9,900	726,829
Tamil Selvan A/L M. Durairaj	538,597	55,013	38,300	-	78,300	923	9,900	721,033
Ang Hsin Hsien	414,000	-	36,000	-	63,900	923	6,600	521,423



Corporate Governance Overview Statement (Cont'd)

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

Name	Salaries and other emoluments	Fees	Allowance	Bonus	Defined contribution	SOCISO & EIS Contribution	Benefits-in-kind	Total
Group								
Non-Executive Directors								
Tan Sri Dato' Mohd Ibrahim Bin Mohd Zain	-	104,000	16,000	-	-	-	-	120,000
Tan Sri Datuk Wira Dr. Hj. Mohd Shukor Bin Hj. Mahfar	-	66,000	17,000	-	-	-	-	83,000
Tuan Haji Ab. Gani Bin Haron	-	94,000	24,000	-	-	-	-	118,000
Boey Tak Kong	-	96,000	25,000	-	-	-	-	121,000
TOTAL	1,496,234	470,026	194,600	-	221,256	2,769	26,400	2,411,285

Company

Executive Directors

Ameer Bin Shaik Mydin	515,040	-	36,000	-	79,056	923	9,900	640,919
Tamil Selvan A/L M. Durairaj	510,000	-	36,000	-	78,300	923	9,900	635,123
Ang Hsin Hsien	414,000	-	36,000	-	63,900	923	6,600	521,423

Non-Executive Directors

Tan Sri Dato' Mohd Ibrahim Bin Mohd Zain	-	104,000	16,000	-	-	-	-	120,000
Tan Sri Datuk Wira Dr. Hj. Mohd Shukor Bin Hj. Mahfar	-	66,000	17,000	-	-	-	-	83,000
Tuan Haji Ab. Gani Bin Haron	-	94,000	24,000	-	-	-	-	118,000
Boey Tak Kong	-	96,000	25,000	-	-	-	-	121,000
TOTAL	1,439,040	360,000	190,000	-	221,256	2,769	26,400	2,239,465

Corporate Governance Overview Statement (Cont'd)

Details of the remuneration of key senior management personnel within the Group (including salary, bonus, benefits in-kind and other emoluments) in each successive band of RM50,000 during the financial year ended 2021, are as follows:

Range of Remuneration	Name of Key Senior Management	Designation
RM250,001 to RM300,000	Fong Choon Hau, Ivan	Director & Chief Finance Officer
	Ismadi Bin Norahman	Chief People Officer
RM300,001 to RM350,000	Hazairin	Director & Chief Executive Officer
RM400,001 to RM450,000	Abdul Rehman Khalid	Director & Chief Executive Officer
RM450,001 to RM500,000	Nagendran A/L M. Perumal	Chief Technology Officer
	Dr. Zainul Ariffin Bin Harun	Director & Group Strategic Director
RM950,001 to RM1,000,000	Rhys Paul Brown	Director & 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 2021

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



Corporate Governance Overview Statement (Cont'd)

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 2021. 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 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 2021 are set out in the Audit Committee Report of this Annual Report.

External Auditors

The Board maintains a transparent and professional relationship with the Group's external auditors. During the year, the AC considered the independence and objectivity of Crowe Malaysia PLT ("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 2021, 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 2021 did not in any way impair their objectivity and independence as external auditors of the Company. Having regard to the outcome of the annual assessment of Crowe, the Board had in July 2021 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 2022. 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.

Corporate Governance Overview Statement (Cont'd)

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 Committee of Sponsoring Organisations ("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:-

- The Annual Report;
- The AGM;
- The quarterly announcements on financial results to Bursa Securities;
- The various corporate disclosures, circulars and announcements made to Bursa Securities;
- Press releases and published interviews with business journals; and
- 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.



Corporate Governance Overview Statement (Cont'd)

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 29 July 2021.

Statement on Risk Management and Internal Control

INTRODUCTION

The Board of Directors (“the Board”) of Censof Holdings Berhad is committed in maintaining a robust and sustainable 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 this Statement on Risk Management and Internal Control (“Statement”) which outlines the nature and scope of the Group’s risk management and internal control for the financial year ended 31 March 2021 (“FY2021”).

BOARD’S RESPONSIBILITIES

The Board acknowledges its overall responsibilities for the establishment of a comprehensive, 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, mitigated, 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. 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, mitigating, 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 Practice 9.2 of the Malaysian Code on Corporate Governance 2017 (“MCCG 2017”) which stipulates that “the board should disclose the features of its risk management and internal control framework, and the adequacy and effectiveness of this framework”. All the key business risks and its mitigating activities of the Group are reported to the Board on a 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 Risk Committee with the support of the Internal Auditors to ensure independent oversight of internal control framework 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.

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.

1. Risk management

In line with good practice to closely monitor and manage 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 defence with clear accountabilities for risk management.



Statement on Risk Management and Internal Control (Cont'd)

1. Risk management (Cont'd)

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

First Line of Defence	Senior Management comprise of Group Strategic Director, Chief Executive Officer, Chief Financial Officer, Chief Technology Officer, and Chief People Officer	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, mitigating, managing and reporting the significant risks applicable to their respective areas of business and in formulating suitable internal controls and action plans to mitigate its impact 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 Defence	<p>Risk Management Committee ("RMC"):</p> <p>BOEY TAK KONG (Chairman) Independent Non-Executive Director</p> <p>TUAN HAJI AB. GANI BIN HARON (Member) Senior Independent Non-Executive Director</p> <p>AMEER BIN SHAIK MYDIN (Member) Group Managing Director</p>	To review the significant risks faced by the Group on quarterly basis, as identified, 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 Defence	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.

2. Organisational structural

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.

Statement on Risk Management and Internal Control (Cont'd)

3. Role of auditors

Internal audit

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. Internal Auditors play 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 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 issues raised in the report on deficiencies in internal control 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. Limit 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 Procedures ("SOP") manuals which are periodically reviewed and updated to reflect changes in business structures and ensure clear accountabilities.

6. Information and communication process

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. Anti-Bribery and Corruption Policy ("ABC Policy")

Under Section 17A of the Malaysian Anti-Corruption Commission Act 2009 as effected vide the Malaysian Anti-Corruption Commission (Amendment) Act 2018, the Board undertook to exercise oversight on the establishment of adequate procedures to prevent the commission of corrupt acts by persons associated to the Group through the institution of the ABC Policy.

To promote awareness on the ABC Policy across the Group, training sessions are carried out during induction programmes for new joiners. Employees are required to sign the Anti-Bribery and Corruption Policy Declaration Form as a means to express conformance to the ABC Policy. The ABC Policy is available on Company's website.



Statement on Risk Management and Internal Control (Cont'd)

9. 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 monthly basis in each of the subsidiary to discuss how the key risk areas such as finance, operations, regulatory compliance, risk register and sustainability activities were evaluated and the controls in place to mitigate or manage those risks.

COVID-19 EVENT

The Group identified key risk exposures arising from the COVID-19 outbreak and committed to the mitigation and monitoring of these risks to safeguard and enhance the Group's operational efficiency and profitability. 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 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 various phases of Movement Control Order ("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.
- Actively 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.

MANAGEMENT COMMITMENT

In accordance with the Guidelines for Directors of Listed Issuers and Practices 9.1 and 9.2 of the MCCG 2017, the Group Managing Director, Deputy Group Managing Director and the Chief Financial Officer, representing the Management that to the best of their knowledge, have given an 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 level of 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.

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 external 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 with its resolution dated 29 July 2021.

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, 2021, 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
Senior Independent Non-Executive Director

Members : Mr. Boey Tak Kong
Independent Non-Executive Director

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

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, 2021 and the attendance of the AC members is as follows:-

Name	Attendance
Tan Sri Datuk Wira Dr. Hj. Mohd Shukor Bin Hj. Mahfar	5/5
Tuan Haji Ab. Gani Bin Haron	5/5
Boey Tak Kong	5/5

4. Terms of Reference (TOR)

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



Audit Committee Report (Cont'd)

SUMMARY OF AUDIT COMMITTEE'S ACTIVITIES

During the financial year ended 31 March 2021, 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 Auditors, and on their audit fees;
- (ii) Reviewed the Annual Audit Planning Memorandum, the nature and scope of the audit, prior to the commencement of audit;
- (iii) Reviewed with the External Auditors on the following areas and reported the same to the Board:

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

During the year under review, the external auditors have highlighted the new requirements on key audit matters. Key audit matters are those matters that, in external auditors' professional judgement, were most significant 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 29 July 2021 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' report on deficiencies in internal control 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.

Audit Committee Report (Cont'd)

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 2021, 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 2021, setting out the implementation of the internal audit scope for the Group based on agreed-upon communication, timelines and reporting protocols;
- perform reviews of the key processes to examine and evaluate the adequacy and efficiency of the operations' internal controls, and highlight any significant risks and non-compliance matters that have impact to the Group;
- undertake to carry out two cycles of audit during the financial year ended 31 March 2021 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 Procurement & Vendor Management and Financial Management reported by GAP.

During the financial year ended 31 March 2021, 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 2021 amounted to RM30,000 as compared to RM31,000 in 2020.



Other Disclosure Requirements

1. UTILISATION OF PROCEEDS FROM CORPORATE EXERCISE

The Company did not undertake any corporate exercise during the financial year, except for corporate exercise as follows:-

(a) Gross Proceeds from Disposal of Quoted Investment

On 10 July 2020, the Company had disposed 71 million ordinary shares in Dagang NeXchange Berhad ("DNeX") for a total consideration of RM12.780 million, classified as short-term investment.

On 7 August 2020, the Company had disposed 46.057 million ordinary shares in DNeX for a total consideration of RM10.365 million, classified as short-term investment.

As at to-date, the status of the utilization on gross proceeds were as follows:

Detail of Utilisation	Proposed Amount (RM)	Utilisation Period	Status
<u>10 July 2020</u> Repayment of principal on share margin loan from MIDF Amanah Investment Bank Berhad	3,000,000	Within 3 weeks from date of disposal	Completed on 21 July 2020
<u>10 July 2020</u> Repayment of principal on term loan from Kenanga Investment Bank Berhad	9,780,000	Within 3 weeks from date of disposal	Completed on 21 July 2020
<u>7 August 2020</u> Repayment of principal term loan from Kenanga Investment Bank Berhad	3,500,000	Immediately	Completed on 7 August 2020
<u>7 August 2020</u> Repayment of principal and interest on share margin loan from MIDF Amanah Investment Bank Berhad	2,000,000	Within next 1 month from date of disposal	Completed on 26 August 2020
<u>7 August 2020</u> Strategic Investment	2,000,000	Within next 12 months from date of disposal	On-going
<u>7 August 2020</u> Repayment of Bank Overdraft from Maybank under Subsidiary	1,500,000	Within next 2 months from date of disposal	Completed on 28 September 2020
<u>7 August 2020</u> Working Capital	1,365,282	Within next 12 months from date of disposal	Completed on 31 December 2020
TOTAL	23,145,282		

Other Disclosure Requirements (Cont'd)

1. UTILISATION OF PROCEEDS FROM CORPORATE EXERCISE (CONT'D)

The Company did not undertake any corporate exercise during the financial year, except for corporate exercise as follows:- (Cont'd)

(b) Gross Proceeds from Private Placement

On 25th January 2021, the Company undertook a proposed private placement of up to 20.0% of that total number of issued shares of the Company to third party investor(s) to be identified at an issue price to be determined later in accordance to the general mandate pursuant to Sections 75 and 76 of the Act.

On 10th March 2021, the Company undertook and completed an issuance of 50,522,650 new Placement Shares (represented 10.07% of the total number of issued shares of the company) with the issue price of RM0.2870 per share. The total proceeds raised amounted to RM14.5 million were earmarked and allocated for the purchase of 30.87% equity stake in Asian Business Software Solutions Pte Ltd with consideration of RM14.1 million and the remaining funds utilised for advisory fees and placement fees.

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 RM111,000 and RM310,704 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).

Financial Statements

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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 2021.

PRINCIPAL ACTIVITIES

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

RESULTS

	The Group RM'000	The Company RM'000
Profit after taxation for the financial year	28,455	18,736
Attributable to:-		
Owners of the Company	26,604	18,736
Non-controlling interests	1,851	-
	28,455	18,736

DIVIDENDS

On 18 May 2021, the Company declared an interim dividend of 0.75 sen per ordinary share in respect of the current financial year, payable on 25 June 2021, to shareholders whose names appeared in the register of depositors on 4 June 2021. The financial statements for the current financial year do not reflect this interim dividend. Such dividend will be accounted for in equity as an appropriation of retained profits in the financial year ending 31 March 2022.

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 RM100,574,862 to RM115,074,862 by way of issuance of 50,522,650 ordinary shares under private placement for a total consideration of RM14,500,000 as disclosed in Note 16 to the financial statements.

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.



Directors' Report (Cont'd)

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.

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.

Directors' Report (Cont'd)

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

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:-

Abdul Rehman Khalid
Boyke Bader Brillianto
Fong Choon Hau
Giritharan A/L Nagalingan
Hazairin
Rhys Paul Brown
Shanmugam A/L Pachapan
Siti Safiah Binti Yahaya
Paul Alistair Jennings
Zainul Ariffin Bin Harun
Kavinthraj A/L Panneerchelvam (Appointed on 24.6.2020)
Yarlina A/P S Jahendran (Appointed on 27.1.2021)
Ashveen Chakravarthy A/L Sekaran (Appointed on 2.2.2021)
Shadhana A/P Sekaran (Appointed on 2.2.2021)
Lum Piew (Appointed on 1.4.2021)
Ku Kok Peng (Appointed on 1.4.2021)
Charles William Fox (Resigned on 29.3.2021)



Directors' Report (Cont'd)

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 1.4.2020	Number of Ordinary Shares		At 31.3.2021
		Bought	Sold	
The Company				
<i>Direct Interests</i>				
Tan Sri Dato' Mohd Ibrahim Bin Mohd. Zain	11,300,000	19,700,000	-	31,000,000
Boey Tak Kong	1,974,800	-	(74,800)	1,900,000
Ameer Bin Shaik Mydin	1,320,500	100,000	-	1,420,500
Ang Hsin Hsien (f)	2,191,000	-	-	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 shareholding 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 except for Tamil Selvan A/L M. Durairaj and Ang Hsin Hsien whose indirect interests are below the required disclosure threshold.

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 corporations) 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 35 (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 34 (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 or officers of the Company.



Directors' Report (Cont'd)



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 39 to the financial statements.

SIGNIFICANT EVENTS OCCURRING AFTER THE REPORTING PERIOD

The significant events occurring after the reporting period are disclosed in Note 40 to the financial statements.

AUDITORS

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

The details of the auditors' remuneration are disclosed in Note 28 to the financial statements.

Signed in accordance with a resolution of the directors dated 29 July 2021

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 99 to 170 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 2021 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 29 July 2021

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 99 to 170 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 Klang in the State of Selangor Darul Ehsan
on this 29 July 2021

Before me
Nadzrul Azali Bin Abdul Aziz
No. B548
Commissioner for Oaths

Fong Choon Hau

Independent Auditors' Report to the Members

OF CENSOF HOLDINGS BERHAD

(Incorporated in Malaysia)

Registration No: 200801026945 (828269 - A)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Censof Holdings Berhad, which comprise the statements of financial position as at 31 March 2021 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 99 to 170.

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 2021, and of their financial performance and cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 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 CENSO HOLDINGS BERHAD (CONT'D)
(Incorporated in Malaysia)
Registration No: 200801026945 (828269 - A)

Key Audit Matters (Cont'd)

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

Impairment of goodwill

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

Key Audit Matter	How our audit addressed the Key Audit Matter
<p>The Group has goodwill of approximately 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(b), Note 4.8 and Note 8 to the financial statements

Key Audit Matter	How our audit addressed the Key Audit Matter
<p>The Group has intangible assets of approximately RM12.52 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; and Reviewed the adequacy of disclosure in the financial statements.

Independent Auditors' Report to the Members

OF CENSOF HOLDINGS BERHAD (CONT'D)

(Incorporated in Malaysia)

Registration No: 200801026945 (828269 - A)

Key Audit Matters (Cont'd)

Impairment of trade receivables

Refer to Note 4.1(d), Note 12 and Note 38.1(b) to the financial statements

Key Audit Matter	How our audit addressed the Key Audit Matter
<p>As at 31 March 2021, trade receivables amounted to approximately RM24.83 million. The details of trade receivables and its credit risks are disclosed in Note 38.1(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 the 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.

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.



Independent Auditors' Report to the Members
OF CENSO HOLDINGS BERHAD (CONT'D)
(Incorporated in Malaysia)
Registration No: 200801026945 (828269 - A)

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 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.
- 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.

Independent Auditors' Report to the Members

OF CENSOF HOLDINGS BERHAD (CONT'D)

(Incorporated in Malaysia)

Registration No: 200801026945 (828269 - A)

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

Shah Alam
29 July 2021

Ong Beng Chooi

03155/05/2023 J

Chartered Accountant



Statements of Financial Position

At 31 March 2021

		The Group		The Company	
	Note	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
ASSETS					
NON-CURRENT ASSETS					
Investments in subsidiaries	5	-	-	74,620	60,660
Plant and equipment	6	599	1,870	-	-
Right-of-use assets	7	987	1,743	-	-
Intangible assets	8	12,521	16,541	-	-
Goodwill	9	26,324	26,324	-	-
Other investments	10	3,390	3,300	3,290	3,200
Amount owing by a subsidiary	11	-	-	3,182	6,537
		43,821	49,778	81,092	70,397
CURRENT ASSETS					
Inventories		32	41	-	-
Trade receivables	12	24,833	28,874	-	-
Other receivables, deposits and prepayments	13	4,665	5,858	3	324
Amount owing by subsidiaries	11	-	-	5,742	5,656
Amount owing by related parties		-	826	-	250
Current tax assets		448	672	-	-
Short-term investments	14	9,117	13,976	9,117	13,976
Fixed deposits with licensed banks	15	2,406	3,754	-	401
Cash and bank balances		26,754	7,610	6,959	75
		68,255	61,611	21,821	20,682
TOTAL ASSETS		112,076	111,389	102,913	91,079

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

Statements of Financial Position

At 31 March 2021 (Cont'd)

	Note	The Group 2021 RM'000	2020 RM'000	The Company 2021 RM'000	2020 RM'000
EQUITY AND LIABILITIES					
EQUITY					
Share capital	16	115,075	100,575	115,075	100,575
Merger deficit	17	(12,300)	(12,300)	-	-
Accumulated losses		(14,680)	(29,783)	(12,633)	(31,369)
Foreign exchange translation reserve	18	(565)	(754)	-	-
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY					
		87,530	57,738	102,442	69,206
NON-CONTROLLING INTERESTS					
		2,396	6,342	-	-
TOTAL EQUITY					
		89,926	64,080	102,442	69,206
NON-CURRENT LIABILITIES					
Lease liabilities	19	417	887	-	-
Long-term borrowings	20	-	10,563	-	10,000
Deferred tax liabilities	21	655	1,035	-	-
		1,072	12,485	-	10,000
CURRENT LIABILITIES					
Trade payables	22	2,620	2,965	-	-
Other payables and accruals	23	8,254	8,177	471	430
Amount owing to related parties		-	199	-	150
Lease liabilities	19	803	1,189	-	-
Short-term borrowings	20	345	11,358	-	11,293
Deferred income	24	6,845	5,762	-	-
Current tax liabilities		2,209	1,597	-	-
Bank overdraft	25	2	3,577	-	-
		21,078	34,824	471	11,873
TOTAL LIABILITIES					
		22,150	47,309	471	21,873
TOTAL EQUITY AND LIABILITIES					
		112,076	111,389	102,913	91,079

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 2021

		The Group		The Company	
	Note	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
REVENUE	26	87,361	77,859	4,029	4,173
COST OF SALES		(55,057)	(48,093)	-	-
GROSS PROFIT		32,304	29,766	4,029	4,173
OTHER INCOME		20,424	6,553	20,579	4,927
		52,728	36,319	24,608	9,100
ADMINISTRATIVE EXPENSES		(19,556)	(25,885)	(4,624)	(4,441)
FINANCE COSTS		(588)	(2,905)	(445)	(2,576)
OTHER EXPENSES		(2,797)	(81,862)	(153)	(40,320)
NET IMPAIRMENT LOSSES ON FINANCIAL ASSETS	27	(198)	(456)	(650)	-
SHARE OF PROFITS OF EQUITY ACCOUNTED ASSOCIATE		-	3,944	-	-
PROFIT/(LOSS) BEFORE TAXATION	28	29,589	(70,845)	18,736	(38,237)
INCOME TAX EXPENSE	29	(1,134)	(804)	-	-
PROFIT/(LOSS) AFTER TAXATION		28,455	(71,649)	18,736	(38,237)
OTHER COMPREHENSIVE INCOME					
<u>Items that Will be Reclassified</u>					
<u>Subsequently to Profit or Loss</u>					
Foreign currency translation differences		189	(169)	-	-
Share of other comprehensive income of equity accounted associate		-	1,773	-	-
		189	1,604	-	-
TOTAL COMPREHENSIVE INCOME/ (EXPENSES) FOR THE FINANCIAL YEAR		28,644	(70,045)	18,736	(38,237)

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 2021 (Cont'd)

		The Group		The Company	
	Note	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
PROFIT/(LOSS) AFTER TAXATION					
ATTRIBUTABLE TO:					
- Owners of the Company		26,604	(72,421)	18,736	(38,237)
- Non-controlling interests		1,851	772	-	-
		28,455	(71,649)	18,736	(38,237)
TOTAL COMPREHENSIVE INCOME/ (EXPENSES) ATTRIBUTABLE TO:					
- Owners of the Company		26,793	(70,817)	18,736	(38,237)
- Non-controlling interests		1,851	772	-	-
		28,644	(70,045)	18,736	(38,237)
EARNINGS/(LOSS) PER SHARE (SEN)					
- Basic	30	5.28	(14.43)		
- Diluted	30	5.28	(14.43)		

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

Statements of Changes in Equity

For the Financial Year Ended 31 March 2021

The Group	Non-Distributable				Distributable		Attributable to Owners of the Company RM'000	Non-controlling Interests RM'000	Total Equity RM'000
	Share Capital RM'000	Merger Deficit RM'000	Share Option Reserve RM'000	Foreign Exchange Translation Reserve RM'000	Accumulated Losses RM'000				
Balance at 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 expenses 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.



Statements of Changes in Equity

For the Financial Year Ended 31 March 2021 (Cont'd)

The Group	Non-Distributable				Distributable		Attributable to Owners of the Company RM'000	Non-controlling Interests RM'000	Total Equity RM'000
	Share Capital RM'000	Merger Deficit RM'000	Share Option Reserve RM'000	Foreign Exchange Translation Reserve RM'000	Accumulated Losses 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	*	-	-	-	-		*	-	*
- Accretion gain from changes in a subsidiary's ownership interests	-	-	-	-	(2,950)		(2,950)	2,950	-
- Acquisition of subsidiaries	-	-	-	-	-		-	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					742		742	161	903
Share of equity reserve of an associate	*	-	-	-	(2,208)		(2,208)	1,656	(552)
Reversal of reserves related to disposal of an associate	-	-	(1)	6	(594)		(589)	-	(589)
	-	-	(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 2021 (Cont'd)

The Group	Note	← Non-Distributable → Distributable					Attributable to Owners of the Company RM'000	Non-controlling Interests RM'000	Total Equity RM'000
		Share Capital RM'000	Merger Deficit RM'000	Foreign Exchange Translation Reserve RM'000	Accumulated Losses RM'000				
Balance at 31.3.2020/1.4.2020		100,575	(12,300)	(754)	(29,783)	57,738	6,342	64,080	
Profit after taxation for the financial year		-	-	-	26,604	26,604	1,851	28,455	
Other comprehensive income for the financial year:		-	-	189	-	189	-	189	
- Foreign currency translation differences									
Total comprehensive income for the financial year		-	-	189	26,604	26,793	1,851	28,644	
Contributions by and distributions to owners of the Company:		100,575	(12,300)	(565)	(3,179)	84,531	8,193	92,724	
- Issuance of private placement ordinary shares	16	14,500	-	-	-	14,500	-	14,500	
- Disposal of a subsidiary	32	-	-	-	-	-	(1,276)	(1,276)	
- Acquisition of non-controlling interests	31	-	-	-	(11,599)	(11,599)	(1,881)	(13,480)	
- Dividends:									
- by subsidiaries to non-controlling interests		-	-	-	-	-	(2,790)	(2,790)	
Changes in a subsidiary's ownership interests that do not result in a loss of control		14,500	-	-	(11,599)	2,901	(5,947)	(3,046)	
Total transactions with owners		14,500	-	-	(11,501)	2,999	(5,797)	(2,798)	
Balance at 31.3.2021		115,075	(12,300)	(565)	(14,680)	87,530	2,396	89,926	

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

Statements of Changes in Equity

For the Financial Year Ended 31 March 2021 (Cont'd)

The Company	Note	Share Capital RM'000	Distributable Accumulated Losses RM'000	Total Equity RM'000
Balance at 1.4.2019		100,575	6,868	107,443
Loss after taxation/Total comprehensive expenses for the financial year		-	(38,237)	(38,237)
Contribution by and distribution to owners of the Company: - Warrant exercise		*	-	*
Balance at 31.3.2020/1.4.2020		100,575	(31,369)	69,206
Issuance of private placement ordinary shares	16	14,500	-	14,500
Profit after taxation/Total comprehensive income for the financial year		-	18,736	18,736
Balance at 31.3.2021		115,075	(12,633)	102,442

* Amount below RM500.

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



Statements of Cash Flows

For the Financial Year Ended 31 March 2021

	The Group		The Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
CASH FLOWS FROM/(FOR) OPERATING ACTIVITIES				
Profit/(Loss) before taxation	29,589	(70,845)	18,736	(38,237)
Adjustments for:-				
Amortisation of intangible assets	4,339	4,646	-	-
Depreciation of plant and equipment	309	481	-	-
Depreciation of right-of-use assets	890	1,023	-	-
Impairment loss:				
- amount owing by a subsidiary	-	-	650	-
- goodwill	-	3,244	-	-
- investments in subsidiaries	-	-	153	5,130
- trade receivables	198	461	-	-
Interest expense on lease liabilities	55	110	-	-
Interest expense	533	2,918	445	2,576
Inventories written off	8	-	-	-
Loss/(Gain) on disposal of a subsidiary	979	-	(1,500)	-
Loss on partial disposal of an associate	-	31,219	-	13,215
Loss on re-measurement to fair value the retained interest of a former associate	-	45,685	-	21,105
(Gain)/Loss on partial disposal of short-term investments at fair value through profit and loss	(2,075)	870	(2,075)	870
Unrealised loss on foreign exchange	102	24	-	-
Dividend income	-	-	(4,029)	(4,173)
Fair value gain on financial assets measured at fair value through profit or loss mandatorily:				
- short-term investments	(16,194)	(3,811)	(16,194)	(3,811)
Gain on reassessment of leases	(15)	-	-	-
Gain on disposal of plant and equipment	(3)	(14)	-	-
Gain on disposal of right-of-use assets	(12)	-	-	-
Interest income on financial assets measured at amortised cost:				
- imputed interest on non-current amount owing by a subsidiary	-	-	(780)	(1,075)
Interest income	(47)	(211)	(24)	(41)
Reversal of impairment loss:				
- trade receivables	-	(5)	-	-
Share of net profits of equity accounted associate	-	(3,944)	-	-
Unrealised gain on foreign exchange	-	(25)	-	-
Operating profit/(loss) before working capital changes/Balance carried forward	18,656	11,826	(4,618)	(4,441)

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

Statements of Cash Flows

For the Financial Year Ended 31 March 2021 (Cont'd)

	Note	The Group		The Company	
		2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Operating profit/(loss) before working capital changes/Balance brought forward		18,656	11,826	(4,618)	(4,441)
Decrease in inventories		2	3	-	-
Decrease/(Increase) in trade and other receivables		3,745	(8,772)	321	502
Increase in trade and other payables		967	2,224	41	312
Decrease in amount owing by related parties		118	285	-	-
Increase in deferred income		1,091	1,749	-	-
CASH FROM/(FOR) OPERATIONS		24,579	7,315	(4,256)	(3,627)
Interest paid		(588)	(3,028)	(445)	(2,576)
Income tax paid		(1,124)	(1,034)	-	(1)
Income tax refunded		-	86	-	-
Interest received		-	-	24	41
NET CASH FROM/(FOR) OPERATING ACTIVITIES		22,867	3,339	(4,677)	(6,163)
CASH FLOWS FROM/(FOR) INVESTING ACTIVITIES					
Acquisition of subsidiaries, net of cash and cash equivalents acquired		-	(191)	-	-
Additional investments in existing subsidiaries		(14,065)	-	(14,113)	(102)
Disposal of a subsidiary, net of cash and cash equivalents disposed of	32	953	-	1,500	-
(Advances to)/Repayment from related parties		(1,019)	163	250	-
Intangible assets additions		(148)	(1,734)	-	-
Investment in new subsidiaries		-	-	-	(642)
Purchase of other investments		(90)	(3,200)	(90)	(3,200)
Purchase of plant and equipment	33 (a)	(353)	(477)	-	-
Proceeds from disposal of plant and equipment		3	23	-	-
Proceeds from disposal of right-of-use assets		12	-	-	-
Proceeds from partial disposal of an associate		-	10,117	-	10,117
Proceeds from partial disposal of short-term investments		23,145	2,609	23,145	2,609
Repayment from subsidiaries		-	-	3,399	4,489
NET CASH FROM INVESTING ACTIVITIES		8,438	7,310	14,091	13,271

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



Statements of Cash Flows
For the Financial Year Ended 31 March 2021 (Cont'd)

		The Group		The Company	
	Note	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
CASH FLOWS FOR FINANCING ACTIVITIES					
Dividend received from an associate		-	-	-	1,425
Dividend received from subsidiaries		-	-	4,029	2,748
(Repayment to)/Advances from related company		(199)	150	(150)	150
Interest received		47	211	-	-
Issuance of private placement ordinary shares	16	14,500	-	14,500	-
Drawdown of project financing loan	33 (b)	345	-	-	-
Dividend paid to non-controlling interests		(2,790)	(1,662)	-	-
Decrease in pledged fixed deposits with licensed banks		392	3,026	401	3,074
Proceeds from issuance of shares pursuant to:					
- warrants exercised		-	*	-	*
Proceeds from issuance of shares to non-controlling interests in a subsidiary		-	98	-	-
Proceeds from disposal of partial interest in a subsidiary that do not result in loss of control		248	903	-	-
Repayment of lease liabilities	33 (b)	(976)	(1,015)	-	-
Net repayment of term loans	33 (b)	(21,293)	(14,784)	(21,293)	(14,728)
NET CASH FOR FINANCING ACTIVITIES		(9,726)	(13,073)	(2,513)	(7,331)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS					
		21,579	(2,424)	6,901	(223)
EFFECTS OF FOREIGN EXCHANGE TRANSLATION					
		201	218	-	-
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR					
		6,853	9,059	75	298
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR					
	33 (d)	28,633	6,853	6,976	75

* 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 2021

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 29 July 2021.

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

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

Amendments to MFRS 3: Definition of a Business

Amendments to MFRS 4: Extension of the Temporary Exemption from Applying MFRS 9

Amendments to MFRS 9, MFRS 139 and MFRS 7: Interest Rate Benchmark Reform

Amendments to MFRS 101 and MFRS 108: Definition of Material

Amendments to References to the Conceptual Framework in MFRS Standards

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



Notes to the Financial Statements

For the Financial Year Ended 31 March 2021 (Cont'd)

3. BASIS OF PREPARATION (CONT'D)

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

MFRSs and/or IC Interpretations (Including The Consequential Amendments)	Effective Date
MFRS 17 Insurance Contracts	1 January 2023
Amendments to MFRS 3: Reference to the Conceptual Framework	1 January 2022
Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16: Interest Rate Benchmark Reform - Phase 2	1 January 2021
Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred
Amendment to MFRS 16: Covid-19-Related Rent Concessions	1 June 2020
Amendment to MFRS 16: Covid-19-Related Rent Concessions beyond 30 June 2021	1 April 2021
Amendments to MFRS 17 Insurance Contracts	1 January 2023
Amendment to MFRS 101: Classification of Liabilities as Current or Non-current	1 January 2023
Amendments to MFRS 101: Disclosure of Accounting Policies	1 January 2023
Amendments to MFRS 108: Definition of Accounting Estimates	1 January 2023
Amendments to MFRS 112: Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023
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
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

The outbreak of the COVID-19 has brought unprecedented challenges and added economic uncertainties in Malaysia and markets in which the Group operates. While the Group has considered the potential financial impact of the COVID-19 pandemic in the preparation of these financial statements, the full financial impact to the Group remains uncertain. Accordingly, there is a possibility that factors not currently anticipated by management could occur in the future and therefore affect the recognition and measurement of the Group's assets and liabilities at the reporting date.

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) 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 which are subject to higher degree of estimation uncertainties due to uncertainty on how the COVID-19 pandemic may progress and evolve and volatility in markets in which the Group operates. The carrying amount of goodwill as at the reporting date is disclosed in Note 9 to the financial statements.

Notes to the Financial Statements

For the Financial Year Ended 31 March 2021 (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) Impairment of Intangible Assets

The Group determines whether an item of its 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 intangible assets as at the reporting date is disclosed in Note 8 to the financial statements.

(c) 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 10 to the financial statements.

(d) 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 (including changes in the customer payment profile in response to the COVID-19 pandemic) and the corresponding historical credit losses, and adjusts for qualitative and quantitative reasonable and supportable forward-looking information. If the expectation is different from the estimation, such difference will impact the carrying value of trade receivables. The carrying amount of trade receivables as at the reporting date is disclosed in Note 12 to the financial statements.

(e) 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. It also requires the Group to assess whether there is a significant increase in credit risk of the non-trade financial asset at the reporting date. 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 and forward-looking information incorporating the impact of COVID-19 pandemic. The carrying amounts of other receivables and amount owing by subsidiaries as at the reporting date are disclosed in Notes 13 and 11 to the financial statements respectively.

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:-

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).



Notes to the Financial Statements

For the Financial Year Ended 31 March 2021 (Cont'd)

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.2 BASIS OF CONSOLIDATION

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

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

(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.

Notes to the Financial Statements

For the Financial Year Ended 31 March 2021 (Cont'd)

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.2 BASIS OF CONSOLIDATION (CONT'D)

(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 the consideration paid or received is recognised directly in the 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 of the 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.

4.3 GOODWILL

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

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

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

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



Notes to the Financial Statements

For the Financial Year Ended 31 March 2021 (Cont'd)

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.4 FUNCTIONAL AND FOREIGN CURRENCIES

(a) Functional and Presentation Currency

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

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

On the disposal of a foreign operation (i.e. a disposal of the Group's entire interest in a foreign subsidiary, or 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 related to non-controlling interests is derecognised but is not reclassified to profit or loss.

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

Notes to the Financial Statements

For the Financial Year Ended 31 March 2021 (Cont'd)

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.5 FINANCIAL INSTRUMENTS

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

Financial instruments are classified as financial assets, financial liabilities or equity instruments in accordance with the substance of the contractual arrangement and their definitions in MFRS 132. Interest, dividends, gains and losses relating to a financial instrument classified as 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 at inception). Transaction costs that are directly attributable to the acquisition or issue of the financial instrument (other than a financial instrument at fair value through profit or loss) are added to/deducted from the fair value on initial recognition, as appropriate. Transaction costs on the financial instrument at fair value through profit or loss are recognised immediately in profit or loss.

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

(a) Financial Assets

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

Debt Instruments

(i) Amortised Cost

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

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

(ii) Fair Value through Other Comprehensive Income

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

(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 fair value changes do not include interest or dividend income.

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



Notes to the Financial Statements
For the Financial Year Ended 31 March 2021 (Cont'd)

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.5 FINANCIAL INSTRUMENTS (CONT'D)

(a) Financial Assets (Cont'd)

Equity Instruments

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

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

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

(b) Financial Liabilities

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

Fair value through profit or loss category comprises financial liabilities that are either held for trading or are designated to eliminate or significantly reduce a measurement or recognition inconsistency that would otherwise arise. The changes in fair value (excluding interest expense) 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.

Notes to the Financial Statements

For the Financial Year Ended 31 March 2021 (Cont'd)

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.5 FINANCIAL INSTRUMENTS (CONT'D)

(d) Derecognition

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

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

(e) Financial Guarantee Contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified 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 PLANT AND EQUIPMENT

All items of 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 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 plant and equipment are recognised in profit or loss as incurred.



Notes to the Financial Statements

For the Financial Year Ended 31 March 2021 (Cont'd)

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.7 PLANT AND EQUIPMENT (CONT'D)

Depreciation on 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:-

Plant and machinery	20%
Office equipment, furniture and fittings	15% - 33%
Computer equipment	25% - 33%
Office renovation	20% - 25%
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 plant and equipment. Any changes are accounted for as a change in estimate.

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

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

4.8 INTANGIBLE ASSETS

(a) Research and Development Expenditure

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

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

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

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

Notes to the Financial Statements

For the Financial Year Ended 31 March 2021 (Cont'd)

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.8 INTANGIBLE ASSETS (CONT'D)

(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.

4.9 LEASES

The Group assesses whether a contract is or contains a lease, at the 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 statements of financial position.

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 adjusted 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 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.



Notes to the Financial Statements

For the Financial Year Ended 31 March 2021 (Cont'd)

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.10 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.

4.11 CASH AND CASH EQUIVALENTS

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

4.12 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 and 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 statements of financial position.

Notes to the Financial Statements

For the Financial Year Ended 31 March 2021 (Cont'd)

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.12 IMPAIRMENT (CONT'D)

(b) Impairment of Non-financial Assets

The carrying values of assets, other than those to which MFRS 136 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.

4.13 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.

4.14 INCOME TAXES

(a) Current Tax

Current tax assets and liabilities are the 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).



Notes to the Financial Statements

For the Financial Year Ended 31 March 2021 (Cont'd)

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.14 INCOME TAXES (CONT'D)

(b) Deferred Tax

Deferred tax is 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.

4.15 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.

4.16 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 2021 (Cont'd)

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.17 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.

4.18 BORROWING COSTS

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

4.19 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.

4.20 FAIR VALUE MEASUREMENTS

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

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

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

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

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

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



Notes to the Financial Statements

For the Financial Year Ended 31 March 2021 (Cont'd)

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.21 REVENUE FROM CONTRACTS WITH CUSTOMERS

Revenue is recognised by reference to each distinct performance obligation in the contract with customer and 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.

4.22 REVENUE FROM OTHER SOURCES AND OTHER OPERATING INCOME

(a) Dividend Income

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

(b) Interest Income

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

(c) Rental Income

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

Notes to the Financial Statements

For the Financial Year Ended 31 March 2021 (Cont'd)

5. INVESTMENTS IN SUBSIDIARIES

	The Company	
	2021 RM'000	2020 RM'000
Unquoted shares, at cost	76,403	65,790
Accumulated impairment losses	(1,783)	(5,130)
Unquoted shares, at cost	74,620	60,660

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
		2021 %	2020 %	
Subsidiaries of the Company				
Century Software (Malaysia) Sdn. Bhd.	Malaysia	100	100	Design, development, implementation and marketing of financial and related software and 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	89.07	58.20	Selling of computerised accounting system.
Censof Maal Sdn. Bhd.^	Malaysia	100	100	Ceased business as marketing and reselling of financial and related software and services.
Censof Digital Sdn. Bhd.^	Malaysia	100	100	Ceased business as providing information technology service activities, employment placement agencies and consultancy.
Tender Pintar Sdn. Bhd.^	Malaysia	100	100	Providing computer programmings, consultancy and related activities.
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 Business Solutions Sdn. Bhd.	Malaysia	51	51	Engaged in the business as IT and software solution consultants.



Notes to the Financial Statements
For the Financial Year Ended 31 March 2021 (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
		2021 %	2020 %	
Subsidiaries of the Company (Cont'd)				
Netsense Business Solutions Pte. Ltd.^	Republic of Singapore	51	51	Providing enterprise resource planning (“ERP”) software.
T-Melmax Sdn. Bhd. *	Malaysia	49	100	Providing services for software development, acting as a service provider for financial applications, electronics payments and collection solutions and offering software as a service.
Knowledgecom Corporation Sdn. Bhd.^	Malaysia	-	70	Providing computer training services.
Subsidiary of Century Software (Malaysia) Sdn. Bhd.				
CS Cloud Sdn. Bhd.^	Malaysia	80	-	Providing computer consultancy, computer facilities management and other information technology services activities.
Subsidiaries of Asian Business Software Solutions Pte. Ltd.				
Asian Business Software Solutions Sdn. Bhd.	Malaysia	89.07	58.20	Engaged in the business of trading in business software and providing support services.
Financio Software Sdn. Bhd.^	Malaysia	89.07	58.20	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.

* Although the Group owns less than half of the voting power in T-Melmax Sdn. Bhd. ("TMAX"), the directors have determined that the Group has de facto control over TMAX on the basis that there is no board representative from the incoming third party owner.

Notes to the Financial Statements

For the Financial Year Ended 31 March 2021 (Cont'd)

5. INVESTMENTS IN SUBSIDIARIES (CONT'D)

- (a) (i) During the financial year, the Company disposed of the entire 70% equity interest in Knowledgecom Corporation Sdn. Bhd. for a cash consideration of RM1.50 million. The details of the disposal are disclosed in Note 32 and Note 39 (a) to the financial statements.
- (ii) During the financial year, the Company's equity interest in T-Melmax Sdn. Bhd. ("TMAX") has diluted to 49% and TMAX has become an associate of the Company due to the subscription of ordinary shares by a third party. The details of the subscription are disclosed in Note 39 (e) to the financial statements.
- (iii) On 5 June 2020, the Company acquired an additional 48,000 ordinary shares in Censof Maal Sdn. Bhd. through an allotment of shares at a price of RM1. The additional acquisition in the ordinary shares has no significant effect on the financial results of the Group for the current financial year and the financial position of the Group as at the end of the current reporting period.
- (iv) During the financial year, the Company acquired an additional 30.87% equity interests in Asian Business Software Solutions Pte. Ltd. for a total cash consideration of RM14,065,260. The details of the acquisition are disclosed in Note 31 and Note 39 (h) to the financial statements.
- (v) The statutory financial year end of PT Praisindo Teknologi is 31 December and is not coterminous with the Group. The subsidiary has been consolidated based on the management account for the 12-month ended 31 March 2021. The subsidiary is in the midst of changing its statutory financial year end to conform with that of the Group.
- (b) The non-controlling interests at the end of the reporting period comprised the following:-

	Effective Equity Interest		The Group	
	2021 %	2020 %	2021 RM'000	2020 RM'000
Asian Business Software Solutions Pte. Ltd. ("ABSS")	10.93	41.80	918	3,633
PT Praisindo Teknologi ("PTPT")	40.00	40.00	1,032	1,021
Knowledgecom Corporation Sdn. Bhd.	-	30.00	-	1,532
Other individually immaterial subsidiaries			446	156
			2,396	6,342



Notes to the Financial Statements
For the Financial Year Ended 31 March 2021 (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:-

	2021	ABSS	2020
	RM'000		RM'000
<u>At 31 March</u>			
Non-current assets	302		835
Current assets	9,728		7,343
Non-current liabilities	-		(239)
Current liabilities	(7,702)		(5,490)
Net assets	2,328		2,449
<u>Financial Year Ended 31 March</u>			
Revenue	17,869		15,937
Profit for the financial year	5,656		3,949
Total comprehensive income	5,652		3,951
Total comprehensive income attributable to non-controlling interests	2,364		1,935
Dividends paid to non-controlling interests	2,490		1,062
Net cash flows from operating activities	8,228		4,530
Net cash flows for investing activities	(27)		(36)
Net cash flows for financing activities	(6,037)		(2,600)
		PTPT	
	2021		2020
	RM'000		RM'000
<u>At 31 March</u>			
Non-current assets	2,686		2,383
Current assets	2,637		2,456
Current liabilities	(3,187)		(2,887)
Net assets	2,136		1,952
<u>Financial Year Ended 31 March</u>			
Revenue	5,426		5,741
Profit for the financial year	29		661
Total comprehensive income	29		661
Total comprehensive income attributable to non-controlling interests	12		264
Net cash flows from operating activities	355		856
Net cash flows for investing activities	(179)		(540)
Net cash flows for financing activities	(57)		(87)

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.

Notes to the Financial Statements
For the Financial Year Ended 31 March 2021 (Cont'd)

6. PLANT AND EQUIPMENT

The Group	At 1.4.2020 RM'000	Additions (Note 33 (a)) RM'000	Disposal of A Subsidiary (Note 32) RM'000	Depreciation Charge (Note 28) RM'000	Currency Translation Differences RM'000	At 31.3.2021 RM'000
2021						
Carrying Amount						
Buildings	1,015	-	(1,015)	-	-	-
Plant and machinery	14	-	-	(9)	-	5
Office equipment, furniture and fittings	394	299	(112)	(227)	8	362
Computer equipment	212	54	(119)	(44)	1	104
Office renovation	232	-	(84)	(29)	9	128
Motor vehicles	3	-	(3)	-	-	-
	1,870	353	(1,333)	(309)	18	599



Notes to the Financial Statements
For the Financial Year Ended 31 March 2021 (Cont'd)

6. PLANT AND EQUIPMENT (CONT'D)

The Group	At Cost RM'000	Accumulated Depreciation RM'000	Carrying Amount RM'000
2021			
Plant and machinery	345	(340)	5
Office equipment, furniture and fittings	6,704	(6,342)	362
Computer equipment	1,166	(1,062)	104
Office renovation	2,759	(2,631)	128
	10,974	(10,375)	599
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

7. RIGHT-OF-USE ASSETS

The Group	At 1.4.2020 RM'000	Addition (Note 33 (a)) RM'000	Depreciation Charge (Note 28) RM'000	Reassessment of Lease Liabilities RM'000	Currency Translation Differences RM'000	At 31.3.2021 RM'000
2021						
<i>Carrying Amount</i>						
Office buildings	1,715	781	(862)	(649)	2	987
Motor vehicles	28	-	(28)	-	-	-
	1,743	781	(890)	(649)	2	987

Notes to the Financial Statements

For the Financial Year Ended 31 March 2021 (Cont'd)

7. RIGHT-OF-USE ASSETS (CONT'D)

The Group	1.4.2019			Addition (Note 33 (a)) RM'000	Depreciation Charge (Note 28) 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
						The Group	
						2021	2020
						RM'000	RM'000
Analysed by:-							
Cost						3,212	3,893
Accumulated depreciation						(2,225)	(2,150)
						987	1,743

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

- (a) 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.
- (b) 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.

The Group reassesses whether it is reasonably certain to exercise the options if there is a significant change in circumstances within its control. During the financial year, the financial effect of revising the lease terms to reflect the effect of exercising the termination options was an decrease in derecognised lease liabilities and right-of-use assets of RM663,909 (2020 - RM Nil) and RM649,046 (2020 - RM Nil) respectively.



Notes to the Financial Statements
For the Financial Year Ended 31 March 2021 (Cont'd)

8. INTANGIBLE ASSETS

	Software RM'000	Development expenditure RM'000	Customer relationship RM'000	Trademark RM'000	Total RM'000
The Group					
Cost:-					
At 1.4.2019	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 31.3.2020/1.4.2020	8,307	45,162	8,814	1,818	64,101
Addition during the financial year	-	148	-	-	148
Currency translation differences	116	52	-	-	168
At 31.3.2021	8,423	45,362	8,814	1,818	64,417
Accumulated amortisation:-					
At 1.4.2019	(4,266)	(32,640)	(2,643)	(1,818)	(41,367)
Addition during the financial year (Note 28)	(1,161)	(2,604)	(881)	-	(4,646)
Currency translation differences	-	2	-	-	2
At 31.3.2020/1.4.2020	(5,427)	(35,242)	(3,524)	(1,818)	(46,011)
Addition during the financial year (Note 28)	(1,161)	(2,297)	(881)	-	(4,339)
Currency translation differences	-	3	-	-	3
At 31.3.2021	(6,588)	(37,536)	(4,405)	(1,818)	(50,347)
Accumulated impairment loss:-					
At 31.3.2021/ 31.3.2020	-	(1,549)	-	-	(1,549)
Carrying amount					
At 31.3.2020	2,880	8,371	5,290	-	16,541
At 31.3.2021	1,835	6,277	4,409	-	12,521

Notes to the Financial Statements

For the Financial Year Ended 31 March 2021 (Cont'd)

8. INTANGIBLE ASSETS (CONT'D)

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

	2021 RM'000	The Group 2020 RM'000
Staff costs	148	1,367

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

9. GOODWILL

	2021 RM'000	The Group 2020 RM'000
Cost:-		
At 1 April 2020/2019	29,568	29,039
Acquisition of subsidiaries	-	529
At 31 March	29,568	29,568
Accumulated impairment losses:-		
At 1 April 2020/2019	(3,244)	-
Impairment during the financial year (Note 28)	-	(3,244)
At 31 March	(3,244)	(3,244)
	26,324	26,324

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

	2021 RM'000	The Group 2020 RM'000
Wealth Management Solutions ("WMS")	3,331	3,331
Financial Management Solutions - Commercial ("FMS-C")	22,464	22,464
Others	529	529
	26,324	26,324



Notes to the Financial Statements
For the Financial Year Ended 31 March 2021 (Cont'd)

9. GOODWILL (CONT'D)

- (b) The Group has assessed the recoverable amounts of goodwill allocated and determined that no impairment is required. The recoverable amounts of the cash-generating units 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 the management covering a period of 3 years.

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

	Average Budgeted Gross Margin 2022 - 2024	Average Growth Rate 2022 - 2024	Discount Rate (Pre-tax) 2022 - 2024	Terminal Growth Rate 2025 - infinity
WMS	52%	38%	19.34%	0%
FMS-C	71%	17%	17.50%	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.

10. OTHER INVESTMENTS

	The Group		The Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Unquoted shares, at fair value	3,390	3,300	3,290	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 the other investments for long-term strategic purposes.

The fair value of each investment is summarised below:-

	The Group		The Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Unquoted shares of Corporate Membership of Glenmarie Golf and Country Club	100	100	-	-
Unquoted shares of MoneySave Holding Sdn. Bhd.	3,290	3,200	3,290	3,200
	3,390	3,300	3,290	3,200

Notes to the Financial Statements

For the Financial Year Ended 31 March 2021 (Cont'd)

11. AMOUNT OWING BY SUBSIDIARIES

	The Company	
	2021 RM'000	2020 RM'000
<u>Non-current (a)</u>		
Non-trade balances	2,402	5,462
Accretion of interest	780	1,075
	3,182	6,537
<u>Current (b)</u>		
Non-trade balances	6,392	5,656
Allowance for impairment losses (Note 27)	(650)	-
	5,742	5,656
	8,924	12,193

(a) The amounts represent non-current balances which are non-trade in nature, unsecured, interest-free and repayable within the next six years beginning from the financial year ended 31 March 2017.

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

12. TRADE RECEIVABLES

	The Group	
	2021 RM'000	2020 RM'000
Trade receivables	25,285	29,440
Allowance for impairment losses	(452)	(566)
	24,833	28,874
Allowance for impairment losses:-		
At 1 April 2020/2019	(566)	(2,586)
Addition during the financial year (Note 27)	(198)	(461)
Reversal during the financial year (Note 27)	-	5
Written off during the financial year	312	2,476
At 31 March	(452)	(566)

The Group's normal trade credit terms range from 30 to 45 (2020 - 30 to 45) days.



Notes to the Financial Statements
For the Financial Year Ended 31 March 2021 (Cont'd)

13. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	The Group		The Company	
	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000
Other receivables:				
- Third parties	2,903	4,421	3	324
- Sales and Service Tax recoverable	1	160	-	-
	2,904	4,581	3	324
Allowance for impairment losses	-	(151)	-	-
	2,904	4,430	3	324
Deposits	527	537	-	-
Prepayments	1,234	891	-	-
	4,665	5,858	3	324
Allowance for impairment losses:-				
At 1 April 2020/2019	(151)	(151)	-	-
Written off during the financial year	151	-	-	-
At 31 March	-	(151)	-	-

14. SHORT-TERM INVESTMENTS

	The Group/The Company			
	2021		2020	
	Carrying Amount	Market Value	Carrying Amount	Market Value
	RM'000	RM'000	RM'000	RM'000
Quoted ordinary shares, at fair value	9,100	9,100	13,976	13,976
Money market funds, at fair value	17	17	-	-
	9,117	9,117	13,976	13,976

The money market funds represent investment in highly liquid money market instruments with financial institutions in Malaysia which are redeemable with one (1) day notice at known amounts of cash, and are subject to an insignificant risk of changes in value.

Notes to the Financial Statements

For the Financial Year Ended 31 March 2021 (Cont'd)

15. 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 1.75% (2020 - 0.25% to 3.35%) per annum respectively. The fixed deposits have a maturity period ranging from 30 to 365 (2020 - 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 RM541,833 (2020 - RM934,096) and RM Nil (2020 - RM400,758) respectively, which have been pledged to licensed banks as security for banking facilities granted to the Group and to the Company as disclosed in Note 25 to the financial statements.

16. SHARE CAPITAL

	2021 Number Of Shares ('000)	The Group/The Company		2020 RM'000
		2020 Number Of Shares ('000)	2021 RM'000	2020 RM'000
Issued and Fully Paid Up				
Ordinary Shares				
At 1 April 2020/2019	501,759	501,758	100,575	100,575
Issuance of shares pursuant to warrants exercised	-	1	-	*
Issuance of ordinary shares for cash under private placement	50,523	-	14,500	-
At 31 March	552,282	501,759	115,075	100,575

* Amount below RM500.

The holders of ordinary shares (except treasury 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.

17. 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.

18. FOREIGN EXCHANGE TRANSLATION RESERVE

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



Notes to the Financial Statements
For the Financial Year Ended 31 March 2021 (Cont'd)

19. LEASE LIABILITIES

	The Group	
	2021	2020
	RM'000	RM'000
At 1 April 2020/2019	2,076	2,601
Additions (Note 33 (b))	781	490
Interest expense recognised in profit or loss (Note 28)	55	110
Changes due to reassessment of lease (Note 33 (b))	(664)	-
Repayment of principal (Note 33 (b))	(976)	(1,015)
Repayment of interest expense (Note 33 (b))	(55)	(110)
Currency translation differences (Note 33 (b))	3	-
At 31 March	1,220	2,076
Analysed by:-		
Current liabilities	803	1,189
Non-current liabilities	417	887
	1,220	2,076

20. BORROWINGS

	The Group	The Company	
	2021	2020	2021
	RM'000	RM'000	RM'000
Current liabilities	345	11,358	-
Non-current liabilities	-	10,563	-
	345	21,921	-
Represented by:-			
Project financing loan	345	-	-
Term loans	-	21,921	-
	345	21,921	-

The project financing loan is repayable up to 6 months or over the tenure of the project. It bore an effective interest rate of 7.30% per annum at the end of the reporting period and is secured by:-

- (a) a Deed of Assignment of all contract proceeds to be received by a subsidiary in respect of the projects being financed;
- (b) a Deed of Assignment of monies standing to the credit of the designated account;
- (c) a joint and several guarantee of the directors of a subsidiary; and
- (d) a corporate guarantee of Censof Holdings Berhad to its subsidiary.

Notes to the Financial Statements

For the Financial Year Ended 31 March 2021 (Cont'd)

21. DEFERRED TAX LIABILITIES

The Group	At 1.4.2020 RM'000	Recognised in Profit or Loss (Note 29) RM'000	Currency Translation Difference RM'000	At 31.3.2021 RM'000
2021				
<i>Deferred Tax Liabilities</i>				
Plant and equipment	182	-	-	182
Intangible assets acquired	1,093	(347)	-	746
<i>Deferred Tax Assets</i>				
Provision	(240)	(28)	(5)	(273)
	1,035	(375)	(5)	655

The Group	At 1.4.2019 RM'000	Recognised in Profit or Loss (Note 29) RM'000	Currency Translation Difference RM'000	At 31.3.2020 RM'000
2020				
<i>Deferred Tax Liabilities</i>				
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

22. TRADE PAYABLES

The normal trade credit terms granted to the Group range from 30 to 90 (2020 - 30 to 90) days.

23. OTHER PAYABLES AND ACCRUALS

	The Group		The Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Other payables:				
- Third parties	883	1,443	12	165
- Sales and Service Tax payable	1,595	1,776	-	-
Accruals	2,478	3,219	12	165
	5,776	4,958	459	265
	8,254	8,177	471	430



Notes to the Financial Statements
For the Financial Year Ended 31 March 2021 (Cont'd)

24. DEFERRED INCOME

The deferred income primarily relates to advance considerations received 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 (2020 - 1 to 36) months.

25. BANK OVERDRAFT

The bank overdraft of the Group bore an effective interest rate of 6.60% (2020 - 7.20% to 7.35%) per annum at the end of the reporting period and is secured by:-

- (a) facility agreement;
- (b) corporate guarantee in favour of the Bank by Censof Holdings Berhad and Semantan Capital Sdn. Bhd.;
- (c) third party open charge over properties in favour of the Bank by Northern Pillar (M) Sdn. Bhd.; and
- (d) fixed deposit of a subsidiary pledged to a licensed bank.

26. REVENUE

	The Group		The Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Revenue from Contracts with Customers				
<u>Recognised at a point in time</u>				
Software, training and implementation	38,213	43,939	-	-
Hardware	8,394	9,498	-	-
	46,607	53,437	-	-
<u>Recognised over time</u>				
Maintenance	40,754	24,422	-	-
	87,361	77,859	-	-
Revenue from Other Sources				
Dividend income	-	-	4,029	4,173
	87,361	77,859	4,029	4,173

The information on the disaggregation of revenue is disclosed in Note 37 to the financial statements.

Notes to the Financial Statements

For the Financial Year Ended 31 March 2021 (Cont'd)

27. NET IMPAIRMENT LOSSES ON FINANCIAL ASSETS

	The Group		The Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Impairment losses:				
- trade receivables (Note 12)	198	461	-	-
- amount owing by subsidiaries (Note 11)	-	-	650	-
Reversal of Impairment losses:				
- trade receivables (Note 12)	-	(5)	-	-
	198	456	650	-

28. PROFIT/(LOSS) BEFORE TAXATION

	The Group		The Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Profit/(Loss) before taxation is arrived at after charging/ (crediting):-				
Amortisation of intangible assets (Note 8)	4,339	4,646	-	-
Auditors' remuneration:				
- audit fee				
- current financial year	311	284	111	105
- underprovision in the previous financial year	15	126	13	123
- non-audit fee	6	6	6	6
Depreciation:				
- plant and equipment (Note 6)	309	481	-	-
- right-of-use assets (Note 7)	890	1,023	-	-
Directors' remuneration (Note 34)	2,385	2,368	2,213	2,115
Staff costs (including other key management personnel):				
- short-term employee benefits	20,926	21,308	1,166	1,067
- defined contribution benefits	1,971	2,082	128	115
Impairment loss:				
- amount owing by a subsidiary (Note 11)	-	-	650	-
- goodwill (Note 9)	-	3,244	-	-
- investments in subsidiaries (Note 5)	-	-	153	5,130
- trade receivables (Note 12)	198	461	-	-
Interest expense on lease liabilities (Note 19)	55	110	-	-
Interest expense on financial liabilities that are not at fair value through profit or loss:				
- bank overdrafts	51	183	-	-
- project financing loan	37	-	-	-
- term loans	445	2,607	445	2,576
- others	-	128	-	-
Inventories written off	8	-	-	-
Lease expenses:				
- short-term leases	268	372	-	-
- low-value assets	4	9	-	-
Loss on foreign exchange:				
- unrealised	102	24	-	-
- realised	52	-	-	-



Notes to the Financial Statements
For the Financial Year Ended 31 March 2021 (Cont'd)

28. PROFIT/(LOSS) BEFORE TAXATION (CONT'D)

	The Group		The Company	
	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000
Profit/(Loss) before taxation is arrived at after charging/ (crediting):- (Cont'd)				
Loss/(Gain) on disposal of a subsidiary (Note 32)	979	-	(1,500)	-
Loss on partial disposal of an associate	-	31,219	-	13,215
Loss on re-measurement to fair value the retained interest of a former associate	-	45,685	-	21,105
(Gain)/Loss on partial disposal of short-term investments at fair value through profit or loss	(2,075)	870	(2,075)	870
Dividend income:				
- subsidiaries	-	-	(4,029)	(2,748)
- associate	-	-	-	(1,425)
Fair value gain on financial assets measured at fair value through profit or loss mandatorily:				
- short-term investments	(16,194)	(3,811)	(16,194)	(3,811)
Gain on reassessment of leases	(15)	-	-	-
Gain on disposal of plant and equipment	(3)	(14)	-	-
Gain on disposal of right-of-use assets	(12)	-	-	-
Interest income on financial assets measured at amortised cost:				
- imputed interest on non-current amount owing by a subsidiary	-	-	(780)	(1,075)
Interest income:				
- fixed deposits with licensed banks	(40)	(207)	(24)	(41)
- others	(7)	(4)	-	-
Rental income	(15)	-	-	-
Reversal of impairment loss:				
- trade receivables (Note 12)	-	(5)	-	-
Unrealised gain on foreign exchange	-	(25)	-	-
Wage subsidy due to Covid-19	(306)	-	-	-

29. INCOME TAX EXPENSE

	The Group		The Company	
	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000
Current tax:				
- Current financial year	1,352	1,185	-	-
- Under/(Over)provision in the previous financial year	83	(150)	-	-
	1,435	1,035	-	-
Withholding tax	74	-	-	-
Deferred tax (Note 21):				
- origination and reversal of temporary differences	(375)	(231)	-	-
	1,134	804	-	-

Notes to the Financial Statements

For the Financial Year Ended 31 March 2021 (Cont'd)

29. INCOME TAX EXPENSE (CONT'D)

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

	The Group		The Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Profit/(Loss) before taxation	29,589	(70,845)	18,736	(38,237)
Tax at the statutory tax rate of 24%	7,101	(17,003)	4,497	(9,177)
Tax effects of:-				
Non-deductible expenses	3,311	21,023	1,137	9,622
Non-taxable income	(6,055)	(825)	(5,899)	(1,260)
Share of results in an associate	-	(946)	-	-
Tax-exempt income	(75)	(83)	-	-
Deferred tax assets not recognised during the financial year	265	1,161	265	815
Utilisation of deferred tax assets previously not recognised	(3,150)	(2,080)	-	-
Under/(Over)provision in the previous financial year				
- current tax	83	(150)	-	-
Withholding tax	74	-	-	-
Effects of differential in tax rates of subsidiaries due to foreign jurisdictions	(420)	(293)	-	-
	1,134	804	-	-

Domestic income tax is calculated at the Malaysian statutory tax rate of 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.

At the end of the reporting period, the amounts of deferred tax assets not recognised (stated at gross) due to uncertainty of their realisation were as follows:-

	The Group		The Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Accelerated capital allowances	260	351	-	-
Provision	1,923	2,063	-	-
Unabsorbed capital allowances	-	5	-	-
Unutilised tax losses	15,577	27,363	1,513	410
	17,760	29,782	1,513	410

For the Malaysia entities, the unutilised tax losses are allowed to be utilised for the next 7 consecutive years of assessment while unabsorbed capital allowances are allowed to be carried forward indefinitely.

The use of tax losses of subsidiaries in other countries is subjected to the agreement of the tax authorities and compliance with certain provisions of the tax legislation of the respective countries in which the subsidiaries operate.



Notes to the Financial Statements
For the Financial Year Ended 31 March 2021 (Cont'd)

30. EARNINGS/(LOSS) PER SHARE

	The Group 2021	2020
Profit/(Loss) after taxation attributable to owners of the Company (RM'000)	26,604	(72,421)
Weighted average number of ordinary shares in issue (in '000):-		
Ordinary shares at 1 April 2020/2019	501,731	501,731
Effect of new ordinary shares issued	1,938	-
Weighted average number of ordinary shares at 31 March	503,669	501,731
Basic earnings/(loss) per share (sen)	5.28	(14.43)

The Company has not issued any dilutive potential ordinary shares and hence, the diluted earnings/(loss) per share is equal to the basic earnings/(loss) per share.

31. ACQUISITION OF NON-CONTROLLING INTERESTS

On 31 March 2021, the Company acquired an additional 30.87% equity interests in Asian Business Software Solutions Pte. Ltd. for RM14,065,260 in cash, increasing its ownership from 58.20% to 89.07%. The carrying amount of Asian Business Software Solutions Pte. Ltd.'s net assets in the Group's financial statements on that date was RM2,328,048. The Group recognised a decrease in non-controlling interests of RM1,881,363 and an increase in accumulated losses of RM11,599,345.

The following summarises the effect of changes in the equity interests in Asian Business Software Solutions Pte. Ltd. that is attributable to the owners of the Company:-

	The Group 2021 RM'000
Equity interest at 31 March	3,485
Effect of increase in the Company's ownership interest	1,881
Share of post acquisition profits	*
Equity interest at 31 March	5,366

* Amount is negligible.

Notes to the Financial Statements

For the Financial Year Ended 31 March 2021 (Cont'd)

32. DISPOSAL OF A SUBSIDIARY

On 4 May 2020, the Company disposed of its entire 70% equity interest in Knowledgecom Corporation Sdn. Bhd. for RM1,500,000 in cash.

The financial effects of the disposal at the date of disposal are summarised below:-

	The Group 2021 RM'000	The Company 2021 RM'000
Property, plant and equipment	1,333	-
Trade and other receivables	1,257	-
Amount owing by subsidiaries	1,727	-
Current tax assets	451	-
Cash and cash equivalents	1,339	-
Trade and other payables	(811)	-
Deferred income	(116)	-
Borrowings	(628)	-
Bank overdrafts	(792)	-
Non-controlling interests	(1,276)	-
Carrying amount of net assets disposed of	2,484	-
Foreign exchange translation reserve	(5)	-
(Loss)/Gain on disposal of a subsidiary (Note 28)	(979)	1,500
Consideration received, satisfied in cash	1,500	1,500
Less: Cash and bank balances of a subsidiary disposed of	(547)	-
Net cash inflow from the disposal of a subsidiary	953	1,500

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

33. CASH FLOW INFORMATION

(a) The cash disbursed for the purchase of plant and equipment and the addition of right-of-use assets is as follows:-

	The Group 2021 RM'000	2020 RM'000
Plant and equipment		
Cost of plant and equipment purchased (Note 6)	353	477
Right-of-use assets		
Cost of right-of-use assets acquired (Note 7)	781	490
Less: Additions of new lease liabilities (Note 19)	(781)	(490)
	-	-



Notes to the Financial Statements
For the Financial Year Ended 31 March 2021 (Cont'd)

33. CASH FLOW INFORMATION (CONT'D)

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

The Group	Borrowings RM'000	Lease Liabilities RM'000	Total RM'000
2021			
At 1 April 2020	21,921	2,076	23,997
<u>Changes in Financing Cash Flows</u>			
Drawdown of project financing loan	345	-	345
Repayment of principal	(21,293)	(976)	(22,269)
Repayment of interest	(445)	(55)	(500)
	(21,393)	(1,031)	(22,424)
<u>Non-cash Changes</u>			
Acquisition of new leases (Note 19)	-	781	781
Changes due to reassessment of lease term	-	(664)	(664)
Disposal of a subsidiary (Note 32)	(628)	-	(628)
Interest expense recognised in profit or loss (Note 28)	445	55	500
Foreign exchange adjustments	-	3	3
	(183)	175	(8)
At 31 March	345	1,220	1,565

The Group	Term Loans RM'000	Hire Purchase RM'000	Lease Liabilities RM'000	Total RM'000
2020				
At 1 April 2019, as previously reported	36,705	495	-	37,200
Effects on adoption of MFRS 16	-	(495)	2,601	2,106
At 1 April 2019, 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 interest	(2,607)	-	(110)	(2,717)
	(17,489)	-	(1,125)	(18,614)
<u>Non-cash Changes</u>				
Acquisition of new leases	-	-	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

Notes to the Financial Statements

For the Financial Year Ended 31 March 2021 (Cont'd)

33. 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
2021	
At 1 April 2020	21,293
<u>Changes in Financing Cash Flows</u>	
Repayment of principal	(21,293)
Repayment of interest	(445)
	(21,738)
<u>Non-cash Changes</u>	
Interest expense recognised in profit or loss	445
At 31 March	-
2020	
At 1 April 2019	36,021
<u>Changes in Financing Cash Flows</u>	
Repayment of principal	(14,825)
Repayment of interest	(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

(c) The total cash outflows for leases as a lessee are as follows:-

	The Group	
	2021 RM'000	2020 RM'000
Payment of short-term leases	268	372
Payment of low-value assets	4	9
Interest paid on lease liabilities	55	110
Payment of lease liabilities	976	1,015
	1,303	1,506



Notes to the Financial Statements
For the Financial Year Ended 31 March 2021 (Cont'd)

33. CASH FLOW INFORMATION (CONT'D)

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

	The Group		The Company	
	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000
Fixed deposits with licensed banks (Note 15)	2,406	3,754	-	401
Cash and bank balances	26,754	7,610	6,959	75
Bank overdraft (Note 25)	(2)	(3,577)	-	-
Money market funds (Note 14)	17	-	17	-
	29,175	7,787	6,976	476
Less: Fixed deposits pledged to licensed banks (Note 15)	(542)	(934)	-	(401)
	28,633	6,853	6,976	75

34. 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 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	
	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000
(a) Directors				
<u>Directors of the Company</u>				
Executive:				
- fee	110	288	-	95
- non-fee emoluments	1,833	1,731	1,771	1,671
	1,943	2,019	1,771	1,766
Non-executive:				
- fee	360	330	360	330
- non-fee emoluments	82	19	82	19
	2,385	2,368	2,213	2,115
(b) Other Key Management Personnel				
Key management personnel compensation:				
- short-term employee benefits	4,008	3,992	967	878

Notes to the Financial Statements

For the Financial Year Ended 31 March 2021 (Cont'd)

35. RELATED PARTY DISCLOSURES

(a) Identities of Related Parties

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

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

(b) Significant Related Party Transactions and Balances

Other than those disclosed elsewhere in the financial statements, the Group and the Company also carried out the following significant transactions with the related parties during the financial year:-

	The Group		The Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Subsidiaries:				
- Dividend income received	-	-	4,029	2,748
Related parties:				
- Rental expenses	(527)	(567)	-	-
- Sales	-	370	-	-
Associate:				
- Dividend income received	-	-	-	1,425

36. 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	
	2021 RM'000	2020 RM'000
Performance guarantee extended by a subsidiary to customers	4,771	3,855

37. 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 reportable segments have changed from the previous reporting period due to the disposal of a subsidiary which operates the training solution segment ("TS"). This segment is providing training services in areas related to information technology. The Group is organised into 4 main reportable segments as follows:-

- 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.
- Payment Aggregation Solutions segment ("PAS") - providing services for financial applications, electronic payments and collections solutions.

37. OPERATING SEGMENTS (CONT'D)

(iii) Corporate Services 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.

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Notes to the Financial Statements

For the Financial Year Ended 31 March 2021 (Cont'd)

37. OPERATING SEGMENTS (CONT'D)

37.1 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
2021								
Additions to non-current assets other than financial instruments:								
- plant and equipment	268	-	-	31	-	54	-	353
- intangible assets	-	-	-	148	-	-	-	148
- right-of-use assets	543	-	-	-	-	238	-	781
Other material items of expenses/(income) consist of the following:-								
Amortisation and depreciation	2,858	55	-	93	12	479	2,041	5,538
Impairment loss:								
- trade receivables	89	-	-	-	-	109	-	198
Interest expense	88	-	445	-	-	-	-	533
Interest expense on lease liabilities	31	1	-	-	-	23	-	55
Interest income	(7)	-	(25)	(3)	(2)	(10)	-	(47)
	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 revenue	52,752	308	4,173	5,741	2,800	16,338	(4,253)	77,859
Represented by:-								
<u>Revenue recognised a point in time</u>								
- Software, training and implementation	25,901	164	-	5,741	2,800	9,367	(34)	43,939
- Hardware	2,527	-	-	-	-	6,971	-	9,498
- Dividend income	-	-	4,173	-	-	-	(4,173)	-
<u>Revenue recognised over time</u>								
- Maintenance	24,324	144	-	-	-	-	(46)	24,422
	52,752	308	4,173	5,741	2,800	16,338	(4,253)	77,859

For the Financial Year Ended 31 March 2021 (Cont'd)

37.1 BUSINESS SEGMENTS (CONT'D)

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Notes to the Financial Statements

For the Financial Year Ended 31 March 2021 (Cont'd)

37. OPERATING SEGMENTS (CONT'D)

37.1 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								
Additions to non-current assets other than financial instruments:								
- 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 expenses/(income) consist of the following:-								
Amortisation and depreciation	3,303	54	-	82	223	447	2,041	6,150
Impairment loss:								
- goodwill	-	-	3,244	-	-	-	-	3,244
- trade receivables	439	-	-	-	22	-	-	461
Reversal of impairment loss:								
- trade receivables	-	-	-	-	(5)	-	-	(5)
Interest expense	127	-	2,576	-	92	-	-	2,795
Interest expense on lease liabilities	62	4	-	-	9	35	-	110
Interest income	(12)	-	(41)	(3)	(150)	(5)	-	(211)

37.2 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 includes investment in an associate).

	Revenue		Non-current Assets	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
The Group				
Indonesia	5,246	5,741	2,594	2,324
Singapore	13,780	11,507	172	417
Malaysia	68,335	60,611	41,055	47,037
	87,361	77,859	43,821	49,778



Notes to the Financial Statements
For the Financial Year Ended 31 March 2021 (Cont'd)

37. OPERATING SEGMENTS (CONT'D)

37.3 MAJOR CUSTOMER

The following is major customer with revenue equal to or more than 10% of the Group's total revenue:-

	Revenue		Segment
	2021 RM'000	2020 RM'000	
Customer #1	18,839	13,597	FMS - G

38. FINANCIAL INSTRUMENTS

The Group's activities are exposed to a variety of market risk (including foreign currency risk, interest rate risk and equity price 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.

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

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
2021						
Financial Assets						
Other investments	-	-	-	-	3,390	3,390
Trade receivables	366	265	115	861	23,226	24,833
Other receivables	-	106	-	953	1,844	2,903
Short-term investments	-	-	-	-	9,117	9,117
Fixed deposits with licensed banks	-	2,050	-	-	356	2,406
Cash and bank balances	494	5,013	-	371	20,876	26,754
	860	7,434	115	2,185	58,809	69,403

Notes to the Financial Statements

For the Financial Year Ended 31 March 2021 (Cont'd)

38. FINANCIAL INSTRUMENTS (CONT'D)

38.1 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
2021						
Financial Liabilities						
Lease liabilities	-	26	-	-	1,194	1,220
Project financing loan	-	-	-	-	345	345
Trade payables	-	140	284	-	2,196	2,620
Other payables and accruals	-	673	5	744	5,237	6,659
Bank overdraft	-	-	-	-	2	2
	-	839	289	744	8,974	10,846
Net financial assets/(liabilities)	860	6,595	(174)	1,441	49,835	58,557
Less: Net financial assets denominated in the respective entities' functional currencies	-	(6,595)	-	(1,441)	(49,835)	(57,871)
Currency Exposure	860	-	(174)	-	-	686

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



Notes to the Financial Statements
For the Financial Year Ended 31 March 2021 (Cont'd)

38. FINANCIAL INSTRUMENTS (CONT'D)

38.1 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
2020						
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	18,176	25,622
Less: Net financial assets denominated in the respective entities functional currencies	-	(4,581)	-	(1,387)	(18,176)	(24,144)
Currency Exposure	1,514	-	(36)	-	-	1,478

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	
	2021 Increase/ (Decrease) RM'000	2020 Increase/ (Decrease) RM'000	2021 Increase/ (Decrease) RM'000	2020 Increase/ (Decrease) RM'000
Effects on Profit/(Loss) After Taxation and Other Comprehensive Income/(Expenses)				
Strengthened by 10%				
- Hong Kong Dollar	65	(115)	-	-
- United States Dollar	(13)	3	-	-
Weakened by 10%				
- Hong Kong Dollar	(65)	115	-	-
- United States Dollar	13	(3)	-	-

Notes to the Financial Statements

For the Financial Year Ended 31 March 2021 (Cont'd)

38. FINANCIAL INSTRUMENTS (CONT'D)

38.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(a) Market Risk (Cont'd)

(ii) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to interest rate risk arises mainly from long-term borrowings with variable rates. The Group's policy is to obtain the most favourable interest rates available and by maintaining a balanced portfolio mix of fixed and floating rate borrowings.

The Group's fixed deposits with licensed banks are carried at amortised cost. Therefore, they are not subject to interest rate risk as in defined MFRS 7 since neither the carrying amounts 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 38.1(c) to the financial statements.

Interest Rate Risk Sensitivity Analysis

The following table details the sensitivity analysis to a reasonably possible change in the interest rates at the end of the reporting period, with all other variables held constant:-

	The Group		The Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Effects on Profit/(Loss) After Taxation and Other Comprehensive Income/(Expenses)				
Increase of 100 basis points ("bp")	(3)	(194)	-	(162)
Decrease of 100 bp	3	194	-	162

(iii) Equity Price Risk

The Group's principal exposure to equity price risk arises mainly from changes in quoted investment prices. The Group manages its exposure to equity price risk by maintaining a portfolio of equities with different risk profiles.

Equity Price Risk Sensitivity Analysis

The following table details the sensitivity analysis to a reasonably possible change in the prices of the quoted investments at the end of the reporting period, with all other variables held constant:-

	The Group		The Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Effects on Profit/(Loss) After Taxation				
Increase of 10%	692	1,062	692	1,062
Decrease of 10%	(692)	(1,062)	(692)	(1,062)



Notes to the Financial Statements
For the Financial Year Ended 31 March 2021 (Cont'd)

38. FINANCIAL INSTRUMENTS (CONT'D)

38.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(b) Credit Risk

The Group's exposure to credit risk, or the risk of counterparties defaulting, arises mainly from trade and other receivables. The Group manages its exposure to credit risk by the application of credit approvals, credit limits and monitoring procedures on an ongoing basis. For other financial assets (including quoted investments and 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 3 (2020 - 3) customers which constituted approximately 41% (2020 - 40%) of its total trade receivables at the end of the reporting period.

In addition, the Group also determines the 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	
	2021	2020
	RM'000	RM'000
Indonesia	861	421
Singapore	631	1,424
Malaysia	23,341	27,029
	24,833	28,874

(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 statements 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.

Notes to the Financial Statements

For the Financial Year Ended 31 March 2021 (Cont'd)

38. FINANCIAL INSTRUMENTS (CONT'D)

38.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(b) Credit Risk (Cont'd)

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

Trade Receivables

The Group applies the simplified approach to measure expected credit losses using a lifetime expected credit 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.

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 and external credit rating, where applicable.

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

During the current financial year, the Group has changed its risk management practices in response to the COVID-19 pandemic. The expected loss rates are based on the payment profiles of sales over a period of 12 months 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:-

	Gross Amount RM'000	Individual Impairment RM'000	Collective Impairment RM'000	Carrying Amount RM'000
The Group				
2021				
Current (not past due)	14,082	-	(77)	14,005
31 - 60 days past due	4,901	-	(46)	4,855
61 - 90 days past due	2,086	-	(20)	2,066
91 - 120 days past due	955	-	(43)	912
more than 120 days	3,087	-	(92)	2,995
Credit impaired	174	(174)	-	-
	25,285	(174)	(278)	24,833
	Gross Amount RM'000	Individual Impairment RM'000	Collective Impairment RM'000	Carrying Amount RM'000
The Group				
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



Notes to the Financial Statements
For the Financial Year Ended 31 March 2021 (Cont'd)

38. FINANCIAL INSTRUMENTS (CONT'D)

38.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(b) Credit Risk (Cont'd)

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

Trade Receivables (Cont'd)

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

Other Receivables and Related Parties

The Group applies the 3-stage general approach to measuring expected credit losses for its other receivables. Under this approach, the Group assesses whether there is a significant increase in credit risk on the receivables by comparing their risk of default as at the reporting date with the risk of default as at the date of initial recognition based on available reasonable and supportable forward-looking information. Regardless of the assessment, a significant increase in credit risk is presumed if a receivable is more than 30 days past due in making a contractual payment.

The Group considers a receivable is credit impaired when the receivable is in significant financial difficulty, for instances, the receivable is in breach of financial covenants or insolvent. Receivables that are credit impaired are assessed individually while other receivables are assessed on a collective basis.

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

	Gross Amount RM'000	Lifetime Loss Allowance RM'000	Carrying Amount RM'000
The Group			
2021			
Low credit risk	2,904	-	2,904
Credit impaired	-	-	-
	2,904	-	2,904
2020			
Low credit risk	4,430	-	4,430
Credit impaired	151	(151)	-
	4,581	(151)	4,430

Fixed Deposits with Licensed Banks, Cash and Bank Balances

The Group considers these banks and financial institutions have low credit risks. In addition, some of the bank balances are insured by Government agencies. 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 all inter-company balances. No expected credit loss is recognised on these balances as it is negligible.

Notes to the Financial Statements

For the Financial Year Ended 31 March 2021 (Cont'd)

38. FINANCIAL INSTRUMENTS (CONT'D)

38.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(b) Credit Risk (Cont'd)

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

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.

Maturity Analysis

The following table sets out the maturity profile of the financial liabilities at the end of the reporting period 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 period):-

The Group 2021	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
<u>Non-derivative Financial Liabilities</u>						
Lease liabilities	5.40	1,220	1,238	689	549	-
Project financing loan	7.30	345	345	345	-	-
Trade payables	-	2,620	2,620	2,620	-	-
Other payables and accruals	-	6,659	6,659	6,659	-	-
Bank overdraft	6.60	2	2	2	-	-
		10,846	10,864	10,315	549	-
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



Notes to the Financial Statements
For the Financial Year Ended 31 March 2021 (Cont'd)

38. FINANCIAL INSTRUMENTS (CONT'D)

38.1 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 period 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 period):- (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
2021					
<u>Non-derivative Financial Liabilities</u>					
Other payables and accruals	-	471	471	471	-
Financial guarantee contracts in relation to corporate guarantee given to certain subsidiaries	-	-	6,171	6,171	-
		471	6,642	6,642	-
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

The contractual undiscounted cash flows represent the outstanding credit facilities of the subsidiaries at the end of the reporting period. The financial guarantees have not been recognised in the financial statements since their fair values on initial recognition were not material.

Notes to the Financial Statements

For the Financial Year Ended 31 March 2021 (Cont'd)

38. FINANCIAL INSTRUMENTS (CONT'D)

38.2 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 shareholders value. To achieve this objective, the Group may make adjustments to the capital structure in view of changes in economic conditions, such as adjusting the amount of dividend payment, returning of capital to shareholders or issuing new shares.

The Group manages its capital based on debt-to-equity ratio 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	
	2021 RM'000	2020 RM'000
Lease liabilities (Note 19)	1,220	2,076
Borrowings (Note 20)	345	21,921
Bank overdraft (Note 25)	2	3,577
	1,567	27,574
Less: Fixed deposits with licensed banks (Note 15)	(2,406)	(3,754)
Less: Cash and bank balances	(26,754)	(7,610)
Net debt	(27,593)	16,210
Total equity	89,926	64,080
Debt-to-equity ratio	Not applicable	0.25

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



Notes to the Financial Statements
For the Financial Year Ended 31 March 2021 (Cont'd)

38. FINANCIAL INSTRUMENTS (CONT'D)

38.3 CLASSIFICATION OF FINANCIAL INSTRUMENTS

	The Group RM'000	2021 The Company RM'000
Financial Assets		
<u>Designated at Fair Value Through Other Comprehensive Income</u>		
Upon Initial Recognition		
Other investments (Note 10)	3,390	3,290
<u>Mandatorily at Fair Value Through Profit or Loss</u>		
Short-term investments (Note 14)	9,117	9,117
<u>Amortised Cost</u>		
Trade receivables (Note 12)	24,833	-
Other receivables (Note 13)	2,903	3
Amount owing by subsidiaries (Note 11)	-	8,924
Fixed deposits with licensed banks (Note 15)	2,406	-
Cash and bank balances	26,754	6,959
	56,896	15,886
Financial Liability		
<u>Amortised Cost</u>		
Lease liabilities (Note 19)	1,220	-
Project financing loan (Note 20)	345	-
Trade payables (Note 22)	2,620	-
Other payables and accruals (Note 23)	6,659	471
Bank overdraft (Note 25)	2	-
	10,846	471

Notes to the Financial Statements

For the Financial Year Ended 31 March 2021 (Cont'd)

38. FINANCIAL INSTRUMENTS (CONT'D)

38.3 CLASSIFICATION OF FINANCIAL INSTRUMENTS (CONT'D)

	The Group RM'000	2020 The Company RM'000
Financial Assets		
<u>Designated at Fair Value Through Other Comprehensive Income</u>		
Upon Initial Recognition		
Other investments (Note 10)	3,300	3,200
<u>Mandatorily at Fair Value Through Profit or Loss</u>		
Short-term investments (Note 14)	13,976	13,976
<u>Amortised Cost</u>		
Trade receivables (Note 12)	28,874	-
Other receivables (Note 13)	4,421	324
Amount owing by subsidiaries (Note 11)	-	12,193
Amount owing by related parties	826	250
Fixed deposits with licensed banks (Note 15)	3,754	401
Cash and bank balances	7,610	75
	45,485	13,243
Financial Liability		
<u>Amortised Cost</u>		
Lease liabilities (Note 19)	2,076	-
Term loans (Note 20)	21,921	21,293
Trade payables (Note 22)	2,965	-
Other payables and accruals (Note 23)	6,401	430
Amount owing to related parties	199	150
Bank overdrafts (Note 25)	3,577	-
	37,139	21,873



Notes to the Financial Statements
For the Financial Year Ended 31 March 2021 (Cont'd)

38. FINANCIAL INSTRUMENTS (CONT'D)

38.4 GAINS OR LOSSES ARISING FROM FINANCIAL INSTRUMENTS

	The Group		The Company	
	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000
Financial Assets				
<u>Fair Value Through Profit or Loss</u>				
Net gains recognised in profit or loss	18,269	2,941	18,269	2,941
<u>Amortised Cost</u>				
Net (losses)/gains recognised in profit or loss	(151)	(245)	154	1,116
Financial Liability				
<u>Amortised Cost</u>				
Net losses recognised in profit or loss	(533)	(2,918)	(445)	(2,576)

38.5 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:-

	Fair Value of Financial Instruments Carried at Fair Value			Fair Value of Financial Instruments not Carried at Fair Value			Total Fair Value	Carrying Amount
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3		
The Group	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
2021								
<u>Financial Assets</u>								
Other investment:								
- unquoted	-	3,390	-	-	-	-	3,390	3,390
Short-term investments:								
- quoted shares	9,117	-	-	-	-	-	9,117	9,117

Notes to the Financial Statements

For the Financial Year Ended 31 March 2021 (Cont'd)

38. FINANCIAL INSTRUMENTS (CONT'D)

38.5 FAIR VALUE INFORMATION (CONT'D)

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:- (Cont'd)

The Group	Fair Value of Financial Instruments Carried at Fair Value			Fair Value of Financial Instruments not Carried at Fair Value			Total Fair Value	Carrying Amount
	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000		
2020								
<u>Financial Assets</u>								
Other investment:								
- unquoted	-	3,300	-	-	-	-	3,300	3,300
Short-term investments:								
- quoted shares	13,976	-	-	-	-	-	13,976	13,976
<u>Financial Liability</u>								
Term loans	-	-	-	-	21,921	-	21,921	21,921
2021								
<u>Financial Assets</u>								
Other investment:								
- unquoted	-	3,290	-	-	-	-	3,290	3,290
Short-term investments:								
- quoted shares	9,117	-	-	-	-	-	9,117	9,117
2020								
<u>Financial Assets</u>								
Other investment:								
- unquoted	-	3,200	-	-	-	-	3,200	3,200
Short-term investments:								
- quoted shares	13,976	-	-	-	-	-	13,976	13,976
<u>Financial Liability</u>								
Term loans	-	-	-	-	21,293	-	21,293	21,293



Notes to the Financial Statements
For the Financial Year Ended 31 March 2021 (Cont'd)

38. FINANCIAL INSTRUMENTS (CONT'D)

38.5 FAIR VALUE INFORMATION (CONT'D)

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 estimated based on the price to book valuation model. Management has obtained the industry price to book ratio from discounted the ratio for illiquidity and multiplied the discounted price to book ratio with the book value per share of the investee to derive the estimated value. Management believes that the estimated fair value resulting from this valuation model is reasonable and the most appropriate at the end of the reporting period.
- (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 transfers between level 1 and level 2 during the financial year.

39. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

The significant events during the financial year are as follows:-

- (a) On 4 May 2020, the Company entered into a Sale 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 RM1.5 million under a management buy-out arrangement.
- (b) On 24 June 2020, a wholly-owned subsidiary, Century Software (Malaysia) Sdn. Bhd. incorporated a new subsidiary, CS Cloud Sdn. Bhd. under the Companies Act 2016.
- (c) The Company has partially disposed of its investment in Dagang NeXchange Berhad ("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

- (d) 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.
- (e) On 28 September 2020, the Company had entered into a Share Subscription Agreement ("SSA") with Packet Interactive Sdn. Bhd. ("PISB") in order for PISB to subscribe 5,356,831 ordinary shares in a wholly-owned subsidiary, T-Melmax Sdn. Bhd. ("TMAX") with a subscription price of RM250,000 comprising 51% of the enlarged paid-up share capital of TMAX. On 10 February 2021, all the conditions precedent stated in the SSA has been fulfilled, and hence the Company's equity interest in TMAX was diluted to 49%.

Notes to the Financial Statements

For the Financial Year Ended 31 March 2021 (Cont'd)

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

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

- (f) On 6 October 2020, a wholly-owned subsidiary, Century Software (Malaysia) Sdn. Bhd. accepted a Letter of Award from Lembaga Hasil Dalam Negeri Malaysia for a contract named "Kontrak LHDNM IP (ICT) BIL.18/2020: Perkhidmatan Penyelenggaraan Perisian, Aplikasi, Perkakasan dan Pembaharuan Lesen Sistem Perakaunan Hasil (eRAS) Di Lembaga Hasil Dalam Negeri Malaysia" with a total contract sum of RM7,800,000.
- (g) On 5 January 2021, a wholly-owned subsidiary, Century Software (Malaysia) Sdn. Bhd. accepted a Letter of Award from Kementerian Kewangan Malaysia for a contract named "Perkhidmatan Penyelenggaraan dan Khidmat Sokongan Ke Atas Aplikasi MYResults Bagi Tahun 2021 Hingga 2022" for a total contract sum of RM10,120,324.80 inclusive sales and services tax.
- (h) On 25 January 2021, the Company entered into a Share Sale and Purchase Agreement ("SSPA") with Paul Alistair Jennings, Fox Equities Pty Limited and Lum Choong Eu to acquire 162,305 ordinary shares in Asian Business Software Solutions Pte. Ltd. ("ABSSPL") (representing approximately 30.87% equity interest) for a total cash consideration of RM14,065,260. On 31 March 2021, all conditions precedent on the SSPA has been fulfilled and hence, the Company increased its equity interest in ABSSPL from the current 58.20% to 89.07%.
- (i) On 9 February 2021, the Company proposed to undertake a private placement of up to 20% of the total number of issued shares of the Company to third party investors to be identified at an issue price to be determined later in accordance to the general mandate pursuant to Sections 75 and 76 of the Act. On 10 March 2021, the Company has resolved to fix the issue price for the 50,522,650 placement shares (being first tranche of Private Placement) at RM0.2870 per placement share. The issue price of RM0.2870 represents a discount of RM0.0318 or approximately 9.97% to the 5-day VWAP of the Company's shares up to and including 9 March 2021, being the market day immediately preceding the price-fixing date of RM0.3188 per the Company's share. The said allotment of ordinary shares was completed on 17 March 2021.
- (j) On 10 March 2021, a wholly-owned subsidiary, Century Software (Malaysia) Sdn. Bhd. accepted a Letter of Award from Ministry of Transport Malaysia for a contract named "Perolehan Pembangunan Sistem Pelesenan Kenderaan Perdagangan (I-SPKP)" for a total contract sum of RM17,859,388.80 inclusive of 6% sales and services tax.
- (k) On 11 March 2020, the World Health Organisation declared the COVID-19 outbreak as global pandemic. Following the declaration, the Government of Malaysia has on 18 March 2020 imposed the Movement Control Order ("MCO") and subsequently entered into various phases of the MCO to curb the spread of the COVID-19 pandemic in Malaysia.

The Group's operations have been disrupted by a series of precautionary and control measures taken by the government and private corporations in response to the emergency of the COVID-19 pandemic.

The Group's financial performance and cash flows for the current reporting period had been materially impacted by the COVID-19 pandemic. Although the Group's operations have been disrupted, its financial performance and cash flows for the current reporting period had not been materially impacted by the COVID-19 pandemic.

40. SIGNIFICANT EVENTS OCCURRING AFTER THE REPORTING PERIOD

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

- (a) On 18 May 2021, the Company declared an interim dividend of 0.75 sen per ordinary share in respect of the current financial year, payable on 25 June 2021, to shareholders whose names appeared in the register of depositors on 4 June 2021. The financial statements for the current financial year do not reflect this interim dividend. Such dividend will be accounted for in equity as an appropriation of retained profits in the financial year ending 31 March 2022.
- (b) On 5 July 2021, a wholly-owned subsidiary, Censof Digital Sdn. Bhd. incorporated a new wholly owned subsidiary, Inner Sure Self Sdn. Bhd. under the Companies Act 2016.
- (c) Subsequent to the reporting date, the numbers of new COVID-19 cases increased substantially in Malaysia and markets in which the Group operates. As the outbreak is evolving, the full effects of the COVID-19 pandemic on the operational and financial performance of the Group and the Company cannot be ascertained reliably at this juncture.



Notice of Thirteenth Annual General Meeting



CENSO HOLDINGS BERHAD

Registration No.: 200801026945 (828269-A)
(Incorporated in Malaysia)

NOTICE IS HEREBY GIVEN that the Thirteenth ("13th") Annual General Meeting ("AGM") of CENSO HOLDINGS BERHAD ("Censof" or the "Company") will be held fully virtual through live streaming from the Broadcast Venue at A-8, Block A, Level 8, Sunway PJ51A, Jalan SS9A/19, Seri Setia, 47300 Petaling Jaya Selangor, on Wednesday, 8 September 2021 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 2021 together with the Directors' and Auditors' Reports thereon.
2. To approve the payment of Directors' Fees of RM500,000 and per Meeting Allowance of RM1,000 per Director for the financial year ending 31 March 2022 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 Ameer Bin Shaik Mydin (Clause 86) **Ordinary Resolution 2**
 - 3.2 Mr Boey Tak Kong (Clause 86) **Ordinary Resolution 3**
 - 3.3 Tan Sri Datuk Wira Dr. HJ. Mohd Shukor Bin HJ. Mahfar (Clause 86) **Ordinary Resolution 4**
4. To re-appoint Messrs Crowe Malaysia PLT as Auditors of the Company and to authorise the Directors to fix their remuneration. **Ordinary Resolution 5**

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 6**

"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 percent (20%) of the issued share capital of the Company at the time of submission to the authority 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 7**
 - (b) Tuan Haji Ab. Gani Bin Haron **Ordinary Resolution 8**
 - (c) Mr. Boey Tak Kong **Ordinary Resolution 9**

Notice of Thirteenth Annual General Meeting (Cont'd)

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: 11 August 2021

Notes:-

1. Members are to refer to the Administrative Notes for the procedures to register and participate and vote in the virtual 13th AGM.
2. 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 2 September 2021. Only a depositor whose name appears on the Record of Depositors as at 2 September 2021 shall be entitled to attend the said meeting or appoint proxies to attend, speak and vote in his/her stead.
3. 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.
4. 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.
5. A member who is an exempt authorized nominee is entitled to appoint multiple proxies for each omnibus account it holds.
6. 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.
7. For validity purposes, 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 or email to AGM-support.Censof@megacorp.com.my not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof.



Notice of Thirteenth Annual General Meeting (Cont'd)

Explanatory Notes on Special Business:

1. Ordinary Resolution 6

The proposed Ordinary Resolution 6 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 percent (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 Company continues to consider opportunities to broaden its earnings potential. If any of the expansion/diversification proposals involves the allotment of new shares, the Directors, under certain circumstance when the opportunity arises, would have to convene a general meeting to approve the allotment of new shares even though the number involved may be less than 20% of the issued share capital.

In order to avoid any delay and costs involved in convening a general meeting to approve such allotment of shares, it is thus considered appropriate that the Directors be empowered to allot shares in the Company, up to any amount not exceeding in total 20% of the issued share capital of the Company at the time of submission to the authority. The new authority will provide flexibility to the Company for the allotment of shares for the purpose of funding future investment, working capital and/or acquisitions. This authority, unless revoked or varied at a general meeting will expire at the conclusion of the next Annual General Meeting of the Company.

As at the date of this Notice, 50,522,650 new ordinary shares in the Company were allotted on 17 March 2021 by way of Private Placement to identified investors pursuant to Section 75(1) of the Companies Act 2016 which is equivalent to 10% of the Company's issued share capital thereat. Total proceeds raised from the Private Placement exercise was RM14.5 million.

The details of utilization of the proceeds from the Private Placement exercise are disclosed on page 86 of this Annual Report.

2. Resolution Pursuant to Retention As Independent Directors

The proposed Ordinary Resolutions 7, 8 and 9 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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**CENSO HOLDINGS BERHAD**Registration No.: 200801026945 (828269-A)
(Incorporated in Malaysia)**PROXY FORM**

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

CDS Account No.	
Number of Shares	

I/We NRIC No./Co. 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 & ADDRESS	NRIC NO.	EMAIL ADDRESS	MOBILE No.	(%)
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 Thirteenth Annual General Meeting of the Company to be held fully virtual through live streaming from the Broadcast Venue at A-8, Block A, Level 8, Sunway PJ51A, Jalan SS9A/19, Seri Setia, 47300 Petaling Jaya Selangor, on Wednesday, 8 September 2021 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 2022 and Meeting Allowance.				
2.	To re-elect Mr Ameer Bin Shaik Mydin who retires pursuant to Clause 86.				
3.	To re-elect Mr Boey Tak Kong who retires pursuant to Clause 86.				
4.	To re-elect Tan Sri Datuk Wira Dr. HJ. Mohd Shukor Bin HJ. Mahfar who retires pursuant to Clause 86.				
5.	To re-appoint Messrs Crowe Malaysia PLT as Auditors and to authorise the Directors to fix their remuneration.				
6.	Authority to allot shares pursuant to Section 75(1) of the Companies Act 2016.				
7.	Retention of Director as Independent Director of the Company: - Tan Sri Dato' Mohd Ibrahim Bin Mohd Zain				
8.	Retention of Director as Independent Director of the Company: - Tuan Haji Ab. Gani Bin Haron				
9.	Retention of Director as Independent Director of the Company: - Mr. Boey Tak Kong				

(Please indicate with an "V" 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 of2021

Notes:-

- Members are to refer to the Administrative Notes for the procedures to register and participate and vote in the virtual 13th AGM.
- 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 2 September 2021. Only a depositor whose name appears on the Record of Depositors as at 2 September 2021 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.
- For validity purposes 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 or email to AGM-support.Censof@megacorp.com.my not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof.

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Affix
Stamp

The Poll Administrator
CENSOF HOLDINGS BERHAD
[200801026945 (828269 A)]
Level 15-2, Bangunan Faber Imperial Court,
Jalan Sultan Ismail,
50250 Kuala Lumpur.

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