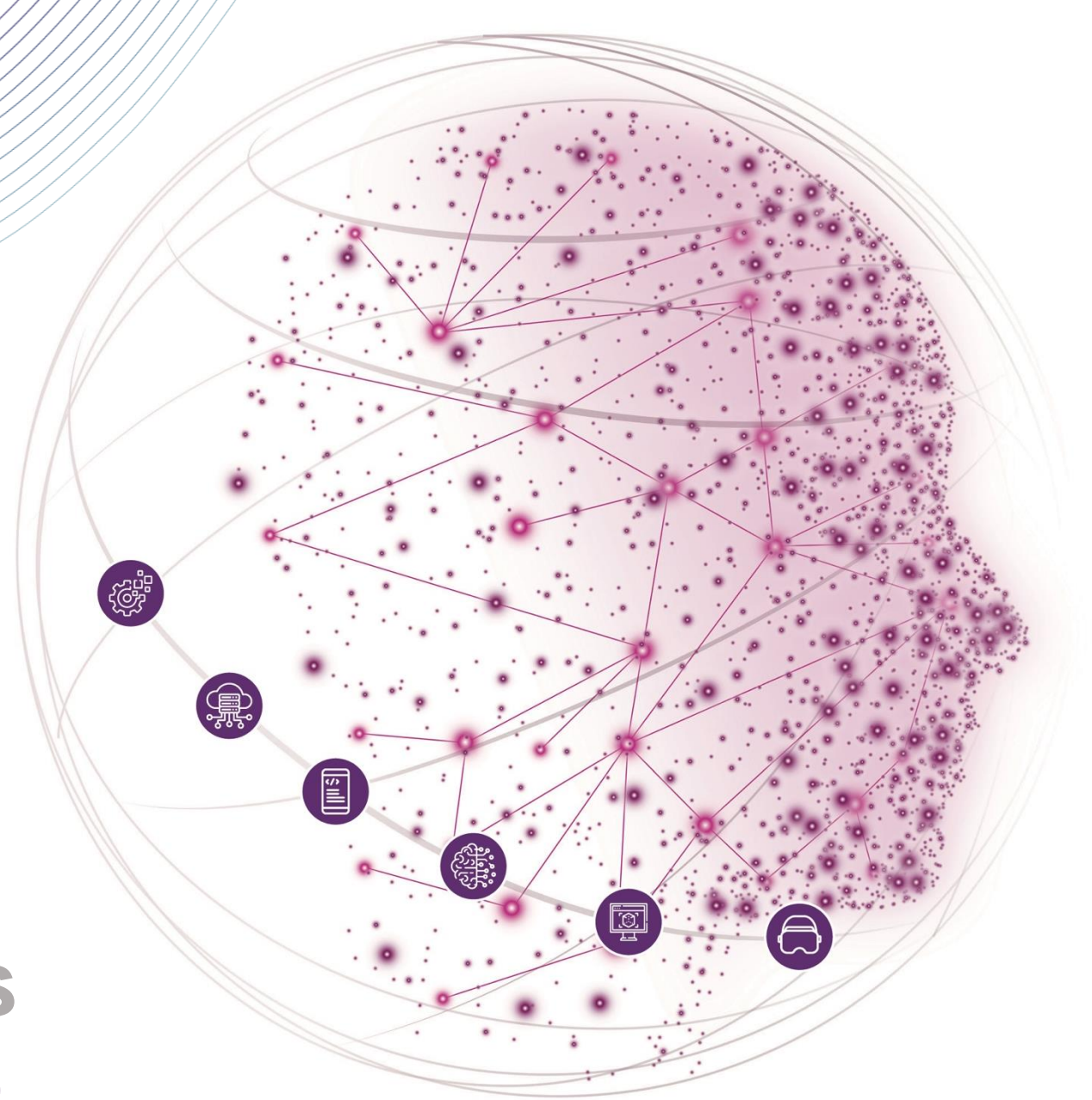




# Minority Shareholders Watch Group (MSWG)

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No.	QUESTIONS	ANSWER																																		
1	<p>Century Software (Malaysia) Sdn. Bhd., the Group’s largest subsidiary, leads the Financial Management Solutions – Government (FMS-G) division. Despite a 7.5% revenue decline due to administrative delays in public sector digitalisation projects, the FMS-G division still contributed 58.5% to the Group’s revenue (page 16 of AR2024).</p> <p>a) Please provide a breakdown of revenue and the total number of contracts for the Standard Accounting System of Government Agencies (SAGA) solution, the cloud-based Government Resource Planning (GRP) solution, and the ePihak Berkuasa Tempatan (ePBT) financial management solution to the FMS-G division for FYE2024.</p> <p>b) Please specify how much annual recurring maintenance revenue from each of the solutions above contributed to the FMS-G division in FYE2024. Additionally, how much are the profit margins of each solution to the FMS-G division in FYE2024?</p>	<p>a) The <b>breakdown of revenue and total number of contracts</b> for SAGA/GRP and ePBT reported in FMS-G for FY2024 is as follows:</p> <table><tr><th><i>Solutions</i></th><th><i>Revenue (RM’mil)</i></th><th><i>Number of Contracts (Nos)</i></th></tr><tr><td><i>SAGA/GRP – Project</i></td><td><i>17.03</i></td><td><i>158</i></td></tr><tr><td><i>SAGA/GRP – Maintenance</i></td><td><i>18.85</i></td><td><i>94</i></td></tr><tr><td><i>ePBT – Project</i></td><td><i>0.44</i></td><td><i>5</i></td></tr><tr><td><i>ePBT – Maintenance</i></td><td><i>4.13</i></td><td><i>12</i></td></tr><tr><td><i>GovTech - Project</i></td><td><i>8.98</i></td><td><i>4</i></td></tr><tr><td><i>GovTech - Maintenance</i></td><td><i>9.77</i></td><td><i>6</i></td></tr><tr><td><b>Total FMS-G Revenue</b></td><td><b>59.20</b></td><td><b>279</b></td></tr></table> <p>b) The <b>annual recurring maintenance revenue</b> for each of the solutions above contributed to the FMS-G division in FY2024 is as follows:</p> <table><tr><th><i>Solutions</i></th><th><i>Revenue (RM’mil)</i></th></tr><tr><td><i>SAGA/GRP – Maintenance</i></td><td><i>18.85</i></td></tr><tr><td><i>ePBT – Maintenance</i></td><td><i>4.13</i></td></tr><tr><td><i>GovTech - Maintenance</i></td><td><i>9.77</i></td></tr><tr><td><b>Total FMS-G Maintenance Revenue</b></td><td><b>32.75</b></td></tr></table> <p>The average profit margins for each of our solutions is between 30% - 40% for the FMS-G division in FY2024.</p>	<i>Solutions</i>	<i>Revenue (RM’mil)</i>	<i>Number of Contracts (Nos)</i>	<i>SAGA/GRP – Project</i>	<i>17.03</i>	<i>158</i>	<i>SAGA/GRP – Maintenance</i>	<i>18.85</i>	<i>94</i>	<i>ePBT – Project</i>	<i>0.44</i>	<i>5</i>	<i>ePBT – Maintenance</i>	<i>4.13</i>	<i>12</i>	<i>GovTech - Project</i>	<i>8.98</i>	<i>4</i>	<i>GovTech - Maintenance</i>	<i>9.77</i>	<i>6</i>	<b>Total FMS-G Revenue</b>	<b>59.20</b>	<b>279</b>	<i>Solutions</i>	<i>Revenue (RM’mil)</i>	<i>SAGA/GRP – Maintenance</i>	<i>18.85</i>	<i>ePBT – Maintenance</i>	<i>4.13</i>	<i>GovTech - Maintenance</i>	<i>9.77</i>	<b>Total FMS-G Maintenance Revenue</b>	<b>32.75</b>
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No.	QUESTIONS	ANSWER																										
1	<p>c) The division’s efforts to expand its reach beyond government projects have been fruitful. In FYE2023, it secured contracts from two private sector banks, including one in Brunei, and in FYE2024, it bagged a contract from DRB Hicom Berhad (page 17 of AR2024).</p> <p>i. Which banks in Malaysia and Brunei has the Group secured contracts with? Please specify the value of the contracts, the scope of the work, and the duration of the contracts. How will the revenue and earnings from these banks be distributed over the project duration? Are there any new contracts secured from the banking industry in both markets in FYE2024?</p> <p>ii. Additionally, please provide more information regarding the contract with DRB Hicom Berhad etc., how much is the contract’s value, the scope of work and the duration of the contract.</p>	<p>i. Listed below are the <b>bank contracts secured</b>, scope of work and duration of the projects:</p> <table><tr><th>Name of Financial Institutions</th><th>Secured FY</th><th>Industry</th><th>Contract Value (RM’mil)</th><th>Scope of Work</th><th>Project Contract Duration</th></tr><tr><td>Koperasi Co-opbank Pertama Malaysia Berhad (CBP)</td><td>FY2023</td><td>Banking</td><td>1.1</td><td>Implementation of GRP &amp; Integration Services</td><td>4.11.22 – 9.12.23</td></tr><tr><td>Bank Islam Brunei Darussalam At-Tamwil (Brunei)</td><td>FY2023</td><td>Banking</td><td>1.0</td><td>Implementation of GRP &amp; Integration Services</td><td>1.3.23 – 31.8.23</td></tr></table> <p><b>Secured maintenance</b> contracts for the above two customers in FY2024. We are currently pursuing a few prospects in the banking sector.</p> <p>The revenue and earnings from these banks are distributed over the project duration in accordance with the MFRS Revenue Recognition Standards and are billed based on the delivery milestones.</p> <p>ii. DRB Hicom Berhad’s project details are as follows:</p> <table><tr><th></th><th>Contract Value (RM’mil)</th><th>Scope of Work</th><th>Contract Duration</th></tr><tr><td>DRB Hicom Berhad (officially known as Hicom Holdings Berhad)</td><td>0.52</td><td>Supply, Delivery and Implementation of Enterprise Resource Planning (ERP) for Corporate Office</td><td>1.2.2022 - 31.1.23</td></tr></table>	Name of Financial Institutions	Secured FY	Industry	Contract Value (RM’mil)	Scope of Work	Project Contract Duration	Koperasi Co-opbank Pertama Malaysia Berhad (CBP)	FY2023	Banking	1.1	Implementation of GRP & Integration Services	4.11.22 – 9.12.23	Bank Islam Brunei Darussalam At-Tamwil (Brunei)	FY2023	Banking	1.0	Implementation of GRP & Integration Services	1.3.23 – 31.8.23		Contract Value (RM’mil)	Scope of Work	Contract Duration	DRB Hicom Berhad (officially known as Hicom Holdings Berhad)	0.52	Supply, Delivery and Implementation of Enterprise Resource Planning (ERP) for Corporate Office	1.2.2022 - 31.1.23
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No.	QUESTIONS	ANSWER																																				
2	<p>Censof’s Financial Management Solutions - Commercial &amp; SME or FMS-C division, including Asian Business Software Solutions (ABSS) and Netsense Group, serves Enterprise, SME, and micro-SME segments. Despite a 1.9% revenue decline in FYE2024 due to weaker sales in Singapore and Hong Kong, it contributed 23.3% to the Group’s revenue (page 17 of AR2024).</p> <p>a) What was the annual recurring revenue generated by ABSS and Netsense Group for the FMS-C division in FYE2023 and FYE2024?</p> <p>b) What were the total sales and earnings contributions from ABSS and Netsense Group to the FMS-C division in FYE2023 and FYE2024?</p>	<p>a) The annual recurring revenue generated by ABSS Group and Netsense Group for the FMS-C division in FY2023 &amp; FY2024 is presented in the table below:</p> <table><tr><th>Company</th><th>FY2024 (RM’mil)</th><th>FY2023 (RM’mil)</th></tr><tr><td>ABSS Group</td><td>14.73</td><td>14.68</td></tr><tr><td>Netsense Group</td><td>3.01</td><td>1.78</td></tr><tr><td>Total annual recurring revenue FMS-C</td><td>17.74</td><td>16.46</td></tr></table> <p>b) The total sales &amp; earnings contributed from ABSS Group and Netsense Group to the FMS-C division in FY2023 &amp; FY2024 is presented in the table below:</p> <table><tr><th rowspan="2">Company</th><th colspan="2">Revenue</th><th colspan="2">PBT</th></tr><tr><th>FYE2024 (RM’mil)</th><th>FYE2023 (RM’mil)</th><th>FYE2024 (RM’mil)</th><th>FYE2023 (RM’mil)</th></tr><tr><td>ABSS Group</td><td>17.40</td><td>18.61</td><td>5.65</td><td>6.38</td></tr><tr><td>Netsense Group</td><td>6.15</td><td>5.40</td><td>0.12</td><td>0.09</td></tr><tr><td>Total FMS-C</td><td>23.55</td><td>24.01</td><td>5.77</td><td>6.47</td></tr></table>	Company	FY2024 (RM’mil)	FY2023 (RM’mil)	ABSS Group	14.73	14.68	Netsense Group	3.01	1.78	Total annual recurring revenue FMS-C	17.74	16.46	Company	Revenue		PBT		FYE2024 (RM’mil)	FYE2023 (RM’mil)	FYE2024 (RM’mil)	FYE2023 (RM’mil)	ABSS Group	17.40	18.61	5.65	6.38	Netsense Group	6.15	5.40	0.12	0.09	Total FMS-C	23.55	24.01	5.77	6.47
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No.	QUESTIONS	ANSWER																		
2	<p>c) ABSS faced a delayed economic reopening in Singapore, its largest market, and intense competition from larger players, leading to slower sales growth (page 18 of the AR2024).</p> <p>i. What was the geographical breakdown of sales for ABSS in FYE2023 and FYE2024?</p> <p>ii. Correspondingly, what is the sales outlook for ABSS in Malaysia, Singapore, Hong Kong, Indonesia, and other countries in FYE2025?</p> <p>iii. Given the intense competition from larger players, how does ABSS intend to stay relevant and preferred in those markets?</p>	<p>i. The geographical breakdown of revenue for ABSS in FY2023 and FY2024 is as follows:</p> <table><tr><th>Country</th><th>FYE2024 (RM'mil)</th><th>FYE2023 (RM'mil)</th></tr><tr><td>Malaysia</td><td>5.46</td><td>5.47</td></tr><tr><td>Singapore</td><td>9.34</td><td>10.44</td></tr><tr><td>Hong Kong</td><td>1.57</td><td>2.28</td></tr><tr><td>Other countries</td><td>1.03</td><td>0.42</td></tr><tr><td>Total</td><td>17.40</td><td>18.61</td></tr></table> <p>ii. As of 31 August 2024, ABSS has generated a total revenue of about 39% of the revenue achieved in FY2024. It is expected that this trend will improve in FY2025 with the implementation of e-invoicing in Malaysia and Singapore.</p>	Country	FYE2024 (RM'mil)	FYE2023 (RM'mil)	Malaysia	5.46	5.47	Singapore	9.34	10.44	Hong Kong	1.57	2.28	Other countries	1.03	0.42	Total	17.40	18.61
Country	FYE2024 (RM'mil)	FYE2023 (RM'mil)																		
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Total	17.40	18.61																		



No.	QUESTIONS	ANSWER
2	<p>iii. Given the intense competition from larger players, how does ABSS intend to stay relevant and preferred in those markets?</p>	<p>iii. In Q2 FY2025, ABSS will launch a subscription-based product, with the intention to progressively transition the business model from the Perpetual license model to a Subscription based business model to address the flat growth in recent years and unlock new opportunities for sustainable revenue growth.</p> <p>The Subscription based model will allow ABSS to generate recurring revenue, create stronger customer relationships through continuous service and updates, and adapt more flexibly to market demands. By moving to a subscription-based approach, ABSS can drive long-term growth, improve customer retention, and to compete more effectively in a rapidly evolving industry.</p> <p>The initial transition to a subscription-based model and launch of the subscription-based product will result in a temporary dip in revenue and income. This is a normal part of the shift from one-time license sales to a subscription-based revenue model. While initial income may be lower, this strategic move will create a more stable, predictable revenue stream over time, enhance customer retention, and position us for stronger long-term growth. The long-term benefits should outweigh the short-term impact as the new model gains traction.</p>

No.	QUESTIONS	ANSWER																					
2	<p>d) Netsense Group faced slower sales growth due to unclear e-invoicing regulations, currency fluctuations, and aggressive competition, causing SMEs to delay projects and hesitate in procuring solutions (page 18 of AR2024).</p> <p>i. What was the breakdown of sales by industries, particularly on the construction, manufacturing, distribution and service front, for Netsense Group in FYE2023 and FYE2024?</p> <p>ii. How does Netsense Group plan to boost sales given the challenges with fierce competition and aggressive discounting by competitors across the region? What is the unique proposition of Acumatica ERP solution compared to the peers?</p> <p>iii. Netsense successfully implemented several ERP projects and secured new contracts (page 18 of AR2024). How much are the values of the newly secured contracts in FYE2024?</p>	<p>i. The breakdown of sales by industries are as follows:</p> <table> <tr> <th>Industry</th><th>FY2024 (RM'mil)</th><th>FY2023 (RM'mil)</th></tr> <tr> <td>Manufacturing</td><td>0.95</td><td>0.60</td></tr> <tr> <td>Construction</td><td>0.61</td><td>1.64</td></tr> <tr> <td>Distribution</td><td>0.65</td><td>0.76</td></tr> <tr> <td>Service front</td><td>1.14</td><td>0.36</td></tr> <tr> <td>Software &amp; telecommunication</td><td>2.80</td><td>2.04</td></tr> <tr> <td><b>Total</b></td><td><b>6.15</b></td><td><b>5.40</b></td></tr> </table> <p>ii. Acumatica ERP solutions fit into particular verticals, ie. Construction, manufacturing and service industry leveraging on independent review by Nucleus &amp; Forbes. Also, we have flexible licensing options with unlimited user license and modular architecture.</p> <p>iii. A total of 6 contracts valued at RM2.19 million namely HRSB Sdn Bhd &amp; Hasilwan (M) Sdn Bhd were secured in FY2024.</p>	Industry	FY2024 (RM'mil)	FY2023 (RM'mil)	Manufacturing	0.95	0.60	Construction	0.61	1.64	Distribution	0.65	0.76	Service front	1.14	0.36	Software & telecommunication	2.80	2.04	<b>Total</b>	<b>6.15</b>	<b>5.40</b>
Industry	FY2024 (RM'mil)	FY2023 (RM'mil)																					
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No.	QUESTIONS	ANSWER									
3	<p>The Group's profit before tax dropped 31.8% to RM7.56 million in FYE2024 from RM11.07 million in FYE2023, mainly due to higher staff costs in the FMS-G and FMS-C divisions (page 15 of AR2024).</p> <p>a) What were the staff costs for the FMS-G and FMS-C divisions in FYE2023 and FYE2024? What factors contributed to the increase? Are these increases expected to continue in FYE2025? What strategic plans does the Group have to mitigate these costs and improve profitability for both divisions?</p> <p>b) Which existing and newly introduced solutions in the FMS-G and FMS-C divisions require on-premises deployment, and are therefore expected to increase support and maintenance costs for both divisions in FYE2025?</p>	<p>a) The staff costs for the FMS-G &amp; FMS-C in FY2023 &amp; FY2024 is presented below:</p> <table> <tr> <th><i>Division</i></th><th><i>FYE2024 (RM'mil)</i></th><th><i>FYE2023 (RM'mil)</i></th></tr> <tr> <td><i>FMS-G</i></td><td><i>17.60</i></td><td><i>16.33</i></td></tr> <tr> <td><i>FMS-C</i></td><td><i>12.34</i></td><td><i>10.99</i></td></tr> </table> <p>The increase in staff costs for the FMS-G and FMS-C divisions was mainly attributed in building e-invoicing functionality and certification to the core products. This also includes customization of the framework to meet unique sector specific requirements for FMS-G.</p> <p>Some of the cost is one-off relating to e-invoicing and project specific except for maintenance of these products/ solutions in FY2025. This also depends on new customers acquired due to e-invoicing requirement in FY2025.</p> <p>b) None. We are in the transition of encouraging our existing clients to upgrade to cloud. Censof advocates for cloud deployment however our platform caters for on-premises private cloud architecture.</p>	<i>Division</i>	<i>FYE2024 (RM'mil)</i>	<i>FYE2023 (RM'mil)</i>	<i>FMS-G</i>	<i>17.60</i>	<i>16.33</i>	<i>FMS-C</i>	<i>12.34</i>	<i>10.99</i>
<i>Division</i>	<i>FYE2024 (RM'mil)</i>	<i>FYE2023 (RM'mil)</i>									
<i>FMS-G</i>	<i>17.60</i>	<i>16.33</i>									
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No.	QUESTIONS	ANSWER									
4	<p>The Group’s investments in the Digital Technology (DT) division’s businesses are generating substantial returns. In FYE2024, the DT division’s revenue grew by 23.8%, contributing approximately 13.20% of the Group’s total revenue (page 19 of AR2024).</p> <p>a) How much are the revenue and earnings of Tender Pintar to the DT division in FYE2024 given that this business emerged as a major revenue contributor to the division in FYE2024?</p> <p>b) At the 14th AGM, the board/management stated that Cloocus Sdn. Bhd. (Cloocus), was appointed by Zempot Malaysia to be their Cloud Service Provider and Manage Service for Azure Cloud.</p>	<p>a) The revenues and earnings of Tender Pintar to the DT division in FY2024 in comparison to FY2023 is as below:</p> <table><tr><th><i>Tender Pintar</i></th><th><i>Revenue (RM’mil)</i></th><th><i>PBT (RM’mil)</i></th></tr><tr><td><i>FY2024</i></td><td><i>5.70</i></td><td><i>1.49</i></td></tr><tr><td><i>FY2023</i></td><td><i>3.77</i></td><td><i>0.67</i></td></tr></table> <p>b) Zempot Malaysia Sdn Bhd was introduced by Cloocus Co Ltd, a shareholder of Zempot. Originally from Korea, Zempot Malaysia is now opening a branch in Johor. Leveraging the extensive experience of Cloocus Korea, Zempot Malaysia requires local expertise, and thus, Cloocus Malaysia has been selected as their service provider.</p> <p>Zempot Malaysia Sdn Bhd operates two different accounts: Zempot Malaysia Sdn Bhd and Zempot Malaysia Sdn Bhd 3Games. Both accounts subscribe to two services each: cloud services and managed services.</p> <p>Additional details are as below:</p>	<i>Tender Pintar</i>	<i>Revenue (RM’mil)</i>	<i>PBT (RM’mil)</i>	<i>FY2024</i>	<i>5.70</i>	<i>1.49</i>	<i>FY2023</i>	<i>3.77</i>	<i>0.67</i>
<i>Tender Pintar</i>	<i>Revenue (RM’mil)</i>	<i>PBT (RM’mil)</i>									
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No.	QUESTIONS	ANSWER																														
4	Please provide more details such as the contract value, duration, expected revenue, and earnings from this appointment.	<div>Zempot Malaysia Sdn Bhd</div> <table><tr><th></th><th>Contract Value</th><th>Duration</th><th>Expected Revenue</th><th>Earnings</th></tr><tr><td>Cloud Services</td><td>RM264k per annum</td><td>Start date 15.2.2023 (Auto renewal annually)</td><td>RM874k per annum</td><td>RM124k (FY2025 5 months)</td></tr><tr><td>Managed Services</td><td>Minimum RM30k per annum</td><td>Start date 14.2.2023 (Auto renewal annually)</td><td>RM94k per annum</td><td>RM35k (FY2025 5 months)</td></tr></table> <div>Zempot Malaysia Sdn Bhd 3Games</div> <table><tr><th></th><th>Contract Value</th><th>Duration</th><th>Expected Revenue</th><th>Earnings</th></tr><tr><td>Cloud Services</td><td>RM26k per annum</td><td>Start date 23.2.2023 (Auto renewal annually)</td><td>RM38k per annum</td><td>RM6k (FY2025 5 months)</td></tr><tr><td>Managed Services</td><td>Minimum RM30k per annum</td><td>Start date 1.6.2023 (Auto renewal annually)</td><td>RM30k per annum</td><td>RM11k (FY2025 5 months)</td></tr></table>		Contract Value	Duration	Expected Revenue	Earnings	Cloud Services	RM264k per annum	Start date 15.2.2023 (Auto renewal annually)	RM874k per annum	RM124k (FY2025 5 months)	Managed Services	Minimum RM30k per annum	Start date 14.2.2023 (Auto renewal annually)	RM94k per annum	RM35k (FY2025 5 months)		Contract Value	Duration	Expected Revenue	Earnings	Cloud Services	RM26k per annum	Start date 23.2.2023 (Auto renewal annually)	RM38k per annum	RM6k (FY2025 5 months)	Managed Services	Minimum RM30k per annum	Start date 1.6.2023 (Auto renewal annually)	RM30k per annum	RM11k (FY2025 5 months)
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Managed Services	Minimum RM30k per annum	Start date 1.6.2023 (Auto renewal annually)	RM30k per annum	RM11k (FY2025 5 months)																												

No.	QUESTIONS	ANSWER										
4	<p>c) On 30 October 2023, the Group acquired the remaining 51% of T Melmax from Green Packet Berhad. Now a wholly owned subsidiary, the Group seeks a partner to buy a 49% stake while retaining 51% control to expand the business (page 20 of AR2024).</p> <p>i. Why did the previous 49%-51% venture with Green Packet not materialise as expected and lead to losses?</p> <p>ii. How much were the losses from the previous venture with Green Packet, and did these losses impact the Group's overall earnings? What lessons were learned from the failed venture?</p> <p>iii. Has the Group identified any suitable and reliable partners yet? What criteria does the Group look for in a reliable partner for T Melmax?</p>	<p>i. The previous 49%-51% venture with Green Packet did not materialise as expected as the original business arrangement between Censof &amp; Green Packet did not go as planned. There was a major restructuring that happened in Green Packet and change in their business focus which did not align with Censof's business direction. As such we negotiated to reacquire the subsidiary to continue our Fintech initiatives.</p> <p>ii. The share of profit/(loss) from previous venture with Green Packet was minimal as follows:</p> <table><tr><th>Year</th><th>Share of profit/(loss) (RM'mil)</th></tr><tr><td>FY2024</td><td>(0.05)</td></tr><tr><td>FY2023</td><td>(0.11)</td></tr><tr><td>FY2022</td><td>0.03</td></tr><tr><td>FY2021</td><td>(0.0)*</td></tr></table> <p>Note: *minimal value</p> <p>iii. Yes, the Group has identified a suitable partner in RinggitPay Sdn Bhd and signed a Share Sales Agreement on 09/09/2024. The synergy to complement our strength in government sector with their banking and commercial industry was prime.</p> <p>The main criteria of identifying this partner were their experience &amp; expertise in the fintech industry.</p>	Year	Share of profit/(loss) (RM'mil)	FY2024	(0.05)	FY2023	(0.11)	FY2022	0.03	FY2021	(0.0)*
Year	Share of profit/(loss) (RM'mil)											
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FY2021	(0.0)*											

No.	QUESTIONS	ANSWER																																									
5	<p>The other income reduced from RM2.1 million in FYE2023 to RM1.5 million in FYE2024 (page 136 of AR2024).</p> <p>What does other income comprise and the reasons behind the notable drop in other income?</p>	<p>5. Other Income comprises of the following:</p> <table><tr><th></th><th>FY2024 (RM'mil)</th><th>FY2023 (RM'mil)</th></tr><tr><td>Interest Income</td><td>0.4</td><td>0.2</td></tr><tr><td>Forex Gain</td><td>0.2</td><td>0.2</td></tr><tr><td>Grant</td><td>0.6</td><td>0.05</td></tr><tr><td>Others</td><td>0.3</td><td>0.45</td></tr><tr><td>Recognition of Prepaid services - Moneysave</td><td>-</td><td>1.2</td></tr><tr><td>Total Other Income</td><td>1.5</td><td>2.1</td></tr></table>		FY2024 (RM'mil)	FY2023 (RM'mil)	Interest Income	0.4	0.2	Forex Gain	0.2	0.2	Grant	0.6	0.05	Others	0.3	0.45	Recognition of Prepaid services - Moneysave	-	1.2	Total Other Income	1.5	2.1																				
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6	<p>There was a written off against the allowance for impairment losses in FYE2024 amounted to RM1.7 million (vs RM40,000 in FYE2023) (page 168 of AR2024).</p> <table><tr><th></th><th colspan="2">The Group</th></tr><tr><th></th><th>2024 RM'000</th><th>2023 RM'000</th></tr><tr><td>Trade receivables</td><td>26,870</td><td>31,985</td></tr><tr><td>Allowance for impairment losses (Note 39.1(b)(iii))</td><td>(1,250)</td><td>(2,344)</td></tr><tr><td></td><td>25,620</td><td>29,641</td></tr><tr><td colspan="3">Allowance for impairment losses:-</td></tr><tr><td>At 1 April</td><td>(2,344)</td><td>(955)</td></tr><tr><td>Addition (Note 29)</td><td>(731)</td><td>(1,469)</td></tr><tr><td>Reversal (Note 29)</td><td>113</td><td>40</td></tr><tr><td>Written off</td><td>1,712</td><td>40</td></tr><tr><td>At 31 March</td><td>(1,250)</td><td>(2,344)</td></tr></table> <p>What were the reasons for the substantial written off against the allowance for impairment losses in FYE2024?</p>		The Group			2024 RM'000	2023 RM'000	Trade receivables	26,870	31,985	Allowance for impairment losses (Note 39.1(b)(iii))	(1,250)	(2,344)		25,620	29,641	Allowance for impairment losses:-			At 1 April	(2,344)	(955)	Addition (Note 29)	(731)	(1,469)	Reversal (Note 29)	113	40	Written off	1,712	40	At 31 March	(1,250)	(2,344)	<p>6.</p> <table><tr><th>Customers</th><th>RM'mil</th></tr><tr><td>Brilliance Information Sdn Bhd</td><td>1.27</td></tr><tr><td>E-Komoditi Sdn Bhd</td><td>0.44</td></tr><tr><td>Total Written off</td><td>1.71</td></tr></table> <p>The company has the policy to write-off outstanding debtors for more than 2 years. The company took measures to recover these debts and provided for impairment loss in FY2023 and written off in FY2024. However, the company is still pursuing legal actions against the two companies to recover the debts and will recognize upon collection.</p>	Customers	RM'mil	Brilliance Information Sdn Bhd	1.27	E-Komoditi Sdn Bhd	0.44	Total Written off	1.71
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No.	QUESTIONS	ANSWER																																								
1	<p>The Group prioritise sourcing from local suppliers while ensuring that the suppliers meet their requirements in price, quality performance and procurement standards (page 55 of AR2024).</p> <p>a) Currently, the proportion of spending on local suppliers is 70.8%. How much was the proportion of spending on local suppliers in FYE2023? Was there any improvement? If not, what are the challenges to obtaining more local supplies?</p> <p>b) Certain Information Technology (IT) solutions or products are sourced from mainstream foreign suppliers such as Acumatica (cloud-based ERP solution), Antares (eTendering &amp; eAuction), Cyclone (RPA Business Solution), and UiPath (RPA Business Solution).</p> <p>Among the foreign suppliers, which ones contributed the most to the Group’s IT solutions or products? Please provide a breakdown of their contributions in percentage terms.</p>	<p>a)</p> <table><tr><th>No.</th><th>Description</th><th>FY2023 (%)</th><th>FY2024 (%)</th></tr><tr><td>1</td><td>Local Suppliers</td><td>67.0%</td><td>70.8%</td></tr><tr><td>2</td><td>Foreign Suppliers</td><td>33.0%</td><td>29.2%</td></tr><tr><td></td><td>Total</td><td>100%</td><td>100%</td></tr></table> <p>FY2024 is identified as our base year to collect and collate comparative details, as such, upon request, we have tabulated the above table to represent the comparison between FY2023 &amp; FY2024. We note that there is an improvement in FY2024 compared to FY2023.</p> <p>b) Acumatica Cloud-Based ERP Solution contributes the most to the Group’s IT solution. The breakdown of the foreign suppliers are as follows:</p> <table><tr><th>No.</th><th>Description</th><th>RM’mil</th><th>%</th></tr><tr><td>1</td><td>Acumatica Pty Ltd*</td><td>7.46</td><td>16.1%</td></tr><tr><td>2</td><td>UiPath Inc.</td><td>3.45</td><td>7.5%</td></tr><tr><td>3</td><td>Antares Systems Ltd*</td><td>2.83</td><td>6.1%</td></tr><tr><td>4</td><td>Jitterbit Pty. Ltd*</td><td>0.95</td><td>2.1%</td></tr><tr><td>5</td><td>Cyclone Inc.</td><td>0.13</td><td>0.3%</td></tr></table> <p>Note*: Censof has an OEM arrangement for Government Accounting worldwide.</p>	No.	Description	FY2023 (%)	FY2024 (%)	1	Local Suppliers	67.0%	70.8%	2	Foreign Suppliers	33.0%	29.2%		Total	100%	100%	No.	Description	RM’mil	%	1	Acumatica Pty Ltd*	7.46	16.1%	2	UiPath Inc.	3.45	7.5%	3	Antares Systems Ltd*	2.83	6.1%	4	Jitterbit Pty. Ltd*	0.95	2.1%	5	Cyclone Inc.	0.13	0.3%
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No.	QUESTIONS	ANSWER
2	<p>All main market listed corporations must provide enhanced quantitative information, including at least three financial years' data for each reported indicator, taking effect for FYE on or after 31 December 2024.</p> <p>Has the Group initiated data collection for the enhanced sustainability reporting requirements, even though it is not within the current reporting cycle?</p>	<p>2. The Group has initiated and is actively gathering the necessary information to ensure full compliance with these requirements, effective 1st April 2023. FY2024 represents the base year for our sustainability reporting requirements.</p>

No.	QUESTIONS	ANSWER
1	<p>Practice 1.4 of the Malaysian Code of Corporate Governance (MCCG) states that the Chairman of the board should not be a member of the Audit Committee (AC), Nomination Committee or Remuneration Committee (NRC).</p> <p>According to the Group's disclosure in its Corporate Governance (CG) Report (page 5), Tan Sri Datuk Wira Dr. Hj. Mohd Shukor Bin Hj. Mahfar, the Independent Non-Executive Chairman (INEC), is also a member of the AC.</p> <p>We are aligned and concur with the MCCG practice and guidance, and thus call upon the board to adopt Practice 1.4, by not appointing the Chairman as a member of subcommittees such as the AC.</p> <p>This measure is essential for preserving the independence of the board committees, avoiding conflicts of interest, and maintaining a clear separation of roles between governance and oversight functions. By excluding the Chairman from committee deliberations, the board strengthens its internal checks and balances, preventing individuals from exerting excessive influence over critical decisions. This approach also encourages diverse perspectives within committees, ensuring that deliberations are thorough, balanced, and free from bias.</p>	<p>1. We appreciate your feedback and alignment with the principles of the Malaysian Code of Corporate Governance (MCCG), particularly Practice 1.4, which recommends that the Chairman of the Board should not serve on board committees such as the Audit Committee (AC).</p> <p>Notwithstanding the above, as disclosed in our Corporate Governance Report, the Chairman of the Board is not the Chairman of the AC. During the deliberation of the AC, each member of the AC is able to provide their opinion without impairing the objectivity of the Chairman of the Board.</p> <p>The Chairman of the AC would then propose the recommendation by the AC to the Board for discussion and decision. As any decision made by the Board is based on the agreement by majority of the Board, hence the Chairman of the Board would remain objective in accepting the views of the AC members.</p>

No.	QUESTIONS	ANSWER
2	<p>Practice 4.4 of the MCCG states that performance evaluations of the board and senior management include a review of the performance of the board and senior management in addressing the company's material sustainability risks and opportunities.</p> <p>At the 14th AGM, the board/management stated that they have planned to integrate the relevant FYE2024 sustainability initiatives and targets for the Board, C-Suites and respective CEOs of the subsidiaries as their FYE2024 KRAs.</p> <p>However, according to the Group's disclosure in its CG Report (page 14), the performance evaluations of Senior Management of the Group did not cover sustainability performance evaluation.</p> <p>Why did the performance evaluations of Senior Management of the Group not cover sustainability performance evaluation in FYE2024 as planned? When will this be implemented?</p>	<p>2. The integration of sustainability initiatives and targets into the performance evaluations of Senior Management is a critical step towards aligning our CG practices with the principles outlined in the MCCG. While we had planned to incorporate these elements into the FYE2024 evaluations for the Senior Management, we need more time and resource to incorporate its objectives and integrate it into the framework after consulting and engaging with our stakeholders. We have briefed the CEOs of our subsidiaries and are committed to include sustainability matrix as part of the Senior Management's performance evaluation in FY2025.</p> <p>We appreciate your understanding and support as we work towards enhancing our corporate governance practices.</p>

No.	QUESTIONS	ANSWER
3	<p>The Board has not adopted Practice 5.9 of the Malaysian Code of Corporate Governance (MCCG) which states that the board comprises at least 30% women directors.</p> <p>Currently, the Group has only one female Director out of 6 Directors, representing 16.7% female representation on the Board (page 26 of CG Report 2023).</p> <p>At the Group's 29th AGM (<b>15<sup>th</sup> AGM</b>), the management/board stated that the Board expects to meet this recommendation by FYE2025.</p> <p>Has the Board identified female candidates to address the shortfall and meet the recommended percentage of women directors? If yes, did the board use independent sources to identify the candidate? If not, we call upon the board to identify the candidate beyond the board's or management's recommendation.</p> <p>Additionally, we recommend sourcing candidates from organisations such as the 30% Club Malaysia and the Institute of Corporate Directors Malaysia (ICDM).</p>	<p>3. We appreciate your feedback and commitment in promoting gender diversity on our Board. Currently, we have one female director, representing 16.7% of our total board members. The Board regularly reviews the size, competencies, and gender representation of its members to ensure a diverse and balanced composition.</p> <p>While we are dedicated to meeting the best practices outlined in the Malaysian Code of Corporate Governance (MCCG), the Nomination and Remuneration Committee (NRC) after having evaluated the composition of the Board is currently satisfied with the diverse mix.</p>