



driving business solutions

**Censof Holdings Berhad**

(Co. No.: 828269-A)

**annual report 2014**

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## BOARD OF DIRECTORS

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

Datuk Samsul Bin Husin  
(Group Managing Director)

Tamil Selvan A/L M. Durairaj  
(Deputy Managing Director, W.E.F. 20/1/2014)

Ameer Bin Shaik Mydin  
(Executive Director)

Ang Hsin Hsien  
(Executive Director)

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

Boey Tak Kong  
(Independent Non-Executive Director)

## AUDIT COMMITTEE

Tuan Haji Ab. Gani Bin Haron  
(Chairman)

Tan Sri Dato' Mohd Ibrahim Bin Mohd Zain  
(Member)

Boey Tak Kong  
(Member)

## REMUNERATION COMMITTEE

Boey Tak Kong  
(Chairman)

Tuan Haji Ab. Gani Bin Haron  
(Member)

Datuk Samsul Bin Husin  
(Member)

## NOMINATION COMMITTEE

Boey Tak Kong  
(Chairman)

Tan Sri Dato' Mohd Ibrahim Bin Mohd Zain  
(Member)

Tuan Haji Ab. Gani Bin Haron  
(Member)

## REGISTERED OFFICE

Level 15-2,  
Bangunan Faber Imperial Court,  
Jalan Sultan Ismail,  
50250 Kuala Lumpur  
Tel no. : 03-2692 4271  
Fax no. : 03-2732 5388

## COMPANY SECRETARIES

Lim Seck Wah (MAICSA No.: 0799845)  
M. Chandrasegaran A/L S. Murugasu  
(MAICSA No.: 0781031)

## AUDITORS

Crowe Horwath  
Level 16, Tower C, Megan Avenue II,  
12, Jalan Yap Kwan Seng,  
50450 Kuala Lumpur  
Tel no. : 03-2788 9999  
Fax no. : 03-2788 9998

## SHARE REGISTRAR

Symphony Share Registrars Sdn. Bhd.  
(Company No.: 378993 D)  
Level 6, Symphony House  
Block D13, Pusat Dagangan Dana 1  
Jalan PJU 1A/46  
47301 Petaling Jaya  
Selangor Darul Ehsan  
Tel No.: 03-7841 8000  
Fax No. : 03-7841 8151

## BANKERS

CIMB Bank Berhad  
Hong Leong Bank Berhad  
Malayan Banking Berhad

## CORPORATE OFFICE

A-8, Block A, Level 8,  
Sunway PJ 51A, Jalan SS9A/19,  
Seri Setia,  
47300 Petaling Jaya,  
Selangor Darul Ehsan  
Tel no. : 03-7962 7888  
Fax no. : 03-7962 7800  
<http://www.censof.com>

## STOCK EXCHANGE LISTING

Bursa Malaysia Securities Berhad  
("Bursa Securities")  
Main Market  
Stock Code : 5195  
Stock Name : Censof  
Warrant Code : 5195 WA  
Warrant Name : Censof - WA

# Vision

To be a leading global provider of financial management solutions by 2016

# Mission

We pledge to devote our expertise towards excellence by:

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







**Standing from left to right:**

**Tamil Selvan A/L M. Durairaj**  
*(Deputy Managing Director)*

**Datuk Samsul Bin Husin**  
*(Group Managing Director)*

**Ang Hsin Hsien**  
*(Executive Director)*

**Sitting from left to right:**

**Boey Tak Kong**  
*(Independent Non-Executive Director)*

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

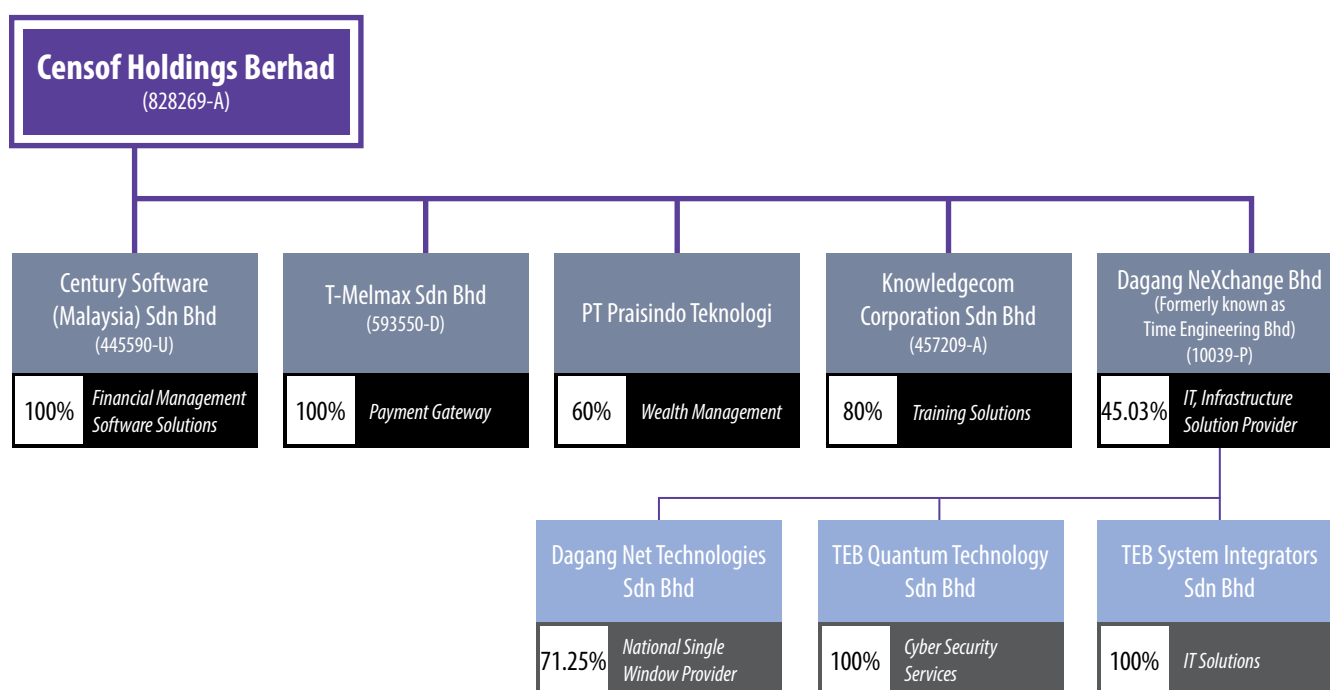
**Tuan Haji Ab. Gani Bin Haron**  
*(Senior Independent Non-Executive Director)*

**Ameer Bin Shaik Mydin**  
*(Executive Director)*

## Censof Holdings Berhad

### Group Structure

Censof (formerly known as Century Software Holdings Berhad) was incorporated under its present name as a public company in Malaysia on 8 August 2008, under the Act with the objective of being an investment holding company to facilitate our Listing exercise on 31 January 2011. The chart below shows the present structure of the Group.





## Executive Directors

Sitting From Left To Right:

**Datuk Samsul Bin Husin**  
**Ang Hsin Hsien**

Standing From Left To Right:

**Ameer Bin Shaik Mydin**  
**Tamil Selvan A/L M. Durairaj**

## Divisional Heads

Sitting From Left To Right:  
**Datuk Samsul Bin Husin**  
**Tamil Selvan A/L M. Durairaj**

Standing From Left To Right:

**Hazairin**  
**Zainul Ariffin Bin Harun**  
**Ameer Bin Shaik Mydin**  
**Rubaneswaran ST**





## Business Solutions Engine

### Century Software (Malaysia) Sdn Bhd

Financial Management Solutions (FMS)

Censof's wholly-owned subsidiary Century Software (M) Sdn Bhd ("CSM") was incorporated in 1997 as a specialist in financial management solutions; CSM is at the forefront of the IT industry in Malaysia and the global business arena. As for now, the group has presence and associates in Indonesia, Phillipines, UAE and Myanmar.

CSM is at the forefront of the IT industry in Malaysia and is looking forward to expand its presence in the global business arena. Apart from financial solutions, CSM also provides customized business solutions in business performance, analytics, and wealth management, application development and more; a trait which has elevated CSM as a strong player in the IT solutions market.

Our primary business operations include system design, development geared towards its implementation in installation, maintenance, and support; certified by the ISO 9001:2008 standards established by a Bureau Veritas Certification.

## SOLUTIONS

### SERVICES

- System Support
- BPI Advisory
- Custom Development
- Project Management
- Training
- Century Integration





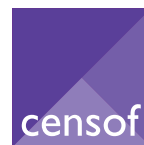
## Directors

Sitting:

**Datuk Samsul Bin Husin**

Standing:

**Ameer Bin Shaik Mydin**



driving business solutions

## Senior Management Team

Sitting From Left To Right:

**Mohd Amiruz Dzaki Bin  
Muhammad Danial**

**Zainul Ariffin Bin Harun  
Kularajah M. Thavaratnam**

Standing From Left To Right:

**Siti Safiah Binti Yahaya**

**Sothy Sundara Raju**

**Sikender Azaath Bin M Samsudin**

**Giritharan Nagalingam**

**Paremeswaran Rajagopal**

**How Pek Ching**

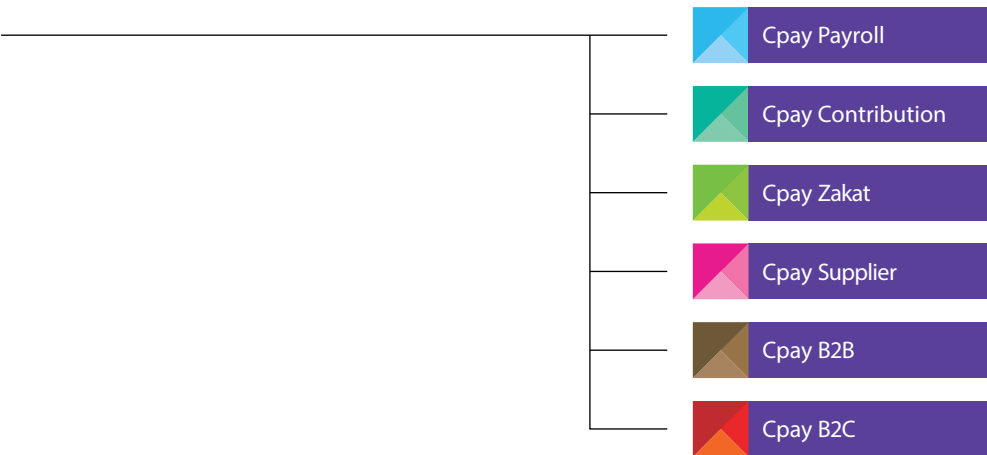
**Aishah Binti Mohd Ariffin**



# T-Melmax Sdn Bhd

Payment Aggregation Solutions (PAS)

T-Melmax Sdn Bhd (TMX) is an online payment gateway service provider. Our web-based Online Banking Solutions can process all types of bulk payments and collections for Corporations, Universities and SMEs. Our solutions are accepted by industries of various sizes for their innovative, easy to use, cost effective and value added services. TMX, established in 2002, is an MSC Status company registered with the Ministry of Finance with a paid-up capital of RM5.0 million. TMX is a wholly-owned subsidiary of Censof Holdings Berhad.





## Directors

Sitting:

**Datuk Samsul Bin Husin**

Standing From Left To Right:

**Ameer Bin Shaik Mydin**

**Patrick Wong Kam Yin**



## Senior Management Team

Sitting:

**Ameer Bin Shaik Mydin**

Standing From Left To Right:

**Raihan Binti Mohd. Ghazi**

**Rambanda Herath**

**Mohd. Yassin Bin Demiadin**

**Sujith Sharatchandran**



## PT. Praisindo Teknologi

### Wealth Management Solutions (WMS)

Founded in 2003 in the high time of Internet and Information Technology Era. Since its inception the company has been providing high quality software development and system integration works

We offer custom-made solutions in which we frequently use standardized work-processes, technological processes and documents.

Since its inception the company has been providing high quality software development and system integration works in various cities across the Indonesian archipelago as well as handling several outsourcing works from overseas clients. Praisindo has been able to list very prominent organizations and business among its clientele, which it self speaks for the quality of our works and the professionalism offered by the team.

Praisindo has become sister company of PT Mahaka Media, Tbk since 2007 and later in November 2011 has become a subsidiary of Censof Holdings Berhad in Malaysia

## PRODUCTS

### Investment Management System

- Portfolio system & fund accounting
- unit registry system
- wealth management system
- online mutual fund

### Web Security & Wan Optimization Solution

- load balancing & high availability system
- reverse caching & accelerator system
- web security system

### SERVICES

- Custom Development
- Project Management
- System Support
- Corporate Web Development
- Corporate Web Operation



## Directors

Sitting from left to right:

**Boyke Bader Brillianto**  
**Hazairin**

Standing:

**Kularajah M. Thavaratnam**

## Senior Management Team

Sitting From Left To Right:

**Agung Dwisetiawan**  
**Hazairin**

Standing From Left To Right:

**Muhammad Rendra**  
**Marlianisyah**  
**Dewi Afriyanti Pasaribu**  
**Yuli Fitriani**  
**Muhammad Fajar Dhani.S**





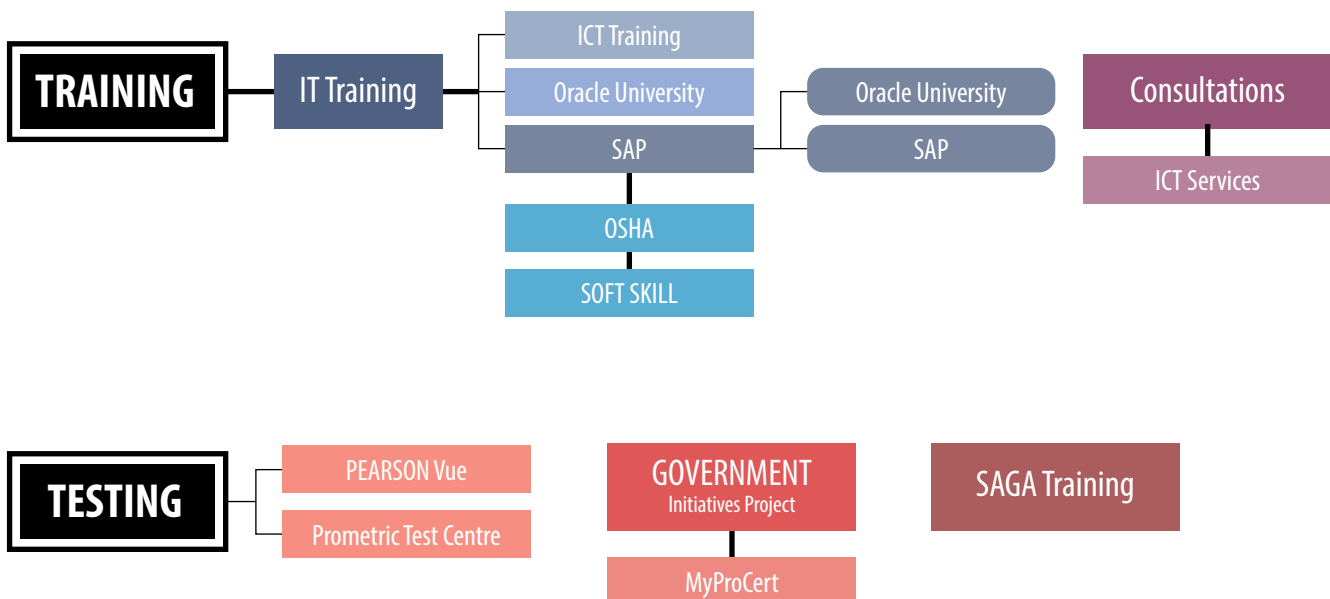
## Knowledgecom Corporation Sdn Bhd

Training Solutions (TS)

KnowledgeCom Corporation Sdn. Bhd. is a corporate organization that specializes in various types of solution and training. Over the period of 12 years, it has gained tremendous support and recognition from Government Agencies, MNC Companies, MSC Companies, SMI/SME and International Bodies, Multinational Corporations, various organizations, private and public sectors through its trademark quality IT Certification Training services, IT Business Solution and Management Trainings. Now KnowledgeCom Corporation Sdn. Bhd. Has extend the wings to Job Placement Company which is recognised Global Strategic Partner (GSP). We are not only train people as per norm but we are also providing them professional job placement in ICT industry.



Our Core Business:





## Directors

Sitting:

**S.T Rubaneswaran**

Standing from left to right:

**Datuk Samsul Bin Husin**

**Ang Hsin Hsien**

## Senior Management Team

Sitting:

**S.T Rubaneswaran**

Standing From Left To Right:

**Thyalan Gurunathan**

**Vimala Palayah**

**Cheong Hom Tai**



# Financial Highlights & Quarterly Announcements

	2014		2012		2011		2010
<b>PROFIT AND LOSS (RM Million)</b>							
Revenue	80.33		44.77		43.34		31.73
Profit Before Taxation	5.83		9.81		9.23		12.73
Profit After Taxation	4.13		9.45		9.00		12.80
Profit Attributable to Shareholders	1.11		9.33		8.81		12.80
<b>BALANCE SHEET (RM Million)</b>							
Share Capital	39.96		34.42		34.42		14.91
Reserves	38.47		41.08		31.89		26.52
Shareholder's Fund	88.75		64.51		55.45		29.13
Non Controlling Interest	62.40		0.99		0.67		-
Current Liabilities	91.86		16.01		6.38		9.78
Non-Current Liability	76.86		0.67		0.47		0.52
Property, Plant and Equipment	18.25		4.11		3.25		1.57
Other Investments	0.10		0.10		0.10		0.10
Current Assets	190.97		55.77		44.95		26.99
<b>RATIO</b>							
Net Assets Per Share (Sen)	24.55		19.03		20.35		21.90
Net Earnings Per Share (Sen)	0.31		2.71		3.19		9.62
Dividend Amount Per Share (Sen)	-		0.10		0.10		-
** year end has been changed from 31 December 2013 to 31 March 2014.							

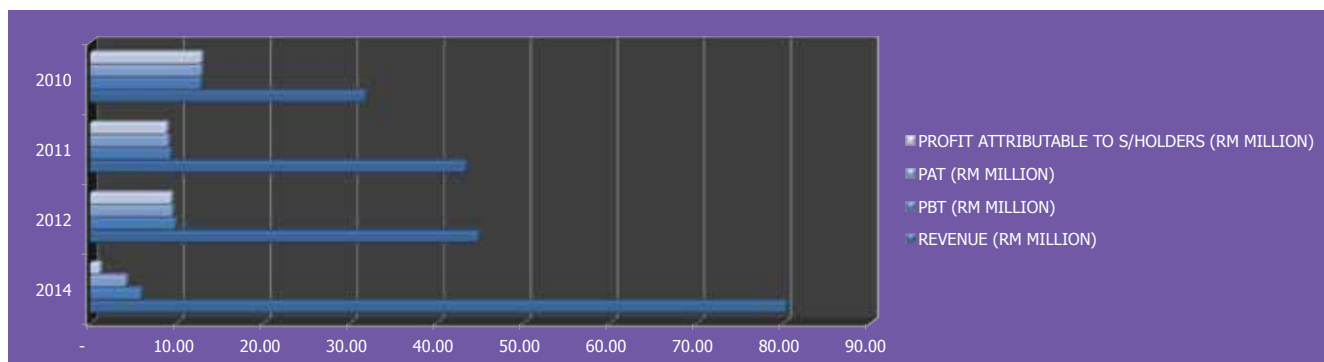
## ANNOUNCEMENTS FOR THE PERIOD 2014

### QUARTER

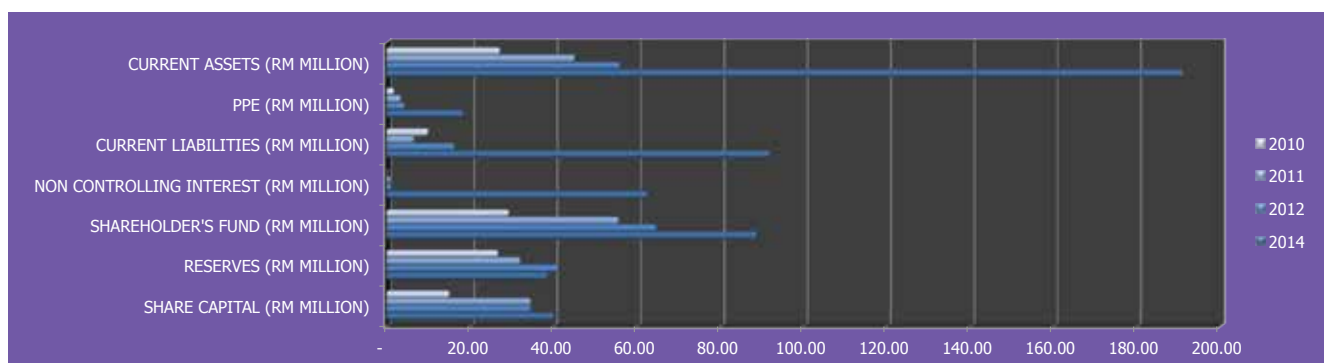
### DATE RELEASE

1. Unaudited consolidated results for the 1st quarter ended 31 March 2013. Wednesday, 22nd, May 2013
2. Unaudited consolidated results for the 2nd quarter ended 30 June 2013. Friday, 16th, August 2013
3. Unaudited consolidated results for the 3rd quarter ended 30 September 2013. Friday, 29th, November 2013
4. Unaudited consolidated results for the 4th quarter ended 31 December 2013. Wednesday, 26th, February 2014
5. Unaudited consolidated results for the 5th quarter ended 31 March 2014. Monday, 26th, May 2014

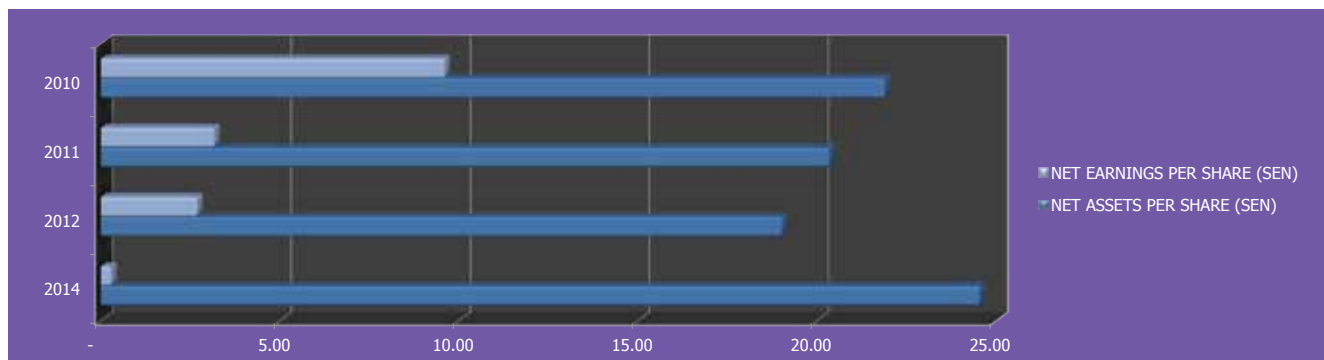
### PROFIT & LOSS



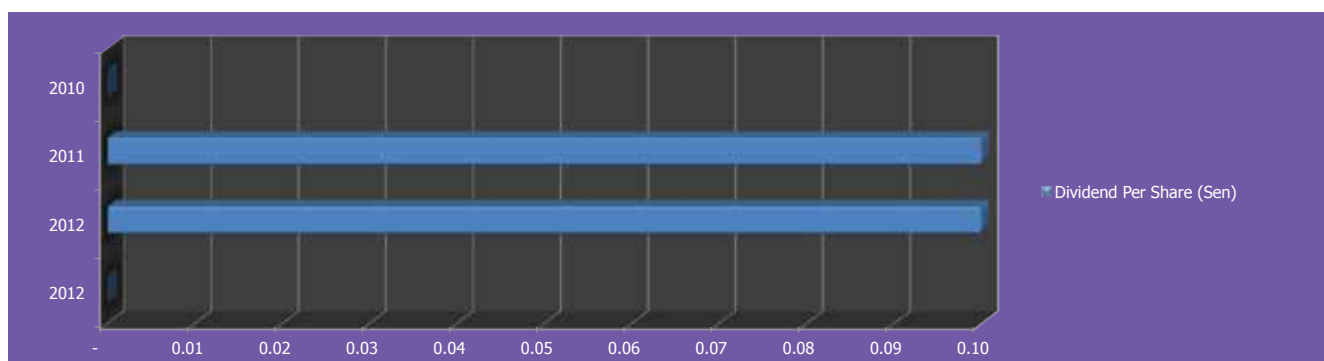
### BALANCE SHEET



### RATIO



### DIVIDEND





### **Malaysia's Best Financial Management** *System Services Provider 2013*



### **Malaysia's Prominent Information** *Technology Company 2012*



**PIKOM ICT LEADERSHIP AWARDS**  
*Member Excellence Award 2012*



**IBM Framework for**  
**Government Certification**



**MALAYSIA INDEPENDENCE AWARD 2012**  
*Malaysia's Prominent IT Company*



**Ready for IBM Informix**  
**Database Software validation**



**PIKOM ICT LEADERSHIP AWARDS 2011**  
*Technopreneur Excellence Award*

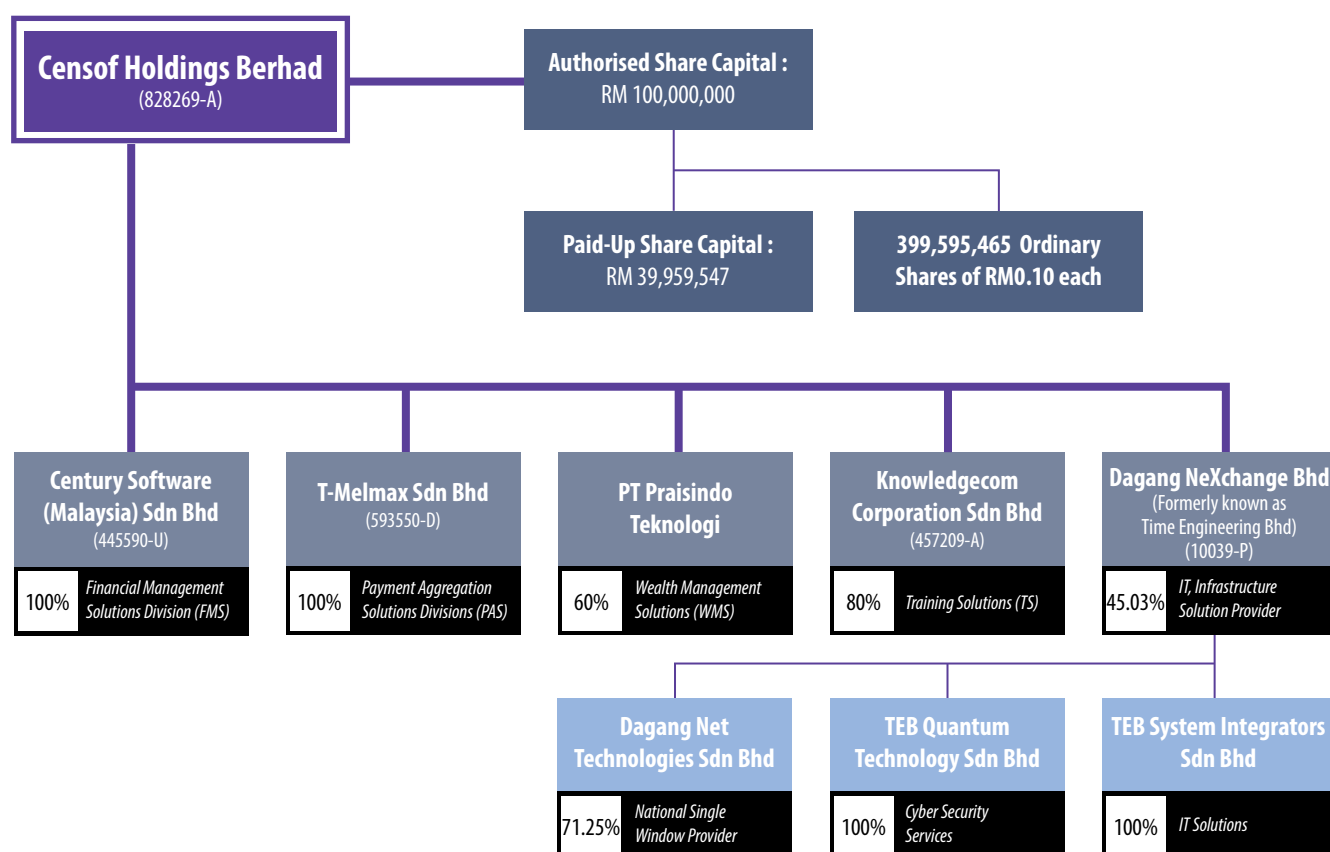


**NATIONAL AWARD FOR**  
**MANAGEMENT ACCOUNTING**  
*SME STAR Award 2010*  
*SME Best Practice Award 2009*  
*From MIA & CIMA*



**NEF-AWANI ICT AWARDS 2010**  
*Best Software Product*

## Group Structure



Subsidiaries	CENTURY SOFTWARE (MALAYSIA) SDN BHD	T-MELMAX SDN BHD	PT PRAISINDO TEKNOLOGI	KNOWLEDGECOM CORPORATION SDN BHD	DAGANG NEXCHANGE BHD
Equity Interest	100%	100%	60%	80%	45.03%
Year of Incorporation	1997	2002	2003	1998	1970
Status	BUMIPUTRA/MSC ISO - 9001 : 2008	BUMIPUTRA	-	MSC	-
Core Business	FMS	PAS	WMS	TS	ISP



## Board of Directors

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

**Datuk Samsul Bin Husin**  
(Group Managing Director)

**Tamil Selvan A/L M. Durairaj**  
(Deputy Managing Director)

**Ameer Bin Shaik Mydin**  
(Executive Director)

**Ang Hsin Hsien**  
(Executive Director)

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

**Boey Tak Kong**  
(Independent Non-Executive Director)

## Key Management Team

### Group Corporate Office

**Datuk Samsul Bin Husin**  
(Group Managing Director)

**Ameer Bin Shaik Mydin**  
(Executive Director)

**Mark John Rees**  
(Group Chief Technology Officer)

**Kularajah A/L M.Thavaratnam**  
(Group Financial Controller)

### Divisional Heads

**Zainul Arffin Bin Harun (W.E.F. 16/1/2014)**  
**Century Software (Malaysia) Sdn Bhd**  
(Chief Executive Officer)

**Ameer Bin Shaik Mydin**  
**T-Melmax Sdn Bhd**  
(Chief Executive Officer)

**Hazairin**  
**PT Praisindo Teknologi**  
(Chief Executive Officer)

**Rubaneswaran ST**  
**Knowledgecom Corporation Sdn Bhd**  
(Chief Executive Officer)

## **Tan Sri Dato' Mohd Ibrahim bin Mohd Zain**

(70 years old)

Independent Non-Executive Chairman

---

Tan Sri Dato' Mohd Ibrahim bin Mohd Zain was appointed as our Independent Non-Executive Chairman on 28 December 2010. Tan Sri is also a member of the Audit and Nomination Committee.

Upon Tan Sri's graduation in 1965, he was attached to University Technology MARA (formerly known as Institute of Technology MARA) as a lecturer where he was later appointed as a Council Member/Director, a position he held until October 2006.

Tan Sri Dato' Mohd Ibrahim is also a Director of Brahims Holdings Berhad (formerly known as Tamadam Bonded Warehouse Berhad). He is also the Chairman of Yayasan Arshad Ayub and in June 2014, he was appointed as Chairman of Rex Industry Bhd

Previously, Tan Sri had served as Chief Executive 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, Bescorp Industries Berhad, Pan Malaysian Industries Berhad, Pan Malaysian Holdings Berhad, Pan Malaysia Capital Berhad, Chemical Company of Malaysia Berhad and Kawan Food Berhad, Deputy Chairman of Metrojaya Berhad and a Director of K & N Kenanga Berhad and AMMB Holdings Berhad.

Tan Sri has not been convicted of any offence within the past ten years. Tan Sri does not have any family relationship with any other Directors and/or major shareholders of the Company and has no conflict of interest with the company.

## **Datuk Samsul Husin**

(51 years old)

Group Managing Director Censof Holdings Berhad

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A Chartered Accountant and a graduate of Universiti Kebangsaan Malaysia, Datuk Samsul has with him over 26 years of IT and accounting experience and is today at the helm of the Censof Group of companies. Datuk Samsul was also appointed to the Board of the Dagang Net Technologies Sdn Bhd on 26 November 2013, and subsequently redesignated from Chairman to Executive Chairman of Dagang Net Technologies Sdn Bhd on 1 January 2014. He is currently the Executive Deputy Chairman of Dagang NeXchange Berhad (formerly known as TIME Engineering Berhad)

Datuk Samsul Husin specializes in financial systems, system planning and designing. He started his career with the Housing Division, State Planning and Development unit, Selangor where he received hands-on experience in the planning, designing and the subsequent delivery of a Billing System for low-cost housing development projects in the state.

In 1987, Datuk Samsul joined the Accountant General's office to hold various positions in spearheading projects such as the enforcement of accounting procedures to the designing of new systems for the enhancement of existing financial management reporting for the office. During his term with the Government, he was appointed as the head of the computer unit in the offices of Kota Kinabalu and Kuching.

After leaving the public sector, Datuk Samsul then joined the private sector to hold positions in financial cum portfolio management arena before joining Censof.

Datuk Samsul areas of specialty include system computerization, in particular the easing of decision support systems, public sector accounting for statutory bodies, change management and project management.

Datuk Samsul was awarded the technopreneur excellence award in 2011 by PIKOM and has led Censof to many awards throughout the years. To name a few, Censof was awarded Malaysia's most prominent IT company by the Malaysian Independence Award board and also the recent Member Excellent Award by PIKOM, both received in 2012.

Datuk Samsul has not been convicted of any offence within the past ten years. Datuk Samsul does not have any family relationship with any other Directors and/or major shareholders of the Company and has no conflict of interest with the company.

### **Tamil Selvan Durairaj**

(52 years old)

Deputy Group Managing Director Censof Holdings Berhad

With over 30 years of experience in business consulting and financial applications implementations across a myriad of industries, Tamil Selvan is at the helm of the operations at Century Software (M) Sdn. Bhd., a subsidiary of the listed entity; Censof Holdings Berhad at which he also holds the Deputy Managing Director position as of January 2014. Tamil Selvan oversees the operations on a Group level.

Tamil Selvan qualified as an associate member of the Chartered Institute of Management Accountants (CIMA), United Kingdom in 1984, whilst employed as an Accountant and Administrator of a large co-operative. In 1987, Tamil Selvan was admitted to the Malaysian Institute of Accountant (MIA) as a Chartered Accountant (CA). Tamil Selvan also joined the Accountant General's Office as the Treasury Accountant, before leaving the public sector in 1990 to take up a position as a Consulting Manager in a subsidiary of a large public listed media and communications company. In 1993, he joined KPMG Peat Marwick Consulting Sdn. Bhd. before coming on-board Century Software (M) Sdn. Bhd. in 1995 as its Managing Director.

Tamil Selvan specialises in Financial Management and Cost Accounting for both the public and private sectors. This specialisation, coupled with a strong financial analytical skill and vast experience in implementation of various financial management systems in medium to large agencies and corporations, has led his team of financial consultants, IT professionals and accountants to plenty of successful implementation and delivery of all projects of the company.

Tamil Selvan has not been convicted of any offence within the past ten years. Tamil Selvan does not have any family relationship with any other Directors and/or major shareholders of the Company and has no conflict of interest with the company.

### **Ameer Shaik Mydin**

(50 years old)

Executive Director

A graduate of University of Malaya, Ameer started his career at PanGlobal Sistemaju Sdn Bhd, where he held the portfolio of sales and marketing for the Wang Banking Systems, which targeted the Malaysian banking sector. Over the years, Ameer has accumulated vast experience in the sales and marketing of various solutions such as Retail Banking Systems, Wholesale Banking Systems, Ross Financials Solution, Imaging Solutions, Workflow Solutions and also knowledge in other various hardware systems such as Wang, DEC and Sun.

Besides that, Ameer's career path includes the acquisition of knowledge, experience and expertise in the management of Channels Business, including Management positions with companies such as Kumpulan Netband (MSC) Sdn Bhd and DEC Malaysia. In addition, Ameer possesses hands-on know-how in managing Value Added Resellers (VAR) involved in products from a myriad of industries and verticals. His experience in managing both the public and commercial sectors proved invaluable when he first joined Century Software (M) Sdn Bhd, as a Business Manager for the public sector market.

With over 23 years of experience in business management and development, including sales and marketing of software and hardware related solutions, Ameer now heads the team at T-Melmax Sdn Bhd, a subsidiary of the listed entity, Censof Holdings Bhd, where he also holds the position of Executive Director.

Ameer has not been convicted of any offence within the past ten years. Ameer does not have any family relationship with any other Directors and/or major shareholders of the Company and has no conflict of interest with the company.

### Ang Hsin Hsien

(46 years old)

Executive Director

A graduate of Curtin University of Technology, Western Australia, Ang has more than 20 years of experience in business and the IT industry namely in formulating sales and marketing plans for business solutions for both the public and private sector as well as managing strategic accounts.

Ang currently heads the Group Business Development of Censof Holdings Berhad where she serves as Executive Director. She has invaluable experiences in managing accounts such as SIRIM, Malaysian Agricultural Research & Development Institute (MARDI), Malaysian Palm Oil Board (MPOB), Fisheries Development Authority of Malaysia (LKIM), Lembaga Hasil Dalam Negeri Malaysia (LHDNM) and Indah Water Konsortium (IWK). She was one of the key players in securing SAGA (Standard Accounting System for Government Agencies) for the company and obtaining SAGA Certification and compliance from the Malaysian Government comprises of MAMPU, Accountant General Office, Economic Planning Unit and Auditor General Office.

Ang was also appointed as a Non-Independent Non-Executive Director of Dagang NeXchange Berhad (formerly known as TIME Engineering Berhad) on 12 December 2013 and is Member of the Audit Committee and the Board Procurement and Tender Committee of the Company.

Ang's expertise in managing supplier-clientele confidence, developing new business opportunities and identifying potential markets, coupled with in-depth knowledge on public and private sector, change management as well as project management has enabled her team to provide personalised ideas and cost-effective solutions to support clients' financial and operational needs. Ang also manages the scope of work on strategy throughout all the subsidiaries and leads the team in spearheading new business both in the local and international market.

Ang has not been convicted of any offence within the past ten years. Ang does not have any family relationship with any other Directors and/or major shareholders of the Company and has no conflict of interest with the company.

### Boey Tak Kong

(60 years old)

Independent Non-Executive Director

Mr. Boey Tak Kong was appointed as our Independent Non-Executive Director on 28 December 2010. He is the Chairman of the Remuneration and Nomination Committee and a member of the Audit Committee. He is a Fellow member of the Association of Chartered Certified Accountants, United Kingdom, Associate member of the Institute of Chartered Secretaries & Administrators, United Kingdom, Chartered Accountant of the Malaysian Institute of Accountants, Member of the Malaysian Institute of Management and Associate member of the Institute of Marketing Malaysia.

Boey's broad-based experience and professional expertise spans over 23 years in senior management positions involving financial management, internal audit, corporate affairs and overseas business development with five (5) listed public companies with listing in Malaysia, Singapore, United Kingdom, New Zealand and Australia.

Presently, Boey is an approved trainer with Pembangunan Sumber Manusia Berhad and the Managing Director of Terus Mesra Sdn Berhad, a governance and leadership development training company.

Boey is also a Director of Dutch Lady Milk Industries Berhad, Green Packet Berhad, Gadang Holdings Berhad and Permaju Industries Berhad, all listed on Bursa Malaysia Securities Berhad.

Boey has not been convicted of any offence within the past ten years. Boey does not have any family relationship with any other Directors and/or major shareholders of the Company and has no conflict of interest with the company.

**Tuan Haji Ab. Gani Bin Haron**

(62 years old)

Senior Independent Non-Executive Director

---

Tuan Haji Ab. Gani Bin Haron was appointed as our Independent Non-Executive Director on 28 December 2010. He is the Chairman of the Audit Committee and Member of the Remuneration and Nomination Committee. He is a Chartered Accountant of the Malaysian Institute of Accountants.

Tuan Haji Gani's broad-based experience and professional expertise spans over 30 years, in senior positions involving financial, management, audit and human resource management for the Accountant General Department of Malaysia. Since 2001, he has taken the role of Director of Accounting Development and Management Division and subsequently Deputy Accountant General of Malaysia. He has since been involved in human resource management for the accounting personnel of the Federal Government and the development of the accounting system for the Federal Government.

Currently, he is the Director for YLI Holdings Berhad, AmanahRaya Trustee Berhad, Amanah Raya Capital Sdn Bhd, AmanahRaya Investment Bank Ltd and Amanah Raya (Labuan) Ltd.

Tuan Haji Gani has not been convicted of any offence within the past ten years. Tuan Haji Gani does not have any family relationship with any other Directors and/or major shareholders of the Company and has no conflict of interest with the company.

**Save as disclosed, none of Directors has any family relationship with any Director and/or major shareholder of the Company. None of the Directors has any conflict of interest with the Company nor have they been convicted of any offences within the past ten (10) years.**

**5  
FEB  
2013**

The Company wholly-owned subsidiary, Century Software (Malaysia) Sdn Bhd received a Letter of Award from Perbadanan Tabung Pendidikan Tinggi Nasional ("PTPTN") for a 2 year project named "Peningkatan Sistem Pengurusan Dana (FMS) di PTPTN" for a contract sum of RM1.7 million from PTPTN, commencing from 5 February 2013 until 4 February 2015.

**21  
FEB  
2013**

A subsidiary of the Company, Knowledgecom Corporation Sdn Bhd was awarded a project named "Specialised Training and Advanced Recruitment ("STAR")" by Kementerian Sumber Manusia of Pembangunan Sumber Manusia Berhad ("PSMB") for a contract sum of RM1.05 million from PSMB, commencing from 1 March 2013 until 30 June 2013.

**19  
APR  
2013**

The Company's wholly-owned subsidiary, Century Software (Malaysia) Sdn Bhd received a Letter of Award from Lembaga Hasil Dalam Negeri Malaysia ("LHDN") for a 19 month project named "Perkhidmatan Membekal, Memasang, Menguji, Mentauliah, Menaik Taraf, Menyenggara dan Menyediakan Khidmat Sokongan untuk Sistem Perakaunan Hasil Berelektronik (eRAS) di Lembaga Hasil Dalam Negeri Malaysia" for a contract sum of RM6.1 million from LHDN, commencing from 19 April 2013 until 18 November 2014.

**14  
MAY  
2013**

The Company announced the proposal of issuance of REDEEMABLE CONVERTIBLE NOTES ("RCN") with an aggregate principle amount of up to RM100.0 million, over a tenure of 36 months from the closing date of the first sub-tranche of the Tranche 1 Note. It is to be issued in four (4) Tranches and every each Tranche, there will be a number of sub-tranches.

**2  
JUN  
2013**

The Company's wholly-owned subsidiary, Century Software (Malaysia) Sdn Bhd entered into a Memorandum Of Understanding ("MOU") with Estemarat Services L.L.C. ("Estemarat") in relation to pursuing business potential in United Arab Emirates, Middle East and Africa for a tenure of two (2) years from the date of execution.

**28  
JUN  
2013**

The Company announced the proposal of a private placement of up to ten (10%) percent of the issued and paid-up share capital of Censof to third third investor(s) to be identified and at an issue price to be determined later.

**23  
JUL  
2013**

The Company wholly-owned subsidiary, Century Software (Malaysia) Sdn Bhd has received a Letter of Award from Pertubuhan Keselamatan Sosial ("PERKESO") for a renewal contract named "Penyelenggaraan Komprehensif Sistem Perakaunan SAGA Secara Rundingan Terus" for a contract sum of RM1,864,000.00, commencing from 1 February 2013 until 31 January 2016, three (3) years tenure.

**31  
JUL  
2013**

The Company's wholly-owned subsidiary, Century Software (Malaysia) Sdn Bhd has received a Letter of Award from Jambatan Kedua Sdn Bhd ("JKSB") for a 4 months project named "Supply, Delivery, Installation, Testing and Commissioning of Hardware and Software for the Implementation of Century Financials and Treasury Investment Systems" for a contract sum of RM988,953.00, commencing from 2 September 2013 until 31 December 2013.

**12  
SEP  
2013**

The Company announced the acquisition of 349,112,731 ordinary shares of RM0.20 each in Time Engineering Berhad ("TEB") ("TEB Shares"), representing 45.03% equity interest in TEB, from Khazanah Nasional Berhad for a cash consideration of approximately RM69.82 million. With this, Censof will emerge as the new controlling shareholder with 45.03% equity interest in TEB.

They also proposed the Mandatory General Offer to acquire all the remaining TEB Shares not already owned by Censof upon the completion of the Proposed Acquisition, at the cash offer price of RM0.20 for every one (1) offer share.



18  
SEP  
2013

The Company's wholly-owned subsidiary, Century Software (Malaysia) Sdn Bhd has received a Letter of Award from Lembaga Kemajuan Ikan Malaysia ("LKIM") for a 3 years maintenance contract for the project named "Perkhidmatan Penyelenggaraan Sistem Saga Century" for the sum of RM1,013,000.00, commencing from 1 October 2013 until 30 September 2016. This contract is renewable.

18  
OCT  
2013

The Company wholly-owned subsidiary, Century Software (Malaysia) Sdn Bhd ("CSM") entered into a 2 year Teaming Agreement with Myanmar Information Technology Pte Ltd ("MIT Pte Ltd"), a private limited company incorporated in Myanmar. With this, MIT Pte Ltd will be granted the rights to sell, license, market and distribute CSM products and services in Myanmar.

27  
NOV  
2013

The Company announced the completion of acquisition of TIME Engineering Berhad from Khazanah Nasional Berhad. With this, TIME Engineering Berhad is now a 45.03%-owned subsidiary company of Censof.

20  
JAN  
2014

Re-designation of Mr. Tamil Selvan A/L M. Durairaj from Executive Director to Deputy Managing Director.

26  
MAY  
2014

The Company wholly-owned subsidiary, Century Software (Malaysia) Sdn Bhd has received a Letter of Award from Northport (Malaysia) Bhd for the project named "Replacement of Financial and Accounting Management System with Two (2) Years of Support & Maintenance Services" for the contract sum of RM3,700,000.00, commencing from 26 May 2014 until 25 January 2015. The Support & Maintenance Services contract will commence from 26 January 2018 to 25 January 2020.

26  
MAY  
2014

The Company's subsidiary, Time Engineering Berhad has changed its name to "DAGANG NEXCHANGE BERHAD".

19  
JUN  
2014

The Company subsidiary, Dagang Nexchange Berhad ("DNEX") announced the appointment of En. Zainal 'Abidin bin Abd Jalil as Managing Director of DNEX effective 19 June 2014.

11  
JUL  
2014

Censof disposed 45,000,000 of Ordinary shares of RM0.20 each, representing 5.80% of the total issued and paid up share capital of Dagang Nexchange Berhad (Formerly Known As Time Engineering Berhad) ("DNEX"), the subsidiary of Censof for a total consideration of RM12,500,000.00.

# Analysis of Shareholdings

## ANALYSIS OF SHAREHOLDINGS AS AT 30 JUNE 2014

Authorized Share Capital	:	RM100,000,000.00
Issued and Fully Paid-Up Share Capital	:	RM 41,559,838.20
Class of Shares	:	Ordinary Shares of RM0.10 Each
Voting Rights	:	One Vote Per Ordinary Share
No. of Shareholders	:	4,924

## DISTRIBUTION OF SHAREHOLDINGS AS AT 30 JUNE 2014

Category	No. of Shareholders	% of Shareholders	No. of Shares	% of Shares
Less than 100	10	0.20	242	0.00
100 - 1,000	123	2.50	87,400	0.02
1,001 - 10,000	2,176	44.19	15,483,040	3.73
10,001 - 100,000	2,267	46.04	80,013,784	19.25
100,001 to less than 5% of issued shares	347	7.05	147,013,916	35.37
5% and above of issued shares	1	0.02	173,000,000	41.63
<b>Total</b>	<b>4,924</b>	<b>100.00</b>	<b>415,598,382</b>	<b>100.00</b>

## LIST OF SUBSTANTIAL SHAREHOLDERS AS AT 30 JUNE 2014

No.	Names	Direct		Indirect		
		No. of Shares	%*	No. of Shares	%*	
1.	SAAS Global Sdn Bhd	175,937,954	42.33	-	-	
2.	Datuk Samsul Bin Husin	-	-	175,937,954	42.33	(a)
3.	Ameer Bin Shaik Mydin	-	-	175,937,954	42.33	(b)

## DIRECTORS' INTERESTS IN SHARES AS AT 30 JUNE 2014

No.	Names	Direct		Indirect		
		No. of Shares	%*	No. of Shares	%*	
1.	Tan Sri Dato' Mohd Ibrahim Bin Mohd Zain	10,349,032	2.49	-	-	-
2.	Datuk Samsul Bin Husin	-	-	175,937,954	42.33	(a)
3.	Ameer Bin Shaik Mydin	-	-	175,937,954	42.33	(b)
4.	Tamil Selvan A/L M. Durairaj	-	-	-	-	-
5.	Ang Hsin Hsien	-	-	-	-	-
6.	Tuan Haji Ab. Gani Bin Haron	-	-	-	-	-
7.	Boey Tak Kong	320,000	0.08	-	-	-

### Notes:

- (a) Deemed Interest pursuant to Section 6A of the Act through his interest in SAAS Global Sdn Bhd  
 (b) Deemed Interest pursuant to Section 6A of the Act through his interest in SAAS Global Sdn Bhd

## 30 LARGEST SHAREHOLDERS AS AT 30 JUNE 2014

NO	SHAREHOLDER	SHARES	%
1.	RHB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR SAAS GLOBAL SDN BHD	173,000,000	41.63
2.	EXPEDIENT EQUITY VENTURES SDN BHD	10,000,188	2.41
3.	MAYBANK SECURITIES NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR MOHD IBRAHIM BIN MOHD ZAIN	8,749,032	2.11
4.	CITIGROUP NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR SONG SOON HEE	5,939,500	1.43
5.	CIMSEC NOMINEES (ASING) SDN BHD CIMB FOR ADVANCE CAPITAL PARTNERS PTE LTD	3,011,322	0.72
6.	MAYBANK NOMINEES (TEMPATAN) SDN BHD ETIQA INSURANCE BERHAD	3,000,000	0.72
7.	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR SAAS GLOBAL SDN BHD FKA CENSOF SDN BHD	2,500,000	0.60
8.	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR BHOOPINDAR SINGH A/L HARBANS SINGH	2,351,600	0.57
9.	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TEOH AI CHIA	2,264,400	0.54
10.	CITIGROUP NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR RAMLEE BIN MOHD SHARIFF	2,075,000	0.50
11.	ABDUL RASHID HUSSAIN	2,000,000	0.48
12.	RAJA MOHD NAZRI BIN RAJA ABD MALEK	2,000,000	0.48
13.	DB (MALAYSIA) NOMINEE (TEMPATAN) SENDIRIAN BERHAD DEUTSCHE TRUSTEES MALAYSIA BERHAD FOR SP TACTICAL INVESTMENTFUND	1,700,000	0.41
14.	KUANG KIM SOON	1,690,000	0.41
15.	MAYBANK NOMINEES (TEMPATAN) SDN BHD ETIQA INSURANCE BERHAD (DANA EKT PRIMA)	1,680,000	0.40
16.	MOHD IBRAHIM BIN MOHD ZAIN	1,600,000	0.38
17.	CARTABAN NOMINEES (TEMPATAN) SDN BHD NOMURA ISLAMIC ASSET MANAGEMENT SDN BHD FOR JURUDATA SDN BHD	1,582,400	0.38
18.	HLIB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR MICHAEL TIEW YIN SAN	1,550,400	0.37
19.	CIMSEC NOMINEES (TEMPATAN) SDN BHD CIMB BANK FOR BHOOPINDAR SINGH A/L HARBANS SINGH	1,342,900	0.32
20.	MAYBANK SECURITIES NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR NARASINGAROA A/L JAGAIA SOMALU	1,250,000	0.30
21.	KOH CHEE MENG	1,224,000	0.29
22.	CIMSEC NOMINEES (TEMPATAN) SDN BHD CIMB BANK FOR TEOH EWE JIN	1,190,000	0.29
23.	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LIM POAY CHENG	1,120,000	0.27
24.	RHB CAPITAL NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR HARRY LEE VUI KHIUN	1,110,000	0.27
25.	CIMSEC NOMINEES (ASING) SDN BHD PLEDGED SECURITIES ACCOUNT FOR NOBLE PLAN SDN BHD	1,100,000	0.26
26.	AFFIN NOMINEES (TEMPATAN) SDN BHD TAN SRI ABDUL RASHID HUSSAIN	1,000,000	0.24
27.	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LIM JYH BIN	1,000,000	0.24
28.	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR RAMLEE BIN MOHD SHARIFF	1,000,000	0.24
29.	STELLA YAP YIAN CHIUN	1,000,000	0.24
30.	FOO YING PENG	970,000	0.23
<b>TOTAL</b>		<b>240,000,742</b>	<b>57.75</b>

**ANALYSIS OF WARRANT HOLDINGS AS AT 30 JUNE 2014**

Issued Warrants	:	29,495,325
Exercise Period	:	19 June 2012 to 18 July 2017
Exercise Price	:	RM0.46 each
No. of Warrant Holders	:	1,284
Warrants Exercised	:	13,529,675

**ANALYSIS BY SIZE AS AT 30 JUNE 2014**

Category	No. of Warrant Holders	% of Warrant Holders	No. of Warrant	% of Warrant
Less than 100	195	15.19	8,618	0.03
100 - 1,000	257	20.01	123,914	0.42
1,001 - 10,000	487	37.93	1,991,138	6.75
10,001 - 100,000	289	22.51	10,861,328	36.82
100,001 - less than 5% of issued Warrants	55	4.28	14,960,927	50.73
5% and above of issued Warrants	1	0.08	1,549,400	5.25
<b>Total</b>	<b>1,284</b>	<b>100.00</b>	<b>29,495,325</b>	<b>100.00</b>

**LIST OF SUBSTANTIAL WARRANT HOLDERS AS AT 30 JUNE 2014**

No.	Names	Direct		Indirect	
		No. of Warrant	%*	No. of Warrant	%*
1.	Chan Siew Kuen	1,549,400	5.25	-	-

**DIRECTORS' INTERESTS IN WARRANTS AS AT 30 JUNE 2014**

No.	Names	Direct		Indirect	
		No. of Warrant	%*	No. of Warrant	%*
1.	Tan Sri Dato' Mohd Ibrahim Bin Mohd Zain	1,293,629	4.39	-	-
2.	Datuk Samsul Bin Husin	-	-	-	-
3.	Ameer Bin Shaik Mydin	-	-	-	-
4.	Tamil Selvan A/L M. Durairaj	-	-	-	-
5.	Ang Hsin Hsien	-	-	-	-
6.	Tuan Haji Ab. Gani Bin Haron	-	-	-	-
7.	Boey Tak Kong	40,000	0.14	-	-

## 30 LARGEST WARRANT HOLDERS AS AT 30 JUNE 2014

NO	WARRANTS HOLDER	WARRANTS	%
1.	CHAN SIEW KUEN	1,549,400	5.25
2.	BONG AH VOO @ VONG AH VOO	1,129,300	3.83
3.	MAYBANK SECURITIES NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR MOHD IBRAHIM BIN MOHD ZAIN	1,093,629	3.71
4.	KENANGA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LEOW TEIK HENG	911,000	3.09
5.	HOO MEE KING	616,700	2.09
6.	NOR ASHIKIN BINTI KHAMIS	539,100	1.83
7.	NG KOK WENG	491,600	1.67
8.	MAYBANK NOMINEES (TEMPATAN) SDN BHD LAI FON YEW	465,100	1.58
9.	BADROL HISYAM BIN HARON	437,600	1.48
10.	JOGINDER SINGH A/L GURBAK SINGH	400,000	1.36
11.	LAI FON YEW	346,700	1.18
12.	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR NG MEI YONG	330,000	1.12
13.	KHIU CHEN HUAN	313,400	1.06
14.	EXPEDIENT EQUITY VENTURES SDN BHD	300,023	1.02
15.	ISMET BIN OMAR	300,000	1.02
16.	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR WONG PUI FONG	300,000	1.02
17.	SAMSULBAHARI BIN MOHD NOOR	297,400	1.01
18.	LEE AIK CHYE	276,000	0.94
19.	WONG YAO KUOK	255,000	0.86
20.	LOH YET KONG	244,700	0.83
21.	KOK BOON LIM	235,000	0.80
22.	QUEK SER HWA	215,000	0.73
23.	SOO HENG CHIN	200,400	0.68
24.	JOGINDER SINGH A/L GURBAK SINGH	200,000	0.68
25.	KERK LEE HUA	200,000	0.68
26.	LEONG CHUN PIEW	200,000	0.68
27.	MOHD IBRAHIM BIN MOHD ZAIN	200,000	0.68
28.	NG KOK POW	200,000	0.68
29.	RHB CAPITAL NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LEE POH KWEE	200,000	0.68
30.	SEAH KUM LOONG	200,000	0.68
<b>TOTAL</b>		<b>12,647,052</b>	<b>42.88</b>



Dear Shareholders,

On behalf of the Board of Directors of Censof Holdings Berhad ("Censof" or the "Group"), it is my pleasure to present to you the Annual Report and Financial Statements for the financial period ended 31 March 2014. ("FY2014")

### **A Change In Our Financial Year End**

The Group is pleased to inform that we have changed our financial year end from 31 December to 31 March which has resulted to a fifteen (15) month financial period for FY2014 as compared to the twelve (12) month financial year ended 31 December 2012 ("FY2012"). The Group had made this decision given the corporate activities that were executed during the year.

### **Performance Summary**

For the current financial year under review, the Group has reported a revenue of RM80.3 million with a profit after tax of RM4.1 million; translating to basic earnings 0.31 sen per share.

### **Dividends**

Censof believes in continuing building shareholders value and in sharing our success while at the same time upholding structural investments funds for the Group's strategic growth.

On the 27 September 2013, we issued a first and final single-tier dividend payment of 1.0 sen per ordinary share of RM0.10 each which amounted to RM3,542,000 for FY2012.



## Corporate Governance

Throughout the years, Censof and its Board of Directors has been resolute in ensuring that the Group's business and affairs are in line to the principles of good corporate governance such as integrity, transparency, accountability and responsible business conduct. We adhere to laws and regulatory to ensure a proper and well-structured management hierarchy.

## Strategic Business Positioning

On the 27th of November 2013, we finalised a 45.03% equity acquisition in Dagang NeXchange Berhad (formerly known as TIME Engineering Berhad) from Khazanah Nasional Berhad for a total consideration of RM69.82 million.

The acquisition of Dagang NeXchange Berhad provides a strategic synergy in technical expertise and service capabilities for both Dagang NeXchange and Censof. Leveraging on a combined platform, the synergy provides the Group with a stronger portfolio and competitive edge in providing total solutions equated among its peers.

## Expanding Our Business Reach

Since the Group's establishment in 1997, Censof has grown into one of the leading financial management solutions provider in Malaysia. We have marked business presence overseas in Indonesia, Australia and the United States, with the Group's financial management solutions, e-payment gateway services, and investment/asset management solutions.

During the financial year under review the Group has explored business opportunities with established local partners with plans to further expand our presence overseas in emerging countries such as Myanmar, Philippines, United Arab Emirates, and Indonesia.

## Moving Forth

Moving forward, the Group continues to work towards its strategic plans in building long-term and sustainable growth. We are confident and are well positioned in achieving a better performance for the financial year ahead, capitalizing on globalisation, business trends and industry growth through entrepreneurialism, innovation and development.

In line with the acquisition of Dagang NeXchange, Datuk Samsul Husin has been entrusted to spearhead and navigate this business entity. On that note, on the 20th of January 2014, the Group appointed Mr. Tamil Selvan A/L M Durairaj as the Deputy Managing Director to continue the journey for the Group. Our new Deputy Managing Director is a Chartered Accountant and has over three decades of experience in the ICT industry, locally and globally. Armed with his host of track records and his dedication to operation excellence, I am confident that Tamil Selvan will steer Censof to greater heights.

## Appreciation

On behalf of the Board of Directors, I wish to express our appreciation to shareholders and customers for your continuing support and trust in the Board and Management of the Group. To all our stakeholders, we are always grateful for your long-term support and confidence in the Group.

The Board and I would certainly like to sincerely thank the management and employees of Censof for their relentless dedication and hard work to the Group.

I would like to take this opportunity to thank my fellow directors who have been graciously providing their invaluable advice and contributions to the Group throughout the year and supporting the on-going growth plans.

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

Independent Non-Executive Chairman

21 July 2014

## Group Managing Director's Review



My fellow shareholders,

I am pleased to report your Group's achievements and financial performance for the fifteen (15) months ended 31 March 2014. The period under review has been an eventful one for Censof and we have successfully secured several projects under our Financial Management Software Solutions ("FMSS") and Wealth Management Services ("WMS") business segments. In addition to these projects that have contributed to the Group's revenue and profitability, we have also made a substantial acquisition in line with our corporate strategy to grow and remain significant in this highly competitive industry.

## A GROWING PORTFOLIO

### Century Software (Malaysia) Sdn Bhd ("CSM")

Our subsidiary company CSM, which carries out our FMSS business segment, successfully secured valuable contracts during the financial period under review, replenishing our order book with a total contract value of RM11.7 million. These projects have resulted in an outstanding order book of approximately RM35 million as at 31 March 2014. More recently, in May 2014 CSM also secured a two (2) year contract with a project value of RM3.7 million with Northport (M) Bhd.

In addition to the revenue and profits generated from these project awards, Censof will also benefit from the resulting maintenance fees chargeable to the respective clients upon completion of the projects. This will increase the Group's recurring income in the long run.

To build a stronger foundation for Censof in its aspirations to expand our footprint on a global scale, CSM entered into a Memorandum of Understanding ("MOU") with Estemarat Services LLC ("Estemarat") in 2013 to pursue business opportunities in the Middle East. In order to capitalise on an emerging economy with huge potential, CSM also signed a Teaming Agreement to collaborate with Myanmar Information Technology Pte Ltd ("MIT Pte Ltd") to promote CSM products and services in Myanmar as a reseller.

### T-Melmax Sdn Bhd ("T-Melmax")

Censof's division which provides Payment Aggregation Solutions ("PAS") continues to focus on providing and developing innovative one-stop e-transaction systems.

On the 22nd of October 2013, T-Melmax launched its C-Pay Mobile App that now supports the use of the C-Pay system on all smart phones and android mobile platforms. The launch of this mobile application is developed in line with the advanced payment solutions and market demands.

### PT Praisindo Teknologi ("PTP")

Censof's division that operates in the Wealth Management Solutions is based in Jakarta and has been developing gradually progressing into the Malaysian market. PTP's products have been expanded into the Malaysian market mainly as per the Islamic requirements in Malaysia. Organizations such as PTPTN and Jambatan Kedua Malaysia are one of the few customers PTP has been dealing with.

### Knowledgecom Corporation Sdn Bhd ("Knowledgecom")

Our subsidiary that operates our Training Solutions ("TS") business segment was awarded a contract worth RM1.05 million during the financial period from Kementerian Sumber Manusia of Pembangunan Sumber Manusia Berhad ("PSMB"). This project was successfully completed within the contracted period.

Knowledgecom have been working intensely in collaboration with various registered associations in training and developing technical talents in Malaysia. Earlier this year, on the 19th of March 2014, Knowledgecom saw the first fifteen (15) participants successfully graduate from the Enterprise System Technology Apprentice Recruit (eStar) Program 2013.

eSTAR is an initiative by BP working with Multimedia Development Corporation (MDeC) and Knowledgecom to provide opportunities to fresh graduates on various disciplines with an objective to equip them with high level Enterprise Resource Planning (ERP) training. They are given high level SAP training in order for them to work in one of the world's largest multinational company using SAP, which is one of the world's leading ERP system providers. Knowledgecom has been awarded with the education license to deliver SAP training to all colleges and universities in Malaysia.

During FY2014, 32 participants have successfully passed the SAP program and currently a total of 65 participants are undergoing the training.

Joining forces with reputable associations such as MDEC, TalentCorp, PSM and MOE – Knowledgecom is optimistic that it will continue to increase its portfolio of training programs and services, that will contribute to a growing population of the skilled workforce required in Malaysia in meeting the Government's Vision 2020 of becoming a developed nation by year 2020.

## CORPORATE EXERCISES

In September 2013, Censof announced the acquisition of 45.03% equity stake in Dagang Nexchange Berhad ("DNEX") (formerly known as Time Engineering Berhad) from Khazanah Nasional Berhad for a cash-only purchase consideration of RM69.8 million. This acquisition was successfully completed on 27 November 2013, resulting in Censof becoming the controlling shareholder of DNEX.

The purchase consideration was paid mostly via external debt and some internally generated funds. The Group's net gearing increased as a result of the additional borrowings. However, the Group received shareholders' approval at an Extraordinary General Meeting held on 29 November 2013 for the proposed issuance of Redeemable Convertible Notes ("RCN") with an aggregate principle amount of up to RM100 million. The rationale for this issue was to raise funds to enable the Group to reduce its borrowings in respect of the acquisition. As at 31 March 2014, RM3.8 million was raised as a result of the issue.

The acquisition of DNEX will provide a platform for Censof to increase our earnings base and benefit from positive synergies as a result of this deal.

During the financial period, the Group also raised a total of RM17.3 million by issuing new shares from the private placement exercise and another RM6.2 million from the warrants conversion.

## FINANCIAL PERFORMANCE

For the financial period ended 31 March 2014, the Group delivered pretax profit of RM5.8 million and net profit attributable to shareholders of RM1.1 million on the back of RM80.3 million revenue. The thinner bottom-line margin for the financial period was due to RM3.8 million in borrowing costs incurred as a result of increased borrowings and RM4.1 million in once-off costs relating to the DNEX acquisition.

As at 31 March 2014, the shareholders funds increased by 37.6% from RM64.5 million as at 31 December 2012 to RM88.7 million. The Group's net gearing as at 31 March 2014 was approximately 0.3 times.

## FUTURE PROSPECTS

The management foresees that the Group's long-term prospects will remain positive moving forth with growing market trends and advancing industry developments that are driving the demand for comprehensive ICT solutions.

Firstly, the influx of the Government Service Tax ("GST") compliance system will not only generate opportunities for new implementation projects for the Group's GST software; but also trigger demand for upgrading and training services from our over 80 existing government agencies that are currently using our products before the implementation of the GST compliance system.

As mentioned earlier, the new synergistic benefits that our new subsidiary DNEX will result in an enlarged platform of comprehensive solutions and expertise to engage in future projects.

Moving forward, Censof believes that it will continue to penetrate on strong organic growth with the market shifting towards electronic financial management solutions that is driving trends upwards in a technologically advancing era.

**Datuk Samsul Bin Husin**  
Group Managing Director

## Introduction

The Board of Directors ("Board") of Censof Holdings Berhad subscribes and supports the requirements and guidelines of the Malaysian Code on Corporate Governance 2012 ("Code") as well as the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad. The Board is committed to ensuring that the highest standard of corporate governance is being practised throughout the Group as a fundamental part of discharging its responsibilities to protect and enhance shareholders' value and the financial performance of the Group.

This statement describes the practices that the Company had taken with respect to each of the key principles and the extent of its compliance with the Code during the financial period.

## A. Board of Directors

### Composition of the Board and Board Balance

The Board comprises of an Independent Non-Executive Chairman, a Group Managing Director, a Deputy Managing Director, two Executive Directors and two Independent Non-Executive Directors. Furthermore, the Board comprises at least one third of Independent Non-Executive Directors as required by the MMLR of Bursa Malaysia Securities Berhad. The names and profile of the Directors are stated on the Director's profile page of this Annual Report.

The members of the Board have a wide range of skills and experience which bring a wealth of expertise to the leadership of the Group.

The mix of directors on the Board is broadly balanced to reflect the interests of major shareholders, management and minority shareholders. There is no one member of group which dominates the decision making processes that the Board undertakes. Furthermore, the number of Independent Directors ensures that issues of performance, strategy, compliance and resources are discussed and examined in depth in order to take into consideration the long-term interest of the Group's stakeholders. This governance framework enhances the direction and business operations of the Group to achieve long term sustainable growth.

The Board, through the Nomination Committee will take steps to ensure that women candidates are sought as part of its gender diversity and recruitment process. Selection of women candidates to join the Board will be, in part, dependent on the pool of women candidates with the necessary skills, knowledge and experience. The ultimate decision will be based on merit and contributions the candidate brings to the Board. The Company currently has a female Executive Director on the Board, namely Ms Ang Hsin Hsien.

### Board Duties and Responsibilities

The Board has several duties and responsibilities which encompass the following:

- to review and adopt a strategic plan for the Group in order to enhance its growth and profitability;
- to identify risks and ensure the implementation of suitable internal control systems to manage these risks;
- to approve compensation packages for key management and succession policies for the Group;
- to oversee the development and implementation of a communication policy for the Group;
- to oversee the Group's business conduct as well as to evaluate if the Group's businesses are properly managed and;
- to review the adequacy and the integrity of the Group's management information and internal control system as well as systems for compliance with applicable laws, regulations, directives, rules and guidelines.

### **Board Charter and Code of Ethics**

The Company has established a Board Charter which shall be subject to review and update as and when the needs arise.

The Company's Code of Ethics for directors and employees continue to govern the standards of business ethics and good conduct expected of directors and employees respectively.

In addition, the Company's Whistle-blower Policy seeks to foster an environment where integrity and ethical behaviour are maintained and any illegal or improper conduct and/or wrongdoing in the Group may be exposed.

### **Time Commitment**

The Directors do observe the recommendation of the Code that they are required to notify the Board before accepting any new directorship and to indicate the time expected to be spent on the new appointment.

To ensure that the Directors have the time to focus and fulfil their roles and responsibilities effectively, they must not hold more than 5 directorships in public listed companies and must be able to commit sufficient time to the Company.

The Board is satisfied with the level of time commitment given by the Directors towards fulfilling their roles and responsibilities as Directors of the Company. This is evidenced by the attendance record of the Directors at Board meetings.

### **Board Meetings and Supply of Information to the Board**

The Board is scheduled to meet quarterly with additional meetings to be convened when urgent matter need to be discussed and approved in between these scheduled meetings. Sufficient notice is given to the Board prior to the meeting in order for them to be present.

The board papers are disseminated to all Directors before the meeting, to give sufficient time to them to review and prepare for the meeting. The proceedings are minuted and thereafter confirmed by the Chairman of the meeting. The Directors have access to the Company Secretary and external independent experts who may be engaged at the Company's expense to seek advice and services.

The Board is also regularly updated on new statutory and regulatory requirements concerning their duties and responsibilities and the operation of the Group.

### **Qualified and Competent Company Secretary**

The Board is supported by Companies Secretaries in discharging its duties and functions. The Directors have unrestricted access to the advise and services of the Company Secretaries to enable the Directors to discharge their duties effectively. The Company Secretaries ensure that the Board is regularly updated on relevant regulatory requirements, codes or new statutes issued from time to time.



### Appointment and Re-election of Directors

Pursuant to the Articles of Association of the Company, one-third (or the number nearest to one-third) of the Directors are required to retire from office at each annual general meeting. Further, all the Directors are required to retire from office at least once in every three (3) years. However, a retiring Director is eligible for re-election at the meeting at which he or she retires. An election of the retiring Directors shall take place every year.

Any person appointed as a Director, either to fill a casual vacancy or as an addition to the existing Directors shall hold office only until the conclusion of the next annual general meeting, and shall be eligible for re-election but shall not be taken into account in determining the directors who are to retire by rotation at that meeting.

The Board met eight (8) times during the financial period ended 31 March 2014. Attendance of each member of the Board during the financial period ended 31 March 2014 are as follows:-

Name of Board Member	Designation	Number of Meetings Attended (Out of 8 held)
Tan Sri Dato' Mohd Ibrahim Bin Mohd Zain	Independent Non-Executive Chairman	7/8
Datuk Samsul Bin Husin	Group Managing Director	8/8
Tamil Selvan A/L M. Durairaj	Deputy Managing Director	8/8
Ameer Bin Shaik Mydin	Executive Director	7/8
Ang Hsin Hsien	Executive Director	8/8
Tuan Haji Ab. Gani Bin Haron	Senior Independent Non-Executive Director	7/8
Boey Tak Kong	Independent Non-Executive Director	8/8

### Board Committees

The Board delegate specific responsibilities to Board Committees, namely Audit Committee, Nomination Committee and Remuneration Committee, all of which operate within defined terms of reference. All Board Committees do not have executive power but report to the Board on all matters considered and the ultimate responsibility for decision making on recommendations presented by the Board Committees lies with the Board.

### Audit Committee

The Audit Committee has the Board's authority to:

- assess the independence and objectivity of external and internal auditors;
- ensure the internal control system is adequate and effective;
- have full access to information of the Group;
- exercise its full responsibility within the stipulated terms of reference and be given the necessary resources to do so; and
- investigate matters arising.

The composition of the Audit Committee is as follows:-

Name	Designation	Directorship
Tuan Haji Ab. Gani Bin Haron	Chairman	Senior Independent Non- Executive
Tan Sri Dato' Mohd Ibrahim Bin Mohd Zain	Member	Independent Non-Executive
Boey Tak Kong	Member	Independent Non-Executive

The Committee's report is detailed in the Audit Committee Report section of this Annual Report.

### Nomination Committee

The Nomination Committee has the responsibility of proposing new nominees to the Board. Besides, it has the task of assessing the performance of the Directors on an annual basis. However, the decision as to who shall be appointed lies with the entire Board but after taking into consideration the recommendations of the Nomination Committee.

Other than reviewing the performance of the members of the Board, assessing the effectiveness of the Board as an entity as well as the contributions of each individual director, the Nomination Committee reviews the needed skills, experience and core competencies which should be possessed by Non-Executive Directors.

New appointments of member are made through a formal and transparent process which is consistent with the Company's Articles of Association and under the supervision of the Board. The appointment as well as the proposed re-appointment/re-election at the Annual General Meeting ("AGM") is recommended by the Nomination Committee to the Board for its approval. Continuous reviews are made on the effectiveness as a whole, the various Committees of the Board and the contributions of each director.

The composition of the Nomination Committee is as follows:-

Name	Designation	Directorship
Boey Tak Kong	Chairman	Independent Non-Executive
Tan Sri Dato' Mohd Ibrahim Bin Mohd Zain	Member	Independent Non-Executive
Tuan Haji Ab. Gani Bin Haron	Member	Senior Independent Non-Executive

During the financial period under review the Nomination Committee held one (1) meeting on 21 February 2013, which was attended by all (3) three members.

### Remuneration Committee

The Remuneration Committee is tasked with reviewing the performance of the Executive Directors and then to inform the Board of their recommendations on specific adjustments in remuneration as well as reward payments to commensurate with the respective contributions of the Executive Directors.

The Remuneration Committee is responsible for developing the remuneration policy and procedures to attract and retain directors. The Remuneration Committee then recommends the remuneration packages for Non-Executive Directors the framework of the Executive Directors' remuneration packages and also makes recommendations to the Board on the elements of the remuneration and terms of appointment. The Directors concern would abstain from deliberations and voting in respect of their remuneration. Nevertheless, it is the responsibility of the Board to approve the remuneration of these Directors.

The composition of the Remuneration Committee is as follows:-

Name	Designation	Directorship
Boey Tak Kong	Chairman	Independent Non-Executive
Tuan Haji Ab. Gani Bin Haron	Member	Senior Independent Non-Executive
Datuk Samsul Bin Husin	Member	Group Managing Director

During the financial period under review the Remuneration Committee held one (1) meeting on 21 February 2013, which was attended by all (3) three members.

### Director's Training

All Directors have completed the "Mandatory Accreditation Programme" as prescribed by the MMLR of Bursa Securities. As part of the Continuous Education Programme to keep up to date with new developments Director's are encouraged to participate in seminars, trainings and conferences organised by the relevant regulatory authorities, professional bodies and commercial entities. The objective is to further enhance their skill, knowledge and expertise as well keep up to date with recent development in the industry in order to discharge their duties.

During the financial period under review, the Directors attended the following training programme/courses and/or conferences listed below:

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

Regional Governments Conference 2013 and Indonesian Infrastructure Week, 13-14 November 2013.

**Datuk Samsul Bin Husin**

National Conference on Services Sector – An Ecosystem Approach to Transforming the Malaysian Services Sector, 29 August 2013. Breakfast with Board Chairman, 11 September 2013. Banking on Asean: Leveraging The Growth Potential, 29 October 2013. Global Trade Facilitation Conference 2013 (Bangkok), 18-19 November 2013. 2013 Censof Global Conference “Towards Performance Excellence” Making the Transition (Dubai), 1-5 December 2013.

**Ameer Bin Shaik Mydin**

6th Mobile Commerce Summit Asia (Singapore), 19-20 March 2013. 17th Malaysian Banking Summit, 23-24 July 2013. Strategic Enterprise Architecture and Transformation 2013, 10 September 2013. 4th Global Entrepreneurship Summit 2013, 11-12 October 2013. 2013 Censof Global Conference “Towards Performance Excellence” Making the Transition (Dubai), 1-5 December 2013.

**Tamil Selvan a/l M.Durairaj**

Special Dialogue & Presentation Session on ASEAN CS Scorecard 2013, 13 June 2013. Trade Mission Update: SMM on ICT (Myanmar), 19-22 August 2013. Breakfast with Board Chairman, 11 September 2013. 2013 Censof Global Conference “Towards Performance Excellence” Making the Transition (Dubai), 1-5 December 2013.

**Ang Hsin Hsien**

Forbes Forum – Asia's Power Business Women (Bangkok), 23 April 2013. Workshop on Social Media for Investor Relations, 21 May 2013. Women Business Forum Networking Session with IBM, 5 June 2013. Trade Mission Update: SMM on ICT (Myanmar), 19-22 August 2013. Strategic Enterprise Architecture and Transformation 2013, 10 September 2013. Breakfast with Board Chairman, 11 September 2013. 4th Global Entrepreneurship Summit 2013 “Empowering and Connecting Entrepreneurs”, 11-12 October 2013. 2013 Censof Global Conference “Towards Performance Excellence” Making the Transition (Dubai), 1-5 December 2013.

**Tuan Haji Abd. Gani Bin Haron**

Roles and Responsibility of Directors under the Listing Requirement, 27 February 2014.

**Boey Tak Kong**

Fuelling The Economy: Business of Palm Oil, 15 March 2013. CFO and Beyond, 28 March 2013. Securing Mobile Access in the Enterprise, 15 May 2013. CFO's & Finance Leaders Conference 2013, 17 May 2013. ASEAN CG Scorecard 2013, 12 June 2013. Future of Corporate Reporting, 12 June 2013. Advocacy Session on Corporate Disclosure, 20 June 2013. The Value of Quality Audit, 5 July 2013. Optimising Work-Life Conference, 8 July 2013. 100 Drivers of Change for the Global Accountancy Profession, 17 July 2013. Security Inside Out – The Impact & A Roadmap to Compliance, 22 August 2013. Security Operation Center Roundtable, 18 September 2013. Drive Better Business Outcomes with Big Data and Analytics, 7 October 2013. The Importance of Government Relations to the Bottom Line, The Importance of the Wider Stakeholders Environment – Civil Society & the Community, Practical Application of Government Relations Design & Strategy, Lessons & Best Practices, Managing Asia's New Competitive Games, 29 October 2013. Audit Committee Conference 2014 – Stepping Up for better Governance, 20 March 2014. Corporate Governance Guide: Towards Boardroom Excellence – an update, 26 March 2014.

## B. Directors' Remuneration

### Remuneration Policy and Procedures

In order to attract and retain Directors who are of the high caliber and pivotal in order to successfully manage the Group, the "Code" states that the remuneration of the Directors needs to be determined.

The remuneration for the Executive Directors links rewards to corporate and individual performances. The remuneration of Non-Executive Directors reflects the level of experience and responsibilities they had assumed during the period.

The remuneration made available to all Directors of the Company during the financial period ended 31 March 2013 are as detailed below:

- i. Aggregate Remuneration of Director's categorised into appropriate components:

	Fees	Non-Fee Emoluments	Total
<b>Executive Director</b>			
Datuk Samsul Bin Husin	65,750	610,769	676,519
Tamil Selvan A/L M. Durairaj	42,000	435,500	477,500
Ameer Bin Shaik Mydin	37,500	315,120	352,620
Ang Hsin Hsien	66,000	401,280	467,280
<b>Sub-total</b>	211,250	1,762,669	1,973,919
<b>Non-Executive Director</b>			
Tan Sri Dato' Mohd Ibrahim Bin Mohd Zain	87,500	8,000	95,500
Tuan Haji Ab. Gani Bin Haron	72,500	8,500	81,000
Boey Tak Kong	76,250	8,500	84,750
Abdul Mushir Bin Che Chik (resigned w.e.f. 15/07/2013)	-	2,500	2,500
<b>Sub-total</b>	236,250	27,500	263,750
<b>Total</b>	<b>447,500</b>	<b>1,790,169</b>	<b>2,237,669</b>

- \* Independent/Non-Independent Directors' fees will be tabled for shareholders' approval at the Sixth Annual General Meeting on 29 August 2014.

- ii. The remuneration paid to the Directors, analysed in the following bands, are as follows:-

Range of Remuneration (RM)	Executive	Non-Executive
Below 50,000	-	1
50,001 - 100,000	-	3
350,001 - 400,000	1	-
450,001 - 500,000	2	-
650,001 - 700,000	1	-

## C. Shareholders and Investor Relations

### Dialogue with Investors and Shareholders

It is of utmost importance that the shareholders and investors are informed of the Group's business as well as its corporate developments. The Company recognises this and therefore disseminates information via the Company's annual report, circulars to the shareholders and announcements periodically and adheres to the disclosure requirement of Bursa Malaysia Securities Berhad.

In addition, shareholders also have access and may obtain the Company's latest announcements via the Investor Relations in the Company's website at [www.censof.com](http://www.censof.com) and through Bursa Malaysia Securities Berhad.

Shareholders are invited to take part in discussions with the Board with regard to the Group's operations and performance during its annual general meeting which serves as the main platform for dialogue between the management and its shareholders. The management, on its part, will note suggestions and comments put forward by the shareholders for consideration.

Tuan Haji Ab. Gani Bin Haron is the appointed Senior Independent Director to whom concerns may be conveyed.

### Annual General Meeting (AGM)

The Annual General Meeting is the prime forum of dialogue with shareholders. The Notice together with a copy of the Group's Annual Report is sent to Bursa Securities and all shareholders at least twenty one (21) days prior to the meeting as required by the Companies Act 1965 and Bursa Malaysia Securities Berhad listing requirements in order to facilitate full understanding and evaluation of the issues involved.

During the AGM, the Board presents the progress and performance of the Group as contained in the Annual Report. Shareholders are encouraged to participate and are given every opportunity to raise questions and seek clarification during the session. The Independent Non-Executive Chairman, the Group Managing Director and Board members are available to respond to all shareholders' queries.

For Financial Year 2012, the Group's 5th AGM was held at Sime Darby Convention Centre on Wednesday, 26 June 2013. During which all resolutions were approved by show of hands and was attended by Board of Directors, Company Secretary, Auditor and Senior Management and shareholders. The Chairman and Group Managing Director held a press conference immediately after the AGM updating the media representatives on current development and also taking question from the media.

The Board will adopt poll voting for related party transactions, if any, which require specific approvals, including the announcement of detailed results showing the number of votes cast for and against each resolution.

As for Financial Period ended 31 March 2014, the 6th AGM which is scheduled to be held on the 29 August 2014, the Notice and Proxy Form are enclosed on page 128 and on the last page respectively of this Annual Report.

### Annual Report

The Board's objective is to provide and present a comprehensive assessment of disclosures in the Annual Report to shareholders. In disclosing of this information, the Board is guided by the principles set out in the MMLR of Bursa Malaysia Securities Berhad. The information covers the areas of business, financials, governance and other key activities of the Group.

Certain contents that form the Annual Report such as the Audit Committee Report and Statement on Risk Management and Internal Control are tabled at the Audit Committee meeting for its comments and recommendation to the Board of Directors for review and deliberation before being incorporated into the Annual Report.

### Quarterly Briefings and other forms of communication

The quarterly briefings are attended by the Group Managing Director, Deputy Managing Director and Executive Directors of the Company. The Company holds quarterly briefings for fund managers, investment analysts, investors and media immediately after each quarter's announcement of financial results of the Group. During this time updates, progress of current development and status of future developments are provided to the investing public and other stakeholders.

## D. Accountability and Audit

### Financial Reporting

It is the responsibility of the Directors to prepare the annual audited accounts. The Board, on its part, ensures that the accounts as well as other financial reports of the Group:

- are prepared in accordance with the Approved Accounting Standards and present a balanced and detailed assessment of the Group's performance and prospects;
- the Group's annual report and its quarterly announcements of results aim to give an updated financial performance of the Group from time to time and;
- present a meaningful assessment of all group's performance and prospects to shareholders, investor's and regulatory bodies.

### Directors' Responsibility Statements

Under Paragraph 15.26(a) of the MMLR of Bursa Malaysia Securities Berhad, the Board of Directors are required to issue a statement explaining their responsibilities in the preparation of the annual financial statements.

As stipulated in the Companies Act 1965, the Directors will undertake to prepare the financial statements for each financial year. These financial statements aim to give a true and fair account of the Group's state of affairs as well as their results at the end of each financial year.

In preparing the financial statements, the Directors have:

- (i) Adopted the relevant and appropriate accounting policies consistently;
- (ii) Made judgements and estimates that are reasonable and prudent;
- (iii) Ensured that all applicable accounting standards have been appropriately and consistently adhered to; and
- (iv) Prepared the financial statements on a going concern basis after the Directors have made appropriate enquiries that the Company and the Group have the ability to continue operations in the foreseeable future.

### Internal Control

It is the responsibility of the Directors to maintain a sound system of internal control which encompasses not only financial controls but also compliance controls.

The Group is continuously revealing into the adequacy as well as the integrity of its system of internal controls as control can only provide reasonable but not absolute assurance against loss or mis-statements.

Information on the Group's systems of Internal Control is presented in the Statement On Risk Management and Internal Control in this Annual Report.

### Whistle Blower Policy

The company has a structured whistle blowing policy where grievance can be channelled directly to the Chairman of the Audit Committee, Tuan Haji Ab. Gani Bin Haron, who is also a Senior Independent Director. His contact details are available in the website for employees and the public to address their issues.

### Relationship with External Auditors

The Board maintains a transparent as well as professional relationship with the external auditors in order to fulfil the set objectives.



## ADDITIONAL COMPLIANCE INFORMATION

### 1. Utilisation of Proceeds from Corporate Exercise

#### i. Public Issue

The gross proceeds of RM21,390,000.00 from the public issue of the Company's shares in conjunction with the listing on the Main Market of Bursa Securities was utilised as follows:

Proposed Utilisation	RM'000	%	Utilised 31-Mar-14 RM'000
Research and Development	6,000	28	6,000
Business Expansion and Capital	4,890	23	4,890
Working Capital	4,000	19	4,000
Repayment of Bank Borrowings	4,000	19	4,000
Estimated Listing Expenses	2,500	12	2,500
<b>Total</b>	<b>21,390</b>	<b>100</b>	<b>21,390</b>

#### ii. Private Placement

The gross proceeds of RM17,332,752.50 from the private placement of the Company's shares was utilised as follows:

Utilisation	RM'000	Utilised 31-Mar-14 RM'000
Working Capital	3,124	3,124
Loan Repayment	11,225	11,225
Business Expansion	2,983	2,983
<b>Total</b>	<b>17,332</b>	<b>17,332</b>

#### iii. Redeemable Convertible Notes

The gross proceeds of RM3,750,000.00 from the Redeemable Convertible Notes was utilised for acquisition related cost.

#### iv. Warrants

The gross proceeds of RM6,223,650.50 from the converted Warrants was utilised for working capital.

### 2. Share Buy-backs

The Company did not carry out any share buy-backs during the financial period ended 31 March 2014.

### 3. Recurrent Related Party Transactions

There was no recurrent related party transactions entered during the financial period, except for the office rental agreement which is within the normal commercial term which does not exceed tenancy period of 3 years.

**4. Options, Warrants or Convertible Loan Stocks**

At the EGM held on 26 June 2012, the Company had obtained the approval from the shareholders for the bonus issue of 43,025,000 warrants on the basis of 1 free warrant for every 8 existing ordinary share of RM0.10 each held in the Company.

The warrants were constituted under a Deed Poll executed on 28 June 2012 and were issued on the 19 July 2012 where each warrant entitles the registered holder the right at any time during the exercise period from 19 July 2012 to 18 July 2017 to subscribe in cash for one new ordinary share of RM0.10 each of the Company at an exercise price of RM0.46 each. The warrants were listed on the Main Market of Bursa Malaysia Securities Berhad on the 25 July 2012. During the financial period, 13,529,675 warrants were exercised.

At an Extraordinary General Meeting held on 29 November 2013, the Company had obtained the approval from the shareholders for the issuance of Redeemable Convertible Notes ("RCN") comprising the Redeemable Convertible Commercial Papers and/or Redeemable Convertible Medium Term Notes with an aggregate principal amount of up to RM100.0 million.

During the financial period ended 31 March 2014, RCN of aggregate value of RM3,300,000.00 was converted into 7,445,790 ordinary shares of RM0.10 each.

Saved as disclosed above, there was no other exercise or grant of option, warrants or convertible securities during the financial period ended 31 March 2014.

**6. Depository Receipts Programme**

The company did not sponsor any depository receipts programme during the financial period.

**7. Non-Audit Fees**

Non-audit fee paid to external auditors for the financial period was RM 65,000.00

**8. Material Contracts**

There were no material contracts entered into by the Company and its subsidiaries during the financial period, which involved Directors' or major shareholders' interest (not being contracts entered into the ordinary course of business).

**9. Imposition of Sanctions/Penalties**

There were no sanctions and/or penalties imposed on the Company and its Subsidiaries, Directors or Management by the relevant regulatory bodies during the financial period.

**10. Profit Guarantee**

There were no profit guarantee were given during the financial period.

**11. Variation in Result**

There is no significant variation between the profit after tax for the financial period ended 31 March 2014 and the unaudited results previously announced.

**12. Corporate Social Responsibility**

Please refer CSR Statement on pg 53.

## Audit Committee

### 1. Composition

The Audit Committee ("AC") was established by the Board on 28 December 2010. The Committee presently comprises of three (3) members of the Board which consists of Non-Executive Directors.

<b>Chairman</b>	Tuan Haji Ab Gani Bin Haron	Independent Non-Executive
<b>Members</b>	Tan Sri Dato' Mohd Ibrahim Bin Mohd Zain	Independent Non-Executive
	Boey Tak Kong	Independent Non-Executive

The AC Chairman, Tuan Haji Ab Gani Bin Haron and Mr. Boey Tak Kong are both members of the Malaysian Institute of Accountants, and hence, complies with paragraph 15.09(1)(c)(i) of the MMLR of Bursa Malaysia Securities Berhad.

### 2. Role of the Audit Committee

The Audit Committee assists, supports and implements the Board's responsibility to oversee the Group's operations in the following manner:-

- Investigates any matters within its terms of reference.
- Reviews the Group's processes for producing financial data, its internal controls and independence of the Group's Internal and External Auditors.
- Reinforces the independence of the Group's External Auditors.
- Reinforces the objectivity of the Group's Internal Auditors.

### 3. Key Functions and Responsibilities

The key functions and responsibilities of the Audit Committee are as follows:-

#### Financial Reporting

- To review the quarterly and year-end financial statements, prior to the approval by the Board of Directors, focusing particularly on:
  - the going concern assumption,
  - changes in or implementation of major accounting policy changes,
  - significant and unusual events,
  - compliance with the applicable approved accounting standards and
  - other legal and regulatory requirements.

#### Related Party Transaction

- To review any related party transactions and conflict of interest situation that may arise within the Company or Group including any transaction, procedure or course of conduct that raises questions or management integrity.

#### Audit Report

- To prepare and review the annual Audit Committee Report for the Board's approval. This includes the terms of reference, number of meetings held and attended by members and summary of activities for inclusion in the Annual report.

#### External Auditor

- To review whether there is reason to believe that the external auditors are not suitable for re-appointment, to consider the nomination of a person or persons as external auditors and the audit fee and to consider any questions of resignation or dismissal of external auditors.
- To review external audit plan and scope for the Group.
- To review the Statement on Risk Management and Internal Control of the Company and its Group for the inclusion in the Annual report.
- To review matters arising from audit findings and to be satisfied with appropriate action taken in response to the findings.

#### Internal Control

- To review the audit plan, evaluation of the system of internal controls, audit report and management letter and management response and any matters that the External Auditors may wish to discuss (in the absence of the management).
- To ensure that the system of internal control are soundly intact, effectively administered and constantly monitored.

#### Internal Audit

- To review the adequacy of the scope of the internal audit function, programme, processes or investigation undertaken and whether or not appropriate action is taken on the recommendations of the internal audit findings.

#### Other Matters

- To promptly report such matter to the Bursa Malaysia Securities Berhad, if the Audit Committee is of the view that the matter reported by it to the Board of Directors has not been satisfactorily resolved resulting in a breach of the Listing Requirements.

#### 4. Attendance of Meetings

The Audit Committee met six (6) times during the financial period ended 31 March 2014. The attendance of the members of the Audit Committee during the financial period ended 31 March 2014 are as follows:-

	Meetings Attended (Out of 6 held)
Tuan Haji Ab Gani Bin Haron (Chairman)	5/6
Tan Sri Dato' Mohd Ibrahim Bin Mohd Zain (Member)	5/6
Boey Tak Kong (Member)	6/6

The Audit Committee Members were served with the meeting agendas and relevant board papers which were distributed earlier before the meeting. The Company Secretary is the Secretary to all Audit Committee meetings.

## 5. Summary of Activities Undertaken by the Audit Committee for 2013/2014

During the financial period, the activities of the Audit Committee were as follows:-

- Reviewed the financial statements and unaudited quarterly financial results and announcements of the results before recommending for the Board's approval.
- Reviewed the scope of audit plan of the Internal Auditors and External Auditors.
- Reviewed the audit reports and recommendation to improve internal control and management's response thereto.
- Considered and recommended to the Board the re-appointment of External Auditors and their fee.
- Reviewed the related party transactions quarterly, if any.
- Assessed the risk profile of the Group and actions to be taken to mitigate the identified risks.

## 6. Internal Audit Function

The Audit Committee is aware of the fact that an independent and adequately resourced internal audit function is essential to assist in obtaining the assurance it requires regarding the effectiveness of the system of internal control.

The Board has outsourced its internal audit function to an independent professional service firm, Messrs KPMG Business Advisory Sdn Bhd. The Internal Auditors report to the Audit Committee at least half yearly. Findings arising from the internal audit review together with the level of concern, the Management's response, recommendations and personnel responsible for implementing corrective actions are presented to the Audit Committee for its review. The costs incurred for the internal audit function for the financial period 2013-2014 is RM 47,000.00.

During the period under review, the Internal Auditors carried out the following activities:-

- Presented and obtained approval from the Audit Committee the annual internal audit plan, its audit strategy and scope of audit work.
- Performed audits according to the annual internal audit plan, reviewed the adequacy and effectiveness of the internal control system, compliance with policies and procedures and reported ineffective and inadequate controls and made recommendations to improve their effectiveness.
- Monitored and followed-up to ensure Management implemented the action plan as agreed

# Statement on Risk Management and Internal Control

## Introduction

A listed company is required to maintain an effective system of risk management and internal control to safeguard shareholders' investment and the Group's assets under the Malaysian Code on Corporate Governance 2012.

Accordingly, the Board is pleased to provide the Statement on Risk Management and Internal Control ("Statement") that is prepared in compliance with paragraph 15.26 (b) of Bursa Malaysia Securities' Main Market Listing Requirements and practise Note No. 9 and in accordance with the "Guidance for Directors of Public Listed Company" issued by Bursa Malaysia Securities Berhad which outlines the processes to be adopted by the Board in reviewing the adequacy and integrity of the system of internal control of the Group.

The Group, during the period under review continued to enhance its system of internal control and risk management for better compliance to the Main Market Listing requirements.

## Board Responsibilities

The Board acknowledges its overall responsibilities for maintaining a sound risk management framework and internal control system to safeguard shareholders' interests and the Group's assets; and for reviewing the adequacy and effectiveness of these systems. In view of the inherent limitations in any system of risk management and internal control, these systems are designed to manage, rather than to eliminate, the risk of failure to achieve business objectives. Therefore, the systems can only provide reasonable, but not absolute, assurance against material misstatement or financial loss. The process to identify, evaluate and manage the significant risks is a concerted and continuing effort by the Board and Management.

The Audit Committee has approved a formal Group risk management policy that has been adopted by all its subsidiaries. It sets out the requirements for consistent reporting when identifying risk and management actions. This process is continually monitored and reviewed for its adequacy and effectiveness.

## Management Processes and Control Framework

In maintaining a sound system of risk management and internal control, the Board has established a Risk Management Committee ("RMC") which consists of the Executive Directors, Strategic Management Team ("SMT") comprising of Chief Executive Officer's (CEO) and Senior Managers and the Operational Committee ("OC") comprising of Assistant Managers to firm up key elements in the internal control framework of the Group. The Board has formalised a reporting structure comprising the Group Managing Director, Executive Directors and the Management to ensure that the communication of the Group's objectives, financial issues and risk matters are disseminated to all levels of management through meetings from the RMC down to SMT and followed on to departmental level.

The Board is firmly of the opinion that the Group consists of qualified professionals with relevant industry experience to manage the operations and business on a day to day basis.

Meetings are convened:

Monthly CEO Meeting - where the CEO's will update the RMC on the subsidiaries current status. Strategic matters and subsidiaries performance are reviewed, deliberated and resolved during these meetings.

Fortnightly SMT Meeting - the CEO will receive a report from all HOD's pertaining to the status of the current matters. Monthly performances are reviewed during these sessions.

Weekly Operational and Collection Meeting (Operational Committee) - the COO chairs this meeting on a scheduled and also ad hoc basis to update the progress of the project completion and collection status pertaining to the completed jobs.

The Group has the following element in its core system:

- **Organisation Structure and Authorisation Procedures**

Well-defined Organisational structure with clear lines of reporting to the Board, Committees, RMC, SMT and Operational with distinct responsibilities, authority limits, review and approval procedures and proper segregation of duties which supports the operation of a stable and controlled environment. Certain transactions are set and formalised with authority limits;

- **Financial Results**

The financial results are reviewed and recommendation made to the Board for approval on quarterly basis by the Audit Committee. Upon review, the Board would approve and adopt the financial results of the Group. This is in conjunction with the announcement that needs to be made to Bursa Malaysia in compliance with their requirements;



- **Internal Audit Function**

The Group internal audit function is outsourced to an independent professional firm, namely KPMG Management & Risk Consulting Sdn Bhd (formerly known as KPMG Business Advisory Sdn Bhd), which supports the Audit Committee and by extension, the Board, by providing independent assurance on the adequacy and effectiveness of the Group's system of internal controls. Issues noted from internal audit conducted are reported directly by the internal auditors to the Audit Committee, including action plans agreed by Management to be deployed to address the concerns raised. Follow-up is also conducted by the internal auditors which updates the Audit Committee on the status of action plans agreed by Management to address issues highlighted in previous internal audit reports issued;

- **Operations Review and Monitoring**

The Group's performance is constantly monitored with management reports which are presented by the SMT during meetings periodically. The review covers the performance of the Group against budget and prior year performance on a monthly basis. Variances are analysed thoroughly and corrective actions are taken where necessary. Appropriate actions are taken to mitigate variances which are noted and priorities are placed to enhance performance to meet the budget and objective of the Group; and

- **Human Capital Development and Training**

Substantial priority is placed on enhancing the skills and ability of employees throughout the year. This is done by planning the training and development for each level. The employees' competencies are assessed monthly through the appraisal system and subsequently, potential areas for further development and training are highlighted by the SMT for follow-up.

The Board continues to identify, assess and monitor key business risks to safeguard shareholders' interests and Company's assets. Currently the Audit Committee at its quarterly meeting reviews the Risk Management Report presented by the respective CEO's of each operating subsidiaries, during which projects of high risk are highlighted and recommendation for action to mitigate the risk are discussed.

The Audit Committee Chairman reports to the Board on risk matters and its related development. The Board conduct periodic review of risk management and internal control systems of the Group and the Board is constantly kept abreast on the development affecting the Group's affairs.

## **Review of Statement by External Auditors**

The external auditors have reviewed this Statement on Risk Management and Internal Control pursuant to Paragraph 15.23 of the Main Market Listing Requirement of Bursa Malaysia Securities Berhad and in accordance with the scope set out in Recommended Practise Guide 5 issued by the Malaysian Institute of Accountant for inclusion in the Annual Report for the financial period ended 31 March 2014.

The external auditors reported to the Board that nothing has come to their attention that causes them to believe that the Statement is inconsistent with their understanding of the process adopted by the Board in reviewing the adequacy and integrity of the system of internal controls.

## **Conclusion**

The Board is of the view that there were no material losses during the current financial period as a result of risk management or internal control failure. The Board and Management are firm on implementing continuous measures of improvement to further strengthen the current risk management framework and internal control system.

The Board has received assurance from the Group Managing Director and Group Financial Controller that, to the best of their knowledge, the system of internal control in place throughout the period under review and up to the date of this Statement is sound and effective to safeguard shareholders' investment and Group's assets. In addition, the Board regards the risks faced by the Group are within acceptable levels in relation to the industry which the Group operates in.

This statement was approved by the Board of Directors on 21 July 2014.

### Hari Raya Open House and Version 8.2 Launch

On the 3rd of September 2013, the Censof family came together as one to celebrate the Censof Hari Raya Open House. The grand event was held at Empire Gallery, Subang. Over 600 people, including clients, business partners and vendors came to partake in the celebration and enjoy fellowship on the auspicious day.

The event marked a huge stride in the company's progress as we kicked off the event by launching **"Century Financials Version 8.2,** the upgraded version of our accounting software solution. Version 8.2 features more user-friendly and is an updated form over the earlier version 8.0. On the same day, group Chief Technology Officer, Mark Rees presented Coreplex, our home grown application development platform, the framework behind Version 8.2. The Accountant General of Malaysia Datuk Wan Selamah Sulaiman, presided over the event along with the directors of the Censof.

The launch was followed by a sumptuous Open-House feast and also a live band for entertainment featuring both in-house and external artists. The event proved to be a successful platform to strengthen relationships with existing clients and also build new prospects.



### 2013 Censof Global Conference, Dubai

The 2013 Censof Global Conference was held in Dubai, from 1st-5th December. Themed "Towards Performance Excellence, Making the Transition", the event was a knowledge sharing platform featuring both international and local speakers. We were fortunate to have the presence of Dato' Rosini Abdul Samad, Deputy Accountant General (Corporate), Accountant General Malaysia and also Tan Sri Dr Mohd Shukor Mahfar, Director General of the Inland Revenue Board Malaysia. The event was also graced by the presence of the King of KPIs, Mr David Parmanter who was the main speaker of the conference. We also saw MDeC's COO Ms Wan Wan Peng deliver her brilliant speech on Performance Excellence. In total, there were 94 delegates from 32 different agencies present.

The conference proved to be an international networking platform for our clients and partners where they could exchange ideas, network and learn about the latest advancements in the IT industry. Some of the prominent topics discussed during the 5 day event included; the importance of KPIs, Impact of GST, Outcome Based Budgeting and its impact on Malaysia, Operational Excellence and much more.

The team also conducted a study tour to Ferrari world, Abu Dhabi which is the largest indoor amusement park in the world. The objective of the trip was to understand and learn in-depth about how Ferrari world perfectly combines structural engineering, master planning and design to display Operational Excellence at its best.



# Corporate Social Responsibility statement

## The Workplace

The Group regards its employees as one of its best assets, and as such, places great emphasis on providing a healthy, conducive working environment which in turn will nurture exemplary professionals which share the Group's vision & mission.

The Group's corporate values of 'Caring, Credible, Committed' (known as 3Cs) are constantly highlighted to all employees and are encouraged to abide by these values in their professional dealings. In line with the values, the Management also awards employees annually with the 3C award. This award is given to employees handpicked by the management who have showcased these values in attitude and ethics. New employees that join the Censof family, go through orientation and training to help them settle into the new workplace by meeting the key management teams of the respective departments, learning about the work ethics of the Group and understanding the revenue pillars and core products offered.

The Group takes pride in encouraging lifelong learning by advocating employees to continuously pursue training and education to improve their knowledge and skill set. Employees undertaking relevant training and studies will be allowed to apply for study and examination leave. The Group also sets aside an annual budget to develop human capital on the job training, skill development, workshops and seminar programmes to enhance employees' competency.

As a result, priority for promotion is usually given to existing employees within the Group, prior to seeking outside talent to fill vacancies. Employee motivation & team building activities are organized to increase staff productivity level and to foster better relationship amongst colleagues. The Group also organized an Annual Dinner & Amazing Race, most recently held in Cameron Highlands in May. The Group also promotes work life balance hence the organizing of badminton and futsal every week after working hours.

## The Community

The Group's corporate values of 'Caring, Credible, and Committed' are carried out in partnership with local communities, industries and government and non-governmental organisations. This is in line with our mission to ensure that The Group empowers its people to be caring citizens actively contributing to the community.

In the month of July, the group had donated RM10,000 and participated in Vistage the 'Stop Hunger Now' program. Stop Hunger Now is an international hunger relief agency that has been fulfilling its commitment to end hunger for more than 15 years. Since 1998, the organization has coordinated the distribution of food and other lifesaving aid to children and families in countries all over the world.

The group alone managed to pack 20,000 packets of food in the given time and these packets were distributed to 600 different homes in Malaysia, Myanmar & Cambodia.



On another CSR note, during the month of Aidilfitri, the group had also visited 2 under privileged children's homes to donate goods needed and had given out 'duit raya' to the children. There were in total about 100 children and the team had spent the whole evening teaching and mingling around with the children.





## The Environment

We operate and adopt responsible environmental practices which comply with environmental legislation and statutory regulation in all jurisdictions.

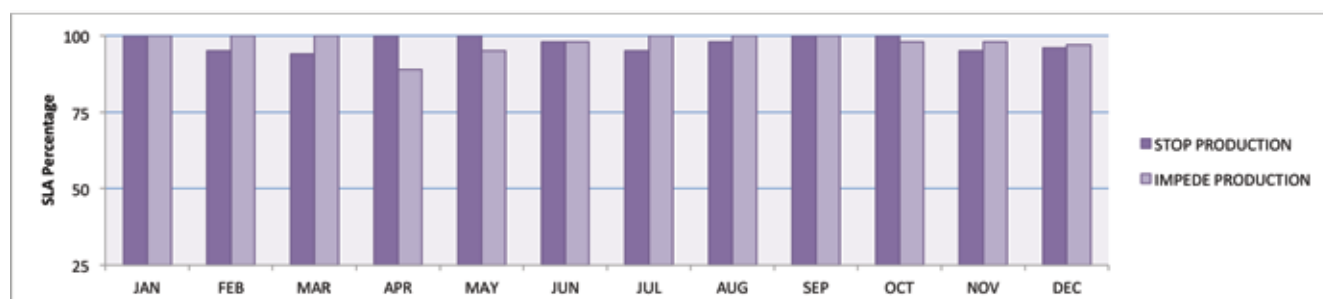
Censof has undertaken measures to minimise the impact of the carbon footprints of our business on the environment without compromising operational standards. In addition to recycling paper and reducing the need to print all documents, concerted efforts and initiatives are also in place to our impact onto the environment. Employees do not receive paper payslips, but instead log into the Staff Portal to view their monthly salary statements. The staff newsletter is an electronic file which is sent via e-mail and stored in the HR portal, thereby eliminating the need to print and distribute actual paper copies.

## The Marketplace

The Group's commitment towards our clients is two-pronged-firstly, by providing innovative and reliable business solutions that increase the organization's operational efficiency, and secondly by rendering responsible, courteous and efficient service in every aspect of its business.

### Customer Satisfaction Index and Performance 2013

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
Stop Production	100	95	94	100	100	98	95	98	100	100	95	96
Impede Production	100	100	100	89	95	98	100	100	100	98	98	97



## financial statements

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The directors hereby submit their report and the audited financial statements of the Group and of the Company for the financial period from 1 January 2013 to 31 March 2014.

## CHANGE OF FINANCIAL YEAR END

The financial year end of the Company and all its subsidiaries was changed from 31 December to 31 March. Accordingly, the financial statements of the Group and of the Company for the financial period ended 31 March 2014 cover a 15-month period as compared to the 12-month period ended 31 December 2012.

## PRINCIPAL ACTIVITIES

The Company is principally engaged in the business of investment holding. 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 period.

## RESULTS

	The Group RM'000	The Company RM'000
Profit after taxation for the financial period	4,129	543
Attributable to:-		
Owners of the Company	1,111	543
Non-controlling interests	3,018	-
	4,129	543

## DIVIDENDS

A first and final single-tier dividend of 1.0 sen per ordinary share of RM0.10 each amounting to RM3,542,000 for the financial year ended 31 December 2012 was approved by the shareholders at the Annual General Meeting held on 26 June 2013 and paid on 27 September 2013.

The directors do not recommend the payment of any dividend for the current financial period.

## RESERVES AND PROVISIONS

All material transfers to or from reserves or provisions during the financial period are disclosed in the financial statements.

**ISSUES OF SHARES AND DEBENTURES**

During the financial period:-

- (a) there were no changes in the authorised share capital of the Company;
- (b) the Company increased its issued and paid-up share capital from RM34,420,000 to RM39,959,547 by way of issuance of:
  - (i) 34,420,000 ordinary shares of RM0.10 each pursuant to private placements at the following issue price;

Tranche	Number Of Ordinary Shares in units	Issue Price Per Ordinary Share RM	Total RM'000
First Tranche	10,000,000	0.4650	4,650
Second Tranche	10,000,000	0.4650	4,650
Third Tranche	12,722,500	0.5600	7,125
Final Tranche	1,697,500	0.5350	908
	34,420,000		17,333

- (ii) 13,529,675 ordinary shares of RM0.10 each for cash pursuant to the exercise of Warrants at an exercise price of RM0.46 per ordinary share; and
- (iii) 7,445,790 ordinary shares of RM0.10 each pursuant to the conversion of RM3,300,000 nominal value Redeemable Convertible Notes converted at the following conversion price per ordinary share:

Conversion date	Number Of Ordinary Shares in units	Conversion Price Per Ordinary Share RM	Total RM'000
15.1.2014	222,074	0.4503	100
21.1.2014	444,148	0.4503	200
11.2.2014	2,109,704	0.4503	950
19.2.2014	2,775,927	0.4503	1,250
19.3.2014	473,484	0.4224	200
25.3.2014	473,484	0.4224	200
31.3.2014	946,969	0.4224	400
	7,445,790		3,300

The new ordinary shares issued during the financial period ranked pari passu in all respects with the existing ordinary shares of the Company; and

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

**WARRANTS 2012/2017**

On 26 June 2012, the Company obtained the approval from the shareholders for the bonus issue of 43,025,000 warrants on the basis of 1 free warrant for every 8 existing ordinary shares of RM0.10 each held in the Company.

The warrants are constituted under a Deed Poll executed on 28 June 2012 and were issued on 19 July 2012 where each warrant entitles the registered holder the right at any time during the exercise period from 19 July 2012 to 18 July 2017 to subscribe in cash for one new ordinary share of RM0.10 each of the Company at an exercise price of RM0.46 each. The warrants were listed on the Main Market of Bursa Malaysia Securities Berhad on 25 July 2012.

The terms of the warrants are disclosed in Note 16 to the financial statements.

The ordinary shares issued from the exercise of warrants shall rank pari passu in all respects with the existing issued ordinary shares of the Company except that they shall not be entitled to any dividends, distributions, rights, allotment and/or any other forms of distribution where the entitlement date of which precedes the relevant date of the allotment and issuance of the new shares arising from the exercise of warrants.

The movements of the Warrants during the financial period are as follows:

	Entitlement For Ordinary Shares Of RM0.10 Each			At 31.3.2014
	At 1.1.2013	Issued	Exercised	
<i>Number of unexercised Warrants</i>	43,025,000	-	(13,529,675)	29,495,325

**OPTIONS GRANTED OVER UNISSUED SHARES**

During the financial period, 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 ascertain that any current assets other than debts, which were unlikely to be realised in the ordinary course of business, including their value as shown in the accounting records of the Group and of the Company, have been written down to an amount which they might be expected to realise.

At the date of this report, the directors are not aware of any circumstances which would render the values attributed to the current assets in the financial statements misleading.

**VALUATION METHODS**

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

## CONTINGENT AND OTHER LIABILITIES

The contingent liabilities are disclosed in Note 43 to the financial statements. At the date of this report, there does not exist:-

- (i) any charge on the assets of the Group and of the Company that has arisen since the end of the financial period which secures the liabilities of any other person; or
- (ii) any contingent liability of the Group and of the Company which has arisen since the end of the financial period.

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 period which, in the opinion of the directors, will or may substantially affect the ability of the Group and of the Company to meet their obligations when they fall due.

## CHANGE OF CIRCUMSTANCES

At the date of this report, the directors are not aware of any circumstances not otherwise dealt with in this report or the financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading.

## ITEMS OF AN UNUSUAL NATURE

The results of the operations of the Group and of the Company during the financial period 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 period 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 period.

## DIRECTORS

The directors who served since the date of the last report are as follows:-

Tan Sri Dato' Mohd Ibrahim Bin Mohd Zain  
 Datuk Samsul Bin Husin  
 Tamil Selvan A/I M. Durairaj  
 Ameer Bin Shaik Mydin  
 Ang Hsin Hsien  
 Tuan Haji Ab. Gani Bin Haron  
 Boey Tak Kong  
 Abdul Mushir Bin Che Chik (Resigned on 15.7.2013)

## DIRECTORS' INTERESTS

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

	Number Of Ordinary Shares Of RM0.10 Each			At 31.3.2014
	At 1.1.2013	Bought	Sold	
<i>Direct Interests in the Company</i>				
Tan Sri Dato' Mohd Ibrahim Bin Mohd Zain	10,349,032	-	-	10,349,032
Boey Tak Kong	320,000	-	-	320,000
<i>Indirect Interests in the Company</i>				
Datuk Samsul Bin Husin	197,110,154*	14,027,800	(32,200,000)	178,937,954
Ameer Bin Shaik Mydin	197,110,154*	14,027,800	(32,200,000)	178,937,954

### Note

\* - Deemed interested by virtue of their shareholdings in SAAS Global Sdn Bhd.

**DIRECTORS' INTERESTS (CONT'D)**

	At 1.1.2013	Number Of Warrants 2012/2017		At 31.3.2014
		Bought	Sold	
<i>Direct Interests in the Company</i>				
Tan Sri Dato' Mohd Ibrahim Bin Mohd Zain	1,293,629	-	-	1,293,629
Boey Tak Kong	40,000	-	-	40,000
<i>Indirect Interests in the Company</i>				
Datuk Samsul Bin Husin	24,638,769*	-	(24,638,700)	69
Ameer Bin Shaik Mydin	24,638,769*	-	(24,638,700)	69

*Note*

\* - Deemed interested by virtue of their shareholdings in SAAS Global Sdn Bhd.

The other director holding office at the end of the financial period had no interest in shares of the Company or its related corporations during the financial period.

**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 emoluments received or due and receivable by directors as shown in the financial statements, or the fixed salary of a full-time employee of the Company) 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 41 to the financial statements.

Neither during nor at the end of the financial period 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.

**SIGNIFICANT EVENTS DURING THE FINANCIAL PERIOD**

The significant events during the financial period are disclosed in Note 46 to the financial statements.

**SIGNIFICANT EVENTS OCCURRING AFTER THE REPORTING PERIOD**

The significant events occurring after the reporting period are disclosed in Note 47 to the financial statements.

**AUDITORS**

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

Signed in accordance with a resolution of the directors dated 21 July 2014

**Datuk Samsul Bin Husin**

**Ameer Bin Shaik Mydin**

## Statement by Directors

We, Datuk Samsul Bin Husin and Ameer Bin Shaik Mydin, being two of the directors of Censof Holdings Berhad, state that, in the opinion of the directors, the financial statements set out on pages 65 to 127 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company at 31 March 2014 and of their financial performance and cash flows for the financial period ended on that date.

The supplementary information set out in Note 50, which is not part of the financial statements, is prepared in all material respects, in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants and the directive of Bursa Malaysia Securities Berhad.

Signed in accordance with a resolution of the directors dated 21 July 2014

**Datuk Samsul Bin Husin**

**Ameer Bin Shaik Mydin**

# Statutory Declaration

I, Kularajah a/l M Thavaratnam, I/C No. 701230-10-6049, being the officer primarily responsible for the financial management of Censof Holdings Berhad, do solemnly and sincerely declare that to the best of my knowledge and belief, the financial statements set out on pages 65 to 127 are correct, and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act 1960.

Subscribed and solemnly declared by  
Kularajah a/l M Thavaratnam, I/C No. 701230-10-6049,  
at Kuala Lumpur in the Federal Territory  
on this 21 July 2014

**Kularajah a/l M Thavaratnam**

Before me

**Datin Hajah Raihela Wanchik (No. W - 275)**  
Commissioner for Oaths



## Report on the Financial Statements

We have audited the financial statements of Censof Holdings Berhad, which comprise statements of financial position as at 31 March 2014 of the Group and of the Company, and 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 period then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 65 to 127.

### *Directors' Responsibility for the Financial Statements*

The directors of the Company are responsible for the preparation of financial statements so as to give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 1965 in Malaysia. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

### *Auditors' Responsibility*

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal controls relevant to the entity's preparation of financial statements that give a true and fair view 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### *Opinion*

In our opinion, the financial statements give a true and fair view of the financial position of the Group and of the Company as of 31 March 2014 and of their financial performance and cash flows for the financial period then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 1965 in Malaysia.

## Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act 1965 in Malaysia, we also report the following:-

- (a) In our opinion, the accounting and other records and the registers required by the Act to be kept by the Company and its subsidiaries of which we have acted as auditors have been properly kept in accordance with the provisions of the Act.
- (b) We have considered the financial statements and the auditors' report of the subsidiary of which we have not acted as auditors, which is indicated in Note 5 to the financial statements.
- (c) We are satisfied that the financial statements of the subsidiaries that have been consolidated with the Company's financial statements are in form and content appropriate and proper for the purposes of the preparation of the financial statements of the Group and we have received satisfactory information and explanations required by us for those purposes.
- (d) The audit reports on the financial statements of the subsidiaries did not contain any qualification or any adverse comment made under Section 174(3) of the Act.

### Other Reporting Responsibilities

The supplementary information set out in Note 50 on page 127 is disclosed to meet the requirement of Bursa Malaysia Securities Berhad and is not part of the financial statements. The directors are responsible for the preparation of the supplementary information in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants ("MIA Guidance") and the directive of Bursa Malaysia Securities Berhad. In our opinion, the supplementary information is prepared, in all material respects, in accordance with the MIA Guidance and the directive of Bursa Malaysia Securities Berhad.

### Other Matters

This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

**Crowe Horwath**  
Firm No: AF 1018  
Chartered Accountants

21 July 2014

Kuala Lumpur

**James Chan Kuan Chee**  
Approval No: 2271/10/15 (J)  
Chartered Accountant

# Statements of Financial Position

at 31 March 2014

		The Group		The Company	
	Note	31.3.2014 RM'000	31.12.2012 RM'000	31.3.2014 RM'000	31.12.2012 RM'000
<b>ASSETS</b>					
<b>NON-CURRENT ASSETS</b>					
Investments in subsidiaries	5	-	-	92,784	22,962
Plant and equipment	6	18,251	4,114	-	-
Intangible assets	7	20,502	15,653	-	-
Goodwill	8	43,052	6,540	-	-
Other investments, at cost		100	100	-	-
Trade receivables	9	40,439	-	-	-
Other receivables, deposits and prepayments	10	6,550	-	-	-
		128,894	26,407	92,784	22,962
<b>CURRENT ASSETS</b>					
Inventories	11	62	-	-	-
Amount owing by contract customers	12	27,088	14,915	-	-
Trade receivables	9	72,708	31,722	-	-
Other receivables, deposits and prepayments	10	13,177	1,843	292	-
Amount owing by subsidiaries	13	-	-	24,894	16,741
Tax refundable		3,300	211	-	-
Fixed deposits with licensed banks	14	63,132	3,836	4,760	3,533
Cash and bank balances	15	11,506	3,247	127	66
		190,973	55,774	30,073	20,340
TOTAL ASSETS		319,867	82,181	122,857	43,302

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

		The Group		The Company	
	Note	31.3.2014 RM'000	31.12.2012 RM'000	31.3.2014 RM'000	31.12.2012 RM'000
<b>EQUITY AND LIABILITIES</b>					
<b>EQUITY</b>					
Share capital	16	39,960	34,420	39,960	34,420
Share premium	17	22,545	1,308	22,545	1,308
Merger deficit	18	(12,300)	(12,300)	-	-
Retained profits	19	38,781	41,212	781	3,780
Foreign exchange translation reserve	20	(311)	(130)	-	-
Redeemable Convertible Notes ("RCN")	21	72	-	72	-
<b>EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY</b>					
		88,747	64,510	63,358	39,508
<b>NON-CONTROLLING INTERESTS</b>					
		62,403	990	-	-
<b>TOTAL EQUITY</b>					
		151,150	65,500	63,358	39,508
<b>NON-CURRENT LIABILITIES</b>					
Long-term borrowings	22	66,547	667	31,800	-
Deferred income	25	7,098	-	-	-
RCN	21	354	-	354	-
Deferred taxation	26	2,863	-	24	-
		76,862	667	32,178	-
<b>CURRENT LIABILITIES</b>					
Trade payables	27	4,125	2,142	-	-
Other payables and accruals	28	21,201	6,153	1,270	580
Amount owing to subsidiaries	13	-	-	480	-
Amount owing to a related party	29	60	-	-	-
Short-term borrowings	30	55,490	6,968	25,557	3,200
Deferred income	25	5,032	-	-	-
Provision for taxation		821	751	14	14
Bank overdrafts	31	5,126	-	-	-
		91,855	16,014	27,321	3,794
<b>TOTAL LIABILITIES</b>					
		168,717	16,681	59,499	3,794
<b>TOTAL EQUITY AND LIABILITIES</b>					
		319,867	82,181	122,857	43,302

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

# Statements of Profit or Loss and Other Comprehensive Income

for the financial period from 1 January 2013 to 31 March 2014

	Note	The Group		The Company	
		1.1.2013 to 31.3.2014 RM'000	1.1.2012 to 31.12.2012 RM'000	1.1.2013 to 31.3.2014 RM'000	1.1.2012 to 31.12.2012 RM'000
REVENUE	32	80,328	44,766	9,797	5,276
COST OF SALES		(39,885)	(22,725)	-	-
GROSS PROFIT		40,443	22,041	9,797	5,276
OTHER INCOME		1,527	213	147	87
		41,970	22,254	9,944	5,363
ADMINISTRATIVE EXPENSES		(22,365)	(9,640)	(7,051)	(1,739)
FINANCE COSTS		(3,835)	(137)	(2,350)	-
OTHER EXPENSES		(9,941)	(2,672)	-	-
PROFIT BEFORE TAXATION	33	5,829	9,805	543	3,624
INCOME TAX EXPENSE	34	(1,700)	(355)	-	-
PROFIT AFTER TAXATION		4,129	9,450	543	3,624
OTHER COMPREHENSIVE EXPENSES					
<u>Items that may be reclassified subsequently to profit or loss</u>					
Foreign currency translation differences		(181)	(130)	-	-
		(181)	(130)	-	-
TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD/YEAR		3,948	9,320	543	3,624
<b>PROFIT AFTER TAXATION ATTRIBUTABLE TO:-</b>					
Owners of the Company		1,111	9,327	543	3,624
Non-controlling interests		3,018	123	-	-
		4,129	9,450	543	3,624
<b>TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:-</b>					
Owners of the Company		930	9,197	543	3,624
Non-controlling interests		3,018	123	-	-
		3,948	9,320	543	3,624
<b>EARNINGS PER SHARE (SEN)</b>					
- Basic	35	0.31	2.71		
- Diluted	35	0.30	Not applicable		

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

# Statements of Changes in Equity

for the financial period from 1 January 2013 to 31 March 2014

The Group	Note	<----- Non-Distributable ----->					Distributable		Non-Controlling Interests RM'000	Total Equity RM'000
		Share Capital RM'000	Share Premium RM'000	Merger Deficit RM'000	Foreign Exchange Translation Reserve RM'000	RCN RM'000	Retained Profits RM'000	Attributable To Owners Of The Company RM'000		
Balance at 1.1.2012		34,420	1,447	(12,300)	-	-	31,885	55,452	669	56,121
Profit after taxation		-	-	-	-	-	9,327	9,327	123	9,450
Other comprehensive expenses for the financial year:										
- Foreign currency translation differences		-	-	-	(130)	-	-	(130)	-	(130)
Total comprehensive income for the financial year		-	-	-	(130)	-	9,327	9,197	123	9,320
Contributions by and distributions to owners of the Company:										
- Expenses on issuance of free warrants	17	-	(139)^	-	-	-	-	(139)^	-	(139)^
- Acquisition of a subsidiary	36	-	-	-	-	-	-	-	198	198
Total transaction with owners		-	(139)^	-	-	-	-	(139)^	198	59
Balance at 31.12.2012		34,420	1,308	(12,300)	(130)	-	41,212	64,510	990	65,500
Balance at 31.12.2012/1.1.2013		34,420	1,308	(12,300)	(130)	-	41,212	64,510	990	65,500
Profit after taxation		-	-	-	-	-	1,111	1,111	3,018	4,129
Other comprehensive expenses for the financial period:										
- Foreign currency translation differences		-	-	-	(181)	-	-	(181)	-	(181)
Total comprehensive income for the financial period		-	-	-	(181)	-	1,111	930	3,018	3,948
Balance carried forward		34,420	1,308	(12,300)	(311)	-	42,323	65,440	4,008	69,448
Balance brought forward		34,420	1,308	(12,300)	(311)	-	42,323	65,440	4,008	69,448
Contributions by and distributions to owners of the Company:										
- Acquisition of a subsidiary	36	-	-	-	-	-	-	-	58,459	58,459
- Issuance of RCN (Equity component)		-	-	-	-	72	-	72	-	72
- Issuance of shares:										
- Private Placement	16,17	3,442	13,891	-	-	-	-	17,333	-	17,333
- Expenses on issuance of Private Placement	17	-	(80)^	-	-	-	-	(80)^	-	(80)^
- Conversion of RCN	16,17	745	2,555	-	-	-	-	3,300	-	3,300
- Warrant exercise	16,17	1,353	4,871	-	-	-	-	6,224	-	6,224
- Dividends:										
- by the Company	37	-	-	-	-	-	(3,542)	(3,542)	-	(3,542)
- by subsidiaries to non-controlling interests		-	-	-	-	-	-	-	(64)	(64)
Total transaction with owners		5,540	21,237	-	-	72	(3,542)	23,307	58,395	81,702
Balance at 31.3.2014		39,960	22,545	(12,300)	(311)	72	38,781	88,747	62,403	151,150

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

The Company	Note	< ----- Non-Distributable ----- >			Distributable Retained Profits RM'000	Total Equity RM'000
		Share Capital RM'000	Share Premium RM'000	RCN RM'000		
Balance at 1.1.2012		34,420	1,447	-	156	36,023
Profit after taxation/Total comprehensive income for the financial year		-	-	-	3,624	3,624
Contributions by and distributions to owners of the Company:						
- Expenses on issuance of free warrants	17	-	(139)^	-	-	(139)^
Balance at 31.12.2012/1.1.2013		34,420	1,308	-	3,780	39,508
Profit after taxation/Total comprehensive income for the financial period		-	-	-	543	543
Contributions by and distributions to owners of the Company:						
- Issuance of RCN (Equity component)		-	-	72	-	72
- Issuance of shares:						
- Private Placement	16,17	3,442	13,891	-	-	17,333
- Expenses on issuance of Private Placement	17	-	(80)^	-	-	(80)^
- Conversion of RCN	16,17	745	2,555	-	-	3,300
- Warrant exercise	16,17	1,353	4,871	-	-	6,224
- Dividend	37	-	-	-	(3,542)	(3,542)
Balance at 31.3.2014		39,960	22,545	72	781	63,358

^ - Represent expenses not recognised in the statements of profit or loss and other comprehensive income.

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



# Statements of Cash Flows

for the financial period from 1 January 2013 to 31 March 2014

	The Group		The Company		
	1.1.2013 to 31.3.2014 RM'000	1.1.2012 to 31.12.2012 RM'000	1.1.2013 to 31.3.2014 RM'000	1.1.2012 to 31.12.2012 RM'000	
	Note				
CASH FLOWS (FOR)/FROM OPERATING ACTIVITIES					
Profit before taxation		5,829	9,805	543	3,624
Adjustments for:-					
Amortisation of intangible assets		5,362	3,076	-	-
Bad debts written off		-	128	-	-
Depreciation of plant and equipment		3,619	1,092	-	-
Dividend income		-	-	(9,740)	(4,500)
Impairment loss on:					
- trade receivables		396	181	-	-
- other receivables		14	-	-	-
- intangible assets		-	57	-	-
Interest expense		3,835	137	2,350	-
Plant and equipment written off		10	-	-	-
Gain on disposal of plant and equipment		(137)	-	-	-
Interest income		(658)	(147)	(147)	(87)
Unrealised gain on foreign exchange		(38)	-	-	-
Writeback of impairment loss on trade receivables		(181)	-	-	-
Operating profit/(loss) before working capital changes		18,051	14,329	(6,994)	(963)
Decrease in inventories		3	-	-	-
Increase in amount owing by contract customers		(12,173)	(6,534)	-	-
Increase in trade and other receivables		(3,154)	(6,043)	(292)	-
(Decrease)/Increase in trade and other payables		(821)	2,256	690	107
Decrease in deferred income		(38)	-	-	-
Increase in amount owing to a related party		60	-	-	-
CASH FROM/(FOR) OPERATIONS CARRIED FORWARD		1,928	4,008	(6,596)	(856)
Interest paid		(3,835)	(137)	(2,350)	-
Income tax (paid)/refunded		(2,407)	17	-	(25)
Interest received		658	147	147	87
NET CASH (FOR)/FROM OPERATING ACTIVITIES		(3,656)	4,035	(8,799)	(794)
CASH FLOWS (FOR)/FROM INVESTING ACTIVITIES					
Acquisition of a subsidiary, net of cash and cash equivalents	36	(5,422)	(2,959)	-	-
Increase in investments in subsidiaries		-	-	(69,822)	(4,000)
Repayment from subsidiaries		-	-	1,587	2,033
Purchase of plant and equipment	38	(1,011)	(1,355)	-	-
Proceeds from disposal of plant and equipment		219	-	-	-
Proceeds from disposal of short-term investment		-	2,562	-	2,562
Intangible assets paid		(8,175)	(7,441)	-	-
NET CASH (FOR)/FROM INVESTING ACTIVITIES		(14,389)	(9,193)	(68,235)	595

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

		The Group		The Company	
		1.1.2013 to 31.3.2014	1.1.2012 to 31.12.2012	1.1.2013 to 31.3.2014	1.1.2012 to 31.12.2012
	Note	RM'000	RM'000	RM'000	RM'000
CASH FLOWS FROM/(FOR) FINANCING ACTIVITIES					
Advances from/(Repayment to) subsidiaries		-	-	480	(123)
Dividend paid	37	(3,542)	-	(3,542)	-
Dividend paid to non-controlling interests		(64)	-	-	-
Drawdown of term loans		82,147	9,517	66,632	3,200
Placement of pledged deposits and restricted cash		(3,000)	(3,694)	(1,227)	(3,533)
Proceeds from issuance of shares from:					
- private placement		17,333	-	17,333	-
- conversion of RCN		3,300	-	3,300	-
- warrant exercise		6,224	-	6,224	-
Proceeds from RCN		450	-	450	-
Repayment of hire purchase obligations		(330)	(87)	-	-
Share issuance expenses paid		(80)	(139)	(80)	(139)
Repayment of term loans		(24,958)	(3,234)	(12,475)	-
NET CASH FROM/(FOR) FINANCING ACTIVITIES		77,480	2,363	77,095	(595)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		59,435	(2,795)	61	(794)
FOREIGN EXCHANGE DIFFERENCES		(6)	(112)	-	-
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD/YEAR		3,247	6,154	66	860
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD/YEAR	39	62,676	3,247	127	66

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

# Notes to the Financial Statements

for the financial period from 1 January 2013 to 31 March 2014

## 1. GENERAL INFORMATION

The Company is a public company limited by shares and is incorporated under the Companies Act 1965 in Malaysia. The domicile of the Company is 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 : A-8, Block A, Level 8,  
Sunway PJ 51A, Jalan SS9A/19,  
Seri Setia,  
47300 Petaling Jaya, Selangor.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors dated 21 July 2014.

## 2. PRINCIPAL ACTIVITIES

The Company is principally engaged in the business of investment holding. 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 period.

## 3. BASIS OF PREPARATION

The financial statements of the Group are prepared under the historical cost convention and modified to include other bases of valuation as disclosed in other sections under significant accounting policies, and in compliance with Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards and the requirements of the Companies Act 1965 in Malaysia.

3.1 During the current financial period, the Group has adopted the following new accounting standards and interpretations (including the consequential amendments, if any):-

### **MFRSs and IC Interpretations (Including The Consequential Amendments)**

MFRS 10 Consolidated Financial Statements

MFRS 11 Joint Arrangements

MFRS 12 Disclosure of Interests in Other Entities

MFRS 13 Fair Value Measurement

MFRS 119 (2011) Employee Benefits

MFRS 127 (2011) Separate Financial Statements

MFRS 128 (2011) Investments in Associates and Joint Ventures

Amendments to MFRS 7: Disclosures - Offsetting Financial Assets and Financial Liabilities

Amendments to MFRS 10, MFRS 11 and MFRS 12: Transition Guidance

Amendments to MFRS 101: Presentation of Items of Other Comprehensive Income

IC Interpretation 20 Stripping Costs in the Production Phase of a Surface Mine

Annual Improvements to MFRSs 2009 - 2011 Cycle

### 3. BASIS OF PREPARATION (CONT'D)

- 3.1 During the current financial period, the Group has adopted the following new accounting standards and interpretations (including the consequential amendments, if any):- (Cont'd)

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

- (a) MFRS 10 replaces the consolidation guidance in MFRS 127 and IC Interpretation 112. Under MFRS 10, there is only one basis for consolidation, which is control. Extensive guidance has been provided in the standard to assist in the determination of control.
  - (b) MFRS 13 defines fair value, provides guidance on how to determine fair value and requires disclosures about fair value measurements. The scope of MFRS 13 is broad; it applies to both financial instrument items and non-financial instrument items for which other MFRSs require or permit fair value measurements and disclosures about fair value measurements, except in specified circumstances.
  - (c) The amendments to MFRS 7 (Disclosures - Offsetting Financial Assets and Financial Liabilities) require disclosures that will enable users of an entity's financial statements to evaluate the effect or potential effect of netting arrangements, including rights of set-off associated with the entity's recognised financial assets and recognised financial liabilities, on the entity's financial position.
  - (d) The amendments to MFRS 101 retain the option to present profit or loss and other comprehensive income in either a single statement or in two separate but consecutive statements. In addition, items presented in other comprehensive income section are to be grouped based on whether they are potentially re-classifiable to profit or loss subsequently i.e. those that might be reclassified and those that will not be reclassified. Income tax on items of other comprehensive income is required to be allocated on the same basis. There will be no financial impact on the financial statements of the Group upon its initial application other than the presentation format of the statements of profit or loss and other comprehensive income.
  - (e) The Annual Improvements to MFRSs 2009 - 2011 Cycle contain amendments to MFRS 1, MFRS 101, MFRS 116, MFRS 132 and MFRS 134. These amendments have no material impact on the financial statements of the Group upon their initial application.
- 3.2 The Group has not applied in advance the following accounting standards and interpretations (including the consequential amendments) that have been issued by the Malaysian Accounting Standards Board ("MASB") but are not yet effective for the current financial period:-

#### **MFRSs and IC Interpretations (Including The Consequential Amendments)**

	<b>Effective Date</b>
MFRS 9 (2009) Financial Instruments	To be announced by MASB
MFRS 9 (2010) Financial Instruments	To be announced by MASB
MFRS 9 Financial Instruments (Hedge Accounting and Amendments to MFRS 7, MFRS 9 and MFRS 139)	To be announced by MASB
Amendments to MFRS 9 and MFRS 7: Mandatory Effective Date of MFRS 9 and Transition Disclosures	To be announced by MASB
MFRS 14 Regulatory Deferral Accounts	1 January 2016
Amendments to MFRS 10, MFRS 12 and MFRS 127 (2011): Investment Entities	1 January 2014
Amendments to MFRS 11 : Accounting for Acquisitions of Interests in Joint Operations	1 January 2016
Amendments to MFRS 116 and MFRS 138: Clarification of Acceptable Methods of Depreciation and Amortisation	1 January 2016
Amendments to MFRS 119: Defined Benefit Plans - Employee Contributions	1 July 2014
Amendments to MFRS 132: Offsetting Financial Assets and Financial Liabilities	1 January 2014
Amendments to MFRS 136: Recoverable Amount Disclosures for Non-financial Assets	1 January 2014
Amendments to MFRS 139: Novation of Derivatives and Continuation of Hedge Accounting	1 January 2014
IC Interpretation 21 Levies	1 January 2014
Annual Improvements to MFRSs 2010 - 2012 Cycle	1 July 2014
Annual Improvements to MFRSs 2011 - 2013 Cycle	1 July 2014

### 3. BASIS OF PREPARATION (CONT'D)

The above accounting standards and interpretations (including the consequential amendments) are not relevant to the Group's operations except as follows:-

- (a) MFRS 9 (2009) introduces new requirements for the classification and measurement of financial assets. Subsequently, this MFRS 9 was amended in year 2010 to include requirements for the classification and measurement of financial liabilities and for derecognition (known as MFRS 9 (2010)). Generally, MFRS 9 replaces the parts of MFRS 139 that relate to the classification and measurement of financial instruments. MFRS 9 divides all financial assets into 2 categories - those measured at amortised cost and those measured at fair value, based on the entity's business model for managing its financial assets and the contractual cash flow characteristics of the instruments. For financial liabilities, the standard retains most of the MFRS 139 requirement. An entity choosing to measure a financial liability at fair value will present the portion of the change in its fair value due to changes in the entity's own credit risk in other comprehensive income rather than within profit or loss.

The Group is in the process of making an assessment of the financial impact arising from the adoption of MFRS 9 and the extent of the impact has not been determined.

- (b) The amendments to MFRS 132 provide the application guidance for criteria to offset financial assets and financial liabilities.

### 4. SIGNIFICANT ACCOUNTING POLICIES

#### 4.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continually evaluated by the directors and management and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The estimates and judgements that affect the application of the Group's accounting policies and disclosures, and have a significant risk of causing a material adjustment to the carrying amounts of assets, liabilities, income and expenses are discussed below:-

##### (a) Depreciation of Plant and Equipment

The estimates for the residual values, useful lives and related depreciation charges for the plant and equipment are based on commercial factors which could change significantly as a result of technical innovations and competitors' actions in response to the market conditions.

The Group anticipates that the residual values of its plant and equipment will be insignificant. As a result, residual values are not being taken into consideration for the computation of the depreciable amount.

Changes in the expected level of usage and technological development could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised.

##### (b) Contract Accounting

Contract accounting requires reliable estimation of the costs to complete the contract and reliable estimation of the stage of completion.

###### (i) Contract Revenue

Contract accounting requires claims and incentive payments only be recognised as contract revenue to the extent that it is probable that they will be accepted by the customers. As the approval process often takes some time, a judgement is required to be made of its probability and revenue recognised accordingly.

###### (ii) Contract Costs

Using experience gained on each particular contract and taking into account the expectations of the time and materials required to complete the contract, management estimates the profitability of the contract on an individual basis at any particular time.

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

##### **4.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)**

###### **(c) Income Taxes**

There are certain transactions and computations for which the ultimate tax determination may be different from the initial estimate. The Group recognises tax liabilities based on its understanding of the prevailing tax laws and estimates of whether such taxes will be due in the ordinary course of business. Where the final outcome of these matters is different from the amounts that were initially recognised, such difference will impact the income tax and deferred tax provisions in the period in which such determination is made.

###### **(d) Impairment of Non-Financial Assets**

When the recoverable amount of an asset is determined based on the estimate of the value-in-use of the cash-generating unit to which the asset is allocated, the management is required to make an estimate of the expected future cash flows from the cash-generating unit and also to apply a suitable discount rate in order to determine the present value of those cash flows.

###### **(e) Amortisation of Intangible Assets**

Changes in the expected level of usage and technological development could impact the economic useful lives and therefore, future amortisation charges could be revised.

###### **(f) Impairment of Trade and Other Receivables**

An impairment loss is recognised when there is objective evidence that a financial asset is impaired. Management specifically reviews its loans and receivables financial assets and analyses historical bad debts, customer concentrations, customer creditworthiness, current economic trends and changes in the customer payment terms when making a judgement to evaluate the adequacy of the allowance for impairment losses. Where there is objective evidence of impairment, the amount and timing of future cash flows are estimated based on historical loss experience for assets with similar credit risk characteristics. If the expectation is different from the estimation, such difference will impact the carrying value of receivables.

###### **(g) Impairment of Available-for-sale Financial Assets**

The Group reviews its available-for-sale financial assets at the end of each reporting period to assess whether they are impaired. The Group also records impairment loss on available-for-sale equity investments when there has been a significant or prolonged decline in the fair value below their cost. The determination of what is "significant" or "prolonged" requires judgement. In making this judgement, the Group evaluates, among other factors, historical share price movements and the duration and extent to which the fair value of an investment is less than its cost.

###### **(h) Impairment of Goodwill**

Goodwill is tested for impairment annually and at other times when such indicators exist. This requires management to estimate the expected future cash flows of the cash-generating unit to which goodwill is allocated and to apply a suitable discount rate in order to determine the present value of those cash flows. The future cash flows are most sensitive to budgeted gross margins, growth rates estimated and discount rate used. If the expectation is different from the estimation, such difference will impact the carrying value of goodwill.

###### **(i) Fair Value Estimates for Certain Financial Assets and Liabilities**

The Group carries certain financial assets and liabilities at fair value, which requires extensive use of accounting estimates and judgement. While significant components of fair value measurement were determined using verifiable objective evidence, the amount of changes in fair value would differ if the Group uses different valuation methodologies. Any changes in fair value of these assets and liabilities would affect profit and/or equity.

#### 4. 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) 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.

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. Where necessary, adjustments are made to the financial statements of subsidiaries to ensure consistency of accounting policies with those of the Group.

The acquisitions resulted in a business combination involving common control entities is outside the scope of MFRS 3. The merger accounting is used by the Group to account for such common control business combination.

##### **(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 are 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 common control shareholder at the date of transfer. No amount is recognised in respect of goodwill and excess 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) Acquisition method of accounting for non-common control 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.



#### 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.

At the end of each reporting period, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity.

###### (d) Changes In Ownership Interests In Subsidiaries Without Change of Control

All changes in the parent's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of consideration paid or received is recognised directly in equity of the Group.

###### (e) Loss of Control

Upon the loss of control of a subsidiary, the Group recognises any gain or loss on disposal in profit or loss which is calculated as the difference between:-

- (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest in the former subsidiary; and
- (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the former subsidiary and any non-controlling interests.

Amounts previously recognised in other comprehensive income in relation to the former subsidiary are accounted for in the same manner as would be required if the relevant assets or liabilities were disposed of (i.e. reclassified to profit or loss or transferred directly to retained profits). The fair value of any investments retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under MFRS 139 or, when applicable, the cost on initial recognition of an investment in an associate or a jointly venture.

##### 4.3 GOODWILL

Goodwill is measured at cost less accumulated impairment losses, if any. The carrying value of goodwill is reviewed for impairment annually. 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 as a gain in profit or loss.

#### 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.

###### (b) Transactions and Balances

Transactions in foreign currencies are converted into the respective functional currencies on initial recognition, using the exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities at the end of the reporting period are translated at the 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 are translated to RM at the rates of exchange ruling at the end of the reporting period. Revenues and expenses of foreign operations are translated at exchange rates ruling at the dates of the transactions. All exchange differences arising from translation are taken directly to other comprehensive income and accumulated in equity under the translation reserve. On the disposal of a foreign operation, the cumulative amount recognised in other comprehensive income relating to that particular foreign operation is reclassified from equity to profit or loss.

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.

##### 4.5 FINANCIAL INSTRUMENTS

Financial instruments 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 liabilities or equity in accordance with the substance of the contractual arrangement. Interest, dividends, gains and losses relating to a financial instrument classified as a liability, are reported as an expense or income. Distributions to holders of financial instruments classified as equity are charged directly to equity.

Financial instruments are offset when the Group has a legally enforceable right to offset and intends to settle either on a net basis or to realise the asset and settle the liability simultaneously.

A financial instrument is recognised initially at its fair value. Transaction costs that are directly attributable to the acquisition or issue of the financial instrument (other than a financial instrument at fair value through profit or loss) are added to/ deducted from the fair value on initial recognition, as appropriate. Transaction costs on the financial instrument at fair value through profit or loss are recognised immediately in profit or loss.

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

#### 4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

##### 4.5 FINANCIAL INSTRUMENTS (CONT'D)

###### (a) Financial Assets

On initial recognition, financial assets are classified as either financial assets at fair value through profit or loss, held-to-maturity investments, loans and receivables financial assets, or available-for-sale financial assets, as appropriate.

###### (i) Financial Assets at Fair Value through Profit or Loss

Financial assets are classified as financial assets at fair value through profit or loss when the financial asset is either held for trading or is designated to eliminate or significantly reduce a measurement or recognition inconsistency that would otherwise arise. Derivatives are also classified as held for trading unless they are designated as hedges.

Financial assets at fair value through profit or loss are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. Dividend income from this category of financial assets is recognised in profit or loss when the Group's right to receive payment is established.

###### (ii) Held-to-maturity Investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the management has the positive intention and ability to hold to maturity. Held-to-maturity investments are measured at amortised cost using the effective interest method less any impairment loss, with interest income recognised in profit or loss on an effective yield basis.

###### (iii) Loans and Receivables Financial Assets

Trade receivables and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as loans and receivables financial assets. Loans and receivables financial assets are measured at amortised cost using the effective interest method, less any impairment loss. Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

###### (iv) Available-for-sale Financial Assets

Available-for-sale financial assets are non-derivative financial assets that are designated in this category or are not classified in any of the other categories.

After initial recognition, available-for-sale financial assets are remeasured to their fair values at the end of each reporting period. Gains and losses arising from changes in fair value are recognised in other comprehensive income and accumulated in the fair value reserve, with the exception of impairment losses. On derecognition, the cumulative gain or loss previously accumulated in the fair value reserve is reclassified from equity into profit or loss.

Dividends on available-for-sale equity instruments are recognised in profit or loss when the Group's right to receive payments is established.

Investments in equity instruments whose fair value cannot be reliably measured are measured at cost less accumulated impairment losses, if any.

###### (b) Financial Liabilities

All financial liabilities are initially measured at fair value plus directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method other than those categorised as fair value through profit or loss.

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

#### 4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

##### 4.5 FINANCIAL INSTRUMENTS (CONT'D)

###### (c) Equity Instruments

Instruments classified as equity are measured at cost and are not remeasured subsequently.

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from proceeds.

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

###### (d) Derecognition

A financial asset or part of it is derecognised when, and only when, the contractual rights to the cash flows from the financial asset expire or the financial asset is transferred to another party without retaining control or substantially all risks and rewards of the asset. On derecognition of a financial asset, the difference between the carrying amount and the sum of the consideration received (including any new asset obtained less any new liability assumed) and any cumulative gain or loss that had been recognised in equity is recognised in profit or loss.

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

##### 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

Plant and equipment are stated at cost less accumulated depreciation and impairment losses, if any.

Depreciation is charged to profit or loss (unless it is included in the carrying amount of another asset) on the 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% - 33%
Office equipment, furniture and fittings	10% - 33%
Computer equipment	33%
Office renovation	10% - 33%
Motor vehicles	10% - 25%

Capital work-in-progress is not depreciated.

Capital work-in-progress represents payments made towards the acquisition of computer hardware and related capital assets and assets under construction, and which are not ready for commercial use at the end of the reporting date. Capital work-in-progress is stated at cost and will be transferred to the relevant category of long-term assets and depreciated accordingly when the assets are completed and ready for commercial use. Cost of capital work-in-progress includes direct costs and related expenditure.

The depreciation method, useful lives and residual values are reviewed, and adjusted if appropriate, at the end of each reporting period to ensure that the amounts, method and periods 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.

#### 4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

##### 4.7 PLANT AND EQUIPMENT (CONT'D)

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. Cost also comprises the initial estimate of dismantling and removing the asset and restoring the site on which it is located for which the Group is obligated to incur when the asset is acquired, if applicable.

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 is recognised in profit or loss.

##### 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.

###### (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 development expenditure and other intangible assets are amortised on a straight-line method over a period ranging from 3 to 5 years when the products are ready for sale or use. In the event that the expected future economic benefits are no longer probable of being recovered, the development expenditure is written down to its recoverable amount.

#### 4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

##### 4.9 IMPAIRMENT

###### (a) Impairment of Financial Assets

All financial assets (other than those categorised at fair value through profit or loss), are assessed at the end of each reporting period whether there is any objective evidence of impairment as a result of one or more events having an impact on the estimated future cash flows of the asset. For an equity instrument, a significant or prolonged decline in the fair value below its cost is considered to be objective evidence of impairment.

An impairment loss in respect of held-to-maturity investments and loans and receivables financial assets is recognised in profit or loss and is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

An impairment loss in respect of available-for-sale financial assets is recognised in profit or loss and is measured as the difference between its cost (net of any principal payment and amortisation) and its current fair value, less any impairment loss previously recognised in the fair value reserve. In addition, the cumulative loss recognised in other comprehensive income and accumulated in equity under fair value reserve, is reclassified from equity to profit or loss.

With the exception of available-for-sale equity instruments, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the financial asset at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised. In respect of available-for-sale equity instruments, impairment losses previously recognised in profit or loss are not reversed through profit or loss. Any increase in fair value subsequent to an impairment loss made is recognised in other comprehensive income.

###### (b) Impairment of Non-Financial Assets

The carrying values of assets, other than those to which MFRS 136 - Impairment of Assets does not apply, are reviewed at the end of each reporting period for impairment when 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. The recoverable amount of the assets is the higher of the assets' fair value less costs to sell and their value in use, which is measured by reference to discounted future cash flow.

An impairment loss is recognised in profit or loss.

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.

##### 4.10 ASSETS UNDER HIRE PURCHASE

Assets acquired under hire purchase are capitalised in the financial statements at the lower of the fair value of the leased assets and the present value of the minimum lease payments and, are depreciated in accordance with the policy set out in Note 4.7 above. Each hire purchase payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding. Finance charges are recognised in profit or loss over the period of the respective hire purchase agreements.

##### 4.11 INVENTORIES

Inventories are stated at the lower of cost and net realisable value. Cost is determined on the weighted average 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. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

##### 4.12 INCOME TAXES

Income tax for the year comprises current and deferred tax.

Current tax is the expected amount of income taxes payable in respect of the taxable profit for the reporting period and is measured using the tax rates that have been enacted or substantively enacted at the end of the reporting period.

Deferred tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

Deferred tax liabilities are recognised for all taxable temporary differences other than those that arise from goodwill or excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over the business combination costs 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 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 sufficient future taxable profits will be available to allow all or part of the deferred tax assets to be utilised.

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 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 income taxes relate to the same taxation authority.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transactions either in other comprehensive income or directly in equity and deferred tax arising from a business combination is included in the resulting goodwill or excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over the business combination costs.

##### 4.13 BORROWING COSTS

Borrowing costs, directly attributable to the acquisition, construction or production of a qualifying asset, are capitalised as part of the cost of those assets, until such time as the assets are ready for their intended use or sale. Capitalisation of borrowing costs is suspended during extended periods in which active development is interrupted.

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

Investment income earned on the temporary investment of specific borrowing pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

##### 4.14 OPERATING LEASES

Leases of assets where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under the operating leases (net of any incentives received from the lessor, if any) are recognised in profit or loss on the straight-line method over the lease period. When an operating lease is terminated before the lease period has expired, any payment required to be made to the lessor by way of penalty is recognised as an expense in the period in which termination takes place.

#### 4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

##### 4.15 CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise cash in hand, bank balances, demand deposits, bank overdrafts 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. For the purpose of the statements of cash flows, cash and cash equivalents are presented net of pledged deposits and restricted cash.

##### 4.16 PROVISIONS

Provisions are recognised when the Group has a present obligation as a result of past events, when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and when a reliable estimate of the amount can be made. Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. Where the effect of the time value of money is material, the provision is the present value of the estimated expenditure required to settle the obligation. The unwinding of the discount is recognised as interest expense in profit or loss.

##### 4.17 EMPLOYEE BENEFITS

###### (a) Short-term Benefits

Wages, salaries, paid annual leave and sick leave, bonuses and non-monetary benefits are measured on an undiscounted basis and are recognised in profit or loss and included in the intangible assets, where appropriate, in the period in which the associated services are rendered by employees of the Group.

###### (b) Defined Contribution Plans

The Group's contributions to defined contribution plans are recognised in profit or loss and included in the intangible assets, where appropriate, in the period to which they relate. Once the contributions have been paid, the Group has no further liability in respect of the defined contribution plans.

##### 4.18 OPERATING SEGMENTS

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. An operating segment's operating results are reviewed regularly by the chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

##### 4.19 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. When a change in the probability of an outflow occurs so that the outflow is probable, it will then be recognised as a provision.

##### 4.20 RELATED PARTIES

A party is related to an entity (referred to as the "reporting entity") if:-

- (a) A person or a close member of that person's family is related to a reporting entity if that person:-
  - (i) has control or joint control over the reporting entity;
  - (ii) has significant influence over the reporting entity; or
  - (iii) is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.

#### 4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

##### 4.20 RELATED PARTIES (CONT'D)

A party is related to an entity (referred to as the "reporting entity") if:- (Cont'd)

(b) An entity is related to a reporting entity if any of the following conditions applies:-

- (i) The entity and the reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
- (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
- (iii) Both entities are joint ventures of the same third party.
- (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
- (v) The entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity.
- (vi) The entity is controlled or jointly controlled by a person identified in (a) above.
- (vii) A person identified in (a)(i) above has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

##### 4.21 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's participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

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

- Level 1: Inputs are quoted prices (unadjusted) in active markets for identical assets or liability that the entity can access at the measurement date;
- Level 2: Inputs are inputs, other than quoted prices included within level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3: Inputs are unobservable inputs for the asset or liability.

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

##### 4.22 REDEEMABLE CONVERTIBLE NOTES ("RCN")

MFRS 132 - Financial Instruments: Disclosure and Presentation requires the Company as an issuer of a financial instrument to classify the instrument either as a liability or equity in accordance with the substance of the contractual arrangement on initial recognition. Consequently, RCN, which, amongst other conditions, are regarded as compound instruments, consisting of a liability component and an equity component.

At the date of issue, the fair value of the liability component is estimated using the prevailing market interest rate for a similar type of instrument. The difference between the proceeds from the issue of the RCN and the fair value assigned to the liability component, representing the conversion option is included in equity. The liability component is subsequently stated at amortised cost using the effective interest rate method until extinguished on conversion or redemption, whilst the value of the equity component is not adjusted in subsequent periods.

#### 4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

##### 4.23 REVENUE AND OTHER INCOME

###### (a) Contract Accounting

As soon as the outcome of a contract can be estimated reliably, contract revenue and contract cost are recognised in profit or loss in proportion to the stage of completion of the contract. Contract revenue includes the initial amount agreed in the contract plus any variations in contract work, claims and incentive payments to the extent that it is probable that they will result in revenue and can be measured reliably.

The stage of completion is assessed by reference to the proportion that contract revenue is billed for work performed to date bear to the estimated total contract revenue. When the outcome of a contract cannot be estimated reliably, contract revenue is recognised only to the extent of contract costs incurred that are likely to be recoverable. An expected loss on a contract is recognised immediately in profit or loss.

###### (b) Sale of Goods

Revenue is measured at fair value of the consideration received or receivable and is recognised upon delivery of goods and customers' acceptance and where applicable, net of returns and trade discounts.

###### (c) Services

Revenue is recognised upon the rendering of services and when the outcome of the transaction can be estimated reliably. In the event the outcome of the transaction could not be estimated reliably, revenue is recognised to the extent of the expenses incurred that are recoverable.

###### (d) Interest Income

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

###### (e) Dividend Income

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

###### (f) Rental Income

Rental income is recognised on an accrual basis.

###### (g) Deferred Income

Revenue invoiced in advance is deferred and recognised as revenue upon provision of the service.

#### 5. INVESTMENTS IN SUBSIDIARIES

	The Company	
	31.3.2014 RM'000	31.12.2012 RM'000
Quoted shares in Malaysia, at cost:	69,822	-
Unquoted shares, at cost:		
- in Malaysia	18,910	18,910
- outside Malaysia	4,052	4,052
	22,962	22,962
	92,784	22,962
Market value of quoted shares	109,970	-

## 5. INVESTMENTS IN SUBSIDIARIES (CONT'D)

The details of the subsidiaries are as follows:-

Name Of Subsidiary	Country Of Incorporation	Effective Equity Interest		Principal Activities
		31.3.2014 %	31.12.2012 %	
Century Software (M) Sdn. Bhd.	Malaysia	100	100	Design, development, implementation and marketing of financial and related software and services.
T-Melmax Sdn. Bhd.	Malaysia	100	100	Providing services for software development, acting as a service provider for financial applications, electronic payments.
PT Praisindo Teknologi ^	The Republic of Indonesia	60	60	Providing services for software development, acting as a service provider for financial applications, electronic payments.
Knowledgecom Corporation Sdn. Bhd.	Malaysia	80	80	Providing computer training.
Centennial Profile Sdn. Bhd.	Malaysia	100	100	Dormant.
Dagang NeXchange Berhad (formerly known as TIME Engineering Berhad)*	Malaysia	45.03	-	Investment holding.
<i>Held by Dagang NeXchange Berhad (formerly known as TIME Engineering Berhad):-</i>				
Dagang Net Technologies Sdn. Bhd.	Malaysia	71.25	-	Development, management and provision of business to business (B2B) e-commerce and computerised transaction facilitation services.
DNEX Solutions Sdn. Bhd. (formerly known as TEB Systems Integrators Sdn. Bhd.)	Malaysia	100	-	Providing expertise in IT project management and consultancy, supply of (ICT) hardware equipment, maintenance and asset management.
DNEX Technology Sdn. Bhd. (formerly known as TEB Quantum Technology Sdn. Bhd.)	Malaysia	100	-	Providing IT solutions, cyber security, managed services and supply of computer hardware, software and peripherals.

## 5. INVESTMENTS IN SUBSIDIARIES (CONT'D)

- ^ This subsidiary was audited by another firm of chartered accountants.
- \* Although the Group owns less than half of the voting power in Dagang NeXchange Berhad (formerly known as TIME Engineering Berhad), the directors have determined that the Group has de facto control over Dagang NeXchange Berhad (formerly known as TIME Engineering Berhad) on the basis that the remaining voting rights in this investee are widely dispersed and that there is no indication that all other shareholders exercise their votes collectively.

## 5. INVESTMENTS IN SUBSIDIARIES (CONT'D)

- (a) The non-controlling interests at the end of the reporting period comprise the following:-

	The Group	
	31.3.2014	31.12.2012
	RM'000	RM'000
Dagang Net Technologies Sdn. Bhd.	60,829	-
PT Praisindo Teknologi	959	683
Knowledgecom Corporation Sdn. Bhd.	615	307
	62,403	990

- (b) The summarised financial information (before intra-group elimination) of Dagang Net Technologies Sdn. Bhd. that has non-controlling interests that is material to the Group is as follows:-

	31.3.2014
	RM'000
<u>At 31 March</u>	
Non-current assets	14,087
Current assets	71,131
Non-current liabilities	(2,839)
Current liabilities	(15,940)
Net assets	66,439
<u>Financial period ended 31 March</u>	
Revenue	16,965
Profit for the financial period	4,542
Total comprehensive income	4,542
Total comprehensive income attributable to non-controlling interests	-
Dividends paid to non-controlling interests	-
Net cash flows from operating activities	4,320
Net cash flows for investing activities	(230)
Net cash flows from financing activities	-

The summarised financial information (before intra-group elimination) of the other subsidiaries that have non-controlling interests are not presented as the non-controlling interests are not material to the Group.

**6. PLANT AND EQUIPMENT**

The Group	At 1.1.2013	Acquisition Of A Subsidiary	Transferred From Intangible Assets (Note 7)	Reclassification	Disposal	Written Off	Currency Translation Differences	Depreciation Charge	At 31.3.2014
	RM'000	RM'000	Additions RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<i>Net Book Value</i>									
Plant and machinery	-	2,514	-	-	-	-	-	(214)	2,300
Office equipment, furniture and fittings	582	800	273	-	-	-	(1)	(609)	1,045
Computer equipment	673	11,231	534	822	978	(10)	(136)	(1,998)	12,094
Office renovation	1,236	314	104	-	-	-	-	(545)	1,109
Motor vehicles	699	-	601	-	(82)	-	(6)	(253)	959
Capital work-in-progress	924	780	18	-	(978)	-	-	-	744
	4,114	15,639	1,530	822	-	(82)	(143)	(3,619)	18,251

The Group	At 1.1.2012	Acquisition Of A Subsidiary	Additions	Currency Translation Differences	Depreciation Charge	At 31.3.2012
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<i>Net Book Value</i>						
Office equipment, furniture and fittings	714	76	-	(14)	(194)	582
Computer equipment	593	176	202	-	(298)	673
Office renovation	1,437	53	194	-	(448)	1,236
Motor vehicles	505	-	350	(4)	(152)	699
Capital work-in-progress	-	-	924	-	-	924
	3,249	305	1,670	(18)	(1,092)	4,114

The Group	At Cost	Accumulated Depreciation	Accumulated Impairment Loss	Net Book Value
	RM'000	RM'000	RM'000	RM'000
<i>At 31.3.2014</i>				
Plant and machinery	9,890	(4,323)	(3,267)	2,300
Office equipment, furniture and fittings	4,211	(3,166)	-	1,045
Computer equipment	42,560	(30,466)	-	12,094
Office renovation	6,729	(5,620)	-	1,109
Motor vehicles	1,404	(445)	-	959
Capital work-in-progress	744	-	-	744
	65,538	(44,020)	(3,267)	18,251



## 6. PLANT AND EQUIPMENT (CONT'D)

The Group	At Cost RM'000	Accumulated Depreciation RM'000	Accumulated Impairment Loss RM'000	Net Book Value RM'000
At 31.12.2012				
Office equipment, furniture and fittings	1,678	(1,096)	-	582
Computer equipment	1,691	(1,018)	-	673
Office renovation	2,324	(1,088)	-	1,236
Motor vehicles	1,181	(482)	-	699
Capital work-in-progress	924	-	-	924
	7,798	(3,684)	-	4,114

Included in the assets of the Group at the end of the reporting period were motor vehicles with a total net book value of RM936,806 (31.12.2012 - RM651,342), which were acquired under hire purchase terms. These leased assets have been pledged as security for the related finance lease liabilities of the Group.

## 7. INTANGIBLE ASSETS

	Software in progress RM'000	Software RM'000	Development expenditure RM'000	Total RM'000
<b>The Group</b>				
Cost				
At 1.1.2012	-	-	15,904	15,904
Addition during the financial year	-	-	7,441	7,441
At 31.12.2012/1.1.2013	-	-	23,345	23,345
Acquisition of a subsidiary	726	22,326	315	23,367
Addition during the financial period	130	7	8,038	8,175
Transferred to plant and equipment (Note 6)	-	-	(822)	(822)
Currency translation differences	-	-	(32)	(32)
At 31.3.2014	856	22,333	30,844	54,033
Accumulated amortisation				
At 1.1.2012	-	-	(4,559)	(4,559)
Amortisation for the financial year	-	-	(3,076)	(3,076)
At 31.12.2012/1.1.2013	-	-	(7,635)	(7,635)
Acquisition of a subsidiary	-	(19,970)	(315)	(20,285)
Addition during the financial period	-	(332)	(5,030)	(5,362)
At 31.3.2014	-	(20,302)	(12,980)	(33,282)
Accumulated impairment loss				
At 1.1.2012	-	-	-	-
Impairment during the financial year	-	-	(57)	(57)
At 31.12.2012/1.1.2013	-	-	(57)	(57)
Acquisition of a subsidiary	-	(192)	-	(192)
At 31.3.2014	-	(192)	(57)	(249)
Net carrying amount				
At 31.12.2012	-	-	15,653	15,653
At 31.3.2014	856	1,839	17,807	20,502

## 7. INTANGIBLE ASSETS (CONT'D)

The development expenditure relates to the development of Century Financials software, Merchant Payment System and Praisindo Investment Management System, currently undertaken by the Group for commercial use.

The following items have been capitalised under development expenditure during the financial period/year:-

	The Group	
	1.1.2013 to 31.3.2014 RM'000	1.1.2012 to 31.12.2012 RM'000
Staff costs	3,478	3,619

## 8. GOODWILL

	The Group	
	31.3.2014 RM'000	31.12.2012 RM'000
At 1 January	6,540	3,331
Acquisition of a subsidiary	36,512	3,209
At 31 March/31 December	43,052	6,540

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

	The Group	
	31.3.2014 RM'000	31.12.2012 RM'000
Wealth Management Solutions segment ("WMS")	3,331	3,331
Training Solutions segment ("TS")	3,209	3,209
Information Communication Technology segment ("ICT")	36,512	-
	43,052	6,540

(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.

The key assumptions used in the value-in-use approach are as follows:

- (i) three (3) years (31.12.2012 - 3 years) financial budget period;
- (ii) post-tax discount rate of 12.80% (31.12.2012 - 14.30%), this translate into pre-tax discount rate of 17.10% (31.12.2012 - 19.01%); and
- (iii) terminal growth rate of nil (31.12.2012 - nil).

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.

The discount rate used approximated the Company's weighted average cost of capital.

(c) Sensitivity to changes in assumptions

The management believes that no reasonably possible changes in any of the above key assumptions would cause the carrying value of the goodwill to be materially higher than its recoverable amount.

## 9. TRADE RECEIVABLES

	The Group	
	31.3.2014 RM'000	31.12.2012 RM'000
Non-current:		
Trade receivables	43,135	-
Fair value adjustment	(2,696)	-
	40,439	-
Current:		
Trade receivables	73,995	31,903
Fair value adjustment	(403)	-
Allowance for impairment losses	(884)	(181)
	72,708	31,722
	113,147	31,722
Allowance for impairment losses:		
At 1.1.2013/2012	(181)	(132)
Acquisition of a subsidiary	(669)	-
Addition during the financial period/year	(396)	(181)
Writeback during the financial period/year	181	-
Written off during the financial period/year	181	132
At 31.3.2014/31.12.2012	(884)	(181)

The Group's normal trade credit terms range from 30 to 45 days (31.12.2012 - 30 to 45) days.

Included in trade receivables of the Group at the end of the reporting period is an amount of RM66,103,038 owing by a receivable that will be collected over 33 months.

###### 10. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	The Group		The Company	
	31.3.2014	31.12.2012	31.3.2014	31.12.2012
	RM'000	RM'000	RM'000	RM'000
Non-current:				
Prepayments	6,550	-	-	-
Current:				
Other receivables	2,871	956	-	-
Allowance for impairment losses	(783)	-	-	-
	2,088	956	-	-
Deposits	3,527	285	292	-
Prepayments	7,562	602	-	-
	13,177	1,843	292	-
	19,727	1,843	292	-
Allowance for impairment losses:				
At 1.1.2013/2012	-	-	-	-
Acquisition of a subsidiary	(769)	-	-	-
Addition during the financial period/year	(14)	-	-	-
At 31.3.2014/31.12.2013	(783)	-	-	-

Included in prepayments is an amount of RM10,293,224 for future services that was billed in advance by a supplier. The current portion and non-current portion are RM3,742,991 and RM6,550,233 respectively.

###### 11. INVENTORIES

	The Group	
	31.3.2014	31.12.2012
	RM'000	RM'000
At cost:		
Finished goods - prepaid stock	62	-

None of the inventories is carried at net realisable value.

###### 12. AMOUNT OWING BY CONTRACT CUSTOMERS

	The Group	
	31.3.2014	31.12.2012
	RM'000	RM'000
Aggregate costs incurred to date	44,797	23,280
Attributable profit	24,933	2,536
	69,730	25,816
Less: Progress billings	(42,642)	(10,901)
Net amount owing by contract customers	27,088	14,915

### 13. AMOUNTS OWING BY/(TO) SUBSIDIARIES

The amounts owing are non-trade in nature, unsecured, interest-free and repayable on demand. The amounts owing are to be settled in cash.

### 14. FIXED DEPOSITS WITH LICENSED BANKS

Included in the fixed deposits with licensed banks is an amount of RM5,118,508 (31.12.2012 - RM3,836,422) which has been pledged as security for banking facilities granted to the Group.

The fixed deposits at the end of the reporting period bore effective interest rates ranging from 2.55% to 3.16% (31.12.2012 - 2.97%) per annum. The fixed deposits have maturity periods ranging from 30 to 365 days (31.12.2012 - 9 to 154 days).

### 15. CASH AND BANK BALANCES

Included in the cash and bank balances of the Group is an amount of RM1,717,880 which is restricted and held in an Escrow Account whereby part of the proceeds from a receivable will be used to repay to lenders that have granted credit facilities to a subsidiary.

### 16. SHARE CAPITAL

	The Company			
	31.3.2014	31.12.2012	31.3.2014	31.12.2012
	Number Of Shares ('000)		RM'000	RM'000
Ordinary Shares of RM0.10 Each				
Authorised	1,000,000	1,000,000	100,000	100,000
Issued And Fully Paid-Up				
At 1.1.2013/2012	344,200	344,200	34,420	34,420
Issuance of shares pursuant to the:				
- private placement	34,420	-	3,442	-
- conversion of RCN	7,446	-	745	-
- warrant exercise	13,530	-	1,353	-
At 31.3.2014/31.12.2012	399,596	344,200	39,960	34,420

During the financial period, the Company increased its issued and paid-up share capital from RM34,420,000 to RM39,959,547 by way of issuance of:

- (i) 34,420,000 ordinary shares of RM0.10 each pursuant to private placements at the following issue price;

Tranche	Number Of Ordinary Shares in units	Issue Price Per Ordinary Share RM	Total RM'000
First Tranche	10,000,000	0.4650	4,650
Second Tranche	10,000,000	0.4650	4,650
Third Tranche	12,722,500	0.5600	7,125
Final Tranche	1,697,500	0.5350	908
	34,420,000		17,333

## 16. SHARE CAPITAL (CONT'D)

During the financial period, the Company increased its issued and paid-up share capital from RM34,420,000 to RM39,959,547 by way of issuance of: (Cont'd)

- (ii) 13,529,675 ordinary shares of RM0.10 each for cash pursuant to the exercise of Warrants at an exercise price of RM0.46 per ordinary share; and
- (iii) 7,445,790 ordinary shares of RM0.10 each pursuant to the conversion of RM3,300,000 nominal value Redeemable Convertible Notes converted at the following conversion price per ordinary share:

Conversion date	Number Of Ordinary Shares in units	Conversion Price Per Ordinary Share RM	Total RM'000
15.1.2014	222,074	0.4503	100
21.1.2014	444,148	0.4503	200
11.2.2014	2,109,704	0.4503	950
19.2.2014	2,775,927	0.4503	1,250
19.3.2014	473,484	0.4224	200
25.3.2014	473,484	0.4224	200
31.3.2014	946,969	0.4224	400
	7,445,790		3,300

The new ordinary shares issued during the financial period ranked pari passu in all respects with the existing ordinary shares of the Company.

On 26 June 2012, the Company obtained the approval from the shareholders for the bonus issue of 43,025,000 warrants on the basis of 1 free warrant for every 8 existing ordinary shares of RM0.10 each held in the Company.

The warrants are constituted under a Deed Poll executed on 28 June 2012 and were issued on 19 July 2012 where each warrant entitles the registered holder the right at any time during the exercise period from 19 July 2012 to 18 July 2017 to subscribe in cash for one new ordinary share of RM0.10 each of the Company at an exercise price of RM0.46 each. The warrants were listed on the Main Market of Bursa Malaysia Securities Berhad on 25 July 2012.

The ordinary shares issued from the exercise of warrants shall rank pari passu in all respects with the existing issued ordinary shares of the Company except that they shall not be entitled to any dividends, distributions, rights, allotment and/or any other forms of distribution where the entitlement date of which precedes the relevant date of the allotment and issuance of the new shares arising from the exercise of warrants.

The movements of the Warrants during the financial period are as follows:

	Entitlement For Ordinary Shares Of RM0.10 Each			
	At 1.1.2013	Issued	Exercised	At 31.3.2014
<i>Number of unexercised Warrants</i>	43,025,000	-	(13,529,675)	29,495,325

The main features of the warrants are as follows:-

- (i) Each warrant will entitle the registered holder to subscribe for one (1) new ordinary share at par value of RM0.10 each in the Company at an exercise price of RM0.46 each subject to adjustment in accordance with the conditions stipulated in the Deed Poll;
- (ii) The warrants may be exercised at any time on or before the maturity date falling five years (2012/2017) from the date of issue of the warrants on 19 July 2012. Warrants not exercised after the exercise period will thereafter lapse and cease to be valid;

## 16. SHARE CAPITAL (CONT'D)

The main features of the warrants are as follows:- (Cont'd)

- (iii) The new shares to be issued pursuant to the exercise of the warrants shall, upon allotment and issue, rank pari passu in all respects with the existing ordinary shares of the Company in issue except that they will not be entitled to any dividends, rights, allotments and/or any other forms of distributions, the entitlement date of which is before the allotment and issuance of the new shares; and
- (iv) The persons to whom the warrants have been granted have no rights to participate in any distribution and/or offer of further securities in the Company until/and unless warrant holders exercise their warrant for new shares.

## 17. SHARE PREMIUM

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

	The Group/The Company	
	31.3.2014	31.12.2012
	RM'000	RM'000
At 1.1.2013/2012	1,308	1,447
Premium arising from:		
- private placement	13,891	-
- conversion of RCN	2,555	-
- warrant exercise	4,871	-
Expenses incurred on issuance of:		
- private placement	(80)	-
- free warrants	-	(139)
At 31.3.2014/31.12.2012	22,545	1,308

The share premium is not distributable by way of dividends and may be utilised in the manner set out in Section 60(3) of the Companies Act 1965.

## 18. 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.

## 19. RETAINED PROFITS

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

## 20. FOREIGN EXCHANGE TRANSLATION RESERVE

The foreign exchange translation reserve arose from the translation of the financial statements of the foreign subsidiary and is not distributable by way of dividends.



## 21. REDEEMABLE CONVERTIBLE NOTES ("RCN")

	The Group/The Company	
	31.3.2014	31.12.2012
	RM'000	RM'000
RCN:		
- equity component	72	-
- liability component	354	-
- deferred tax liability (Note 26)	24	-
	450	-

The salient terms of the RCN are as follows:

- (a) Notes Up to RM100.0 million nominal value of RCN comprising two (2) tranches of a principal amount of RM25.0 million each for Tranche 1 and Tranche 2, RM30.0 million for Tranche 3 and RM20.0 million for Tranche 4 (collectively, the RCN shall be referred to as the "Notes").
- Each of Tranche 1 Notes and Tranche 2 Notes shall comprise twenty (20) equal sub-tranches of RM1.25 million each, Tranche 3 Notes shall comprise twenty (20) equal sub-tranches of RM1.5 million each and Tranche 4 Notes shall comprise ten (10) equal sub-tranches of RM2.0 million each.
- (b) Tenure/Maturity Thirty-six (36) months from the closing date of the first sub-tranche of Tranche 1 Notes.
- (c) Coupon rate 2.0% per annum payable semi-annually.
- (d) Issue and subscription date(s) of the first sub-tranche of Tranche 1 Notes and the option to issue the remaining sub-tranches thereafter
- In respect of the first sub-tranche of Tranche 1 Notes, the date falling five (5) Market Days immediately after the fulfilment of the last conditions precedent.
- The Company will have the sole discretion to call upon subsequent tranches of the Notes at any time from (and including) the completion of the conversion of the preceding tranche(s) subject to the terms and conditions of the RCN.
- The issuance of Tranche 2 Notes, Tranche 3 Notes and Tranche 4 Notes shall be at the option of the Company which option shall subsist during the option period as set out below:
- (i) in respect of Tranche 2 Notes, the period commencing from and including the conversion date in relation to the last of the Notes comprised in the last sub-tranche of Tranche 1 Notes to and including the 10th Market Day thereafter;
  - (ii) in respect of the Tranche 3 Notes, the period commencing from and including the conversion date in relation to the last of the Notes comprised in the last sub-tranche of Tranche 2 Notes to and including the 10th Market Day thereafter; and
  - (iii) in respect of the Tranche 4 Notes, the period commencing from and including the conversion date in relation to the last of the Notes comprised in the last sub-tranche of Tranche 3 Notes to and including the 10th Market Day thereafter (collectively referred to as the "Option Period").
- If the Subscriber does not receive the exercise notice from the Company exercising its option within the relevant Option Period, the options shall lapse and cease to have any force or effect whatsoever and the Subscriber shall have no further obligation to subscribe and pay for the subsequent tranches.
- (e) Option of the Company Save for Tranche 1 Notes, the Company has the discretion not to proceed with the issue of subsequent tranches of the Notes.

## 21. RCN (CONT'D)

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

- (f) Conversion Rights      The Notes will be converted into new ordinary shares at the conversion price provided always that the conversion price is not lower than the par value of the Company at RM0.10 and subject to the redemption option term.
- The number of ordinary shares to which the Subscriber is entitled on conversion of each of the sub-tranche notes shall be determined by dividing the aggregate principal amount of the sub-tranche note held by the applicable conversion price.
- Subject as provided above, fractions of an ordinary share will not be issued on conversion and no adjustment or cash payment will be made in respect thereof.
- (g) Status of new ordinary shares      The new ordinary shares to be issued arising from the conversion of the Notes will, upon allotment and issuance, rank pari passu in all respects with the existing ordinary shares (including, without limitation, the right to receive any available distributions upon the liquidation and winding-up of the Company), save and except that the new ordinary shares will not be entitled to any dividends, rights, allotment and/or other forms of distribution that may be declared, made or paid where the entitlement date is prior to the allotment and issuance of the new ordinary shares.
- (h) Redemption rights      The Notes which are not redeemed or purchased, converted or cancelled by the Company will be redeemed by the Company at 100% of the principal amount on the date falling three (3) years from the closing date of the first sub-tranche of Tranche 1 Notes.

## 22. LONG-TERM BORROWINGS

	The Group		The Company	
	31.3.2014	31.12.2012	31.3.2014	31.12.2012
	RM'000	RM'000	RM'000	RM'000
Hire purchase payables (Note 23)	841	667	-	-
Term loans (Note 24)	65,706	-	31,800	-
	66,547	667	31,800	-

## 23. HIRE PURCHASE PAYABLES

	The Group	
	31.3.2014	31.12.2012
	RM'000	RM'000
Minimum hire purchase payments:		
- not later than one year	172	153
- later than one year and not later than five years	613	568
- later than five years	358	199
	1,143	920
Future finance charges	(174)	(140)
Present value of hire purchase payables	969	780

## 23. HIRE PURCHASE PAYABLES (CONT'D)

	The Group	
	31.3.2014 RM'000	31.12.2012 RM'000
The net hire purchase payables are repayable as follows:		
Current:		
- not later than one year (Note 30)	128	113
Non-current:		
- later than one year and not later than five years	507	476
- later than five years	334	191
Total non-current portion (Note 22)	841	667
	969	780

The hire purchase payables bore effective interest rates ranging from 4.90% to 4.99% (31.12.2012 - 4.33% to 7.17%) per annum at the end of the reporting period.

## 24. TERM LOANS

	The Group		The Company	
	31.3.2014 RM'000	31.12.2012 RM'000	31.3.2014 RM'000	31.12.2012 RM'000
Current:				
- Not later than one year (Note 30)	55,362	6,855	25,557	3,200
Non-current:				
- Later than one year and not later than two years	50,294	-	31,800	-
- Later than two years and not later than five years	15,412	-	-	-
Total non-current portion (Note 22)	65,706	-	31,800	-
	121,068	6,855	57,357	3,200

Details of the repayment terms of the term loans are as follows:-

Term Loan	Number Of Monthly Instalments	Monthly Instalment RM'000	The Group		The Company	
			31.3.2014 RM'000	31.12.2012 RM'000	31.3.2014 RM'000	31.12.2012 RM'000
1	(a)	(a)	11,011	2,714	-	-
2	(b)	(b)	300	941	-	-
3	(c)	(c)	-	3,200	-	3,200
4	(d)	(d)	53,000	-	53,000	-
5	(e)	(e)	4,357	-	4,357	-
6	33	1,541	52,400	-	-	-
			121,068	6,855	57,357	3,200

## 24. TERM LOANS (CONT'D)

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

- (a) Term loan 1 represents project financing loan and is repayable over the tenure of the project or up to 24 months. It bore an effective interest rate of 7.00% (31.12.2012 - 7.00%) per annum at the end of the reporting period and is secured by:
  - (i) a Deed of Assignment of all contract proceeds and/or receivables to be received by the Group in respect of the projects being financed;
  - (ii) a debenture incorporating fixed and floating charges over all the assets of a subsidiary, both present and future;
  - (iii) a corporate guarantee of the Company;
  - (iv) a joint and several guarantee of certain directors of the Group; and
  - (v) a memorandum of deposits of sinking fund to be built up by way of 5% and 10% retention respectively from each proceed received in respect of the projects.
- (b) Term loan 2 represents revolving short-term advance which is for working capital purposes and is repayable in 90 days. It bore an effective interest rate of 8.10% (31.12.2012 - 8.10%) per annum at the end of the reporting period and is secured by:
  - (i) a Deed of Assignment of all contract proceeds and/or receivables to be received by a subsidiary in respect of the projects being financed;
  - (ii) fixed deposits of a subsidiary pledged to a licensed bank; and
  - (iii) a joint and several guarantee of the directors of a subsidiary.
- (c) Term loan 3 represented short-term loan in the previous financial year and was repayable within 12 months from the date of first drawdown or to be fully repaid by 28 February 2014, whichever was earlier. It bore an effective interest rate of 7.60% per annum and was secured by:
  - (i) a legal charge over ordinary shares of the Company with total security cover of minimum 2.0 times against the facility amount; and
  - (ii) a Memorandum of Certificate of Share-i.
- (d) Term loan 4 represents short-term loan and is repayable within 12 months (40%) and 24 months (60%) respectively from the date of first drawdown. It bore an effective interest rate of 8.00% per annum at the end of the reporting period and is secured by:
  - (i) a third party legal charge of not less than 173,000,000 ordinary shares of the Company held by a corporate shareholder;
  - (ii) a third party legal charge of not less than 178,956,773 ordinary shares of a subsidiary held by the Company;
  - (iii) a first party first legal charge over the Interest Reserve Account; and
  - (iv) a joint and several guarantee of certain directors of the Group.

## 24. TERM LOANS (CONT'D)

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

- (e) Term loan 5 represents a short-term loan and is repayable within 9 months from the date of first drawdown. It bore an effective interest rate of 8.50% per annum at the end of the reporting period and is secured by:
- (i) a Facility Agreement as the principal instrument;
  - (ii) a memorandum of charge on 170,155,958 ordinary shares for pledged shares of a subsidiary;
  - (iii) a memorandum of charge on 3,400,000 ordinary shares for pledged shares of the Company;
  - (iv) a Letter of Set-Off between the Company and the financial institution;
  - (v) a Deed of Assignment Proceeds between the Company and the financial institution;
  - (vi) a Call Option Agreement between a corporate shareholder and the financial institution; and
  - (vii) a joint and several guarantee of certain directors of the Group.
- (f) Term loan 6 bore an effective interest rate of 1.00% per annum above the cost of fund at the end of the reporting period and is secured by:
- (i) a charge over all monies in a designated Escrow Account maintained by a receivable; and
  - (ii) a corporate guarantee of a subsidiary.

## 25. DEFERRED INCOME

	The Group	
	31.3.2014 RM'000	31.12.2012 RM'000
Current:		
- not later than one year	5,032	-
Non-current:		
- later than one year and not later than five years	7,098	-
	12,130	-

The contract pursuant to the supply, delivery, installation, testing, commissioning, maintenance and support of ICT equipment to the local polytechnics and community colleges undertaken by a subsidiary included the maintenance of equipment for a period of four years from the date of commissioning. A certain portion of the contract value in relation to the maintenance service is recognised as deferred income and amortised over the contractual period of 48 months which will end by 2016.

## 26. DEFERRED TAXATION

	The Group		The Company	
	31.3.2014 RM'000	31.12.2012 RM'000	31.3.2014 RM'000	31.12.2012 RM'000
At 1.1.2013/2012	-	-	-	-
Recognised in profit or loss (Note 34)	(549)	-	-	-
Recognised in equity (Note 21)	24	-	24	-
Acquisition of a subsidiary (Note 36)	3,388	-	-	-
At 31.3.2014/31.12.2012	2,863	-	24	-

## 26. DEFERRED TAXATION (CONT'D)

The deferred tax liabilities are attributable to the following:-

	The Group		The Company	
	31.3.2014 RM'000	31.12.2012 RM'000	31.3.2014 RM'000	31.12.2012 RM'000
Deferred tax liabilities:				
Accelerated capital allowances	2,984	-	-	-
Future tax liabilities on issuance of RCN	24	-	24	-
Deferred tax asset:				
Provisions	(145)	-	-	-
At 31.3.2014/31.12.2012	2,863	-	24	-

## 27. TRADE PAYABLES

The normal trade credit terms granted to the Group range from 30 to 90 (31.12.2012 - 30 to 60) days.

## 28. OTHER PAYABLES AND ACCRUALS

	The Group		The Company	
	31.3.2014 RM'000	31.12.2012 RM'000	31.3.2014 RM'000	31.12.2012 RM'000
Other payables	7,535	399	722	28
Accruals	13,666	5,754	548	552
	21,201	6,153	1,270	580

## 29. AMOUNT OWING TO A RELATED PARTY

The amount owing is trade in nature, and is subjected to the normal credit terms ranging from 30 to 60 days. The amount owing is to be settled in cash.

## 30. SHORT-TERM BORROWINGS

	The Group		The Company	
	31.3.2014 RM'000	31.12.2012 RM'000	31.3.2014 RM'000	31.12.2012 RM'000
Hire purchase payables (Note 23)	128	113	-	-
Term loans (Note 24)	55,362	6,855	25,557	3,200
	55,490	6,968	25,557	3,200

## 31. BANK OVERDRAFTS

The bank overdrafts are secured by:

- a legal charge of 2,500,000 ordinary shares of a corporate shareholder, and
- in the same manner as the term loans disclosed in Notes 24(a) and (b) to the financial statements respectively.

### 32. REVENUE

	The Group		The Company	
	1.1.2013 to 31.3.2014 RM'000	1.1.2012 to 31.12.2012 RM'000	1.1.2013 to 31.3.2014 RM'000	1.1.2012 to 31.12.2012 RM'000
Software, training and implementation	50,507	27,293	-	-
Maintenance	25,072	14,820	-	-
Hardware	4,749	2,653	-	-
Management fees	-	-	57	776
Dividend income	-	-	9,740	4,500
	80,328	44,766	9,797	5,276

### 33. PROFIT BEFORE TAXATION

	The Group		The Company	
	1.1.2013 to 31.3.2014 RM'000	1.1.2012 to 31.12.2012 RM'000	1.1.2013 to 31.3.2014 RM'000	1.1.2012 to 31.12.2012 RM'000

Profit before taxation is arrived at  
after charging/(crediting):-

Audit fee:				
- for the financial period/year	216	106	63	44
- underprovision in the previous financial year	2	-	2	-
Amortisation of intangible assets	5,362	3,076	-	-
Bad debts written off	-	128	-	-
Depreciation of plant and equipment	3,619	1,092	-	-
Directors' remuneration:				
- fees	447	354	393	354
- non-fee emoluments	1,791	1,049	27	20
Impairment loss on:				
- intangible assets	-	57	-	-
- trade receivables	396	181	-	-
- other receivables	14	-	-	-
Interest expense:				
- bank overdrafts	68	1	-	-
- hire purchase	54	37	-	-
- term loans	3,713	99	2,350	-
Plant and equipment written off	10	-	-	-
Realised loss on foreign exchange	5	-	-	-
Rental of hall	9	-	-	-
Rental of office	1,851	824	-	-
Rental of site and equipment	62	-	-	-
Rental of storage and others	27	-	-	-
Staff costs:				
- salaries, wages, bonuses and allowances	17,480	10,574	1,073	773
- defined contribution plans	2,166	1,273	135	106
- other benefits	664	345	11	9
Bad debts recovered	(44)	-	-	-
Dividend income	-	-	(9,740)	(4,500)
Gain on disposal of plant and equipment	(137)	-	-	-
Interest income	(658)	(147)	(147)	(87)
Rental income	(48)	-	-	-
Unrealised gain on foreign exchange	(38)	-	-	-
Writeback of impairment loss on trade receivables	(181)	-	-	-



### 34. INCOME TAX EXPENSE

	The Group		The Company	
	1.1.2013 to 31.3.2014 RM'000	1.1.2012 to 31.12.2012 RM'000	1.1.2013 to 31.3.2014 RM'000	1.1.2012 to 31.12.2012 RM'000
Current tax expense:				
- for the financial period/year	2,306	350	-	-
- (over)/underprovision in the previous financial year	(57)	5	-	-
	2,249	355	-	-
Deferred tax expense: (Note 26)	(549)	-	-	-
	1,700	355	-	-

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

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

	The Group		The Company	
	1.1.2013 to 31.3.2014 RM'000	1.1.2012 to 31.12.2012 RM'000	1.1.2013 to 31.3.2014 RM'000	1.1.2012 to 31.12.2012 RM'000
Profit before taxation	5,829	9,805	543	3,624
Tax at the statutory tax rate of 25% (2012 - 25%)	1,457	2,451	136	906
Tax effects of:-				
Non-deductible expenses	1,885	988	1,246	74
Non-taxable income	(294)	(146)	(2,435)	(1,134)
Tax-exempt pioneer income	(3,030)	(3,049)	-	-
Temporary differences not recognised due to Pioneer Status	(55)	(30)	-	-
Deferred tax assets not recognised during the financial period/year	1,794	154	1,053	154
Utilisation of deferred tax assets not recognised in the previous financial year	-	(18)	-	-
(Over)/Underprovision of current tax in the previous financial year	(57)	5	-	-
Income tax expense for the financial period/year	1,700	355	-	-

The statutory tax rate will be reduced to 24% from the current financial period's rate of 25%, effective year of assessment 2016.

### 34. INCOME TAX EXPENSE (CONT'D)

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

	The Group		The Company	
	31.3.2014 RM'000	31.12.2012 RM'000	31.3.2014 RM'000	31.12.2012 RM'000
Accelerated capital allowances	(1,176)	(1,447)	-	-
Unabsorbed capital allowances	21,759	21,360	-	-
Unused tax losses	69,266	62,647	4,318	105
Provisions	37	150	-	-
	89,886	82,710	4,318	105

No deferred tax assets are recognised on these items.

### 35. EARNINGS PER SHARE

	The Group	
	1.1.2013 to 31.3.2014	1.1.2012 to 31.12.2012
Profit after taxation attributable to owners of the Company (RM'000)	1,111	9,327
Weighted average number of ordinary shares (in '000):		
Issued ordinary shares at 1 January	344,200	344,200
Effect of private placement	10,189	-
Effect of warrant exercise	6,560	-
Effect of conversion of RCN	589	-
Weighted average number of ordinary shares at 31 March/31 December	361,538	344,200
Basic earnings per share (Sen)	0.31	2.71

	The Group 1.1.2013 to 31.3.2014
Profit after taxation attributable to owners of the Company for diluted earnings per share computation (RM'000)	1,111
Weighted average number of ordinary shares for basic earnings per share (in '000):	361,538
Effects of dilution:	
- Warrant exercise in exchange of new ordinary shares	3,687
- Conversion of RCN in exchange of new ordinary shares	1,069
Weighted average number of ordinary shares for diluted earnings per share computation	366,294
Diluted earnings per share (Sen)	0.30

The diluted earnings per share was not applicable in the previous financial year as the average market price of the ordinary shares was below the exercise price of the 2012/2017 warrants.

### 36. ACQUISITION OF A SUBSIDIARY

- (i) During the financial period, the Group acquired 45.03% of equity interest in Dagang NeXchange Berhad (formerly known as TIME Engineering Berhad) (and all its subsidiaries) ("DNEX"). The following summarises the major classes of consideration transferred, and the recognised amounts of assets acquired and liabilities assumed at the acquisition date:

#### Fair value of consideration transferred

	The Group RM'000
Cash and cash equivalents	69,823

There were no contingent consideration, no equity instruments issued and no replacement share-based awards for the acquisition of DNEX.

#### Identified assets acquired and liabilities assumed at date of acquisition

	Note	The Group Fair Value Recognised RM'000
Plant and equipment	6	15,639
Intangible assets	7	2,890
Trade receivables		78,105
Other receivables, deposits and prepayments		18,241
Inventories		65
Tax refundable		2,867
Cash and cash equivalents		64,401
Borrowings		(57,024)
Deferred income		(12,168)
Deferred taxation	26	(3,388)
Trade payables		(741)
Other payables and accruals		(17,111)
Provision for taxation		(6)
		91,770

#### Net cash outflow arising from acquisition of DNEX

	The Group RM'000
Purchase consideration settled in cash and cash equivalents	(69,823)
Cash and cash equivalents acquired	64,401
	(5,422)

### 36. ACQUISITION OF A SUBSIDIARY (CONT'D)

- (i) During the financial period, the Group acquired 45.03% of equity interest in Dagang NeXchange Berhad (formerly known as TIME Engineering Berhad) (and all its subsidiaries) ("DNEX"). The following summarises the major classes of consideration transferred, and the recognised amounts of assets acquired and liabilities assumed at the acquisition date: (Cont'd)

#### Goodwill arising from acquisition of DNEX

	Note	The Group RM'000
Total consideration transferred		69,823
Less: Fair value of identifiable net assets		(91,770)
		(21,947)
Add: Non-controlling interests		58,459
Goodwill	8	36,512

The non-controlling interests are measured at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets at the date of acquisition.

The acquired subsidiary has contributed the following results to the Group:

	The Group RM'000
Revenue	18,596
Profit after taxation	3,242

- (ii) In the previous financial year, the Group acquired:
- (a) a 100% equity interest in Centennial Profile Sdn. Bhd. ("CPSB") for a total consideration of RM2; and
  - (b) an 80% equity interest in Knowledgecom Corporation Sdn. Bhd. ("KCSB") for a total cash consideration of RM4,000,000.

#### Fair value of consideration transferred

	The Group RM'000
Cash and cash equivalents	1,041

#### Identified assets acquired and liabilities assumed at date of acquisition

	Note	The Group Fair Value Recognised RM'000
Plant and equipment	6	305
Trade and other receivables		230
Cash and cash equivalents		1,041
Tax refundable		17
Trade payables and accruals		(604)
		989

### 36. ACQUISITION OF SUBSIDIARY (CONT'D)

- (ii) In the previous financial year, the Group acquired: (Cont'd)

#### Net cash outflow arising from acquisition of CPSB and KCSB

	The Group RM'000
Purchase consideration settled in cash and cash equivalents	(4,000)
Cash and cash equivalents acquired	1,041
	(2,959)

#### Goodwill arising from acquisition of KCSB

	Note	The Group RM'000
Total consideration transferred		4,000
Less: Fair value of identifiable net assets		(989)
		3,011
Add: Non-controlling interests		198
Goodwill	8	3,209

### 37. DIVIDEND

	The Company	
	1.1.2013 to 31.3.2014 RM'000	1.1.2012 to 31.12.2012 RM'000
First and final single-tier dividend of 1.0 sen per ordinary share in respect of the financial year ended 31 December 2012	3,542	-

### 38. PURCHASE OF PLANT AND EQUIPMENT

	The Group	
	1.1.2013 to 31.3.2014 RM'000	1.1.2012 to 31.12.2012 RM'000
Cost of plant and equipment purchased	2,352	1,670
Cost transferred from intangible assets (Note 6)	(822)	-
Amount financed through hire purchase	(519)	(315)
Cash disbursed for the purchase of plant and equipment	1,011	1,355

### 39. CASH AND CASH EQUIVALENTS

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

	The Group		The Company	
	1.1.2013 to 31.3.2014 RM'000	1.1.2012 to 31.12.2012 RM'000	1.1.2013 to 31.3.2014 RM'000	1.1.2012 to 31.12.2012 RM'000
Fixed deposits with licensed banks (Note 14)	63,132	3,836	4,760	3,533
Cash and bank balances (Note 15)	11,506	3,247	127	66
Bank overdrafts (Note 31)	(5,126)	-	-	-
	69,512	7,083	4,887	3,599
Less: Fixed deposits pledged and restricted cash and bank balances as security (Notes 14 and 15)	(6,836)	(3,836)	(4,760)	(3,533)
	62,676	3,247	127	66

### 40. DIRECTORS' REMUNERATION

- (a) The aggregate amounts of remuneration received and receivable by the directors of the Group and of the Company during the financial period/year are as follows:-

	The Group		The Company	
	1.1.2013 to 31.3.2014 RM'000	1.1.2012 to 31.12.2012 RM'000	1.1.2013 to 31.3.2014 RM'000	1.1.2012 to 31.12.2012 RM'000
Executive:				
- fees	211	125	156	125
- non-fee emoluments	1,763	1,029	-	-
	1,974	1,154	156	125
Non-executive:				
- fees	236	229	236	229
- non-fee emoluments	28	20	28	20
	2,238	1,403	420	374

#### 40. DIRECTORS' REMUNERATION (CONT'D)

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

	The Group	
	1.1.2013 to 31.3.2014	1.1.2012 to 31.12.2012
	Number Of Directors	
Executive directors:		
- RM200,000 - RM250,000	-	1
- RM300,001 - RM350,000	-	3
- RM350,001 - RM400,000	1	-
- RM450,001 - RM500,000	2	-
- RM650,001 - RM700,000	1	-
Non-executive directors:		
- Below RM50,000	-	1
- RM50,001 - RM100,000	3	3
	7	8

#### 41. SIGNIFICANT RELATED PARTY DISCLOSURES

- (a) Identities of related parties

In addition to the information detailed elsewhere in the financial statements, the Group has related party relationships with:

- (i) an entity controlled by certain directors or key management personnel; and
- (ii) the directors and certain members of senior management of the Company who are key management personnel.

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

	The Group		The Company	
	1.1.2013 to 31.3.2014 RM'000	1.1.2012 to 31.12.2012 RM'000	1.1.2013 to 31.3.2014 RM'000	1.1.2012 to 31.12.2012 RM'000
Subsidiaries:				
- Dividend income received	-	-	9,740	4,500
- Management fee received	-	-	57	776
Related parties:				
- Rental expenses	(644)	(515)	-	-
- Purchases	(60)	-	-	-
Key management personnel compensation:				
- short-term employee benefits	(3,965)	(3,416)	(786)	(744)

Key management personnel comprise executive directors, non-executive directors and senior management of the Group who have authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly.

#### 42. FOREIGN EXCHANGE RATES

The principal closing foreign exchange rates used (expressed on the basis of one unit of foreign currency to RM equivalent) for the translation of the foreign currency balances at the end of the reporting period are as follows:-

	The Group	
	31.3.2014	31.12.2012
	RM'000	RM'000
United States Dollar	3.28	3.00
Indonesian Rupiah	0.00029	0.00032

#### 43. CONTINGENT LIABILITIES

(a) Corporate guarantee

	The Company	
	31.3.2014	31.12.2012
	RM'000	RM'000
Corporate guarantee given to licensed banks for credit facilities granted to a subsidiary	16,436	20,000

(b) Liquidated Ascertained Damages ("LAD")

There is a potential contingent liability arising from the delay in a contract undertaken by a subsidiary.

However, the Directors are confident that the potential LAD claims are unlikely to crystallise as the project is anticipated to be completed based on the extended timeline agreed with the customer.

#### 44. OPERATING SEGMENTS

Operating segments are prepared in a manner consistent with the internal reporting provided to the Group Executive Committee as its chief operating decision maker in order to allocate resources to segments and to assess their performance. For management purposes, the Group is organised into business units based on their products and services provided. The business units offer different products and services, and are managed separately.

The following summary describes the operations in each of Group's reportable segments:

- (i) Financial Management Software Solution segment ("FMS") - design, development, implementation and marketing of financial management software and related services.
- (ii) Payment Aggregation Solutions segment ("PAS") - providing services for financial applications, electronic payments and collections solutions.
- (iii) Corporate segment ("CS") - provide Group level corporate services and treasury functions and investments.
- (iv) Wealth Management Solutions segment ("WMS") - providing services for portfolio management, fund accounting, unit registry, selling agent and online transaction.
- (v) Training solution segment ("TS") - providing training services in areas related to information technology.
- (vi) Information Communication Technology ("ICT") - supply, delivery, installation, testing, commissioning and maintenance of IT hardware, development, management and provision of business to business (B2B) e-commerce and computerised transaction facilitation services, providing of cyber security solutions, managed services, project fulfilment, assets maintenance and contact centres.

The comparative information of ICT in the previous financial year was not presented as the Group acquired DNEX in the current financial period.



#### 44. OPERATING SEGMENTS (CONT'D)

BUSINESS SEGMENTS	FMS RM'000	PAS RM'000	CS RM'000	WMS RM'000	TS RM'000	ICT RM'000	Elimination RM'000	The Group RM'000
1.1.2013 to 31.3.2014								
Segment revenue	50,653	2,257	9,797	3,942	7,102	18,596	(12,019)	80,328
<b>Results</b>								
Segment results	9,789	(1,515)	2,888	877	2,065	5,300	(9,740)	9,664
Finance costs	(809)	-	(2,350)	-	-	(676)	-	(3,835)
Profit for the financial period								5,829
Income tax expense								(1,700)
								4,129
31.3.2014								
Segment assets	82,307	4,195	122,858	4,278	5,243	174,953	(77,267)	316,567
Tax refundable								3,300
Consolidated total assets								319,867
Segment liabilities	47,892	1,314	59,474	1,602	2,046	80,239	(27,534)	165,033
Deferred taxation								2,863
Provision for taxation								821
Consolidated total liabilities								168,717
Additions to non-current assets other than financial instruments:								
- plant and equipment	884	23	-	1,296	90	59	-	2,352
- intangible assets	6,793	500	-	745	-	137	-	8,175
Other material items of (income)/expenses consist of the following:								
Depreciation and amortisation	4,957	1,302	-	337	150	2,235	-	8,981
Impairment loss on:								
- trade receivables	-	-	-	-	-	396	-	396
- other receivables	-	-	-	-	-	14	-	14
Interest expense	809	-	2,350	-	-	676	-	3,835
Interest income	(35)	-	(147)	(1)	-	(475)	-	(658)
Writeback of allowance for impairment loss:								
- trade receivables	-	-	-	-	-	(181)	-	(181)

#### 44. OPERATING SEGMENTS (CONT'D)

BUSINESS SEGMENTS	FMS RM'000	PAS RM'000	CS RM'000	WMS RM'000	TS RM'000	Elimination RM'000	The Group RM'000
1.1.2012 to 31.12.2012							
Segment revenue	37,797	4,207	5,276	2,354	1,494	(6,362)	44,766
<b>Results</b>							
Segment results	10,593	(591)	3,617	74	749	(4,500)	9,942
Finance costs	(136)	(1)	-	-	-	-	(137)
Profit for the financial year							9,805
Income tax expense							(355)
							<u>9,450</u>
31.12.2012							
Segment assets	62,448	5,295	43,302	2,938	2,285	(34,298)	81,970
Tax refundable							211
Consolidated total assets							<u>82,181</u>
Segment liabilities	27,540	898	3,786	960	623	(17,877)	15,930
Provision for taxation							751
Consolidated total liabilities							<u>16,681</u>
Additions to non-current assets other than financial instruments:							
- plant and equipment	683	12	-	963	12	-	1,670
- intangible assets	7,087	-	-	354	-	-	7,441
Other material items of (income)/ expenses consist of the following:							
Depreciation and amortisation	3,007	1,055	-	85	21	-	4,168
Impairment loss on:							
- trade receivables	181	-	-	-	-	-	181
Interest expense	136	1	-	-	-	-	137
Interest income	(60)	-	(87)	-	-	-	(147)

#### 44. OPERATING SEGMENTS (CONT'D)

##### GEOGRAPHICAL INFORMATION

	Revenue		Non-current Assets	
	1.1.2013 to 31.3.2014 RM'000	1.1.2012 to 31.12.2012 RM'000	1.1.2013 to 31.3.2014 RM'000	1.1.2012 to 31.12.2012 RM'000
Indonesia	2,363	1,932	2,154	1,446
Malaysia	77,965	42,834	126,740	24,961
	80,328	44,766	128,894	26,407

##### MAJOR CUSTOMERS

Revenue from one major customer, with revenue equal to or more than 10% of Group revenue, amounted to approximately RM8.3 million (31.12.2012 - nil) arising from sales by the FMS segment.

#### 45. FINANCIAL INSTRUMENTS

The Group's activities are exposed to a variety of market risk (including foreign currency risk and interest rate risk), credit risk and liquidity risk. The Group's overall financial risk management policy focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

##### 45.1 FINANCIAL RISK MANAGEMENT POLICIES

The Group's policies in respect of the major areas of treasury activity are as follows:-

##### (a) Market Risk

##### (i) Foreign Currency Risk

The Group is exposed to foreign currency risk on transactions and balances that are denominated in currencies other than Ringgit Malaysia. The currencies giving rise to this risk are primarily Indonesian Rupiah and United States Dollar (USD). Foreign currency risk is monitored closely on an ongoing basis to ensure that the net exposure is at an acceptable level.

##### Foreign currency exposure

The Group	United States Dollar RM'000	Indonesian Rupiah RM'000	Ringgit Malaysia RM'000	Total RM'000
31.3.2014				
<b>Financial Assets</b>				
Other investments	-	-	100	100
Amount owing by contract customers	-	-	27,088	27,088
Trade receivables	23	1,274	111,850	113,147
Other receivables and deposits	-	795	4,820	5,615
Fixed deposits with licensed banks	-	12	63,120	63,132
Cash and bank balances	72	6	11,428	11,506
	95	2,087	218,406	220,588

#### 45. FINANCIAL INSTRUMENTS (CONT'D)

##### 45.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

###### (a) Market Risk (Cont'd)

###### (i) Foreign Currency Risk (Cont'd)

###### *Foreign currency exposure (Cont'd)*

The Group	United States Dollar RM'000	Indonesian Rupiah RM'000	Ringgit Malaysia RM'000	Total RM'000
31.3.2014				
<b>Financial Liabilities</b>				
Hire purchase payables	-	-	969	969
Term loans	-	-	121,068	121,068
Trade payables	-	7	4,118	4,125
Other payables and accruals	-	664	20,537	21,201
Amount owing to a related party	-	-	60	60
RCN	-	-	354	354
Bank overdrafts	-	-	5,126	5,126
	-	671	152,232	152,903
Net financial assets	95	1,416	66,174	67,685
Less: Net financial assets denominated in the respective entities' functional currencies	-	(1,416)	(66,174)	(67,590)
<b>Currency Exposure</b>	95	-	-	95
31.12.2012				
<b>Financial Assets</b>				
Other investments	-	-	100	100
Amount owing by contract customers	-	-	14,915	14,915
Trade receivables	161	157	31,404	31,722
Other receivables and deposits	-	848	393	1,241
Fixed deposits with licensed banks	-	-	3,836	3,836
Cash and bank balances	-	50	3,197	3,247
	161	1,055	53,845	55,061

#### 45. FINANCIAL INSTRUMENTS (CONT'D)

##### 45.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

###### (a) Market Risk (Cont'd)

###### (i) Foreign Currency Risk (Cont'd)

Foreign currency exposure (Cont'd)

The Group	United States Dollar RM'000	Indonesian Rupiah RM'000	Ringgit Malaysia RM'000	Total RM'000
31.12.2012				
<b>Financial Liabilities</b>				
Hire purchase payables	-	-	780	780
Term loans	-	-	6,855	6,855
Trade payables	-	-	2,142	2,142
Other payables and accruals	-	347	5,806	6,153
	-	347	15,583	15,930
Net financial assets	161	708	38,262	39,131
Less: Net financial assets denominated in the respective entities' functional currencies	-	(708)	(38,262)	(38,970)
<b>Currency Exposure</b>	161	-	-	161
31.3.2014				
<b>Financial Assets</b>				
Other receivables and deposits			292	292
Amount owing by subsidiaries			24,894	24,894
Fixed deposits with licensed banks			4,760	4,760
Cash and bank balances			127	127
			30,073	30,073
<b>Financial Liabilities</b>				
Term loans			57,357	57,357
Other payables and accruals			1,270	1,270
Amount owing to subsidiaries			480	480
RCN			354	354
			59,461	59,461
Net financial liabilities			(29,388)	(29,388)
Less: Net financial liabilities denominated in the entity's functional currency			29,388	29,388
<b>Currency Exposure</b>			-	-

#### 45. FINANCIAL INSTRUMENTS (CONT'D)

##### 45.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

###### (a) Market Risk (Cont'd)

###### (i) Foreign Currency Risk (Cont'd)

###### *Foreign currency exposure (Cont'd)*

The Company	Ringgit Malaysia RM'000	Total RM'000
31.12.2012		
<b>Financial Assets</b>		
Amount owing by subsidiaries	16,741	16,741
Fixed deposits with licensed banks	3,533	3,533
Cash and bank balances	66	66
	20,340	20,340
<b>Financial Liabilities</b>		
Term loans	3,200	3,200
Other payables and accruals	580	580
	3,780	3,780
Net financial assets	16,560	16,560
Less: Net financial assets denominated in the entity's functional currency	(16,560)	(16,560)
<b>Currency Exposure</b>	-	-

###### *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	
	1.1.2013 to 31.3.2014 Increase/ (Decrease) RM'000	1.1.2012 to 31.12.2012 Increase/ (Decrease) RM'000	1.1.2013 to 31.3.2014 Increase/ (Decrease) RM'000	1.1.2012 to 31.12.2012 Increase/ (Decrease) RM'000
<b>Effects On Profit After Taxation</b>				
United States Dollar:				
- strengthened by 10%	7	12	-	-
- weakened by 10%	(7)	(12)	-	-
<b>Effects On Equity</b>				
United States Dollar:				
- strengthened by 10%	7	12	-	-
- weakened by 10%	(7)	(12)	-	-

## 45. FINANCIAL INSTRUMENTS (CONT'D)

### 45.1 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 interest-bearing financial assets and liabilities. The Group's policy is to obtain the most favourable interest rates available. Any surplus funds of the Group will be placed with licensed financial institutions to generate interest income.

Information relating to the Group's exposure to the interest rate risk of the financial liabilities is disclosed in Note 45.1(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	
	1.1.2013 to 31.3.2014	1.1.2012 to 31.12.2012	1.1.2013 to 31.3.2014	1.1.2012 to 31.12.2012
	Increase/ (Decrease)	Increase/ (Decrease)	Increase/ (Decrease)	Increase/ (Decrease)
	RM'000	RM'000	RM'000	RM'000
<b>Effects On Profit After Taxation</b>				
Increase of 100 basis points ("bp")	(954)	(57)	(430)	(24)
Decrease of 100 bp	954	57	430	24
<b>Effects On Equity</b>				
Increase of 100 basis points ("bp")	(954)	(57)	(430)	(24)
Decrease of 100 bp	954	57	430	24

#### (b) Credit Risk

The Group's exposure to credit risk, or the risk of counterparties defaulting, arises mainly from trade and other receivables. The Group manages its exposure to credit risk by the application of credit approvals, credit limits and monitoring procedures on an ongoing basis. For other financial assets (including cash and bank balances), the Group minimises credit risk by dealing exclusively with high credit rating counterparties.

The Group establishes an allowance for impairment that represents its estimate of incurred losses in respect of the trade and other receivables as appropriate. The main components of this allowance are a specific loss component that relates to individually significant exposures, and a collective loss component established for groups of similar assets in respect of losses that have been incurred but not yet identified. Impairment is estimated by management based on prior experience and the current economic environment.

##### (i) Credit risk concentration profile

The Group's major concentration of credit risk relates to the amounts owing by two customers which constituted approximately 63% (31.12.2012 - 30%) of its total receivables at the end of the reporting period.

#### 45. FINANCIAL INSTRUMENTS (CONT'D)

##### 45.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

##### (b) Credit Risk (Cont'd)

##### (ii) Exposure to credit risk

As the Group does not hold any collateral, the maximum exposure to credit risk is represented by the carrying amount of the financial assets at the end of the reporting period.

The exposure of credit risk for trade receivables by geographical region is as follows:-

	The Group	
	31.3.2014 RM'000	31.12.2012 RM'000
Indonesia	1,274	157
Malaysia	111,873	31,565
	113,147	31,722

##### (iii) Ageing analysis

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

The Group	Gross Amount RM'000	Individual Impairment RM'000	Carrying Value RM'000
31.3.2014			
Not past due	86,765	(13)	86,752
Past due:-			
- 31 - 60 days	3,590	(5)	3,585
- 61 - 90 days	1,835	-	1,835
- 91 - 150 days	13,261	(247)	13,014
- more than 150 days	11,677	(619)	11,058
	117,128	(884)	116,244
31.12.2012			
Not past due	16,487	-	16,487
Past due:-			
- 31 - 60 days	1,711	-	1,711
- 61 - 90 days	2,610	-	2,610
- 91 - 150 days	1,056	-	1,056
- more than 150 days	10,039	(181)	9,858
	31,903	(181)	31,722



## 45. FINANCIAL INSTRUMENTS (CONT'D)

### 45.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

#### (b) Credit Risk (Cont'd)

##### (iii) Ageing analysis (Cont'd)

At the end of the reporting period, trade receivables that are individually impaired were those having significant balances past due more than 150 days and which are deemed to have higher credit risk. These receivables are not secured by any collateral or credit enhancement.

*Trade receivables that are past due but not impaired*

The Group believes that no impairment allowance is necessary in respect of these trade receivables. They are substantially government agencies with good collection track record and no recent history of default.

*Trade receivables that are neither past due nor impaired*

A significant portion of trade receivables that are neither past due nor impaired are regular customers that have been transacting with the Group. The Group uses ageing analysis to monitor the credit quality of the trade receivables. Any receivables having significant balances past due or more than 150 days, which are deemed to have higher credit risk, are monitored individually.

#### (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.

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	Weighted Average Effective Rate %	Carrying Amount RM'000	Contractual Undiscounted Cash Flows RM'000	Within 1 Year RM'000	1 - 5 Years RM'000	Over 5 Years RM'000
<b>31.3.2014</b>						
Hire purchase payables	4.91	969	1,143	172	613	358
Term loans	4.90	121,068	129,364	59,600	69,764	-
Trade payables	-	4,125	4,125	4,125	-	-
Other payables and accruals	-	21,201	21,201	21,201	-	-
Amount owing to a related party	-	60	60	60	-	-
RCN	2.00	354	361	361	-	-
Bank overdrafts	8.10	5,126	5,126	5,126	-	-
		152,903	161,380	90,645	70,377	358
<b>31.12.2012</b>						
Hire purchase payables	6.27	780	920	153	568	199
Term loans	7.46	6,855	7,307	7,307	-	-
Trade payables	-	2,142	2,142	2,142	-	-
Other payables and accruals	-	6,153	6,153	6,153	-	-
		15,930	16,522	15,755	568	199

#### 45. FINANCIAL INSTRUMENTS (CONT'D)

##### 45.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

##### (c) Liquidity Risk (Cont'd)

The Company	Weighted Average Effective Rate %	Carrying Amount RM'000	Contractual Undiscounted Cash Flows RM'000	Within 1 Year RM'000	1 - 5 Years RM'000
31.3.2014					
Term loans	8.04	57,357	57,357	25,557	31,800
Other payables and accruals	-	1,270	1,270	1,270	-
Amount owing to subsidiaries	-	480	480	480	-
RCN	2.00	354	361	361	-
		59,461	59,468	27,668	31,800
31.12.2012					
Term loans	7.60	3,200	3,539	3,539	-
Other payables and accruals	-	580	580	580	-
		3,780	4,119	4,119	-

##### 45.2 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 their 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. In the current financial period, the net debt components comprise total borrowings from financial institutions less cash and cash equivalents. In previous financial years, the net debt components comprise borrowings plus trade and other payables less cash and cash equivalents.

The debt-to-equity ratio of the Group at the end of the reporting period is as follows:-

	The Group	
	31.3.2014 RM'000	31.12.2012 RM'000
Hire purchase payables	969	780
Term loans	121,068	6,855
RCN	354	-
Bank overdrafts	5,126	-
	127,517	7,635
Less: Fixed deposits with licensed banks	(63,132)	(3,836)
Less: Cash and bank balances	(11,506)	(3,247)
Net debt	52,879	552
Total equity	151,150	65,500
Debt-to-equity ratio (times)	0.35	0.01

#### 45. FINANCIAL INSTRUMENTS (CONT'D)

##### 45.2 CAPITAL RISK MANAGEMENT (CONT'D)

Under the requirement of Bursa Malaysia Practice Note No. 17/2005, the Company is required to maintain a consolidated shareholders' equity (total equity attributable to owners of the Company) equal to or not less than the 25% of the issued and paid-up share capital (excluding treasury shares) and such shareholders' equity is not less than RM40 million. The Company has complied with this requirement.

##### 45.3 CLASSIFICATION OF FINANCIAL INSTRUMENTS

	The Group		The Company	
	31.3.2014	31.12.2012	31.3.2014	31.12.2012
	RM'000	RM'000	RM'000	RM'000
<b>Financial Assets</b>				
<u>Available-for-sale financial assets</u>				
Other investments, at cost	100	100	-	-
<u>Loans and receivables financial assets</u>				
Amount owing by contract customers	27,088	14,915	-	-
Trade receivables	113,147	31,722	-	-
Other receivables and deposits	5,615	1,241	292	-
Amount owing by subsidiaries	-	-	24,894	16,741
Fixed deposits with licensed banks	63,132	3,836	4,760	3,533
Cash and bank balances	11,506	3,247	127	66
	220,488	54,961	30,073	20,340
<b>Financial Liabilities</b>				
<u>Other financial liabilities</u>				
Hire purchase payables	969	780	-	-
Term loans	121,068	6,855	57,357	3,200
Trade payables	4,125	2,142	-	-
Other payables and accruals	21,201	6,153	1,270	580
Amount owing to subsidiaries	-	-	480	-
Amount owing to a related party	60	-	-	-
RCN	354	-	354	-
Bank overdrafts	5,126	-	-	-
	152,903	15,930	59,461	3,780

#### 45. FINANCIAL INSTRUMENTS (CONT'D)

##### 45.4 FAIR VALUE INFORMATION

Other than those disclosed below, the fair values of the financial assets and financial liabilities maturing within the next 12 months approximated their carrying amounts due to the relatively short-term maturity of the financial instruments. These fair values are included in level 2 of the fair value hierarchy.

The Group	Fair Value Of Financial Instruments Carried At Fair Value			Fair Value Of Financial Instruments Not Carried At Fair Value			Total Fair Value	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		

##### 31.3.2014

###### Financial Assets

###### Other investments:

- unquoted shares	-	-	-	-	-	-	#	100
Trade receivables	-	40,439	-	-	-	-	40,439	43,135

###### Financial Liabilities

Hire purchase payables	-	-	-	-	841	-	841	841
Term loans	-	-	-	-	65,706	-	65,706	65,706
RCN	-	-	-	-	354	-	354	354

	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 *		
The Group	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000

##### 31.12.2012

###### Financial Assets

###### Other investments:

- unquoted shares	-	-	-	#		#	100
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###### Financial Liabilities

Hire purchase payables	-	-	-	667		667	667
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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		

##### 31.3.2014

###### Financial Liabilities

Term loans	-	-	-	-	31,800	-	31,800	31,800
RCN	-	-	-	-	354	-	354	354

# The fair value cannot be reliably measured using valuation techniques due to lack of marketability of the unquoted shares.

\* Comparative fair value information is not presented by levels, by virtue of the exemption given in MFRS 13.

There were no transfer between level 1 and level 2 during the financial period.

#### 46. SIGNIFICANT EVENTS DURING THE FINANCIAL PERIOD

- (a) On 14 May 2013, the Company entered into a conditional Subscription Agreement ("SA") with Advance Opportunities Fund ("the Subscriber") for the issuance of Redeemable Convertible Notes ("RCN") with an aggregate principal amount of up to RM100.0 million ("RCN Issue"). The RCN was approved at an Extraordinary General Meeting on 29 November 2013.
- (b) On 3 June 2013, Century Software (M) Sdn. Bhd. ("CSM"), a wholly-owned subsidiary of the Company entered into a Memorandum of Understanding ("MOU") with Estemarat Services LLC ("Estemarat") in relation to:
  - (i) pursuing business potential in United Arab Emirates, Middle East and Africa;
  - (ii) engaging in all activities and transactions that are necessary in furtherance of the purpose as stated above; and
  - (iii) establish a collaborative relationship between the two parties.

The MOU had no material impact on the share capital, substantial shareholding, earnings per share, gearing and net assets per share of the Group for the financial period from 1 January 2013 to 31 March 2014.

- (c) On 28 June 2013, the Company undertook a Private Placement exercise of up to 34,420,000 new ordinary shares of RM0.10 each to raise proceeds amounting to approximately RM17,333,000.
- (d) On 12 September 2013, the Company entered into a Share Sale Agreement ("SSA") for the following Acquisition and Mandatory Take-Over Offer ("MGO"):
  - (i) Acquisition of 349,112,731 ordinary shares of RM0.20 each in Dagang NeXchange Berhad (formerly known as TIME Engineering Berhad) ("DNEX") ("DNEX Shares"), representing 45.03% equity interest in DNEX, from Khazanah Nasional Berhad ("Khazanah") for a purchase consideration of approximately RM69,822,000; and
  - (ii) MGO to acquire all the remaining DNEX Shares not already owned by the Company upon completion of the Acquisition ("Offer Shares").

On 9 October 2013, the SSA had become unconditional with Khazanah for the fulfillment of the conditions precedent in the SSA upon the receipt of the following:

- (i) the approval by Bursa Securities Malaysia Berhad ("Bursa Securities"), vide its letter dated 3 October 2013, of a waiver from complying with Paragraph 8.29(1) of the Listing Requirements subject to the condition that the Company shall procure its shareholders' ratification for the Acquisition and the MGO within two (2) months from the completion date of the Acquisition; and
- (ii) the letter from the SC dated 8 October 2013 on its concurrence that the Acquisition and the MGO would not result in a significant change in the business direction or policy of the Company and therefore are not subject to the Securities Commission ("SC") approval under Section 214(1) of the Capital Markets and Services Act 2007.

On 11 October 2013, the Company made the payment of RM35,791,355 being the Balance Purchase Price I to Khazanah for the acquisition of 178,956,773 Sale Shares representing 23.08% equity interest in DNEX which has been successfully transferred to the Company. Accordingly, the Company serviced the Notice on the Board of DNEX, notifying DNEX of the Company's intention to undertake a conditional Mandatory Take-Over Offer and announced to Bursa Securities that the abovementioned Notice had been served upon the SSA becoming unconditional.

Subsequently on 29 October 2013, the SC had vide its letter dated the same date granted consent to the Offer Document under Section 12(2) of the Code. The Offer Document was posted to the shareholders of DNEX on 30 October 2013.

The MGO offer period closed on the 20 November 2013. The final payment of the Balance Purchase Price II on DNEX Shares was paid on the 27 November 2013 and the acquisition of 45.03% of DNEX Shares from Khazanah was deemed completed.

- (e) On 21 October 2013, CSM entered into a Teaming Agreement ("TA") with Myanmar Information Technology Pte Ltd ("MIT") to establish a business relationship between the two parties to work together on a collaborative basis. CSM is to give MIT the rights to sell, licence, market and distribute CSM products and services to Myanmar.

The TA had no material impact on the share capital, substantial shareholding, earnings per share, gearing and net assets per share of the Group for the financial period from 1 January 2013 to 31 March 2014.

#### 47. SIGNIFICANT EVENTS OCCURRING AFTER THE REPORTING PERIOD

- (a) On 18 June 2014, DNEX, a 45.03% owned subsidiary of the Company proposed to undertake the following proposals:
- (i) proposed renounceable rights issue of 465,146,809 new ordinary shares of RM0.20 each in DNEX ("Share" or "DNEX Shares") ("Rights Shares") together with 465,146,809 new free detachable warrants ("Warrants") at an issue price of RM0.21 per Share on the basis of three (3) Rights Shares together with three (3) Warrants for every five (5) existing DNEX Shares held as at the entitlement date to be determined later ("Proposed Rights Issue");
  - (ii) proposed special issue of 50,000,000 Shares together with 25,000,000 Warrants on the basis of one (1) Warrant for every two (2) special issue shares at an issue price of RM0.22 per Share ("Proposed Special Issue");
  - (iii) DNEX had on 18 June 2014 entered into a conditional Share Sale Agreement ("SSA") with the vendors for the proposed acquisitions of the following:
    - (a) 500,000 ordinary shares of RM1.00 each representing 100.0% of the issued and paid-up capital of OGPC Sdn. Bhd. ("OGPC") for a purchase consideration of RM196,594,821 to be satisfied by partial cash consideration of RM96,844,740 and the remaining RM99,750,081 via issuance of 383,654,158 new DNEX shares with 191,827,079 Warrants at an issue price of RM0.26 per Share on the basis of one (1) Warrant for every two (2) new DNEX Shares issued; and
    - (b) 520,000 ordinary shares of RM1.00 each representing 52.0% of the issued and paid-up capital of OGPC O&G Sdn. Bhd. ("OGPCOG"), a 48.0% owned associated company of OGPC, for a purchase consideration of RM6,405,179 to be satisfied by partial cash consideration of RM3,155,260 and the remaining RM3,249,919 via issuance of 12,499,688 new DNEX shares with 6,249,844 Warrants at an issue price of RM0.26 per Share on the basis of one (1) Warrant for every two (2) new DNEX Shares issued.

The total purchase consideration for OGPC Group is RM203,000,000 which shall be satisfied by partial cash consideration of RM100,000,000 and the remaining RM103,000,000 via issuance of 396,153,846 new DNEX Shares with 198,076,923 Warrants at an issue price of RM0.26 per Share on the basis of one (1) Warrant for every two (2) new DNEX Shares issued. ("Proposed Acquisitions"); and
  - (iv) proposed establishment of an Employee Share Option Scheme ("ESOS") of up to five percent (5%) of the enlarged issued and paid-up share capital of DNEX ("Proposed ESOS").
- (b) As of 30 June 2014, the Company issued RM6,700,000 worth of RCN which were subsequently converted into 16,002,917 new ordinary shares of RM0.10 each. The new ordinary shares ranked pari passu in all respects with the existing issued ordinary shares of the Company.
- (c) On 3 July 2014, the Company proposed to undertake an issuance of 165,477,233 free warrants on the basis of one (1) new warrant for every four (4) existing ordinary shares of RM0.10 each in the Company held by the entitled shareholders of the Company on an entitlement date to be determined later ("Proposed Free Warrants Issue").
- (d) On 11 July 2014, the Company disposed off 25,000,000 ordinary shares of RM0.20 each at a selling price of RM0.26 per DNEX shares representing 3.22% of the total issued and paid-up share capital of DNEX, for a total consideration of RM6,500,000 and 20,000,000 ordinary shares of RM0.20 each at a selling price of RM0.30 per DNEX shares representing 2.58% of the total issued and paid-up share capital of DNEX, for a total consideration of RM6,000,000 respectively. The proceeds were used to retire the bank loans.

#### 48. COMPARATIVE FIGURES

The financial year end of the Company and all its subsidiaries was changed from 31 December to 31 March. Accordingly, the financial statements of the Group and of the Company for the financial period ended 31 March 2014 cover a 15-month period as compared to the 12-month period ended 31 December 2012.

#### 49. COMPARATIVE INFORMATION

The following information have been reclassified to conform with the presentation of the current financial period:-

	The Group		The Company	
	As Restated RM'000	As Previously Reported RM'000	As Restated RM'000	As Previously Reported RM'000

Consolidated Statements of Cash Flows (Extract):-

Net cash from/(for) operating activities	4,035	4,025	(794)	799
Net cash (for)/from investing activities	(9,193)	(11,755)	595	(1,963)
Net cash from/(for) financing activities	2,363	6,057	(595)	2,938
Cash and cash equivalents at beginning of the financial year	6,154	8,858	860	3,422
Cash and cash equivalents at end of the financial year	3,247	7,083	66	3,599

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

The breakdown of the retained profits of the Group and of the Company at the end of the reporting period into realised and unrealised profits/(losses) are presented in accordance with the directive issued by Bursa Malaysia Securities Berhad and prepared in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants, as follows:-

	The Group		The Company	
	31.3.2014 RM'000	31.12.2012 RM'000	31.3.2014 RM'000	31.12.2012 RM'000
Total retained profits of the Company and its subsidiaries:				
- realised	(41,551)	37,301	805	3,780
- unrealised	(3,136)	(130)	(24)	-
	(44,687)	37,171	781	3,780
Add: Consolidation adjustments	83,468	4,041	-	-
At 31 March/31 December	38,781	41,212	781	3,780



# Notice of Sixth Annual General Meeting

**NOTICE IS HEREBY GIVEN** that the Sixth Annual General Meeting of **CENSOFF HOLDINGS BERHAD** ("Censoff" or the "Company") will be held at Rafflesia 1 & 2, LG1 Floor, Sime Darby Convention Centre, 1A, Jalan Bukit Kiara 1, 60000, Kuala Lumpur, Malaysia on Friday, 29 August 2014 at 10.00 a.m. for the following purposes:-

## AGENDA

### AS ORDINARY BUSINESS

1. To receive the Audited Financial Statements for the period financial ended 31 March 2014 together with the Directors' and Auditors' Reports thereon.
2. To approve the payment of Directors' fees for the financial year ended 31 March 2014. **Ordinary Resolution 1**
3. To re-elect the following directors retiring pursuant to Article 78 of the Company's Articles of Association and being eligible, have offered themselves for re-election:
  - 3.1 Mr Tamil Selvan A/L M. Durairaj **Ordinary Resolution 2**
  - 3.2 Ms Ang Hsin Hsien **Ordinary Resolution 3**
4. To re-appoint Tan Sri Dato' Mohd Ibrahim Bin Mohd Zain retiring pursuant to Section 129(6) of the Companies Act 1965 as Director of the Company. **Ordinary Resolution 4**
5. To re-appoint Messrs Crowe Horwath 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 Ordinary Resolution:

6. **AUTHORITY TO ALLOT SHARES PURSUANT TO SECTION 132D OF THE COMPANIES ACT, 1965** **Ordinary Resolution 6**

"THAT pursuant to Section 132D of the Companies Act, 1965, and subject to the approvals of the relevant governmental and/or regulatory authorities, the Directors be and are hereby empowered to issue 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 issued pursuant to this resolution does not exceed ten (10) per cent of the issued share capital of the Company thereat AND THAT the Directors be and are also hereby authorised to obtain the approval from Bursa Malaysia Securities Berhad for the listing and quotation of the additional shares so issued AND THAT such authority shall continue in force until the conclusion of the next Annual General Meeting of the Company."
7. To transact any other business which may properly be transacted at an Annual General Meeting for which due notice shall have been given

By order of the Board

**LIM SECK WAH (MAICSA NO. 0799845)**

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

Company Secretaries

Kuala Lumpur

Dated this: 7 August 2014

**Notes:-**

1. For the purpose of determining a member who shall be entitled to attend and vote at the Annual General Meeting, the Company shall be requesting the Record of Depositors as at 25 August 2014. Only a depositor whose name appears on the Record of Depositors as at 25 August 2014 shall be entitled to attend the said meeting or appoint proxies to attend, speak and vote in his/her stead.
2. A member entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend and vote in his/her stead. A member may appoint up to two proxies to attend the same meeting provided that he specifies the proportion of his shareholding to be represented by each proxy. A proxy may but need not be a member of the Company and a member may appoint any person to be his/ hers proxy.
3. Where a member is an authorised nominee as defined under the Security Industry (Central Depositories) Act, 1991, it may appoint at least one (1) proxy in respect of each Securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.
4. A member who is an exempt authorized nominee is entitled to appoint multiple proxies for each omnibus account it holds.
5. The Form of Proxy shall be in writing under the hand of the appointor or his attorney duly authorized in writing or if such appointor is a corporation, under its common seal or under the hand of the attorney.
6. The Form of Proxy must be deposited at the share registrar of the Company at Level 6, Symphony House, Block D13, Pusat Dagangan Dana 1, Jalan Pju 1a/46, 47301 Petaling Jaya, Selangor Darul Ehsan not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof.

**Explanatory Notes on Special Businesses:**

**1. Ordinary Resolution 6**

The proposed Resolution 6 is a renewal of mandate given by the shareholders at the previous Annual General Meeting held on 26 June 2013, primarily to give flexibility to the Board of Directors to issue and allot shares at any time in their absolute discretion and for such purposes as they consider would be in the interest of the Company without convening a general meeting. This authority, unless revoked or varied at a general meeting, will expire at the next annual general meeting of the Company.

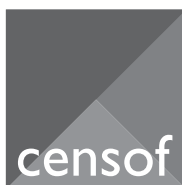
The Company continues to consider opportunities to broaden its earnings potential. If any of the expansion/diversification proposals involves the issue of new shares, the Directors, under certain circumstance when the opportunity arises, would have to convene a general meeting to approve the issue of new shares even though the number involved may be less than 10% of the issue capital.

In order to avoid any delay and costs involved in convening a general meeting to approve such issue of shares, it is thus considered appropriate that the Directors be empowered to issue shares in the Company, up to any amount not exceeding in total 10% of the issued share capital of the Company for the time being. The renewed authority will provide flexibility to the Company for the allotment of shares for the purpose of funding future investment, working capital and/or acquisitions. This authority, unless revoked or varied at a general meeting will expire at the conclusion of the next Annual General Meeting of the Company.

As at the date of this Notice, 34,420,000 new ordinary shares of RM0.10 each in the Company were issued by way of private placement to identified investors pursuant to Section 132D of the Companies Act 1965 which is equivalent to 10% of the Company paid-up capital thereat. Total proceeds raised from the private placement exercise was RM 17,332,753.

The details of utilization of the proceeds from the private placement exercise are disclosed on page 44 of this Annual Report.



**PROXY FORM***(Before completing this form please refer to the notes below)***No. of ordinary shares held**I/We \_\_\_\_\_ I/C No./Co. No./CDS A/C No. \_\_\_\_\_  
(Full name in Capital Letters)of \_\_\_\_\_  
(Full address)being a member/members of **CENSO HOLDINGS BERHAD**, hereby appoint the following person(s):-

Name of proxy, NRIC No. & Address	No. of shares to be represented
1.	
2.	

or failing him/her, the Chairman of the Meeting as my/our proxy to attend and vote for me/us on my/our behalf at the Sixth Annual General Meeting of the Company to be held at Rafflesia 1 & 2, LG1 Floor, Sime Darby Convention Centre, 1A, Jalan Bukit Kiara 1, 60000, Kuala Lumpur, Malaysia on Friday, 29 August 2014 at 10.00 a.m. and at any adjournment thereof. My/our proxy/proxies is/are to vote as indicated below:-

ORDINARY RESOLUTIONS		FIRST PROXY		SECOND PROXY	
		FOR	AGAINST	FOR	AGAINST
1.	To approve the payment of Directors' fees for the financial year ended 31 March 2014.				
2.	To re-elect Mr Tamil Selvan A/L M. Durairaj who retires pursuant to Article 78.				
3.	To re-elect Ms Ang Hsin Hsien who retires pursuant to Article 78.				
4.	To re-appoint Tan Sri Dato' Mohd Ibrahim Bin Mohd Zain retiring pursuant to Section 129(6) of the Companies Act, 1965.				
5.	To re-appoint Messrs Crowe Horwath as Auditors and to authorise the Directors to fix their remuneration.				
6.	Authority to issue shares pursuant to Section 132D of the Companies Act, 1965.				

*(Please indicate with a "✓" or "X" in the space 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.). The first named proxy shall be entitled to vote on a show of hands on my/our behalf.*

Signature of Shareholder(s)/Common Seal

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2014

**Notes:**

- For the purpose of determining a member who shall be entitled to attend and vote at the Annual General Meeting, the Company shall be requesting the Record of Depositors as at 25 August 2014. Only a depositor whose name appears on the Record of Depositors as at 25 August 2014 shall be entitled to attend the said meeting or appoint proxies to attend, speak and vote in his/her stead.
- A member entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend and vote in his/her stead. A member may appoint up to two proxies to attend the same meeting provided that he specifies the proportion of his shareholding to be represented by each proxy. A proxy may but need not be a member of the Company and a member may appoint any person to be his proxy.
- Where a member is an authorised nominee as defined under the Security Industry (Central Depositories) Act, 1991, it may appoint at least one (1) proxy in respect of each Securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.
- A member who is an exempt authorized nominee is entitled to appoint multiple proxies for each omnibus account it holds.
- The Form of Proxy shall be in writing under the hand of the appointor or his attorney duly authorized in writing or if such appointor is a corporation, under its common seal or under the hand of the attorney.
- The Form of Proxy must be deposited at the share registrar of the Company at Level 6, Symphony House, Block D13, Pusat Dagangan Dana 1, Jalan Pju 1a/46, 47301 Petaling Jaya, Selangor Darul Ehsan not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof.

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AFFIX STAMP

**THE SHARE REGISTRAR**  
**CENSO HOLDINGS BERHAD** (828269 A)  
Level 6, Symphony House  
Block D13, Pusat Dagangan Dana 1  
Jalan PJU 1A/46  
47301 Petaling Jaya  
Selangor Darul Ehsan

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### **Censof Holdings Berhad**

(Co.No.: 828269-A)

A-8, Block A, Level 8, Sunway PJ51A,, Jalan SS9A/19, Seri Setia  
47300 Petaling Jaya, Selangor Darul Ehsan, Malaysia  
**T** +60 3 7962 7888 **F** +60 3 7962 7800  
[www.censof.com](http://www.censof.com)

### **Century Software (M) Sdn Bhd**

(Co.No.: 445590-UI)

A-7, Block A, Level 7, Sunway PJ51A, Jalan SS9A/19, Seri Setia,  
47300 Petaling Jaya, Selangor Darul Ehsan, Malaysia  
**T** +60 3 7962 7888 **F** +60 3 7962 7800  
[www.censof.com](http://www.censof.com)

### **T-Melmax Sdn Bhd**

(Co.No.: 593550-D)

A-3, Block A, Level 3, Sunway PJ51A, Jalan SS9A/19, Seri Setia  
47300 Petaling Jaya, Selangor Darul Ehsan, Malaysia  
**T** +60 3 7877 9500 **F** +60 3 7877 5200  
[www.t-melmax.com](http://www.t-melmax.com)

### **PT Praisindo Teknologi**

Jl. Empu Sendok, No 53, Senopati  
Jakarta 12110, Indonesia  
**T** +62 21 526 5423 / +62 21 526 5424 **F** +62 21 573 6236  
[www.praisindo.com](http://www.praisindo.com)

### **Knowledgecom Corporation Sdn Bhd**

(Co.No.: 457209-A)

Unit C-15-03, Block C, 3 Two Square, No. 2, Jalan 19/1,  
46300 Petaling Jaya, Selangor Darul Ehsan, Malaysia  
**T** +60 3 7960 1922 **F** +60 3 7960 1921  
[www.eknowledge.com.my](http://www.eknowledge.com.my)

### **Dagang NeXchange Berhad**

(Co.No.: 10039-P)

Tower 3, Avenue 5,  
The Horizon Bangsar South, No. 8, Jalan Kerinchi,  
59200 Kuala Lumpur, Malaysia  
**T** +603-2730 0300 **F** +603-2713 3131  
[www.teb.com.my](http://www.teb.com.my)